FOI #16252

Torres-Rojas, Genara

From: ecarey@nycdistrictcouncil.org
Sent: Wednesday, August 19, 2015 8:09 AM
To: Olivencia, Mildred
Cc: Torres-Rojas, Genara; Van Duyne, Sheree; Ng, Danny
Subject: Freedom of Information Online Request Form

Information:

First Name: eamon
Last Name: carey
Company: carpenters union
Mailing Address 1: 395 Hudson street
Mailing Address 2:
City: new york
State: NY
Zip Code: 10014
Email Address: ecarey@nycdistrictcouncil.org
Phone: 917-376-5531
Required copies of the records: Yes

List of specific record(s):
Lease agreements with the Nicotra group richard nicotra from about 2008 and leases being considered currently.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

September 10, 2015

Mr. Eamon Carey
Carpenters Union
395 Hudson Street
New York, NY 10014

Re: Freedom of Information Reference No. 16252

Dear Mr. Carey:

This is in response to your August 19, 2015 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code", copy enclosed) for a copy of the lease agreements with the Nicotra Group Richard Nicotra from about 2008 and leases being considered currently.

Material responsive to your request and available under the Code can be found on the Port Authority's website at http://www.panynj.gov/corporate-information/foi/16252-LPA.pdf. Paper copies of the available records are available upon request.

Pursuant to the Code, certain portions of the material responsive to your request are exempt from disclosure as, among other classifications, privacy and security.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,

Danny Ng
FOI Administrator

Enclosure

4 World Trade Center, 18th Floor
150 Greenwich Street
New York, NY 10007
T: 212 435 7348 F: 212 435 7555

ASSIGNMENT OF LEASE
WITH ASSUMPTION AND CONSENT
(Lease No. TP-003)

THIS AGREEMENT, made as of December 3 2008 by:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), a body corporate and politic created by Compact between the States of New York and New Jersey, with the consent of the Congress of the United States of America, having an office for the transaction of business at 225 Park Avenue, South, in the Borough of Manhattan, in the City, County and State of New York, and

TELEPORT ASSOCIATES (hereinafter called "the Assignor"), a New York joint venture with an office for the transaction of business c/o Murray Construction Co., Inc., Schoolhouse Plaza, 374 Millburn Avenue, 4th Floor, Millburn, New Jersey 07041, and

THE CORPORATE COMMONS OF STATEN ISLAND, LLC (hereinafter called "the Assignee"), a limited liability company organized and existing under the laws of the State of New York, with an office for the transaction of business at 1110 South Avenue at Lois Lane, Staten Island, New York 10314.

WITNESSETH, THAT:

WHEREAS, the Assignor desires to assign to the Assignee that certain Agreement of Lease dated as of July 8, 1985, made by and between the Port Authority and the Assignor, and hereinafter, as the same has been heretofore amended and extended, called "the Lease"; covering premises at the Teleport, located in a portion of the Staten Island Industrial Park leased by the City of New York to the Port Authority; and

WHEREAS, the Port Authority is willing to consent to such assignment on certain terms, provisions, covenants and conditions;

NOW, THEREFORE, in consideration of the covenants and mutual promises herein contained, the Port Authority, the Assignor and the Assignee hereby agree as follows:

1. The Assignor does hereby assign, transfer and set over to the Assignee its heirs, executors, administrators and successors to its and their own proper use, benefit and behoof forever, the Lease, to have and to hold the same unto the Assignee, its heirs, executors, administrators and successors from the 3rd day of December, 2008, for and during all the rest, residue, and remainder of the term of the letting under the Lease, subject nevertheless to all the terms, provisions, covenants and conditions therein contained.

2. The Port Authority hereby consents to the foregoing assignment. Notwithstanding anything herein to the contrary, the granting of such consent by the Port Authority shall not be, or be deemed to operate as, a waiver of the requirement for consent or consents to each and every subsequent assignment by the Assignee or by any subsequent assignee.

3. The Assignee does hereby assume the performance of and does hereby agree to perform, observe and be subject to, all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay rent, contained in the Lease, which were or are to be performed or observed by or are applicable to the Lessee thereunder, as though the Assignee were the original signatory to the Lease. Without limiting the foregoing, as an inducement to the Port Authority to consent to this assignment, the Assignee hereby covenants and agrees that the Assignee will use the premises solely for the purpose set forth in Section 3 of the Lease and that such use shall be subject to all of the provisions of the Lease. The execution of this instrument by the Port Authority does not constitute a representation by it that the Assignor has performed or fulfilled every obligation required by the Lease; and as to such matters the Assignee agrees to rely solely upon the representations of the Assignor.

4. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Assignor or by the Assignee with any liability or held liable to either of them under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

[Signature page follows.]

IN WITNESS WHEREOF, the Port Authority, the Assignor and the Assignee have executed these presents as of the date first hereinabove set forth.

WITNESS/ATTEST: By: Clifford Schwartz Name: CLIFFORD SCHWARTZ Title: TREASURER By: _____ Name: Title:	ASSIGNOR: TELEPORT ASSOCIATES By: SILVERSTEIN TELEPORT CO. A New York Limited Partnership A Joint Venturer By: SILSAT, INC. A New York Corporation General Partner By: _____ Name: Michael Levy Title: Vice President By: MURRAY TELEPORT ASSOCIATES, L.P., A New Jersey Limited Partnership A Joint Venturer By: TELESTAT CORP. A New Jersey Corporation General Partner By: _____ Name: Title: (Seal)
WITNESS/ATTEST: By: _____ Name: By: _____ Name:	ASSIGNEE: THE CORPORATE COMMONS OF STATEN ISLAND, LLC By: _____ , Member By: _____ , Member (Seal)
ATTEST: By: _____ (Title)_____	THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY By: _____ (Title)_____ (Seal)

83110078A03103008

For the Assignor

STATE OF New York
) SS.:
COUNTY OF New York

On this 31st day of October, 2008, before me, the subscriber, a notary public of New York personally came Michael Levy, the Vice President of Silsat, Inc., a general partner of the firm of Silverstein Teleport Company one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, 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 executed the same in his/her capacity, and that by his/her signature on the instrument the person upon behalf of which the individual acted, executed the instrument.

SOFIYA DUBOVAYA
Notary Public, State of New York
No. 01DU6089690
Qualified in Kings County
Commission Expires March 31, 2011

Sofiya Dubovaya
(notarial seal and stamp)

STATE OF _____)
) SS.:
COUNTY OF _____)

On this _____ day of _____, 2008, before me, the subscriber, a notary public of _____ personally came _____, the _____ of Telestat Corp., a general partner of the firm of Murray Teleport Associates, L.P. one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, 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 executed the same in his/her capacity, and that by his/her signature on the instrument the person upon behalf of which the individual acted, executed the instrument.

_____
(notarial seal and stamp)

83110078A03103008

IN WITNESS WHEREOF, the Port Authority, the Assignor and the Assignee have executed these presents as of the date first hereinabove set forth.

WITNESS/ATTEST: By: _____ Name: Title: By: _____ Name: PAUL C. VELTRI Title:	ASSIGNOR: TELEPORT ASSOCIATES By: SILVERSTEIN TELEPORT CO. A New York Limited Partnership A Joint Venturer By: SILSAT, INC. A New York Corporation General Partner By: _____ Name: Title: By: MURRAY TELEPORT ASSOCIATES, L.P., A New Jersey Limited Partnership A Joint Venturer By: TELESTAT CORP. A New Jersey Corporation General Partner By: _____ Name: Douglas Friedrich Title: Vice President (Seal)
WITNESS/ATTEST: By: _____ Name: By: _____ Name:	ASSIGNEE: THE CORPORATE COMMONS OF STATEN ISLAND, LLC By: _____ , Member By: _____ , Member (Seal)
ATTEST: By: _____ (Title)_____	THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY By: _____ (Title)_____ (Seal)

83110078A03103008

For the Assignor

STATE OF _____)
) SS.:
COUNTY OF _____)

On this _____ day of _____, 2008, before me, the subscriber, a notary public of _____ personally came _____, the _____ of Silsat, Inc., a general partner of the firm of Silverstein Teleport Company one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, 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 executed the same in his/her capacity, and that by his/her signature on the instrument the person upon behalf of which the individual acted, executed the instrument.

_____
(notarial seal and stamp)

STATE OF New Jersey)
) SS.:
COUNTY OF Essex)

On this 30 day of October, 2008, before me, the subscriber, a notary public of New Jersey personally came Douglas Friedrich, the Vice President of Telestat Corp., a general partner of the firm of Murray Teleport Associates, L.P. one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, 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 executed the same in his/her capacity, and that by his/her signature on the instrument the person upon behalf of which the individual acted, executed the instrument.

Judith A. Walsh
(notarial seal and stamp)

JUDITH A. WALSH
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 7, 2012

83110078A03103008

IN WITNESS WHEREOF, the Port Authority, the Assignor and the Assignee have executed these presents as of the date first hereinabove set forth.

WITNESS/ATTEST: By: _____ Name: Title: By: _____ Name: Title:	ASSIGNOR: TELEPORT ASSOCIATES By: SILVERSTEIN TELEPORT CO. A New York Limited Partnership A Joint Venturer By: SILSAT, INC. A New York Corporation General Partner By: _____ Name: Title: By: MURRAY TELEPORT ASSOCIATES, L.P., A New Jersey Limited Partnership A Joint Venturer By: TELESTAT CORP. A New Jersey Corporation General Partner By: _____ Name: Title: (Seal)
WITNESS/ATTEST: By: _____ Name: Sandy Thomson By: _____ Name: Sandy Thomson	ASSIGNEE: THE CORPORATE COMMONS OF STATEN ISLAND, LLC By: _____, Member , Member By: Louis Nicotra, Member , Member (Seal)
ATTEST: By: _____ (Title)_____	THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY By: _____ (Title)_____ (Seal)

83110078A03102208

For the Assignee

STATE OF New Jersey)
) SS.:
COUNTY OF Morris)

On this 23rd day of October, 2008, before me, the subscriber, a notary public of New Jersey personally came Richard Nicotra and Lois Nicotra _____, members of The Corporate Commons of Staten Island, LLC, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose names are subscribed to the within instrument and each acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument the person upon behalf of which the individual acted, executed the instrument.

(notarial seal and stamp)

JUDY K. HAHN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 5/21/2012

For the Port Authority

STATE OF _____)
) SS.:
COUNTY OF _____)

On this _____ day of _____, 2008, before me, the subscriber, a notary public of _____ personally appeared _____ the _____ _____ of The Port Authority of New York and New Jersey, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose names are subscribed to the within instrument and each acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument the person upon behalf of which the individual acted, executed the instrument.

_____
(notarial seal and stamp)

83110078A03102208

IN WITNESS WHEREOF, the Port Authority, the Assignor and the Assignee have executed these presents as of the date first hereinabove set forth.

WITNESS/ATTEST: By: _____ Name: Title: By: _____ Name: Title:	ASSIGNOR: TELEPORT ASSOCIATES By: SILVERSTEIN TELEPORT CO. A New York Limited Partnership A Joint Venturer By: SILSAT, INC. A New York Corporation General Partner By: _____ Name: Title: By: MURRAY TELEPORT ASSOCIATES, L.P., A New Jersey Limited Partnership A Joint Venturer By: TELESTAT CORP. A New Jersey Corporation General Partner By: _____ Name: Title: (Seal)
WITNESS/ATTEST: By: _____ Name: By: _____ Name:	ASSIGNEE: THE CORPORATE COMMONS OF STATEN ISLAND, LLC By: _____ Richard Nicotra, Member By: _____ Lois Nicotra, Member (Seal)
ATTEST: By: Linda C. Hamer (Title) Assistant Secretary	THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY By: _____ (Title) Francis A. DiMola Deputy Director, Real Estate Development Department (Seal)

FORMS	FORM
MCP	NR

For the Assignee

STATE OF)

)ss.

COUNTY OF)

On this day of , 2008, before me, the subscriber, a notary public of personally came and , members of The Corporate Commons Of Staten Island, LLC, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and each acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument the person upon behalf of which the individual acted, executed the instrument.

(notarial seal and stamp)

For the Port Authority

STATE OF New York)

)ss.

COUNTY OF New York)

On this 2nd day of December, 2008, before me, the subscriber, a notary public of New York, personally appeared Frank A. DiMola the Deputy Director, Real Estate Development Dept.

of The Port Authority of New York and New Jersey, 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 executed the same in his/her capacity, and that by his/her signature on the instrument the person upon behalf of which the individual acted, executed the instrument

MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 2012

(notarial seal and stamp)

SCHEDULE E

The term "Gross Expenses" shall mean and include with respect to each Site constituting a part of the premises under this Agreement solely those items set forth below which are paid or incurred during the Operating Period established with respect to such Site:

(a) wages, fringe benefits, and other payroll costs paid to or for the Lessee's hourly employees for time worked at the building constructed by the Lessee on the Site and for time worked outside the building in connection with the operation, maintenance, and repair of the building provided, however, that the amount of such wages and fringe benefits are not in excess of the amounts set forth in the applicable collective bargaining agreement covering such employees, and provided, further, however, that the wages and other fringe benefits set forth in said collective bargaining agreement (or paid or granted by the Lessee in the absence of a collective bargaining agreement) are not above the levels then customarily paid or granted to similar employees for similar work in other first class office buildings in the County of Richmond in New York City.

(b) Salaries, fringe benefits, and other payroll costs paid to or for salaried employees of the Lessee employed full time at the building constructed by the Lessee on the Site in connection with the Lessee's operation thereof under this Agreement provided, however, that such salaries and other fringe benefits shall be at the level then customarily paid or granted to similar employees for similar work in other first class office buildings in the county of Richmond in New York City.

As used above in subdivisions (a) and (b):

(i) "Fringe benefits" shall mean the items of cost which the Lessee is obligated to pay or incur pursuant to applicable collective bargaining agreements or which the Lessee otherwise agrees to pay on the basis of wages paid to employees including, without limitation, vacation allowances, sick leave, holiday pay, birthdays, jury duty, medical checkup, lunch time, relief time, other paid time off, bonuses paid in accordance with normal real estate practices to employees other than persons having an ownership interest in the Lessee, pension plans, welfare and training funds, and health, life, accident, or other such types of insurance, and any other payment made or cost incurred by agreement with such employees and

personnel or pursuant to the Lessee's established policy with respect to such employees and personnel, provided, that such benefits do not exceed those customarily paid or granted to similar employees for similar work in the operation of first class office buildings in the County of Richmond, in the City of New York;

(ii) "Other payroll costs" shall mean taxes and other payments payable pursuant to law upon the basis of wages paid to employees, including, without limitation, ~~F.I.C.A., New York~~ State Unemployment Insurance, disability insurance, and Federal Unemployment Insurance.

(c) Rental paid pursuant to Section 5 hereof

(d) The cost of ordinary maintenance, repairs, improvements, alterations and changes of or to the building other than any of such costs otherwise recoverable from Space Lessees, including, without limitation, payments to third party contractors for cleaning, rubbish removal, equipment maintenance, window cleaning, exterminating and other cleaning and maintenance services furnished by contractors in the normal operation, maintenance and repair of the building.

(e) Payments for electricity, water, sewer rents, and other fuel, utilities and services required for the operation of the building other than payments for which the Lessee is entitled to reimbursement from Space Lessees in the building.

(f) The cost of maintenance, repair and replacement of fixtures, furniture, furnishings, operating supplies, equipment and tools used in the operation of the building, including, without limitation, the cost of laundry, dry-cleaning and repair of uniforms and working clothes.

(g) The net cost of insurance carried by the Lessee with respect to the building or with respect to any accident or casualty occurring therein or with respect thereto, including appraisal costs, pursuant to the terms of this Agreement.

(h) The cost of advertising, business promotion, sales promotion, marketing and publicity services and activities incurred by the Lessee in connection with the building, including payments to third parties, and including, without limitation, the cost of printing and preparing brochures and other printed material, to the

extent that such costs do not exceed twenty five percent (25%) of the operating budget of the building for and during each of the first five annual periods under this Agreement and there- after do not exceed twelve and one-half percent (12 1/2%) thereof, provided, however, that if any of these costs represent allocations of shared costs with other buildings, the basis for allocation shall have been approved in advance by the Port Authority.

(i) The costs of telephone, telegraph, postage, messenger service and other communication charges, trucking and protection services incurred with respect to the operation and maintenance of the building.

(j) Payments for rental of leased equipment and supplies, including, without limitation, uniforms and work clothes, used in connection with the operation and maintenance of the building.

(k) Payments to third parties for legal, accounting, architectural, engineering, space planning and other professional services related to the operation and maintenance of the building, other than payments for which the Lessee is entitled to reimbursement from Space Lessees in the building, and provided such payments do not exceed those customarily paid for such services in County of Richmond in New York City.

(l) Payments for taxes, excises, levies and assessments pursuant to Section 6 of this Agreement, other than payments for which the Lessee is entitled to reimbursement from Space Lessees in the building and not including income or franchise taxes paid by the Lessee.

(m) Interest and amortization at a rate approved in advance by the Port Authority on any Leasehold Mortgage obtained by the Lessee in accordance with the provisions of Section 18 of this Agreement. In the event the Lessee acting diligently and in good faith is unable to obtain permanent financing for the building in an amount at least equal to the amount of the Leasehold Mortgage obtained by the Lessee to secure the construction loan thereon, or in the event the initial cost of construction of the building exceeds the proceeds of the permanent mortgage obtained with respect thereto an amount equivalent to interest and amortization payments on the amount of such excess at the rate applicable to the approved Leasehold Mortgage shall be a permitted expense for purposes of calculating Net Cash Flow hereunder for the building for the full term of such Leasehold Mortgage or until such Leasehold Mortgage shall have been refinanced or replaced in accordance with the provisions of Section 18 of this Agreement.

(n) The cost of extraordinary improvements, alterations, charges or repairs subsequent to completion of the building and incurred to comply with governmental laws, rules, regulations, ordinances, requirements, orders or directions adopted subsequent to completion of the building in accordance with the provisions of Section 6 of this Agreement, or incurred by the Lessee to perform major repairs, replacements or improvements subsequent to completion of the building in accordance with the provisions of Section 9 and 11 of this Agreement. Costs under this item (n) shall be amortized over the term of this Agreement in accordance with generally accepted accounting principles in the real estate industry. In the event the Lessee elects to finance such costs, interest and amortization on such financing, at a rate approved in advance by the Port Authority, shall be a permitted expense.

(o) Payments made into reserve funds established in accordance with generally accepted accounting principles as consistently applied prior to the execution of this Agreement for major repairs, replacements, alterations and improvements to the building.

(p) License and permit fees paid to governmental authorities or agencies for licenses or permits required for the operation of the building or any facilities therein.

(q) Allowances for bad debts at a rate in accordance with generally accepted accounting principles for the real estate industry.

(r) Payment of management fees to a managing agent for the building for management services provided, however, that the Port Authority shall have agreed in advance to the agent, to the amount of such fees, and to the terms of the operating agreement, provided, further, that the Port Authority shall not unreasonably withhold its approval to the agent if all of the requirements of subdivisions (i), (ii), (iii), and (iv) of Section 18.5.2 of this Agreement are met, and shall not unreasonably withhold its approval of the fee and the operating agreement if such are in accord with customary practices then in effect in the real estate industry for comparable buildings in the area.

(s) Payments by the Lessee for tenant construction work other than payments otherwise recoverable from Space Lessees in the building. Costs under this item shall be amortized over the term of the Space Lease in accordance with generally accepted auditing standards in the real estate industry.

(t) Any expenditure not itemized or referred to above as would customarily be incurred by a prudent developer, manager or operator in the conduct of or relating to the operation of a first class office building in the County of Richmond, in New York City.

In no event shall Gross Expenses under this Schedule include any costs or expenditures which have been or should have been included in the Lessee's initial cost of construction for the building, nor any amounts representing depreciation or amortization, other than as specifically permitted in this Schedule, nor any cash or donations by the Lessee other than as set forth in paragraph (m) of this Schedule. No expenditure shall be included more than once in Gross Expenses even though fitting under more than one item provided for above. .All accounting hereunder shall be in accordance with generally accepted auditing standards.

Payments made to persons, firms or corporations which own or control the Lessee or who are owned or controlled by the Lessee or to any person, firms, or corporations owned and controlled by the same persons, firms or corporations which own and control the Lessee shall not constitute permitted expenses under this Schedule to the extent they exceed those normally made in accordance with customary practices then in effect in the real estate industry for comparable buildings in the area.

As used herein "initial cost of construction shall mean and include:

(i) payments made or incurred by the Lessee to contractors and suppliers for performance of construction of the Building;

(ii) payments made or incurred by the Lessee for all materials, supplies, equipment and utilities used in connection with performance of building construction work;

(iii) The cost of any performance or other bonds in connection with the construction of the building;

(iv) The cost of any insurance provided in connection with the construction, including, without limitation thereto, fire and extended coverage, workmen's compensation and comprehensive general liability;

(v) Payments by the Lessee to independent consultants, architects, engineers, attorneys, accountants, and all other experts engaged or retained by the Lessee to perform services for or in connection with any aspect of the construction provided such payments do not exceed those customarily paid for such services in connection with the construction of similar buildings in the County of Richmond in New York City;

(vi) Payments by the Lessee to any other third persons (excluding the Lessee's employees) for work performed or services rendered for or in connection with the construction;

(vii) Brokerage commissions paid to a real estate broker licensed to do business in New York State at the rates then prevailing in the County of Richmond, and payments or costs incurred in connection with the relocation of tenants to the building which payments and costs do not exceed those customarily paid or incurred with respect to comparable buildings in the area, provided that such commissions, payments and costs are incurred solely in connection with the initial leasing of space in the building.

(viii) Any other direct costs as properly charged under generally accepted accounting principles consistently applied;

(ix) financing, interest and other overhead or carrying charges which are due for a period ending on the earlier of (i) the day preceding the third anniversary of the commencement date of the letting under this Agreement fixed in paragraph 2.1 of this Agreement, or (ii) the date the proceeds of the Leasehold Mortgage obtained by the Lessee to service the permanent financing of such building is made available to the Lessee.

(x) the amount of Development Period Rental paid to the Port Authority during the Development Period established for the Site on which such building is constructed.

Simultaneously with delivery to the Port Authority by the Lessee of the Lessee's final certification required by paragraph 4.13 of this Agreement the Lessee shall also deliver a sworn statement of the initial cost of construction of each building constructed by the Lessee pursuant to this Agreement detailing all the foregoing, together with such other evidence of said cost as the Port Authority may request. The Lessee shall from time to time thereafter certify to the Port Authority any additional items to be included in such cost as the Lessee's costs are paid or incurred and also any items to be deleted or reduced. The Lessee shall permit the Port Authority by its agents, employees and representatives at all reasonable times prior to a final determination of cost with respect to each such building to examine and audit the records and other documentation of the Lessee which pertain to and will substantiate the cost thereof. In no event whatsoever shall initial cost of construction as defined and computed in this Schedule, include any expenses, outlays or charges whatsoever by or for the account of the Lessee for or in connection with any work in any building unless such are actually and completely installed in and or made thereto.

In no event shall there be included in the initial cost of construction any item of cost for which the Lessee is otherwise entitled to reimbursement under this Agreement, or which results solely from the fault, negligence or wilful misconduct of the Lessee or its contractors, nor shall any item of cost or expense be included in the initial cost of construction more than once even through fitting under more than one category provided for in this Schedule.

s/s Guy F. Tozzoli
For the Port Authority

Initialled:

s/s Larry A. Silverstein
For the Lessee

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 8th day of July, 1985, before me personally came Guy F. Tozzoli, to me known, who, being by me duly sworn, did depose and say that he resides at
that he is the Director, World Trade Department of The Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

/s/ Sidney Lipstein

SIDNEY D. LIPSTEIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-2377385
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1987

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 8th day of July, 1985, before me personally came Maurice M. Weill , to me known, who, being by me duly sworn, did depose and say that he resides at
that he is the President of Telestat Corp. a general partner of the firm of Silverstein Teleport Company one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, and which executed the foregoing instrument on behalf of Teleport Associates; and said, Maurice M. Weill acknowledged that he executed the foreging instrument for and on behalf of Teleport Associates.

/s/ Sidney Lipstein

SIDNEY D. LIPSTEIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-2377385
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1987

THE PORT AUTHORITY OF NY & NJ Memorandum

To: Marie Putignano
From: Gregory J. Fierce
Date: February 24, 1989
Subject: **TELEPORT II - LEASE BETWEEN P.A. & TELEPORT ASSOCIATES**

Reference:

Copy To:

Refer To	Date	Noted By	Date
Return To		File	

Attached for Port Authority execution you will find copies of the Recognition and Attornment Agreement associated with Lease TP-003, amended by Supplement #1.

This agreement confirms the rights of the Sublessee (Teleport Associates) in the event of termination or expiration of the Master Lease between the City of New York and the Port Authority.

The Law Department has concurred.

This document should be made a permanent part of the TP-003 lease file upon execution.

GFierce

Gregory J. Fierce
Manager-Marketing and
Real Estate Development
The Teleport

PA 90A
3-60

A 84522

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

M E M O R A N D U M

To: Sidney D. Lipstein
From: Gregory J. Fierce
Date: February 14, 1989
Subj: **Teleport Associates - Lease No. TP003**
Ref: Buckslip Lipstein to Catlin 2/8/89

cc: Robert Catlin

The attached agreement is returned for approval as to form by your department.

Please return this document to allow us to arrange for Port Authority execution.

Gregory J. Fierce

RECOGNITION AND ATTORNMENT AGREEMENT

Dated: January 12, 1989

Master Lessor:	The City of New York, a municipal corporation of the State of New York acting through its Department of General Services
Master Lessee and Sublessor:	The Port Authority of New York and New Jersey, its successors and assigns (collectively)
Sublessee:	Teleport Associates
Master Lease:	Dated as of May 15, 1984 and amended as of July 2, 1987 covering, in part, the Premises
Sublease:	Dated as of July 8, 1985 as amended by Supplement No. 1 dated January 9, 1989 covering the Premises
Premises:	Land Described in Exhibit A and the Improvements thereon

THE CITY OF NEW YORK, as Master Lessor under the Master Lease, a memorandum of which has been recorded in Reel 46, page 7713 on August 6, 1985, and TELEPORT ASOCIATES, a joint venture of Silverstein Teleport Co. and Murray Teleport Associates, L.P., having its principal office at c/o Silverstein Properties, Inc., 521 Fifth Avenue, New York, New York 10175, as Sublessee under the Sublease, a memorandum of which has been recorded in Reel 53, page 732 on November 26, 1985, hereby agree as follows:

1. In the event of a termination or expiration of the Master Lease, the Sublease shall thereafter continue in full force and effect as a direct lease between Sublessee and Master Lessor, upon all the terms and conditions of the Sublease (including, without limitation, any rights to extend the term of the Sublease) and the Sublease shall not be deemed terminated or expired for any purpose, all in accordance with the terms and conditions of the Sublease; provided that at the time of such termination or expiration of the Master Lease, the Sublease is in full force and effect and that no event of default exists thereunder. Master Lessor agrees in such event to recognize the Sublease and the rights of Sublessee thereunder and not to disturb the possession of Sublessee in and to the Premises, all in accordance with the terms and conditions of the Sublease; provided that at the time of such termination or expiration of the Master Lease, the Sublease is in full force and effect and that no event of default exists thereunder. It is the understanding and agreement of the parties hereto that the Master Lessor's agreement to recognize, and the Sublessee's agreement to attorn, as such recognition and attornment are respectively

provided for in this paragraph 1 and in paragraph 2 hereof, are agreements which are each unconditional, subject to the requirements that at the time of the termination or expiration of the Master Lease, the Sublease is in full force and effect and that no Event of Default exists thereunder. From and after such time as Sublessee becomes the direct tenant of the Master Lessor pursuant to this Agreement, the Master Lessor hereby grants to Sublessee the right to extend the term of the Sublease for such period as may be required to comprise a total term, including such extension, of the sublease of sixty (60) years. In the event of a termination of the Master Lease, Master Lessor agrees to give the Sublessee prompt written notice thereof and Sublessee shall have ninety (90) days after such notice within which to exercise its right to extend the term of the Sublease as set forth herein.

2. In the event of a termination or expiration of the Master Lease, Sublessee shall attorn to the Master Lessor and the Sublease shall continue in accordance with its terms between Sublessee and the Master Lessor. Such attornment shall provide the Master Lessor with all rights of Sublessor under the Sublease and Sublessee shall be obligated to Master Lessor to perform all of the obligations of Sublessee thereunder. Any attornment by the Sublessee shall be effective and self-operative as of the date of the termination or expiration of the Master Lease without the execution of any further instrument.

3. Upon the request of Master Lessor or Sublessee, Sublessee and Master Lessor agree to execute and deliver to the Master Sublessor or Sublessee such other instruments in recordable form as Master Sublessor or Sublessee shall reasonably request in order to effectuate or evidence such recognition and attornment.

4. Upon recognition and attornment by Master Lessor and Sublessee, respectively, as provided herein, neither Master Lessor, nor anyone claiming by, through or under Master Lessor shall be: (i) liable for any act or omission of Sublessor; or (ii) subject to any offsets or defenses which Sublessee may have against Sublessor; or (iii) bound by any payment of rent which Sublessee might have paid for more than the current month to Sublessor; or (iv) bound by any covenant to undertake or complete any of the obligations described in Section 14.08 of the Master Lease as continuing to be the responsibility of the Port Authority; or (v) deemed a coobligor on, or a guarantor of, or in any way liable for, the indebtedness or other obligations of Sublessee; or (vi) bound by any modification of the Sublease which reduces any rent or other charges payable under the Sublease, or shortens the term thereof, or otherwise materially adversely affects the rights of Sublessor, made without the written consent of the Master Lessee, if such consent is required under the Master Lease.

5. The Master Lessor hereby waives the requirements set forth in those portions of Section 14.09 of the Master Lease which are identified as "(a)", "(b)" and "(ii)".

6. The provisions of this Agreement shall survive the termination or expiration of the Master Lease.

7. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns, including any assignee of the Master Lessor or mortgagee of the Sublessee.

8. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York.

9. This Agreement may not be terminated, amended or waived orally, but only by an instrument in writing signed by Sublessee, the Master Lessor and any mortgagee of the Sublessee.

10. Master Lessor hereby confirms that the Master Lease is in full force and effect and Master Lessor knows of no defaults on the part of the Master Lessee, or any events which with notice or the passage of time would become a default.

11. The Master Lessor hereby consents to the Sublease, which by its terms is subject to the Master Lease; provided, however, that to the extent there is any conflict between the provisions of the Master Lease and the Sublease, the Master Lease will govern, and in the event the Master Lease terminates, (i) the Master Lease will continue to so govern as if the Master Lease were still in effect, and (ii) the Sublease will continue to remain subject to the Master Lease as if the Master Lease were still in effect. By consenting to the Sublease as provided herein, Master Lessor does not intend to consent to, and shall not be deemed to have consented to, any failure of the Sublease to comply with those terms and conditions of the Master Lease which, by virtue of the application of such terms and conditions to a "Sublease" (as that term is defined in the Master Lease), apply to the Sublease.

12. Unless expressly provided herein to the contrary, nothing in this agreement shall be deemed to (i) waive, modify, or in any way limit the terms and conditions, or the application thereof, of the Master Lease, including without limitation those terms and conditions of the Master Lease which, by virtue of the application of such terms and conditions to a "Sublease" (as that term is defined in the Master Lease), apply to the Sublease; or (ii) require the Sublessee to perform the obligations of the Master Lessee, it being the understanding of the parties hereto that the Sublessee's obligations shall be those set forth in the Sublease, whether or not the Master Lease is still in effect; or (iii) waive, modify or in any way limit the agreements and covenants of the Sublessor under the Sublease.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

THE CITY OF NEW YORK

Attest:

By: _____
Deputy Mayor

City Clerk First Deputy and Acting City Clerk

Approved as to form:

Acting Corporation Counsel

TELEPORT ASSOCIATES

By: Silverstein Teleport Co., a Joint Venturer

By: Silsat, Inc., a general partner

By: _____

By: Murray Teleport Associates, L.P., a Joint Venturer

By: Telestat Corp., a general partner

By: _____

Acknowledged this day of January, 1989

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Director
World Trade &
Economic Development

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 12th day of January, 1989, before me personally came Robert Esnard, to me known, who, being by me duly sworn, did depose and say ~~that he resides at~~ that he is the Deputy Mayor of The City of New York, the same person who executed the foregoing instrument; that he acknowledged that he executed the foregoing instrument on behalf of The City of New York as Deputy Mayor and pursuant to the authority vested in him by Board of Estimate Resolution (Cal. No. 391, 4/28/83)

(notarial seal and stamp)

BRUCE REGAL
Notary Public, State of New York
No. 31-4810923
Qualified in New York County
Commission Expires August 31, 1990

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 12th day of January, 1989, before me personally came Howard Shapiro to me known, who, being by me duly sworn, did depose and say that he resides at ; that he is the Secretary of Silsat, Inc., a general partner of the firm of Silverstein Teleport Co., one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, and which executed the foregoing instrument on behalf of Teleport Associates; and said acknowledged that he executed the foregoing instrument for and on behalf of Teleport Associates.

Geralyn A. Fay
(notarial seal and stamp)

GERALYN A. FAY
Notary Public, State of New York
No. 31-4944076
Qualified in New York County
Commission Expires November 14, 1990

On this 12th day of January, 1989, before me personally came RAYMOND C. TEATUM, with whom I am acquainted and known to me to be the 1st Deputy and Acting City Clerk of the City of New York, being by me duly sworn, deposes and say; that he resides at

that he is the 1st Deputy and Acting City Clerk of the City of New York, the municipal corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that it was so affixed as provided by law; and that he signed his name thereto as 1st Deputy and Acting City Clerk by like authority.

Norma Lopez
Notary Public

NORMA LOPEZ
Commissioner of Deeds
City of New York - No. 3-2101
Certificate filed in New York County
Commission Expires February 1, 19.. 89

STATE OF NEW YORK)
ss.:
COUNTY OF NEW YORK)

On the 12th day of January, 1989, before me personally came David Frischman to me known, who, being by me duly sworn, did depose and say that he resides at ; that he is the Vice President of Telestat Corp., a general partner of the firm known as Murray Teleport Associates, L.P., one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, and which executed the foregoing instrument on behalf of Teleport Associates; and said acknowledged that he executed the foregoing instrument for and on behalf of Teleport Associates.

Aaron Friedman
(notarial seal and stamp)

AARON FRIEDMAN
NOTARY PUBLIC, State of New York
No. 03-4872893
Qualified in Bronx County
Commission Expires Sept. 15, 1990

Port Authority Lease No. TP-003
Supplement No. 1

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of January 9, 1989 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and TELEPORT ASSOCIATES, a joint venture of SILVERSTEIN TELEPORT CO. (heretofore identified as Silverstein Teleport Company) AND MURRAY TELEPORT ASSOCIATES, L.P (heretofore identified as Murray Teleport Associates, Silverstein Teleport Co and Murray Teleport Associates, L.P being hereinafter collectively called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore and as of the 8th day of July, 1985 entered into an agreement of lease identified by the above Port Authority Lease Number (which agreement of lease as the same may have been heretofore supplemented and amended is hereinafter called "the Lease"), covering premises at the Port Authority Teleport, in the County of Richmond, in the city and State of New York, all as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to add to the premises under the Lease and to amend the same in certain other respects;

NOW, THEREFORE, for and in consideration of the mutual agreements hereinafter contained, the Port Authority and the Lessee hereby agree as follows:

1.(a) In addition to the premises heretofore let to the Lessee under the Lease, the letting to which shall continue in full force and effect, subject to and in accordance with all of the terms, provisions, covenants and conditions of the Lease as herein amended, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Port Authority Teleport the open area of land shown in diagonal hatching on the sketch attached hereto, hereby made a part of the Lease as herein amended and marked "Exhibit A-2" which area is sometimes hereinafter in this Agreement referred to as Site B-1 and is more particularly described on a survey description attached hereto, hereby made a part of the Lease as herein amended, and marked "Schedule A-2", together with the property, if any, of the Port Authority located or to be located therein, thereon or thereunder, and all structures, improvements, additions, buildings and facilities which, in accordance with the provisions of the Lease as herein amended, located or to be located, constructed or installed therein, thereon or thereunder (all of which is sometimes hereinafter in this Agreement

collectively referred to as "the Additional Premises"), reserving however unto the Port Authority all rights in and to the ground and other sub-surface areas below the land and the right to use the same so long as such use shall not affect the structural integrity or right of support of the building to be constructed thereon by the Lessee, and shall not unreasonably interfere with the Lessee's right to use the Additional Premises for the purposes set forth in paragraph 2 of this Agreement. The parties acknowledge that the Additional Premises constitutes non-residential real property.

(b) Except to the extent required for the performance of any of the obligations of the Lessee under the Lease as herein amended, nothing contained in this Agreement shall grant the Lessee any right whatsoever in the air space above the Additional Premises, subject to the provisions of Section 1.2 of the Lease.

2. The Lessee shall use Site B-1 solely for the construction and operation of a building consisting of up to four stories and containing approximately 166,000 sq. ft. of floor space, to be operated by the Lessee as a first class office building for occupancy by Space Tenants in accordance with the Section of the Lease entitled "Space Leases", which building may be constructed either as a separate building or as an addition to the building constructed by the Lessee on Site A pursuant to the Lease. The limitations imposed upon the Port Authority pursuant to the provisions of paragraph 3.2 of the Lease shall not apply or have any force or effect with respect to the letting of Site B-1 under the Lease as herein amended. The Lessee shall not use site B-1 for any other purposes whatsoever.

3. The Lessee shall design, construct and equip on Site B-1 a facility of the type and size described in paragraph 2 of this Agreement together with all associated and related areas and facilities. All of the applicable provisions of the Lease shall apply to the performance of the construction work described in paragraph 2 of this Agreement, including, without limitation, the provisions of Section 4 of the Lease, and reference in Section 4 and elsewhere in the Lease to a "Site" or to a "Building" shall be deemed to respectively include "Site B-1" and the building to be constructed thereon as well as every other Site as shall be included in the premises pursuant to the provisions of the Lease as herein amended, and the building constructed or to be constructed thereon, including without limitation Site A and the building constructed thereon.

4. The letting of Site B-1 pursuant to the provisions of the Lease as herein amended shall be in lieu of the Lessee's rights to include Sites B and C in the premises under the Lease as herein amended, and from and after the execution of this Agreement by both parties hereto and the delivery of a fully executed copy thereof to the Lessee the provisions of Section 1.4 and 1.4.1 of the Lease shall be deemed null and void and of no

further force and effect. Nothing contained herein shall be deemed to affect the Lessee's right to lease Site D at the Teleport which shall continue in full force and effect subject to and in accordance with all of the terms and conditions set forth in Section 1.4.2 except that for purposes of Section 1.4.2 of the Lease as herein amended the references in Section 1.4.2 to Site B and/or Site C shall be deemed to refer instead to Site B-1. The parties hereto acknowledge that the Lessee has elected to include Site D in the premises, and that The Saitama Bank, Ltd., acting through its New York Branch, which proposes to become a Leasehold Mortgagee under the Lease as herein amended has requested that the Port Authority and the Lessee enter into a separate lease for Site D for the period from the effective date of the inclusion of Site D in the premises under the Lease as herein amended and continuing for the balance of the initial term of the letting set forth in the Lease as herein amended, the Port Authority hereby agrees to prepare and deliver to the Lessee a separate lease for Site D for the period from the effective date of the inclusion of Site D in the premises under the Lease as herein amended and continuing for the balance of the initial term of the letting set forth in the Lease as herein amended the terms of which shall be substantially similiar to the terms contained in the Lease as herein amended. The Lessee's failure to deliver an executed copy of such new lease to the Port Authority shall not affect or be deemed to affect the Lessee's election to include Site D in the premises and notwithstanding the Lessee's failure to deliver an executed copy of such new lease to the Port Authority Site D shall be deemed let to the Lessee on the same terms, provisions, and covenants as are set forth in the Lease as herein amended for a term commencing on the effective date of the inclusion of Site D in the premises under the Lease as herein amended and continuing for the balance of the term of the letting under the Leae as herein amended, unless sooner terminated.

5. The term of the letting under the Lease as herein amended with respect to Site B-1 shall commence on the execution of this Agreement by the Port Authority and the Lessee and the delivery to the Lessee by the Port Authority of a fully executed copy thereof. Site B-1 shall be and become a part of the premises under the Lease as hereby amended from and after the commencement date of the letting of Site B-1 fixed in the preceding sentence of this paragraph and shall be let to the Lessee, subject to and in accordance with all of the terms, provisions, and covenants of the Lease as herein amended for and during the balance of the term of the letting of Site A under the Lease as herein amended, unless sooner terminated.

6. In addition to the rentals payable under the Lease for Site A, the Lessee shall pay to the Port Authority Development Period Rental, Operating Period Rental, Operating Expense Rental and percentage rental for Site B-1 in accordance with and subject to the provisions of Section 5 of the Lease as herein amended, payable at the time and in the manner set forth therein.

7. (a) Notwithstanding the provisions of paragraphs 4.14.4.4 and 10.5, loss, if any, under the insurance policy described in paragraph 4.14.4.4, and losses, if any, which exceed $500,000 under any of the insurance policies described in Section 10 (except Comprehensive General Liability Insurance) shall be adjusted with the Port Authority and the Leasehold Mortgagee, if so provided in a Leasehold Mortgage, and, where so provided by a Leasehold Mortgage shall be payable to the Leasehold Mortgagee, the proceeds to be used solely for the repair, replacement, or rebuilding of the portion of the premises covered by such insurance.

(b) Subdivision (iii) of paragraph 18.2 of the Lease is hereby deleted.

(c) The Port Authority acknowledges that nothing in paragraph 18.2.3 of the Lease shall be deemed to affect the Lessee's obligations, as Leasehold Mortgagor, to the Leasehold Mortgagee under the terms of a Leasehold Mortgage consented to by the Port Authority.

(d) Section 18.6 of the Lease is hereby amended by adding thereto the following:

> "A Leasehold Mortgagee who is an Institutional Lender may request a new lease in accordance with the provisions of this Section either in the name of a person, firm, corporation, or entity which shall met the requirements and conditions set forth in Section 18.5.2 of this Agreement with respect to a prospective purchaser of the leasehold, or in the name of a nominee corporation which is wholly owned and controlled by such Leasehold Mortgagee provided that such Leasehold Mortgagee shall not be permitted to request a new lease in the name of a nominee corporation which is wholly owned and controlled by such Leasehold Mortgagee unless such Leasehold Mortgagee enters into an agreement with the Port Authority, in form satisfactory to the Port Authority, pursuant to which such Leasehold Mortgagee agrees that during the entire period when the nominee is the lessee under such new lease, the Leasehold Mortgagee will finance the nominee with sufficent funds as shall enable the nominee to comply with all of the obligations to be undertaken by the lessee pursuant to the provisions of such new lease.
>
> As used in this Section "wholly owned and controlled" shall mean 100% legal and beneficial ownership of all the capital stock and voting rights of the subsidiary corporation by the Institutional Lender and if this relationship shall not continue for the entire term of the letting that the said subsidiary corporation is the lessee under the new lease then the lessee shall be considered in default thereunder and the Port Authority shall have the right to terminate the new lease and the letting thereunder pursuant to the provision thereof which shall correspond to Section 23.1(k) of this Agreement."

(e) Paragraph (h) of Section 23.1 of the Lease is hereby deleted and the following is inserted in lieu thereof:

"(h) The Lessee shall fail to commence the design, construction, and equipping of any Building it is required to construct under this Agreement within eighteen (18) months of the commencement date of the letting established with respect to the Site on which such Building is to be constructed, or shall fail to expeditiously continue such construction so as to complete the same within the applicable time established pursuant to the provisions of paragraph 4.7 of this Agreement, or the Lessee shall fail to commence operations in any such Building within thirty (30) days' after the Completion Date established with respect thereto."

(f) The words "with respect to" appearing in the last line of subparagraph (a) of paragraph 34.4.1.1 of the Lease are hereby deleted and the words "properly allocated" shall be deemed inserted in lieu thereof.

(g) Notwithstanding the provisions of subparagraph (b) of paragraph 34.1.1 of the Lease, and without otherwise limiting the generality thereof, the amount due the Lessee pursuant to the provisions of that paragraph shall be payable directly to the Leasehold Mortgagee, if so provided in the Leasehold Mortgage.

8. The Port Authority agrees that it shall not act in an arbitrary or capricious manner in exercising its discretion with respect to approvals and consents required to be obtained pursuant to the provisions of Section 18 of the Lease as herein amended. As long as The Saitama Bank, Ltd., acting through its New York Branch is the Leasehold Mortgagee, the Port Authority, solely as an accommodation to The Saitama Bank, Ltd., acting through its New York Branch, and for information purposes only, will endeavor to forward to The Saitama Bank, Ltd., acting through its New York Branch, on request, a notice setting forth the reasons why the Port Authority has not granted any approval or consent required to be obtained pursuant to the provisions of Section 18 of the Lease as herein amended, but it is expressly understood and agreed that the giving of such notice shall not be or be deemed to be a condition precedent to the effectiveness of the Port Authority's action pursuant to Section 18 of the Lease as herein amended, nor shall the failure to give such notice impose any liability on the Port Authority or prevent or be deemed to prevent the taking of any action or the doing of any thing which the Port Authority has the right to take or do upon its failure to grant such approval or consent in accordance with Section 18 of the Lease as herein amended.

9. The Lessee may at its sole cost and expense record a memorandum of this Agreement satisfactory to the Port Authority, prepared by and at the expense of the Lessee, in a timely fashion.

10. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or who may be entitled to pay a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority from any claims for commission, brokerage or fee made by any person, firm or corporation whatsoever for services in connection with the negotiation or execution of this Agreement. Notwithstanding the provisions of the preceding sentence of this paragraph, the Lessee's indemnification under this paragraph shall extend only to claims and demands based on acts of the Lessee.

11. As herein amended, all of the terms, provisions, covenants and conditions of the Lease shall be and remain in full force and effect.

12. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or held personally liable to the Lessee under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution, or because of any breach, or attempted or alleged breach thereof.

13. This Agreement, together with the Lease (to which it is supplementary) constitutes the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or in this Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Secretary

By_____

(Title)_____
(Seal)

WITNESS:

TELEPORT ASSOCIATES BY SILVERSTEIN TELEPORT CO., A Joint Venturer, by Silsat, Inc., a General Partner

_____

By_____

(Title)_____

WITNESS:

TELEPORT ASSOCIATES BY MURRAY TELEPORT ASSOCIATES, L.P., A Joint Venturer, by Telestat Corp., a General Partner

_____

By_____

(Title)_____

The Saitama Bank Ltd., acting through its New York Branch, the Leasehold Mortgagee, as defined in the Lease, with respect to Sites A and 3-1 hereby consents to Supplement No. 1 to the Lease.

Consented and Agreed to this
day of , 1989

THE SAITAMA BANK, LTD., ACTING THROUGH ITS NEW YORK BRANCH

BY:_____

TITLE:_____

TPLSM-SUP

STATE OF NEW YORK)
)ss
COUNTY OF NEW YORK)

On the day of , 1989, before me personally came , to me known, who, being by me duly sworn, did depose and say that he resides at , that he is the Director, World Trade and Economic Development Department of The Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Notary Public

STATE OF NEW YORK)
)ss
COUNTY OF NEW YORK)

On the day of , 1989, before me personally came , to me known, who, being by me duly sworn, did depose and say that he resides at , that he is the President of Silsat, Inc., a general partner of the firm of Silverstein Teleport Co., one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, and which executed the foregoing instrument on behalf of Teleport Associates; and said acknowledged that he executed the foregoing instrument for and on behalf of Teleport Associates.

Notary Public

STATE OF NEW YORK)
)ss
COUNTY OF NEW YORK)

On the day of , 1989, before me personally came , to me known, who, being by me duly sworn, did depose and say that he resides at , that he is the President of Telestat Corp. a general partner of the firm known as Murray Teleport Associates one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, and which executed the foregoing instrument on behalf of Teleport Associates; and said acknowledged that he executed the foregoing instrument for and on behalf of Teleport Associates.

Notary Public

Lease No. TP-003A

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY
WORLD TRADE CENTER

TELEPORT

AGREEMENT OF LEASE

between

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

and

TELEPORT ASSOCIATES

SM-SITE-D-289

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Exhibits and Schedules

Exhibits A, B, X, and Z, Schedules A and E

SM-SITE-D-289

THIS AGREEMENT, made as of August 10, 1988, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at One World Trade Center, New York, New York 10048 and TELEPORT ASSOCIATES, a joint venture of SILVERSTEIN TELEPORT CO. AND MURRAY TELEPORT ASSOCIATES, L.P having an office and place of business c/o Silverstein Teleport Company, 521 Fifth Avenue, New York, New York 10036 (hereinafter called "the Lessee"), whose representative is Larry Silverstein.

WITNESSETH, That:

WHEREAS, the Port Authority has undertaken the planning, construction and operation of the World Trade Center in the Borough of Manhattan, City, County and State of New York as a facility of commerce pursuant to concurrent legislation of the State of New York, Chapter 209, Laws of New York, 1962 and the State of New Jersey, Chapter 8, Laws of New Jersey, 1962; and

WHEREAS, pursuant to concurrent legislation of the State of New York, Chapter 651, Laws of New York, 1978 and the State of New Jersey, Chapter 110, Laws of New Jersey, 1978 the Port Authority has been authorized to participate in a program of industrial development to promote, attract, encourage and develop economically sound commerce and industry and in furtherance thereof to develop industrial development projects pursuant to agreement with certain muncipalities, including the City of New York, and to acquire from such municipalities, by lease or otherwise, real property to be used for industrial development purposes; and

WHEREAS, acting in the public interest and in furtherance of the purposes of the said statutes, the Port Authority finds it desirable to develop or cause to be developed a satellite transmission and telecommunications facility and related office park to provide or cause to be provided to tenants of the World Trade Center and others telecommunications services and facilities utilizing a fiber optic cable network connected to the World Trade Center and continuing, through fiber optic links, to other areas within the City and State of New York, and other States; and

WHEREAS, the City of New York is the owner of certain property within the County of Richmond, in the City of New York heretofore designated as the Staten Island Industrial Park; and

WHEREAS, the Port Authority has heretofore entered into an agreement (which agreement as the same may have been and may be hereinafter amended is hereinafter referred to as "the Participation Agreement"), made as of May 15, 1984 with Merrill Lynch Telecommunications Incorporated (hereinafter referred to as "MLT") wherein MLT and Western Union Communications Systems, Incorporated (hereinafter referred to as "WUCS"), acting as general partners in the general partnership known as Teleport Communications, (hereinafter referred to as "the Partnership"), together with the Port Authority, have agreed, among other things, to construct, maintain and operate a satellite transmission and telecommunications facility and related office park (which facility is hereinafter in this Agreement referred to as "the Teleport") * in a portion of the Staten Island Industrial Park to be leased by the City of New York to the Port Authority; and

WHEREAS, the City of New York, acting in certain instances by and through the New York City Public Development Corporation, a local development corporation organized pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York and Executive Order No. 14 of the Mayor of the City of New York, dated June 27, 1966, having an office at 161 Williams Street, New York, New York, has heretofore entered into an agreement of lease dated May 15, 1984 with the Port Authority (which agreement of lease, as the same may have been or may be hereinafter amended is hereinafter referred to as "the Ground Lease") covering the leasing to the Port Authority of such portion of the Staten Island Industrial Park and the construction and operation therein of the Teleport; and

WHEREAS, the Port Authority and MLT, WUCS, and the Partnership, jointly and severally, have entered into an agreement of sublease (which agreement of sublease is hereinafter referred to as "the Sublease") made as of May 15, 1984 covering the leasing by MLT, WUCS and the Partnership from the Port Authority of an area at the Teleport for the construction, operation, and maintenance of the satellite transmission facilities and other telecommunications services and facilities which MLT, WUCS and the Partnership are obligated to provide at the Teleport; and

*Teleport is a jointly owned trade name of the Port Authority and the Partnership.

WHEREAS, the Port Authority and the Lessee heretofore and as of the 8th day of July, 1985 entered into an agreement of lease identified by Port Authority Lease Number TP-003 a memorandum of which has been recorded on November 26, 1985 in the office of the Clerk of the County of Richmond in Reel 53 Page 732 covering premises at the Teleport, all as more particularly described in the agreement of lease dated July 8, 1985; and

WHEREAS, pursuant to Sections 1.4, 1.4.1, and 1.4.2 of the agreement of lease dated July 8, 1985 the Lessee had the right to include in the premises thereunder certain additional areas at the Teleport for the construction thereon of a building or buildings to facilitate the Lessee's use of the telecommunications services and facilities available thereat on certain terms and conditions, all as more particularly set forth in such Sections; and

WHEREAS, the Lessee has exercised its rights under the agreement of lease dated July, 1985 to include in the premises thereunder the areas described in Sections 1.4, and 1.4.1 thereof and heretofore and as of January 9, 1989 has entered into an agreement with the Port Authority denominated "Supplement No. 1" to the agreement of lease dated July 8, 1985 reflecting the addition of such areas in the premises under the agreement of lease dated July 8, 1985, a copy of which has been recorded on January 19, 1989 in the office of the Clerk of the County of Richmond in Reel 1821, Page 007, (the agreement of lease dated July 8, 1985 as amended by Supplement No. 1, and as the same may have been heretofore further supplemented and amended being hereinafter called "the 1985 Lease"); and

WHEREAS, the Lessee has exercised its rights under the 1985 Lease to include in the premises thereunder the area described in Section 1.4.2 thereof and has further agreed to add to the area described in Section 1.4.2 under the 1985 Lease certain additional areas at the Teleport and to include such additional area as part of the area described in Section 1.4.2 of the 1985 Lease, the areas described in Section 1.4, 1.4.1, and 1.4.2, of the 1985 Lease together with the additional area referred to in this paragraph being let to the Lessee pursuant to the 1985 Lease on the same terms, provisions, and covenants as are set forth in the 1985 Lease; and

WHEREAS, pursuant to the applicable provisions of the 1985 Lease the Lessee has requested that the Port Authority enter into a separate lease for the area described in Section 1.4.2 of the 1985 Lease together with the additional area referred to in the previous paragraph (such area being referred to in the 1985 Lease and being sometimes hereinafter referred to as "Site D") for the period from the effective date of the inclusion of Site D in the premises under the 1985 Lease and continuing for the balance of the term of the letting set forth therein;

NOW, THEREFORE, in consideration of the premises and the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby express and restate all of the understandings, terms, agreements, covenants and conditions of the 1985 Lease with respect to Site D so that with respect to Site D only this Agreement shall supercede and replace the 1985 Lease, as follows:

Section 1. Letting

1.1 The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Teleport (sometimes hereinafter referred to as "the Facility") in the County of Richmond, City and State of New York, the open area of land shown in diagonal hatching on the drawing attached hereto, hereby made a part hereof and marked "Exhibit A", which area is sometimes hereinafter in this Agreement referred to as "Site D" and is more particularly described on the survey description attached hereto, hereby made a part hereof and marked "Schedule A", together with the property, if any, of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings and facilities which, in accordance with the provisions of this Agreement, are to be located, constructed or installed therein, thereon or thereunder, all of the foregoing being hereinafter collectively referred to as "the premises"; reserving, however, unto the Port Authority all rights in and to the ground and other subsurface areas below the land and the right to use the same so long as such use shall not affect the structural integrity or right of support of the building to be constructed thereon by the Lessee, and shall not unreasonably interfere with the Lessee's right to use the premises for the purposes set forth in Section 3 of this Agreement. The parties acknowledge that the premises hereunder constitute non-residential real property.

1.2 Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the premises provided, however, that subject to all of the provisions of this Agreement, including, without limitation, the provisions of Sections 8.13, 39 and 51, and subject to the Port Authority's prior written approval, the Lessee may use the roof of each building to be constructed by the Lessee on the premises for the placement of receiving and transmitting communication equipment for use solely by space tenants of the building so long as the use of such communication equipment in the opinion of the Port Authority will not or does not in fact interfere with other existing or planned communication equipment in the Facility or conflict with any agreements bwteeen the Port Authority and third parties and is aesthetically acceptable to the Port Authority. Without limiting the foregoing the Lessee's right to place and use such equipment are subordinate to the rights granted by the Port Authority to MLT, WUCS, and the Partnership in the Participation Agreement and

the Sublease. In the event the Lessee is permitted to use any such equipment and the use thereof results in interference with other communications equipment at the Facility the Lessee shall discontinue or require the immediate discontinuance of the use of such equipment and failing such the Port Authority may itself take appropriate steps to bring about such discontinuance.

1.3 Subject to all the provisions of this Agreement (including but not limited to the Section of this Agreement entitled "Force Majeure"), the Port Authority, through its employees, agents, representatives, contractors and subcontractors shall cause to be constructed or installed at the Teleport, off the premises, certain sewers, water mains, electrical conduits, roadways, walkways, and other improvements (which facilities are hereinafter referred to as "the Infrastructure"), all as more particularly described in the Port Authority's design plan for the construction and development of the Teleport, entitled "Teleport Master Plan-Design Guide", a copy of which has been heretofore furnished to the Lessee and the contents of which the Lessee acknowledges that it has reviewed. The Lessee recognizes that because the Facility may not be constructed at the time of execution of this Agreement the said Design Guide may not reflect the design, location and description of the Infrastructure as actually constructed but only as the Port Authority presently anticipates it will be built. The Port Authority reserves the right to make such changes, from time to time, in and to the design and construction of the Infrastructure which the Port Authority in its discretion may deem necessary or desirable provided such changes preserve generally the facilities described in the Teleport Master Plan-Design Guide and the location thereof in relationship to the premises, and do not unreasonably interfere with the Lessee's right to use the premises for the purposes set forth in Section 3 of this Agreement. Subject to such rules and regulations as the Port Authority may have or may hereafter promulgate for the safe and efficient operation of the Facility the Port Authority hereby grants to the Lessee the right to use the Infrastructure in common with other users thereof. The Lessee shall not do anything or permit anything to be done which will interfere with the rights of others to use the Infrastructure. Except as limited by the provisions of the Sublease and the Participation Agreement, the Port Authority agrees to require its other lessees at the Facility not to interfere with the Lessee's right to use the Infrastructure, as set forth herein. Nothing in this paragraph shall be deemed or construed to be a grant or letting to the Lessee of any roadway, walkway, or other common area, or of any facility forming a part of the Infrastructure. The effective period of the permission granted under this Agreement with respect to the use of the common areas and facilities forming a part of the Infrastructure shall commence on the commencement date of the letting under this Agreement, and shall expire simultaneously with the expiration (or earlier termination) of the letting of the premises hereunder. If on such commencement date any portion of the Infrastructure is

unavailable for use by the Lessee by reason of the fact that the Infrastructure, or any portion thereof, or any portion of the Facility, are in the course of construction, repair, alteration or improvement, or by reason of any cause or condition beyond the control of the Port Authority, the permission hereby granted with respect to the use of the Infrastructure shall be postponed with respect to such portion. Subject to the provisions of the Section of this Agreement entitled "Force Majeure", the Port Authority shall use reasonable efforts to complete the various aspects of the construction of the Infrastructure in accordance with the construction schedule set forth in Exhibit B annexed to the Participation Agreement. In the event that the Infrastructure is unavailable for use by the Lessee for any of the reasons set forth in this paragraph the Port Authority shall construct such temporary facilities as are required to enable the Lessee to use the premises for the purposes set forth in Section 3 hereof pending completion of the work described in this paragraph. The temporary facilities referred to in this paragraph shall include such pipes, mains, wires and conduits as shall enable the Lessee to obtain the utilities and services described in Section 40 of this Agreement, a smooth surface non-paved temporary access road from the perimeter of the Teleport to the premises, a security fence around the Facility of such type and description as The Port Authority shall determine to be adequate, and such temporary ducts, sleeves, conduits and related facilities as are required to provide telecommunications services to the Facility. No such postponement shall affect the validity of this Agreement, the commencement of the letting of any portion of the premises, or the obligations of the Lessee hereunder. Except as specifically set forth in this Agreement, the Port Authority shall provide no improvements or perform any work to prepare the premises for the Lessee's use. The Port Authority makes no representations or warranties with respect to the condition or suitability of any portion of the premises or the Infrastructure for the design and construction by the Lessee of any building to be constructed by the Lessee pursuant the provisions of this Agreement. The Port Authority shall be responsible for the repair and maintenance of the Infrastructure unless such repairs and maintenance are required as a result of the acts or omissions of the Lessee, its officers, employees, agents, representitives, or contractors.

1.4 From and after the execution of this Agreement by both parties hereto and the delivery of a fully executed copy thereof to the Lessee the provisions of Section 1.4.2 of the 1985 Lease shall be deemd null and void and of no further force or effect.

Section 2. Term of the Letting

2.1 The term of the letting under this Agreement shall commence on August 11, 1988, and, unless sooner terminated, shall expire at 11:59 o'clock P.M. on the earlier of the following dates:

(i) the day preceding the fortieth (40th) anniversary of the Completion Date of the building constructed by the Lessee on Site A pursuant to the terms of the 1985 Lease, as certified by the Port Authority under paragraph 4.13 of Section 4 thereof; or

(ii) March 30, 2024.

2.2 The Port Authority understands that pursuant to Section 14.03(b) of the Ground Lease the Mayor of the City of New York has authorized the grant of non-disturbance protection to the Lessee for a period beyond the expiration date set forth in paragraph 2.1 of this Section which will assure the Lessee that it may occupy the premises for a fixed period of forty years from the Completion Date of the Building constructed by the Lessee on Site A pursuant to the terms of the 1985 Lease and, at the Lessee's option, for a further twenty year period thereafter, it being understood that the total number of years of the Lessee's occupancy of the premises, including its occupancy thereof under this Agreement, shall not exceed sixty years measured from the commencement date of the letting under the 1985 Lease. The Lessee understands that the Port Authority has certain rights to extend the term of its letting of the Facility under the Ground Lease, all as more particularly described in Article 27 thereof. The Port Authority hereby agrees that if it shall excercise its rights to extend the term of its letting of the Facility under the Ground Lease, or shall enter into an agreement with the City to extend the term of the letting under the Ground Lease, prior to March 30, 2024, then, notwithstanding the provisions of paragraph 2.1 of this Section, and without the need for any notice from the Lessee, the initial term of the letting hereunder shall expire on the earlier of (i) the date described in subdivision (i) of said paragraph 2.1, or (ii) the day preceding the expiration of the term of the Port Authority's letting of the Facility under the Ground Lease. In addition, the Lessee shall have the right to extend the term of the letting beyond the expiration date fixed in this paragraph, subject to and in accordance with all of the terms of this Agreement, for a period expiring on the earlier of:

(i) The day preceding the twentieth anniversary of the date described in subdivision (i) of paragraph 2.1 of this Section; or

(ii) The day preceding the sixtieth anniversary of the commencement date of the letting under the 1985 Lease; or

(iii) The day preceding the expiration of the term of the Port Authority's letting of the Facility under the Ground Lease;

provided, that the Lessee shall give the Port Authority unconditional written notice of its election to so extend the term of the letting on or before March 31, 2023, and provided, further, that the Lessee shall not be under notice of default as to which the applicable period to cure, if any is provided for in this Agreement, has passed, or under notice of termination from the Port Authority on the date of its giving of such notice to the Port Authority and that on both such date and on the intended effective date thereof this Agreement is in full force and effect. This paragraph shall be null and void if the Port Authority does not extend the term of the letting under the Ground Lease. The Lessee understands that the Port Authority is not undertaking to excercise its right to extend the term of the letting under the Ground Lease, or to seek from or discuss with the City of New York an extension thereof, or to come to any agreement with the City with respect to such an extension. The Lessee expressly agrees that if any provision of any other agreement made between the City of New York and the Lessee shall be or be deemed to be an extension of the rights of the Lessee beyond the expiration date of the term of this Agreement, this Agreement shall nevertheless be and remain, as between the Port Authority and the Lessee, an instrument of subletting under the Ground Lease and not an instrument of assignment, and no claim or argument to the contrary shall be made or advanced by any party at any time. The Lessee further understands that if the Lessee exercises its rights to extend the term of the letting of the premises under the 1985 Lease, or if the term of the letting of the premises under the 1985 Lease is automatically extended, or if the Port Authority and the Lessee agree to extend the term of the lettting of the premises under the 1985 Lease, then the term of the letting of the premises under this Agreement shall be deemed automatically extended for the balance of the extended term of the letting under the 1985 Lease without the need for any notice from the Lessee or the need to enter into any further agreement.

Section 3. Rights of User

3.1 The Lessee shall use Site D solely for the construction and operation of a building consisting of up to four (4) stories and containing approximately 159,000 square feet of floor space to be operated by the Lessee as a first-class office building for occupancy by Space Tenants in accordance with the Section of this Agreement entitled "Space Leases", and for no other purpose or purposes whatsoever.

3.2 The Lessee shall not use or permit any space in any building it constructs and operates pursuant to the provisions of this Agreement or any portion thereof, to be used for the sale, preparation or serving of food or beverages, or for the sale of merchandise or the rendering of services to the public, including, without limitation, employees of its Space Tenants, without the express prior written consent of the Port Authority except as provided in this paragraph. Space Tenants of the Lessee shall be permitted to install in their premises, subject to the provisions of this Agreement, facilities for the serving of food and non-alcholic beverages (including mobile coffee carts) only for consumption on the premises and solely by the Space Tenant's employees and business guests provided, however that if such food and beverage facilities are proposed to be operated by other than the Space Tenant's employees, the proposed operator must be approved in advance by the Port Authority as hereinafter provided. The Space Tenant shall advise the Port Authority of the terms of the arrangement between the Space Tenant and the proposed operator including the price range and the menu to be adhered to by said operator. If the Port Authority shall within twenty (20) business days of such notification inform the Space Tenant that it desires to provide a food and beverage operator on the same terms and conditions as those proposed by the Space Tenant, the Space Tenant shall be obligated to meet with the Port Authority and its operator to discuss such food and beverage facilities. If the Port Authority's notice indicates that it will not so provide an operator to conduct the food and beverage facilities desired by the Space Tenant, of if the Port Authority does not give any notice within such time, or if the Space Tenant after meeting with the Port Authority and its operator elects not to use the Port Authority's operator, then the Space Tenant may use the operator it has selected unless the Port Authority reasonably determines that said operator will adversely affect or interfere with operations at the Facility or will cause or contribute to the causing of labor problems or disturbances thereat.

Section 4. Construction by the Lessee

4.1 In accordance with the provisions hereinafter set forth, the Lessee, at its sole cost and expense, shall design, construct and equip on the premises a facility of the type and size described in the Section of this Agreement entitled "Rights of User" together with all associated and related areas and facilities (such facility being hereinafter referred to as "the Building").

4.2 The Port Authority shall designate to the Lessee the architect or engineer (staff or retained by the Port Authority) for coordinating the review and processing of the Lessee's design, drawings, plans and specifications for the Building and for inspecting the construction thereof.

4.3 Within ten (10) days following execution of this Agreement, the Lessee shall designate to the Port Authority the architect and engineer selected by the Lessee to design and supervise the construction of the Building to be located on Site D. No architect or engineer shall be retained by the Lessee until the Port Authority has given its approval therefor which approval shall not be withheld by the Port Authority if the proposed architect and engineer are qualified and licensed in New York and experienced in design and construction of structures of the kind contemplated in this Agreement and have sufficient experienced staff and other resources necessary to handle expeditiously all aspects relating to the design and construction of the Building.

4.4 Not later than Ninety (90) days following approval by the Port Authority of the architect and engineer selected by the Lessee in accordance with Paragraph 4.3 with respect to Site D hereunder, the Lessee shall prepare, execute and submit to the Port Authority for its consent the Lessee's comprehensive master plan for the development of such Site, including but not limited to renderings, layouts, locations, models, estimated commencement and completion dates, and preliminary functional plans, as well as the Lessee's forecasts of the number of people who will be working at the Site at various times during the term of the letting, the expected utility demands, noise profiles and such other information as the Port Authority may require, including, without limitation, information relating to scheduling requirements during construction, time and manner of delivery of equipment and materials, and performance of the work. The Lessee shall continue to submit its latest forecasts and such other information as may be required from time to time. Without limiting the generality of the foregoing, the Lessee agrees that its comprehensive master plan for the Site shall include:

(i) Preliminary plans and drawings for the Building to be constructed thereon;

(ii) All appropriate lines, pipes, mains, cables, manholes, wires, conduits and other facilites required in connection with or relating to the mechanical, utility, electrical, storm sewer, sanitary sewer, telephone, fire alarm, fire protection, gas and other systems needed for the Building to be constructed thereon;

(iii) All necessary roadways, ramps and pedestrian circulation areas;

(iv) Appropriate landscaping.

4.4.1 The Lessee agrees at its sole cost and expense to design and construct the Building and all the appurtenant items set forth in paragraph 4.4, such design and construction being sometimes hereinafter collectively referred to as "the

construction work". Without limiting the generality of the foregoing the Lessee recognizes that in addition to the Infrastructure Plan referred to in paragraph 1.3 of this Agreement covering the design, construction and development of common areas of the Teleport, design criteria covering matters of safety, health, aesthetic impact and compatability of the Building with other buildings to be located at the Teleport have been adopted by the Port Authority and set forth in detail in the booklet entitled "Teleport Master Plan - Design Guide", a copy of which has been furnished to the Lessee. The Lessee shall adopt and incorporate in its comprehensive master plan and in its subsequent plans and specifications the criteria and other requirements for design and construction relating to each Building as are set forth in the Teleport Master Plan - Design Guide. The Lessee agrees that the plans, drawings and specifications referred to in this Section shall reflect all the requirements set forth in said booklet and to the extent that such booklet does not presently indicate the precise information or other necessary description to enable the Lessee to design and construct the Building in conformance with the provisions of this Section, the same will be supplied by the Port Authority on request.

4.4.2 Within thirty (30) days following receipt by the Port Authority of the Lessee's comprehensive master plan with respect to the Site, the Port Authority shall give its written approval thereto or shall request such revisions or modifications therein as the Port Authority may deem appropriate based upon the criteria set forth in paragraph 4.5 of this Agreement. The Lessee shall submit such revisions or modifications to the comprehensive plan within fifteen (15) days after receipt of such request from the Port Authority and if additional further revisions or modifications are requested by the Port Authority prior to approval by the Port Authority of the Lessee's comprehensive master plan with respect to the Site then the Lessee shall promptly so revise or modify such comprehensive master plan.

4.5 Prior to the commencement of the construction work and following approval by the Port Authority of the Lessee's comprehensive master plan with respect to the Site, the Lessee shall diligently prepare and submit to the Port Authority for the Port Authority's approval. a Construction Application or Applications in the form attached to this Agreement as Exhibit B, which Exhibit is hereby made a part of this Agreement, covering the construction work on such Site and setting forth in detail and by complete plans and specifications the work to be performed. No work shall be commenced by or on behalf of the Lessee on the Site until the Construction Application and plans and specifications applicable thereto have been finally approved by the Port Authority. In the event of any inconsistency between the terms of any Construction Application and the terms of this Agreement the terms of this Agreement shall prevail and control. The Port Authority may refuse to grant approval of the

plans and specifications with respect to the Site (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met) if, in its reasonable opinion, any of the construction work proposed to be performed on such Site as set forth therein shall:

(i) Be unsafe, unsound, hazardous or improper for the use and occupancy for which it is designed; or

(ii) Be designed for use for purposes other than those authorized under this Agreement; or

(iii) Be inconsistent with the Lessee's approved comprehensive master plan for such Site; or

(iv) Be in violation or contravention of any requirements or criteria set forth in the Teleport Master Plan - Design Guide or of any other provisions or terms of this Agreement; or

(v) Not comply with all applicable governmental laws, ordinances, enactments, resolutions, rules and orders; or

(vi) Not provide adequate and proper circulation areas; or

(vii) Not comply with the provisions of the Ground Lease, including, without limiting the generality thereof, those provisions of the Ground Lease providing that the Port Authority's lessees and permittees at the Teleport will conform to the enactments, ordinances, resolutions and regulations of the City of New York and its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Facility were owned and leased to a private corporation; or

(viii) Not comply with all applicable rules and regulations, requirements, orders and directions of the National Fire Protection Association and the Insurance Services Office of New York, and of any other board or organization exercising or which may exercise similar functions, or

(ix) Not comply with Port Authority's requirements and standards with respect to noise, air pollution, water pollution and other types of pollution, as set forth in the Staten Island Industrial Park-East Side Project-Final Environmental Impact Statement, dated March, 1983.

4.5.1 Within forty-five (45) days following receipt by the Port Authority of the Lessee's final plans and specifications with respect to the Site, the Port Authority shall give its written approval thereto or shall request such revisions or modifications therein as the Port Authority may deem appropriate in accordance with the provisions of paragraph 4.5. The Lessee shall submit such revisions or modifications to such complete plans and specifications within thirty (30) days after receipt of such request from the Port Authority and if additional or further revisions or modifications are requested by the Port Authority prior to approval of such plans and specifications by the Port Authority then the Lessee shall promptly so revise or modify such plans and specifications.

4.6 In connection with review by the Port Authority of the submissions under paragraphs 4.4 and 4.5 above, the Lessee shall submit to the Port Authority such additional data, detail or information as the Port Authority may from time to time reasonably request.

4.6.1 The Lessee shall pay to the Port Authority a fee in connection with the Port Authority's normal review and approval of the plans and specifications submitted by the Lessee pursuant to this Section in accordance with the schedule annexed to the Construction Application described herein. In addition, the Lessee agrees to pay to the Port Authority upon demand the expenses incurred by the Port Authority in connection with any additional review for approval of any changes, modifications or revisions of plans and specifications previously submitted or previously approved which may be proposed by the Lessee for the Port Authority's approval. The expenses of the Port Authority for any such additional review and approval shall be computed on the basis of direct payroll time expended in connection therewith plus 100%. Wherever in this Agreement reference is made to "direct payroll time", costs computed therefor shall include a pro rata share of the cost to the Port Authority of providing employee benefits, including, but not limited to, pensions, hospitalization, medical and life insurance, vacations and holidays. Such computations shall be in accordance with the Port Authority's accounting principles as consistently applied prior to the execution of this Agreement.

4.7 Subject to the provisions of paragraphs 4.8 and 4.12 hereof, the Lessee shall commence construction of the Building as soon as possible after approval by the Port Authority of the Lessee's final construction plans and specifications applicable thereto. The Lessee shall expeditiously continue such construction so as to complete the same in accordance with the construction schedule set forth in the Lessee's approved comprehensive master plan. Without limiting the generality of the foregoing, the Lessee shall commence construction of the Building to be constructed on Site D not later than twenty (20) months from the commencement date of the term of the letting.

4.8 Prior to entering into any contract for the construction work or for the installation of fixtures or equipment in any Building (which installation is sometimes hereinafter referred to as "the installation work") the Lessee shall submit to the Port Authority for its approval the name of the contractor to whom it proposes to award any such contract, and, if requested, the form of contract to be used by the Lessee. The Lessee shall include in any such contract such provisions relating to labor harmony and payments to subcontractors as the Port Authority may require. Without limiting the generality of the foregoing, all of the Lessee's construction contracts shall provide as follows: "If (i) the Contractor fails to perform any of his obligations under the Contract, including his obligation to the Lessee to pay any claims lawfully made against him by any materialman, subcontractor or workman or other third person which arises out of or in connection with the performance of the Contract, or (ii) any claim (just or unjust) which arises out of or in connection with the Contract is made against the Lessee, or (iii) any subcontractor under the Contract fails to pay any claims lawfully made against him by any materialman, subcontractor, workman or other third person which arises out of or in connection with the Contract or if in the Lessee's opinion any of the aforesaid contingencies is likely to arise, then the Lessee shall have the right, in its discretion, to withhold out of any payment (final or otherwise and even though such payments have already been certified as due) such sums as the Lessee may deem ample to protect it against delay or loss or to assume the payment of such claims of third persons, and to apply such sums in such manner as the Lessee may deem proper to secure such protection or satisfy such claims. All sums so applied shall be deducted from the Contractor's compensation. Omission by the Lessee to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the Lessee does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Lessee to withhold and apply monies nor any exercise, or attempted exercise of, or omission to exercise such rights by the Lessee shall create any obligation of any kind to such materialmen, subcontractors, workmen or other third persons. Until actual payment is made to the Contractor, his right to any amount to be paid under the Contract (even though such amount has already been certified as due) shall be subordinate to the rights of the Lessee under this provision."

The Lessee shall file with the Port Authority a copy of its contracts with its contractors within thirty (30) days after the execution date of each such contract.

4.8.1 The Port Authority shall have the right to disapprove any proposed contractor if in its opinion the Contractor, or its proposed subcontractors, lack the reputation,

experience, personnel or resources to properly construct the Building in accordance with the provisions of this Agreement, or if the Port Authority itself has had an unsatisfactory experience with such contractor or subcontractor. The Lessee shall be solely responsible for any plans, specifications, data or materials used by it or its contractors and for any loss, damage or liability resulting from the use thereof, notwithstanding that the same have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Nothwithstanding the requirement for approval by the Port Authority of the contracts to be entered into by the Lessee or the approval or disapproval thereof by the Port Authority or the incorporation therein of Port Authority requirements or recommendations, and notwithstanding any rights the Port Authority may have reserved to itself hereunder, the Port Authority shall have no liabilities or obligations of any kind to any contractors engaged by the Lessee or to others in connection with any proposed or actual contract entered into by the Lessee for construction or installation work hereunder or for any other matter in connection therewith and the Lessee hereby releases and discharges the Port Authority, its Commissioners, officers, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any construction work pursuant to contracts between the Lessee and its contractors. Any warranties or guarantees contained in any contract entered into by the Lessee for construction or installation work hereunder shall be for the benefit of the Port Authority as well as the Lessee, and the contracts shall so provide.

4.9 The Port Authority shall supply and the Lessee shall take and pay for utilities or services (including but not limited to electricity and/or water) required for the performance of the construction or installation work all as more particularly set forth in the Section of this Agreement entitled "Utilities and Services".

4.10 The Lessee shall prior to the commencement of construction and at all times during construction submit to the Port Authority all engineering studies with respect to the construction as may be required at any time and from time to time by the Port Authority. During the performance of the construction work the Port Authority may require the Lessee to employ a field representative at the Teleport and may require certification by a licensed engineer of structural aspects of the construction. At any and all times during the progress of the constuction work the Port Authority shall have the right through its duly designated representatives to inspect the construction work, and the machinery or equipment used in connection therewith, which the Lessee, or its contractor, shall demonstrate upon reasonable request from the Port Authority and from time to time, in its discretion, the Port Authority shall have the right

to take samples and perform testing on any part of the construction work provided same does not unreasonably interfere with performance of the construction work. All construction work performed by the Lessee pursuant to this Agreement shall be in accordance with the approved Construction Application and all of the plans, specifications, drawings and other data forming a part thereof and the Lessee shall redo or replace at its own expense any work not done in accordance therewith. All workmanship and materials shall be of first class quality and type.

4.11 The Lessee shall, prior to and during the performance of the construction work take all reasonable measures to prevent erosion of the soil and the blowing of sand or materials and if necessary shall erect fencing or partitioning and cover open areas with asphaltic emulsion or similar materials as the Port Authority may direct.

4.11.1 The Lessee shall not have title to any soil, dirt, sand or other matter (hereinafter in this paragraph collectively called "the matter") excavated by the Lessee during the course of the construction work but the Lessee shall be permitted to use the matter for performance of the construction work at the Site under this Agreement. All soil, dirt, sand or other matter not so used by the Lessee shall be delivered by the Lessee at its expense to any location at the Teleport as may be designated by the Port Authority. The Lessee shall have no interest in the proceeds, if any, of the sale or other disposition of the matter. Notwithstanding the foregoing the Port Authority may elect by prior written notice to the Lessee to waive all of its rights to all or portions of the matter in which event the Lessee at its expense shall dispose of the same without further instruction from the Port Authority.

4.11.2 Without limiting the generality of the provisions of this Agreement, including without limitation the provisions of paragraph 4.11 above, the Building shall be constructed in such a manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution, and a minimum of noise emanating from, arising out of or resulting from such construction. The Lessee understands that it may be obligated to construct such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives set forth in this paragraph. The location, manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. If the Lessee, pursuant to paragraph 8.12 of Section 8 of this Agreement, or otherwise, is required to design and construct such facilities subsequent to the completion of the construction work under this Section, the Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. All of the provisions of this Section 4 with respect to the construction work shall apply and pertain with like effect to any work which

the Lessee is obligated to perform during the term of the letting pursuant to this paragraph and upon completion of such work it shall be and become a part of the premises hereunder.

4.12 The Lessee will give the Port Authority fifteen (15) days' notice prior to the commencement of construction. The Port Authority will assign a field engineer to the construction work commencing upon the start of the construction work by the Lessee. The cost for the services of said engineer shall be included as an item of "Common Teleport O&M Costs", as defined in paragraph 5.1.11 of this Agreement. Nothing contained herein shall affect any of the provisions of paragraph 4.13 of this Section or the rights of the Port Authority thereunder.

4.12.1 In the event that the Lessee shall fail at any time during the construction of any portion of the construction work under this Agreement, in the reasonable opinion of the Port Authority, to comply with the provisions of this Agreement with respect to the construction work, the Port Authority shall have the right, to cause the Lessee to cease such part of the construction work as is being performed in violation of this Agreement. Upon written direction from the General Manager of the Teleport specifying the reasons therefor, the Lessee shall promptly cease construction of the portion of the construction work specified and shall submit to the Port Authority for its written approval the Lessee's proposal for making modifications, corrections or changes in or to the construction work that has been or is to be performed so that the same will comply with the provisions of this Agreement. The Lessee shall not commence construction of the portion of the construction work that has been halted until such written approval has been received. If the Port Authority directs a cessation of construction pursuant to the provisions of this paragraph the Port Authority will advise any Leasehold Mortgagee, as defined in Section 18 of this Agreement, who shall be entitled to receive the notice described in paragraph 18.4 of this Agreement of its order and shall forward a copy of the written direction referred to herein to such Leasehold Mortgagee. As soon as possible after the cessation of construction the Port Authority shall meet with the Lessee and the Leasehold Mortgagee to discuss the Lessee's proposal for modifying, correcting or changing the construction work so as to enable the work to recommence with a minimum of interruption.

4.12.2 It is expressly understood and agreed that the field engineer covered by paragraph 4.12 hereof has no authority to approve the Lessee's plans and specifications with respect to the construction work, to approve the construction by the Lessee of any portion of the construction work or to agree to any variation by the Lessee from compliance with the terms of this Agreement, or the Construction Application covering the construction. It is hereby further understood and agreed that should the field engineer give any directions or approvals with respect to the Lessee's performance of any portion of the

construction work which are contrary to the provisions of this Agreement or the approved Construction Application, said directions or approvals shall not affect the obligations of the Lessee as set forth herein, nor release or relieve the Lessee from strict compliance therewith. It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the construction work by the Lessee and the rights granted to the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the Port Authority has not exercised its right to require the Lessee to cease its construction of all or any part of the construction work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such work in accordance with the terms of this Agreement and the approved Construction Application nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by the Lessee with the provisions of this Agreement and the approved Construction Application with respect to the construction work.

4.12.3 Title to the construction work shall vest in the Port Authority immediately upon erection or affixation of all or any part thereof on or to the Site and shall then be and become a part of the premises. If requested so to do, the Lessee shall execute such documents as the Port Authority may request confirming such ownership by the Port Authority and the date or dates thereof.

4.12.4 The Lessee shall deliver to the Port Authority two (2) sets of "as built" microfilm drawings of the construction work mounted on aperture cards, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the execution of this Agreement being hereby acknowledged by the Lessee), and the Lessee shall during the term of the letting under this Agreement keep said drawings current showing thereon any changes or modifications which may be made during the said term. (No changes or modifications shall be made without prior Port Authority consent.)

4.13 When the construction and installation work on the Site has been substantially completed and the Building located thereon is ready for use by the Lessee, the Lessee shall deliver to the Port Authority a certificate to such effect signed by an authorized officer or partner of the Lessee certifying that the construction work has been performed strictly in accordance with the approved Construction Application applicable thereto, and the plans, specifications, data and materials forming a part thereof and in compliance with all applicable governmental laws, ordinances, rules, regulations, requirements, orders and directions, and the provisions of this Agreement. Thereafter the construction work will be inspected by the Port Authority and unless such certification is not correct or the Port Authority

determines that the construction work is unsuitable for occupancy and use by the Lessee, a certificate of substantial completion shall be delivered to the Lessee by the Port Authority subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee. The date specified in such certificate or the date of delivery of such certificate to the Lessee, whichever is later, shall constitute the "Completion Date" under this Agreement. Except as provided in paragraph 4.13.1 of this Section, the Lessee shall not use or permit the use of the premises for the purposes set forth in Section 3 of this Agreement prior to the Completion Date.

4.13.1 In the event that from time to time integral and material portions of the Building are substantially completed or properly usable, the Lessee may deliver to the Port Authority a certificate signed by an authorized officer or partner of the Lessee certifying that such portion of the construction work has been constructed strictly in accordance with the approved Construction Application and the plans, specifications, data and material forming a part thereof, and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, and the provisions of this Agreement, and specifying that such portion of the construction work can be properly used even though the construction has not been completed and that the Lessee desires such use. The Port Authority will inspect such portion of the construction work, and in its sole discretion may deliver a certificate to the Lessee with respect to such portion of the construction work permitting the Lessee to use such portion of the Building for the purposes set forth in Section 3 hereof. In such event the Lessee may use such portion of the Building subject to the condition that all risk thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee and subject to such further limitations, restrictions and requirements as the Port Authority may at that time impose. Use of any portion of the premises for the purposes set forth in Section 3 hereof prior to the Completion Date in accordance with this paragraph shall be upon all the terms, provisions and conditions of this Agreement except as amended by the terms of the above-mentioned Port Authority consent. At any time prior to the issuance of the certificate of substantial completion pursuant to paragraph 4.13 of this Section, the Lessee shall promptly upon receipt of a written notice from the Port Authority cease its use of such portion of the construction work which it had been using pursuant to permission granted in this paragraph.

4.14 All construction and installation which the Lessee shall do under this Section 4 shall be done strictly in accordance with the following:

4.14.1 The Lessee hereby assumes, and shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, the City of New York, and the New York City Public Development Corporation against the following risks and claims arising out of the performance of the construction work, whether such risks and claims arise from the acts or omissions of the Lessee, any contractors of the Lessee, the Port Authority, employees, agents and representatives of the Port Authority, the City of New York, the New York City Public Development Corporation, third persons, or from acts of God or the public enemy, or otherwise, (including claims of the City of New York against the Port Authority pursuant to the provisions of the Ground Lease whereby the Port Authority has agreed to indemnify the City against claims) excepting only risks which result solely from the affirmative wilful acts done by the Port Authority subsequent to commencement of the construction work, provided however, that the Lessee shall not be required to indemnify the Port Authority where indemnity would be precluded pursuant to the provisions of Section 5-322.1 of the General Obligations Law of the State of New York:

> 4.14.1.1 Risks of loss or damage to all or any part of the construction work prior to the completion thereof and the risk of loss or damage to any property of the Port Authority arising out of or in connection with the performance of the construction work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the construction work and the property of the Port Authority without cost or expense to the Port Authority; and
>
> 4.14.1.2 The risk of all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the construction work and for all expenses incurred by the Port Authority in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential.

4.14.2 The Lessee shall pay or cause to be paid, when due, all claims lawfully made against it by its contractors, subcontractors, materialmen, or workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the construction

work and the Lessee shall cause its contractors and subcontractors to pay all such claims lawfully made against them. In the event the Lessee in good faith undertakes to contest any such claim by instituting appropriate proceedings to pursue its rights and remedies under the law it may, if permitted by law, defer payment of such claims and in such event the Lessee shall diligently and continuously pursue its rights and remedies and shall promptly give notice to the Port Authority in writing of its intention and shall keep the Port Authority fully informed with respect thereto. The Lessee shall indemnify the Port Authority against any claims, damages or losses that may arise or result therefrom, including interest thereon, and costs and expenses including attorneys' fees and penalties or fines. If a lien is filed against the premises the Lessee agrees to discharge or remove same within thirty (30) days after filing. Nothing herein contained shall be deemed to constitute consent to the creation of any lien or claim against the premises nor to create any rights in said third persons against the Port Authority.

4.14.3 Nothing contained in this Agreement shall grant or be deemed to grant any contractor, architect, supplier, subcontractor or any other person engaged by the Lessee or any of its contractors in the performance of any part of the construction work any right of action or claim against the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the construction work. Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and any such contractor, architect, supplier, subcontractor or any other person engaged by the Lessee or any of its contractors in the performance of any part of the construction work and the Port Authority shall not be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the construction work.

4.14.4 With respect to the Building constructed by the Lessee, and its contractors and subcontractors, as part of the construction work, the Lessee shall procure and maintain or cause to be procured and maintained in effect during the performance of the construction work with respect thereto:

> 4.14.4.1 Comprehensive General Liability Insurance including but not limited to Premises-Operations and Completed Operations and Completed Operations coverage, with a contractual liability endorsement covering the obligations assumed by the Lessee under paragraph 4.14.1 of this Section 4, which are customarily insured under such a policy, with a minimum combined single limit coverage for bodily injury and property damage of $1 million. Said insurance shall also include coverage for underground property damage hazard.

4.14.4.2 Automobile Liability Insurance covering all owned, non-owned or hired vehicles used in connection with said construction with a minimum combined single limit coverage of $2 million.

4.14.4.3 Worker's Compensation Insurance in accordance with the requirements of law.

4.14.4.4 Builder's Risk Insurance (All Risk) covering loss or damage to any structures, improvements, fixtures and equipment and furnishing and materials on premises during said construction in an amount equal to the full replacement cost. Such policy shall provide that the loss shall be adjusted with and payable to the Lessee, the proceeds thereof to be used by the Lessee for the repair, replacement, rebuilding or other performance of the construction work.

4.14.4.5 With the exception of the Workers' Compensation Insurance policy each policy of insurance described in this paragraph 4.14.4 shall include the Port Authority, the City of New York, and the New York City Public Development Corporation as additional insureds, and no such policy shall contain any care, custody or control exclusions, or any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair the coverages resulting from the Port Authority's, the City of New York's and the New York City Public Development Corporation's status as additional assureds or the coverage under the contractural liability endorsement. Such insurance shall also contain an endorsement providing that the protection afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third party shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, the City, or the New York City Public Development Corporation, but said endorsement shall not limit, vary, change or affect the protections afforded the Port Authority, the City and the New York City Public Development Corporation as additional assureds.

4.14.5 Unless otherwise set forth herein, each policy of insurance described in this paragraph 4.14.4 shall be subject to the applicable provisions of the Section of this Agreement entitled "Insurance".

Section 5. Rental

5.1 Definitions

For the purposes of this Section and for all other purposes under this Agreement the following terms shall have the respective meanings provided below:

5.1.1 "Development Period" shall mean the period during the term of the letting under this Agreement starting on the commencement date of the letting under this Agreement and ending on the day preceding the commencement of the Operating Period, as hereinafter defined.

5.1.2 "Operating Period" shall mean the period during the term of the letting under this Agreement commencing on the first day of the first calendar month in which the monthly installment of the Operating Period Rental, as hereinafter defined, payable to the Port Authority with respect to the premises hereunder pursuant to this Agreement equals the sum of Four Thousand One Hundred Seventy-six Dollars and No Cents ($4,176.00).

5.1.3 "Annual Period" shall mean, as the context requires, the period commencing with the Completion Date of the Building to be constructed on the Site as established pursuant to the provisions of paragraph 4.13 of this Agreement, and expiring on the 31st day of the calendar month of December immediately followng such Completion Date, and each calendar year thereafter occurring during the term of the letting under this Agreement commencing on the first day of the calendar month of January immediately following such Completion Date and on each succeeding January 1 thereafter occurring during the term of the letting of such Site, provided, however, that the annual period commencing on the first day of January immediately preceding the expiration date of the term of the letting under this Agreement shall expire on the said expiration date.

5.1.4 "Annual exemption amount" shall mean the sum of Two Million Four Hundred Thousand Dollars and No Cents ($2,400,000.00) as the same may be reduced by the operation of the abatement and/or proration provisions set forth in this Section.

5.1.5 "Annual Developer Amount" shall mean for each annual period a sum equivalent to the product obtained by multiplying Three Dollars and No Cents ($3.00) by the number of occupied rentable square feet in the Building constructed on the Site pursuant to this Agreement.

5.1.6 "Occupied Rentable Square Feet" with respect to the Building constructed and operated by the Lessee pursuant to this Agreement shall mean the number of rentable square feet measured, insofar as practicable, in accordance with the "Standard Method of Floor Measurement for Office Buildings" approved by the Real Estate Board of New York, Inc. as of the date of this Agreement, as such method may hereafter be amended, and occupancy shall be deemed to have commenced when a Space Tenant shall be obligated to commence payment of rental or other use charge to the Lessee for any portion of the space which is leased by the Lessee to such Space Tenant in such Building, but in no event later than three (3) months from the date when the right to physical possession of the space is actually or constructively delivered by the Lessee to the Space Tenant, unless a longer rent free period shall be consented to in advance by the Port Authority. There shall also be included in occupied rentable square feet (i) the amount of any space in the Building occupied or used by the Lessee except as to such space as is required by it solely for the management and operation of the Building, and (ii) the amount of any space under lease to a Space Tenant but not occupied due to fire or other casualty for which the proceeds of Rent Insurance pursuant to the provisions of Section 10 of this Agreement are collectable by the Lessee.

5.1.7 "Gross Revenue" with respect to the Building constructed and operated by the Lessee pursuant to this Agreement shall mean the total of all monies, revenues, receipts and income of every kind paid or payable to the Lessee or otherwise derived by the Lessee from or in connection with the operation of the Building, including, but not limited, to rentals, compensation, license or privilege fees, or shares of income or revenue paid or payable to the Lessee from Space Tenants, licensees, concessionaires, or others who occupy space or who conduct any business or perform any services in or from the Building, including proceeds of rent insurance payable to the Lessee pursuant to the provisions of Section 10 of this Agreement, and monies or other compensation paid or payable to the Lessee arising out of the sale of merchandise or the rendition of services to Space Tenants, licensees, or concessionaires, and all monies paid or payable to the Lessee from the sale of equipment, supplies, products or other merchandise of any kind (whether by vending machine or otherwise) provided, however, that there shall be excluded from Gross Revenue any taxes imposed by law which are separately stated to and paid by a customer to the Lessee and directly payable to the taxing authority by the Lessee.

5.1.7.1 In the event that the Lessee itself occupies any space in the Building constructed and operated by the Lessee pursuant to this Agreement other than space required by it solely for the management and operation of such Building then the Lessee shall ascribe a fair market rental value to such space for the purpose of calculating Gross Revenue hereunder for the Building and shall include the amount of the fair market rental value of

such space in Gross Revenue for the Building retroactive to the date on which occupancy or use thereof commenced by the Lessee.

5.1.7.2 If in the Port Authority's opinion the rental value ascribed by the Lessee to any space is less than the fair market rental value thereof, or if the Lessee has failed to ascribe a rental value to any space, the Port Authority may from time to time employ a qualified real estate appraiser to establish the appropriate fair market rental value with respect to such space. The appraiser selected by the Port Authority shall be approved in advance by the Lessee, but if the Lessee rejects the appraiser selected by the Port Authority then such appraiser shall be selected by an officer of the American Arbitration Association, or any successor thereto. Failure of the Lessee to reject an appraiser selected by the Port Authority within fifteen (15) days of the Lessee's receipt of notice of such selection shall be deemed an approval. The Lessee shall make available to the Port Authority's appraiser all information required to make the appraisal and shall provide access to the space and to the Building as may be required. If it shall be determined that the rental value ascribed to such space by the Lessee is less than the fair market rental value of the space or if the Lessee has failed to ascribe a rental value to such space the cost of the appraisal shall be reimbursed to the Port Authority by the Lessee and not included in Gross Expenses hereunder with respect to the Building.

5.1.8 "Gross Expenses" shall mean the expenses listed or referred to in the schedule annexed to this Agreement hereby made a part hereof and marked "Schedule E".

5.1.8.1 It is understood and agreed that all the Lessee's costs or expenses paid or incurred with respect to the Site included as part of the premises hereunder or the Building constructed thereon prior to the commencement of the first annual period established with respect to the Site (including, without limitation, brokerage commissions paid or incurred on account of space tenancies in the building constructed on the Site) shall be capitalized by the Lessee and treated as part of its costs of construction and not as items of Gross Expenses.

5.1.9 "Net Cash Flow" shall mean for each annual period established for the Site on which the Building is constructed the excess of Gross Revenue over Gross Expenses. If the sum of Gross Expenses for the Building shall exceed the Gross Revenue therefor, the amount of such excess shall be carried over to the next annual period. No such loss shall be carried back or affect any rental payments or calculations thereof made for prior annual periods. Any insurance proceeds under policies secured by the Lessee in connection with its operations under this Agreement to the extent that such proceeds are not used to defray or reduce Gross Expenses hereunder, or otherwise applied as elsewhere authorized in this Agreement, shall be considered as Net Cash Flow.

5.1.10 "Space Lease" shall mean a lease or license or any other agreement for the use of occupancy of any space or location in the Building or for the providing of any services or the sale of merchandise of any kind whatsoever in or from the Building. "Space Tenant" shall mean the tenant, licensee or other third party who pursuant to agreement with the Lessee shall occupy or use any space or any location in the Building or shall provide services or sell merchandise in or from the Building.

5.1.11 "Common Teleport O&M Costs" shall mean and include costs which the Port Authority has paid or incurred in the conduct of and relating to the marketing, servicing, cleaning, policing, promoting, operation, maintenance, or repair of the Teleport, including the following items:

(a) wages, fringe benefits and other payroll costs paid to or for hourly employees for time worked at the Teleport and for time worked outside the Teleport in connection with the operation, maintenance and repair of the Teleport, including, without limitation, field engineers assigned by the Port Authority to inspect construction undertaken by lessees at the Teleport.

(b) salaries, fringe benefits and other payroll costs paid to or for salaried employees regularly employed in connection with the operation, maintenance and repair of the Teleport, including, without limitation, field engineers assigned by the Port Authority to inspect construction undertaken by lessees at the Teleport.

As used above in subdivisions (a) and (b):

(i) "Fringe benefits" shall mean the items of cost which the Port Authority is obligated to pay or incur pursuant to applicable collective bargaining agreements or which the Port Authority otherwise agrees to pay on the basis of wages paid to employees including, without limitation, vacation allowances, sick leave, holiday pay, birthdays, jury duty, medical checkup, lunch time, relief time, other paid time off, bonuses, pension plans, welfare and training funds, and health, life, accident, or other such types of insurance, and any other payment made or cost incurred by agreement with such employees and personnel or pursuant to Port Authority policy with respect to such employees and personnel.

(ii) "Other payroll costs" shall mean taxes and other payments payable pursuant to law upon the basis of wages paid to employees, including, without limitation, F.I.C.A., New York State Unemployment Insurance, disability insurance, and Federal Unemployment Insurance.

(c) deleted

(d) The cost of ordinary maintenance, repairs, improvements, alterations and changes of or to any of the sewers, mains, conduits, roadways, walkways, landscaping or other improvements and facilities forming a part of the Teleport, other than any of such under lease to the Lessee or other lessees at the Teleport including, without limitation, payments to third party contractors for cleaning, rubbish removal, equipment maintenance, window cleaning, exterminating and other cleaning and maintenance services furnished by contractors in the normal operation, maintenance and repair of the Teleport.

(e) Payments for electricity, water, sewer rents, and other fuel, utilities and services required for the operation of the Teleport, other than payments for which the Port Authority is entitled to reimbursement from the Lessee or other lessees at the Teleport.

(f) The cost of maintenance, repair and replacement of fixtures, furniture, furnishings, operating supplies, equipment and tools used in the operation of the Teleport, including, without limitation, the cost of laundry, dry-cleaning and repair of uniform and working clothes.

(g) The cost of any insurance carried by the Port Authority with respect to the Teleport or with respect to any accident or casualty occurring therein or with respect thereto, including appraisal costs, it being understood and agreed that in the event the Port Authority self insures any risk, damage or liability then the cost of such self-insurance shall constitute an item of cost hereunder. To determine the cost of such self-insurance, the Port Authority shall obtain at least two quotations, if available, for insurance coverage of such risks concerning which it desires to become a self-insurer. The lowest

of any such available quotation shall be used to determine the cost of such self-insurance by the Port Authority for purposes of this Agreement, provided that the Port Authority and the Lessee may agree to use a quotation other than the lowest one to determine the cost of such self-insurance. If no quotation is available for insurance for any such risk of loss, then such cost shall be deemed to be that which the Port Authority reasonably estimates would have been acceptable to it.

(h) The cost of advertising, business promotion, sales promotion, marketing and publicity services and activities incurred by the Port Authority in connection with the Teleport, including payments to third parties and including, without limitation, the cost of printing and preparing brochures and other printed material, to the extent that such costs do not exceed twenty five percent (25%) of the operating budget of the Facility for and during each of the first five annual periods under this Agreement and thereafter do not exceed twelve and one-half percent (12 1/2%) thereof.

(i) The costs of telephone, telegraph, postage, messenger service and other communication charges, trucking and protection services incurred with respect to the operation and maintenance of the Teleport.

(j) Payments for rental of leased equipment and supplies, including, without limitation, uniforms and work clothes, used in connection with the operation and maintenance of the Teleport.

(k) Payments to third parties for legal, accounting, architectural, engineering, space planning and other professional services related to the operation and maintenance of the Teleport.

(l) Payments by the Port Authority of taxes, excises, levies and assessments representing direct taxes on the Teleport or its operations, including in-lieu-of tax payments, other than payments for which the Port Authority is entitled to reimbursement from the Lessee or other lessees at the Teleport.

(m) Interest and amortization on financing obtained by the Port Authority, the proceeds of which are used to perform major repairs, replacement, alterations or improvements subsequent to completion of the Teleport.

(n) Payments made into reserve funds established in accordance with the Port Authority's accounting principles as consistently applied prior to the execution of this Agreement for major repairs, replacements, alterations and improvements to the Teleport.

(o) Deleted

(p) Any expenditure not itemized or referred to above as would customarily be incurred by a prudent developer, manager or operator in the conduct of or relating to the operation of an industrial or office park facility.

(q) An amount for administration and overhead equal to twenty-five percent (25%) of the total of the amounts constituting items (a) and (b).

In no event shall any cost or expenditure be included in Common Teleport O&M Costs more than once even though fitting under more than one category provided for in this subparagraph nor shall any cost or expenditure be included if such cost or expenditure is incurred by the Port Authority solely in connection with the operation of a building constructed and paid for by the Port Authority, other than the Telecenter Building as defined in the Sublease, or if the Port Authority is otherwise entitled to direct reimbursement for such cost or expense from the Lessee or other lessees at the Teleport.

5.1.12 "Quarterly Period" shall mean, as the context requires, the period commencing on the Completion Date of the Building as established pursuant to paragraph 4.13 of this Agreement and expiring on the following March 31, June 30, September 30, or December 31, whichever shall first occur, and each three month period thereafter occurring during each annual period established with respect to the Site under this Agreement, provided, however, that the quarterly period commencing on the first day of January, April, July or October, as the case may be, immediately preceding the expiration date of the term of the letting under this Agreement shall expire on such expiration date.

5.2 Development Period Rental

5.2.1 During the Development Period for the Site included in the premises under this Agreement the Lessee shall pay to the Port Authority a Development Period Rental for the Site at the rate of Fifty Thousand Dollars and No Cents ($50,000.00) per annum. The Development Period Rental for the Site shall be payable in advance in the sum of $25,000 receipt of which is hereby acknowledged by the Port Authority and in advance in installments of Twenty-five Thousand Dollars and No Cents ($25,000.00) payable on the one hundred eighty-fifth (185th) day following the commencement date of the letting established pursuant to Section 2 hereof and on the first day of every sixth calendar month thereafter occurring during the Development Period established for the Site.

5.3 Operating Expense Rental

5.3.1 In addition to all other rental payable pursuant to this Section, from and after the commencement of the first annual period under this Agreement and continuing throughout the balance of the term of the letting hereunder the Lessee shall pay an Operating Expense Rental for the Site included in the premises hereunder equivalent to the "Common Teleport O&M Costs" incurred by the Port Authority during each such annual period which are in excess of the annual exemption amount, provided, however, that such rental shall be prorated by multiplying the same by a fraction the numerator of which is the number of rentable square feet in the Building constructed on the Site and the denominator of which is 1,000,000. For the purpose of calculating Operating Expense Rental due on account of Common Teleport O&M Costs incurred during any annual period which contains other than three hundred sixty-five days the annual exemption amount shall be prorated over the number of actual days in such annual period. The time for making payment of Operating Expense Rental and the method of computation thereof shall be as set forth in paragraph 5.3.2. and 5.3.2.1 of this Agreement.

5.3.2 The Lessee shall pay the Operating Expense rental as follows: Within one hundred twenty (120) days following the close of the first annual period occurring with respect to the Site included in the premises hereunder and within one hundred twenty (120) days of the close of each annual period thereafter occurring during the term of the letting thereof under this Agreement with respect to such Site the Port Authority shall render to the Lessee a detailed statement itemizing the Common Teleport O&M Costs for the annual period for which the report is made. Whenever such statement shall show that Common Teleport O&M Costs for the annual period for which such report is submitted are in excess of the annual exemption amount, the Lessee shall pay to the Port Authority within twenty (20) days of the submission to it of the statement an amount equal to the percentage stated in paragraph 5.3.1 of this Agreement applied to such excess.

5.3.2.1 Upon the expiration or earlier termination of the term of the letting under this Agreement with respect to the Site included in the premises hereunder (even if stated to have the same effect as expiration), the Lessee shall, after the effective date of such expiration or termination, make a payment of Operating Expense Rental computed as follows: not later than one hundred (120) days following the close of the annual period in which the effective date of such expiration or termination shall occur, the Port Authority shall render to the Lessee a detailed statement of the Common Teleport O&M Costs for the annual period in which the effective date of such expiration or termination falls; within twenty (20) days of its receipt of such statement the Lessee shall make a payment on account of all Operating Expense Rental for such Site for the annual period in which such effective date of expiration or termination falls in an amount equal to the percentage stated above in paragraph 5.3.1 of this Agreement applied to the Common Teleport O&M Costs for such annual period which are in excess of the annual exemption amount, except that if the letting was in effect for less than three hundred sixty-five (365) days' during such annual period, the annual exemption amount as set forth in subparagraph 5.1.4 of paragraph 5.1 of this Agreement shall be multiplied by a fraction, the numerator of which shall be the number of days from the commencement of the said annual period to the effective date of expiration or termination and the denominator of which shall be 365. The Lessee's obligation to make the payment described in this paragraph shall survive the termination or expiration of this Agreement.

5.3.2.2 Without limiting any other term or provision of this Agreement any portion of the Lessee's obligation to pay Operating Expense Rental which shall not have been satisfied on the effective date of expiration or termination of the letting as to any Site included in the premises under this Agreement shall survive such expiration or termination.

5.4 The Port Authority shall maintain in accordance with its accounting principles as consistently applied prior to the execution of this Agreement records and books of account pertaining to Common Teleport O&M Costs. The Port Authority shall maintain such records and books of account during the letting and for three years following each annual period under this Agreement. The Lessee shall have the right during normal business hours during the term of the letting under this Agreement and for one year subsequent to the expiration or termination of the letting hereunder on twenty (20) days' prior written notice to the Port Authority to examine and audit for all purposes of this Agreement the books and records of the Port Authority pertaining to Common Teleport O&M Costs. In addition, the Port Authority shall cause to be delivered to the Lessee a certification by an independent certified public accountancy firm of national repute of the Common Teleport O&M Costs for each annual period established with respect to each Site included in the premises under this Agreement.

5.5 Operating Period Rental

5.5.1 From and after the commencement of the first annual period under this Agreement and continuing throughout the balance of the term of the letting hereunder the Lessee shall pay to the Port Authority an Operating Period Rental for the premises at a rate per annum equivalent to the sum of the products obtained by multiplying (i) Four Dollars and No Cents ($4.00) by the number of occupied rentable square feet in the Building which do not exceed seventy-five thousand, (ii) Five Dollars and Fifty Cents ($5.50) by the number of occupied rentable square feet in the Building which exceed seventy-five thousand but do not exceed one hundred thousand, and (iii) Seven Dollars and No Cents ($7.00) by the number of occupied rentable square feet in the Building which exceed one hundred thousand (each dollar figure set forth in subdivisions (i), (ii),and (iii) of this paragraph being hereinafter referred to as a "square foot factor") provided, however, that to the extent such occupancy is for less than a full annual period the applicable square foot factor shall be prorated over the period of use or occupancy occurring during such annual period.

5.5.2 The Lessee shall pay the Operating Period Rental to the Port Authority in advance in equal monthly installments which shall be due and payable on the first day of the first annual period established with respect to the Site and on the first day of each and every month thereafter during each annual period established with respect to the Site. The amount of each such monthly installment shall be equivalent to the sum of the products obtained by multiplying (i) Thirty-three and one-third Cents ($0.3333) by the number of occupied rentable square feet in the Building which do not exceed seventy-five thousand, (ii) Forty-five and Eighty-three one hundreths Cents ($0.4583) by the number of occupied rentable square feet in the Building which exceed seventy-five thousand but do not exceed one hundred thousand, and (iii) Fifty-eight and one-third Cents ($0.5833) by the number of occupied rentable square feet in the Building which exceed one hundred thousand provided, however, that if the first annual period established for the Site shall commence on other than the first day of a calendar month the monthly installment of Operating Period Rental for such portion of the month shall be prorated on a daily basis. Each installment of Operating Period Rental shall be accompanied by a detailed statement specifying the number of occupied rentable square feet in the Building for the preceding month and the cumulative totals thereof for the annual period for which the report is made.

5.5.2.1 Not later than the 20th day of the month following the close of each quarterly period occurring in each annual period under this Agreement, the Lessee shall render to the Port Authority detailed statements specifying the number of occupied rentable square feet in the Building constructed by the Lessee pursuant to this Agreement for the preceding quarterly

period and the cumulative totals thereof for the annual period for which the report is made. Whenever such statement shall show that for any such Building the sum of the applicable rentable square foot factors applied to such total occupied square footage exceeds the sum of the installments of Operating Period Rental made by the Lessee on account of such Building for such quarterly period, and all preceding quarterly periods during that annual period, the Lessee shall pay to the Port Authority at the time of rendering the statement an amount equal to such excess; within sixty (60) days following the end of each annual period there shall be a recalculation by the Lessee of the Operating Period Rental due for the premises under this Agreement based on total number of occupied rentable square feet in the Building for such annual period and if such recalculation shall show that additional Operating Period Rental is due the Port Authority for the Site then the same shall be paid to the Port Authority within such sixty day period; if excess Operating Period Rental has been paid to the Port Authority for the Site the amount of such excess shall be credited against the Lessee's future Operating Rental Period obligations for the Site.

5.6 Percentage Rental

5.6.1 In addition to the Operating Period Rental provided for in paragraph 5.5 above from and after the commencement of the first annual period with respect to the Site and continuing throughout the balance of the term of the lettingt thereof hereunder the Lessee shall pay to the Port Authority an annual percentage rental equivalent to thirty percent (30%) of the Net Cash Flow of the Building constructed on the Site arising during each annual period established with respect to the Site which are in excess of the Annual Developer Amount. The calculation of percentage rental for each annual period or portion of an annual period, as hereinafter provided, shall be individual to such annual period or such portion of an annual period and without relation to any other annual period of any other portion of any annual period.

5.6.2 The time for payment of the percentage rental and the method of calculation thereof shall be as follows: On the 20th day of the month following the close of each quarterly period occurring in each annual period established hereunder and on the 20th day of the month following the end of each such annual period, the Lessee shall render to the Port Authority detailed statements specifying the number of occupied rentable square feet in the Building during the preceding quarterly period and calculating the Annual Developer Amount and the percentage rental due for the Site for such quarterly period, itemizing Gross Revenue, Gross Expenses and Net Cash Flow for the Building for such quarterly period and the cumulative totals thereof from the commencement of the annual period for which the statement is made through the end of such quarterly period; statements of Gross Revenue shall indicate separately receipts from rentals, income from concessionaries, and other receipts or income and such other information or data as the Port Authority may from

time to time request; whenever any such statement shall show that the cumulative Net Cash Flow for the Building for the quarterly period for which the statement is made and all preceding quarterly periods during that annual period is in excess of the Annual Developer Amount for the period from the commencement of the annual period through the end of that quarterly period, the Lessee shall pay at the time of rendering the statement an amount equal to the percentage stated above in paragraph 5.6 of this Agreement applied to such excess. At any time that the Annual Developer Amount is decreased by abatement as provided in this Agreement so that there is an excess of Net Cash Flow as to which the percentage rental has not been paid, the same shall be payable to the Port Authority on demand. Within 120 days following the end of each annual period under this Agreement the Lessee shall render its statements for the full annual period and shall recalculate Net Cash Flow for the Building for said annual period and the percentage rental due the Port Authority for the full annual period and shall remit to the Port Authority with said statement the amount of percentage rental due for the Site for the full annual period less payments thereof made during such annual period. Upon request the Port Authority shall return any excess percentage rental theretofore paid for the Site for such annual period. If such recalculation shall indicate an operating loss for the Building for such annual period the Port Authority shall on request refund the amount of any percentage rental previously received by it for the Site for such annual period. In addition to the Lessee's said submission the Lessee shall cause to be delivered to the Port Authority a certification by an independent certified public accountancy firm of Gross Revenue, Gross Expenses, and Net Cash Flow for the Building for each annual period. The certified public accountancy firm selected by the Lessee to provide such certification shall be approved in advance by the Port Authority but such approval shall not be withheld if such firm is of national repute, has had experience in office building accounting and has sufficient staff and resources to perform its tasks hereunder. Any loss resulting from an excess of Gross Expenses over Gross Revenue in any Building constructed and operated by the Lessee pursuant to the provisions hereof shall be credited against the Lessee's percentage rental obligation on account of the Site for the next annual period <u>provided</u>, <u>however</u>, that accumulated losses remaining as of the date of expiration or earlier termination of the letting of such Site under this Agreement shall be for the Lessee's sole account and shall be absorbed by the Lessee.

5.6.3 Upon termination of the term of the letting under this Agreement (even if stated to have the same effect as expiration), or upon expiration of such letting, at any time subsequent to the close of the Development Period, the Lessee shall, within ninety (90) days after the effective date of such termination or expiration, submit to the Port Authority a detailed statement of occupied rentable square feet and Gross Revenue, Gross Expenses and Net Cash Flow for the portion of the annual period preceding the effective date of termination or expiration and shall calculate the Annual Developer Amount, the

Operating Period Rental, and the Percentage rental due for such portion of such annual period, all in accordance with the provisions of paragraph 5.5 and this paragraph 5.6; the Lessee shall make a payment to the Port Authority or receive a refund from the Port Authority (out of the rental payments previously made for such annual period) to reflect the actual occupied rentable square footage and actual Net Cash Flow for such annual period. In calculating the payment then due on account of all percentage rental for the Site for the annual period in which the effective date of expiration or termination falls, the Annual Developer Amount for such annual period as set forth in subparagraph 5.1.5 of paragraph 5.1 of this Agreement shall be multiplied by a fraction, the numerator of which shall be the number of days from the commencement of the said annual period to the effective date of expiration or termination and the denominator of which shall be 365.

5.6.4 The Lessee shall maintain in accordance with accepted accounting practice during the term of the letting under this Agreement and for three years following each annual period established for the Site, including the last such annual period (unless the Port Authority directs the Lessee to further retain the same) records and books recording all transactions at, through or in any wise connected with the Building, or with the premises or with the activities of the Lessee at the Teleport, which records and books of account shall be kept at all times within the Port of New York District. All statements required to be supplied or submitted by the Lessee under this paragraph shall be certified by a responsible officer or partner of the Lessee and if required by the Port Authority the Lessee's statements shall be prepared on such forms as may be mutually approved by the Lessee and the Port Authority. The Lessee's statements shall be supported by documents, invoices, bills, receipts or other appropriate evidence, if requested. The Port Authority shall have the right during normal business hours and from time to time throughout the term of the letting under this Agreement and for three years subsequent to the expiration or termination of the letting hereunder to examine and audit for all purposes of this Agreement the books and records of the Lessee and also those books and records relating to the operation of the Building and also the books and records relating to the operation of any Building constructed and operated by the Lessee under the 1985 Lease and the books and records relating to any company which is owned or controlled by the Lessee or of any company which controls the Lessee or which has been retained by the Lessee in connection with the management and operation of either the Building or any Building constructed and operated by the Lessee under the 1985 Lease.

5.7 In the event of a disagreement between the Lessee and the Port Authority regarding the inclusion or exclusion of certain items in Common Teleport O&M Costs or regarding the inclusion or exclusion of certain items of Gross Expenses or Gross Revenue in the calculation of Net Cash Flow, either party hereto may serve written notice on the other setting forth the matter in dispute and if within thirty days thereafter the dispute is not settled by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. Each party shall select an accountant or auditor to act as arbitrator and the two arbitrators thus selected shall select a third and if neither they nor the parties can agree on a third the remaining accountant or auditor shall be selected by the presiding justice of the Appellate Division, First Department or failing that by an officer of the American Arbitration Association. The arbitrators shall be required to render a written decision or award and such decision or award shall be binding on the Port Authority and the Lessee and both parties agree to comply therewith. The Port Authority and the Lessee shall bear their own respective costs and expenses of said arbitration and none of the same shall be includable under Gross Expenses as defined in Schedule E or under Common Teleport O&M Costs as defined in paragraph 5.1.11 of this Section.

In any such arbitration proceeding relating to the inclusion or exclusion of certain items of Gross Expenses or Gross Revenue in the calculation of Net Cash Flow the question to be submitted to the arbitrators for decision shall be as follows:

> "Under sound accounting practice for single occupancy or multiple occupancy office buildings, as the case may be, should the item in dispute be properly chargeable to Gross Expenses as defined in Schedule E or includable in Gross Revenue as defined in subparagraph 5.1.7 of paragraph 5.1 hereof and if a part only, then what is the proper amount of such part?"

In any such arbitration proceeding relating to the inclusion or exclusion of certain items in Common Teleport O&M Costs the question to be submitted to the arbitrators for decision shall be as follows:

> "Under the Port Authority's accounting practice as consistently applied prior to the execution of this Agreement, should the item in dispute be properly chargeable as a Common Teleport O&M Cost as defined in paragraph 5.1.11 and if a part only, then what is the proper amount of such part?"

In any arbitration between the Port Authority and the Lessee of any dispute or controversy regarding the inclusion or exclusion of certain items in Common Teleport O&M Costs the Port

Authority shall have the right to join any one or more other lessees at the Teleport which may be affected by the award of the arbitrators as additional parties to the arbitration by service on such other lessees of a notice provided, that they have agreements with the Port Authority to arbitrate such issue or issues as provided in this paragraph. In any such arbitration between the Port Authority and any other lessee at the Teleport the Port Authority shall have the right to make the Lessee an additional party to the arbitration, by service upon the Lessee of a notice in accordance with the rules or provisions governing such arbitration; provided, that such arbitration is being conducted pursuant to an agreement between the Port Authority and such other lessee similar to that provided in this paragraph.

5.8 No breach of any covenant, term or condition of this Agreement shall excuse the Lessee from the prompt payment of the rental provided for herein.

5.9 If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including without limitation any payment of Development Period Rental, Operating Period Rental, Operating Expense Rental, percentage rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this paragraph with respect to such unpaid amount. Each late charge shall be recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental as set forth in this Section. Nothing in this paragraph shall diminish in any way (i) any right of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in the section of this Agreement entitled "Termination" or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this paragraph shall exceed a legal maximum

applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

5.10 Abatement

5.10.1 In the event that the Lessee shall at any time pursuant to the provisions of this Agreement become entitled to an abatement of rent with respect to the premises hereunder, the rental set forth in this Section shall be abated for the period the abatement is in effect on an equitable basis giving effect to the amount of the space the use of which is denied the Lessee as compared with the total amount of space in the Site.

5.10.2 The Lessee shall not be entitled to abatement with respect to any percentage rental payable hereunder.

5.10.3 There shall be no abatement of any rental under this Agreement for any portion of the premises or for any portion of the term except as specifically provided in this Agreement.

5.10.4 Nothing contained in this Section shall affect the survival of the obligations of the Lessee as set forth in the Section of this Agreement entitled "Survival of the Obligations of the Lessee".

5.11 The Port Authority agrees that if it shall at any time prior to the 550th day following the commencement date of the letting of Site A under this Agreement make any agreement with any party or parties for or covering the letting of space at the Teleport for the construction of a building containing at least 100,000 rentable square feet to be operated by such party as a first class office building for occupancy by Space Tenants where the rental revenues to the Port Authority from or on behalf of such party are or will be on an absolute or comparative basis substantially similar to or less than the rental revenues to the Port Authority from or on behalf of the Lessee hereunder and if such agreement is on rental terms more favorable to any such party than are contained in this Agreement, then the Port Authority shall notify the Lessee of that fact, shall provide it with a true copy of any such agreement, and shall, at the option of the Lessee, give the Lessee the benefit of the rental terms thereof retroactively to the date when any such more favorable agreement shall have been entered into by the Port Authority, and this Agreement shall thereupon be modified accordingly. Nothing contained in this paragraph shall be or be deemed to apply to the Participation Agreement or to the Sublease, entered into by the Port Authority, or with respect to the Telecenter Building, as defined in the Sublease, or with respect to any other area at the Teleport leased to MLT, WUCS, or the Partnership, either pursuant to the Sublease, or otherwise.

Section 6. Law Compliance, Taxes and Excises

6.1 The Lessee shall procure and maintain in effect throughout the term of the letting under this Agreement all licenses, certificates, permits or other authorization from all governmental authorities having jurisdiction over the operations of the Lessee at the premises or at the Facility which may be necessary for the conduct of its operations.

6.2 The Lessee shall promptly comply with the provisions of any and all present and future governmental laws, rules, regulations, enactments, requirements, ordinances, orders, resolutions, and directions including those of the City of New York and its various departments, boards, and bureaus, which may pertain or apply to the operations of the Lessee on the premises or at the Facility or its occupancy of the premises, including any such that pertain or apply to construction, maintenance, health and fire protection and which would be applicable if the Port Authority were a private corporation, and shall make any and all improvements, alterations, changes or repairs of or to the Building on any portion of the premises, whether structural or non-structural, ordinary or extraordinary, that may be required at any time hereafter under any present or future governmental law, rule, regulation, enactment, ordinance, requirement, order, resolution, or direction. All violations or notices of non-compliance, whether formally filed against the premises or the Building, or set forth in any summons, notice of violation, warning notice, or other legal process for the enforcement of any such law, rule, regulation, enactment, requirement, ordinance, order, resolution, or direction shall be promptly cured by the Lessee. The Lessee's obligations under this paragraph shall include the obligation to make any and all changes, replacements, alterations or substitutions in materials, furniture, furnishings or equipment that may be required at any time under any present or future governmental law, order, rule, regulation, requirement, enactment, ordinance, resolution, or direction, The Lessee shall deliver to the Port Authority promptly after receipt a true copy of any such notice of violation, warning notice, or other legal process requiring the performance of construction as hereinbefore set forth.

6.2.1 In the event that pursuant to paragraph 6.2 of this Section the Lessee is required to perform an extraordinary structural improvement, alteration, change or repair of or to the Building to comply with any governmental law, rule, regulation, ordinance, requirement, order or direction adopted subsequent to completion thereof, and the Lessee elects to finance the cost of such extraordinary improvement, alteration, change or repair, the annual payments of principal and fixed interest due on any loan the proceeds of which are used by the Lessee solely to finance the cost of such item of work shall be incldued as an item of Gross Expenses under the Schedule E, provided that the terms of such financing, including the term and the rate of interest thereon shall have been approved in advance by the Port

Authority, which approval shall not be unreasonably withheld if giving due recognition to market conditions prevailing at the time of such financing and the useful life of the item of improvement, alteration, change or repair for which such financing is incurred, such terms are prudent.

6.3 The provisions of this Section are not to be construed as a submission by the Port Authority to the application to itself of any governmental laws, rules, regulations, requirements, ordinances, orders and directions, and no alleged or purported immunity or exemption from any of the foregoing available to the Port Authority shall excuse compliance or be grounds for noncompliance on the part of the Lessee. In no event shall the Lessee raise any claim or defense in any contest or challenge involving in any way immunity of the Port Authority, its governmental nature or the provisions of any statute respecting the Port Authority without first obtaining express advance consent from the General Counsel of the Port Authority.

6.4 The Lessee shall pay all licenses, certification, permit and examination fees, duties, excises and all other govermental charges of every character present and future (whether or not the same shall have been within the express contemplation of the parties hereto) which may be assessed, levied, exacted or imposed on the Lessee's property, operations or occupancy hereunder or on any property whatsoever which may be received at the premises or on the rental or income therefrom including any penalties or interest thereon and any taxes on personal property which may be assessed, levied, exacted, or imposed, and the Lessee shall make all applications, reports and returns required in connection therewith. If any bond or other undertaking shall be required by any governmental authority in connection with any of the operations of the Lessee or any property received or exhibited by the Lessee at the premises, the Lessee shall furnish the same and pay all expenses in connection therewith. The Lessee shall also pay any corporate franchise and excise and other taxes, fees and other charges assessed, levied or imposed on the Lessee in respect of its corporate existence or its right to do business. No alleged or purported immunity or exemption from any taxes or fees described in this paragraph available to the Port Authority shall be grounds for or excuse non-payment thereof by the Lessee.

6.5 The Lessee shall pay any and all real estate taxes or any other tax, assessment, levy, fee or charge, general or special, ordinary or extraordinary, foreseen or unforeseen of whatever nature or kind (whether or not the same shall have been within the express contemplation of the parties hereto) which during the term of the letting hereunder may be levied, assessed, imposed or charged by any taxing or other governmental authority upon the premises or upon the Building or any portion thereof or any other structure or improvement erected or made thereon or any appurtenances or any facilities of the Building extending beyond, below or above any portion of the premises or upon the leasehold estate hereby created, or with respect to the rental or Lessee's

income therefrom in lieu of any tax, assessment, levy or charge which would otherwise be a real estate tax, assessment, levy or charge. The Lessee's obligation hereunder shall include any such as are levied, assessed, imposed or charged upon the Port Authority and if the same are paid directly by the Port Authority, the Lessee shall pay the Port Authority therefor as hereinafter set forth. If the taxing or governmental body imposing the tax or charge referred to herein does not segregate the amount thereof attributable to the premises from the balance of the Facility then the Port Authority shall allocate the same equitably on the basis of a proportion between the total number of square feet in the Facility subject to such taxes and the total number of square feet in the premises. The Lessee shall pay the allocable portion thereof as directed by the Port Authority either to the Port Authority or to the taxing or governmental body. The Lessee shall file all applications and furnish all information required in connection therewith and shall pay any penalties or interest thereon other than on amounts directly payable by the Port Authority as to which the Lessee has made prompt and timely payments to the Port Authority as required hereunder. With respect to real estate taxes which may be imposed on the Port Authority and payments in lieu thereof (hereinafter sometimes collectively called "the tax equivalent") the Lessee's payments shall be as stated in paragraph 6.7 of this Section.

6.6 Without limiting the generality of any of the provisions of this Section it is understood and agreed that the Lessee's obligations hereunder shall include an obligation to pay all applicable Subtenant Impositions, as hereinafter defined.

6.6.1 As used in this Agreement "Subtenant Impositions" shall mean any of the following which at any time during the term of the letting hereunder may be assessed, levied, confirmed, imposed upon, or would grow or become due and payable, or would be charges with respect to the Lessee under any law which would be applicable to the Lessee were the premises owned by and leased to a private corporation rather than the City of New York and the Port Authority respectively:

(i) Subject to paragraph 6.7 hereof, any applicable real property general and special assessments(including, without limitation, any special assessments for business improvements or imposed by any special assessment district),

(ii) personal property taxes,

(iii) occupancy and rent taxes,

(iv) water, water meter and sewer rents, rates and charges,

(v) excises,

(vi) levies,

(vii) license and permit fees,

(viii) generally applicable service charges with respect to police protection, fire protection, street and highway construction, maintenance and lighting, sanitation and water supply,

(ix) any fines, penalties and other similar governmental charges applicable to the foregoing, together withany interest or costs with respect to the foregoing, and

(x) Except for real estate taxes any other governmental levies, fees, rents, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen or unforeseen, of any kind whatsoever, together with any fines and penalties and any interest or cost with respect thereto.

6.6.2 The Lessee shall have the right at its sole cost and expense to challenge, contest, or review by appropriate legal proceedings, or in such other manner as may be provided by law, the applicability of any and all governmental laws, rules, regulations, requirements, enactments, ordinances, orders, resolutions, or directions, which may be imposed upon the premises or the Lessee's operations, and any taxes, assessments, levies or charges which may be levied, assessed, imposed or charged directly to the Lessee or directly against the Lessee's property or improvements located on the premises or its operations therein. In the event that the Lessee undertakes such contest or review, it shall indemnify the Port Authority against any claims, damages, or losses that may arise or result therefrom. Notwithstanding that the Lessee undertakes such contest or review it shall not defer or suspend compliance with any such law, rule, regulation, requirement, enactment, ordinance, order, resolution or direction or the payment of any such taxes, assessments, levies or charges herein provided for pending the outcome of such contest or review unless by law it is necessary that such compliance or payment be suspended to preserve or perfect the Lessee's action and in such event the Lessee shall not undertake any such contest or review unless the Lessee shall provide the Port Authority with security reasonably acceptable to it against any losses or penalties which may be imposed as a result of the Lessee's actions. In the event that any such governmental laws, rules, regulations, requiremens, enactments, ordinances, orders, rules, resolutions, directions, taxes, assessments, levies or charges which are challenged or contested by the Lessee are found to be valid or applicable, and the Port Authority shall thereafter elect to terminate the letting by reason of the Lessee's failure to comply therewith or

pay such, the Lessee shall have the right to extend the effective date of termination specified in the notice for a period not to exceed thirty (30) days' in order to cure such default, provided the Lessee give the Port Authority written notice of such extension prior to the effective date of termination and within such thirty day period shall cure such default. If the curing of such default requires activity over a period of time and the Lessee shall have commenced the curing of such default within the said thirty day period and shall diligently continue such performance without interruption, the said thirty day period shall be extended for such further period of time as such performance requires. If within the extension period the default is cured, the notice of terminatin predicated thereon shall be null and void and of no further force and effect.

6.6.3 In no event shall the Lessee raise in any such challenge, contest or review any defense or claim involving in any way immunity of the Port Authority, its governmental nature, or the provisions of any statutes respecting the Port Authority, without first obtaining express advance consent from the General Counsel of the Port Authority.

6.7 The Lessee shall pay to the City of New York a supplemental rental in accordance with the provisions of Section 3.04 of the Ground Lease and Exhibit D-1, D-2, or D-3, as the case may be, annexed thereto, a copy of all of which is annexed hereto as "Exhibit X".

6.8 The Lessee from time to time upon the request of the Port Authority shall furnish to the Port Authority evidence reasonably satisfactory to the Port Authority evidencing the payment to the City of New York of the supplemental rent and any applicable Subtenant Impositions.

6.8.1 The Lessee agrees that in the event of any breach or default by the Lessee in payment to the City of New York of the supplemental rental or any applicable Subtenant Impositions due under this Agreement, the City of New York shall have the right to enforce payment thereof and to exercise all necessary remedies in connection therewith, subject to the Port Authority's right to receive notice of non-payment and to cure such default, as set forth in the Ground Lease. The Port Authority hereby does assign to the City of New York any and all rigts and remedies of the Port Authority under this Agreement, or otherwise, against the Lessee for or in connection with the collection of said unpaid supplemental rental or Subtenant Impositions, provided, however, that nothing herein shall be deemed a waiver by the Port Authority of any rights or remedies under this Agreement which it may wish in its discretion to enforce by legal action or otherwise, on account of such unpaid supplemental rental or Subtenant Impositions.

6.9 In the event there is imposed on the Lessee a requirement to pay real estate taxes with respect to the premises or the improvements thereon or to pay other or additional in-lieu

of tax payments to the City of New York or the taxing authority, then and in such event the Lessee shall pay the amount of any such real estate taxes or other or additional in-lieu of tax payments provided, however, that in such event the Lessee shall not be required to pay supplemental rent under this Agreement in any amount which together with the amount of such real estate taxes or other or additional in-lieu of tax payments would be in excess of the amount which would have been imposed, levied or assessed as real estate taxes on the premises or the improvements thereon by the City or the taxing or governmental authority if such were privately owned.

Section. 7. Rules and Regulations

7.1 The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) such reasonable rules and regulations (including amendments and supplements thereto) as may from time to time and throughout the letting be promulgated by the Port Authority for reasons of safety, health, good order, preservation of property, sanitation, the maintenance of the good and orderly appearance of the premises and the Facility, or for the safe or efficient operation of the Facility provided, however, that if any such rule or regulation shall conflict with any express provision of this Agreement, the provision of this Agreement shall control. The Port Authority hereby agrees to apply all rules and regulations promulgated by the Port Authority equitably and without discrimination against the Lessee and all other tenants in the Facility except to the extent that any such rule or regulation may be inapplicable by agreement or otherwise to the Lessee or any such tenant. The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee, and to each Leasehold Mortgagee which shall have become entitled to notice as provided in paragraph 18.4 of this Agreement, of every such rule or regulation adopted by it at least twenty (20) days before the Lessee shall be required to comply therewith.

7.2 No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that any services or privileges described therein shall be or remain available or that such charges, prices, rates or fees, if any, as are stated therein shall be or remain in effect all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

7.3 If a copy of the Rules and Regulations is not attached, then the Port Authority will notify the Lessee thereof either by delivery of a copy, or by making a copy available at the office of the Secretary of the Port Authority.

Section 8. Lessee's Operations

8.1 The Lessee shall conduct its operations hereunder in an orderly and proper manner, so as not to annoy, disturb or be offensive to others at or off the Facility. The Lessee shall take all reasonable measures to eliminate vibrations originating on the premises tending to damage any equipment, structure, building or portion of a building which is on the premises, or is a part thereof, or is located elsewhere on or off the Facility, and to keep the sound level of its operations as low as possible.

8.2 The Lessee shall control the conduct, demeanor and appearance of its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it, and upon objection from the Port Authority concerning the conduct, demeanor or appearance of any such shall immediately take all steps necessary to remove the cause of the objection. If requested by the Port Authority the Lessee shall require its employees to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the General Manager of the Teleport.

8.3 The Lessee shall control all vehicular traffic on the roadways or other areas within the premises and shall take all precautions necessary to promote the safety of all persons on any portion of the premises. The Lessee shall employ such means as may be necessary to direct the movement of vehicular traffic within the premises to prevent traffic congestion on the public roadways leading to the premises.

8.4 The Lessee shall remove from the Facility or otherwise dispose of in a manner approved by the General Manager of the Teleport all garbage, debris, and other waste materials (whether solid or liquid) arising out of its occupancy of the premises or out of its operations. Any such which may be temporarily stored in the open shall be kept in suitable garbage and waste receptacles, the same to be made of metal or other suitable material, and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein. The Lessee shall use extreme care when affecting removal of all such waste material, and shall effect such removal at such times and by such means as first approved by the Port Authority. No such garbage, debris, or other waste materials shall be or be permitted to be thrown, discharged or deposited into or upon the waters or wetland areas at or bounding the Teleport.

8.5 Without limiting the Lessee's law compliance obligations elsewhere in this Agreement set forth, in its design and construction hereunder the Lessee agrees to and shall conform to the provisions of Local Law 5 enacted by the City of New York, if applicable, as if the Port Authority were a private corporation, and whether or not Local Law 5 is applicable, the Lessee shall install in the Building an approved automatic fire

sprinkler protection and fire extinguishing system, and shall maintain such systems in good working order. From time to time and as often as reasonably required by the Port Authority, the Lessee shall conduct pressure, water-flow, and other appropriate tests of the sprinkler and other fire-extinguishing systems and apparatus and fire fighting equipment which constitutes a part of the premises. The Lessee shall keep all such systems in proper functioning order. The Lessee shall at all times maintain on the premises adequate stocks of fresh, usable chemicals, water or other materials for use of which such systems, apparatus and equipment were designed, and shall train its employees in the use of all such systems, apparatus and equipment, including in such training periodic drills. The Lessee shall notify the Port Authority prior to conducting such tests. If requested by the Port Authority, the Lessee shall furnish the Port Authority with a copy of written reports of such tests.

8.6 The Lessee shall not commit any nuisance on the premises, or do or permit to be done anything which might result in the creation or commission of a nuisance on the premises, and the Lessee shall not cause or permit to be caused or produced upon the premises, to permeate the same or to emanate therefrom, any unusual, noxious or objectionable smoke, gases, vapor, odors, noises or vibrations. The Lessee shall use its best efforts to conduct all its operations at the premises in a safe and careful manner. The Lessee shall not use or connect any equipment or engage in any activity or operation in the premises which will cause an overloading of the capacity of any existing or future utility, mechanical, electrical, communication or other system or any portion thereof serving the premises or elsewhere at the Facility, including without limitation thereto systems for the supply of heat, hot and cold water, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and inter-communications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor shall the Lessee do or permit to be done anything which may interfere with the effectiveness or accessibility thereof. Overloading of such systems resulting from operations of others at the Facility shall not be deemed to be the responsibility of the Lessee so long as the Lessee's use of said system conforms to the capacity thereof expressly reserved for use or operation of the Lessee. The Lessee shall not overload any floor, roadway, passageway, pavement or other surface or any wall, partition, column or other supporting member, or any elevator or other conveyance in the premises or at the Facility, and shall repair any such damaged by overloading. Nothing in this paragraph or elsewhere in this Agreement shall be or be construed to be a representation by the Port Authority of the weight any floor, roadway, passageway, pavement or other surface, or any wall, partition, column, supporting member or conveyance will bear.

8.7 The Lessee shall not do or permit to be done any act or thing upon the premises or at the Facility which will invalidate or conflict with any insurance policies covering the premises or any part thereof, or the Facility, or any part thereof, or which, in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by the Section of this Agreement entitled "Rights of User", or will increase the rate of any insurance including fire, extended coverage or rental insurance on the Facility or upon the contents of any structure thereon; and the Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders, and directions of the National Board of Underwriters, the New York Board of Fire Underwriters, and the Insurance Services Office of New York, and of any other organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the premises or to the buildings, structures, fixtures, furnishings, equipment or improvements thereon; the Lessee shall, subject to and in accordance with the provisions of the Section of this Agreement entitled "Alterations and Improvements by the Lessee", make any and all structural and non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this Agreement any insurance rate on the premises or any part thereof or on the Facility or any part thereof shall at any time be higher than it otherwise would be, then the Lessee shall absorb the cost thereof and shall pay to the Port Authority, as an item of additional rental, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee, but no such payment shall relieve the Lessee of its other obligations under this paragraph.

8.8. The Lessee shall not keep, maintain, place or install in the premises any fixtures or equipment the use of which is not consistent with and required for the purposes of the letting as set forth in the Section of this Agreement entitled "Rights of User".

8.9. The Lessee shall not use the premises for any lodging, sleeping or immoral purposes.

8.10 The Lessee shall not do or permit to be done any act or thing at the Facility which shall or might subject the Port Authority to any liability or responsibility for injury to any person or persons or damage to any property.

8.11 The Lessee shall not install, maintain or operate, or permit the installation, maintenance or operation on the premises of any vending machine or device designed to dispense or sell food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories, or of

any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any equipment or device for the furnishing to the public of service of any kind, including without limitation thereto, telephone pay-stations except as set forth in paragraph 3.2 of Section 3 of this Ageement. If the Lessee or any of its Space Tenants desire the installation of vending machines dispensing food, beverage or other merchandise or the installation of pay or coin operated telephones in the premises, they shall so notify the Port Authority and at the Port Authority's request shall meet with the Port Authority and/or the Port Authority's operator to discuss the arrangements for same. If the Port Authority elects not to provide or is unable to provide vending machines or telephones or if the Lessee elects not to use the Port Authority or its operator to supply same then the Lessee or its Space Tenant may itself arrange therefor, subject to the prior approval by the Port Authority of the vending machine operator or telephone supplier, which approval shall not be unreasonably withheld.

8.12 In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the letting hereunder which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them provided, however, that no immunity or exemption from any of the foregoing requirements shall excuse compliance or be grounds for noncompliance on the part of the Lessee), the Lessee agrees that in the conduct of its operations under this Agreement and in the operation, use and maintenance of the premises it will comply with the requirements of the Staten Island Industrial Park - East Side Project - Final Environmental Impact Statement, dated March, 1983, regarding air pollution, water pollution, noise, or any other type of pollution arising out of or resulting from the operation, use or maintenance of the premises by the Lessee. The Port Authority hereby reserves the right from time to time and at any time during the term of the letting hereunder to require the Lessee, and the Lessee agrees, to design and construct at its sole cost and expense such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives set forth this paragraph. The location, manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same.

8.12.1 The obligations assumed by the Lessee under paragraph 8.12 above shall continue throughout the term of the letting under this Agreement and shall not be limited, affected,

impaired or in any manner modified by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work and notwithstanding the incorporation therein of the Port Authority's recommendations or requirements and notwithstanding that the Port Authority may have at any time during the term of this Agreement consented to or approved any particular procedure or method of operation which the Lessee may have proposed or the Port Authority may have itself prescribed the use of any procedure or method. The agreement of the Lessee to assume the obligations under paragraph 8.12 above is a special inducement and consideration to the Port Authority in entering into this Agreement with the Lessee.

Section 9. Maintenance, Repair and Rebuilding

9.1 The Lessee, throughout the term of the letting under this Agreement, shall assume the entire responsibility for, and shall relieve the Port Authority from all responsibility from, all care, maintenance, repair and rebuilding whatsoever in the premises, whether such care, maintenance, repair, or rebuilding be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, structural or otherwise; and without limiting the generality of the foregoing the Lessee shall:

9.1.1 At all times keep the premises clean, and in an orderly condition and appearance, together with all the fixtures, improvements, furnishings, equipment and personal property located in or on the premises.

9.1.2 Remove all snow and ice and perform all other activities and functions necessary or proper to make the premises available for use by the Lessee including without limitation the maintenance and repair of curb cuts and driveways leading to the premises and sidewalks, paving or other surfaces located thereon;

9.1.3 Replace, repaint, repair, or rebuild any part of the premises or of the Facility or any Port Authority fixtures, equipment and personal property which are located in or on any part thereof which may be damaged or destroyed by the Lessee's acts or omissions or by those of its officers, agents, employees, customers, guests or invitees or of other persons doing business with the Lessee. The obligation of the Lessee as set forth in this paragraph in the event of damage or destruction covered by any contract of insurance under which the Port Authority is the insured is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance provided, however, that,

if this release shall invalidate any applicable policy of insurance, or limit or void the Port Authority's rights thereunder, then this release shall be void and of no effect.

9.1.4 Maintain and make repairs and replacements to the foundations, exterior walls and the structural supporting frame and roof of the Building and make all other structural repairs to the Building, and maintain and make repairs to all utilities lines and systems located on the premises except for reasonable wear and tear which does not adversely affect the efficient or proper utilization thereof, utilities lines and systems located on the premises including but not limited to water lines, steam lines, gas service lines, electrical power and telephone conduits and lines and sanitary and storm lines and sewers located on the premises as well as connection pipes and mains therefor and all other fixtures, machinery, or equipment now or hereafter belonging to or connected with said premises and exclusively used in their operation.

9.1.4.1 Take good care of the premises and all parts thereof, and make all non-structural repairs thereto, and to all improvements forming a part thereof, including fences, the exterior and interior and operating mechanisms of and attachments to windows and skylights, screens, roofs, foundations, steel work, columns, the exterior and interior and operating mechanisms of and attachments to doors, partitions, floors, ceilings, inside and outside paved and unpaved areas, glass of every kind, the exterior and interior of the Building walls, elevators, escalators, communication and computer systems, exhaust fans and window washing equipment and the utility, mechanical, electrical and other systems, and the Lessee shall maintain the same at all times in good condition, and shall perform all necessary preventive maintenance, including but not limited to painting (the exterior of the structures on the premises and areas visible to the general public to be painted only in colors which have been approved by the Port Authority) as the necessity arises therefor regardless of the cause of the condition requiring the same, so that at the expiration or termination of the letting and all times during the letting, the same (or a reconstruction of all or any part thereof) will be in as good condition as at the commencement thereof (or, in the case of improvements made during the letting hereunder, in as good condition as at the time of the installation or construction thereof), except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the Building or other structures on the premises or adversely affect the efficient or the proper utilization

of any part of the premises. The Lessee shall make frequent periodic inspections of the premises and subject to the Sections of this Agreement entitled "Construction by the Lessee", "Damage to or Destruction of the Premises", and "Alterations and Improvements by the Lessee" shall make all repairs and replacements, and do all rebuilding, inside and outside, ordinary and extraordinary, partial and entire, foreseen and unforeseen, structural or otherwise, regardless of the cause of the condition requiring such repairs, rebuilding or replacements and whether or not caused by fire or other casualty, which repairs, rebuilding and replacements by the Lessee shall be in quality and class not inferior to the original in materials and workmanship.

9.1.5 Take such anti-erosion measures, including but not limited to periodic planting and replanting, as the Port Authority may reasonably require, and perform and maintain such other landscaping with respect to all portions of the premises not paved or built upon as the Port Authority may reasonably require.

9.1.6 Supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes used by it in its operations hereunder whether such pipes are located on the premises or elsewhere at the Facility, and keep clean, maintain, repair and replace all heating, ventilating and air conditioning fans, valves, units, motors, exhaust systems and all ducts therefor (including replacement of all filters therein) when any such fans, valves, units, motors and ducts are used exclusively by or for the Lessee's operations hereunder, whether any of such are located on the premises or elsewhere at the Facility.

9.1.7 Provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by law, rule, ordinance, resolution or regulation of the type and nature described in the Sections of this Agreement entitled "Rules and Regulations" and "Law Compliance, Taxes and Excises". The Lessee shall insure that all fire alarm signals with respect to the premises shall also be transmitted to the board or to such other location at the Teleport as the General Manager of the Teleport may direct. The Lessee's obligations hereunder shall in no way create any obligation whatsoever on the part of the Port Authority.

9.1.8 Repair any damage to the paving or other surface of the premises caused by the oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.

9.2 In the event the Lessee fails to commence so to maintain, clean, repair, replace, rebuild or paint within a period of thirty (30) days after notice from the Port Authority so to do and the said notice specifies that the required work to be accomplished by the Lessee includes maintenance and/or repair other than preventive maintenance; or within a period of one hundred twenty (120) days if the said notice specifies that the work to be accomplished by the Lessee involves preventive maintenance only; or fails diligently to continue to completion the repair, replacement, rebuilding or painting of any portion of the premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other rights or remedies which may be available to it, repair, replace, rebuild or paint all or any such part of the premises included in the said notice, and the cost thereof shall be payable by the Lessee upon demand. As used herein "cost" shall mean the items of cost set forth in paragraph 16.3 of this Agreement. Nothing herein contained shall be deemed to require the Port Authority to notify the Lessee of needed repairs or replacements or of required maintenance or preventive maintenance, or to undertake any such repairs, replacements, maintenance, or preventive maintenance, and the Lessee shall be solely responsible for any failure to perform needed maintenance, repair or restoration, rebuilding or painting.

9.3 If during any annual period during the term of the letting the Lessee incurs a cost for the performance of an item of construction, improvement, alteration, modification or replacement work to comply with its care, maintenance, repair and rebuilding obligations as set forth in this Section, or to comply with any obligations it may have to perform finishing work for any of its Space Lessees, and elects to finance such cost the annual payments of principal and fixed interest due on any loan obtained by the Lessee the proceeds of which are used solely to finance such cost shall be incldued as an item of Gross Expenses under Schedule E, provided that the terms of such financing, including the term and the rate of interest thereon, shall have been approved in advance by the Port Authority, which approval shall not be unreasonably witheld if, giving due recognition to market conditions prevailing at the time of such financing, and the useful life of the item of construction improvement, alteration, modification or replacement work for which such financing is incurred, such terms are prudent.

Section 10. Insurance

10.1 In addition to any other insurance provided for or required under this Agreement, the Lessee shall secure and maintain in its own name as assured and shall pay the premiums on the following policies of insurance in the limits set forth below, which policies shall be effective during the term of the letting under this Agreement:

10.1.1 All risk property damage insurance covering the full replacement cost of the Building, and all structures, improvements, fixtures and equipment, furnishings and physical property now or in the future located on or constituting a part of the premises leased to the Lessee, and which is owned, leased, or within the care, custody or control of the Lessee. Full replacement cost shall be determined at the request of the Port Authority by an appraiser selected by the Lessee and acceptable to the Port Authority, from time to time, but not more frequently than once every year. No omission on the part of the Port Authority to request any such appraisal shall relieve the Lessee of its obligations to maintain the appropriate insurance under this Section. Such insurance shall cover and insure against such hazards and risks as at least would be insured against under the Standard Form of Fire Insurance Policy of the State of New York, or any successor thereto, and the broadest form of extended coverage endorsement prescribed as of the effective date of said insurance by the rating organization having jurisdiction.

10.1.2 Boiler and machinery insurance covering all boilers, pressure-vessels and machines operated by the Lessee or others in or on any buildings or structures located on the premises; the policy to be effective throughout the letting in such amounts as the Port Authority may determine to be reasonable coverage against the hazards and perils occasioned by the existence and operation of such boilers, pressure vessels and machinery and to be in the form as may now or in the future be prescribed as of the effective date of said insurance by the rating organization having jurisdiction and/or the Superintendent of Insurance of the State of New York.

10.1.3 Comprehensive General Liability Insurance covering the Lessee's operations throughout the effective period of this Agreement; such policy or policies shall include the Port Authority, the City of New York, and the New York City Public Development Corporation as additional insureds, shall include blanket protective coverage and motor vehicle liability coverage for all owned and non-owned vehicles, including rental and leased vehicles, and shall contain a contractual liability endorsement covering the indemnification obligation assumed by the Lessee pursuant to the Section of this Agreement entitled "Indemnity" and an endorsement providing that the protection afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall contain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, the City of New York, or the New York City Public Development Corporation, or against the Port Authority, the City of New York, or the New York City Public Development Corporation by the Lessee, but said endorsement shall not limit, vary, change or affect the protections afforded the Port Authority, the City of New York, and the New York City Public Development Corporation under the contractual endorsement referred to above. The combined single limit of such coverages shall be not less than ten million dollars ($10,000,000.00) per occurrence.

10.1.4 Rent insurance covering loss of rents, fees and other revenues of the Lessee during the period when the Building, or a portion thereof, is out of operation due to fire or any risk now or hereafter embraced by the all risk policy described in subparagraph 10.1.1 of this paragraph.

10.1.5 War risk insurance upon the Building, if and when such insurance is obtainable from the United States of America or any agency or instrumentality thereof or from an insurance company qualified to do business in the State of New York which shall have filed rates of premium for such insurance with the Superintendent of Insurance of the State of New York (and if no such company, then from another company approved by the Port Authority) and if and when a state of war or

national or public emergency exists, or, in the reasonable judgment of the Port Authority, such state of war or national or public emergency threatens, in an amount not less than the full replacement cost thereof, or in the maximum amount of such insurance which is obtainable, whichever is lower.

10.1.6 Such other and additional insurance, in such reasonable amounts, as may from time to time be reasonably required by the Port Authority against such other insurable hazards, including risks to property, which a prudent owner at the time would cover by carrier or self-insurance.

10.1.7 The comprehensive general liability insurance which the Lessee shall carry in compliance with the provisions of subparagraph 10.1.3 of this paragraph shall also provide for the benefit of the Port Authority, the City of New York, and the New York City Public Development Corporation insurance against sprinkler leakage legal liability and water damage legal liability including damage caused by water or any other substance discharged from any part of the fire protective equipment for the premises and for adjoining property, the collapse or fall of tanks forming part of such fire protective equipment, or the component parts or supports of such tanks in a combined single limit of one million dollars ($1,000,000.00) per occurrence.

10.2 All insurance provided for in this Section shall be written by companies authorized to do business in the State of New York, or subject to service of process in the State of New York, and approved in advance by the Port Authority. At any time any policy shall be or become unsatisfactory to the Port Authority as to form, limits or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall obtain a new and satisfactory policy in replacement with a carrier approved by the Port Authority. The limits of coverage shall not be reduced without the Port Authority's prior consent.

10.3 Unless otherwise directed by the Port Authority, all property damage insurance policies required by this Section shall name the Port Authority, the Lessee, the City of New York, and the New York City Public Development Corporation (with insurance clauses consistent with the provisions of this Agreement) as the insureds, as their respective interests may appear. As to any insurance required by this Section, a

certified copy of each of the policies,or a certificate of insurance, or binders, shall be delivered to the manager, Risk Management Division of the Port Authority, One Path Plaza, Jersey City, New Jersey, 07306 within ten (10) days after the execution of this Agreement. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy, or a certificate. Each such policy shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified, without giving at least thirty (30) days written advance notice thereof to the Port Authority, the City of New York, and the New York City Public Development Corporation and an endorsement to the effect that the insurance as to the interests of the Port Authority, the City of New York, and the New York City Public Development Corporation shall not be invalidated by any act or negligence of the Lessee or any other insured. Each policy of insurance shall have attached thereto an endorsement that the Port Authority, the City of New York, and the New York City Public Development Corporation will be given at least thirty (30) days prior notice of any material change in the policy. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the effective period hereof.

10.4 Each policy of insurance involving liability required by this Section shall contain a provision that in any action or proceeding under or in connection with such policy, the insurance carrier shall not without obtaining express advance consent from the General Counsel of the Port Authority raise any defense involving in any way the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, the provisions of any statutes respecting suits against the Port Authority, or the jurisdiction of the tribunal over the person of the Port Authority.

10.5 Loss, if any, under any of the policies mentioned and provided for in this Section (except Comprehensive General Liability insurance) shall be adjusted with and paid to the Lessee unless the loss exceeds $500,000.00, in which event the loss shall be adjusted with the Lessee and the Port Authority and paid to the Lessee.

10.6 Regardless of the persons whose interests are insured, the proceeds of all policies of insurance covered by this Section (except for Comprehensive General Liability Insurance) payable to the Lessee shall be applied by the Lessee strictly and solely as elsewhere required under the provisions of this Agreement, including without limitation the provisions of the Section of this Agreement entitled "Damage to or Destruction of the premises".

Section 11. Damage to or Destruction of the Premises

11.1 If the premises or any building constructed on any portion thereof, or any structures, improvements, fixtures and equipment, furnishings and physical property located thereon, or any part thereof, shall be damaged or destroyed by fire, the elements, the public enemy, or other casualty, or by reason of any cause whatsoever and whether partial or total, the Lessee shall, at its sole cost and expense, and whether or not such damage or destruction is covered by insurance proceeds sufficient for the purpose, remove all debris resulting from such damage or destruction, and shall rebuild, restore, repair and replace the damaged portion of the premises building, structure, improvement, fixture, equipment, furnishing or physical property, as the case may be, in accordance with the plans and specifications for the same as they existed prior to such damage or destruction or with the approval in writing of the Port Authority make such other repairs, replacements, changes or alterations as may be desired by the Lessee. Such rebuilding, restoration, repairs, replacements, or alterations shall be commenced promptly and shall proceed with all due diligence subject to the terms and conditions of this Agreement, including, without limitation, the terms and provisions of the Section of this Agreement entitled "Alterations and Improvements by the Lessee" provided, however, that the Lessee shall be granted a reasonable time, not to exceed six (6) months from the date of the occurrance of the damage, to adjust the loss with its insurance carrier but nothing herein shall be deemed to affect the Lessee's obligation to remove debris, correct any hazardous conditions resulting from the damage, and to proceed with the preparation and submission of its plans for rebuilding the premises in accordance with the provisions of this Agreement.

11.1.1 Nothwithstanding the foregoing, if such damage or destruction as is described in paragraph 11.1 occurs during the last five (5) years of the term of the letting of the premises and the cost of rebuilding, restoration, repair or replacement shall exceed ten percent (10%) of the then full insurable value of the Building and all structures, improvements, fixtures and equipment, furnishings and physical property located on the Site immediately prior to such damage or destruction (as such insurable value shall have been determined in acordance with the provisions of Section 10.1.1 of this Agreement) the Lessee shall have the option of either:

(a) performing all rebuilding, restoration, repairs, replacement or alterations required, inaccordance with the provisions of this Agreement, or

(b) terminating the letting under this Agreement by written notice to the Port Authority subscribed or consented to by the Leasehold Mortgagee, as hereinafter defined,

approved by the Port Authority pursuant to the provisions of Section 18 of this Agreement and given within thirty (30) days after the occurrence of such damage or destruction provided, there shall be in force and effect the required insurance valid and subsisting and adequate to cover such damage or destruction without any defenses to the payment by the insurance carriers based upon acts or omissions of the Lessee or of any other insureds and provided, further, that both at the time of the giving of notice and on the effective date thereof:

(i) The Lessee is not in default under any of the provisions of this Agreement or under notice of termination from the Port Authority, and

(ii) this Agreement with respect and the Building or any construction, buildings, structures, improvements, fixtures and equipment, furnishings and physical property located on the Site are unencumbered by any mortgage, security interest, judgments, or other liens (to be evidenced by a search made by a title company acceptable to the Port Authority and to be furnished by the Lessee at its sole cost and expense) and free from any pending matters that might develop into additional rent unless the Lessee shall secure payment and discharge of such mortgages, security interests, judgments or other liens and the payment of such additional rent to the Port Authority in a manner satisfactory to the Port Authority.

11.1.2 In the event of termination pursuant to the provisions of paragraph 11.1.1 the proceeds of fire insurance, boiler and pressure vessel insurance, war, risk insurance and rent or rental value insurance, if any, covering such damage as is described in said paragraph shall become the sole property of the Port Authority, but nothing herein shall be deemed to affect the Lessee's right to obtain the proceeds of insurance covering any prior occurrence.

11.1.3 Upon the effective date of such termination, the Lessee shall surrender and deliver up the Site, and the Building and all structures, improvements, fixtures and equipment, furnishings and other property located thereon into the possession and use of the Port Authority in the manner specified in the Section of this Agreement entitled "Surrender", subject, however, to the then physical condition and state of repair thereof. Subject to the foregoing, the Lessee upon such termination, surrender and removal, shall be released and discharged from any and all obligations under this Agreement with respect to the Site other than those which shall have accrued prior to the date of such termination or shall mature on such date.

11.2 Except as provided in paragraph 11.1.1 of this Section, no destruction of, or damage to the whole or any part of the premises or to any part of any buildings, structures, improvements, fixtures, and equipment, furnishings or other property located thereon by fire or any other casualty, cause or condition shall permit the Lessee to surrender or terminate this Agreement or shall relieve the Lessee from its liability to make payment of any monies, charges, fees or rentals or additional rentals payable under this Agreement or from any of its other obligations hereunder. The Lessee waives any rights now or hereafter conferred upon the Lessee by statute or otherwise to quit or surrender the premises and terminate this Agreement or any part thereof, or to any suspension, diminution, abatement or reduction of rent on account of any destruction or damage. The parties stipulate that neither the provisions of Section 227 of the Real Property Law of New York nor those of any other similar statute shall extend or apply to this Agreement.

11.3 If the Lessee has secured and maintained the policies of insurance described in Section 10 in the limits set forth therein and the proceeds of such insurance shall be insufficient to pay the entire cost of any rebuilding, restoration, repair, replacement and alteration work required to be performed by the Lessee pursuant to paragraph 11.1 hereof, and the Lesssee elects to finance the portion of the cost of such rebuilding and restoration which exceeds the proceeds of insurance the annual payments of principal and fixed interest due on any loan used by the Lessee solely to finance such portion of the cost shall be included as an item of Gross Expenses under Schedule E, provided that the terms of such financing, including the term and the rate of interest thereon, shall have been approved in advance by the Port Authority, which approval shall not be unreasonably withheld if, giving due recognition to market conditions prevailing at the time of such financing and the useful life of the item of construction, improvement, alteration, modification or replacement work for which such financing is incured, such terms are prudent.

11.4 If such damage or destruction as is described in paragraph 11.1 is covered by insurance then such proceeds shall be applied by the Lessee to the payment of the cost of the rebuilding, restoration, repair, replacement and alteration work required to be performed by the Lessee under the provisions of this Agreement. Any excess of the proceeds of insurance over costs of the restoration shall be includable as an item of Gross Revenue under this Agreement for the purpose of calculating the percentage rental payable by the Lessee hereunder.

Section 12. Indemnity

12.1 The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from (and shall reimburse the Port Authority for the Port Authority's costs or expenses including legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to those for death, for personal injuries, or for property damages, arising out of any default of the Lessee in performing or observing any term or provision of this Agreement, or out of the use or occupancy of the premises by the Lessee, or others with its consent, or out of the acts or omissions of the Lessee, its officers, members, employers, agents, representatives, contractors, customers, guests, invitees and other persons who are doing business with the Lessee or who are at the premises with their consent where such acts or omissions are on the premises, or arising out of any acts or omissions of the Lessee, its officers, members, employees, agents and representatives where such acts or omissions are elsewhere at the Facility, including claims and demands of the City of New York against the Port Authority pursuant to the provisions of the Port Authority's agreement of lease with the City of New York covering the Teleport, whereby the Port Authority has agreed to indemnify the City against claims.

12.2 If so directed, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

Section 13. Signs

13.1 Except with the prior consent of the Port Authority, the Lessee shall not erect, maintain or display any signs, lettering, advertising, posters, displays or similar devices on the premises or elsewhere at the Facility provided, however, that on those interior portions of the Building not visible from outside the Building the Lessee may install directional and informational signs necessary for its operations provided such signs are not annexed or affixed to structural members or walls.

13.2 Upon the expiration or earlier termination of this Agreement the Lessee if so directed by the Port Authority, shall remove, obliterate or paint over any and all signs, lettering, advertising, posters or displays whether or not consented to and shall restore the premises and Facility to the same condition as prior to the installation or placement thereof, and in the event of a failure on the part of the Lessee so to do, the Port Authority may perform the necessary work and the Lessee shall pay the cost thereof to the Port Authority on demand.

Section 14. Ingress and Egress

14.1 The Lessee, solely for itself, its officers, employees, contractors, suppliers of material, furnishers of services, and for its Space Lessees and such business invitees as are at the premises in connection with the transaction of the regular business of the Lessee or any of its Space Lessees, shall have the right of ingress and egress between the premises and the city streets or public ways outside the Facility by means of roadways, pedestrian ways, and vehicular ways within the Facility as may from time to time be designated by the Port Authority for the use of the public, to be used in common with others having rights of passage within the Facility, provided, however, that the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

14.2 The use of all roadways, pedestrian and vehicular ways shall be subject to the rules and regulations of the Port Authority which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Facility. In addition to the rights of closure granted above, the Port Authority may, at any time, temporarily or permanently close, or consent to or request the closing of, any such roadway, pedestrian or vehicular way and any other area at, in, or near the Facility presently or hereafter used as such, so long as a means of ingress and egress reasonably equivalent to that provided in paragraph 14.1 above remains available to the Lessee. The Lessee hereby releases and discharges the Port Authority, its successors and assigns, and all municipalities and other governmental authorities, and their respective successors and assigns of and from any and all claims, demands or causes of

action which the Lessee may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway, pedestrian or vehicular way or other area used as such whether within or outside the Facility. The Lessee shall not do or permit anything to be done which will interfere with free access and passage of others to space adjacent to the premises or in any streets, ways and walks near the premises.

Section 15. Alterations and Improvements by the Lessee

15.1 Except as provided in Section 4 of this Agreement or with the prior consent of the Port Authority, the Lessee shall not erect any structures, make any improvements, or do any other construction work on the premises or elsewhere at the Facility, or alter, modify, or make additions, improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures removable without injury to the premises) (i) which shall affect the structure of the Building or (ii) which shall affect or modify the exterior or design of the Building, or (iii) will interfere with or affect utility systems elsewhere at the Facility (other than heating, ventilating and air conditioning systems installed by the Lessee provided that any such construction work, alteration or improvement made to such systems installed by the Lessee does not affect or modify systems elsewhere at the Facility) or (iv) which would requre filing of plans with or other aproval by the Building Department of the City of New York if the Facility were under private ownership, and in the event any such construction, improvement, alteration, modification, addition, repair or replacement is made without such approval, then, upon reasonable notice so to do, the Lessee will remove the same, or, at the option of the Port Authority, cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Lessee to comply with such notice, the Port Authority may effect the removal or change, and the Lessee shall pay the cost thereof to the Port Authority on demand.

15.2 If after the completion of the initial construction work described in Section 4 of this Agreement the Port Authority consents to the performance of any construction work pursuant to paragraph 15.1 of this Section, the Port Authority shall not withhold consent to the plans and specifications covering such work which the Lessee proposes to perform in the premises, or request any revisions or modifications to the plans and specifications covering such work, except for reasons of safety, health, operational utility, impact on or compatability of the proposed work on building systems or on other parts of the Facility, or unless the proposed work shall in the reasonable opinion of the Port Authority fail to comply with all governmental laws, ordinances, enactments, resolutions, rules and orders including, without limitation, the enactments,

ordinances, resolutions, and regulations of the City of New York and its various departments, boards, and bureaus that are applicable or would be applicable if the Port Authority were a private corporation, or fails to comply with all applicable requirements of the Insurance Services Office of New York. All plans and specifications submitted by the Lessee in accordance with paragraph 15.1 of this Section shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements set forth in this parargraph are met and in connection with review by the Port Authority of such submissions, the Lessee shall submit to the Port Authority, at the Port Authority's request, such additional data, detail or information as may be reasonably necessary for such review. The Port Authority will apply the standards enumerated in this paragraph consistently and without discrimination against the Lessee.

15.3 In the event that at any time during the term of the letting the Lessee is required (or is permitted) to perform any of the above described work, all the applicable provisions of this Agreement shall apply to the performance of such work as though the same were described in the Section of this Agreement entitled "Construction by the Lessee" except for the provisions of said Section governing the time within which preparation and submission of plans and review and comment thereon shall occur. The Port Authority shall give its written approval to any such work which the Lessee may propose to perform or shall request such revisions or modifications therein as the Port Authority may find necessary within a reasonably prompt period of time.

Section 16. Additional Rent and Charges

16.1 If the Lessee shall fail or refuse to perform any of its obligations under this Agreement, the Port Authority, in addition to all other remedies available to it shall have the right to perform such obligations and the Lessee shall reimburse the Port Authority for the cost thereby incurred. If the Port Authority has paid any sum or sums or has incurred any obligations or expense which the Lessee has agreed to pay or reimburse the Port Authority for, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee shall pay to the Port Authority the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental as set forth in the Section of this Agreement entitled "Rental".

16.1.1 Prior to performing any obligation which the Lessee has failed to perform under this Agreement as referred to in paragraph 16.1 of this Section, the Port Authority shall, other than in the case of an emergency, give the Lessee ten (10) days prior written notice specifying the obligation which the Lessee has failed or refused to perform. If in the Port Authority's reasonable estimate the cost to be incurred by the Lessee by reason of the Port Authority's performance of the Lessee's obligation will exceed Ten Thousand Dollars and No Cents ($10,000.00) the Port Authority will, other than in case of emergency, notify any Leasehold Mortgagee, as defined in Section 18 of this Agreement, who shall be entitled to the notice described in paragraph 18.4 of this Agreement prior to performing such obligation.

16.2 For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by the Port Authority for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should the Port Authority elect to use its operating and maintenance staff in performing any work and to charge the Lessee with the cost of same, any time report of any employee of the Port Authoriy showing hours of labor or work allocated to such work, or any stock requisition of the Port Authority showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

16.3 The term "cost" as used in this Section, and as used elsewhere in this Agreement, unless otherwise specifically defined, shall mean and include: (1) Payroll costs paid or incurred by the Port Authority to or on account of its employees as determined in accordance with its normal accounting practice either pursuant to agreement with such employees or pursuant to Port Authority policy with respect thereto, including contributions to the Retirement System, or the cost of participation in other pension plans or systems, insurance costs, sick leave pay, holiday, vacation and authorized absence pay and payroll taxes and other payments payable pursuant to law upon the basis of wages and salaries paid to such employees, including F.I.C.A., New York State Unemployment Insurance Disability Insurance, and Federal Unemployment Insurance; (2) Cost of materials, supplies, equipment and utilities used; (3) Payments to contractors, suppliers, independent consultants, and experts; (4) Any other direct costs as charged under the Port Authority's normal accounting practices; and (5) 30% of the sum of the foregoing.

Section 17. Sale, Assignment, Transfer or Subleasing

17.1 During the term of the letting under this Agreement, the Lessee covenants and agrees that it will not, except only as hereinafter expressly permitted, sell, assign, transfer, mortgage, pledge, hypothecate, encumber or in any way, convey or dispose of the premises, the rents, revenues or any other income from any building constructed on any portion of the premises, or this Agreement or any part thereof, or any rights created thereby, or the letting thereunder, or any part thereof, or any license or other interest of the Lessee therein, or control, as hereinafter defined, of the corporations which are the general partners of Silverstein Teleport Co. and Murray Teleport Associates L.P., respectively, or any of the respective interests of Silverstein Teleport Co. and Murray Teleport Asscociates L.P. in the joint venture known as Teleport Associates without the prior written consent of the Port Authority. The Port Authority shall not withhold its consent to a proposed assignment by the Lessee of this Agreement and the letting hereunder in its entirety to a person, firm or corporation which is and continues to be wholly owned and controlled by one of the entities constituting the Lessee, or which wholly owns and controls one of the entities constituting the Lessee, or which is wholly owned and controlled by a person, firm or corporation which wholly owns and controls one of the entities constituting the Lessee, or into which one of the entities which constitutes the Lessee is merged or with which one of such entities is consolidated if the resulting corporation has a financial standing as of the date of the merger or consolidation at least as good as that of the Lessee (by which is meant that its working capital, its current assets, its ratio of current assets to current liabilities, its ratio of fixed assets to fixed liabilities and its net worth shall be at least as favorable as that of the Lessee) and such assignment is required in connection with such merger or consolidation, provided however, that such assignment shall not be effective until an agreement of assignment and assumption in the form annexed hereto as "Exhibit X" has been executed by the Port Authority, the Lessee and the proposed assignee. "Control" as used herein shall mean legal and beneficial ownership by one person, firm or corporation, or a group acting in concert, of a majority interest in another firm, or ownership by one person, firm or corporation, or a group acting in concert, of 51% or more of the capital stock and voting rights of another corporation.

17.1.1. Notwithstanding the provisions of paragraph 17.1 of this Section, from and after the completion of the Building, the Lessee shall have the right to assign this Agreement and the letting hereunder in its entirety to a Qualified Transferee, as hereinafter defined, provided, however, that no such assignment shall be effective until an Agreement of Assignment and Assumption in the form annexed hereto as "Exhibit X" has been executed by the Port Authority, the Lessee and the proposed Assignee. As used herein a Qualified Transferee shall

mean a person, firm, or corporation which shall meet the requirements and conditions set forth in Section 18.5.2 of this Agreement with respect to a prospective purchaser of the leasehold.

17.1.1.1 Each time this Agreement and the letting hereunder is assigned pursuant to the provisions of paragraph 17.1.1 of this Section or is assigned as a result of and in conjunction with the foreclosure of the Lessee's leasehold mortgage pursuant to Section 18 of this Agreement, the Lessee hereby agrees to pay the Port Authority thirty percent (30%) of the Net Proceeds of the assignment, as hereinafter defined, which are in excess of the Exempt Amount, as hereinafter defined. For the purposes of this paragraph, acquisition of the Lessee's leasehold interest by the Leasehold Mortgagee by foreclosure or by an assignment in lieu of foreclosure shall be deemed to be an assignment. All payments to the Port Authority pursuant to this paragraph shall be made no later than the effective date of the particular assignment. The Lessee upon request from the Port Authority shall submit to the Port Authority in connection with any assignment referred to in this paragraph, a copy of the assignment agreement, together with all related contracts, documents and agreements in conjunction therewith as well as any additional information and data in connection therewith that the Port Authority may reasonably request.

17.1.1.2 As used in this Section:

(i) Gross Profit with respect to an assignment shall mean the total gross sales price, as hereinafter defined, for such assignment less the principal amount as of the effective date of the assignment of the Leasehold Mortgage as defined in Section 18 of this Agreement. In the case of a foreclosure or an assignment in lieu thereof, the principal amount of the mortgage shall be deemed to include accruals of interest, taxes, insurance premiums, and other amounts owing by reason of a default under the mortgage. In the event there has been a Refinancing of the Leasehold Mortgage pursuant to Section 18 hereof prior to a particular assignment, then with respect to such assignment Gross Profit shall mean the total gross sales price for the particular assignment less the Refinanced Amount, as defined in said Section 18, as of the effective date of the assignment.

(ii) "Total gross sales price" shall mean all and every consideration of any kind, form or nature whatsoever resulting from or accruing to the assignor for an assignment, including but not limited to, monetary payments, assumption or satisfaction of the assignor's obligations and debts, including the Leasehold Mortgage, or an assignment subject to any of the assignor's obligations or debts, including the Leasehold Mortgage, and any other items of value resulting from or accruing to the assignor as a result of or in connection with an assignment. The Lessee hereby agrees that the total gross sales price for an assignment shall be negotiated in good faith and at arms length with each assignee.

(iii) Net Proceeds with respect to an assignment shall mean the gross profit from such assignment less the cumulative deficit, as hereinafter defined, if any, resulting from the Lessee's operations under this Agreement as of the effective date of the assignment. In determining Net Proceeds the Lessee shall be entitled to deduct the costs and expenses incurred by the Lessee in connection with such assignment in accordance with the provisions of paragraph 17.7 of this Agreement.

(iv) Cumulative deficit shall mean the difference between the the Annual Developer Amount and the total Net Cash Flow arising from the operation of the Building for all periods from the commencement date to the effective date of the assignment.

(v) Exempt Amount with respect to an assignment shall mean an amount equivalent to ten (10) times the sum of the Annual Developer Amount.

17.2 No assignment of this Agreement or the letting hereunder shall be effective if on the effective date of such proposed assignment (i) the Lessee shall be in default for non-payment of rent, (ii) the Lessee shall be under notice of default as to which the applicable period to cure, if any is provided for in this Agreement, has passed, (iii) this Agreement shall not be in full force and effect, or (iv) the Port Authority shall have served a notice of termination pursuant to Section 21 of this Agreement.

17.3 The Lessee shall not sublet the premises or any part thereof. Nothing contained herein shall be deemed to effect the Lessee's right to enter into space leases provided such are in accordance with the provisions of the Section of this Agreement entitled "Space Leases".

17.4 Nothing contained, herein shall be deemed to affect the Lessee's right to mortgage the leasehold under this Agreement pursuant to the provisions of the Section of this Agreement entitled "Leasehold Mortgaging".

17.5 In the event of an assignment consented to by the Port Authority pursuant to the provisions of this Section and upon execution by the Port Authority, the assignor thereunder, and the proposed assignee of the assignment and assumption agreement referred to herein, the assignor shall be relieved of all liabilities and obligations thereafter accruing under this Agreement. Nothing contained herein shall be construed to relieve the assignor under such assignment from any liability or obligation which shall have accrued prior to the effective date of such assignment or which shall mature on such date.

17.6 Any sale, assignment, transfer, sublease, mortgage, pledge, hypothecation, encumbrance, conveyance or

disposition of th- premises or of the rents, revenues or any other income from the Building, or this Agreement or any part thereof, or any license or other interest of the Lessee therein not made in accordance with this Agreement shall be null and void ab initio and of no force or effect.

17.7 The Lessee for its own account shall pay all costs and expenses, including costs and expenses incurred by the Port Authority, in connection with any assignment, sale, or transfer made in accordance with this Section and none of such expenses shall be included in Gross Expenses for the purposes of computing the rental due under Section 5 of this Agreement.

17.8 If without the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, or pledges in violation of this Section or if the premises are occupied by anybody other then Lessee, the Port Authority may collect all sums, charges and fees, including rental, from any assignee, or anyone who claims a right under this Agreement or letting or who occupies the premises; but no such collection shall be deemed a waiver by the Port Authority of the covenants contained in this Section or an acceptance by the Port Authority of any such assignee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

Section 18. Leasehold Mortgaging

18.1 Definitions

18.1.1 'Institutional Lender' shall mean any of the following entities having at least $500,000,000.00 in gross assets:

(i) institutions, companies or other entities which are subject to the supervision and control of the Banking Department or the Insurance Department of either the State of New York or the State of New Jersey;

(ii) institutions, companies or other entities whose principal activities are subject to the supervision, regulation and control of a department, agency or other governmental authority (however denominated) of any State of the United States having jurisdiction over banks, insurance companies, savings and loan associations or similar entities;

(iii) institutions, companies or other entities whose principal investment activities are subject to the supervision, regulation and

control of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Bank Board or the Federal Reserve Board (or their successors) or of any other agency, department or instrumentality of the United States of America exercising similar functions or having supervisory and regulatory authority similar to that of the Banking Department or Insurance Department of either the State of New York or the State of New Jersey;

(iv) pension, retirement or profit sharing plans, trusts or systems whose investments are regulated by the (1) laws of the United States of America or (2) by the laws of any State of the United States of America or (3) whose investments are regulated by any public agency of any State of the United States or (4) by any public agency of the United States.

(v) a reputable and accredited college or university;

(vi) a corporation or real estate investment trust whose shares are traded on a national stock exhcange;

18.1.2 "Mortgage Amount" shall mean an amount not in excess of the lesser of (i) the Lessee's initial cost of construction, as defined in Schedule E annexed to this Agreement, of the Building; or (ii) the amount authorized with respect to leasehold mortgaging by Institutional Lenders under the applicable laws and regulations of the Banking Department or the Insurance Department of the State of New York or of the State of New Jersey or of the appropriate agency or department of the United States of America and if the Institutional Lender is of the type described in subdivision (ii) of paragraph 18.1.1 or subdivision (iv) (2) and (3) of said paragraph 18.1.1 then the amount authorized for purposes of this subdivision shall mean that amount which would be authorized with respect to leasehold mortgaging by the Banking Department or the Insurance Department of the State of New York as if such Institutional Lender were subject to the supervision and control of either of said Departments. In the event that there is more than one Institutional Lender participating in the Leasehold Mortgage for the Site, then for purposes of this subdivision (ii) the authorized amount for the Site shall be the aggregate amount which may be advanced by all of such Institutional Lenders as determined in accordance with this subdivision (ii).

18.1.3 "Leasehold Mortgage" shall mean a loan or loans secured by one or more leasehold mortgages in an original Principal Amount not to exceed, in the aggregate, the Mortgage Amount for such Site, and which is or are obtained by the Lessee from an Institutional Lender either to finance the initial construction of the Building, or in connection with the permanent financing of the Building, or as is obtained in accordance with the provisions of paragraph 18.3.2 of this Agreement and which, other than in the case of a loan or loans obtained to finance the initial construction of the Building, is or are to be repaid in equal monthly installments such as shall discharge a debt equal to the Mortgage Amount plus interest thereon at a rate to be approved by the Port Authority in advance over a term not to exceed thirty years, or such other long term mortgage in the Mortgage Amount which in accordance with the applicable provisions hereof the Lessee, with the approval of the Port Authority, may obtain. In the event that the loan or loans is or are secured by more than one Leasehold Mortgage, the Institutional Lender for all such Leasehold Mortgages shall be the same, except as provided below, and all such leasehold mortgages as shall secure the loan shall collectivley be referred to herein as the "Leasehold Mortgage. In the event the Lessee obtains a Leasehold Mortgage with respect to the Site in connection with the permanent financing of the Building, the Lessee shall apply all of the proceeds of the permanent financing to discharge in whole the Leasehold Mortgage obtained in connection with the construction of the Building, provided, however, that in the event the Lessee acting diligently and in good faith is unable in connection with its permanent financing of the Building to obtain a Leasehold Mortgage in an amount at least equal to the amount of the Leasehold Mortgage securing the construction loan obtained by the Lessee with respect to the Building or in the event that the proceeds of the permanent financing obtained by the Lessee with respect to the Building are made available to the Lessee in stages so that the Lessee is unable to fully discharge the Leasehold Mortgage securing the construction loan obtained by the Lessee for the Building until the Lessee has received the full proceeds of such permanent financing, then in either or both of such events only the Lessee will be permitted to have at the same time a Leasehold Mortgage securing the construction loan obtained by the Lessee with respect to the Building and a Leasehold Mortgage securing the permanent financing thereof provided, however, that the aggregate amount of both Leasehold Mortgages at any one time shall not exceed the Mortgage Amount.

18.1.4 "Leasehold Mortgagee" shall mean such Institutional Lender which in accordance with the applicable provisions of this Agreement shall become the holder of the Leasehold Mortgage.

18.1.5. (a) "Refinancing of the Leasehold Mortgage" shall mean:

(i) the delivery and recording of a mortgage on the Lessee's leasehold interest with respect to the premises under this Agreement secured by the Lessee from an Institutional Lender who meets the qualifications set forth in paragraph 18.2 (i), (ii), and (iii), all or a portion of the proceeds of which are used to satisfy in full any prior Leasehold Mortgage which may be outstanding with respect thereto at the time of such refinancing; or

(ii) the advancing of additional monies under a Leasehold Mortgage; or

(iii) the entering into a new Leasehold Mortgage by the Lessee with respect to the premises hereunder subsequent to the expiration on termination of a previously existing Leasehold Mortgage with respect to the premises.

(b) Notwithstanding the foregoing provisions of this paragraph, and without limiting the generality thereof, none of the following events shall be deemed a refinancing of the Leasehold Mortgage.

(i) the proceeds of a Leasehold Mortgage obtained by the Lessee to secure a construction loan used to finance the construction of the Building are made available to the Lessee in stages,or the proceeds of a Leasehold Mortgage obtained by the Lessee to secure the permanent financing obtained by the Lessee with respect to the Building are made available to the Lessee in stages; or

(ii) the application by the Lessee of the proceeds of a permanent financing obtained by the Lessee with respect to the Building to the satisfaction in whole or in part of the indebtedness owing under a Leasehold Mortgage obtained to secure a construction loan used to finance the construction of the Building;

(iii) the issuance of a purchase money mortgage or the issuance of a new Leasehold Mortgage pursuant to paragraph 18.3.2 of this Agreement; or

(iv) monies advanced by the Leasehold Mortgagee for interest, taxes, insurance premiums and other amounts owing by reason of a default under the Leasehold Mortgage.

(v) the proceeds of a permanent financing obtained by the Lessee to secure a loan used to finance the cost of extraordinary improvements, alterations, charges or repairs subsequent to completion of the Building and incurred to comply with governmental laws, rules, regulations, ordinances, requirements, orders or directions adopted subsequent to completion of the Building, in accordance with the provisions of Section 6 of this Agreement, or incurred by the Lessee to perform major repairs, replacements or improvements subsequent to completion of the Building, in accordance with the provisions of Sections 9 and 11 of this Agreement.

18.1.6 "Refinanced Amount" shall mean:

(i) in the event of a refinancing pursuant to subdivisions (i) or (iii) of subparagraph 18.1.5 (a) of this paragraph, the principal amount of the Leasehold Mortgage described therein, and

(ii) in the event of a refinancing pursuant to subdivision (ii) of subparagraph 18.1.5 (a) of this paragraph, the unpaid balance of the principal amount of the existing Leasehold Mortgage on the effective date of the refinancing plus the additional monies advanced pursuant to the Refinancing of the Leasehold Mortgage.

18.2 Notwithstanding the provisions of Section 17 of this Agreement and without otherwise limiting the generality thereof, the Lessee shall have the right to make a single mortgage of the Lessee's leasehold interest in the premises under this Agreement in an amount not in excess of the Mortgage Amount (but the limitation contained herein shall not prevent the mortgage lien arising in connection with such Leasehold Mortgage from securing accruals of interest, taxes, insurance premiums and other amounts owing by a reason of a default under the mortgage) under a Leasehold Mortgage to an Institutional Lender approved by the Port Authority in advance which approval shall not be unreasonably withheld if:

(i) the proposed Institutional Lender and each officer, director or partner thereof and any person, firm or corporation having an outright or

beneficial interest in twenty percent (20%) or more of the monies invested in the proposed Institutional Lender, if said Institutional Lender is a corporation, association, or partnership, by loans thereto, stock ownership therein, or any other form of financial interest has as of the date of the proposed financing a good reputation for integrity and financial responsibility and has not been convicted of or under current indictment for any crime and is not currently involved in civil anti-trust, or fraud litigation, or any proceedings indicative of a lack of business integrity;

(ii) the proposed Institutional Lender or any officer, director or partner thereof or any person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed Institutional lender, if said Instititutional Lender is a corporation, association, or partnership, by loans thereto, stock ownership therein or any other form of financial interest, shall not be in conflict of interest as defined under the laws of the State of New York as of the date of the proposed financing with any Commissioner of the Port Authority.

(iii) there are no liens of any kind on any portion of the premises, whether or not such portion is subject to a Leasehold Mortgage except as permitted under this Agreement; and

(iv) the Lessee shall not be in default for non-payment of rent or under notice of default as to which the applicable period to cure, if any is provided for in this Agreement, has passed and this Agreement shall be in full force and effect, and the Port Authority shall not have served a notice of termination pursuant to Section 21 of this Agreement.

18.2.1 The Lessee, at least thirty (30) days prior to the proposed effective date of a proposed Leasehold Mortgage, shall notify the Port Authority, The City of New York, and the New York City Public Development Corporation,in writing, of the identity of the proposed Institutional Lender, and shall also submit to the Port Authority for its approval a copy of the form of the proposed Leasehold Mortgage and of the note or bond which the Leasehold Mortgage was given to secure. The Port Authority will advise the Lessee in writing within fifteen (15) days after receipt of such notification and submission whether or not the Port Authority will consent to such proposed Institutional Lender and such proposed Leasehold Mortgage and note or bond and the Port Authority will also set forth the provisions the Port Authority finds unacceptable. On the date of its execution, or within five (5) days thereafter, the Lessee shall deliver to the

Port Authority, the City of New York, and the New York City Public Development Corporation a conformed copy of the executed Leasehold Mortgage and of the executed note or bond which the Leasehold Mortgage was given to secure, certified to be a true copy thereof.

18.2.2 The Leasehold Mortgagee approved by the Port Authority shall not assign or transfer the Leasehold Mortgage to other than an Institutional Lender approved by the Port Authority which approval shall not be withheld if the proposed assignee or transferee meets the qualifications described in subdivisions (i), and (ii) of paragraph 18.2 of this Agreement as of the date of the Proposed assignment or transfer. The Lessee, at least thirty (30) days prior to the effective date of the proposed assignment of the Leasehold Mortgage, shall submit to the Port Authority for its approval, and to the City of New York and the New York City Public Development Corporation for their information, notwithstanding any other form of notice to them, actual or constructive, the name and address of the proposed assignee together with a copy of the proposed assignment. The Port Authority will advise the Lessee in writing within fifteen (15) days after such submission whether or not the Port Authority will approve such proposed assignee and assignment and the Port Authority will also set forth the provisions the Port Authority finds unacceptable. On the effective date of such assignment or within five (5) days thereafter, the assignee shall deliver to the Port Authority, the City of New York, and the New York Public Development Corportion a conformed copy of the executed assignment of the Leasehold Mortgage.

18.2.3 Notwithstanding anything contained in the Leasehold Mortgage or any consent or approval of the Port Authority thereto, it is understood and agreed that the rights of the Leasehold Mortgagee shall in all respects be as specified in and shall be subject and subordinate to the terms, covenants, conditions and provisions set forth in this Agreement. Without limiting the generality of the foregoing, the Leasehold Mortgagee further understands and agrees that its rights shall be subject and subordinate to the terms, covenants, conditions, and provisions of the Ground Lease. The terms, covenants, conditions and provision of this Agreement and the Ground Lease shall govern as between the Port Authority, the Lessee, and the Leasehold Mortgagee, and in the event of any inconsistency between the terms, covenants, conditions and provisions of this Agreement and the Ground Lease and the terms, covenants, conditions and provisions of the Leasehold Mortgage, the terms, covenants, conditions, and provisions of this Agreement and the Ground Lease shall control. Notwithstanding any provisions of the Leasehold Mortgage to the contrary the Lessee for all purposes shall be deemed to be the Lessee hereunder unless and until the Leasehold Mortgagee shall have acquired the Lessee's interest herein or a new lease has been executed pursuant to this Section, as the case may be, and the Lessee shall have as full and complete control of the operation and use of the premises as if the Leasehold

Mortgage had not been executed and delivered. Subject to the provisions of paragraph 18.2.3.1, the Leasehold Mortgagee shall specifically agree that the Lessee shall have full power and authority to give waivers of and to consent to variations from, the rights of the Lessee under this Agreement and to negotiate and enter into supplements and amendments hereto and that the Port Authority may deal directly with the Lessee in the negotiation and procurement of such waivers, consents, supplements and amendments and in all other matters involving the Lessee under this Agreement or the operation and use of the premises, or any portion thereof, without any consultation with or the approval by the Leasehold Mortgagee provided, however, that no actions or omissions of the Lessee and the Port Authority or either of them pursuant to this paragraph shall have the effect of (i) terminating or reducing the term of this Agreement, or (ii) increasing the amount of any rentals payable by the Lessee hereunder, whether pursuant to Section 5 hereof or pursuant to any amendment which shall be added to this Agreement as a result of the exercise of the rights set forth in this paragraph, unless in the case of either (i) or (ii) above, the prior written approval of the Leasehold Mortgagee shall have been obtained to any such termination, reduction or increase. The Lessee hereby agrees for the benefit of the Leasehold Mortgagee and the Port Authority to perform any obligations and to discharge any liabilities of the Lessee under this Agreement which may result from any such actions or omissions of the Lessee and of the Port Authority, or either of them, pursuant to this paragraph to the exoneration of the Leasehold Mortgagee, therefrom, and the Lessee further agrees to indemnify and save the Leasehold Mortgagee harmless from any loss in connection with the Lessee's failure to discharge any such obligation and liability. The Leasehold Mortgage shall make reference to the provisions of this Agreement and shall provide that the Leasehold Mortgage and the rights of the Leasehold Mortgagee thereunder are and shall be in all respects subject hereto. Without limiting the generality of the foregoing, the Leasehold Mortgage shall contain the following provision:

> "This mortgage is executed upon the condition (i) that no purchaser at any foreclosure sale shall acquire any right, title or interest in or to the lease hereby mortgaged, unless the said purchaser, or the person, firm or corportion to whom or to which such purchaser's right has been assigned, in the instrument transferring to such purchaser or to such assignee the interest of tenant under said lease, assumes and agrees to perform all of the terms, covenants and conditions of said lease thereafter to be observed or performed on the part of such tenant, (ii) that no further or additional mortgage or assignment of said lease shall be made except in accordance with the provisions contained in Article 14 of the lease between The City of New York and The Port Authority of New York and New Jersey, dated as of May 15, 1984 (the "Lease"), and (iii) that a

duplicate original of the instrument containing such assumption agreement, duly executed and acknowledged by purchaser or assignee and in recordable form, is delivered to landlord under the Lease immediately after the consummation of such sale, or, in any event, prior to taking possession of the premises demised thereby."

"The mortgagee agrees to have the proceeds of any insurance or the proceeds of any condemnation award applied to the repair or restoration of the mortgaged premises to the extent such application is required by the provisions of the Lease."

"This mortgage and all rights of the mortgagee hereunder are, without the necessity for the execution of any further documents, subject and subordinate to the terms, covenants and conditions of the Lease as the same may be modified or amended with the consent of the holder of this mortgage if required."

18.2.3.1 It is understood and agreed that the Leasehold Mortgage obtained by the Lessee hereunder will not prevent the Lessee from amending this Agreement or from giving waivers of or consenting to variations from the rights of the Lessee under this Agreement, or from negotiating or entering into supplements, amendments, or modifications to this Agreement, without the approval of the Leasehold Mortgagee unless the waiver, consent, supplement, amendment, or modification may have a material adverse impact on the interest of the Leasehold Mortgagee. As to waivers, consents, supplements, amendments, or modifications which will not have a material adverse impact on the Leasehold Mortgagee's interest, the Port Authority shall have the right (but not the obligation) to seek to obtain the Leasehold Mortgagee's approval and if such approval is not requested from the Leasehold Mortgagee or if it is requested but the Leasehold Mortgagee does not grant its approval such waiver, consent, supplement, amendment or modification shall nevertheless be effective except that if thereafter the Leasehold Mortgagee realizes upon the Leasehold Mortgage by foreclosure or otherwise in accordance with this Agreement, and the Leasehold Mortgage approved by the Port Authority, and it or any other entity succeeds to the Lessee's leasehold interest pursuant to this Section then such waiver, consent, supplement, modification or amendment shall not be binding on the Port Authority, the Leasehold Mortgagee, or such other entity who pursuant to this Section has succeeded to the Lessee's leasehold interest.

18.2.4 Any approval or consent by the Port Authority hereunder whether to the Leasehold Mortgage or to any assignment thereof shall apply only to the specific transaction thereby authorized and shall not relieve the Lessee or the Leasehold Mortgagee from the requirement of obtaining the prior approval or consent of the Port Authority to each and every further assignment of the Leasehold Mortgage.

18.2.5 The Port Authority and the Lessee agree that if they are requested by a qualified Institutional Lender as a condition to the issuance by such Lender of a commitment for a permitted Leasehold Mortgage to the Lessee to amend this Agreement, they will not unreasonably refuse to consent to such amendment, provided that the Port Authority shall not to be obligated to execute an amendment unless the proposed amendment does not in the sole opinion of the Port Authority adversely affect the Port Authority's rights hereunder or the operations of the Lessee in the manner contemplated by the provisions hereof, and unless such proposed amendment is not inconsistent with the terms of this Agreement.

18.3 Except as expressly authorized in paragraph 18.2 the Lessee shall not mortgage the Lessee's interest in this Agreement or the letting hereunder in whole or in part.

18.3.1 Notwithstanding the provisions of this paragraph the Lessee may effect a Refinancing of the Leasehold Mortgage at any time subsequent to the Completion Date of the Building, as said Completion Date is certified by the Port Authority under paragraph 4.13 of this Agreement, provided, however, that the aggregate principal indebtedness to be secured by the Refinancing of the Leasehold Mortgage, the duration of said Refinancing, and the interest rate thereon, including the annual debt service payments, shall have been consented to in advance in writing by the Port Authority. In the event that the Net Refinanced Amount, as hereinafter defined, resulting from such Refinancing does not exceed an amount equivalent to ten (10) times the Annual Developer Amount, the entire Refinanced Amount shall be retained by the Lessee. The aggregate principal indebtedness secured by such Refinancing shall thereafter be deemed to be the "Mortgage Amount" under this Agreement, but no portion of the payments of principal and interest arising from such Refinancing, nor any other payments or expenses of any kind whatsoever arising out of, as a result of, or in connection with such refinancing shall be includable as a permitted expense under Schedule E, provided, however, the Lessee shall continue to have the right to deduct an amount equivalent to the payments of interest and amortization on the original Leasehold Mortgage on the Site in calculating Net Cash Flow for the Building.

In the event that the Net Refinanced Amount resulting from such Refinancing equals or exceeds an amount equivalent to ten (10) times the Annual Developer Amount, the Lessee shall pay to the Port Authority thirty percent (30%) of such excess. The aggregate principal indebtedness secured by such Refinancing shall thereafter be deemed to be the "Mortgage Amount" under this Agreement, and in the calculation of the Net Cash Flow for the Building the Lessee shall be entitled to deduct the payments of interest and amortization on the indebtedness secured by such Refinancing. From and after the effective date of any such Refinancing of the Leasehold Mortgage, the Lessee shall pay to

the Port Authority in lieu of the percentage rental set forth in paragraph 5.6.1 of this Agreement an annual percentage rental equivalent to thirty percent (30%) of the Net Cash Flow of the Building arising during such annual period or portion of an annual period following the effective date of the refinancing. The calculation of such percentage rental shall be in accordance with the provisions of paragraphs 5.6.2 and 5.6.3 of this Agreement except that whenever any statement submitted by the Lessee with respect to the Building for any annual period, or portion thereof, following the effective date of such Refinancing shall show a Net Cash Flow for the Building the Lessee shall pay at the time of rendering the statement an amount equal to the percentage stated above in this paragraph applied to such Net Cash Flow for such annual period or portion thereof. Following the expiration of the Leasehold Mortgage resulting from such Refinancing the Lessee shall pay percentage rental strictly in accordance with paragraph 5.6.1 of this Agreement.

18.3.1.1 As used in paragraph 18.3.1 of this Agreement, Net Refinanced Amount shall mean with respect to the Refinancing of the Leasehold Mortgage the Refinanced Amount resulting from such Refinancing, less the outstanding balance of the principal amount of the Leasehold Mortgage existing immediately prior to such Refinancing, and less reasonable expenses incurred by the Lessee in connection such Refinancing. In the event that the Lessee is in default of the Leasehold Mortgage on the date of its Refinancing, the outstanding balance shall be deemed to include accruals of interest, taxes, insurance premiums, and other amounts owing by reason of such default.

18.3.2 A third party purchaser who in conformity with the provisions of this Agreement acquires the leasehold hereunder as a result of foreclosure of any Leasehold Mortgage authorized by this Agreement, either at foreclosure sale or by assignment in lieu of foreclosure, shall have the right in connection with the purchase at foreclosure of the original Leasehold Mortgage or the acquisition of the Lessee's interest under the Lease by assignment in lieu of foreclosure to mortgage its leasehold interest to an Institutional Lender who meets the qualifications set forth in paragraph 18.2 (i), and (ii) provided, that the aggregate principal indebtedness to be secured by such leasehold mortgage does not exceed the unpaid principal balance of the mortgage which was the subject of the foreclosure (including accruals of interest, taxes, insurance premiums or other amounts owing under the foreclosed morgage by reason of a default thereunder). Payment by such purchaser of principal and interest pursuant to the new leasehold mortgage obtained pursuant to the provisions of this paragraph shall be included as a Gross Expense pursuant to Schedule E annexed to this Agreement provided the duration of the mortgage, the interest rate thereon and the annual debt service resulting therefrom have been consented to by the Port Authority in advance, which consent shall not be unreasonably witheld provided such are in acccord with commercial practices then in effect.

18.4 If the Leasehold Mortgagee shall have given to the Port Authority a written notice specifying its name and address together with a conformed copy of the Leasehold Mortgage, the Port Authority shall send to the Leasehold Mortgagee a copy of each notice of default given under this Agreement at the same time as and whenever any such notice of default shall have been sent to the Lessee, such copy to be addressed to the Leasehold Mortgagee at the address last furnished by it to the Port Authority, and no notice of default shall be deemed to have been given by the Port Authority unless and until a copy thereof shall have been so given to the Leasehold Mortgagee. The Lessee irrevocably directs that the Port Authority accept, and the Port Authority agrees to accept, the curing of such default by the Leasehold Mortgagee as if and with the same force and effect as though cured by the Lessee. The Port Authority for informational purposes only will also send to the Leasehold Mortgagee an additional copy of all other notices and requests given under this Agreement to the Lessee but receipt by the Leasehold Mortgagee of such notices shall not be a condition to the effectiveness thereof nor affect in any way the validity thereof.

18.4.1 Unless and until such time as it becomes the Lessee hereunder, the Leasehold Mortgagee shall not have any right in or to the operation or use of the premises or the Building for the purposes set forth in this Agreement or for any other purpose whatsoever. The Leasehold Mortgagee shall not enter into or be entitled to enter into possession of the premises under this Agreement except to the extent afforded to it under this Agreement for the purpose of curing defaults by the Lessee.

18.5 If the Port Authority shall elect to terminate the letting under the Section of this Agreement entitled "Termination", or otherwise by reason of the Lessee's default, then the Port Authority shall give written notice of such termination to the Leasehold Mortgagee if it shall have become entitled to notice as provided in paragraph 18.4, which notice shall specify the event or events of default upon which the notice is predicated. The Leasehold Mortgagee shall have the right to extend the effective date of such termination as specified in the notice for a period not to exceed ninety (90) days' in order to cure all such defaults as are specified in the notice which are susceptible of being cured without the Leasehold Mortgagee first obtaining possession of the premises, provided the Leasehold Mortgagee shall give notice of such extension to the Port Authority not later than forty-five (45) days after the date of service of the Port Authority's notice of termination on the Leasehold Mortgagee and shall simultaneously with the giving of its notice to the Port Authority pay to the Port Authority any and all arrears in the rentals payable under this Agreement as of the date of its notice to the Port Authority, as specified in the Port Authority's notice. During such ninety (90) day period the Leasehold Mortgagee shall assume the performance of all of the

Lessee's obligation under this Agreement that are capable of being performed without the Leasehold Mortgagee first obtaining possession of the premises, or physically obtaining access to the premises by its agents or contractors, as though it were the Lessee hereunder and shall pay all rentals due to the Port Authority. At the end of such period the Port Authority shall be entitled to proceed to effect termination of the letting under this Agreement unless within such time the Leasehold Mortgagee shall have cured all such defaults as are specified in the Port Authority's notice which are capable of being cured without the Leasehold Mortgagee first obtaining possession of the premises or physically obtaining access to the premises by its agents or contractors; and, if there are other defaults, shall have commenced an action to acquire the Lessee's interest under this Agreement by foreclosure of its mortgage or otherwise and shall have executed and delivered to the Port Authority an agreement in form satisfactory to the Port Authority wherein the Leasehold Mortgagee agrees during the pendency of such foreclosure action to assume performance and observance of each of the covenants and conditions herein contained on the Lessee's part to be performed and which are capable of being performed without the Leasehold Mortgagee obtaining possession of the premises or physically obtaining access to the premises by its agents or contractors as though it were the original Lessee under this Agreement. If the curing of such defaults requires activity over a period of time and the Leasehold Mortgagee shall have commenced the curing of such defaults within the said ninety day period and shall diligently continue such performance without interruption the said ninety day period shall be extended for such further period of time as such performance requires. If within the extension period all such defaults as are specified in the notice of termination shall be cured, the notice of termination predicated upon such defaults shall be null and void and of no further force or effect.

If the event of default or breach specified in the notice of termination is not susceptible of being cured by an act which the Leasehold Mortgagee can perform without first obtaining possession of the premises or is not susceptible of being cured by an act which the Leasehold Mortgagee can perform regardless of whether the Leasehold Mortgagee obtains possession of the premises, the Leasehold Mortgagee shall have the right to further extend the effective date of the notice of termination beyond the ninety day period specified in this paragraph for such additional period as, with all due diligence and in good faith, will enable such Leasehold Mortgagee to initiate an action to foreclose the Leasehold Mortgage and to diligently and expeditiously proceed and complete such proceedings and thereafter diligently proceed to cure all such defaults as are specified in the notice of termination which are susceptible of being cured by an act which the Leasehold Mortgagee can perform upon obtaining possession of the premises provided, however, that: (a) the Leasehold Mortgagee shall deliver to the Port Authority within the ninety day period originally set forth herein a written instrument wherein the

Leasehold Mortgagee unconditionally guarantees to the Port Authority that upon obtaining possession of the premises the Leasehold Mortgagee will cure all such defaults as are specified in the notice of termination which are susceptible of being cured by an act which the Leasehold Mortgagee can perform upon obtaining possession of the premises and that if this Agreement thereafter is terminated prior to the curing of all such defaults, the Leasehold Mortgagee will pay to the Port Authority the cost of curing such defaults; and (b) the Leasehold Mortgagee shall pay to the Port Authority any arrears in the rental payable under this Agreement as of the date of its notice to the Port Authority as specified in the notice of termination; and (c) during the period from the effective date of termination as set forth in the notice of termination to the date that the Leasehold Mortgagee or purchaser at foreclosure acquires the Lessee's interest under this Agreement or the notice of termination shall become null and void as hereinafter provided, or until termination of the letting has been effected in accordance with the notice of termination, or until the Leasehold Mortgagee notifies the Port Authority that it no longer wishes to extend the effective date of termination, whichever shall first occur, (which period is hereinafter called "the extension period") the Leasehold Mortgagee pays to the Port Authority, in addition to the payment of any rental arrears, all of the rentals described in Section 5 of this Agreement; and (d) the Leasehold Mortgagee shall proceed with all due diligence and continuity and in good faith to institute foreclosure proceedings and diligently and expeditiously prosecute the same to completion (unless the Leasehold Mortgagee shall otherwise acquire the Lessee's interest under this Agreement by assignment in lieu of the foreclosure). The Leasehold Mortgagee shall not be required to continue to prosecute foreclosure proceedings or to obtain possession of the premises provided that it notify the Port Authority promptly of its discontinuance of the proceedings. Upon such discontinuance, the Port Authority shall be entitled to proceed to effect termination of the letting under this Agreement in accordance with its notice. In the event the foregoing conditions shall have been fully and timely fulfilled and all defaults specified in the notice as are susceptible of being cured have been cured, the notice of termination shall be null and void and of no further force or effect and the default of the prior Lessee as specified in the notice shall no longer be an event of default under this Agreement. Without limiting the generality of the foregoing provisions, with respect to defaults specified in subdivisions (a), (b), (c), (d), (e), (f) or (g) of Paragraph 23.1 of Section 23 of this Agreement, the Leasehold Mortgagee shall not be required to comply with the condition set forth in clause (a) above, and, so long as the conditions specified in clauses (b) and (c) above are fulfilled, and the Leasehold Mortgagee or its nominee or purchaser at a foreclosure sale shall acquire the Lessee's interest under this Agreement and shall not itself be subject to any bankruptcy or other proceedings which would entitle the Port Authority to terminate this Agreement pursuant to the aforementioned subdivisons of paragraph 23.1, the

existence of bankruptcy or the other events of default described in subdivisions (a), (b), (c), (d), (e), (f), or (g) of paragraph 23.1 relating to the prior Lessee shall no longer be an event of default under this Agreement. In the event, however, that the Leasehold Mortgagee shall fail to comply with the requirements and conditions of this paragraph, the Port Authority shall be entitled to proceed to effect termination of the letting under this Agreement in accordance with the notice.

Nothing contained herein shall preclude the Port Authority from exercising any of its rights or remedies with respect to any event of default which shall occur during the period the effective date of any notice of termination has been extended, subject nevertheless to the Leasehold Mortgagee's rights as hereinabove provided for.

18.5.1 In the event the Leasehold Mortgagee shall commence to foreclose its mortgage or to have the Lessee's interest assigned to itself in lieu of such foreclosure, the Leasehold Mortgagee shall give the Port Authority written notice of its commencement of foreclosure proceedings or of its intention to have this Agreement assigned to itself which notice shall be given at least ninety (90) days prior to the completion of the foreclosure proceedings or the effective date of the assignment in lieu thereof and shall state the then principal balance of the Leasehold Mortgage, the amount of accrued and unpaid interest thereon, all other sums due thereunder and the per diem interest which will accrue on the Leasehold Mortgage from and after the giving of such notice. The Port Authority shall have the right within sixty (60) days following the giving of such notice by the Leasehold Mortgagee to purchase the Leasehold Mortgage for an amount equal to the total amount specified in such notice from the Leasehold Mortgagee, including per diem interest to the date of purchase. If the Port Authority shall fail to notify the Leasehold Mortgagee within the said sixty (60) day period of its intention to purchase the Leasehold Mortgage the Leasehold Mortgagee shall be entitled to proceed to foreclose the Leasehold Mortgage or to accept an assignment in lieu of foreclosure in accordance with the provisions of this Agreement.

18.5.2 No party other than an Institutional Lender described in paragraph 18.2 of this Section (or a corporation wholly owned and controlled by an Institutional Lender if the conditions set forth in subparagraph 18.5.2.1 of this Section are fulfilled) shall be entitled to become the owner of, or acquire any interest in this Agreement pursuant to a judgment of foreclosure and sale or as a result of an assignment in lieu of foreclosure except with the express prior consent of the Port Authority which consent shall not be withheld if the proposed purchaser or successor party to this Agreement shall meet the following requirements and conditions:

(i) the proposed party or its managing agent (as approved under paragraph (v) below) shall have an established record and reputation of more than ten (10) years' experience in the operation of first-class single occupancy or multiple-occupancy office buildings, as the case may be, containing not less than 100,000 rentable square feet (per building) and shall have adequate and experienced staff and management personnel to give full time attention to the operation of the building as a first-class office building in accordance with all the terms and conditions of this Agreement and to fulfill all of the Lessee's obligations under this Agreement throughout the balance of the term of the letting hereunder;

(ii) the financial standing of the proposed party as of the date of the acquisition of the leasehold is sufficent to assure the operation of the building in accordance with the standards and requirements of this Agreement and to fulfill all of the Lessee's obligations under this Agreement throughout the balance of the term of the letting hereunder;

(iii) the proposed party and any officer, director or partner thereof and any person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed party, if said party is a corporation or partnership, by loans thereto, stock ownership therein, or any other form of financial interest has as of the date of the proposed acquisition a good reputation for integrity and financial responsibility and has not been convicted of or under current indictment for any crime and is not currently involved in civil anti-trust or fraud litigation, or any proceedings indicative of a lack of business integrity;

(iv) Neither the proposed transferee nor any officer, director or partner thereof nor any person, firm or corporation haing an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed transferee, if said transferee is a corportion or partnership, by loans thereto, stock ownership therein or any other form of financial interest has filed a voluntary petition in bankruptcy or has been adjudicated a bankrupt within five years prior to the date of transfer;

(v) the proposed party or any officer, director or partner thereof or any person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed party, if said party is a corporation or partnership, by loans thereto, stock ownership therein,

or any other form of financial interest shall not be in conflict of interest, as defined under the laws of the State of New York, with any Commissioner of the Port Authority as of the date of the proposed acquisition;

(vi) if the proposed party shall desire, to use a managing agent for the operation of the building, such agent shall be subject to the Port Authority's prior approval which shall not be unreasonably withheld if all of the requirements and conditions referred to in subparagraphs (i), (ii) and (iii) above are met, collectively by the proposed party and said agent;

provided, however, that such acquisition, (sale or transfer) shall not be effective until an Assignment and Assumption Agreement in form and substance satisfactory to the Port Authority has been executed by the Port Authority, the Lessee and the proposed party.

18.5.2.1 An Institutional Lender may became the owner of or acquire an interest in this Agreement pursuant to a judgment of foreclosure and sale or as a result of an assignment in lieu of foreclosure in the name of a nominee corporation which is wholly owned and controlled by such Institutional Lender provided such Institional Lender enters into an agreement with the Port Authority, in form satisfactory to the Port Authority, pursuant to which such Institutional Lender agrees that during the period of such nominee's interest in this Agreement it will finance such nominee with sufficent funds as shall enable such nominee to comply with all of the obligations to be undertaken by the Institutional Lender pursuant to the provisions of this Section.

As used in this paragraph "wholly owned and controlled" shall mean 100% legal and beneficial ownership of all the capital stock and voting rights of the subsidiary corporation by the Institutional Lender and if this relationship shall not continue for the entire term of the letting that the said subsidiary corporation is the Lessee hereunder then the Lessee shall be considered in default under and the Port Autority shall have the right to terminate this Agreement and the letting hereunder pursuant to Section 23.1(k) of this Agreement.

18.5.3 Nothing herein shall be deemed to preclude the Port Authority from bidding for the Leasehold Mortgage at any sale, public or private, pursuant to a judgment of foreclosure or in lieu of foreclosure and thereby becoming the owner of the Leasehold Mortgage free from any claims, equities or rights of reoemption of the Lessee.

18.6 If, in the event this Agreement is terminated by reason of the occurrence of any event of default specified in the Section of this Agreement entitled "Termination by the Port

Authority", the Port Authority, within thirty (30) days after the effective date of such termination, receives notice from the Leasehold Mortgagee that the Leasehold Mortgagee requests a new lease for the balance of the orginal term of the letting set forth herein, the Port Authority, provided the Leasehold Mortgagee is entitled to receive the notice described in paragraph 18.4 of this Agreement, within sixty (60) days following its receipt of such request or within twenty (20) days following the expiration of such longer period during which any decree or order of any Court having jurisdiction over the Lessee shall have the effect of preventing the Port Authority, as lessor, from executing or delivering such new lease, shall prepare and deliver to the Leasehold Mortgagee a new lease for the balance of what would have been the remainder of term of the letting under this Agreement, the terms of which shall be substantially similar to the terms contained in this Agreement, provided that such notice from the Leasehold Mortgagee shall not be effective unless accompanied by payment of a sum of money equal to any and all sums, fees, charges and rentals which had been due and payable by the Lessee as of the date of termination. In the event the Leasehold Mortgagee shall not deliver an executed copy of such new lease to the Port Authority within thirty (30) days of its receipt thereof together with a sum of money equal to all expenses, costs and fees, including reasonable counsel fees, as and when the same shall be incurred by the Port Authority in terminating this agreement and in acquiring possession of the premises together with a sum of money equal to all sums, fees and charges, including rentals, which, but for such termination, would have become due and payable under this Agreement up to and including the date of the commencement of the term of such new lease, and all expenses, including reasonable attorney's fees, incidental to the preparation, printing, execution, delivery and recording of such new lease, the Leasehold Mortgagee shall have no further rights or interest in or to the premises and the new lease shall be deemed null and void and of no further force and effect except that the Leasehold Mortgagee shall on demand return all copies thereof to the Port Authority. The granting of a new lease to the Leasehold Mortgagee shall not affect the survival of the Lessee's obligations hereunder as provided in Section 26.

18.6.1 In the event of termination of this Lease and the execution and delivery of a new lease to the Leasehold Mortgagee pursuant to this paragraph, nothing herein contained shall be deemed to impose any obligation on the part of the Port Authority to deliver physical possession of the premises to the Leasehold Mortgagee. The Port Authority agrees, however, that the Port Authority will, at the sole cost and expense of the Leasehold Mortgagee, cooperate in the prosecution of summary proceedings to evict the Lessee in the event of such termination.

18.6.2 A Leasehold Mortgagee who is an Institutional Lender may request a new lease in accordance with the provisions of this Section either in the name of a person, firm,

corporation, or entity which shall met the requirements and conditions set forth in Section 18.5.2 of this Agreement with respect to a prospective purchaser of the leasehold, or in the name of a nominee corporation which is wholly owned and controlled by such Leasehold Mortgagee provided that such Leasehold Mortgagee shall not be permitted to request a new lease in the name of a nominee corporation which is wholly owned and controlled by such Leasehold Mortgagee unless such Leasehold Mortgagee enters into an agreement with the Port Authority, in form satisfactory to the Port Authority, pursuant to which such Leasehold Mortgagee agrees that during the entire period when the nominee is the lessee under such new lease, the Leasehold Mortgagee will finance the nominee with sufficent funds as shall enable the nominee to comply with all of the obligations to be undertaken by the lessee pursuant to the provisions of such new lease.

As used in this Section "wholly owned and controlled" shall mean 100% legal and beneficial ownership of all the capital stock and voting rights of the subsidiary corporation by the Institutional Lender and if this relationship shall not continue for the entire term of the letting that the said subsidiary corporation is the lessee under the new lease then the lessee shall be considered in default thereunder and the Port Authority shall have the right to terminate the new lease and the letting thereunder pursuant to the provisions thereof, which shall correspond to Section 23.1(k) of this Agreement.

18.7 If the Leasehold Mortgagee shall acquire the title to the Lessee's interest under this Agreement by foreclosure of the Leasehold Mortgage or by an assignment in lieu of foreclosure, or under a new lease pursuant to this Section, or if a purchaser at a forcelosure sale shall acquire such title, the Leasehold Mortgagee or such purchaser shall not assign, sell or transfer this Agreement or such lease replacing this Agreement except to a person who shall qualify as an Institutional Lender under the provisions of Section 18.2 or a successor in accordance with the provisions of Sections 18.5.2 hereof, provided, however, that no sale, assignment or transfer of this Agreement or such new lease as shall replace this Agreement shall occur or be effective in any way unless the seller, transferor or assignor shall first notify the Port Authority of the interest it proposes to sell, transfer or assign, the name of the proposed buyer, transferee or assignee and all of the terms of the sale, transfer or assignment. The Port Authority shall have sixty (60) days from its receipt of such notice to agree to purchase or acquire the said interest, on the same terms and conditions as contained in the notice or for a consideration as favorable to the seller, transferor or assignor as contained in the terms and conditions described in the notice. In the event the Port Authority fails to notify the proposed seller, transferor or assignor of its intention to purchase his interest then the interest may be sold, transferred or assigned to the person named in the notice on the terms stated therein provided such person qualifies as a successor as provided above.

18.8 No sale, transfer or assigment by the Lessee of its interest in this Agreement to the Port Authority shall create a merger between the estates of the Port Authority and the Lessee unless the Port Authority, the Lessee and the Leasehold Mortgagee shall specifically consent to such merger in writing, nor shall any such sale, transfer or assignment be deemed to affect or diminish the liabilities of the Lessee named in this Agreement, whether for survived damages or otherwise.

Section 19. Space Leases

19.1 The Lessee shall not enter into any Space Lease as defined in paragraph 5.1.10 of this Agreement, without the Port Authority's prior written consent which consent shall not be withheld provided that all of the following conditions and requirements have been met or satisfied:

(i) Each proposed Space Tenant shall, in the opinion of the Port Authority, be eligible, suitable and qualified as a Teleport tenant and in exercising its opinion with respect to a proposed Space Tenant, the Port Authority shall not apply criteria which are different from or more stringent than those criteria applied with respect to other lessees of space at the Teleport.

(ii) The proposed space tenant and the Port Authority have not executed a letter of intent or similar document regarding a proposed letting of space elsewhere at the Teleport.

19.1.1 Notwithstanding the provisions of Section 19.1 above and in addition to the requirements therein, the Lessee shall not enter into any Space Lease for the letting of a full floor or more, or for the sale of merchandise or the rendering of services, unless the Lessee has obtained the prior written consent of the Port Authority as to the form and terms of such proposed Space Lease. In exercising its right to approve the form and terms of such proposed Space Lease the Port Authority shall not act arbitrarily or capriciously.

19.1.2 In connection with securing the Port Authority's consent as provided in paragraphs 19.1 and 19.1.1, the Lessee shall submit to the Port Authority such information as the Port Authority may reasonably request regarding the financial and business background of the proposed Space Tenant as it relates to the eligibility of the proposed Space Tenant, and, if paragraph 19.1.1 is applicable, a copy of the proposed Space Lease. The Port Authority shall thereafter advise the Lessee whether or not the proposed Space Tenant is eligible, suitable and qualified as a Teleport tenant, and, if paragraph 19.1.1 is applicable,

whether or not it otherwise consents to the proposed Space Lease. If the Port Authority deems the proposed Space Tenant eligible suitable and qualified and, if paragraph 19.1.1 is applicable, otherwise consents to the proposed Space Lease, the Port Authority shall prepare an agreement consenting to such Space Lease in the form annexed hereto as "Exhibit Z". No Space Tenant shall occupy any portion of the premises or conduct operations therein until the required Port Authority consent has been entered into by and between the Port Authority, the Lessee, and the proposed Space Tenant.

19.1.3 The Port Authority shall within five (5) business days after submission to it of all the information and data required by this Section, give its written consent or state its objections to the proposed Space Tenant provided, however, that if paragraph 19.1.1 is applicable the Port Authority shall have seven (7) business days after such submission to give its consent or state is objections to the proposed Space Lease.

19.2 The Lessee shall enter into all approved Space Leases in its own name and each Space Lease shall be executed by the Lessee. The Lessee shall provide the Port Authority with fully conformed copies of all Space Leases entered into by the Lessee with Space Tenants as expeditiously as possible. The Lessee itself or through a managing agent approved in advance by the Port Authority (the Port Authority not to withhold its approval if the proposed managing agent satisfies the requirements of Section 18.5.2) shall administer all Space Leases and each Space Lease shall contain provisions, among others, providing that the Space Tenant shall: (i) observe, be bound by, and comply with all of the terms, provisions, covenants and conditions of this Agreement affecting its operations under or in connection with the Space Lease and its occupancy of the premises; (ii) use the space it occupies for the purpose set forth in the Space Lease and for no other purpose whatsoever; (iii) pay directly to the Port Authority on demand any rental, fee, charge or other amount due to the Lessee if the Lessee shall be in default under this Agreement. If the Lessee shall have remedied the default, the Port Authority shall remit to the Lessee any such rentals, fees, charges or other amounts it has collected and which have not been used by the Port Authority to perform the Lessee's obligations during the period prior to the curing of the default.

19.2.1 The Lessee covenants that each Space Lease it enters into pursuant to the provisions of this Section:

(i) Shall be subject and subordinate to the terms, covenants, conditions and provisions of the Ground Lease, this Agreement, and the rights of the Port Authority hereunder;

(ii) Shall not be changed or modified, discharged or extended without the prior written approval of the Port Authority, if paragraph 19.1.1 is applicable;

(iii) Shall terminate and expire, without notice to the space tenant, on the day preceding the date of expiration of the Ground Lease, or this Agreement, or on such earlier date as the Lessee and Space Tenant may agree upon, or on the effective date of any revocation of the Port Authority's consent.

19.3 The Lessee shall not suffer or permit any person to use the premises or any portion thereof, except in accordance with the provisions of this Section.

19.3.1 The Lessee shall not suffer or permit any default on its part to continue with respect to any Space Lease which would enable the Space Tenant thereunder to terminate its Space Lease by reason thereof, and, in the event that any Space Tenant shall at any time assert to the Lessee that the Lessee is so in default, the Lessee shall promptly notify the Port Authority in writing of the assertion of such claim.

19.4 Each space lease entered into by the Lessee shall contain the following provisions:

"Tenant covenants and agrees that, if by reason of a default upon the part of Landlord who is the Lessee under the Underlying Lease covering the demised premises, to wit, the Agreement of Lease dated as of between The Port Authority of New York and New Jersey as Lessor and Teleport Associates as Lessee, in the performance of any of the terms or provisions of such Underlying Lease or if for any other reason of any nature whatsoever such Underlying Lease and the leasehold estate of the Lessee thereunder are terminated by summary dispossess proceedings or otherwise, Tenant, at the request in writing of the then Landlord under such Underlying Lease, shall attorn to and recognize such landlord as Tenant's landlord under this lease. Tenant covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under such Underlying Lease, any instrument which may be necessary or appropriate to evidence such attornment. Tenant further waives the provisions of any statute or rule of law now or hereafter in

effect which may terminate this lease or give or purport to give Tenant any right of election to terminate this lease or to surrender possession of the premises demised hereby in the event such Underlying Lease terminates or in the event any such proceeding is brought by the landlord under such Underlying lease if such landlord shall have requested in writing that Tenant attorn, as aforesaid and in that circumstance Tenant agrees that this lease shall not be affected in any way whatsoever by any such proceeding or termination. Nothing contained herein shall obligate the landlord to request the Tenant to attorn or to accept such attornment from the Tenant."

19.4.1 Notwithstanding anything to the contrary contained in this Agreement, the Port Authority agrees that after receiving from any Space Lessee occupying at least 10,000 rentable square feet a written request for a non-disturbance agreement, it will not unreasonably refuse to deliver to such Space Lessee such an agreement in customary form, and that it will deliver such agreement within ninety (90) days after receiving such request, provided, however, that the Port Authority shall have previously consented to the form and terms of the Space Lease in question.

19.5 The Lessee hereby assigns to the Port Authority all rents due or to become due from any present or future Space Tenant, provided that so long as the Lessee is not in default thereunder, the Lessee shall have the right to collect and receive such rents for its own uses and purposes. This assignment shall be subject to the rights of any Leasehold Mortgagee under a similar assignment of rents, provided that the Leasehold Mortgagee shall have exercised it rights under Section 18 to remedy the default of the Lessee under Section 18 and shall have made all payments required by Section 18 to be made to the Port Authority and be otherwise diligently performing the conditions of that Section. The effective date of the Port Authority's right to collect rents shall be the date of the happening of a default under the Section of this Agreement entitled "Termination." Thereupon, the Port Authority shall apply any net amount collected by it from Space Tenants to any rent due under this Agreement. No collection of rent by the Port Authority from an assignee of this Agreement or from a Space Tenant shall constitute a waiver of any of the provisions of this Section or an acceptance of the assignee or Space Tenant as a tenant or a release of the Lessee from performance by the Lessee of its obligations under this Agreement. The Lessee, without the prior consent of the Port Authority in writing, will not directly or indirectly collect or accept any payment of rent under any

Space Lease more than six months in advance of the date when the same shall become due.

Section 20. Injury and Damage to Person or Property

The Port Authority shall not be liable to the Lessee, or others, for personal injury or death to any person or persons whomsoever, or damage to any property whatsoever located at any time in the premises or elsewhere at the Facility, including but not limited to any such injury, death or damage from falling material, water,rain, hail, snow, gas, steam, dampness, explosion, smoke, radiation, and/or electricity, whether the same may leak into, or fall, issue, or flow from any part of the premises or the Facility, including without limitation thereto any utility, mechanical, electrical, communication, or other systems therein, or from any other place or quarter, unless said damage, injury or death shall be due to the negligence of the Port Authority, its employees or agents.

Section 21. Quiet Enjoyment

The Port Authority covenants and agrees that as long as it remains the lessee of the Teleport the Lessee, upon paying all rentals hereunder and performing all the convenants, conditions and provisions of this Agreement on its part to be performed, shall and may peacefully and quietly have and enjoy the premises free of any act or acts of the Port Authority except as expressly agreed upon in this Agreement.

Section 22. Rights Of Entry Reserved

22.1 The Port Authority, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement, or otherwise.

22.2 Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents, representatives, and contractors, and furnishers of utilities and other services, shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Teleport, to maintain existing and future sewerage, utility, mechanical, electrical and other systems and to enter upon the premises at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in or under the premises new systems or parts thereof, and to use the premises for access to other parts of the Teleport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration, or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the premises by the Lessee.

22.3 In the event that any property of the Lessee or of others, shall obstruct the access of the Port Authority, its employees, agents or contractors to any of the existing or future utility, mechanical, electrical and other systems and thus shall interfere with the inspection, maintenance or repair of any such system, the Lessee shall move such property, as directed by the Port Authority, in order that access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so move such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agrees to pay the cost of such moving upon demand.

22.4 Nothing in this Section shall be or shall be construed to impose upon the Port Authority any obligations to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do. The Lessee is and shall be in exclusive control and possession of the premises and the Port Authority shall not in any event be liable for any injury or damage to any property or to any person happening on or about the premises nor for any injury or damage to the premises nor to any property of the Lessee or of any other person located in or thereon (other than those occasioned by the affirmative acts of the Port Authority, its employees, agents and representatives).

22.5 At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, the Port Authority, for and by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same.

22.6 If, during the last month of the letting, the Lessee shall have removed all or substantially all of its property from the premises, the Port Authority may immediately enter and alter, renovate and redecorate the premises.

22.7 The exercise of any or all of the foregoing rights by the Port Authority or others shall not be or be construed to be an eviction of the Lessee nor be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

Section 23. Termination

23.1 If any one or more of the following events shall occur, that is to say:

(a) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petiton in bankruptcy or a petition or answer seeking an arrangment or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all its property; or

(b) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed or vacated within sixty (60) days after the filing thereof; or

(c) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(d) By or pursuant to any order or decree of any court or governmental board, agency or officer, a receiver, trustee or liquidator shall take possession or control of all or substantially all the property of the Lessee, or any execution or attachment shall be issued against the Lessee or any of its property whereupon possession of the premises shall be taken by someone other than the Lessee, and any such possession or control shall continue in effect for a period of fifteen (15) days; or

(e) The letting hereunder or the interest or estate of the Lessee under this

Agreement shall be sold, transferred, assigned, subleased, mortgaged, pledged, hypothecated, encumbered, conveyed or shall pass to or devolve upon (by operation of law by statute or otherwise) any other person, firm or corportion, except as provided in this Agreement. Except as provided in this Agreement, a transfer of a controlling interest in the corporations which are the general partners of Silverstein Teleport Company and Murray Teleport Associates, respectively, or the sale to third parties of the respective interests of Silverstein Teleport Company and Murray Teleport Associates in the Lessee shall, for purposes of this Section, be considered a transfer under this subdivision; or

(f) The Lessee shall without the prior consent of the Port Authority become a survivor or merged corporation in a merger, the constituent corporation in a consolidation, or a corporation in dissolution provided, however, that a merger or consolidation shall not be grounds for termination hereunder if the resulting or surviving corportion has a financial standing as of the date of the merger or consolidation at least as good as the financial standing of the Lessee, by which is meant that its working capital, its ratio of current assets to current liability, its ratio of fixed assets to fixed liabilities, and its net worth shall be at least as favorable as that of the Lessee; or

(g) The Lessee is a partnership, and the said partnership shall be dissolved as the result of any act or omission of its partners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever, or any of the events described insubparagraphs (a), (b), (c), or (d) above shall occur to or with respect to one of the entities which are partners in the Lessee or with respect to one of the corporations which are general partners in the partnerships which are partners in the Lessee; or

(h) The Lessee shall fail to commence the design, construction, and equipping of the Building it is required to construct under this Agreement within twenty (20) months of

the commencement date of the letting, or shall fail to expeditiously continue such construction so as to complete the same within the applicable time established pursuant to the provisions of paragraph 4.7 of this Agreement, or the Lessee shall fail to commence operations in any the Building within thirty (30) days' after the Completion Date established with respect thereto.

(i) Any lien is filed against the premises or any Building constructed thereon because of any act or omission of the Lessee and is not removed or discharged within thirty (30) days, unless such thirty (30) day period is extended with the Port Authority's consent, or

(j) The Lessee shall voluntarily abandon, desert or vacate the premises or discontinue its operations therein, or after exhausting or abandoning any right of further appeal, the Lessee shall be prevented for a period of thirty (30) days by action of any governmental agency, other than the Port Authority, having jurisdiction thereof, (other than by condemnation or taking of a temporary interest, as defined in Section 34 hereof, in all or any part of the premises by such governmental agency) from conducting its operations on the premises regardless of the fault of the Lessee; or

(k) The Lessee shall fail duly to pay the rentals, fees, charges or other monies payable hereunder within ten (10) days after receipt of notice from the Port Authority that such rentals, fees, charges, or other monies are due to the Port Authority, or, the Lessee shall fail to pay supplemental rental and Subtenant Impositions to the City of New York within ten (10) days after receipt of notice, either from the Port Authority or the City of New York, that such supplemental rental or Subtenant Impositions are then due; or

(l) The Lessee shall fail to keep, perform and observe each and every promise, covenant and agreement set forth in this Agreement on its part to be kept, performed or observed within thirty (30) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of

time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within thirty (30) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority may upon twenty (20) days' notice terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

23.2 No acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part for any period or periods after a default of any of the terms, covenants and conditions hereof to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of the Port Authority to terminate the letting.

23.3 No waiver by the Port Authority of any default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by the Port Authority of any other or subsequent default in performance of any of the said terms, covenants and conditions.

23.4 The rights of termination described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that the Port Authority would have at law or in equity consequent upon any breach of this Agreement by the Lessee, and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies.

23.5 The Lessee shall not interpose any counterclaim in any summary proceeding or action for non-payment of rental which may be brought by the Port Authority unless such conterclaim, if not interposed, would be unavailable to the Lessee in a separate proceeding.

23.6 Any event described in this Agreement as a ground for termination, including without limitation thereto those stated in paragraph 23.1 of this Section shall be deemed to have occurred if it has occurred with respect to one of the legal entities constituting the Lessee hereunder whether or not it has occurred with respect to all such legal entities, and all acts and omissions of any one of such legal entities shall be deemed to be acts and omissions of all such legal entities under this Agreement and all shall be severally responsible therefor, including but not limited to the obligations of indemnification and repair.

Section 24. Right of Re-Entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in the Section of this Agreement entitled "Termination", have the right to re-enter the premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such reentry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

Section 25. Waiver of Redemption

The Lessee hereby waives any and all rights to recover or regain possession of the premises and any and all rights of redemption, granted by or under any present or future law in the event it is evicted or dispossessed for any cause, or in the event the Port Authority obtains possession of the premises in any lawful manner.

Section 26. Survival of the Obligation of the Lessee

26.1 In the event that the letting shall have been terminated in accordance with a notice of termination as provided in the Section of this Agreement entitled "Termination", or the interest of the Lessee cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the premises in accordance with the provisions of the Section of this Agreement entitled "Right of Re-Entry", all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable, as more specifically stated in paragraph 26.2 of this Section, to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place.

26.2 Immediately upon any termination or cancellation pursuant to the Section of this Agreement entitled "Termination", or upon any re-entry, regaining or resumption of possession in accordance with the Section of this Agreement entitled "Right of Re-entry", there shall become due and payable by the Lessee to the Port Authority, in addition to rental which accrued prior to the effective date of termination, without notice or demand and as damages, the sum of the following:

(a) the amount of all unfulfilled monetary obligations of the Lessee under this Agreement, including, without limitation thereto, all sums

constituting additional rental under Section 16, and all sums constituting Development Period Rental, Operating Expense Rental, Operating Period Rental, and percentge rental hereunder and the total cost to and expenses of the Port Authority for fulfilling all other obligations of the Lessee which would have accrued or matured during the balance of the term or on the expiration date originally fixed or within a stated time after expiration or termination;

(b) an amount equal to the cost to and the expenses of the Port Authority in connection with the termination, cancellation, regaining possession and restoring and reletting the premises, the Port Authority's legal expenses and cost, and the Port Authority's costs and expenses for putting the premises in order including, without limitation, cleaning, decorating and restoring (on failure of the Lessee to restore), the Port Authority's cost and expense for the care and maintenance of the premises and the furnishing and equipping thereof during any period of vacancy, and any brokerage fees and commissions in connection with any reletting; and

(c) subject to the provisions of paragraph 26.3 below:

(i) on account of the Lessee's Development Period Rental obligations for the Site hereunder, an amount equal to the then present value of all Development Period Rental payable with respect thereto as provided for in this Agreement for the entire Development Period for the Site following the effective date of termination, as originally fixed in this Agreement, less the amount thereof which may have been actually paid to the Port Authority by the Lessee.

(ii) on account of the Lessee's Operating Expense Rental obligations for the Site hereunder, an amount equal to the then present value of all Operting Expense Rental payable with respect thereto as provided for in this Agreement for the entire term of the letting of the Site following the effective date of termination, as originally fixed in this Agreement, less the amount thereof which may have been actually paid to the Port Authority by the Lessee.

(iii) on account of the Lessee's Operating Period Rental obligations for the Site hereunder an amount equal to the sum of the applicable square foot factors set forth in paragraph 5.5.1 applied to the number of rentable square feet in the Building in accordance with the formula set forth in paragraph 5.5.1 which would have been used or occupied during the balance of the term if there had been no termination or cancellation (or any re-entry, regaining or resumption of possession) and for the purpose of calculation hereunder, the said number of rentable square feet shall be derived by multiplying the number of annual periods in the balance of the term by the average annual number of rentable square feet in the Building used or occupied in the five annual periods immediately preceding the effective date of termination except that if less than five annual periods preceded such termination, then the average shall be determined by the actual number of annual periods preceding termination.

(iv) on account of the Lessee's percentage rental obligation for the Site hereunder an amount equal to the percentage stated in Section 5.6.1 of this Agreement applied to the amount of Net Cash Flow of the Building in excess of the Annual Developer Amount which would have arisen during the balance of the term if there had been no termination or cancellation (or any re-entry, regaining or resumption of possession) and for the purpose of calculation hereunder the Annual Developer Amount shall be derived by multiplying the number of annual periods in the balance of the term by the average annual number of rentable square feet in the Building used or occupied in the five annual periods immediately preceding the effective date of termination except that if less than five annual periods preceded such termination, then the average shall be determined by the actual number of annual periods preceding termination.

It is understood and agreed that the statement of damages under the preceding subparagraphs (a), (b) and (c) shall not affect or be construed to affect the Port Authority's right to damages in the event of termination or cancellation (or re-entry, regaining or resuption of possession) where no rentable square feet have been used or occupied in the Building or where the Lessee has not received any actual Net Cash Flow under this Agreement from the Building.

(d) an amount equal to the cost to and the expenses of the Port Authority in performing or completing the design, construction and equipping of the Building to be constructed by the Lessee under this

Agreement (in accordance with the provisions of the Section of the Agreement entitled "Construction by the Lessee") in the event that the Lessee has failed to perform or complete the same on or prior to the effective date of termination under this Section regardless of whether or not such termination results from failure of the Lessee to so perform or complete the same and all other monetary damages incurred by the Port Authority on account of the Lessee's failure to so perform or complete. In any such event the Port Authority may itself perform or contract for the performance or completion thereof or may retain a third party to act as agent or representative in accomplishing the same and the costs and expenses of the agent or representative in addition to those of the Port Authority shall likewise be included in the amount of damage under this provision.

26.3 The Port Authority may at any time bring an action to recover all damages as set forth above not previously recovered in separate actions, or it may bring separate actions to recover the items of damages set forth in subparagraphs (a) and (b) of paragraph 26.2 of this Section and separate actions periodically to recover from time to time only such portion of the damages set forth in subparagraph (c) of paragraph 26.2 of this Section as would have accrued as rental up to the time of the action if there has been no termination or cancellation. In any such action under subparagraph (c) of said paragraph 26.2 above the Lessee shall be allowed a credit against its survived damages obligations equal to the amounts which the Port Authority shall have actually received from any tenant, licensee, permittee or other occupier of the premises or a part thereof during the period for which damages are sought, and if recovery is sought for a period subsequent to the date of suit a credit equal to the market rental value of the premises during such period (discounted to reflect the then present value thereof). If at the time of such action the Port Authority has relet the premises, the rental for the premises obtained through such reletting shall be deemed to be the market rental value of the premises or be deemed to be the basis for computing such market rental value if less than the entire premises were relet. In no event shall any credit allowed to the Lessee against its damages for any period exceed the then present value of the rental which would have been payable under this Agreement during such period if a termination or cancellation had not taken place. In determining present value of rental an interest rate of 7% per annum shall be used.

Section 27. Reletting by the Port Authority

The Port Authority, upon termination pursuant to the Section of this Agreement entitled "Termination" or otherwise or upon any re-entry, regaining or resumption of possession pursuant to the Section of this Agreement entitled "Right or Re-entry", may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. The Port Authority may grant free rental or other concessions and such reletting may be of part only of the premises or of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions and for purposes the same as or different from those set forth in this Agreement. The Port Authority shall also upon such termination or upon its re-entry, regaining or resumption of possession pursuant to the Section of this Agreement entitled "Right of Re-entry", have the right to repair or make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right of the Port Authority to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from the Lessee, licensee, permittee or other occupier as the rental or fee in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as the Port Authority may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith. No such reletting shall be or be construed to be an acceptance of a surrender.

Section 28. Remedies to be Non-Exclusive

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Port Authority or to the Lessee at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Section 29. Surrender

29.1 The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the premises on the date of cessation of the letting, whether such

cessation be by termination, expiration or otherwise, promptly and in the same condition as required under paragraph 9.1 of the Section of this Agreement entitled "Maintenance, Repair and Rebuilding" and all of such premises and construction, buildings, structures, improvements and fixtures shall be free and clear of all liens, encumbrances, security interests and of any rights of any subtenants, concessionaires or occupants of the premises.

29.2 Notwithstanding anything to the contrary in this Agreement contained the Lessee and its authorized Space Lessees shall have the right to remove from the premises any or all of their trade fixtures on or prior to the expiration of the letting under this Agreement. The Lessee shall promptly repair any damage resulting from such removal and shall restore the premises by filling in or closing any openings or holes in the floors, walls, ceilings or partitions; all finishes in such areas shall be of the same quality, design and color as those existing on adjacent surfaces. Any trade fixtures remaining on the premises after expiration of the letting or after fifteen (15) days from the effective date of termination of the letting shall be deemed irrevocably abandoned and title to and property in the same shall immediately vest in the Port Authority without the doing of any further act or thing. The Lessee shall, if requested by the Port Authority at such time, execute and deliver to the Port Authority any instrument necessary to transfer to the Port Authority title to all or any of such trade fixtures.

29.3 Unless required for the performance by the Lessee of its obligations hereunder the Lessee shall have the right at any time during the letting to remove, and, on or before the expiration or earlier termination of the letting, shall be obligated to remove its other equipment, inventories, removable fixtures and personal property from the premises, repairing all damage caused by such removal. If the Lessee shall fail to remove such equipment, inventories, removable fixtures and personal property on or before the termination or expiration of the letting the Port Authority may remove the same to a public warehouse for deposit or may retain the same in its own possession and in either event may sell the same at public auction the proceeds of which shall be applied; first, to the expenses of removal, including repair required thereby, and of storage and sale; second, to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, repair, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

29.4 In the event the Lessee does not restore or repair the premises in accordance with the provisions of this Section the Port Authority shall have the right to do so and the Lessee shall reimburse the Port Authority for the cost thereof.

Section 30. Acceptance of Surrender of Lease

No agreement of surrender or to accept a surrender shall be be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representative of the Port Authority, the Lessee, and the Leasehold Mortgagee, if any. Except as expressly provided in this Section, neither the doing of, nor any omission to do, any act or thing, by any of the officers, agents or employees of the Port Authority, shall be deemed an acceptance of a surrender of the letting or of this Agreement. Without limiting the foregoing, no employee or officer of the Port Authority shall be authorized to accept the keys of the premises prior to the expiration date of the letting as fixed in the Section of this Agreement entitled "Term" and no delivery of keys by the Lessee shall constitute a termination of this Agreement or acceptance of surrender.

Section 31. Limitation of Rights and Privileges Granted

31.1 No greater rights or privileges with respect to the use of the premises or any part thereof are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly and specifically granted hereby.

31.2 The premises are let to the Lessee and the Lessee takes the same subject to all the following: (i) easements, restrictions, reservations, covenants and agreements, if any, to which the premises may be subject, (ii) rights of the public in and to any public street, (iii) rights, if any, of any enterprise, public or private, which is engaged in furnishing heating, lighting, power, telegraph, telephone, steam, or transportation services, and of the City and State of New York, (iv) permits, licenses, regulations, and restrictions, if any, of the United States, the City or State of New York or other governmental authority.

Section 32. Ground Lease

32.1 Notwithstanding any other provision of this Agreement, this Agreement shall in any event expire with the expiration or termination of the Ground Lease as the same from time to time may have been or may be supplemented, amended or extended, except as may otherwise be agreed to by the City of New York and the Lessee. The rights of the Port Authority in the premises are those granted to it by the Ground Lease, and no greater rights or privileges are hereby granted or intended to be granted to the Lessee than the Port Authority has power thereunder to grant.

32.2 The Port Authority covenants that, during the term of this Agreement, the Port Authority will not take any action which would amount to or have the effect of cancelling, surrendering or terminating the Ground Lease prior to the date

specified in the Ground Lease for its expiration insofar as such surrender, cancellation or termination would in any manner deprive the Lessee of any of its rights, licenses or privileges under this Agreement. The Lessee acknowledges the buy out rights which the City of New York has pursuant to the Ground Lease and understands that nothing herein shall restrict the Port Authority from selling its leasehold interest under the Ground Lease to the City of New York in accordance with the terms of the Ground Lease. Upon termination of the Ground Lease, or a sale to the City of the Port Authority's leasehold interest thereunder, or if for any other reason of any nature whatsoever, the Ground Lease, and the leasehold estate of the Port Authority thereunder, are terminated by summary dispossess proceedings, or otherwise, the Lessee covenants and agrees pursuant to the requirements of the Ground Lease, at the request in writing of the City, to attorn to, or enter into a direct lease with, the City of New York on terms consistent with those set forth in this Agreement and to recognize the City as its landlord under this Agreement. The Lessee covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the City, any instrument which may be necessary or appropriate to evidence such attornment. The Lessee further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this Agreement or give or purport to give the Lessee any right of election to terminate this Agreement or to surrender possession of the premises in the event the Ground Lease terminates or in the event any such proceeding is brought by the City under the Ground Lease, if the City shall have requested in writing that the Lessee attorn, as aforesaid, and in that circumstance the Lessee agrees that this Agreement shall not be affected in any way whatsoever by any such proceeding or termination. Nothing contained herein shall obligate the City to request the Lessee to attorn or to accept such attornment from the Lessee.

32.3 Nothing herein contained shall prevent the Port Authority from entering into an agreement with The City of New York pursuant to which the Ground Lease is surrendered, cancelled or terminated provided that The City of New York, at the time of such agreement, assumes the obligations of the Port Authority under this Agreement.

32.4 Nothing contained in this Agreement shall be deemed a waiver by the Lessee of any of its rights, licenses or privileges surrendered, cancelled or terminated prior to the dates specified in the Ground Lease for its expiration.

Section 33. Notices

33.1 Notices, requests, permissions, consents and approvals given or required to be given to or by either party under this Agreement, shall not be effective unless they are

given in writing, and all such notices shall be (i) personally delivered to the party or a duly designated officer or representative of such party; or (ii) delivered to the office of such party, officer or representative during regular business hours, or (iii) if directed to the Lessee, delivered at the premises at any time; or (iv) forwarded to such party, officer or representative at the office or residence address by registered or certified mail. The Lessee shall designate an office within the Port of New York District and an officer or representative whose regular place of business is at such office. Until further notice, the Port Authority hereby designates its Executive Director, and the Lessee designates Larry Silverstein as their respective officers or representatives upon whom notices and requests may be served, and the Port Authority designates its office at One World Trade Center, New York, New York 10048 and the Lessee designates its office at its address stated on the first page hereof, as their respective offices where notices and requests may be served.

33.2 If any notice is mailed, the giving of such notice shall be deemed complete as of the date of the registered or certified mailing thereof.

33.3 If any notice is delivered, the giving of such notice shall be complete upon receipt, or, in the event of a refusal by the addressee, upon the first tender of the notice to the addressee or at the permitted address. If any notice is sent by telegraph, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice by the telegraph company to the addressee or at the address therof.

Section 34. Condemnation

34.1 Definitions

34.1.1 As used in this Section, the phrase "temporary interest", when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to the possession of such property (whether or not such interest includes or is co-extensive with an interest of the Lessee therein under this Agreement), for an indefinite term or for a term terminable at will or at sufferance or for a term measured by a war or an emergency or other contingency or for a fixed term expiring prior to the expiration date of this Lease; and the phrase "permanent interest", when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to possession therof, other than a temporary interest as above defined, including among others a fee simple and an interest for a term of years expiring on or after the expiration of this Agreement.

34.1 As used in this Section with reference to the premises leased to the Lessee for its exclusive use, the phrase "a material part" shall mean such a part of the premises that on an economic or operational basis the Lessee cannot continue to carry on therein the operations described in the Section of this Agreement entitled "Rights of User by the Lessee" without using such part.

34.2 Condemnation or Taking of a Permanent Interest in All or Any Part of the Premises

34.2.1 If, in the event of an acquisition by condemnation or the exercise of the power of eminent domain by anybody having a superior power of eminent domain of a permanent interest in all or any part of the premises or the improvements, construction and installations constructed by the Lessee thereon pursuant to the terms of this Agreement (which improvements, construction and installations are sometimes hereinafter referred to as "the facilities", any such acquisition under this Section being hereinafter referred to as a "permanent taking"), the permanent taking covers all or a material part of the premises and facilities, this Agreement and the letting hereunder shall terminate and expire on the earlier of (i) the date Lessee is deprived of physical possession thereof or (ii) the date of such taking; all rentals, fees and payments due under this Agreement shall be apportioned and paid by the Lessee to the date of such termination.

34.2.2 In the event a permanent taking covers less than all or a material part of the premises and facilities, this Agreement and the term of the letting hereunder shall be deemed terminated as to the part of the premises and facilities so taken as of the earlier of (i) the date the Lessee is deprived of physical possession of such part, or (ii) the date of such taking; and with respect to the part not taken, the letting shall continue in full force and effect (subject to the provisions of subsection 34.2.3 hereof) and the Lessee shall continue to pay all sums, charges and fees including rental provided to be paid by the Lessee under this Agreement without any reduction or abatement, provided, however, that if the taking covers any portion of the premises, the applicable rentals for portion, referred to in the Section of this Agreement entitled "Rental" shall be abated as provided therein.

34.2.3 If any portion of the premises shall be damaged or partially destroyed by any permanent taking of less than all or a material part of the premises, the Lessee shall give the Port Authority prompt notice thereof and shall proceed with due diligence to perform any necessary demolition and to repair, replace or rebuild at the Lessee's own cost and expense any remaining part of the premises so as to constitute such remaining part a complete architectural unit of such usefulness, design and

construction as to enable the Lessee to carry on therein the activities described in the Section of this Agreement entitled "Rights of User by the Lessee", unless the parties shall otherwise agree in advance. All work necessary to repair, replace and rebuild the said facilities shall be performed in full compliance with the provisions of this Agreement including but not limited to the provisions of this Agreement entitled "Alterations and Improvements by the Lessee".

34.3 Condemnation or Taking of A Temporary Interest in all or Any Part of the Premises

If a temporary interest in the premises or the facilities or in any part thereof shall be taken in condemnation or other eminent domain proceedings (such taking being hereinafter referred to as "a temporary taking") then this Agreement shall nevertheless continue in full force and effect except to the extent the Lessee may be prevented from so doing pursuant to the terms of the order of the condemning power and the Lessee shall continue to pay all sums, charges and fees including rental, if any, provided to be paid by the Lessee under this Agreement without any reduction or abatement therein, but the Lessee shall have the right to assert a claim in such proceedings to protect its interests and to determine the value of the interest so taken. If such temporary taking is of a part only and the same shall damage the premises or the facilities, the Lessee at its cost and expense shall diligently repair any such damage and the said facilities shall be as nearly as possible in the condition thereof immediately prior to such taking.

34.4 Determination and Distribution of Award

34.4.1 (a) In the event of a permanent taking of all or any part of the premises, the Port Authority, the Lessee, and the Leasehold Mortgagee, if any, shall have the right to appear in the condemnation or eminent domain proceedings and to participate in any and all hearings, trials and appeals therein, for the purpose of protecting their interests hereunder. In any such proceeding to determine the value of the premises so taken, the Port Authority and the Lessee shall together make one claim for their combined interest therein and in the building, fixtures, equipment, furnishings and other property constructed, installed or situated therein and thereon (to the extent compensable), and the net award received shall be paid as hereafter provided in this Section 34.

(b) Nothing contained herein shall be deemed to affect in any way any claim the Port Authority may have for the value of any portion of the Facility not included within the premises hereunder which may be affected by any taking described in this Section or shall serve to give the Lessee any interest in any such claim.

34.4.1.1 The rights of the Port Authority and the Lessee in and to the net award or awards upon any permanent taking of all or a material part of the premises shall be determined as follows and in the following order priority:

(a) The Port Authority shall be entitled to receive and retain an amount equal to its investment in the Infrastructure properly allocated to the premises so taken;

(b) The Lessee shall be entitled to receive and retain an amount equal to the remaining unpaid principal amount, accrued interest, and all other sums due to the Leasehold Mortgagee under the Leasehold Mortgage as of the effective date of such taking, or in the event said Leasehold Mortgage has been foreclosed prior to the date of such taking the remaining unpaid principal amount, accrued interest and all other sums due on the Leasehold Mortgage at such foreclosure and the expenses incurred by the Leasehold Mortgagee in connection with such foreclosure; The portion of the Lessee's award described in this subparagraph shall be paid by the Lessee to the Leasehold Mortgagee and then the Leasehold Mortgage shall be satisfied and discharged of record.

(c) The Port Authority shall then be entitled to receive and retain an amount equal to the value of the land.

(d) The Lessee shall be entitled to receive an amount equal to value of the Building and the fixtures, equipment, furnishing and other property so taken provided, however, that the portion of the award described in this subparagraph which remains after deducting therefrom the sum of the following: (i) a sum determined by subtracting the original Mortgage Amount from the total monies paid by the Lessee to contractors for the initial design, construction, equipping and furnishing of the Building (said sum so arrived at being sometimes hereinafter called "Lessee's Initial Cost of Construction") or in the event said Leasehold Mortgage has been foreclosed prior to the date of such taking a sum determined by subtracting the remaining unpaid principal amount and accrued interest due the Leasehold Mortgagee at such foreclosure and the expenses incurred by the Leasehold Mortgagee in connection with such foreclosure from the total purchase price paid by the purchaser at foreclosure for the premises; and (ii) the remaining unpaid principal, fixed interest, and all other sums due on any loan obtained by the Lessee the proceeds of which have been used solely to finance the cost of performing an item of construction, improvement, alteration, modification or replacement work pursuant to the provisions of Sections 6, 9, or 11 of this Agreement provided the terms of said loan have been approved by the Port Authority in accordance with the provisions thereof (or the unamortized costs of performing the work described in said Sections and paid for by the Lessee in cash), shall be paid to the Port Authority. The Lessee's Initial Cost of Construction shall be determined in accordance with the provisions of Schedule E annexed to this Agreement.

34.4.2 Upon a permanent taking of less than all or a material part of the premises, the award shall be made available to the Lessee for the repair or rebuilding of the Building, and such portion of the award remaining after providing for the repair or rebuilding of the Building shall be distributed in accordance with the provisions of paragraph 34.4.1.1, provided, however, that the sums described in subparagraphs (a), (b), (c), and (d) of said paragraph 34.4.1.1 shall each be multiplied by a fraction of the numerator of which shall be the number of square feet in the portion of the premises taken pursuant to such taking and the denominator of which shall be the total number of square feet originally included therein.

34.4.3 Upon a temporary taking of all or any portion of the premises, and subject to the Lessee's repair obligations as set forth in paragraph 34.3 hereof, the Lessee shall be entitled to receive the full amount of the net award except for such portion of the award representing any period of the taking subsequent to the term of the letting hereunder which portion shall be paid to and retained solely by the Port Authority. The portions of the award received by the Lessee shall be deemed a part of Gross Revenues in the annual period in which received provided, that, if the award for such temporary taking is paid in a lump sum or sums it shall be allocated to Gross Revenue on a pro-rata basis in each Annual Period in the period of the temporary taking.

34.4.4 Nothing contained herein shall or shall be deemed to limit the Port Authority's right to participate in any condemnation proceeding affecting the Facility for the purpose of protecting its interest under the Ground Lease.

34.5 In the event of a disagreement between the parties hereto (a) as to whether or not any taking is of a material part of the premises (as defined in paragraph 34.1.2 hereof), or (b) as to the portion of any award or payment for a temporary taking which represents compensation for the expense of a restoration, after repossession by the Lessee or the Port Authority, either party hereto may within 30 days after disagreement serve written notice on the other setting forth that the matter in dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or of any successor association. Each party shall select an architect or engineer to act as arbitrator in the dispute unfer paragraph (a) below, and an accountant or auditor in the dispute under paragraph (b) below, the two arbitrators thus selected shall select a third and if neither they nor the parties can agree on the third, the remaining engineer or architect shall be selected by the presiding justice of the Appellate Division, First Department or failing that by an officer of the American Arbitration Association. The arbitrators shall be required to render a written decision and such decision shall be binding on the Port Authority and the Lessee and both parties agree to

comply therewith. Costs and expenses of said arbitration shall be borne equally by the Port Authority and the Lessee and none of the same shall be includable under Gross Expenses. In any such arbitration as to whether or not a taking is of a material part of the premises the question to be submitted to the arbitrators for decisions shall be as follows:

> (a) "Can the portion of the Building constructed on the premises taken be adequately restored, repaired or reconstructed so that on an economic and operational basis it will constitute a complete architectural unit of such usefulness, design and construction so as to enable it to be used for the purposes set forth in Section 3 of this Agreement?"

In any such arbitration as to what portion of the award or payment for a temporary taking of the premises represents compensation for the expense of restoration after repossession by the Lessee or the Port Authority, the question to be submitted to the arbitrators for decision shall be as follows:

> (b) "What portion of the award given as compensation for the taking of a temporary interest in the premises represents compensation for the expense of restoring the Building constructed thereon after reversion of possession thereof to the Lessee or the Port Authority?"

Section 35. Separability

Each and every covenant and agreement contained in this Lease shall for all purposes be construed to be a separate and independent covenant and agreement and the breach of any such covenant or agreement by the Port Authority shall not to any extent discharge or relieve the Lessee from the Lessee's obligation to perform each and every covenant and agreement of this Lease to be performed by the Lessee. If any term or provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid and unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the extent permitted by law.

Section 36. Premises

The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its

Commissioners, officers, employees or agents as to the condition of the premises or the suitability thereof for the operations permitted on the premises by this Agreement. The Lessee, prior to the execution of this Agreement, has thoroughly examined the premises and has found them to be suitable for the Lessee's operations hereunder. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use it will immediately correct any such unsafe or improper condition.

Section 37. Payments

37.1 All payments required of the Lessee by this Agreement shall be made at the office of the Treasurer of the Port Authority, One World Trade Center, New York, New York 10048 or to such other officer or address as may be substituted therefor. All payments of supplemental rent and Subtenant Impositions required of the Lessee by this Agreement shall be made at the office of the New York City Department of Finance, Bureau of City Collections, Room 375, 139 Centre Street, New York, New York 10013 or to such other address as may be substituted therefor.

37.2 No payment by the Lessee or receipt by the Port Authority of a lesser rental amount than that which is due and payable under the provisions of this Agreement at the time of such payment shall be deemed to be other than a payment on account of the earliest rental then due, nor shall any endorsement or statement on any check or in any letter accompanying any check or payment be deemed an accord and satisfaction, and the Port Authority may accept such check or payment without prejudicing in any way its right to recover the balance of such rental or to pursue any other remedy provided in this Agreement or by law.

Section 38. Brokerage

38.1 The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker, finder or similar agent who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority from any claims for commission, brokerage or fee made by any person, firm or corporation for services in connection with the negotiation or execution of this Agreement.

38.2 Notwithstanding the provisions of paragraph 38.1 the Lessee's indemnification thereunder shall extend only to claims and demands based on the acts of the Lessee.

Section 39. Communications Facilities

39.1 The Lessee understands that so long as the Sublease is in full force and effect, and the Port Authority is the tenant under the Ground Lease, the Partnership shall be the exclusive provider of communications services and facilities at the Teleport, including, without limitation, all antennas, conduit, and cabling and including any such items located in, on, or around any buildings and structures at the Teleport, and the Lessee shall not and shall not permit any of its Space Tenants or other third party, to install, contract for, or use, or cause to be installed, contracted for, or used, any such items, services, or facilities at the Teleport not provided by the Partnership without the prior written approval of the Partnership, which may be withheld or subject to such conditions as the Partnership in its sole discretion may determine, provided, however, that the Partnership shall consent to tenant-furnished internal building wiring and tenant-furnished internal terminal equipment with respect to initial tenants of buildings not yet constructed, but only if the Partnership is reasonably satisfied after testing and inspection that such wiring and equipment is technologically compatible with its telecommunications equipment and configurations at the Teleport. The Partnership's rights under this paragraph shall terminate at any time on or after the seventh anniversary of the commencement date of the Ground Lease if the Ground Lease has terminated or the Port Authority has ceased to be the lessee thereunder. To the extent that any other provision of this Agreement may or may be deemed to grant the Lessee a right inconsistent with the provisions of this Section the provisions of this Section shall be controlling.

39.2 In the event the Lessee or any of its Space Tenants is required or permitted to construct and operate a facility, antenna or any other item of equipment for the transmission of telecommunications signals to satellites, then prior to constructing and/or installing any such the Lessee shall:

(i) devise a program with respect to each such facility, antenna or item of equipment for monitoring electromagnetic radiation levels issuing therefrom on and in the vicinity of the premises (the "Program");

(ii) select a firm to carry out the Program (the "Monitor"); and

(iii) obtain through the Bureau of Radiation Control of the New York City Department of Health (the "Bureau"), the City's approval of both the Program and the Monitor.

The Lessee shall cause monitoring of electromagnetic radiation levels under each Program to commence when the facility, antenna or equipment covered by such Program commences to transmit signals and such monitoring shall be maintained in effect so long as such antenna or equipment continues in operation.

39.2.1 So long as any Program described in paragraph 39.2 is in operation the Lessee shall:

(i) submit to the Bureau from time to time but no less frequently than four (4) times per calendar year all reports produced by the Monitor with regard to the results of monitoring electromagnetic radiation levels under the Program;

(ii) substitute the City of New York as Monitor if and when the City develops its own capability to monitor electromagnetic radiation and pay for all costs and expenses incurred by the City as such Monitor; and

(iii) insure that monitoring occurs at locations on the premises which are readily or generally accessible to those employed at the Teleport or the general public.

39.2.2 If and when the level of electromagnetic radiation produced on the premises, as measured at one or more locations readily or generally accessible to those employed at the Teleport or the general public, exceeds the greater of fifty (50) microwatts/CM2 or any maximum permissible standard hereinafter adopted by the City, the Lessee shall take all necessary steps to reduce the level of electromagnetic radiation produced at the relevant locations to a power density below the applicable level.

39.2.3 If tests of a type then generally recognized as appropriate for the purpose determine that the reported level of electromagnetic radiation produced on the premises exceeds the permissible level defined in paragraph 39.2.2 hereof because of the multiple activities of the Lessee and other lessees at the Teleport, the responsibility for and expense of reducing such level to the permissible standard shall be upon the Lessee and such other lessees, determined according to the inverse sequence of their initiating the particular activity or activities at the Teleport without whose inclusion thereat the permissible level of radiation would not be exceeded, provided, however, that if such testing determines that the reported level of electromagnetic radiation produced on the premises exceeds the permissible level defined in paragraph 39.2.2 hereof because of the multiple activities of the Lessee and the Partnership, or its successors, and the Lessee at the Teleport, the responsibility for and expense of reducing such level to the permissible standard shall

be exclusively upon the Lessee, unless the Lessee's activities have been specifically consented to by the Partnership, in which event such responsibility shall be upon the Partnership and the Lessee, determined according to the inverse sequence of their initiating the particular activity or activities at the Teleport without whose inclusion thereat the permissible level of radiation would not be exceeded. The party responsible for reducing such level to the permissible standard shall attach protective devices to its equipment, if the reported level of electromagnetic radiation produced on the premises would thereby be reduced to the permissible standard, or if such level can not be so reduced, the responsible party will permanentaly discontinue the said activity.

Section 40. Services and Utilities

40.1 Subject to all the terms and provisions of this Agreement, and to the extent that their consumption does not exceed the capacity of feeders, risers or wiring in the premises or the Facility, the Port Authority will furnish to the Lessee and the Lessee's Space Tenants, respectively, and the Lessee and the Lessee's Space Tenants each will take and pay for electricity of the same characteristics and capacity as is supplied by the public utility company in the vicinity, but limited, however, to serve a maximum equal to 20 watts multiplied by the number of rentable square feet contained in the Building to be constructed on the Site, to be used for their respective operations, the quantity of such electricity supplied to the Lessee and its Space Tenants to be measured by meters installed for that purpose and the Lessee and each Space Tenant to pay for the electricity supplied to them an amount equal to the Port Authority's cost of obtaining the same quantity of electricity plus an amount (which amount is hereinafter referred to as "the incremental amount") not to exceed 15% of such costs to reimburse the Port Authority for the cost of supplying and distributing such electricity, provided, however, that with respect to electricity supplied by the Port Authority to Space Tenants occupying in the aggregate no more than seventy-five thousand occupied rentable square feet the Port Authority shall not be entitled to receive any portion of the incremental amount which when added to the Port Authority's cost of obtaining the electricity shall exceed the rates that would be charged for supplying and distributing the same quantity of electricity, to be used for the same purposes, under the same conditions, by the Public Service & Gas Company of New Jersey, Inc. at the time of such purchase and under the service classification which would be applicable to each such Space Tenant if the Public Service & Gas Company of New Jersey, Inc. were supplying such electricity. The Lessee understands that the Port Authority is currently receiving electricity from The Power Authority of the State of New York (hereinafter referred to as "PASNY"). The Port Authority will continue to obtain electrical power from PASNY so long as PASNY continues to make such power available to the Port Authority. The Lessee shall be solely responsible for transforming the electricity to such voltage,

phase and frequency as it and its Space Tenants desire, for the distribution and handling thereof within the premises and for connecting and tying into its systems to the connection points on the boundary of the premises as selected by the Port Authority to which the Port Authority will deliver the said electricity through Port Authority wires, conduits or connections therefor. The Lessee and each Space Tenant shall furnish, install and maintain, subject to the provisions of this Agreement, all equipment required for the use of such electricity including without limitation thereto all cables, wires, fixtures, conduits, outlets, vents, switches, transformer cabinets and metering pans. The Port Authority shall have no responsibility for the distribution of electrical current in the premises or for the maintenance therein of any electrical usage. If from time to time, in the Port Authority's opinion, the load requirements of the Lessee and its Space Tenants for electricity have increased beyond the agreed upon capacity set forth above the Lessee shall at its own expense make such changes in the distribution system on the premises and pay the cost of such changes in the distribution system off the premises as are required in the Port Authority's opinion by reason of such increased load except that the Port Authority shall install a different meter and furnish a different current transformer, if required, which the Lessee shall install at its own expense. All work performed by the Lessee and equipment installed by it shall be subject to the Port Authority's prior approval and subject to its directions, supervision and inspection and the Lessee shall redo or replace any part of the electrical installation on the premises at the Port Authority's direction.

40.1.1 Subject to all of the terms and provisions of this Agreement, the Port Authority will furnish to the Lessee and the Lessee will take and pay for cold water (of the character furnished by the City of New York) in reasonable quantities through existing pipes, mains and fittings, the quantity of water consumed by the Lessee to be metered by a meter or meters installed on the premises for such purpose and to be paid for by the Lessee at a rate equal to 125% of the charge which the Lessee would have to pay if it received the water directly from the municipality or public utility supplying the same. The supply of cold water to the premises shall be made by the Port Authority to the Lessee at such points on the boundary of the premises as the Port Authority shall designate for connection to such pipes, mains, fixtures and outlets as may be installed by the Lessee in the premises pursuant to the terms of this Agreement. The Port Authority shall have no responsibility for the handling and distribution of cold water within the premises or for the maintenance of any systems installed by the Lessee therein.

40.1.2 Subject to the provisions of the Section of this Agreement entitled "Construction by the Lessee" the Lessee shall construct and install in the premises such lines, mains, conduits, pipes, cables, wires, manholes, fittings, meters and other facilities as shall in the opinion of the Port Authority be

necessary or desirable, to connect all utility and communications services on the premises, including without limitation storm sewer, sanitary sewer, telephone, and other communications services, and fire alarm and fire protection services with supply lines off the premises at the locations designated by the Port Authority. The Lessee shall be solely responsible for bringing such services or utilities from the off premises point or points of connection therefor to the premises and for the handling and distribution thereof within the premises.

40.2 Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all equipment, systems, piping systems, tie-ins, utilities, lines and connections, mechanical, electrical, communications and other systems serving the premises or any portions thereof and the Port Authority shall have no responsibility for heating or cooling any Building, constructed by the Lessee, for electrical distribution therein, or for the maintenance of any specified temperature or comfort level or electrical usage. Without limiting in any way the extent of the Lessee's maintenance obligations as set forth elsewhere in this Agreement, the Lessee shall do all preventative maintenance and make all repairs, replacements, rebuilding and improvements necessary to keep such systems (whether the same involves structural or nonstructural work and whether located on or off the premises) in the condition they were in when made or installed.

40.3 Without in any wise limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used by it in its operations hereunder whether such pipes are located on the premises or elsewhere at the Facility. The Lessee shall also keep clean, repair and maintain all ventilation and exhaust ducts including the replacement of all filters where such ducts are exclusively used by it in its operations hereunder and whether such ducts are located on the premises or elsewhere at the Facility.

40.4 If for any reason any meter fails to record the consumption of any utilities described in this Section for which a metered rate is charged the consumption thereof during any such period that the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption as selected by the Port Authority.

40.5 If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any rate, charge, fee or rent on the Port Authority for any service, system or utility now or in the future supplied to or available to the premises or to any occupants or users thereof or to the Facility

of which the premises form a part (including but not limited to electricity, cold water and any existing or future charge for sewer services furnished by the City of New York as are presently or may hereafter be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof) the Lessee shall, at the option of the Port Authority, exercised at any time and from time to time by notice to the Lessee, pay, in accordance with said notice, such rate, charge, fee or rent or increase thereof (or the portion thereof reasonably allocated by the Port Authority to the premises or the Lessee's operations hereunder) either directly to the governmental body, authority or agency or to the public utility or directly to the Port Authority.

40.6 The Port Authority shall have the right to discontinue temporarily the supply of any of the above services when necessary or desirable in the opinion of the Port Authority in order to make any repairs, alterations, changes or improvements in the premises or elsewhere at the Teleport, including but not limited to all systems for the supply of services. Except in cases of emergency, the Port Authority shall give the Lessee prior notification before any such discontinuance. The Port Authority shall proceed with reasonable promptitude to make such repairs, alterations, changes or improvements as are required and to restore the supply of services which have been discontinued.

40.7 No failure, delay, interruption or reduction in any service or services shall be or shall be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of the rentals payable hereunder, or shall constitute grounds for any claim by the Lessee for damages consequential or otherwise, unless due to the affirmative failure or negligent acts of the Port Authority, its employees or agents. The Lessee shall not be entitled to receive any service or services during any period in which the Lessee shall be under notice of default in the payment of rent or in the payment for such services as to which the applicable period to cure, if any is provided for in this Agreement, has passed.

40.8 The Port Authority shall be under no obligation to supply any service or services if and to the extent and during any period that the supplying of any such service or services or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency.

40.9 Notwithstanding that the Port Authority has agreed to supply any service hereunder to the Lessee, where such service is to be metered the Port Authority shall be under no obligation

to provide or continue any such service if the Port Authority is prevented by law or by agreement resulting from a condition imposed by the supplier from submetering such service. In any such event the Lessee shall make all necessary arrangements for obtaining such service directly with the public utility and the Lessee shall perform at its expense the construction (subject to the terms of this Agreement) necessary for conversion; if the Lessee is permitted to use any existing Teleport equipment or facilities in connection therewith, the Lessee shall pay the Port Authority for the Port Authority's costs thereof.

40.10 The Port Authority shall have no obligations or responsibility with respect to the performance of any services or providing, supplying or furnishing to the Lessee or any utilities or services whatsoever except as expressly provided in this Section.

Section 41. Definitions

The following terms, when used in this Agreement, shall have the respective meanings given below:

41.1 "Letting" shall mean the letting under this Agreement for the original term stated herein, and shall include any extension thereof which may be made pursuant to the provisions of this Agreement or otherwise.

41.2 "Teleport" or "Facility" shall mean that portion of the Staten Island Industrial Park leased by the City of New York to the Port Authority pursuant to the Ground Lease, being the land and premises in the City of New York, in the County of Richmond and State of New York, which are described in Schedule A attached to the Ground Lease, and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for Teleport purposes.

41.3 "Premises" shall include the land, the buildings, structures and other improvements located or to be located or to be constructed therein or thereon, the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch-basins.

41.4 "Agreement" or "Lease" shall mean this agreement of lease.

41.5 The phrase "duct, drain, utility, mechanical, electrical, communication and other systems" shall mean and include (without limitation thereto) the following: machinery, engines, dynamos, fans, boilers, elevators, escalators, incinerators and incinerator flues, systems for the supply of

fuel, electricity, water, gas and steam, plumbing, heating, sewerage, drainage, ventilating, air conditioners, communications, fire-alarm, fire-protection, sprinkler, telephone, telegraph and other similar systems, fire hydrants, fire hoses, and their respective wires, mains, conduits, lines, tubes, pipes, equipment, motors, cables, fixtures and other equipment.

Section 42. Headings

The section headings and the paragraph headings, if any, in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

Section 43. Relationship of the Parties

This Agreement does not constitute the Lessee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint adventure is hereby created.

Section 44. Force Majeure

44.1 Neither the Port Authority nor the Lessee shall be liable for any failure, delay or interruption in performing their obligations hereunder due to causes or conditions beyond their control; provided, however that this provision shall not apply to failures by the Lessee to pay the rentals or other charges, fees or payments specified in this Agreement.

44.2 "Causes or conditions beyond their control" shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of Governmental authority, war, shortage of labor or materials, acts of third parties for which neither the Port Authority nor the Lessee are is not responsible, injunctions, labor troubles or disputes of every kind or any other conditions or circumstances, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) which is beyond the control of the Port Authority and the Lessee or which could not be prevented or remedied by reasonable effort and at reasonable expense.

Section 45. Governmental Compliance

In the event that all or any portion of the premises is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority shall give the Lessee notice that all or any such portion of the premises is so required and the Lessee shall deliver all or any such portion of the premises so required on the date specified in such notice, and if the Lessee does not so deliver, the Port Authority may take the same. The

provisions of the Section of this Agreement entitled "Condemnation" shall apply to any such delivery by the Lessee or taking by the Port Authority and no such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement or shall be made the basis of any claim by the Lessee against the Port Authority for damages, consequential or otherwise. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the premises so required in the same condition as that required hereunder for the delivery of the premises on the cessation of the letting.

Section 46. Construction and Application of Terms

46.1 The Lessee's representative, hereinbefore specified in this Agreement (or such substitute as the Lessee may hereafter designate in writing), shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

46.2 Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual gender or number thereof.

46.3 Whenever in this Agreement, the Lessee is placed under an obligation to covenant to do or to refrain from, or is prohibited from doing, or is entitled or privileged to do, any act or thing, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees. None of the provisions of this paragraph shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, business visitors, agents, representatives, contractors, customers, guests, or other persons, firms or corporations doing business with it or who or which are using or are on or at the premises with its consent.

46.4 All designations of time herein contained shall refer to the time-system then officially in effect in the municipality wherein the premises are located.

46.5 Unless otherwise stated in this Agreement, the rights of user thereby granted to the Lessee with respect to the premises shall be exercised by the Lessee only for its own account and, without limiting the generality of the foregoing, shall not be exercised as agent, representative, factor, broker, forwarder, bailee, or consignee without legal title to the subject matter of the consignment.

46.6 The provisions and obligations contained in any Exhibits or Schedules attached hereto whether there set out in full or as amendments of or supplements to provisions elsewhere

in this Agreement stated shall have the same force and effect as if herein set forth in full.

46.7 This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

46.8 No greater rights or privileges with respect to the use of the premises or any part thereof or with respect to the Facility are granted or intended to be granted to the Lessee by this Agreement, or by any provision hereof, than the rights and privileges expressly granted hereby. Neither a partnership nor any joint venture is hereby created.

Section 47. Estoppel Certificates

47.1 The Lessee shall, without charge, at any time and from time to time, but not more than twice yearly, within ten days after request by the Port Authority, certify by written instrument, duly executed, acknowledged and delivered to the Port Authority or any person, firm, or corporation specified by the Port Authority:

(a) that this Agreement is unmodified and in full force and effect, or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications;

(b) whether or not there are then existing any set-offs or defenses against the enforcement of any of the agreements, terms, covenants or conditions hereof and any modifications thereof upon the part of the Lessee to be performed or complied with, and if so, specify the same; and

(c) the date, if any, to which the rental and other charges hereunder have been paid.

47.2 The Port Authority shall, without charge, at any time from time to time, but not more than twice yearly, within ten days after request by the Lessee or any Leasehold Mortgagee, certify by written instrument, duly executed, acknowledge and delivered, to the Lessee or any Leasehold Mortgagee or any other person, firm or corporation specified by the Lessee or any Leasehold Mortgagee:

(a) that this Agreement is unmodified and in full force and effect, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications;

(b) that the Port Authority to the best of its actual knowledge knows of no condition or event which constitutes a default by the Lessee or Leasehold Mortgagee of a substantial obligation under this Agreement, or, if the Port Authority knows of any such condition or event, specifying to the best of the Port Authority's knowledge the nature thereof; and

(c) the dates, if any, to which the rental and other charges hereunder have been paid.

Section 48. Non-Liability of Individuals

Neither the Commissioners of the Port Authority nor the Directors of the corporate general Partners of Silverstein Teleport Co. and Murray Teleport Associates, L.P. nor any of them, nor any officer, agent or employee of any party hereto, shall be charged personally by any party hereto with any liability or held personally liable under any term or provision of this Agreement or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

Section 49. Labor Harmony Obligation

The Lessee shall use its best efforts, taking all measures and means, to insure labor harmony in its operations at the Facility, all to the end of avoiding and preventing strikes, walkouts, work stoppages, slowdowns, boycotts and other labor trouble and discord. The Lessee recognizes the essential necessity of the continued and full operation of the Facility.

Section 50. No Discrimination

The Lessee shall treat all employees and applicants for employment at the premises without unlawful discrimination as to race, creed, color, national origin, sex, age, handicap, marital status, sexual orientation or affectional preference in all employment divisions, including but not limited to recruitment, hiring, compensation, training and apprenticeship, promotion, upgrading, demotion, downgrading, transfer, lay-off and termination, and all other terms and conditions of employment except as provided by law, and shall state in all solicitations for employment at the premises that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, sex, sexual orientation or affectional preference.

Section 51. Objectionable Interference

51.1 In the event the Lessee desires or is required to construct any improvement in the air space of areas adjoining the

portion of the premises leased by the Port Authority to the Partnership, as shown on Exhibit A annexed to the Sublease, the Lessee shall submit the plans of the proposed improvement to be constructed in such areas to the Partnership for comments regarding objectionable interference with the communications activities being carried on by them at the time. As expeditiously as possible, but in any event within forty-five (45) days following their receipt of such plans, the Partnership shall give written approval thereto or shall request such revisions or modifications therein as may be necessary to correct the cause of the objectionable interference. Failure to comment within such period shall be deemed an approval of such plans. The Lessee shall either revise or cause such revisions to be made to such plans to comply with the comments if any, made by the Partnership, or, if the Lessee shall be unwilling to alter them to meet the objections, the matter shall be sumitted to an engineering committee consisting of one engineer selected by the Lessee, one to be selected by the Partnership, and the third to be selected by the two engineers so selected. If neither the two engineers so selected or the parties can agree on a third engineer, the remaining engineer shall be selected by the Presiding Justice of the Appellate Division, First Department, or failing that, by an officer of the American Arbitration Association. It shall be the duty of the members of such committee to determine whether in their opinion the plans are such that there will result from the construction of the proposed improvement objectionable interference, as hereinafter defined, to any existing or currently planned communications activity then being, or planned to be, conducted by MLT, WUCS and the Partnership. If a majority of the committee shall be of the opinion that such objectionable interference will necessarily result, the Lessee may not proceed therewith without making such revisions as are necessary to remove the cause of the objectionable interference. However, if a majority of the committee shall be of the opinion that no such objectionable interference will necessarily result the Lessee may proceed therewith in accordance with such plans.

51.2 Objectionable interference to a communications activity shall be deemed to exist for purposes of this Section if:

51.2.1 The construction of the proposed improvement were to cause a condition to exist which would constitute interference within the meaning of the provisions of the Rules and Regulations of the Federal Communications Commission at the time in effect, or

51.2.2 The construction of the proposed improvement would cause a material impairment of the quality of either sound or picture signals of an existing or currently planned communications activity then being, or planned to be, conducted by MLT, WUCS and the Partnership, or one of their customers, at any hour during the period of operation of such activity, as

compared with that which would be obtained if the proposed improvement were not to be constructed, or

51.2.3 The construction of the proposed improvement would prevent MLT, WUCS and the Partnership, or one of their customers, from using or having access to its equipment at reasonable and usual times to an extent which interferes to a material degree with the operation or maintenance thereof, it being understood that a reasonable temporary interference which does not materially interfere with the operation or maintenance of the said equipment and which is occasioned by the construction of the proposed improvement or by repairs or maintenance thereto shall not be considered objectionable interference.

Section 52. Recordation

The Lessee may, at its sole cost and expense, record this Agreement, or a memorandum thereof sastisfactory to the Port Authority, and the Port Authority agrees to execute such memorandum on request. If the Lessee so records this Agreement, or such memorandum, it shall, at its sole cost and expense, record each and every modification, extension, supplement, assignment, surrender, or other amendatory agreement relating thereto, or a maorandum thereof satisfactory to the Port Authority, prepared by and at the expense of the Lessee, in a timely fashion.

Section 53. Entire Agreement

This Agreement consists of the following: Pages 1 through 125, inclusive, Sections 1 through 53, inclusive, Exhibits A, B, X, and Z and Schedules A and E. It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Deputy Director
(Seal)
World Trade & Economic Development

WITNESS:

TELEPORT ASSOCIATES, by SILVERSTEIN TELEPORT CO. a Joint Venturer, by Silsat, Inc., a General Partner

By

(Title) President
(Seal)

WITNESS:

TELEPORT ASSOCIATES, by MURRAY TELEPORT ASSOCIATES, L.P. a Joint Venturer, by Telstat Corp., a General Partner

By

(Title) President

APPROVED
Form
Terms
RCC

SM-SITE-D-289

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 27th day, of June 1989, before me personally came FRANK GARCIA, to me known, who, being by me duly sworn, did depose and say that he resides at , that he is the Deputy Director - World Trade & Economic Development of The Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Molly J. Robinson
Notary Public

MOLLY J. ROBINSON
Notary Public, State of New York
No. 03-4903996
Qualified in Bronx County
Commission Expires August 24, 19[illegible]

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 5th day of June, 1989, before me personally came LARRY H. SILVERSTEIN, to me known, who, being by me duly sworn, did depose and say that he resides at

that he is the President of Silsat, Inc. a general partner of the firm of Silverstein Teleport Co. one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, and which executed the foregoing instrument on behalf of Teleport Associates; and he acknowledged that he executed the foreging instrument for and on behalf of Teleport Associates.

Ann Tobin
Notary Public

ANN TOBIN
NOTARY PUBLIC, State of New York
No. 01-TO4694138
Qualified in Kings County
Commission Expires March 30, 19[illegible]

SM-SITE-D-289

STATE OF NEW ~~YORK~~ Jersey)
) ss.
COUNTY OF ~~NEW YORK~~ Union)

On the 2nd day of June, 1989, before me personally came Maurice M. Weiss, to me known, who, being by me duly sworn, did depose and say that he resides at that he is the President of Telstat Corp. a general partner of the firm known as Murray Teleport Associates, L.P. one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, and which executed the foregoing instrument on behalf of Teleport Associates; and he acknowledged that he executed the foregoing instrument for and on behalf of Teleport Associates.

Helen Goldberg
Notray Public

HELEN GOLDBERG
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES MARCH 2[illegible]

Exhibit B

A 931
8-78

THE PORT AUTHORITY OF NY & NJ
One World Trade Center New York, N Y 10048

For Port Authority use only	
FACILITY	APP. NO.
DATE / /	APPLICANT'S NAME

TENANT CONSTRUCTION OR ALTERATION APPLICATION

APPLICANT MUST READ THE TERMS AND CONDITIONS PRINTED ON THE REVERSE HEREOF AND THE TERMS AND CONDITIONS CONTAINED IN RIDERS "A", "B", "C", AND "D".

PART ONE: Information to be furnished by Applicant (Refer to your lease or permit for required information)

Permission is hereby requested to perform the following described work on the space occupied by the Applicant

AT (FACILITY)	PURSUANT TO (LEASE, SPACE PERMIT) NO.	LOCATION (BUILDING # OR AREA) OF SPACE TO BE ALTERED

DESCRIPTION OF WORK AND REASON

ESTIMATED COST OF WORK $	ESTIMATED TIME TO COMPLETE (DATE)	STARTING DATE / /	COMPLETION DATE / /

Plans: Prints of each drawing must be submitted with copies of application. Include floor plan and show area affected by proposed work (size 8½" x 11" or larger).

TITLE OF DRAWING	DRAWING NO.	DATED

NAME & ADDRESS OF CONTRACTOR (IF NOT KNOWN, SUBMIT LATER)	NAME & ADDRESS OF ENGINEER OR ARCHITECT	TELEPHONE NO. / LICENSE NO.

SEND CORRESPONDENCE TO:
(NAME & ADDRESS OF EMPLOYEE IN CHARGE OF WORK)

TELEPHONE NO.

APPLICANT'S NAME (AS IT APPEARS ON LEASE OR PERMIT)

BY (SIGNATURE OF AUTHORIZED REP.) | TITLE | DATE / /

ENGINEER OR ARCHITECT CERTIFICATION

I have supervised the preparation of plans and specifications for the entire work represented herein and hereby certify that they conform to the requirements of the respective enactments, ordinances, resolutions and regulations of the City, town or municipality in regard to construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation.

SIGNATURE OF LICENSED PROF. ENGINEER OR ARCHITECT | DATE / /

PART TWO: Prepared by Port Authority and returned to applicant

The above Application is ☐ Approved ☐ Disapproved. Subject to the following conditions:

The Contractor by signing below agrees to all the terms and conditions on this application and on the reverse side thereof, including #5 indemnifying the Port Authority and further agrees to be bound by all riders and schedules attached to this application.

Contractor's Name & Address

Signature: _____ / / date

Signature of Officer/Partner: _____ / / date

☐ Continued on Rider "A", "B", "C", and "D"

Please advise the undersigned in writing, when this work has been Completed.

The Port Authority of New York and New Jersey

BY

INSPECTED BY	DATE / /	TITLE	DATE / /

TERMS AND CONDITIONS

1. In the performance of the work covered hereunder the Applicant shall, unless otherwise directed in writing by the Port Authority, conform to the requirements of the respective enactments, ordinances, resolutions and regulations of the city, town or municipality in which the Facility is located in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation. The Applicant's obligations to comply with the above governmental requirements is for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

2. The Applicant shall comply also with such federal, state and municipal laws, statutes, orders and regulations, if any, as may be legally applicable to the work or the performance thereof or its employees therein. The Applicant shall consult with the Facility Manager with respect to the applicability of any and all laws, statutes, enactments, ordinances, resolutions and regulations and as to the procedure to be followed before taking any other action with respect thereto, and shall follow the instructions and procedure prescribed by said Facility Manager with respect thereto.

3. The Applicant shall also observe and obey (and compel its officers, employees, agents and contractors to observe and obey) the rules and regulations of the Port Authority now in effect which are applicable to the performance of the work, and such further applicable rules and regulations which may from time to time during the said performance be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, or for the safe and efficient operation of the Facility.

4. The Applicant shall procure and maintain bodily injury and property damage liability insurance in its own name in at least the limits specified in the preamble to this Application and Workmen's Compensation insurance; or if the work is to be done by an independent contractor, the Applicant shall require such contractor to procure and maintain such insurance in the contractor's name. A certificate evidencing such insurance shall be furnished to the Port Authority Facility Manager prior to the commencement of the work.

5. The Applicant shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, against and from (a) the risk of injuries (including wrongful death) or damage direct or consequential, to it or them or to its or their property, arising out of or in connection with the performance of the work, and (b) the risk of claims and demands by third persons, arising or alleged to arise out of the performance of the work, whether such risks arise out of acts or omissions of the Applicant, its contractors, the Port Authority, or otherwise (see Rider "D" for revisions to this paragraph).

6. The Applicant shall pay all claims lawfully made against it by contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work; and shall cause all contractors and subcontractors to pay all such claims lawfully made against them.

7. Only first-class materials and workmanship shall be used in the performance of the work, which shall be done in accordance with the drawings described in Part I of this Application and to the satisfaction and subject to the inspection of the Facility Manager; the Applicant shall re-do or replace at its own expense any work not approved by him.

8. The Applicant shall notify the Facility Manager not less than two days prior to the commencement of the work, and shall complete the same within the number of days specified in Part I of this Application; and upon completion shall notify the Facility Manager.

9. In the performance of the work, (a) the Applicant shall not do or permit to be done any act affecting the operation of any existing plumbing, heating, fire-protection, fire-alarm, sewerage, drainage, water supply, electrical, sprinkler, ventilating, refrigerating, fuel or communication system at the Facility, or other such service system thereat, including all pipes, tubes, lines, mains, wires, conduits, equipment and fixtures, except with the express written approval of the Facility Manager or the Port Authority resident engineer; (b) the Applicant shall obtain a Port Authority permit from the Facility Manager prior to any cutting or welding and shall comply with the conditions which form a part of said permit, a sample of which may be examined in the office of the Facility Manager.

10. (a) Prior to the commencement of the work and throughout the performance thereof, the Applicant shall erect and maintain at its own expense in or about the space such barriers, shields and other suitable protective devices for the protection of the public and others and their property as in the opinion of the Facility Manager may be necessary or desirable for the purpose. The work shall be performed in such manner as will cause the minimum inconvenience to members of the public and others at the Facility. During the performance of the work, the Applicant shall not permit the accumulation in or about the space of any debris, rubbish or litter of any sort resulting from such performance, and shall make such arrangements for the frequent removal thereof from the Facility, by means of facilities to be furnished by the Applicant, as may in the opinion of the Facility Manager be necessary to prevent such accumulation.

(b) In the performance of the work covered by this permit, the Applicant shall not employ any contractor nor shall the Applicant or any of its contractors employ any persons or use or have any equipment or materials or allow any condition to exist if any such shall, or in the opinion of the Port Authority, may cause or be conducive to any labor troubles at the Facility which interfere, or in the opinion of the Port Authority, are likely to interfere with the operation of the Facility by the Port Authority or with the operations of others at the Facility or with the progress of other construction work thereat. The determinations of the Port Authority shall be conclusive on the Applicant and, upon notice from the Port Authority, the Applicant shall immediately remove such contractor or withdraw or cause its contractors to withdraw from the Facility the persons, equipment or materials specified in the notice and replace them with unobjectionable contractors, persons, equipment and materials and the Applicant shall or shall cause its contractor to immediately rectify any condition specified in the notice. In the event of failure by the Applicant or any of its contractors to immediately comply with the requirements of this paragraph (whether or not such failure is due to the Applicant's fault) the Port Authority shall have the right to suspend this permit and the permission thereby granted, without prior notice; when the labor troubles shall be so settled that such interference or the danger thereof no longer exists, the Port Authority, by notice to the Permittee, shall reinstate this permit on all the same terms and conditions as before the suspension. "Labor troubles" shall mean and include strikes, boycotts, picketing, work-stoppages, slowdowns, complaints, disputes, controversies or any other type of labor trouble, regardless of the employer of the persons involved or their employment status, if any.

(c) Not withstanding the approval of this permit by the Port Authority, the Applicant shall not perform or permit to be performed any work hereunder, the performance of which or the subsequent use or occupancy of which will (1) invalidate or conflict with any insurance covering the Facility or any part thereof, or in any property located therein or thereon, or (2) increase the rate of any fire insurance, extended coverage, rental insurance or other insurance on the Facility, or any part thereof or upon any property located therein or thereon. The Applicant shall promptly observe, comply with and execute the provisions of any and all present and future rules, regulations, requirements, orders, directions and standards of the National Board of Fire Underwriters as interpreted by the New York Fire Insurance Rating Organization as to work performed in New York State, or as interpreted by the Fire Insurance Rating Organization of New Jersey as to work performed in New Jersey, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the performance of the work or to the completed work (including use or operation thereof) and the Applicant shall make any and all structural and non-structural improvements, alterations or repairs of the work that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If because of the work done or by reason of any failure on the part of the Applicant to comply with the provisions of this paragraph any such insurance shall at any time be limited, cancelled or invalidated, then the Applicant shall immediately remove the work; or if the rate of premium for any such insurance shall be higher than it otherwise would be, then the Applicant shall pay to the Port Authority on demand that part of all premiums which shall have been charged because of such work or by reason of such failure by the Applicant. The Applicant shall furnish to the Port Authority evidence of approval of the work by the insurance authority having jurisdiction.

11. Title to any installation, improvement, alteration, modification, addition, repair or replacement resulting from work done pursuant hereto shall immediately upon completion vest in the Port Authority (or in the Port Authority's lessor, if any and if the agreement between such lessor and the Port Authority so provides) without execution of any further instrument. The Applicant shall not remove or change the same unless the Port Authority, on or prior to the expiration or termination of the lease or permit described in Part I of this Application or within sixty (60) days after such expiration or termination, shall give notice to the Applicant requiring removal or restoration, in which case the Applicant (on or prior to the expiration or termination date or, if the notice is given after such date, then immediately after receipt of the notice) shall complete the removal of all of the same (or as much thereof as may be required by the notice) and the restoration (to the extent required by the notice) of the space affected by the work to the same condition as it was in prior to the commencement of the said work. If the Applicant shall fail to comply with such notice, the Port Authority may effect the removal and restoration and the Applicant shall pay the cost thereof to the Port Authority upon demand.

12. A certificate of completion shall be issued to the Applicant by the Facility Manager upon request of the Applicant on completion of the work hereunder in accordance with the Terms and Conditions hereof and inspection thereof by the Facility Manager. Issuance of such certificate shall not preclude the Port Authority from showing that Applicant has failed to comply with his obligations hereunder nor shall it release Applicant from such obligations

Tenant Construction or Alteration Application
Rider "A"
Additional Terms and Conditions

A. The agreement between the applicant and any materialman, contractor or subcontractor shall contain the following provisions:

1. That upon notice from The Port Authority, the Contractor shall halt any and all construction which in the the opinion of The Port Authority is not or would not be in conformity with the approved contract documents and that construction will not proceed until the Contractor's proposal to correct the work and procedures have been approved by The Port Authority.

2. That the Contractor shall daily clean up all refuse, rubbish, scrap materials and debris caused by his operation, that at all times the construction site shall present a neat, orderly and workmanlike appearance. The Contractor shall remove and deposit the above refuse, rubbish, scrap materials and debris into containers conveniently located within the contract limit lines defined on the approved drawings. If the Contractor fails to place the refuse, rubbish, scrap materials and debris on a daily basis into such containers and then remove said containers' contents, then the Authority shall authorize others to perform these removals and the cost thereof shall be backcharged to the Contractor. These backcharges will be as determined by the Authority. The removal as described above shall be accomplished without storing excessive quantities of any refuse, rubbish, scrap materials and debris of any sort resulting from the removal operations.

3. The applicant will receive the certificate of completion from the Port Authority, indicating that the work has been completed in accordance with the terms and conditions of the application, only upon having satisfied all claims by the Port Authority for services in connection with clean-up or any other claims deemed appropriate by the Port Authority.

4. That the Contractor shall conform to all the requirements contained in the environmental permit granted the Port Authority by the State of New York.

B. Prior to the execution of any agreement between the applicant and a Contractor, subcontractor or materialman, the applicant shall submit, for approval, their name, address and telephone number. Such submittal shall be made to The Teleport Construction Manager. In no case shall the applicant enter into any agreement for work on The Teleport premises with any Contractor, subcontractor or materialman who has not been approved by The Port Authority for such work.

C. This Application shall be deemed withdrawn by the Applicant in the event performance of the work covered hereunder has not been commenced

within one year after the approval date as shown in the lower right hand corner of this Application. In such event, the Applicant shall not commence performance of any work until the Applicant has submitted a new application to The Port Authority for its approval and has received a copy of such application duly signed in Part Two thereof on behalf of The Port Authority.

D. All structural drawings submitted as part of the applicant's contract documents shall bear the seal and signature of a structural engineer, in addition to that of the Architect and/or Engineer of Record. Said structural engineer must be a Professional Engineer licensed to practice in the State of New York.

E. The Applicant shall compensate the Port Authority for each hour provided by a field engineer in connection with the periodic inspection of the tenant construction at the rate of Twenty-Five ($25.00) per hour (or portion thereof) during normal week day working hours between 8:00 A.M. and 4:30 P.M., and Thirty-Seven and One Half ($37.50) dollars per hour (or portion thereof) during other normal working hours between 4:30 P.M. and 8:00 A.M. and all hours on Saturday and Sunday.

F. Effective February 1, 1984, The World Trade Center will charge fees for the review of Tenant Alteration Applications. The following schedule represents the same fees charged by the City of New York for filing alteration plans in privately owned buildings.

CONSTRUCTION DOLLARS		DOLLAR VALUE OF FEE
Up to	$ 1,000	$ 55.00
$ 1,001	2,000	70.00
2,001	3,000	85.00
3,001	4,000	100.00
4,001	5,000	115.00
5,001	6,000	123.00
6,001	7,000	130.00
7,001	8,000	138.00
8,001	9,000	145.00
9,001	10,000	153.00
10,001	30,000	Note 1
30,001	60,000	Note 2
60,001	100,000	Note 3
Above 100,000		Note 4

Note 1—Between $10,000 and $30,000 fee is $152.00 plus $6.00 per $1,000 or fraction thereof above $10,000.

Note 2—Between $30,000 and $60,000 fee is $272.50 plus $550 per $1,000 or fraction thereof above $30,000.

Note 3—Between $60,000 and $100,000 fee is $437.50 plus $5.00 per $1,000 or fraction thereof above $60,000.

Note 4—In excess of $100,000 fee is $637.50 plus $4.75 per $1,000 or fraction thereof above $100,000.

RIDER B

(Effective August 1st, 1984)

Claims of Third Persons

The Contractor undertakes to pay all claims lawfully made against him by subcontractors, materialmen and workmen, and all claims lawfully made against him by other third persons arising out of or in connection with or because of the performance of this Contract and to cause all subcontractors to pay all such claims lawfully made against them.

If the Contractor fails to pay any such claim lawfully made against him or any subcontractor fails to pay any such claim lawfully made against him or if in the opinion of the owner any of the aforesaid contingencies is likely to arise, then the owner shall have the right, in its discretion, to withhold out of any payment (final or otherwise and even though such payment has already been certified as due) such sums as the owner may deem ample to assure the payment of such claims and to apply such sums in such manner as the owner may deem proper to satisfy such claims. All sums so applied shall be deducted from the ~~owner's~~ contractor's compensation. Omission by the owner to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the owner does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the owner to withhold and apply monies nor any exercise or attempted exercise of, or omission to exercise, such rights by the owner shall create any obligation of any kind to such materialman, subcontractors, workmen or other third persons.

Until actual payment to the contractor, his right to any amount to be paid under this contract (even though such amount has already been certified as due) shall be subordinate to the rights of the owner under this numbered clause.

No Port Authority Obligations

No obligations or liabilities to the contractor are assumed or intended to be assumed by The Port Authority.

RIDER "C"

(Effective August 1st, 1984)

1. Upon completion of this work, two (2) complete sets of reproducible "As Built" contract drawings and one complete and updated set of technical specifications, as well as two (2) complete sets c "As Built" reproducible sprinkler drawings must be submitted to The Teleport Manager, Planning Services, One World Trade Center, 63 South.

2. All work must be performed in harmony with the existing trades currently working at The Teleport.

3. Submit, to The Teleport Manager, Planning Services, One World Trade Center, 63 South, affadavits attesting to the fire retardancy of all wood construction prior to installation as per the New York City Building Code Section C26-502.6.

4. All fire protection and detection installations shall be tested by the contractor in the presence of Port Authority representatives concerned with this matter.

5. It shall be the responsibility of the General Contractor to install, as directed, by the Authority, additional speakers and amplifiers in order to maintain the audibility of the Fire Alarm Communication System required by the New York City Building Code, Sections C26-1704.5 and 1704.8. Upon completion of duct work, light fixture installation, etc., a test must be conducted, in the presence of Port Authority representatives concerned with this matter, to determine the audibility of the system.

6. If sprinklers are being installed, four (4) black and white and one (1) reproducible copies of Shop Drawing(s) and Hydraulic Calculations stamped "Approved" and signed and sealed by the Architect or Engineer of record, and also bearing the approval signature of the applicant's insurance carrier, must be submitted to The Teleport's Manager, Planning Services for final concurrence by the Risk Management Division of the Authority.

7. It is required that the existing demising walls, if any, be checked for penetrations and sealed to restore their fire rating. In addition, all structural steel fire-proofing must be patched where material is missing. Both processes are subject to the inspection and approval of Port Authority constuction inspectors.

8. All floor outlets to be removed or abandoned, if any, shall have all wires removed back to the panel or header duct, and afterset fittings removed. A metal slug shall be installed to cap the power/telephone cell and the hole shall be filled with concrete adjusted to grade.

9. All exit signing shall be submitted for approval to the Port Authority prior to fabrication and/or installation.

P.7 of Exhibit B

RIDER "D"

(Effective August 1st, 1984)

1. The applicant shall not commence performance of the said work prior to the receipt by the Applicant of a copy of this Application duly signed in Part Two hereof on behalf of the Port Authority of New York & New Jersey. The Applicant and Contractor agrees to perform said work in accordance with the approved drawings and specifications forming a part of this Application, and to comply with and be bound by all requirements and conditions set forth below under the remarks, if any, in Part Two of this Application, and in the terms and conditions of all attached riders.

2. Minimum insurance limits shall be as specified in the lease.

3. The Applicant and Contractor shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, the City of New York and the New York City Public Development Corporation and their officers, agents and employees, against and from (a) the risk of any and all claims of injuries (including wrongful death) or damage direct or consequential, to it or them or its or their property, arising out of or in connection with the performance of the work, and (b) the risk of claims and demands by third persons, arising or alleged to arise out of the performance of the work, whether such risks arise out of acts or omissions of the Applicant, its contractors, the Port Authority, the City of New York, the New York City Public Development Corporation, or otherwise, except where indemnity would be precluded by New York State General Obligations Law.

4. If so directed, the contractor and the Applicant shall at their own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent), and in handling such they, or either of them, shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity to the Port Authority, its commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

TPLSM - ALAC - 685X

ASSIGNMENT OF LEASE
WITH ASSUMPTION AND CONSENT (Lease No.)

THIS AGREEMENT, made as of by THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), a body corporate and politic created by Compact between the States of New York and New Jersey, with the consent of the Congress of the United States of America, having an office for the transaction of business at One World Trade Center, in the Borough of Manhattan, in the City, County and State of New York, and

(hereinafter called "the Assignor"),
a corporation organized and existing under the laws of the State of
with an office for the transaction of business at

an individual, residing at

a partnership, consisting of

and
(hereinafter called "the Assignee"),
a corporation organized and existing under the laws of the State of
with an office for the transaction of business at

an individual, residing at

a partnership, consisting of

the representative of which is

WITNESSETH, THAT:

WHEREAS, the Assignor desires to assign to the Assignee that certain Agreement of Lease dated as of , 19 , made by and between the Port Authority and the Assignor, and hereinafter, as the same has been heretofore amended and extended, called "the Lease";

covering premises at the Teleport, located in a portion of the Staten Island Industrial Park leased by the City of New York to the Port Authority; and

WHEREAS, the Port Authority is willing to consent to such assignment on certain terms, provisions, covenants and conditions:

NOW, THEREFORE, in consideration of the covenants and mutual promises herein contained, the Port Authority, the Assignor and the Assignee hereby agree as follows:

1. The Assignor does hereby assign, transfer and set over to the Assignee, heirs, executors, administrators and successors to and their own proper use, benefit and behoof forever, the Lease, to have and to hold the same unto the Assignee, heirs, executors, administrators and successors from the day of , 19 , for and during all the rest, residue, and remainder of the term of the letting under the Lease, subject nevertheless to all the terms, provisions, covenants and conditions therein contained; and the Assignor does hereby assign, transfer and set over unto the Assignee, heirs, executors, administrators and successors, all right, title and interest of the Assignor in and to a certain deposit (whether of cash or bonds) in the amount of made by the Assignor with the Port Authority, as security for the performance of the terms, provisions, covenants and conditions of the Lease, but subject to the provisions of the Lease and to any claim or right to the said deposit or any part thereof heretofore or hereafter made or to be made on the part of the Port Authority.

2. The Port Authority hereby consents to the foregoing assignment. Notwithstanding anything herein to the contrary, the granting of such consent by the Port Authority shall not be, or be deemed to operate as, a waiver of the requirement for consent or consents to each and every subsequent assignment by the Assignee or by any subsequent assignee.

3. The Assignee does hereby assume the performance of and does hereby agree to perform, observe and be subject to, all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay rent, contained in the Lease, which were or are to be performed or observed by or are

applicable to the Lessee thereunder, as though the Assignee were the original signatory to the Lease. Without limiting the foregoing, as an inducement to the Port Authority to consent to this assignment, the Assignee hereby covenants and agrees that the Assignee will use the premises solely for the purpose set forth in Section 3 of the Lease and that such use shall be subject to all of the provisions of the Lease. The execution of this instrument by the Port Authority does not constitute a representation by it that the Assignor has performed or fulfilled every obligation required by the Lease; and as to such matters the Assignee agrees to rely solely upon the representations of the Assignor.

5. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Assignor or by the Assignee with any liability or held liable to either of them under any term or

CONSENT AGREEMENT

THIS AGREEMENT, dated as of , 19 , by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and TELEPORT ASSOCIATES (hereinafter called "the Lessee") a joint venture of Silverstein Teleport Company and Murray Teleport Associates (hereinafter called "the Space Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee have heretofore entered into an agreement dated June 14, 1985 (which agreement, as the same has been or may hereafter be supplemented and amended, is hereinafter called "the Main Lease") covering the construction and operation of an office building or buildings at the Teleport, (located in a portion of the Staten Island Industrial Park leased by the City of New York to the Port Authority and hereinafter called "the Facility"); and

WHEREAS, pursuant to and in accordance with the terms of the Main Lease, the Lessee proposes as of the effective date hereof to enter into a use and occupancy agreement with the Space Lessee dated , 19 , a copy of which is attached hereto, made a part hereof and hereafter called "the Space Lease", subject to the consent of the Port Authority and the execution of a Consent Agreement by and among the Lessee, the Space Lessee and the Port Authority;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Lessee and the Space Lessee hereby agree effective as of , 19 , as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Space Lease.

2. The Space Lease shall terminate, without notice to the Space Lessee, on the day preceding the date of expiration or earlier termination of the Main Lease, or on such earlier date as the Lessee and the Space Lessee may agree upon. The Space Lessee shall quit the space covered by the Space Lease and remove its property and property for which it is responsible therefrom on or before the termination of the Space Lease.

3. Neither this Consent Agreement, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to nor shall they create an implication that there has been consent to any enlargement or change in the rights, powers and privileges granted to the Lessee under the Main Lease, nor consent to the granting of any rights or privileges to the Space Lessee as may be provided by the Space Lease if not granted to the Lessee under the Main Lease. The Space Lease is an agreement between the Lessee and the Space Lessee with respect to the various matters set forth therein. Neither this Consent nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Lessee that the provisions of the Space Lease shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, conditions and agreements of the Main Lease shall, in all respects, be controlling and determinative. The specific mention of or reference to the Port Authority in any part of the Space Lease, including without limitation thereto, any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall thereafter grant its consent or approval thereto or that the Port Authority's discretion pursuant to the Main Lease as to any such consents or approvals shall in any way be affected or impaired. The lack of any specific reference in any provisions of the Space Lease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Main Lease shall, in all respects, be controlling.

No provision of the Space Lease including, but not limited to, those imposing obligations on the Space Lessee with respect to laws, rules, regulations, taxes, assessments and liens shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Space Lease covering actions which shall or may be undertaken by the Space Lessee or the Lessee including, but not limited to, construction on the space covered by the Space Lease, be deemed to imply or infer that Port Authority consent or approval thereto pursuant to the Main Lease will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired.

4. The Space Lessee, in its operations under or in connection with the Space Lease and in its occupancy of the space covered by the Space Lease, shall be subject to the applicable terms, provisions, covenants and conditions of the Main Lease. Without in any way affecting the obligations of the Lessee under the Main Lease and under this Consent Agreement, all acts and omissions of the Space Lessee shall be deemed acts and omissions of the Lessee under the Main Lease, but notwithstanding the foregoing, the Lessee shall not be or be deemed to be in default of the Main Lease to the extent that any of the foregoing shall constitute a breach thereof if, except for causes beyond the control of the Lessee, it shall have commenced to remedy said default within twenty (20) days after receipt of notice thereof from the Port Authority and continues diligently to pursue such remedy.

5. The Space Lease shall not be changed, modified, discharged or extended except by written instrument duly executed by the parties thereto and only with the express written consent of the Port Authority. Without limiting the generality of the foregoing, the Space Lessee shall use the space covered by the Space Lease for the following purpose and for no other purpose or purposes whatsoever:

6. If the Lessee shall at any time be in default of its obligations under the Main Lease to make payments to the Port Authority, or if there shall occur at any time an event involving insolvency, bankruptcy, arrangement or reorganization of the Lessee which under the terms of the Main Lease would constitute an event the occurrence of which grants the Port Authority the right to terminate the Main Lease, and provided the same has not been cured within the time granted therefor, if any, under the Main Lease, the Space Lessee on demand of the Port Authority shall pay directly to the Port Authority any fee or other amount due to the Lessee. No such payment shall relieve the Lessee from any obligations under the Main Lease or under this Consent Agreement but all such payments shall be credited against the obligations of the Lessee and of the Space Lessee for each payment or part thereof.

7. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of consent to any subsequent agreement with respect to the use or occupancy of space at the Facility (by the Lessee or by the Space Lessee) or to any assignment of the Main Lease or the Space Lease or of any rights under either of them, whether in whole or in part.

8. In the event of any substantial default by the Space Lessee under any of the provisions of this Consent Agreement and said default has not been cured within thirty (30) days after the Port Authority has served a notice of such default upon the Lessee and the Space Lessee, the Port Authority shall have the right to revoke the consent granted hereunder upon thirty (30) days' written notice to the Lessee and the Space Lessee, but no such revocation shall be deemed to affect the Main Lease and the continuance thereof, it being understood, moreover, that the foregoing shall not be deemed to affect or limit any rights of the Port Authority under the Main Lease. In the event of the revocation of the consent hereunder as hereinabove provided, the Lessee shall immediately terminate the Space Lease.

9. Reference herein to the Space Lessee shall mean and include the Space Lessee, its officers, agents, employees and also others on the space covered by the Space Lease or on the Facility with the consent of the Space Lessee.

10. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Lessee or to the Space Lessee under any term or provision of this Consent Agreement or because of its execution or because of any breach or alleged breach hereof.

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Space Lessee have executed these presents.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____

By_____

(Title)_____

ATTEST:

TELEPORT ASSOCIATES by Silverstein Teleport Company, a Joint Venturer

_____

By_____

(Title)_____

ATTEST:

_____

By_____

(Title)_____

SCHEDULE E

The term "Gross Expenses" shall mean and include with respect to each Site constituting a part of the premises under this Agreement solely those items set forth below which are paid or incurred during the Operating Period established with respect to such Site:

(a) wages, fringe benefits, and other payroll costs paid to or for the Lessee's hourly employees for time worked at the building constructed by the Lessee on the Site and for time worked outside the building in connection with the operation, maintenance, and repair of the building provided, however, that the amount of such wages and fringe benefits are not in excess of the amounts set forth in the applicable collective bargaining agreement covering such employees, and provided, further, however, that the wages and other fringe benefits set forth in said collective bargaining agreement (or paid or granted by the Lessee in the absence of a collective bargaining agreement) are not above the levels then customarily paid or granted to similar employees for similar work in other first class office buildings in the County of Richmond in New York City.

(b) Salaries, fringe benefits, and other payroll costs paid to or for salaried employees of the Lessee employed full time at the building constructed by the Lessee on the Site in connection with the Lessee's operation thereof under this Agreement provided, however, that such salaries and other fringe benefits shall be at the level then customarily paid or granted to similar employees for similar work in other first class office buildings in the county of Richmond in New York City.

As used above in subdivisions (a) and (b):

(i) "Fringe benefits" shall mean the items of cost which the Lessee is obligated to pay or incur pursuant to applicable collective bargaining agreements or which the Lessee otherwise agrees to pay on the basis of wages paid to employees including, without limitation, vacation allowances, sick leave, holiday pay, birthdays, jury duty, medical checkup, lunch time, relief time, other paid time off, bonuses paid in accordance with normal real estate practices to employees other than persons having an ownership interest in the Lessee, pension plans, welfare and training funds, and health, life, accident, or other such types of insurance, and any other payment made or cost incurred by agreement with such employees and

personnel or pursuant to the Lessee's established policy with respect to such employees and personnel, provided, that such benefits do not exceed those customarily paid or granted to similar employees for similar work in the operation of first class office buildings in the County of Richmond, in the City of New York;

(ii) "Other payroll costs" shall mean taxes and other payments payable pursuant to law upon the basis of wages paid to employees, including, without limitation, F.I.C.A., New York State Unemployment Insurance, disability insurance, and Federal Unemployment Insurance.

(c) Rental paid pursuant to Section 5 hereof

(d) The cost of ordinary maintenance, repairs, improvements, alterations and changes of or to the building other than any of such costs otherwise recoverable from Space Lessees, including, without limitation, payments to third party contractors for cleaning, rubbish removal, equipment maintenance, window cleaning, exterminating and other cleaning and maintenance services furnished by contractors in the normal operation, maintenance and repair of the building.

(e) Payments for electricity, water, sewer rents, and other fuel, utilities and services required for the operation of the building other than payments for which the Lessee is entitled to reimbursement from Space Lessees in the building.

(f) The cost of maintenance, repair and replacement of fixtures, furniture, furnishings, operating supplies, equipment and tools used in the operation of the building, including, without limitation, the cost of laundry, dry-cleaning and repair of uniforms and working clothes.

(g) The net cost of insurance carried by the Lessee with respect to the building or with respect to any accident or casualty occurring therein or with respect thereto, including appraisal costs, pursuant to the terms of this Agreement.

(h) The cost of advertising, business promotion, sales promotion, marketing and publicity services and activities incurred by the Lessee in connection with the building, including payments to third parties, and including, without limitation, the cost of printing and preparing brochures and other printed material, to the

extent that such costs do not exceed twenty five percent (25%) of the operating budget of the building for and during each of the first five annual periods under this Agreement and there- after do not exceed twelve and one-half percent (12 1/2%) thereof, provided, however, that if any of these costs represent allocations of shared costs with other buildings, the basis for allocation shall have been approved in advance by the Port Authority.

(i) The costs of telephone, telegraph, postage, messenger service and other communication charges, trucking and protection services incurred with respect to the operation and maintenance of the building.

(j) Payments for rental of leased equipment and supplies, including, without limitation, uniforms and work clothes, used in connection with the operation and maintenance of the building.

(k) Payments to third parties for legal, accounting, architectural, engineering, space planning and other professional services related to the operation and maintenance of the building, other than payments for which the Lessee is entitled to reimbursement from Space Lessees in the building, and provided such payments do not exceed those customarily paid for such services in County of Richmond in New York City.

(l) Payments for taxes, excises, levies and assessments pursuant to Section 6 of this Agreement, other than payments for which the Lessee is entitled to reimbursement from Space Lessees in the building and not including income or franchise taxes paid by the Lessee.

(m) Interest and amortization at a rate approved in advance by the Port Authority on any Leasehold Mortgage obtained by the Lessee in accordance with the provisions of Section 18 of this Agreement. In the event the Lessee acting diligently and in good faith is unable to obtain permanent financing for the building in an amount at least equal to the amount of the Leasehold Mortgage obtained by the Lessee to secure the construction loan thereon, or in the event the initial cost of construction of the building exceeds the proceeds of the permanent mortgage obtained with respect thereto an amount equivalent to interest and amortization payments on the amount of such excess at the rate applicable to the approved Leasehold Mortgage shall be a permitted expense for purposes of calculating Net Cash Flow hereunder for the building for the full term of such Leasehold Mortgage or until such Leasehold Mortgage shall have been refinanced or replaced in accordance with the provisions of Section 18 of this Agreement.

(n) The cost of extraordinary improvements, alterations, charges or repairs subsequent to completion of the building and incurred to comply with governmental laws, rules, regulations, ordinances, requirements, orders or directions adopted subsequent to completion of the building in accordance with the provisions of Section 6 of this Agreement, or incurred by the Lessee to perform major repairs, replacements or improvements subsequent to completion of the building in accordance with the provisions of Section 9 and 11 of this Agreement. Costs under this item (n) shall be amortized over the term of this Agreement in accordance with generally accepted accounting principles in the real estate industry. In the event the Lessee elects to finance such costs, interest and amortization on such financing, at a rate approved in advance by the Port Authority, shall be a permitted expense.

(o) Payments made into reserve funds established in accordance with generally accepted accounting principles as consistently applied prior to the execution of this Agreement for major repairs, replacements, alterations and improvements to the building.

(p) License and permit fees paid to governmental authorities or agencies for licenses or permits required for the operation of the building or any facilities therein.

(q) Allowances for bad debts at a rate in accordance with generally accepted accounting principles for the real estate industry.

(r) Payment of management fees to a managing agent for the building for management services provided, however, that the Port Authority shall have agreed in advance to the agent, to the amount of such fees, and to the terms of the operating agreement, provided, further, that the Port Authority shall not unreasonably withhold its approval to the agent if all of the requirements of subdivisions (i), (ii), (iii), and (iv) of Section 18.5.2 of this Agreement are met, and shall not unreasonably withhold its approval of the fee and the operating agreement if such are in accord with customary practices then in effect in the real estate industry for comparable buildings in the area.

(s) Payments by the Lessee for tenant construction work other than payments otherwise recoverable from Space Lessees in the building. Costs under this item shall be amortized over the term of the Space Lease in accordance with generally accepted accounting principles in the real estate industry.

(vi) Payments by the Lessee to any other third persons (excluding the Lessee's employees) for work performed or services rendered for or in connection with the construction;

(vii) Brokerage commissions paid to a real estate broker licensed to do business in New York State at the rates then prevailing in the County of Richmond, and payments or costs incurred in connection with the relocation of tenants to the building which payments and costs do not exceed those customarily paid or incurred with respect to comparable buildings in the area, provided that such commissions, payments and costs are incurred solely in connection with the initial leasing of space in the building.

(viii) Any other direct costs as properly charged under generally accepted accounting principles consistently applied;

(ix) financing, interest and other overhead or carrying charges which are due for a period ending not later than the date of completion of such initial construction for which they are incurred, and not to exceed 20% of the total of the amounts covered by subdivisions (i) through (vii) above.

Simultaneously with delivery to the Port Authority by the Lessee of the Lessee's final certification required by paragraph 4.13 of this Agreement the Lessee shall also deliver a sworn statement of the initial cost of construction of each building constructed by the Lessee pursuant to this Agreement detailing all the foregoing, together with such other evidence of said cost as the Port Authority may request. The Lessee shall from time to time thereafter certify to the Port Authority any additional items to be included in such cost as the Lessee's costs are paid or incurred and also any items to be deleted or reduced. The Lessee shall permit the Port Authority by its agents, employees and representatives at all reasonable times prior to a final determination of cost with respect to each such building to examine and audit the records and other documentation of the Lessee which pertain to and will substantiate the cost thereof. In no event whatsoever shall initial cost of construction as defined and computed in this Schedule, include any expenses, outlays or charges whatsoever by or for the account of the Lessee for or in connection with any work in any building unless such are actually and completely installed in and or made thereto.

In no event shall there be included in the initial cost of construction any item of cost for which the Lessee is otherwise entitled to reimbursement under this Agreement, or which results solely from the fault, negligence or wilful misconduct of the Lessee or its contractors, nor shall any item of cost or expense be included in the initial cost of construction more than once even through fitting under more than one category provided for in this Schedule.

_____
For the Port Authority

Initialled:

_____
For the Lessee

Lease No. TP-003

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY
WORLD TRADE CENTER

TELEPORT

AGREEMENT OF LEASE

between

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

and

TELEPORT ASSOCIATES

Murray / Silverstein

at The Teleport

A Joint Development by
Murray Construction Co., Inc., and Silverstein Properties, Inc.

August 29, 1988

Mr. Robert E. Catlin
General Manager
The Port Authority of N.Y. & N.J.
The Teleport
One Teleport Drive, First Floor
Staten Island, New York 10311

Re: Teleport III

Dear Mr. Catlin:

We are pleased to enclose an approved copy of your letter of August 10, 1988 concerning Teleport III. This approval is subject to a revision of the second paragraph of your letter, on Page 2, with all other conditions remaining the same.

The second paragraph should read, in its last sentence: "For Teleport III the proviso with respect to the incremental amount would be applicable only to the first 75,000 sq. ft. of the total building and will not be applicable to the remaining portion of the building."

We believe this confirms our discussion. We would further expect that, of course, all of the remaining details of the documents to be drawn be satisfactory to us and to our attorney, William M. Kufeld, Esq.

Very truly yours,

TELEPORT ASSOCIATES

MAURICE M. WEILL
MMW:mh-z

Enclosure

cc: Messrs. Jerome B. Alenick
Cornelius J. Lynch
William M. Kufeld, Esq.

Murray Construction Co., Inc., 51 Commerce Street, Springfield, New Jersey 07081 (201) 376-7650
Silverstein Properties, Inc., 521 Fifth Avenue, New York, New York 10175 (212) 490-0666

The Teleport

A Satellite Communications Center

RECEIVED

AUG 15 1988

MURRAY CONSTRUCTION CO., INC.

The Port Authority
of New York and New Jersey
The Teleport
One Teleport Drive
Staten Island, NY 10311

August 10, 1988

Mr. Maurice Weill
President
Murray Construction Company
51 Commerce Street
Springfield, N.J. 07081

Dear Murray:

This is in response to your letter of August 10, 1988 answering my letter to you on July 20, 1988.

As you know, Section 1.4.1 and 1.4.2 of the lease require you "...to accept unconditionally..." the agreement proposed for Teleport III. Since the right granted in the lease expires at 12:01 AM on August 12, I am determined to resolve the conditional items expressed in your letter of August 10, 1988.

With respect to the configuration of the Teleport III site, this will acknowledge receipt of the Rotwein & Blake, Associated Architects "Feasibility Study-Scheme E" dated 7/27/88 containing approximately 158.750 square feet. With regard to the occupied rentable square feet in excess of 75,000 square feet, the Operating Period Rental will be as follows:

For the square footage leased between 75,000 and 100,000, the rate would be $5.50.

For the remainder of the building, the rate would be $7.00 per square foot.

You'll love the slice of the Apple that's great for business STATEN ISLAND

.../...

Teleport Associates will be responsible for the costs associated with providing the transformers and network protection equipment delivered by the Port Authority to Teleport Associates to be installed by Teleport Associates in the transformer vault to be built by Teleport Associates. This responsibility is in accordance with Section 40.1, page 123 as follows: "The Lessee shall be solely responsible for transforming the electricity to such voltage, phase and frequency as it and its Space Tenants desire, for the distribution and handling thereof within the premises and for connecting and tying into its systems to the connection points on the boundary of the premises as selected by the Port Authority to which the Port Authority will deliver the said electricity through Port Authority wires, conduits or connections therefor". This responsibility is in accordance with The Teleport Master Plan Design Guide, revised as of March 1988, and applicable to buildings constructed thereafter.

With the exception of the proviso, we propose to continue in its entirety the portions of Section 40.1 related to payments to the Port Authority for electricity supplied to Teleport Associates and its Space Tenants. For Teleport III, the proviso with regard to the incremental amount, would be deleted.

The expectation that you will consider these proposed terms unconditionally acceptable, I have provided a place below for you to so indicate with your signature. Let me point out again that neither Teleport Associates nor the Port Authority will be legally bound until a definitive agreement satisfactory to Teleport Associates, the Port Authority's Board of Commissioners, and their respective counsels has been executed. This is in accordance with the last sentence of Section 1.4.1, on page 7 of the Lease.

Upon receipt of your unconditional acceptance of these lease amendments, we will notify the City of New York in accordance with Section 14.06 and 14.16 of the lease between the City of New York and the Port Authority. Within thirty (30) days after receiving such notice from the Port Authority, and assuming acceptance of the Material Terms of our agreement, the Port Authority would be able to execute an amendment.

As we have previously discussed, The Teleport's electrical distribution system when completed, will be most reliable. We have called it "fail safe". Within the next few months, this status will be achieved with the completion of the installation on our third and fourth 33kv feeder cables. For example, Con Edison has advised me that those two additional feeders if connected to the network protection system would have prevented the interruption of service to some tenants last month.

.../..

August 10, 1988

The permanent main entry security facility is scheduled for completion before the end of the year. We expect to solicit bids later this month. With regard to the "amenities building", our plans have been suspended based upon facilities already being installed by the tenants and the prospect that you or another tenant might provide certain other conveniences for employees working at the Teleport.

In light of the August 12th deadline, I hope for an early response from you.

Sincerely,

Robert E. Catlin
General Manager
The Teleport

APPROVED: _____ DATE: 8/29/88
Maurice M. Weill

cc: G. Fierce, J. Alenick, L. Silverstein, W. Kufeld, Esq.,
S. Lipstein, P. LaRocco, F. Garcia

TPIII

Section 2. Term of the Letting

2.1 The term of the letting under this Agreement shall commence on August 11, 1988, and, unless sooner terminated, shall expire at 11:59 o'clock P.M. on the earlier of the following dates:

(i) the day preceding the fortieth (40th) anniversary of the Completion Date of the building constructed by the Lessee on Site A pursuant to the terms of the 1985 Lease, as certified by the Port Authority under paragraph 4.13 of Section 4 thereof; or

(ii) March 30, 2024.

2.2 The Port Authority understands that pursuant to Section 14.03(b) of the Ground Lease the Mayor of the City of New York has authorized the grant of non-disturbance protection to the Lessee for a period beyond the expiration date set forth in paragraph 2.1 of this Section which will assure the Lessee that it may occupy the premises for a fixed period of forty years from the Completion Date of the Building constructed by the Lessee on Site A pursuant to the terms of the 1985 Lease and, at the Lessee's option, for a further twenty year period thereafter, it being understood that the total number of years of the Lessee's occupancy of the premises, including its occupancy thereof under this Agreement, shall not exceed sixty years measured from the commencement date of the letting under the 1985 Lease. The Lessee understands that the Port Authority has certain rights to extend the term of its letting of the Facility under the Ground Lease, all as more particularly described in Article 27 thereof. The Port Authority hereby agrees that if it shall excercise its rights to extend the term of its letting of the Facility under the Ground Lease, or shall enter into an agreement with the City to extend the term of the letting under the Ground Lease, prior to March 30, 2024, then, notwithstanding the provisions of paragraph 2.1 of this Section, and without the need for any notice from the Lessee, the initial term of the letting hereunder shall expire on the earlier of (i) the date described in subdivision (i) of said paragraph 2.1, or (ii) the day preceding the expiration of the term of the Port Authority's letting of the Facility under the Ground Lease. In addition, the Lessee shall have the right to extend the term of the letting beyond the expiration date fixed in this paragraph, subject to and in accordance with all of the terms of this Agreement, for a period expiring on the earlier of:

(i) The day preceding the twentieth anniversary of the date described in subdivision (i) of paragraph 2.1 of this Section; or

(ii) The day preceding the sixtieth anniversary of the commencement date of the letting under the 1985 Lease; or

(iii) The day preceding the expiration of the term of the Port Authority's letting of the Facility under the Ground Lease;

provided, that the Lessee shall give the Port Authority unconditional written notice of its election to so extend the term of the letting on or before March 31, 2023, and provided, further, that the Lessee shall not be under notice of default as to which the applicable period to cure, if any is provided for in this Agreement, has passed, or under notice of termination from the Port Authority on the date of its giving of such notice to the Port Authority and that on both such date and on the intended effective date thereof this Agreement is in full force and effect. This paragraph shall be null and void if the Port Authority does not extend the term of the letting under the Ground Lease. The Lessee understands that the Port Authority is not undertaking to excercise its right to extend the term of the letting under the Ground Lease, or to seek from or discuss with the City of New York an extension thereof, or to come to any agreement with the City with respect to such an extension. The Lessee expressly agrees that if any provision of any other agreement made between the City of New York and the Lessee shall be or be deemed to be an extension of the rights of the Lessee beyond the expiration date of the term of this Agreement, this Agreement shall nevertheless be and remain, as between the Port Authority and the Lessee, an instrument of subletting under the Ground Lease and not an instrument of assignment, and no claim or argument to the contrary shall be made or advanced by any party at any time. The Lessee further understands that if the Lessee exercises its rights to extend the term of the letting of the premises under the 1985 Lease, or if the term of the letting of the premises under the 1985 Lease is automatically extended, or if the Port Authority and the Lessee agree to extend the term of the lettting of the premises under the 1985 Lease, then the term of the letting of the premises under this Agreement shall be deemed automatically extended for the balance of the extended term of the letting under the 1985 Lease without the need for any notice from the Lessee or the need to enter into any further agreement.

Section 3. Rights of User

3.1 The Lessee shall use Site D solely for the construction and operation of a building consisting of up to four (4) stories and containing approximately 159,000 square feet of floor space to be operated by the Lessee as a first-class office building for occupancy by Space Tenants in accordance with the Section of this Agreement entitled "Space Leases", and for no other purpose or purposes whatsoever.

TP I + II

thereof, to others on terms and conditions (including but not limited to rental, term, space finishing and use provisions) different from those which would have governed the letting to the Lessee of such space and/or spaces and on more or less favorable terms and conditions all as the Port Authority may in its discretion determine.

1.4.3 The provisions of Section 4 of this Agreement referring to the submission of plans and construction by the Lessee shall apply to each building which the Lessee may construct pursuant to the provisions of this Agreement and reference therein and elsewhere in this Agreement to "the Site" or to "the Building", shall be deemed to refer to each Site specified in this Section as shall become a part of the premises hereunder, and each building which may be constructed by the Lessee pursuant to the provisions of this Agreement.

Section 2. Term of the Letting

2.1 The term of the letting under this Agreement with respect to Site A shall commence on the execution of this Agreement by the Port Authority and the Lessee and the delivery to the Lessee by the Port Authority of a fully executed copy thereof. The term of the letting under this Agreement with respect to Sites B, C and D, respectively, shall commence on the respective commencement dates specified in paragraphs 1.4, 1.4.1 and 1.4.2 of Section 1 of this Agreement. Unless sooner terminated, the term of the letting as to each Site included in the premises hereunder shall expire at 11:59 o'clock P.M. on the earlier of the following dates:

(i) the day preceding the fortieth (40th) anniversary of the Completion Date of the building to be constructed by the Lessee on Site A pursuant to the terms hereof, as certified by the Port Authority under paragraph 4.13 of Section 4 hereof; or

(ii) March 30, 2024.

2.2 The Port Authority understands that pursuant to Section 14.03(b) of the Ground Lease the Mayor of the City of New York has authorized the grant of non-disturbance protection to the Lessee for a period beyond the expiration date set forth in paragraph 2.1 of this Section which will assure the Lessee that it may occupy the premises for a fixed period of forty years from the Completion Date of the Building to be constructed by the Lessee on Site A pursuant to the terms of this Agreement and, at the Lessee's option, for a further twenty year period thereafter, it being understood that the total number of years of the Lessee's occupancy of the premises, including its occupancy thereof under this Agreement, shall not exceed sixty years measured from the commencement date of the letting under this Agreement. The Lessee understands that the Port Authority has certain rights to extend the term of its letting of the Facility under the Ground Lease, all as more particularly described in

Article 27 thereof. The Port Authority hereby agrees that if it shall excercise its rights to extend the term of its letting of the Facility under the Ground Lease, or shall enter into an agreement with the City to extend the term of the letting under the Ground Lease, prior to March 30, 2024, then, notwithstanding the provisions of paragraph 2.1 of this Section, and without the need for any notice from the Lessee, the initial term of the letting hereunder shall expire on the earlier of (i) the date described in subdivision (i) of said paragraph 2.1, or (ii) the day preceding the expiration of the term of the Port Authority's letting of the Facility under the Ground Lease. In addition, the Lessee shall have the right to extend the term of the letting beyond the expiration date fixed in this paragraph, subject to and in accordance with all of the terms of this Agreement, for a period expiring on the earlier of:

(i) The day preceding the twentieth anniversary of the date described in subdivision (i) of paragraph 2.1 of this Section; or

(ii) The day preceding the sixtieth anniversary of the commencement date of the letting under this Agreement; or

(iii) The day preceding the expiration of the term of the Port Authority's letting of the Facility under the Ground Lease;

provided, that the Lessee shall give the Port Authority unconditional written notice of its election to so extend the term of the letting on or before March 31, 2023, and provided, further, that the Lessee shall not be under notice of default as to which the applicable period to cure, if any is provided for in this Agreement, has passed, or under notice of termination from the Port Authority on the date of its giving of such notice to the Port Authority and that on both such date and on the intended effective date thereof this Agreement is in full force and effect. This paragraph shall be null and void if the Port Authority does not extend the term of the letting under the Ground Lease. The Lessee understands that the Port Authority is not undertaking to excercise its right to extend the term of the letting under the Ground Lease, or to seek from or discuss with the City of New York an extension thereof, or to come to any agreement with the City with respect to such an extension. The Lessee expressly agrees that if any provision of any other agreement made between the City of New York and the Lessee shall be or be deemed to be an extension of the rights of the Lessee beyond the expiration date of the term of this Agreement, this Agreement shall nevertheless be and remain, as between the Port Authority and the Lessee, an instrument of subletting under the Ground Lease and not an instrument of assignment, and no claim or argument to the contrary shall be made or advanced by any party at any time.

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY

- with -

TELEPORT ASSOCIATES

MEMORANDUM OF SUBLEASE
DATED JULY 8, 1985

Block 2162

Lots: Part of 75 and 1

MEMORANDUM OF SUBLEASE

NAME AND ADDRESS OF LANDLORD:	THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY 1 World Trade Center New York, NY 10048
NAME AND ADDRESS OF TENANT:	TELEPORT ASSOCIATES, a joint venture consisting of Silverstein Teleport Company and Murray Teleport Associates 521 Fifth Avenue New York, NY 10175
DATE OF EXECUTION OF SUBLEASE:	July 8, 1985
DESCRIPTION OF SUBLEASED PREMISES:	The premises shown on Exhibit A and Schedule A annexed hereto.
EXPIRATION DATE OF SUBLEASE:	The day preceding 40 years from date of completion of construction on Schedule A premises, as defined in the lease, or March 30, 2024, whichever is earlier.
OPTIONS:	Tenant has the following options: a) To add to the subleased premises the additional premises shown on Exhibit B and Schedule B annexed hereto, under certain conditions; b) To add additional premises in the Teleport under certain other conditions; c) To renew the sublease for an additional period [20 years] but only if the Port Authority has renewed its Underlying Lease with the City of New York for the Teleport.

15.

IN WITNESS WHEREOF, the parties have executed this Memorandum

of Sublease this 8th day of July, 1985.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

TELEPORT ASSOCIATES

By: Silverstein Teleport Company

By: Silsat, Inc.

By: _____
Larry A. Silverstein

By: Murray Teleport Associates

By: Telestat Corp.

By: _____
Maurice M. Weill, PRESIDENT

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 8th day of July, 1985, before me personally came ~~Cornelius J. Lynch~~, to me known, who, being by me duly sworn, did depose and say that he resides in that he is the ~~Deputy~~ Director of the World Trade Department of The Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Commissioners of said corporation.

(notarial seal and stamp)

SIDNEY D. LIPSTEIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-2377385
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1987

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 8th day of July, 1985, before me personally came Maurice M. Weill, to me known, who, being by me duly sworn, did depose and say that he resides at New Jersey; that he is the President of Telestat Corp., the corporation described in the foregoing instrument as the general partner of the firm known as Murray Teleport Associates and who acknowledged that he signed his name thereto on behalf of Murray Teleport Associates by order of the Board of Directors of Telestat Corp.

(notarial seal and stamp)

SIDNEY D. LIPSTEIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-2377385
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1987

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 8th day of July, 1985, before me personally came Larry A. Silverstein, to me known, who, being by me duly sworn, did depose and say that he resides at ; that he is the President of Silsat, Inc., the corporation described in the foregoing instrument as the general partner of the firm known as Silverstein Teleport Company, and who acknowledged that he signed his name thereto on behalf of Silverstein Teleport Company by order of the Board of Directors of Silsat, Inc.

(notarial seal and stamp)

SIDNEY D. LIPSTEIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-2377385
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1987

Beginning at point having coordinates of South 19,644.386 feet and West 37,804.955 feet, which coordinates are based on a rectangular system, the northerly axis of which is coincident with the true meridian through United States Coast and Geodetic Survey Station Bogart on Todt Hill, Staten Island and its origin so chosen as to make Bogart South 20,350 feet and West 20,250 feet and running:

1. N47°-07'-24.1"E 536.443 feet to a point of curvature; thence

2. along the arc of a circle concave to the west having a radius of 275.00 feet, a central angle of 87°-34'-14.7" and an arc length of 420.310 feet to a point of tangency; thence

3. N40°-26'-50.7"W 73.722 feet to a point; thence

4. S47°-07'-24.1"W 733.875 feet to the beginning point of a nontangent curve; thence

5. along the arc of a circle concave to the west having a radius of 145.00 feet, a central angle of 49°-41'-00.8" and an arc length of 125.737 feet to a point; thence

6. S43°-13'-11.2"E 246.827 feet to the point and place of beginning.

Exhibit A

THE PORT AUTHORITY OF NY & NJ

One World Trade Center
New York, N.Y. 10048

Law Department

Patrick J. Falvey
General Counsel
(212) 466-7691
(201) 622-6600 x7691

Leases Division
(212) 466-8783

July 10, 1985

William M. Kufeld, Esq.
Carb, Luria, Glassner, Cook & Kufeld
529 Fifth Avenue
New York, New York 10017

Dear William:

Enclosed herewith please find a Table of Contents for the Silverstein Teleport lease which was inadvertently left out of the bound copy executed on Monday.

In addition, I wish to bring to your attention several more typographical errors which require revision, as follows:

1. In Section 4.14.5 on page 27 the word "be" should be inserted between the words "shall" and "subject" on the second line thereof.

2. The words "forseen" and "unforseseen" appearing in the third line of Section 6.5 on page 47 should be replaced by the words "foreseen" and "unforeseen".

3. The word "qualtiy" appearing in the third line of the botton of Section 9.1.4.1 on page 57 should be replaced by the word "quality".

4. The word "or" appearing immediately before the word "detrimental" in the next to the last line of Section 9.1.8 on page 58 should be deleted.

5. The word "conditiong" appearing in Section 15.1 in the fifth line from the top of page 69 should be replaced by the word "conditioning" and the parenthesis should be closed following the word "Facility" on the 8th line of that page.

6. The word "a" appearing in Section 18.2.3 in the thirty-first line from the top of page 82 should be replaced by the word "as".

7. The words "Impostions" appearing in the 8th line from the top of page 103 in Section 23.1(k) should be replaced by the word "impositions"

8. The word "City" which is the last word in Section 32.2 on page 112 should be replaced by the word "Lessee".

9. The words "or be" appearing in the second line of paragraph 34.3 on page 115 should be deleted.

I have indicated all of these changes on our copies of the executed lease and will include them in the conformed copies which we are preparing. Kindly have the Lessee indicate its agreement to having these changes made by executing a copy of the enclosed letter.

Very truly yours,

Sidney D. Lipstein
Principal Attorney

Consented and agreed to this 10thday
of July 1985

Teleport Associates, by Silverstein
Teleport Company, a Joint Venturer, by
Silsat, Inc. a general partner

By _____

Title _____

Teleport Associates, by Murray Teleport
Associates, a Joint Venturer, by Telstat Corp.,
a general partner

By _____

Title President

cc:John N. Adams, Esq.
Breed, Abbott & Morgan
Citicorp Center
153 East 53rd Street
New York, N.Y. 10022

APPROVED:
Form | Terms

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By _____

(Title) _____

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Exhibits and Schedules

Exhibits A, A-1, B,. X, and Z, Schedules A, A-1 and E.

THIS AGREEMENT, made as of July 8, 1985, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY(hereinafter called "the Port Authority") a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at One World Trade Center, New York, New York 10048 and TELEPORT ASSOCIATES, a joint venture of Silverstein Teleport Company and Murray Teleport Associates, having an office and place of business c/o Silverstein Teleport Company, 521 Fifth Avenue, New York, New York 10036 (hereinafter called "the Lessee"), whose representative is Larry Silverstein.

WITNESSETH, That:

WHEREAS, the Port Authority has undertaken the planning, construction and operation of the World Trade Center in the Borough of Manhattan, City, County and State of New York as a facility of commerce pursuant to concurrent legislation of the State of New York, Chapter 209, Laws of New York, 1962 and the State of New Jersey, Chapter 8, Laws of New Jersey, 1962; and

WHEREAS, pursuant to concurrent legislation of the State of New York, Chapter 651, Laws of New York, 1978 and the State of New Jersey, Chapter 110, Laws of New Jersey, 1978 the Port Authority has been authorized to participate in a program of industrial development to promote, attract, encourage and develop economically sound commerce and industry and in furtherance thereof to develop industrial development projects pursuant to agreement with certain muncipalities, including the City of New York, and to acquire from such municipalities, by lease or otherwise, real property to be used for industrial development purposes; and

WHEREAS, acting in the public interest and in furtherance of the purposes of the said statutes, the Port Authority finds it desirable to develop or cause to be developed a satellite transmission and telecommunications facility and related office park to provide or cause to be provided to tenants of the World Trade Center and others telecommunications services and facilities utilizing a fiber optic cable network connected to the World Trade Center and continuing, through fiber optic links, to other areas within the City and State of New York, and other States; and

WHEREAS, the City of New York is the owner of certain property within the County of Richmond, in the City of New York heretofore designated as the Staten Island Industrial Park; and

WHEREAS, the Port Authority has heretofore entered into an agreement (which agreement as the same may have been and may be hereinafter amended is hereinafter referred to as "the Participation Agreement"), made as of May 15, 1984 with Merrill Lynch Telecommunications Incorporated (hereinafter referred to as "MLT") wherein MLT and Western Union Communications Systems, Incorporated (hereinafter referred to as "WUCS"), acting as general partners in the general partnership known as Teleport Communications, (hereinafter referred to as "the Partnership"), together with the Port Authority, have agreed, among other things, to construct, maintain and operate a satellite transmission and telecommunications facility and related office park (which facility is hereinafter in this Agreement referred to as "the Teleport") * in a portion of the Staten Island Industrial Park to be leased by the City of New York to the Port Authority; and

WHEREAS, the City of New York, acting in certain instances by and through the New York City Public Development Corporation, a local development corporation organized pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York and Executive Order No. 14 of the Mayor of the City of New York, dated June 27, 1966, having an office at 161 Williams Street, New York, New York, has heretofore entered into an agreement of lease dated May 15, 1984 with the Port Authority (which agreement of lease, as the same may have been or may be hereinafter amended is hereinafter referred to as "the Ground Lease") covering the leasing to the Port Authority of such portion of the Staten Island Industrial Park and the construction and operation therein of the Teleport; and

WHEREAS, the Port Authority and MLT, WUCS, and the Partnership, jointly and severally, have entered into an agreement of sublease (which agreement of sublease is hereinafter referred to as "the Sublease") made as of May 15, 1984 covering the leasing by MLT, WUCS and the Partnership from the Port Authority of an area at the Teleport for the construction, operation, and maintenance of the satellite transmission facilities and other telecommunications services and facilities which MLT, WUCS and the Partnership are obligated to provide at the Teleport; and

*Teleport is a jointly owned trade name of the Port Authority and the Partnership.

WHEREAS, the Lessee desires to lease from the Port Authority an area at the Teleport for the construction of a building to facilitate the Lessee's use of the telecommunications services and facilities available thereat;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby covenant and agree as follows:

Section 1. Letting

1.1 The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Teleport (sometimes hereinafter referred to as "the Facility") in the County of Richmond, City and State of New York, the open area of land shown in diagonal hatching on the drawing attached hereto, hereby made a part hereof and marked "Exhibit A", which area is sometimes hereinafter in this Agreement referred to as "Site A" and is more particularly described on the survey description attached hereto, hereby made a part hereof and marked "Schedule A", together with the property, if any, of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings and facilities which, in accordance with the provisions of this Agreement, are to be located, constructed or installed therein, thereon or thereunder, all of the foregoing together with any additional areas included under this Agreement pursuant to paragraphs 1.4, 1.4.1, and 1.4.2, being hereinafter collectively referred to as "the premises"; reserving, however, unto the Port Authority all rights in and to the ground and other subsurface areas below the land and the right to use the same so long as such use shall not affect the structural integrity or right of support of the building to be constructed thereon by the Lessee, and shall not unreasonably interfere with the Lessee's right to use the premises for the purposes set forth in Section 3 of this Agreement. The parties acknowledge that the premises hereunder constitute non-residential real property.

1.2 Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the premises provided, however, that subject to all of the provisions of this Agreement, including, without limitation, the provisions of Sections 8.13, 39 and 51, and subject to the Port Authority's prior written approval, the Lessee may use the roof of each building to be constructed by the Lessee on the premises for the placement of receiving and transmitting communication equipment for use solely by space tenants of the building so long as the use of such communication equipment in the opinion of the Port Authority will not or does not in fact interfere with other existing or planned communication equipment in the Facility or conflict with any agreements bwteeen the Port Authority and third parties and is aesthetically acceptable to the Port Authority. Without limiting

the foregoing the Lessee's right to place and use such equipment are subordinate to the rights granted by the Port Authority to MLT, WUCS, and the Partnership in the Participation Agreement and the Sublease. In the event the Lessee is permitted to use any such equipment and the use thereof results in interference with other communications equipment at the Facility the Lessee shall discontinue or require the immediate discontinuance of the use of such equipment and failing such the Port Authority may itself take appropriate steps to bring about such discontinuance.

1.3 Subject to all the provisions of this Agreement (including but not limited to the Section of this Agreement entitled "Force Majeure"), the Port Authority, through its employees, agents, representatives, contractors and subcontractors shall cause to be constructed or installed at the Teleport, off the premises, certain sewers, water mains, electrical conduits, roadways, walkways, and other improvements (which facilities are hereinafter referred to as "the Infrastructure"), all as more particularly described in the Port Authority's design plan for the construction and development of the Teleport, entitled "Teleport Master Plan-Design Guide", a copy of which has been heretofore furnished to the Lessee and the contents of which the Lessee acknowledges that it has reviewed. The Lessee recognizes that because the Facility may not be constructed at the time of execution of this Agreement the said Design Guide may not reflect the design, location and description of the Infrastructure as actually constructed but only as the Port Authority presently anticipates it will be built. The Port Authority reserves the right to make such changes, from time to time, in and to the design and construction of the Infrastructure which the Port Authority in its discretion may deem necessary or desirable provided such changes preserve generally the facilities described in the Teleport Master Plan-Design Guide and the location thereof in relationship to the premises, and do not unreasonably interfere with the Lessee's right to use the premises for the purposes set forth in Section 3 of this Agreement. Subject to such rules and regulations as the Port Authority may have or may hereafter promulgate for the safe and efficient operation of the Facility the Port Authority hereby grants to the Lessee the right to use the Infrastructure in common with other users thereof. The Lessee shall not do anything or permit anything to be done which will interfere with the rights of others to use the Infrastructure. Except as limited by the provisions of the Sublease and the Participation Agreement, the Port Authority agrees to require its other lessees at the Facility not to interfere with the Lessee's right to use the Infrastructure, as set forth herein. Nothing in this paragraph shall be deemed or construed to be a grant or letting to the Lessee of any roadway, walkway, or other common area, or of any facility forming a part of the Infrastructure. The effective period of the permission granted under this Agreement with respect to the use of the common areas and facilities forming a part of the Infrastructure shall commence on the commencement date of the letting under this Agreement, and shall

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expire simultaneously with the expiration (or earlier termination) of the letting of the premises hereunder. If on such commencement date any portion of the Infrastructure is unavailable for use by the Lessee by reason of the fact that the Infrastructure, or any portion thereof, or any portion of the Facility, are in the course of construction, repair, alteration or improvement, or by reason of any cause or condition beyond the control of the Port Authority, the permission hereby granted with respect to the use of the Infrastructure shall be postponed with respect to such portion. Subject to the provisions of the Section of this Agreement entitled "Force Majeure", the Port Authority shall use reasonable efforts to complete the various aspects of the construction of the Infrastructure in accordance with the construction schedule set forth in Exhibit B annexed to the Participation Agreement. In the event that the Infrastructure is unavailable for use by the Lessee for any of the reasons set forth in this paragraph the Port Authority shall construct such temporary facilities as are required to enable the Lessee to use the premises for the purposes set forth in Section 3 hereof pending completion of the work described in this paragraph. The temporary facilities referred to in this paragraph shall include such pipes, mains, wires and conduits as shall enable the Lessee to obtain the utilities and services described in Section 40 of this Agreement, a smooth surface non-paved temporary access road from the perimeter of the Teleport to the premises, a security fence around the Facility of such type and description as The Port Authority shall determine to be adequate, and such temporary ducts, sleeves, conduits and related facilities as are required to provide telecommunications services to the Facility. No such postponement shall affect the validity of this Agreement, the commencement of the letting of any portion of the premises, or the obligations of the Lessee hereunder. Except as specifically set forth in this Agreement, the Port Authority shall provide no improvements or perform any work to prepare the premises for the Lessee's use. The Port Authority makes no representations or warranties with respect to the condition or suitability of any portion of the premises or the Infrastructure for the design and construction by the Lessee of any building to be constructed by the Lessee pursuant the provisions of this Agreement. The Port Authority shall be responsible for the repair and maintenance of the Infrastructure unless such repairs and maintenance are required as a result of the acts or omissions of the Lessee, its officers, employees, agents, representitives, or contractors.

1.4 The Lessee shall have a single right to include in the premises under this Agreement the additional open area shown in cross-hatching on the drawing attached hereto, hereby made a part hereof and marked "Exhibit A-1" (which area is sometimes hereinafter in this Agreement referred to as "Site B" and is more particularly described on the survey description attached hereto, hereby made a part hereof, and marked "Schedule A-1") effective on or at any time prior to the second anniversary of the commencement date of the letting of Site A, provided, that the Lessee shall give to the Port Authority firm and unconditional written notice of its election to include Site B in the premises at least thirty (30) days' prior to the effective date of the inclusion thereof in the premises as stated in the notice, provided, further, that if the Lessee exercises its right to include Site B in the premises on or after the first anniversary of the commencement date of the letting of Site A the Lessee shall pay to the Port Authority, in addition to all other payments due under this Agreement, the sum of Twelve Thousand Five Hundred Dollars and No Cents ($12,500.00) and provided, further, that the notice given in accordance with the provisions of this paragraph shall not be effective if prior to the date of giving of such notice the Lessee has not commenced actual construction of the building described in Section 3 of this Agreement on Site A regardless of the reason for the failure to commence such construction, or if the Lessee is under notice of default as to which the applicable period to cure, if any is provided for hereunder, has passed, or under notice of termination from the the Port Authority, either on the date of giving of its notice to the Port Authority or on the effective date thereof. In the event the Lessee exercises its right to include Site B in the premises under this Agreement pursuant to the provisions of this paragraph, Site B, together with the property, if any, of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings and facilities which, in accordance with the provisions of this Agreement, are to be located, constructed or installed therein, thereon or thereunder, shall be and become a part of the premises under this Agreement from and after 12:01 o'clock A.M. on the effective day stated in the Lessee's notice without execution by either party of any further instrument, let to the Lessee, subject to and in accordance with all of the terms, provisions and covenants of this Agreement for and during the remainder of the term of the letting hereunder, unless sooner MW terminated, except that (i) the Lessee shall use Site B solely for the construction and and operation of a building consisting of up to four (4) stories and containing approximately 84,000 LS square feet of floor space to be operated by the Lessee as a first-class office building for occupancy by Space Tenants in accordance with the Section of this Agreement entitled "Space GFT Leases", which building may be constructed either as a separate building or as an addition to the building to be constructed by the Lessee on Site A, and (ii) the limitations imposed upon the Port Authority pursuant to the provisions of paragraph 3.2 of this Agreement shall not apply or have any force and effect with

respect to such letting. If requested so to do the Port Authority and the Lessee shall execute such form of agreement as shall in their reasonable opinion be satisfactory to them as to form and substance confirming the inclusion of Site B in the premises and the commencement date of the letting thereof.

1.4.1 If Site B shall have been added to the premises pursuant to the provisions of paragraph 1.4 of this Section and the Lessee shall have commenced actual construction thereon of the building described in said paragraph 1.4, the Lessee shall have the right to lease an additional area at the Teleport, subject to the provisions and conditions set forth in this paragraph, for the purpose of constructing an additional office building thereon, such building to consist of up to four (4) stories containing in the aggregate approximately 75,000 square feet of floor space and to be of the same class and character as the building or buildings to be located on Sites A and B in accordance with the provisions of this Agreement. If the Lessee desires to lease such additional area, the Lessee shall so notify the Port Authority in writing within sixty (60) days following the commencement of actual construction on Site B, setting forth the configuration and location of the desired area, which notice shall be signed by an executive officer or responsible partner of the Lessee and shall state the Lessee's agreement to accept unconditionally such area in its "as is" condition for the balance of the term of the letting under this Agreement. If the exact configuration and location of the desired area is satisfactory to the Port Authority and the Lessee, and the desired area is "available for rental", and if the Lessee is not then under notice of default as to which the applicable period to cure, if any is provided for in this Agreement, has passed, or under notice of termination from the Port Authority, and this Agreement is in full force and effect, the Port Authority will notify the Lessee in writing, which notice shall include an appropriate sketch, setting forth the exact size, location, and configuration of the area, and from and after 12:01 o'clock A.M. on the day following the giving of such notice the area (which area is hereinafter referred to as "Site C"), together with the property, if any, of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings and facilities which, in accordance with the provisions of this Agreement, are to be located, constructed or installed therein, thereon or thereunder shall be and become a part of the premises under this Agreement without execution by either party of any further instrument, let to the Lessee, subject to and in accordance with all of the terms, provisions and covenants of this Agreement, for and during the remainder of the term of the letting hereunder, unless sooner terminated, except that the limitation imposed upon the Port Authority pursuant to the provisions of paragraph 3.2 of this Agreement shall not apply or have any force and effect with respect to such letting. If requested so to do the Port Authority and the Lessee shall execute such form of agreement as shall in their reasonable opinions be satisfactory to them as to form and substance confirming the inclusion of Site C in the premises and the commencement date of the letting thereof.

1.4.2 If Site C shall have been added to the premises pursuant to the provisions of paragraph 1.4.1 of this Section and the Lessee shall have commenced actual construction thereon of the building described in said paragraph 1.4.1 the Lessee shall have the right to lease an additional area (hereinafter referred to as "Site D") at the Teleport, subject to the terms and conditions set forth in this paragraph, for the purpose of constructing an additional office building thereon, such building to consist of up to four (4) stories containing in the aggregate approximately 75,000 square feet of floor space and to be of the same class and character as the buildings to be located on Sites A, B and C in accordance with the provisions of this Agreement. If the Lessee desires to lease such additional area, the Lessee shall so notify the Port Authority within sixty (60) days following the commencement of actual construction on Site C. The provisions of paragraph 1.4.1 of this Section governing availability of the described area for rental, the nature of the required notice, and the provisions thereof governing the terms applicable to the letting of Site C, including the commencement of the term of the letting, shall apply as well to the letting of Site D as if set forth in this paragraph in haec verba and for the purposes of this paragraph all reference in paragraph 1.4.1 to site B shall be deemed to refer to Site C and all reference to Site C shall be deemed to refer to Site D.

1.4.2.1 The Lessee expressly understands and agrees that the provisions of paragraphs 1.4.1 and 1.4.2 and the Lessee's right to include areas in the premises as set forth herein are subject to the availability for rental of such areas and that nothing contained in said paragraphs 1.4.1 and 1.4.2 shall obligate or be construed to obligate the Port Authority to furnish or make available such additional areas to the Lessee, nor shall anything contained therein be deemed to prohibit or be construed to prohibit the Port Authority from entering into any lease covering space at the Teleport or continuing in occupancy a tenant of any space at the Teleport, or from consenting to an assignment of any lease or consenting to a sublease covering any space nor shall any area be deemed "available for rental" for purposes of paragraphs, 1.4.1 and 1.4.2 of this Agreement if it is then rented to or under active negotiation with another tenant, or if a tenant thereof relets or extends or otherwise modifies or amends the term of its letting of such area.

1.4.2.2 In the event the Lessee fails to exercise its right to include in the premises either Site B, Site C, or Site D, in accordance with the provisions of paragraphs 1.4, 1.4.1 or 1.4.2 of this Section, or in the event that the Port Authority notifies the Lessee that either Site C or Site D, or both, are unavailable for rental by the Lessee, the Lessee shall thereupon have no further rights or interest in or to such space or spaces and the provisions of this Section with respect thereto shall be of no further force or effect throughout the balance of the term of the letting under this Agreement, and the Port Authority shall have the right to lease such space or spaces, or any portion

thereof, to others on terms and conditions (including but not limited to rental, term, space finishing and use provisions) different from those which would have governed the letting to the Lessee of such space and/or spaces and on more or less favorable terms and conditions all as the Port Authority may in its discretion determine.

1.4.3 The provisions of Section 4 of this Agreement referring to the submission of plans and construction by the Lessee shall apply to each building which the Lessee may construct pursuant to the provisions of this Agreement and reference therein and elsewhere in this Agreement to "the Site" or to "the Building", shall be deemed to refer to each Site specified in this Section as shall become a part of the premises hereunder, and each building which may be constructed by the Lessee pursuant to the provisions of this Agreement.

Section 2. Term of the Letting

2.1 The term of the letting under this Agreement with respect to Site A shall commence on the execution of this Agreement by the Port Authority and the Lessee and the delivery to the Lessee by the Port Authority of a fully executed copy thereof. The term of the letting under this Agreement with respect to Sites B, C and D, respectively, shall commence on the respective commencement dates specified in paragraphs 1.4, 1.4.1 and 1.4.2 of Section 1 of this Agreement. Unless sooner terminated, the term of the letting as to each Site included in the premises hereunder shall expire at 11:59 o'clock P.M. on the earlier of the following dates:

(i) the day preceding the fortieth (40th) anniversary of the Completion Date of the building to be constructed by the Lessee on Site A pursuant to the terms hereof, as certified by the Port Authority under paragraph 4.13 of Section 4 hereof; or

(ii) March 30, 2024.

2.2 The Port Authority understands that pursuant to Section 14.03(b) of the Ground Lease the Mayor of the City of New York has authorized the grant of non-disturbance protection to the Lessee for a period beyond the expiration date set forth in paragraph 2.1 of this Section which will assure the Lessee that it may occupy the premises for a fixed period of forty years from the Completion Date of the Building to be constructed by the Lessee on Site A pursuant to the terms of this Agreement and, at the Lessee's option, for a further twenty year period thereafter, it being understood that the total number of years of the Lessee's occupancy of the premises, including its occupancy thereof under this Agreement, shall not exceed sixty years measured from the commencement date of the letting under this Agreement. The Lessee understands that the Port Authority has certain rights to extend the term of its letting of the Facility under the Ground Lease, all as more particularly described in

Article 27 thereof. The Port Authority hereby agrees that if it shall excercise its rights to extend the term of its letting of the Facility under the Ground Lease, or shall enter into an agreement with the City to extend the term of the letting under the Ground Lease, prior to March 30, 2024, then, notwithstanding the provisions of paragraph 2.1 of this Section, and without the need for any notice from the Lessee, the initial term of the letting hereunder shall expire on the earlier of (i) the date described in subdivision (i) of said paragraph 2.1, or (ii) the day preceding the expiration of the term of the Port Authority's letting of the Facility under the Ground Lease. In addition, the Lessee shall have the right to extend the term of the letting beyond the expiration date fixed in this paragraph, subject to and in accordance with all of the terms of this Agreement, for a period expiring on the earlier of:

(i) The day preceding the twentieth anniversary of the date described in subdivision (i) of paragraph 2.1 of this Section; or

(ii) The day preceding the sixtieth anniversary of the commencement date of the letting under this Agreement; or

(iii) The day preceding the expiration of the term of the Port Authority's letting of the Facility under the Ground Lease;

provided, that the Lessee shall give the Port Authority unconditional written notice of its election to so extend the term of the letting on or before March 31, 2023, and provided, further, that the Lessee shall not be under notice of default as to which the applicable period to cure, if any is provided for in this Agreement, has passed, or under notice of termination from the Port Authority on the date of its giving of such notice to the Port Authority and that on both such date and on the intended effective date thereof this Agreement is in full force and effect. This paragraph shall be null and void if the Port Authority does not extend the term of the letting under the Ground Lease. The Lessee understands that the Port Authority is not undertaking to excercise its right to extend the term of the letting under the Ground Lease, or to seek from or discuss with the City of New York an extension thereof, or to come to any agreement with the City with respect to such an extension. The Lessee expressly agrees that if any provision of any other agreement made between the City of New York and the Lessee shall be or be deemed to be an extension of the rights of the Lessee beyond the expiration date of the term of this Agreement, this Agreement shall nevertheless be and remain, as between the Port Authority and the Lessee, an instrument of subletting under the Ground Lease and not an instrument of assignment, and no claim or argument to the contrary shall be made or advanced by any party at any time.

Section 3. Rights of User

3.1 The Lessee shall use Site A solely for the construction and operation of a building consisting of up to four (4) stories and containing approximately 110,000 square feet of floor space to be operated by the Lessee as a first-class office building for occupancy by Space Tenants in accordance with the Section of this Agreement entitled "Space Leases", and for no other purpose or purposes whatsoever. The Lessee shall use Sites B, C, and D, if such are included in the premises hereunder, for the purposes set forth in paragraph 1.4, 1.4.1, and 1.4.2, respectively, of Section 1 of this Agreement and for no other purpose whatsoever.

3.2 As used herein:

(i) "Port Authority Development Limitation Period" shall mean the period from the commencement date of the letting of Site A under this Agreement through the one hundred eighty-fifth (185th) day following the commencement date of the letting of Site A under this Agreement, both dates inclusive.

(ii) "Private Developer Limitation Period" shall mean the period from the one hundred eighty-sixth (186th) day following the commencement date of the letting of Site A under this Agreement through the two hundred seventy-fifth (275th) day following the commencement date of the letting of Site A under this Agreement, both dates inclusive, as the same may be extended pursuant to the provisions of paragraph 3.2.1 of this Section.

(iii) "Non-exclusive occupancy building" shall mean any office building in which, at the time construction thereof is commenced, less than seventy-five percent (75%) of the rentable square feet to be contained therein are leased to a single person, firm or corporation.

(iv) "Multiple occupancy office building" shall mean an office building in which, at the time construction thereof is commenced, all the rentable square feet of space therein is leased to more than three Space Tenants, if one of such Space Tenants is to occupy less than twenty thousand (20,000) rentable square feet of space therein.

The Port Authority agrees that during the Port Authority Development Limitation Period it will not itself construct either a non-exclusive occupancy office building or a multiple occupancy office building nor will it during such period lease any area at the Teleport to others for the construction of such buildings. Subsequent to the expiration of the Port Authority Development Limitation Period the Port Authority may itself construct either

a non-exclusive occupancy building or a multiple occupancy office building but the Port Authority will continue to refrain from leasing areas at the Teleport to others for the construction of such buildings until the expiration of the Private Developer Limitation Period. Nothing contained herein shall or shall be deemed to prevent the Port Authority from constructing any building in which, at the time construction thereof is commenced, at least seventy-five percent (75%) of the rentable square feet to be contained therein are leased to a single person, firm or corporation, or in which, at the time of construction thereof, all of the rentable square feet of space therein is leased to no more than three Space Tenants, or in which at the time of construction thereof all of the rentable square feet of space therein is leased to more than three Space Tenants if each such Space Tenant is to occupy at least twenty thousand (20,000) square feet of space, and nothing contained herein shall or shall be deemed to prevent the Port Authority from leasing areas at the Teleport to others for the purpose of constructing any such building. Furthermore, nothing contained herein shall be or be deemed to prevent the Port Authority either from entering into the Participation Agreement or into the Sublease nor shall anything contained herein be or be deemed to prevent either MLT, WUCS or the Partnership from constructing any building at the Teleport, whether pursuant to the Participation Agreement, the Sublease, or otherwise, or to prevent the Port Authority from constructing any such building for MLT, WUCS or the Partnership, either pursuant to the Participation Agreement, the Sublease, or otherwise.

3.2.1 The Lessee shall have a single right to extend the Private Developer Limitation Period set forth in subdivision (ii) of paragraph 3.2 hereof for a period not to exceed ninety (90) days from the expiration date for such period set forth in subdivision (ii) of paragraph 3.2 provided, however, that the Lessee shall give firm and unconditional written notice to the Port Authority of its election so to do not later than thirty (30) days prior to the said expiration date and provided, further, that, simultaneously with its notice the Lessee shall pay to the Port Authority, in addition to all other payments due under this Agreement, the sum of Ten Thousand Dollars and No Cents ($10,000.00) for each thirty day period, or portion thereof, in the period from the expiration date of the Private Developer Limitation Period set forth in subdivision (ii) of paragraph 3.2 hereof to the expiration date of the extended Private Developer Limitation Period as set forth in the Lessee's notice, both dates inclusive, and provided, further, that any notice given in accordance with the provisions of this paragraph shall not be effective if the Lessee is under notice of default as to which the applicable period to cure, if any is provided for in this Agreement, has passed, or under notice of termination from the Port Authority, either on the date of giving of its notice to the Port Authority or on the intended effective date thereof.

3.3 The Lessee shall not use or permit any space in any building it constructs and operates pursuant to the provisions of this Agreement or any portion thereof, to be used for the sale, preparation or serving of food or beverages, or for the sale of merchandise or the rendering of services to the public, including, without limitation, employees of its Space Tenants, without the express prior written consent of the Port Authority except as provided in this paragraph. Space Tenants of the Lessee shall be permitted to install in their premises, subject to the provisions of this Agreement, facilities for the serving of food and non-alcholic beverages (including mobile coffee carts) only for consumption on the premises and solely by the Space Tenant's employees and business guests provided, however that if such food and beverage facilities are proposed to be operated by other than the Space Tenant's employees, the proposed operator must be approved in advance by the Port Authority as hereinafter provided. The Space Tenant shall advise the Port Authority of the terms of the arrangement between the Space Tenant and the proposed operator including the price range and the menu to be adhered to by said operator. If the Port Authority shall within twenty (20) business days of such notification inform the Space Tenant that it desires to provide a food and beverage operator on the same terms and conditions as those proposed by the Space Tenant, the Space Tenant shall be obligated to meet with the Port Authority and its operator to discuss such food and beverage facilities. If the Port Authority's notice indicates that it will not so provide an operator to conduct the food and beverage facilities desired by the Space Tenant, of if the Port Authority does not give any notice within such time, or if the Space Tenant after meeting with the Port Authority and its operator elects not to use the Port Authority's operator, then the Space Tenant may use the operator it has selected unless the Port Authority reasonably determines that said operator will adversely affect or interfere with operations at the Facility or will cause or contribute to the causing of labor problems or disturbances thereat.

Section 4. Construction by the Lessee

4.1 In accordance with the provisions hereinafter set forth, the Lessee, at its sole cost and expense, shall design, construct and equip on each Site included in the premises a facility of the type and size described in the Section of this Agreement entitled "Rights of User" together with all associated and related areas and facilities (each such facility being hereinafter referred to as "the Building"). All reference in this Agreement to "the Building" shall be deemed a reference to each building the Lessee is obligated to construct pursuant to the provisions of this Agreement.

4.2 The Port Authority shall designate to the Lessee the architect or engineer (staff or retained by the Port Authority) for coordinating the review and processing of the Lessee's design, drawings, plans and specifications for the

Building and for inspecting the construction thereof.

4.3 Within ten (10) days following execution of this Agreement, the Lessee shall designate to the Port Authority the architect and engineer selected by the Lessee to design and supervise the construction of the Building to be located on Site A. Within ten (10) days of the inclusion of each additional Site in the premises the Lessee shall designate to the Port Authority the architect and engineer selected by the Lessee to design and supervise the construction of the Building to be located thereon. No architect or engineer shall be retained by the Lessee until the Port Authority has given its approval therefor which approval shall not be withheld by the Port Authority if the proposed architect and engineer are qualified and licensed in New York and experienced in design and construction of structures of the kind contemplated in this Agreement and have sufficient experienced staff and other resources necessary to handle expeditiously all aspects relating to the design and construction of the Building.

4.4 Not later than Ninety (90) days following approval by the Port Authority of the architect and engineer selected by the Lessee in accordance with Paragraph 4.3 with respect to each Site included in the premises hereunder, the Lessee shall prepare, execute and submit to the Port Authority for its consent the Lessee's comprehensive master plan for the development of such Site, including but not limited to renderings, layouts, locations, models, estimated commencement and completion dates, and preliminary functional plans, as well as the Lessee's forecasts of the number of people who will be working at the Site at various times during the term of the letting, the expected utility demands, noise profiles and such other information as the Port Authority may require, including, without limitation, information relating to scheduling requirements during construction, time and manner of delivery of equipment and materials, and performance of the work. The Lessee shall continue to submit its latest forecasts and such other information as may be required from time to time. Without limiting the generality of the foregoing, the Lessee agrees that its comprehensive master plan for each Site shall include:

(i) Preliminary plans and drawings for the Building to be constructed thereon;

(ii) All appropriate lines, pipes, mains, cables, manholes, wires, conduits and other facilites required in connection with or relating to the mechanical, utility, electrical, storm sewer, sanitary sewer, telephone, fire alarm, fire protection, gas and other systems needed for the Building to be constructed thereon;

(iii) All necessary roadways, ramps and pedestrian circulation areas;

by the Port Authority. In the event of any inconsistency between the terms of any Construction Application and the terms of this Agreement the terms of this Agreement shall prevail and control. The Port Authority may refuse to grant approval of the plans and specifications with respect to any Site (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met) if, in its reasonable opinion, any of the construction work proposed to be performed on such Site as set forth therein shall:

(i) Be unsafe, unsound, hazardous or improper for the use and occupancy for which it is designed; or

(ii) Be designed for use for purposes other than those authorized under this Agreement; or

(iii) Be inconsistent with the Lessee's approved comprehensive master plan for such Site; or

(iv) Be in violation or contravention of any requirements or criteria set forth in the Teleport Master Plan - Design Guide or of any other provisions or terms of this Agreement; or

(v) Not comply with all applicable governmental laws, ordinances, enactments, resolutions, rules and orders; or

(vi) Not provide adequate and proper circulation areas; or

(vii) Not comply with the provisions of the Ground Lease, including, without limiting the generality thereof, those provisions of the Ground Lease providing that the Port Authority's lessees and permittees at the Teleport will conform to the enactments, ordinances, resolutions and regulations of the City of New York and its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Facility were owned and leased to a private corporation; or

(viii) Not comply with all applicable rules and regulations, requirements, orders and directions of the National Fire Protection Association and the New York Fire Insurance Rating Organization, and of any other board or organization exercising or which may exercise similar functions, or

(ix) Not comply with Port Authority's requirements and standards with respect to noise, air pollution, water pollution and other types of pollution, as set forth in the Staten Island Industrial Park-East Side Project-Final Environmental Impact Statement, dated March, 1983.

4.5.1 Within forty-five (45) days following receipt by the Port Authority of the Lessee's final plans and specifications with respect to a Site, the Port Authority shall give its written approval thereto or shall request such revisions or modifications therein as the Port Authority may deem appropriate in accordance with the provisions of paragraph 4.5. The Lessee shall submit such revisions or modifications to such complete plans and specifications within thirty (30) days after receipt of such request from the Port Authority and if additional or further revisions or modifications are requested by the Port Authority prior to approval of such plans and specifications by the Port Authority then the Lessee shall promptly so revise or modify such plans and specifications.

4.6 In connection with review by the Port Authority of the submissions under paragraphs 4.4 and 4.5 above, the Lessee shall submit to the Port Authority such additional data, detail or information as the Port Authority may from time to time reasonably request.

4.6.1 The Lessee shall pay to the Port Authority a fee in connection with the Port Authority's normal review and approval of the plans and specifications submitted by the Lessee pursuant to this Section in accordance with the schedule annexed to the Construction Application described herein. In addition, the Lessee agrees to pay to the Port Authority upon demand the expenses incurred by the Port Authority in connection with any additional review for approval of any changes, modifications or revisions of plans and specifications previously submitted or previously approved which may be proposed by the Lessee for the Port Authority's approval. The expenses of the Port Authority for any such additional review and approval shall be computed on the basis of direct payroll time expended in connection therewith plus 100%. Wherever in this Agreement reference is made to "direct payroll time", costs computed therefor shall include a pro rata share of the cost to the Port Authority of providing employee benefits, including, but not limited to, pensions, hospitalization, medical and life insurance, vacations and holidays. Such computations shall be in accordance with the Port

Authority's accounting principles as consistently applied prior to the execution of this Agreement.

4.7 Subject to the provisions of paragraphs 4.8 and 4.12 hereof, the Lessee shall commence construction of each Building as soon as possible after approval by the Port Authority of the Lessee's final construction plans and specifications applicable thereto. The Lessee shall expeditiously continue such construction so as to complete the same in accordance with the construction schedule set forth in the Lessee's approved comprehensive master plan. Without limiting the generality of the foregoing, the Lessee shall commence construction of the Building to be constructed on Site A not later than twelve (12) months from the commencement date of the term of the letting.

4.8 Prior to entering into any contract for the construction work or for the installation of fixtures or equipment in any Building (which installation is sometimes hereinafter referred to as "the installation work") the Lessee shall submit to the Port Authority for its approval the name of the contractor to whom it proposes to award any such contract, and, if requested, the form of contract to be used by the Lessee. The Lessee shall include in any such contract such provisions relating to labor harmony and payments to subcontractors as the Port Authority may require. Without limiting the generality of the foregoing, all of the Lessee's construction contracts shall provide as follows: "If (i) the Contractor fails to perform any of his obligations under the Contract, including his obligation to the Lessee to pay any claims lawfully made against him by any materialman, subcontractor or workman or other third person which arises out of or in connection with the performance of the Contract, or (ii) any claim (just or unjust) which arises out of or in connection with the Contract is made against the Lessee, or (iii) any subcontractor under the Contract fails to pay any claims lawfully made against him by any materialman, subcontractor, workman or other third person which arises out of or in connection with the Contract or if in the Lessee's opinion any of the aforesaid contingencies is likely to arise, then the Lessee shall have the right, in its discretion, to withhold out of any payment (final or otherwise and even though such payments have already been certified as due) such sums as the Lessee may deem ample to protect it against delay or loss or to assume the payment of such claims of third persons, and to apply such sums in such manner as the Lessee may deem proper to secure such protection or satisfy such claims. All sums so applied shall be deducted from the Contractor's compensation. Omission by the Lessee to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the Lessee does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Lessee to withhold and apply monies nor any exercise, or attempted exercise of, or omission to exercise such rights by the Lessee shall create any obligation of any kind to such

materialmen, subcontractors, workmen or other third persons. Until actual payment is made to the Contractor, his right to any amount to be paid under the Contract (even though such amount has already been certified as due) shall be subordinate to the rights of the Lessee under this provision."

The Lessee shall file with the Port Authority a copy of its contracts with its contractors within thirty (30) days after the execution date of each such contract.

4.8.1 The Port Authority shall have the right to disapprove any proposed contractor if in its opinion the Contractor, or its proposed subcontractors, lack the reputation, experience, personnel or resources to properly construct the Building in accordance with the provisions of this Agreement, or if the Port Authority itself has had an unsatisfactory experience with such contractor or subcontractor. The Lessee shall be solely responsible for any plans, specifications, data or materials used by it or its contractors and for any loss, damage or liability resulting from the use thereof, notwithstanding that the same have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Nothwithstanding the requirement for approval by the Port Authority of the contracts to be entered into by the Lessee or the approval or disapproval thereof by the Port Authority or the incorporation therein of Port Authority requirements or recommendations, and notwithstanding any rights the Port Authority may have reserved to itself hereunder, the Port Authority shall have no liabilities or obligations of any kind to any contractors engaged by the Lessee or to others in connection with any proposed or actual contract entered into by the Lessee for construction or installation work hereunder or for any other matter in connection therewith and the Lessee hereby releases and discharges the Port Authority, its Commissioners, officers, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any construction work pursuant to contracts between the Lessee and its contractors. Any warranties or guarantees contained in any contract entered into by the Lessee for construction or installation work hereunder shall be for the benefit of the Port Authority as well as the Lessee, and the contracts shall so provide.

4.9 The Port Authority shall supply and the Lessee shall take and pay for utilities or services (including but not limited to electricity and/or water) required for the performance of the construction or installation work all as more particularly set forth in the Section of this Agreement entitled "Utilities and Services".

4.10 The Lessee shall prior to the commencement of construction and at all times during construction submit to the Port Authority all engineering studies with respect to the construction as may be required at any time and from time to time by the Port Authority. During the performance of the construction work the Port Authority may require the Lessee to employ a field representative at the Teleport and may require certification by a licensed engineer of structural aspects of the construction. At any and all times during the progress of the constuction work the Port Authority shall have the right through its duly designated representatives to inspect the construction work, and the machinery or equipment used in connection therewith, which the Lessee, or its contractor, shall demonstrate upon reasonable request from the Port Authority and from time to time, in its discretion, the Port Authority shall have the right to take samples and perform testing on any part of the construction work provided same does not unreasonably interfere with performance of the construction work. All construction work performed by the Lessee pursuant to this Agreement shall be in accordance with the approved Construction Application and all of the plans, specifications, drawings and other data forming a part thereof and the Lessee shall redo or replace at its own expense any work not done in accordance therewith. All workmanship and materials shall be of first class quality and type.

4.11 The Lessee shall, prior to and during the performance of the construction work take all reasonable measures to prevent erosion of the soil and the blowing of sand or materials and if necessary shall erect fencing or partitioning and cover open areas with asphaltic emulsion or similar materials as the Port Authority may direct.

4.11.1 The Lessee shall not have title to any soil, dirt, sand or other matter (hereinafter in this paragraph collectively called "the matter") excavated by the Lessee during the course of the construction work but the Lessee shall be permitted to use the matter for performance of the construction work at the Site or on any other site which may be included in the premises under this Agreement. All soil, dirt, sand or other matter not so used by the Lessee shall be delivered by the Lessee at its expense to any location at the Teleport as may be designated by the Port Authority. The Lessee shall have no interest in the proceeds, if any, of the sale or other disposition of the matter. Notwithstanding the foregoing the Port Authority may elect by prior written notice to the Lessee to waive all of its rights to all or portions of the matter in which event the Lessee at its expense shall dispose of the same without further instruction from the Port Authority.

4.11.2 Without limiting the generality of the provisions of this Agreement, including without limitation the provisions of paragraph 4.11 above, the Building shall be constructed in such a manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution, and a minimum of noise emanating from, arising out of or resulting from such construction. The Lessee understands that it may be obligated to construct such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives set forth in this paragraph. The location, manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. If the Lessee, pursuant to paragraph 8.12 of Section 8 of this Agreement, or otherwise, is required to design and construct such facilities subsequent to the completion of the construction work under this Section, the Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. All of the provisions of this Section 4 with respect to the construction work shall apply and pertain with like effect to any work which the Lessee is obligated to perform during the term of the letting pursuant to this paragraph and upon completion of such work it shall be and become a part of the premises hereunder.

4.12 The Lessee will give the Port Authority fifteen (15) days' notice prior to the commencement of construction. The Port Authority will assign a field engineer to the construction work commencing upon the start of the construction work by the Lessee. The cost for the services of said engineer shall be included as an item of "Common Teleport O&M Costs", as defined in paragraph 5.1.11 of this Agreement. Nothing contained herein shall affect any of the provisions of paragraph 4.13 of this Section or the rights of the Port Authority thereunder.

4.12.1 In the event that the Lessee shall fail at any time during the construction of any portion of the construction work under this Agreement, in the reasonable opinion of the Port Authority, to comply with the provisions of this Agreement with respect to the construction work, the Port Authority shall have the right, to cause the Lessee to cease such part of the construction work as is being performed in violation of this Agreement. Upon written direction from the General Manager of the Teleport specifying the reasons therefor, the Lessee shall promptly cease construction of the portion of the construction work specified and shall submit to the Port Authority for its written approval the Lessee's proposal for making modifications, corrections or changes in or to the construction work that has been or is to be performed so that the same will comply with the

provisions of this Agreement. The Lessee shall not commence construction of the portion of the construction work that has been halted until such written approval has been received.
If the Port Authority directs a cessation of construction pursuant to the provisions of this paragraph the Port Authority will advise any Leasehold Mortgagee, as defined in Section 18 of this Agreement, who shall be entitled to receive the notice described in paragraph 18.4 of this Agreement of its order and shall forward a copy of the written direction referred to herein to such Leasehold Mortgagee. As soon as possible after the cessation of construction the Port Authority shall meet with the Lessee and the Leasehold Mortgagee to discuss the Lessee's proposal for modifying, correcting or changing the construction work so as to enable the work to recommence with a minimum of interruption.

4.12.2 It is expressly understood and agreed that the field engineer covered by paragraph 4.12 hereof has no authority to approve the Lessee's plans and specifications with respect to the construction work, to approve the construction by the Lessee of any portion of the construction work or to agree to any variation by the Lessee from compliance with the terms of this Agreement, or the Construction Application covering the construction. It is hereby further understood and agreed that should the field engineer give any directions or approvals with respect to the Lessee's performance of any portion of the construction work which are contrary to the provisions of this Agreement or the approved Construction Application, said directions or approvals shall not affect the obligations of the Lessee as set forth herein, nor release or relieve the Lessee from strict compliance therewith. It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the construction work by the Lessee and the rights granted to the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the Port Authority has not exercised its right to require the Lessee to cease its construction of all or any part of the construction work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such work in accordance with the terms of this Agreement and the approved Construction Application nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by the Lessee with the provisions of this Agreement and the approved Construction Application with respect to the construction work.

4.12.3 Title to the construction work shall vest in the Port Authority immediately upon erection or affixation of all or any part thereof on or to the Site and shall then be and become a

part of the premises. If requested so to do, the Lessee shall execute such documents as the Port Authority may request confirming such ownership by the Port Authority and the date or dates thereof.

4.12.4 The Lessee shall deliver to the Port Authority two (2) sets of "as built" microfilm drawings of the construction work mounted on aperture cards, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the execution of this Agreement being hereby acknowledged by the Lessee), and the Lessee shall during the term of the letting under this Agreement keep said drawings current showing thereon any changes or modifications which may be made during the said term. (No changes or modifications shall be made without prior Port Authority consent.)

4.13 When the construction and installation work on a Site has been substantially completed and the Building located thereon is ready for use by the Lessee, the Lessee shall deliver to the Port Authority a certificate to such effect signed by an authorized officer or partner of the Lessee certifying that the construction work has been performed strictly in accordance with the approved Construction Application applicable thereto, and the plans, specifications, data and materials forming a part thereof and in compliance with all applicable governmental laws, ordinances, rules, regulations, requirements, orders and directions, and the provisions of this Agreement. Thereafter the construction work will be inspected by the Port Authority and unless such certification is not correct or the Port Authority determines that the construction work is unsuitable for occupancy and use by the Lessee, a certificate of substantial completion shall be delivered to the Lessee by the Port Authority subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee. The date specified in such certificate or the date of delivery of such certificate to the Lessee, whichever is later, shall constitute the "Completion Date" under this Agreement. Except as provided in paragraph 4.13.1 of this Section, the Lessee shall not use or permit the use of the premises for the purposes set forth in Section 3 of this Agreement prior to the Completion Date.

4.13.1 In the event that from time to time integral and material portions of the Building are substantially completed or properly usable, the Lessee may deliver to the Port Authority a certificate signed by an authorized officer or partner of the Lessee certifying that such portion of the construction work has been constructed strictly in accordance with the approved

Construction Application and the plans, specifications, data and material forming a part thereof, and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, and the provisions of this Agreement, and specifying that such portion of the construction work can be properly used even though the construction has not been completed and that the Lessee desires such use. The Port Authority will inspect such portion of the construction work, and in its sole discretion may deliver a certificate to the Lessee with respect to such portion of the construction work permitting the Lessee to use such portion of the Building for the purposes set forth in Section 3 hereof. In such event the Lessee may use such portion of the Building subject to the condition that all risk thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee and subject to such further limitations, restrictions and requirements as the Port Authority may at that time impose. Use of any portion of the premises for the purposes set forth in Section 3 hereof prior to the Completion Date in accordance with this paragraph shall be upon all the terms, provisions and conditions of this Agreement except as amended by the terms of the above-mentioned Port Authority consent. At any time prior to the issuance of the certificate of substantial completion pursuant to paragraph 4.13 of this Section, the Lessee shall promptly upon receipt of a written notice from the Port Authority cease its use of such portion of the construction work which it had been using pursuant to permission granted in this paragraph.

4.14 All construction and installation which the Lessee shall do under this Section 4 shall be done strictly in accordance with the following:

4.14.1 The Lessee hereby assumes, and shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, the City of New York, and the New York City Public Development Corporation against the following risks and claims arising out of the performance of the construction work, whether such risks and claims arise from the acts or omissions of the Lessee, any contractors of the Lessee, the Port Authority, employees, agents and representatives of the Port Authority, the City of New York, the New York City Public Development Corporation,third persons, or from acts of God or the public enemy, or otherwise, (including claims of the City of New York against the Port Authority pursuant to the provisions of the Ground Lease whereby the Port Authority has agreed to indemnify the City against claims) excepting only risks which result solely from the affirmative wilful acts done by the Port Authority subsequent to commencement of the construction work, <u>provided however</u>, that the Lessee shall not be required to indemnify the

Port Authority where indemnity would be precluded pursuant to the provisions of Section 5-322.1 of the General Obligations Law of the State of New York:

> 4.14.1.1 Risks of loss or damage to all or any part of the construction work prior to the completion thereof and the risk of loss or damage to any property of the Port Authority arising out of or in connection with the performance of the construction work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the construction work and the property of the Port Authority without cost or expense to the Port Authority; and
>
> 4.14.1.2 The risk of all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the construction work and for all expenses incurred by the Port Authority in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential.

4.14.2 The Lessee shall pay or cause to be paid, when due, all claims lawfully made against it by its contractors, subcontractors, materialmen, or workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the construction work and the Lessee shall cause its contractors and subcontractors to pay all such claims lawfully made against them. In the event the Lessee in good faith undertakes to contest any such claim by instituting appropriate proceedings to pursue its rights and remedies under the law it may, if permitted by law, defer payment of such claims and in such event the Lessee shall diligently and continuously pursue its rights and remedies and shall promptly give notice to the Port Authority in writing of its intention and shall keep the Port Authority fully informed with respect thereto. The Lessee shall indemnify the Port Authority against any claims, damages or losses that may arise or result therefrom, including interest thereon, and costs and expenses including attorneys' fees and penalties or fines. If a lien is filed against the premises the Lessee agrees to discharge or remove same within thirty (30) days after filing. Nothing herein contained shall be deemed to constitute consent to the creation of any lien or claim against the premises nor to create any rights in said third persons against the Port Authority.

4.14.3 Nothing contained in this Agreement shall grant or be deemed to grant any contractor, architect, supplier, subcontractor or any other person engaged by the Lessee or any of its contractors in the performance of any part of the construction work any right of action or claim against the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the construction work. Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and any such contractor, architect, supplier, subcontractor or any other person engaged by the Lessee or any of its contractors in the performance of any part of the construction work and the Port Authority shall not be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the construction work.

4.14.4 With respect to each Building constructed by the Lessee, and its contractors and subcontractors, as part of the construction work, the Lessee shall procure and maintain or cause to be procured and maintained in effect during the performance of the construction work with respect thereto:

4.14.4.1 Comprehensive General Liability Insurance including but not limited to Premises-Operations and Completed Operations and Completed Operations coverage, with a contractual liability endorsement covering the obligations assumed by the Lessee under paragraph 4.14.1 of this Section 4, which are customarily insured under such a policy, with a minimum combined single limit coverage for bodily injury and property damage of $1 million. Said insurance shall also include coverage for underground property damage hazard.

4.14.4.2 Automobile Liability Insurance covering all owned, non-owned or hired vehicles used in connection with said construction with a minimum combined single limit coverage of $2 million.

4.14.4.3 Worker's Compensation Insurance in accordance with the requirements of law.

4.14.4.4 Builder's Risk Insurance (All Risk) covering loss or damage to any structures, improvements, fixtures and equipment and furnishing and materials on premises during said construction in an amount equal to the full replacement cost. Such policy shall provide that the loss shall be adjusted with and payable to the Lessee, the proceeds thereof to be used by the Lessee for the repair, replacement, rebuilding or other performance of the construction work.

4.14.4.5 With the exception of the Workers' Compensation Insurance policy each policy of insurance described in this paragraph 4.14.4 shall include the Port Authority, the City of New York, and the New York City Public Development Corporation as additional insureds, and no such policy shall contain any care, custody or control exclusions, or any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair the coverages resulting from the Port Authority's, the City of New York's and the New York City Public Development Corporation's status as additional assureds or the coverage under the contractural liability endorsement. Such insurance shall also contain an endorsement providing that the protection afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third party shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, the City, or the New York City Public Development Corporation, but said endorsement shall not limit, vary, change or affect the protections afforded the Port Authority, the City and the New York City Public Development Corporation as additional assureds.

4.14.5 Unless otherwise set forth herein, each policy of insurance described in this paragraph 4.14.4 shall be subject to the applicable provisions of the Section of this Agreement entitled "Insurance".

Section 5. Rental

5.1 Definitions

For the purposes of this Section and for all other purposes under this Agreement the following terms shall have the respective meanings provided below:

5.1.1 "Development Period" shall mean with respect to each Site included in the premises under this Agreement the period during the term of the letting of such Site starting on the commencement date of the letting thereof under this Agreement and ending on the day preceding the commencement of the Operating Period, as hereinafter defined, established for such Site pursuant to this Agreement.

5.1.2 "Operating Period" shall mean with respect to each Site included in the premises under this Agreement the period during the term of the letting thereof under this Agreement commencing on the first day of the first calendar month in which the monthly installment of the Operating Period Rental, as hereinafter defined, payable to the Port Authority with respect thereto pursuant to this Agreement equals the sum of Four Thousand One Hundred Seventy-six Dollars and No Cents ($4,176.00).

5.1.3 "Annual Period" with respect to each Site included in the premises under this Agreement shall mean, as the context requires, the period commencing with the Completion Date of the Building to be constructed thereon as established pursuant to the provisions of paragraph 4.13 of this Agreement, and expiring on the 31st day of the calendar month of December immediately followng such Completion Date, and each calendar year thereafter occurring during the term of the letting of such Site under this Agreement commencing on the first day of the calendar month of January immediately following such Completion Date and on each succeeding January 1 thereafter occurring during the term of the letting of such Site, provided, however, that the annual period with respect to each Site included in the premises under this Agreement commencing on the first day of January immediately preceding the expiration date of the term of the letting under this Agreement shall expire on the said expiration date.

5.1.4 "Annual exemption amount" with respect to each Site included in the premises under this Agreement shall mean the sum of Two Million Four Hundred Thousand Dollars and No Cents ($2,400,000.00) as the same may be reduced by the operation of the abatement and/or proration provisions set forth in this Section.

5.1.5 "Annual Developer Amount" with respect to each Site included in the premises under this Agreement shall mean for each annual period a sum equivalent to the product obtained by multiplying Three Dollars and No Cents ($3.00) by the number of occupied rentable square feet in the Building constructed on such Site pursuant to this Agreement.

5.1.6 "Occupied Rentable Square Feet" with respect to each Building constructed and operated by the Lessee pursuant to this Agreement shall mean the number of rentable square feet measured, insofar as practicable, in accordance with the "Standard Method of Floor Measurement for Office Buildings" approved by the Real Estate Board of New York, Inc. as of the date of this Agreement, as such method may hereafter be amended, and occupancy shall be deemed to have commenced when a Space Tenant shall be obligated to commence payment of rental or other use charge to the Lessee for any portion of the space which is leased by the Lessee to such Space Tenant in such Building, but in no event later than three (3) months from the date when the right to physical possession of the space is actually or constructively delivered by the Lessee to the Space Tenant, unless a longer rent free period shall be consented to in advance by the Port Authority. There shall also be included in occupied rentable square feet (i) the amount of any space in such Building occupied or used by the Lessee except as to such space as is required by it solely for the management and operation of such Building, and (ii) the amount of any space under lease to a Space Tenant but not occupied due to fire or other casualty for which the proceeds of Rent Insurance pursuant to the provisions of Section 10 of this Agreement are collectable by the Lessee.

5.1.7 "Gross Revenue" with respect to each Building constructed and operated by the Lessee pursuant to this Agreement shall mean the total of all monies, revenues, receipts and income of every kind paid or payable to the Lessee or otherwise derived by the Lessee from or in connection with the operation of such Building, including, but not limited, to rentals, compensation, license or privilege fees, or shares of income or revenue paid or payable to the Lessee from Space Tenants, licensees, concessionaires, or others who occupy space or who conduct any business or perform any services in or from such Building, including proceeds of rent insurance payable to the Lessee pursuant to the provisions of Section 10 of this Agreement, and monies or other compensation paid or payable to the Lessee arising out of the sale of merchandise or the rendition of services to Space Tenants, licensees, or concessionaires, and all monies paid or payable to the Lessee from the sale of equipment, supplies, products or other merchandise of any kind (whether by vending machine or otherwise) provided, however, that there shall be excluded from Gross Revenue any taxes imposed by law which are separately stated to and paid by a customer to the Lessee and directly payable to the taxing authority by the Lessee.

5.1.7.1 In the event that the Lessee itself occupies any space in any Building constructed and operated by the Lessee pursuant to this Agreement other than space required by it solely for the management and operation of such Building then the Lessee shall ascribe a fair market rental value to such space for the purpose of calculating Gross Revenue hereunder for such Building and shall include the amount of the fair market rental value of such space in Gross Revenue for such Building retroactive to the date on which occupancy or use thereof commenced by the Lessee.

5.1.7.2 If in the Port Authority's opinion the rental value ascribed by the Lessee to any space is less than the fair market rental value thereof, or if the Lessee has failed to ascribe a rental value to any space, the Port Authority may from time to time employ a qualified real estate appraiser to establish the appropriate fair market rental value with respect to such space. The appraiser selected by the Port Authority shall be approved in advance by the Lessee, but if the Lessee rejects the appraiser selected by the Port Authority then such appraiser shall be selected by an officer of the American Arbitration Association, or any successor thereto. Failure of the Lessee to reject an appraiser selected by the Port Authority within fifteen (15) days of the Lessee's receipt of notice of such selection shall be deemed an approval. The Lessee shall make available to the Port Authority's appraiser all information required to make the appraisal and shall provide access to the space and to the Building in which such space is located as may be required. If it shall be determined that the rental value ascribed to such space by the Lessee is less than the fair market rental value of the space or if the Lessee has failed to ascribe a rental value to such space the cost of the appraisal shall be reimbursed to the Port Authority by the Lessee and not included in Gross Expenses hereunder with respect to such building.

5.1.8 "Gross Expenses" with respect to each building constructed and operated by the Lessee pursuant to this Agreement shall mean the expenses listed or referred to in the schedule annexed to this Agreement hereby made a part hereof and marked "Schedule E".

5.1.8.1 It is understood and agreed that all the Lessee's costs or expenses paid or incurred with respect to any Site included as part of the premises hereunder or any Building constructed thereon prior to the commencement of the first annual period established with respect to such Site (including, without limitation, brokerage commissions paid or incurred on account of space tenancies in any building constructed on any Site) shall be capitalized by the Lessee and treated as part of its costs of construction and not as items of Gross Expenses.

5.1.9 "Net Cash Flow" with respect to each Building constructed and operated by the Lessee pursuant to this Agreement shall mean for each annual period established for the Site on which such Building is constructed the excess of Gross Revenue over Gross Expenses. If the sum of Gross Expenses for any Building shall exceed the Gross Revenue therefor, the amount of such excess shall be carried over to the next annual period established for the Site on which such Building is constructed. No such loss shall be carried back or affect any rental payments or calculations thereof made for prior annual periods. Any insurance proceeds under policies secured by the Lessee in connection with its operations under this Agreement to the extent that such proceeds are not used to defray or reduce Gross Expenses hereunder, or otherwise applied as elsewhere authorized in this Agreement, shall be considered as Net Cash Flow.

5.1.10 "Space Lease" with respect to each Building to be constructed and operated by the Lessee pursuant to this Agreement shall mean a lease or license or any other agreement for the use of occupancy of any space or location in such Building or for the providing of any services or the sale of merchandise of any kind whatsoever in or from such Building. "Space Tenant" shall mean the tenant, licensee or other third party who pursuant to agreement with the Lessee shall occupy or use any space or any location in any such building or shall provide services or sell merchandise in or from any such Building.

5.1.11 "Common Teleport O&M Costs" shall mean and include costs which the Port Authority has paid or incurred in the conduct of and relating to the marketing, servicing, cleaning, policing, promoting, operation, maintenance, or repair of the Teleport, including the following items:

(a) wages, fringe benefits and other payroll costs paid to or for hourly employees for time worked at the Teleport and for time worked outside the Teleport in connection with the operation, maintenance and repair of the Teleport, including, without limitation, field engineers assigned by the Port Authority to inspect construction undertaken by lessees at the Teleport.

(b) salaries, fringe benefits and other payroll costs paid to or for salaried employees regularly employed in connection with the operation, maintenance and repair of the Teleport, including, without limitation, field engineers assigned by the Port Authority to inspect construction undertaken by lessees at the Teleport.

As used above in subdivisions (a) and (b):

(i) "Fringe benefits" shall mean the items of cost which the Port Authority is obligated to pay or incur pursuant to applicable collective bargaining agreements or which the Port Authority otherwise agrees to pay on the basis of wages paid to employees including, without limitation, vacation allowances, sick leave, holiday pay, birthdays, jury duty, medical checkup, lunch time, relief time, other paid time off, bonuses, pension plans, welfare and training funds, and health, life, accident, or other such types of insurance, and any other payment made or cost incurred by agreement with such employees and personnel or pursuant to Port Authority policy with respect to such employees and personnel.

(ii) "Other payroll costs" shall mean taxes and other payments payable pursuant to law upon the basis of wages paid to employees, including, without limitation, F.I.C.A., New York State Unemployment Insurance, disability insurance, and Federal Unemployment Insurance.

(c) deleted

(d) The cost of ordinary maintenance, repairs, improvements, alterations and changes of or to any of the sewers, mains, conduits, roadways, walkways, landscaping or other improvements and facilities forming a part of the Teleport, other than any of such under lease to the Lessee or other lessees at the Teleport including, without limitation, payments to third party contractors for cleaning, rubbish removal, equipment maintenance, window cleaning, exterminating and other cleaning and maintenance services furnished by contractors in the normal operation, maintenance and repair of the Teleport.

(e) Payments for electricity, water, sewer rents, and other fuel, utilities and services required for the operation of the Teleport, other than payments for which the Port Authority is entitled to reimbursement from the Lessee or other lessees at the Teleport.

(f) The cost of maintenance, repair and replacement of fixtures, furniture, furnishings, operating supplies, equipment and tools used in the operation of the Teleport, including, without limitation, the cost of laundry, dry-cleaning and repair of uniform and working clothes.

(g) The cost of any insurance carried by the Port Authority with respect to the Teleport or with respect to any accident or casualty occurring therein or with respect thereto, including appraisal costs, it being understood and agreed that in the event the Port Authority self insures any risk, damage or liability then the cost of such self-insurance shall constitute an item of cost hereunder. To determine the cost of such self-insurance, the Port Authority shall obtain at least two quotations, if available, for insurance coverage of such risks concerning which it desires to become a self-insurer. The lowest of any such available quotation shall be used to determine the cost of such self-insurance by the Port Authority for purposes of this Agreement, provided that the Port Authority and the Lessee may agree to use a quotation other than the lowest one to determine the cost of such self-insurance. If no quotation is available for insurance for any such risk of loss, then such cost shall be deemed to be that which the Port Authority reasonably estimates would have been acceptable to it.

(h) The cost of advertising, business promotion, sales promotion, marketing and publicity services and activities incurred by the Port Authority in connection with the Teleport, including payments to third parties and including, without limitation, the cost of printing and preparing brochures and other printed material, to the extent that such costs do not exceed twenty five percent (25%) of the operating budget of the Facility for and during each of the first five annual periods under this Agreement and thereafter do not exceed twelve and one-half percent (12 1/2%) thereof.

(i) The costs of telephone, telegraph, postage, messenger service and other communication charges, trucking and protection

services incurred with respect to the operation and maintenance of the Teleport.

(j) Payments for rental of leased equipment and supplies, including, without limitation, uniforms and work clothes, used in connection with the operation and maintenance of the Teleport.

(k) Payments to third parties for legal, accounting, architectural, engineering, space planning and other professional services related to the operation and maintenance of the Teleport.

(l) Payments by the Port Authority of taxes, excises, levies and assessments representing direct taxes on the Teleport or its operations, including in-lieu-of tax payments, other than payments for which the Port Authority is entitled to reimbursement from the Lessee or other lessees at the Teleport.

(m) Interest and amortization on financing obtained by the Port Authority, the proceeds of which are used to perform major repairs, replacement, alterations or improvements subsequent to completion of the Teleport.

(n) Payments made into reserve funds established in accordance with the Port Authority's accounting principles as consistently applied prior to the execution of this Agreement for major repairs, replacements, alterations and improvements to the Teleport.

(o) Deleted

(p) Any expenditure not itemized or referred to above as would customarily be incurred by a prudent developer, manager or operator in the conduct of or relating to the operation of an industrial or office park facility.

(q) An amount for administration and overhead equal to twenty-five percent (25%) of the total of the amounts constituting items (a) and (b).

In no event shall any cost or expenditure be included in Common Teleport O&M Costs more than once even though fitting under more than one category provided for in this subparagraph nor shall any cost or expenditure be included if such cost or expenditure is incurred by the Port Authority solely in connection with the operation of a building constructed and paid for by the Port Authority, other than the Telecenter Building as defined in the Sublease, or if the Port Authority is otherwise entitled to direct reimbursement for such cost or expense from the Lessee or other lessees at the Teleport.

5.1.12 Extension Period Payment shall mean the payment described in paragraph 3.2.1 of this Agreement.

5.1.13 Option Payments shall mean the payments described in paragraphs 1.4, 1.4.1, and 1.4.2 respectively of this Agreement.

5.1.14 "Quarterly Period" with respect to each Site included in the premises under this Agreement shall mean, as the context requires, the period commencing on the Completion Date of the Building to be constructed thereon as established pursuant to paragraph 4.13 of this Agreement and expiring on the following March 31, June 30, September 30, or December 31, whichever shall first occur, and each three month period thereafter occurring during each annual period established with respect to such Site under this Agreement, <u>provided</u>, <u>however</u>, that the quarterly period with respect to each Site included in the premises under this Agreement commencing on the first day of January, April, July or October, as the case may be, immediately preceding the expiration date of the term of the letting under this Agreement shall expire on such expiration date.

5.2 <u>Development Period Rental</u>

5.2.1 During the Development Period for each Site included in the premises under this Agreement the Lessee shall pay to the Port Authority a Development Period Rental for such Site at the rate of Fifty Thousand Dollars and No Cents ($50,000.00) per annum. The Development Period Rental for Site A shall be payable in advance in the sum of $25,000 on the execution of this Agreement by the Lessee and delivery thereof to MW
the Port Authority and in advance in installments of Twenty-five Thousand Dollars and No Cents ($25,000.00) payable on the one hundred eighty-fifth (185th) day following the commencement date LS
of the letting of Site A and on the first day of every sixth calendar month thereafter occurring during the Development Period GFT
established for Site A. The Development Period Rental for Sites B, C, and D, respectively, shall be payable in advance in the sum of Twenty-five Thousand Dollars and No Cents ($25,000.00) for each such Site payable on the commencement date of the letting as to such Site established pursuant to the provisions of this

Agreement and in advance in installments of Twenty-five Thousand Dollars and No Cents ($25,000.00) on the one hundred eighty-fifth (185th) day following the commencement date of the letting of such Site and on the first day of every sixth calendar month thereafter occurring during the Development Period established for such Site.

5.2.2 If the Lessee has made an Extension Period Payment pursuant to this Agreement the Lessee shall be entitled to a credit against the Development Period Rental for Site A in an amount equivalent to the Extension Period Payment. If the Lessee shall have exercised its rights to include Site B, Site C, or Site D in the premises pursuant to this Agreement the Lessee shall be entitled to a credit against the Development Period Rental payable with respect to each such Site as shall have been included in the premises in an amount equivalent to any Option Payments made by the Lessee on account of such Site. The credits described in this paragraph shall in each instance be applicable as follows: After the Lessee has commenced actual physical construction of any Building to be constructed by the Lessee pursuant to this Agreement on a Site other than Site A, the Lessee shall submit to the Port Authority a written statement which shall be signed by a responsible partner of the Lessee and shall certify that such construction has actually commenced. After examination and approval of such statement by the Port Authority there shall be credited against the Lessee's Development Period Rental obligations for the Site on which such Building is constructed an amount equivalent to the credit applicable thereto as set forth in this paragraph which shall be applied against installments of such rental as shall thereafter fall due until the said credit shall be exhausted. Neither the whole nor any part of any credit provided for in this paragraph shall be or become or shall constitute a debt due and owing from the Port Authority to the Lessee nor shall said amount be recoverable or applicable in any manner other than as specifically provided in this paragraph, including, but not limited to, a set-off or counterclaim in any action by the Port Authority against the Lessee for rental or other claims.

5.3 Operating Expense Rental

5.3.1 In addition to all other rental payable pursuant to this Section, from and after the commencement of the first annual period under this Agreement with respect to each Site included in the premises under this Agreement and continuing throughout the balance of the term of the letting thereof hereunder the Lessee shall pay an Operating Expense Rental for each Site included in the premises hereunder equivalent to the "Common Teleport O&M Costs" incurred by the Port Authority during each such annual period which are in excess of the annual exemption amount, provided, however, that such rental shall be prorated by multiplying the same by a fraction the numerator of which is the number of rentable square feet in the building constructed on such Site and the denominator of which is

1,000,000. For the purpose of calculating Operating Expense Rental due on account of Common Teleport O&M Costs incurred during any annual period which contains other than three hundred sixty-five days the annual exemption amount shall be prorated over the number of actual days in such annual period. The time for making payment of Operating Expense Rental and the method of computation thereof shall be as set forth in paragraph 5.3.2. and 5.3.2.1 of this Agreement.

5.3.2 The Lessee shall pay the Operating Expense rental as follows: Within one hundred twenty (120) days following the close of the first annual period occurring with respect to each Site included in the premises hereunder and within one hundred twenty (120) days of the close of each annual period thereafter occurring during the term of the letting thereof under this Agreement with respect to each such Site the Port Authority shall render to the Lessee a detailed statement itemizing the Common Teleport O&M Costs for the annual period for which the report is made. Whenever such statement shall show that Common Teleport O&M Costs for the annual period for which such report is submitted are in excess of the annual exemption amount, the Lessee shall pay to the Port Authority within twenty (20) days of the submission to it of the statement an amount equal to the percentage stated in paragraph 5.3.1 of this Agreement applied to such excess.

5.3.2.1 Upon the expiration or earlier termination of the term of the letting under this Agreement with respect to any Site included in the premises hereunder (even if stated to have the same effect as expiration), the Lessee shall, after the effective date of such expiration or termination, make a payment of Operating Expense Rental computed as follows: not later than one hundred (120) days following the close of the annual period in which the effective date of such expiration or termination shall occur, the Port Authority shall render to the Lessee a detailed statement of the Common Teleport O&M Costs for the annual period in which the effective date of such expiration or termination falls; within twenty (20) days of its receipt of such statement the Lessee shall make a payment on account of all Operating Expense Rental for such Site for the annual period in which such effective date of expiration or termination falls in an amount equal to the percentage stated above in paragraph 5.3.1 of this Agreement applied to the Common Teleport O&M Costs for such annual period which are in excess of the annual exemption amount, except that if the letting was in effect for less than three hundred sixty-five (365) days' during such annual period, the annual exemption amount as set forth in subparagraph 5.1.4 of paragraph 5.1 of this Agreement shall be multiplied by a fraction, the numerator of which shall be the number of days from

the commencement of the said annual period to the effective date of expiration or termination and the denominator of which shall be 365. The Lessee's obligation to make the payment described in this paragraph shall survive the termination or expiration of this Agreement.

5.3.2.2 Without limiting any other term or provision of this Agreement any portion of the Lessee's obligation to pay Operating Expense Rental which shall not have been satisfied on the effective date of expiration or termination of the letting as to any Site included in the premises under this Agreement shall survive such expiration or termination.

5.4 The Port Authority shall maintain in accordance with its accounting principles as consistently applied prior to the execution of this Agreement records and books of account pertaining to Common Teleport O&M Costs. The Port Authority shall maintain such records and books of account during the letting and for three years following each annual period under this Agreement. The Lessee shall have the right during normal business hours during the term of the letting under this Agreement and for one year subsequent to the expiration or termination of the letting hereunder on twenty (20) days' prior written notice to the Port Authority to examine and audit for all purposes of this Agreement the books and records of the Port Authority pertaining to Common Teleport O&M Costs. In addition, the Port Authority shall cause to be delivered to the Lessee a certification by an independent certified public accountancy firm of national repute of the Common Teleport O&M Costs for each annual period established with respect to each Site included in the premises under this Agreement.

5.5 Operating Period Rental

5.5.1 From and after the commencement of the first annual period under this Agreement with respect to each Site constituting a part of the premises under this Agreement and continuing throughout the balance of the term of the letting thereof hereunder the Lessee shall pay to the Port Authority an Operating Period Rental for each Site constituting part of the premises hereunder at a rate per annum equivalent to the product obtained by multiplying Four Dollars and No Cents ($4.00) (which sum is hereinafter called "the square foot factor") by the number of occupied rentable square feet in the Building constructed and operated by the Lessee on such Site pursuant to this Agreement provided, however, that to the extent that such occupancy is for less than a full annual period the square foot factor shall be prorated over the period of use or occupancy occurring during such annual period.

5.5.2 The Lessee shall pay the Operating Period Rental for each Site constituting a part of the premises hereunder to the Port Authority in advance in equal monthly installments which shall be due and paid on the first day of the first annual period

established with respect to each such Site and on the first day of each and every month thereafter during each annual period established with respect to each such Site. The amount of each such monthly installment shall be equivalent to Thirty-three and one-third Cents ($0.3333) multiplied by the total number of occupied rentable square feet in the Building constructed and operated by the Lessee on such Site during such month, provided, however, that if the first annual period established for any Site shall commence on other than the first day of a calendar month the monthly installment of Operating Period Rental for such portion of the month shall be prorated on a daily basis. Each installment of Operating Period Rental shall be accompanied by a detailed statement specifying the number of occupied rentable square feet in the Building constructed on the Site as to which the said installment applies for the preceding month and the cumulative totals thereof for the annual period established with resepct to such Site for which the report is made.

5.5.2.1 Not later than the 20th day of the month following the close of each quarterly period occurring in each annual period under this Agreement, the Lessee shall render to the Port Authority detailed statements specifying the number of occupied rentable square feet in each Building constructed by the Lessee pursuant to this Agreement for the preceding quarterly period and the cumulative totals thereof for the annual period for which the report is made. Whenever such statement shall show that for any such Building the rentable square foot factor applied to such total occupied square footage exceeds the sum of the installments of Operating Period Rental made by the Lessee on account of such Building for such quarterly period, and all preceding quarterly periods during that annual period, the Lessee shall pay to the Port Authority at the time of rendering the statement an amount equal to such excess; within sixty (60) days following the end of each annual period there shall be a recalculation by the Lessee of the Operating Period Rental due for each Site constituting a part of the premises under this Agreement based on total number of occupied rentable square feet in the Building constructed on such Site for such annual period and if such recalculation shall show that additional Operating Period Rental is due the Port Authority for such Site then the same shall be paid to the Port Authority within such sixty day period; if excess Operating Period Rental has been paid to the Port Authority for such Site the amount of such excess shall be credited against the Lessee's future Operating Rental Period obligations for such Site.

5.6 Percentage Rental

5.6.1 In addition to the Operating Period Rental provided for in paragraph 5.5 above from and after the commencement of the first annual period with respect to each Site constituting a part of the premises under this Agreement and continuing throughout the balance of the term of the letting

thereof hereunder the Lessee shall pay to the Port Authority an annual percentage rental equivalent to thirty percent (30%) of the Net Cash Flow of the Building constructed on such Site arising during each annual period established with respect to such Site which are in excess of the annual developer amount established for such Site. The calculation of percentage rental for each annual period or portion of an annual period, as hereinafter provided, shall be individual to such annual period or such portion of an annual period and without relation to any other annual period of any other portion of any annual period.

5.6.2 The time for payment of the percentage rental and the method of calculation thereof shall be as follows: On the 20th day of the month following the close of each quarterly period occurring in each annual period established for each Site included in the premises hereunder and on the 20th day of the month following the end of each such annual period, the Lessee shall render to the Port Authority detailed statements specifying the number of occupied rentable square feet in each Building constructed and operated by the Lessee pursuant to the provisions hereof during the preceding quarterly period and calculating the annual developer amount and the percentage rental due for the Site on which such Building is constructed for such quarterly period, itemizing Gross Revenue, Gross Expenses and Net Cash Flow for such Building for such quarterly period and the cumulative totals thereof from the commencement of the annual period for which the statement is made through the end of such quarterly period; statements of Gross Revenue shall indicate separately receipts from rentals, income from concessionaries, and other receipts or income and such other information or data as the Port Authority may from time to time request; whenever any such statement shall show that the cumulative Net Cash Flow for any Building constructed and operated by the Lessee pursuant to this Agreement for the quarterly period for which the statement made and all preceding quarterly periods during that annual period is in excess of the annual developer amount established for the Site on which such Building is constructed for the period from the commencement of the annual period through the end of that quarterly period, the Lessee shall pay at the time of rendering the statement an amount equal to the percentage stated above in paragraph 5.6 of this Agreement applied to such excess. At any time that the annual developer amount established for any Site is decreased by abatement as provided in this Agreement so that as to the Building constructed on such Site there is an excess of Net Cash Flow as to which the percentage rental has not been paid, the same shall be payable to the Port Authority on demand. Within 120 days following the end of each annual period established with respect to each Site included in the premises under this Agreement the Lessee shall render its statements for the full annual period established for each such Site and shall recalculate Net Cash Flow for the Building constructed on such Site for said annual period and the percentage rental due the Port Authority for such Site for the full annual period and shall remit to the Port Authority with said statement the amount of percentage rental due for such Site

for the full annual period less payments thereof made during such annual period. Upon request the Port Authority shall return any excess percentage rental theretofore paid for such Site for such annual period. If such recalculation shall indicate an operating loss for the Building constructed on such Site for such annual period the Port Authority shall on request refund the amount of any percentage rental previously received by it for such Site for such annual period. In addition to the Lessee's said submission the Lessee shall cause to be delivered to the Port Authority a certification by an independent certified public accountancy firm of Gross Revenue, Gross Expenses, and Net Cash Flow for each Building constructed and operated by the Lessee pursuant to this Agreement for each annual period. The certified public accountancy firm selected by the Lessee to provide such certification shall be approved in advance by the Port Authority but such approval shall not be withheld if such firm is of national repute, has had experience in office building accounting and has sufficient staff and resources to perform its tasks hereunder. Any loss resulting from an excess of Gross Expenses over Gross Revenue in any Building constructed and operated by the Lessee pursuant to the provisions hereof shall be credited against the Lessee's percentage rental obligation on account of the Site on which such building is constructed for the next annual period established with respect thereto provided, however, that accumulated losses remaining as of the date of expiration or earlier termination of the letting of such Site under this Agreement shall be for the Lessee's sole account and shall be absorbed by the Lessee.

5.6.3 Upon termination of the term of the letting under this Agreement as to any Site included in the premises hereunder (even if stated to have the same effect as expiration), or upon expiration of such letting, at any time subsequent to the close of the Development Period for such Site, the Lessee shall, within ninety (90) days after the effective date of such termination or expiration, submit to the Port Authority a detailed statement of occupied rentable square feet and Gross Revenue, Gross Expenses and Net Cash Flow for the portion of the annual period preceding the effective dare of termination or expiration and shall calculate the annual developer amount the Operating Period Rental, and the Percentage rental due for such portion of such annual period, all in accordance with the provisions of paragraph 5.5 and this paragraph 5.6; the Lessee shall make a payment to the Port Authority or receive a refund from the Port Authority (out of the rental payments previously made for such annual period) to reflect the actual occupied rentable square footage and actual Net Cash Flow for such annual period. In calculating the payment then due on account of all percentage rental for such Site for the annual period in which the effective date of expiration or termination falls, the annual developer amount established for such Site for such annual period as set forth in subparagraph 5.1.5 of paragraph 5.1 of this Agreement shall be multiplied by a fraction, the numerator of which shall be the number of days from the commencement of the said annual period to the effective date of expiration or termination and the denominator of which shall be 365.

5.6.4 The Lessee shall maintain in accordance with accepted accounting practice during the term of the letting under this Agreement and for three years following each annual period established for each Site included in the premises, including the last such annual period (unless the Port Authority directs the Lessee to further retain the same) records and books recording all transactions at, through or in any wise connected with any Building constructed and operated by the Lessee under this Agreement, or with the premises or with the activities of the Lessee at the Teleport, which records and books of account shall be kept at all times within the Port of New York District. All statements required to be supplied or submitted by the Lessee under this paragraph shall be certified by a responsible officer or partner of the Lessee and if required by the Port Authority the Lessee's statements shall be prepared on such forms as may be mutually approved by the Lessee and the Port Authority. The Lessee's statements shall be supported by documents, invoices, bills, receipts or other appropriate evidence, if requested. The Port Authority shall have the right during normal business hours and from time to time throughout the term of the letting under this Agreement and for three years subsequent to the expiration or termination of the letting hereunder to examine and audit for all purposes of this Agreement the books and records of the Lessee and also those books and records relating to the operation of any Building constructed and operated by the Lessee hereunder or Net Cash Flow hereunder of any company which is owned or controlled by the Lessee or of any company which controls the Lessee or which has been retained by the Lessee in connection with the management and operation of any such Building.

5.7 In the event of a disagreement between the Lessee and the Port Authority regarding the inclusion or exclusion of certain items in Common Teleport O&M Costs or regarding the inclusion or exclusion of certain items of Gross Expenses or Gross Revenue in the calculation of Net Cash Flow, either party hereto may serve written notice on the other setting forth the matter in dispute and if within thirty days thereafter the dispute is not settled by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. Each party shall select an accountant or auditor to act as arbitrator and the two arbitrators thus selected shall select a third and if neither they nor the parties can agree on a third the remaining accountant or auditor shall be selected by the presiding justice of the Appellate Division, First Department or failing that by an officer of the American Arbitration Association. The arbitrators shall be required to render a written decision or award and such decision or award shall be binding on the Port Authority and the Lessee and both parties agree to comply therewith. The Port Authority and the Lessee shall bear their own respective costs and expenses of said arbitration and none of the same shall be includable under Gross Expenses as defined in Schedule E or under Common Teleport O&M Costs as defined in paragraph 5.1.11 of this Section.

In any such arbitration proceeding relating to inclusion or exclusion of certain items of Gross Expenses Gross Revenue in the calculation of Net Cash Flow the question be submitted to the arbitrators for decision shall be as follo

> "Under sound accounting practice for single occupancy multiple occupancy office buildings, as the case may should the item in dispute be properly chargeable Gross Expenses as defined in Schedule E or includable Gross Revenue as defined in subparagraph 5.1.7 paragraph 5.1 hereof and if a part only, then what the proper amount of such part?"

In any such arbitration proceeding relating to inclusion or exclusion of certain items in Common Teleport Costs the question to be submitted to the arbitrators decision shall be as follows:

> "Under the Port Authority's accounting practice as consistently applied prior to the execution of this Agreement, should the item in dispute be properly chargeable as a Common Teleport O&M Cost as defined in paragraph 5.1.11 and if a part only, then what is the proper amount of such part?"

In any arbitration between the Port Authority and Lessee of any dispute or controversy regarding the inclusion exclusion of certain items in Common Teleport O&M Costs the P Authority shall have the right to join any one or more ot lessees at the Teleport which may be affected by the award of arbitrators as additional parties to the arbitration by serv on such other lessees of a notice provided, that they h agreements with the Port Authority to arbitrate such issue issues as provided in this paragraph. In any such arbitrat between the Port Authority and any other lessee at the Telep the Port Authority shall have the right to make the Lessee additional party to the arbitration, by service upon the Les of a notice in accordance with the rules or provisions governi such arbitration; provided, that such arbitration is be conducted pursuant to an agreement between the Port Authority such other lessee similar to that provided in this paragraph.

5.8 No breach of any covenant, term or condition this Agreement shall excuse the Lessee from the prompt payment the rental provided for herein.

5.9 If the Lessee should fail to pay any amc required under this Agreement when due to the Port Authori including without limitation any Extension Period Payment, Option Payment, or any payment of Development Period Rent Operating Period Rental, Operating Expense Rental, percent rental or any payment of utility or other charges, or if any s amount is found to be due as the result of an audit, then, such event, the Port Authority may impose (by statement, bill

5.11 The Port Authority agrees that if it shall at any time prior to the 550th day following the commencement date of the letting of Site A under this Agreement make any agreement with any party or parties for or covering the letting of space at the Teleport for the construction of a building containing at least 100,000 rentable square feet to be operated by such party as a first class office building for occupancy by Space Tenants where the rental revenues to the Port Authority from or on behalf of such party are or will be on an absolute or comparative basis substantially similar to or less than the rental revenues to the Port Authority from or on behalf of the Lessee hereunder and if such agreement is on rental terms more favorable to any such party than are contained in this Agreement, then the Port Authority shall notify the Lessee of that fact, shall provide it with a true copy of any such agreement, and shall, at the option of the Lessee, give the Lessee the benefit of the rental terms thereof retroactively to the date when any such more favorable agreement shall have been entered into by the Port Authority, and this Agreement shall thereupon be modified accordingly. Nothing contained in this paragraph shall be or be deemed to apply to the Participation Agreement or to the Sublease, entered into by the Port Authority, or with respect to the Telecenter Building, as defined in the Sublease, or with respect to any other area at the Teleport leased to MLT, WUCS, or the Partnership, either pursuant to the Sublease, or otherwise.

Section 6. Law Compliance, Taxes and Excises

6.1 The Lessee shall procure and maintain in effect throughout the term of the letting under this Agreement all licenses, certificates, permits or other authorization from all governmental authorities having jurisdiction over the operations of the Lessee at the premises or at the Facility which may be necessary for the conduct of its operations.

6.2 The Lessee shall promptly comply with the provisions of any and all present and future governmental laws, rules, regulations, enactments, requirements, ordinances, orders, resolutions, and directions including those of the City of New York and its various departments, boards, and bureaus, which may pertain or apply to the operations of the Lessee on the premises or at the Facility or its occupancy of the premises, including any such that pertain or apply to construction, maintenance, health and fire protection and which would be applicable if the Port Authority were a private corporation, and shall make any and all improvements, alterations, changes or repairs of or to any Building on any portion of the premises, whether structural or non-structural, ordinary or extraordinary, that may be required at any time hereafter under any present or future governmental law, rule, regulation, enactment, ordinance, requirement, order, resolution, or direction. All violations or notices of non-compliance, whether formally filed against the premises or any Building constructed thereon, or set forth in any summons, notice

of violation, warning notice, or other legal process for the enforcement of any such law, rule, regulation, enactment, requirement, ordinance, order, resolution, or direction shall be promptly cured by the Lessee. The Lessee's obligations under this paragraph shall include the obligation to make any and all changes, replacements, alterations or substitutions in materials, furniture, furnishings or equipment that may be required at any time under any present or future governmental law, order, rule, regulation, requirement, enactment, ordinance, resolution, or direction, The Lessee shall deliver to the Port Authority promptly after receipt a true copy of any such notice of violation, warning notice, or other legal process requiring the performance of construction as hereinbefore set forth.

6.2.1 In the event that pursuant to paragraph 6.2 of this Section the Lessee is required to perform an extraordinary structural improvement, alteration, change or repair of or to any building constructed by the Lesee pursuant to this Agreement to comply with any governmental law, rule, regulation, ordinance, requirement, order or direction adopted subsequent to completion of such building, and the Lessee elects to finance the cost of such extraordinary improvement, alteration, change or repair, the annual payments of principal and fixed interest due on any loan the proceeds of which are used by the Lessee solely to finance the cost of such item of work shall be incldued as an item of Gross Expenses udner the Schedule E, provided that the terms of such financing, including the term and the rate of interest thereon shall have been approved in advance by the Port Authority, which approval shall not be unreasonably withheld if, giving due recognition to market conditions prevailing at the time of such financing and the useful life of the item of improvement, alteration, change or repair for which such financing is incurred, such terms are prudent.

6.3 The provisions of this Section are not to be construed as a submission by the Port Authority to the application to itself of any governmental laws, rules, regulations, requirements, ordinances, orders and directions, and no alleged or purported immunity or exemption from any of the foregoing available to the Port Authority shall excuse compliance or be grounds for noncompliance on the part of the Lessee. In no event shall the Lessee raise any claim or defense in any contest or challenge involving in any way immunity of the Port Authority, its governmental nature or the provisions of any statute respecting the Port Authority without first obtaining express advance consent from the General Counsel of the Port Authority.

6.4 The Lessee shall pay all licenses, certification, permit and examination fees, duties, excises and all other govermental charges of every character present and future (whether or not the same shall have been within the express contemplation of the parties hereto) which may be assessed, levied, exacted or imposed on the Lessee's property, operations or occupancy hereunder or on any property whatsoever which may be received at the premises or on the rental or income therefrom

including any penalties or interest thereon and any taxes on personal property which may be assessed, levied, exacted, or imposed, and the Lessee shall make all applications, reports and returns required in connection therewith. If any bond or other undertaking shall be required by any governmental authority in connection with any of the operations of the Lessee or any property received or exhibited by the Lessee at the premises, the Lessee shall furnish the same and pay all expenses in connection therewith. The Lessee shall also pay any corporate franchise and excise and other taxes, fees and other charges assessed, levied or imposed on the Lessee in respect of its corporate existence or its right to do business. No alleged or purported immunity or exemption from any taxes or fees described in this paragraph available to the Port Authority shall be grounds for or excuse non-payment thereof by the Lessee.

6.5 The Lessee shall pay any and all real estate taxes or any other tax, assessment, levy, fee or charge, general or special, ordinary or extraordinary, foreseen or unforeseen of whatever nature or kind (whether or not the same shall have been within the express contemplation of the parties hereto) which during the term of the letting hereunder may be levied, assessed, imposed or charged by any taxing or other governmental authority upon the premises or upon any building constructed on any portion thereof or any other structure or improvement erected or made thereon or any appurtenances or any facilities of any such building extending beyond, below or above any portion of the premises or upon the leasehold estate hereby created, or with respect to the rental or Lessee's income therefrom in lieu of any tax, assessment, levy or charge which would otherwise be a real estate tax, assessment, levy or charge. The Lessee's obligation hereunder shall include any such as are levied, assessed, imposed or charged upon the Port Authority and if the same are paid directly by the Port Authority, the Lessee shall pay the Port Authority therefor as hereinafter set forth. If the taxing or governmental body imposing the tax or charge referred to herein does not segregate the amount thereof attributable to any building constructed on any portion of the premises from the balance of the Facility then the Port Authority shall allocate the same equitably on the basis of a proportion between the total number of square feet in the Facility subject to such taxes and the total number of square feet in the portion of the premises on which such building is constructed. The Lessee shall pay the allocable portion thereof as directed by the Port Authority either to the Port Authority or to the taxing or governmental body. The Lessee shall file all applications and furnish all information required in connection therewith and shall pay any penalties or interest thereon other than on amounts directly payable by the Port Authority as to which the Lessee has made prompt and timely payments to the Port Authority as required hereunder. With respect to real estate taxes which may be imposed on the Port Authority and payments in lieu thereof (hereinafter sometimes collectively called "the tax equivalent") the Lessee's payments shall be as stated in paragraph 6.7 of this Section.

6.6 Without limiting the generality of any of theprovisions of this Section it is understood and agreed that the Lessee's obligations hereunder shall include an obligation to pay all applicable Subtenant Impositions, as hereinafter defined.

6.6.1 As used in this Agreement "Subtenant Impositions" shall mean any of the following which at any time during the term of the letting hereunder may be assessed, levied, confirmed, imposed upon, or would grow or become due and payable, or would be charges with respect to the Lessee under any law which would be applicable to the Lessee were the premises owned by and leased to a private corporation rather than the City of New York and the Port Authority respectively:

(i) Subject to paragraph 6.7 hereof, any applicable real property general and special assessments(including, without limitation, any special assessments for business improvements or imposed by any special assessment district),

(ii) personal property taxes,

(iii) occupancy and rent taxes,

(iv) water, water meter and sewer rents, rates and charges,

(v) excises,

(vi) levies,

(vii) license and permit fees,

(viii) generally applicable service charges with respect to police protection, fire protection, street and highway construction, maintenance and lighting, sanitation and water supply,

(ix) any fines, penalties and other similar governmental charges applicable to the foregoing, together withany interest or costs with respect to the foregoing, and

(x) Except for real estate taxes any other governmental levies, fees, rents, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen or unforeseen, of any kind whatsoever, together with any fines and penalties and any interest or cost with respect thereto.

6.6.2 The Lessee shall have the right at its sole cost and expense to challenge, contest, or review by appropriate legal proceedings, or in such other manner as may be provided by law, the applicability of any and all governmental laws, rules, regulations, requirements, enactments, ordinances, orders, resolutions, or directions, which may be imposed upon the premises or the Lessee's operations, and any taxes, assessments, levies or charges which may be levied, assessed, imposed or charged directly to the Lessee or directly against the Lessee's property or improvements located on the premises or its operations therein. In the event that the Lessee undertakes such contest or review, it shall indemnify the Port Authority against any claims, damages, or losses that may arise or result therefrom. Notwithstanding that the Lessee undertakes such contest or review it shall not defer or suspend compliance with any such law, rule, regulation, requirement, enactment, ordinance, order, resolution or direction or the payment of any such taxes, assessments, levies or charges herein provided for pending the outcome of such contest or review unless by law it is necessary that such compliance or payment be suspended to preserve or perfect the Lessee's action and in such event the Lessee shall not undertake any such contest or review unless the Lessee shall provide the Port Authority with security reasonably acceptable to it against any losses or penalties which may be imposed as a result of the Lessee's actions. In the event that any such governmental laws, rules, regulations, requiremens, enactments, ordinances, orders, rules, resolutions, directions, taxes, assessments, levies or charges which are challenged or contested by the Lessee are found to be valid or applicable, and the Port Authority shall thereafter elect to terminate the letting by reason of the Lessee's failure to comply therewith or pay such, the Lessee shall have the right to extend the effective date of termination specified in the notice for a period not to exceed thirty (30) days' in order to cure such default, provided the Lessee give the Port Authority written notice of such extension prior to the effective date of termination and within such thirty day period shall cure such default. If the curing of such default requires activity over a period of time and the Lessee shall have commenced the curing of such default within the said thirty day period and shall diligently continue such performance without interruption, the said thirty day period shall be extended for such further period of time as such performance requires. If within the extension period the default is cured, the notice of terminatin predicated thereon shall be null and void and of no further force and effect.

6.6.3 In no event shall the Lessee raise in any such challenge, contest or review any defense or claim involving in any way immunity of the Port Authority, its governmental nature, or the provisions of any statutes respecting the Port Authority, without first obtaining express advance consent from the General Counsel of the Port Authority.

6.7 The Lessee shall pay to the City of New York a supplemental rental in accordance with the provisions of Section 3.04 of the Ground Lease and Exhibit D-1, D-2, or D-3, as the case may be, annexed thereto, a copy of all of which is annexed hereto as "Exhibit X".

6.8 The Lessee from time to time upon the request of the Port Authority shall furnish to the Port Authority evidence reasonably satisfactory to the Port Authority evidencing the payment to the City of New York of the supplemental rent and any applicable Subtenant Impositions.

6.8.1 The Lessee agrees that in the event of any breach or default by the Lessee in payment to the City of New York of the supplemental rental or any applicable Subtenant Impositions due under this Agreement, the City of New York shall have the right to enforce payment thereof and to exercise all necessary remedies in connection therewith, subject to the Port Authority's right to receive notice of non-payment and to cure such default, as set forth in the Ground Lease. The Port Authority hereby does assign to the City of New York any and all rigts and remedies of the Port Authority under this Agreement, or otherwise, against the Lessee for or in connection with the collection of said unpaid supplemental rental or Subtenant Impositions, provided, however, that nothing herein shall be deemed a waiver by the Port Authority of any rights or remedies under this Agreement which it may wish in its discretion to enforce by legal action or otherwise, on account of such unpaid supplemental rental or Subtenant Impositions.

6.9 In the event there is imposed on the Lessee a requirement to pay real estate taxes with respect to the premises or the improvements thereon or to pay other or additional in-lieu of tax payments to the City of New York or the taxing authority,then and in such event the Lessee shall pay the amount of any such real estate taxes or other or additional in-lieu of tax payments provided, however, that in such event the Lessee shall not be required to pay supplemental rent under this Agreement in any amount which together with the amount of such real estate taxes or other or additional in-lieu of tax payments would be in excess of the amount which would have been imposed, levied or assessed as real estate taxes on the premises or the improvements thereon by the City or the taxing or governmental authority if such were privately owned.

Section. 7. Rules and Regulations

7.1 The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) such reasonable rules and regulations (including amendments and supplements thereto) as may from time to time and throughout the letting be promulgated by the Port Authority for reasons of safety, health, good order, preservation of property, sanitation, the maintenance

of the good and orderly appearance of the premises and the Facility, or for the safe or efficient operation of the Facility provided, however, that if any such rule or regulation shall conflict with any express provision of this Agreement, the provision of this Agreement shall control. The Port Authority hereby agrees to apply all rules and regulations promulgated by the Port Authority equitably and without discrimination against the Lessee and all other tenants in the Facility except to the extent that any such rule or regulation may be inapplicable by agreement or otherwise to the Lessee or any such tenant. The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee, and to each Leasehold Mortgagee which shall have become entitled to notice as provided in paragraph 18.4 of this Agreement, of every such rule or regulation adopted by it at least twenty (20) days before the Lessee shall be required to comply therewith.

7.2 No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that any services or privileges described therein shall be or remain available or that such charges, prices, rates or fees, if any, as are stated therein shall be or remain in effect all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

7.3 If a copy of the Rules and Regulations is not attached, then the Port Authority will notify the Lessee thereof either by delivery of a copy, or by making a copy available at the office of the Secretary of the Port Authority.

Section 8. Lessee's Operations

8.1 The Lessee shall conduct its operations hereunder in an orderly and proper manner, so as not to annoy, disturb or be offensive to others at or off the Facility. The Lessee shall take all reasonable measures to eliminate vibrations originating on the premises tending to damage any equipment, structure, building or portion of a building which is on the premises, or is a part thereof, or is located elsewhere on or off the Facility, and to keep the sound level of its operations as low as possible.

8.2 The Lessee shall control the conduct, demeanor and appearance of its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it, and upon objection from the Port Authority concerning the conduct, demeanor or appearance of any such shall immediately take all steps necessary to remove the cause of the objection. If requested by the Port Authority the Lessee shall require its employees to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the General Manager of the Teleport.

8.3 The Lessee shall control all vehicular traffic on the roadways or other areas within each Site included in the

premises and shall take all precautions necessary to promote the safety of all persons onany portion of the premises. The Lessee shall employ such means as may be necessary to direct the movement of vehicular traffic within each Site included in the premises to prevent traffic congestion on the public roadways leading to the premises.

8.4 The Lessee shall remove from the Facility or otherwise dispose of in a manner approved by the General Manager of the Teleport all garbage, debris, and other waste materials (whether solid or liquid) arising out of its occupancy of the premises or out of its operations. Any such which may be temporarily stored in the open shall be kept in suitable garbage and waste receptacles, the same to be made of metal or other suitable material, and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein. The Lessee shall use extreme care when affecting removal of all such waste material, and shall effect such removal at such times and by such means as first approved by the Port Authority. No such garbage, debris, or other waste materials shall be or be permitted to be thrown, discharged or deposited into or upon the waters or wetland areas at or bounding the Teleport.

8.5 Without limiting the Lessee's law compliance obligations elsewhere in this Agreement set forth, in its design and construction hereunder the Lessee agrees to and shall conform to the provisions of Local Law 5 enacted by the City of New York, if applicable, as if the Port Authority were a private corporation, and whether or not Local Law 5 is applicable, the Lessee shall install in each Building it constructs on the premises an approved automatic fire sprinkler protection and fire extinguishing system, and shall maintain such systems in good working order. From time to time and as often as reasonably required by the Port Authority, the Lessee shall conduct pressure, water-flow, and other appropriate tests of the sprinkler and other fire-extinguishing systems and apparatus and fire fighting equipment which constitutes a part of the premises. The Lessee shall keep all such systems in proper functioning order. The Lessee shall at all times maintain on the premises adequate stocks of fresh, usable chemicals, water or other materials for use of which such systems, apparatus and equipment were designed, and shall train its employees in the use of all such systems, apparatus and equipment, including in such training periodic drills. The Lessee shall notify the Port Authority prior to conducting such tests. If requested by the Port Authority, the Lessee shall furnish the Port Authority with a copy of written reports of such tests.

8.6 The Lessee shall not commit any nuisance on the premises, or do or permit to be done anything which might result in the creation or commission of a nuisance on the premises, and the Lessee shall not cause or permit to be caused or produced upon the premises, to permeate the same or to emanate therefrom, any unusual, noxious or objectionable smoke, gases, vapor, odors,

noises or vibrations. The Lessee shall use its best efforts to conduct all its operations at the premises in a safe and careful manner. The Lessee shall not use or connect any equipment or engage in any activity or operation in the premises which will cause an overloading of the capacity of any existing or future utility, mechanical, electrical, communication or other system or any portion thereof serving the premises or elsewhere at the Facility, including without limitation thereto systems for the supply of heat, hot and cold water, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and inter-communications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor shall the Lessee do or permit to be done anything which may interfere with the effectiveness or accessibility thereof. Overloading of such systems resulting from operations of others at the Facility shall not be deemed to be the responsibility of the Lessee so long as the Lessee's use of said system conforms to the capacity thereof expressly reserved for use or operation of the Lessee. The Lessee shall not overload any floor, roadway, passageway, pavement or other surface or any wall, partition, column or other supporting member, or any elevator or other conveyance in the premises or at the Facility, and shall repair any such damaged by overloading. Nothing in this paragraph or elsewhere in this Agreement shall be or be construed to be a representation by the Port Authority of the weight any floor, roadway, passageway, pavement or other surface, or any wall, partition, column, supporting member or conveyance will bear.

8.7 The Lessee shall not do or permit to be done any act or thing upon the premises or at the Facility which will invalidate or conflict with any insurance policies covering the premises or any part thereof, or the Facility, or any part thereof, or which, in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by the Section of this Agreement entitled "Rights of User", or will increase the rate of any insurance including fire, extended coverage or rental insurance on the Facility or upon the contents of any structure thereon; and the Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders, and directions of the National Board of Underwriters, the New York Board of Fire Underwriters, and the Insurance Services Office of New York, and of any other organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the premises or to the buildings, structures, fixtures, furnishings, equipment or improvements thereon; the Lessee shall, subject to and in accordance with the provisions of the Section of this Agreement entitled "Alterations and Improvements by the Lessee", make any and all structural and non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or

direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this Agreement any insurance rate on the premises or any part thereof or on the Facility or any part thereof shall at any time be higher than it otherwise would be, then the Lessee shall absorb the cost thereof and shall pay to the Port Authority, as an item of additional rental, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee, but no such payment shall relieve the Lessee of its other obligations under this paragraph.

8.8. The Lessee shall not keep, maintain, place or install in the premises any fixtures or equipment the use of which is not consistent with and required for the purposes of the letting as set forth in the Section of this Agreement entitled "Rights of User".

8.9. The Lessee shall not use the premises for any lodging, sleeping or immoral purposes.

8.10 The Lessee shall not do or permit to be done any act or thing at the Facility which shall or might subject the Port Authority to any liability or responsibility for injury to any person or persons or damage to any property.

8.11 The Lessee shall not install, maintain or operate, or permit the installation, maintenance or operation on the premises of any vending machine or device designed to dispense or sell food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any equipment or device for the furnishing to the public of service of any kind, including without limitation thereto, telephone pay-stations except as set forth in paragraph 3.3 of Section 3 of this Ageement. If the Lessee or any of its Space Tenants desire the installation of vending machines dispensing food, beverage or other merchandise or the installation of pay or coin operated telephones in the premises, they shall so notify the Port Authority and at the Port Authority's request shall meet with the Port Authority and/or the Port Authority's operator to discuss the arrangements for same. If the Port Authority elects not to provide or is unable to provide vending machines or telephones or if the Lessee elects not to use the Port Authority or its operator to supply same then the Lessee or its Space Tenant may itself arrange therefor, subject to the prior approval by the Port Authority of the vending machine operator or telephone supplier, which approval shall not be unreasonably withheld.

8.12 In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the letting hereunder which as a matter of law are applicable to the operation, use or

maintenance by the Lessee of the premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them provided, however, that no immunity or exemption from any of the foregoing requirements shall excuse compliance or be grounds for noncompliance on the part of the Lessee), the Lessee agrees that in the conduct of its operations under this Agreement and in the operation, use and maintenance of the premises it will comply with the requirements of the Staten Island Industrial Park - East Side Project - Final Environmental Impact Statement, dated March, 1983, regarding air pollution, water pollution, noise, or any other type of pollution arising out of or resulting from the operation, use or maintenance of the premises by the Lessee. The Port Authority hereby reserves the right from time to time and at any time during the term of the letting hereunder to require the Lessee, and the Lessee agrees, to design and construct at its sole cost and expense such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives set forth this paragraph. The location, manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same.

8.12.1 The obligations assumed by the Lessee under paragraph 8.12 above shall continue throughout the term of the letting under this Agreement and shall not be limited, affected, impaired or in any manner modified by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work and notwithstanding the incorporation therein of the Port Authority's recommendations or requirements and notwithstanding that the Port Authority may have at any time during the term of this Agreement consented to or approved any particular procedure or method of operation which the Lessee may have proposed or the Port Authority may have itself prescribed the use of any procedure or method. The agreement of the Lessee to assume the obligations under paragraph 8.12 above is a special inducement and consideration to the Port Authority in entering into this Agreement with the Lessee.

Section 9. Maintenance, Repair and Rebuilding

9.1 The Lessee, throughout the term of the letting under this Agreement, shall assume the entire responsibility for, and shall relieve the Port Authority from all responsibility from, all care, maintenance, repair and rebuilding whatsoever in the premises, whether such care, maintenance, repair, or rebuilding be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, structural or otherwise; and without limiting the generality of the foregoing the Lessee shall:

9.1.1 At all times keep the premises clean, and in an orderly condition and appearance, together with all the fixtures, improvements, furnishings, equipment and personal property located in or on the premises.

9.1.2 Remove all snow and ice and perform all other activities and functions necessary or proper to make the premises available for use by the Lessee including without limitation the maintenance and repair of curb cuts and driveways leading to the premises and sidewalks, paving or other surfaces located thereon;

9.1.3 Replace, repaint, repair, or rebuild any part of the premises or of the Facility or any Port Authority fixtures, equipment and personal property which are located in or on any part thereof which may be damaged or destroyed by the Lessee's acts or omissions or by those of its officers, agents, employees, customers, guests or invitees or of other persons doing business with the Lessee. The obligation of the Lessee as set forth in this paragraph in the event of damage or destruction covered by any contract of insurance under which the Port Authority is the insured is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance provided, however, that, if this release shall invalidate any applicable policy of insurance, or limit or void the Port Authority's rights thereunder, then this release shall be void and of no effect.

9.1.4 Maintain and make repairs and replacements to the foundations, exterior walls and the structural supporting frame and roof of each Building constructed on any portion of the premises and make all other structural repairs to all such Buildings, and maintain and make repairs to all utilities lines and systems located on the premises except for reasonable wear and tear which does not adversely affect the efficient or proper utilization thereof, utilities lines and systems located on the premises including but not limited to water lines, steam lines, gas service lines, electrical power and telephone conduits and lines and sanitary and storm lines and sewers located on the premises as well as connection pipes and mains therefor and all other fixtures, machinery, or equipment now or hereafter belonging to or connected with said premises and exclusively used in their operation.

9.1.4.1 Take good care of the premises and all parts thereof, and make all non-structural repairs thereto, and to all improvements forming a part thereof, including fences, the exterior and interior and operating mechanisms of and attachments to windows and skylights, screens, roofs, foundations, steel work, columns, the exterior and interior and operating mechanisms of and attachments to doors, partitions, floors, ceilings, inside and outside paved and unpaved areas, glass of every kind, the exterior and interior of the building walls, elevators, escalators, communication and computer systems, exhaust fans and window washing equipment and the utility, mechanical, electrical and other systems, and the Lessee shall maintain the same at all times in good condition, and shall perform all necessary preventive maintenance, including but not limited to painting (the exterior of the structures on the premises and areas visible to the general public to be painted only in colors which have been approved by the Port Authority) as the necessity arises therefor regardless of the cause of the condition requiring the same, so that at the expiration or termination of the letting and all times during the letting, the same (or a reconstruction of all or any part thereof) will be in as good condition as at the commencement thereof (or, in the case of improvements made during the letting hereunder, in as good condition as at the time of the installation or construction thereof), except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or other structures on the premises or adversely affect the efficient or the proper utilization of any part of the premises. The Lessee shall make frequent periodic inspections of the premises and subject to the Sections of this Agreement entitled "Construction by the Lessee", "Damage to or Destruction of the Premises", and "Alterations and Improvements by the Lessee" shall make all repairs and replacements, and do all rebuilding, inside and outside, ordinary and extraordinary, partial and entire, foreseen and unforeseen, structural or otherwise, regardless of the cause of the condition requiring such repairs, rebuilding or replacements and whether or not caused by fire or other casualty, which repairs, rebuilding and replacements by the Lessee shall be in quality and class not inferior to the original in materials and workmanship.

9.1.5 Take such anti-erosion measures, including but not limited to periodic planting and replanting, as the Port Authority may reasonably require, and perform and maintain such other landscaping with respect to all portions of the premises not paved or built upon as the Port Authority may reasonably require.

9.1.6 Supply, replace, install, repair, mainta in and keep clean all grease traps in all drainage pipes used by it in its operations hereunder whether such pipes are located on the premises or elsewhere at the Facility, and keep clean, maintain, repair and replace all heating, ventilating and air conditioning fans, valves, units, motors, exhaust systems and all ductstherefor (including replacement of all filters therein) when any such fans, valves, units, motors and ducts are used exclusively by or for the Lessee's operations hereunder, whether any of such are located on the premises or elsewhere at the Facility.

9.1.7 Provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by law, rule, ordinance, resolution or regulation of the type and nature described in the Sections of this Agreement entitled "Rules and Regulations" and "Law Compliance, Taxes and Excises". The Lessee shall insure that all fire alarm signals with respect to the premises shall also be transmitted to the board or to such other location at the Teleport as the General Manager of the Teleport may direct. The Lessee's obligations hereunder shall in no way create any obligation whatsoever on the part of the Port Authority.

9.1.8 Repair any damage to the paving or other surface of the premises caused by the oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.

9.2 In the event the Lessee fails to commence so to maintain, clean, repair, replace, rebuild or paint within a period of thirty (30) days after notice from the Port Authority so to do and the said notice specifies that the required work to be accomplished by the Lessee includes maintenance and/or repair other than preventive maintenance; or within a period of one hundred twenty (120) days if the said notice specifies that the work to be accomplished by the Lessee involves preventive maintenance only; or fails diligently to continue to completion the repair, replacement, rebuilding or painting of any portion of the premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port

Authority may, at its option, and in addition to any other rights or remedies which may be available to it, repair, replace, rebuild or paint all or any such part of the premises included in the said notice, and the cost thereof shall be payable by the Lessee upon demand. As used herein "cost" shall mean the items of cost set forth in paragraph 16.3 of this Agreement. Nothing herein contained shall be deemed to require the Port Authority to notify the Lessee of needed repairs or replacements or of required maintenance or preventive maintenance, or to undertake any such repairs, replacements, maintenance, or preventive maintenance, and the Lessee shall be solely responsible for any failure to perform needed maintenance, repair or restoration, rebuilding or painting.

9.3 If during any annual period during the term of the letting the Lessee incurs a cost for the performance of an item of construction, improvement, alteration, modification or replacement work to comply with its care, maintenance, repair and rebuilding obligations as set forth in this Section, or to comply with any obligations it may have to perform finishing work for any of its Space Lessees, and elects to finance such cost the annual payments of principal and fixed interest due on any loan obtained by the Lessee the proceeds of which are used solely to finance such cost shall be incldued as an item of Gross Expenses under Schedule E, provided that the terms of such financing, including the term and the rate of interest thereon, shall have been approved in advance by the Port Authority, which approval shall not be unreasonably witheld if, giving due recognition to market conditions prevailing at the time of such financing, and the useful life of the item of construction improvement, alteration, modification or replacement work for which such financing is incurred, such terms are prudent.

Section 10. Insurance

10.1 In addition to any other insurance provided for or required under this Agreement, the Lessee shall secure and maintain in its own name as assured and shall pay the premiums on the following policies of insurance in the limits set forth below, which policies shall be effective during the term of the letting under this Agreement:

10.1.1 All risk property damage insurance covering the full replacement cost of each building constructed by the Lessee pursuant to the Agreement, and all structures, improvements, fixtures and equipment, furnishings and physical property now or in the future located on or constituting a part of the premises leased to the Lessee, and which is owned, leased, or within the care, custody or control of the Lessee. Full replacement cost shall be determined at the request of the Port Authority by an appraiser selected by the Lessee and acceptable to the Port Authority, from time to time, but not

more frequently than once every year. No omission on the part of the Port Authority to request any such appraisal shall relieve the Lessee of its obligations to maintain the appropriate insurance under this Section. Such insurance shall cover and insure against such hazards and risks as at least would be insured against under the Standard Form of Fire Insurance Policy of the State of New York, or any successor thereto, and the broadest form of extended coverage endorsement prescribed as of the effective date of said insurance by the rating organization having jurisdiction.

10.1.2 Boiler and machinery insurance covering all boilers, pressure-vessels and machines operated by the Lessee or others in or on any buildings or structures located on the premises, the policy to be effective throughout the letting in such amounts as the Port Authority may determine to be reasonable coverage against the hazards and perils occasioned by the existence and operation of such boilers, pressure vessels and machinery and to be in the form as may now or in the future be prescribed as of the effective date of said insurance by the rating organization having jurisdiction and/or the Superintendent of Insurance of the State of New York.

10.1.3 Comprehensive General Liability Insurance covering the Lessee's operations throughout the effective period of this Agreement; such policy or policies shall include the Port Authority, the City of New York, and the New York City Public Development Corporation as additional insureds, shall include blanket protective coverage and motor vehicle liability coverage for all owned and non-owned vehicles, including rental and leased vehicles, and shall contain a contractual liability endorsement covering the indemnification obligation assumed by the Lessee pursuant to the Section of this Agreement entitled "Indemnity" and an endorsement providing that the protection afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall contain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, the City of New York, or the New York City Public Development Corporation, but said endorsement shall not limit, vary, change or affect the protections afforded the Port Authority, the

City of New York, and the New York City Public Development Corporation under the contractual endorsement referred to above. The combined single limit of such coverages shall be not less than ten million dollars ($10,000,000.00) per occurrence for each building constructed by the Lessee hereunder.

10.1.4 Rent insurance covering loss of rents, fees and other revenues of the Lessee during the period when any building constructed by the Lessee hereunder, or a portion thereof, is out of operation due to fire or any risk now or hereafter embraced by the all risk policy described in subparagraph 10.1.1 of this paragraph.

10.1.5 War risk insurance upon each building constructed by the Lessee hereunder, if and when such insurance is obtainable from the United States of America or any agency or instrumentality thereof or from an insurance company qualified to do business in the State of New York which shall have filed rates of premium for such insurance with the Superintendent of Insurance of the State of New York (and if no such company, then from another company approved by the Port Authority) and if and when a state of war or national or public emergency exists, or, in the reasonable judgment of the Port Authority, such state of war or national or public emergency threatens, in an amount not less than the full replacement cost thereof, or in the maximum amount of such insurance which is obtainable, whichever is lower.

10.1.6 Such other and additional insurance, in such reasonable amounts, as may from time to time be reasonably required by the Port Authority against such other insurable hazards, including risks to property, which a prudent owner at the time would cover by carrier or self-insurance.

10.1.7 The comprehensive general liability insurance which the Lessee shall carry in compliance with the provisions of subparagraph 10.1.3 of this paragraph shall also provide for the benefit of the Port Authority, the City of New York, and the New York City Public Development Corporation insurance against sprinkler leakage legal liability and water damage legal liability

including damage caused by water or any other substance discharged from any part of the fire protective equipment for the premises and for adjoining property, the collapse or fall of tanks forming part of such fire protective equipment, or the component parts or supports of such tanks in a combined single limit of one million dollars ($1,000,000.00) per occurrence.

10.2 All insurance provided for in this Section shall be written by companies authorized to do business in the State of New York, or subject to service of process in the State of New York, and approved in advance by the Port Authority. At any time any policy shall be or become unsatisfactory to the Port Authority as to form, limits or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall obtain a new and satisfactory policy in replacement with a carrier approved by the Port Authority. The limits of coverage shall not be reduced without the Port Authority's prior consent.

10.3 Unless otherwise directed by the Port Authority, all property damage insurance policies required by this Section shall name the Port Authority, the Lessee, the City of New York, and the New York City Public Development Corporation (with insurance clauses consistent with the provisions of this Agreement) as the insureds, as their respective interests may appear. As to any insurance required by this Section, a certified copy of each of the policies,or a certificate of insurance, or binders, shall be delivered to the manager, Risk Management Division of the Port Authority, One Path Plaza, Jersey City, New Jersey, 07306 within ten (10) days after the execution of this Agreement. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy, or a certificate. Each such policy shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified, without giving at least thirty (30) days written advance notice thereof to the Port Authority, the City of New York, and the New York City Public Development Corporation and an endorsement to the effect that the insurance as to the interests of the Port Authority, the City of New York, and the New York City Public Development Corporation shall not be invalidated by any act or negligence of the Lessee or any other insured. Each policy of insurance shall have attached thereto an endorsement that the Port Authority, the City of New York, and the New York City Public Development Corporation will be given at least thirty (30) days prior notice of any

material change in the policy. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the effective period hereof.

10.4 Each policy of insurance involving liability required by this Section shall contain a provision that in any action or proceeding under or in connection with such policy, the insurance carrier shall not without obtaining express advance consent from the General Counsel of the Port Authority raise any defense involving in any way the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, the provisions of any statutes respecting suits against the Port Authority, or the jurisdiction of the tribunal over the person of the Port Authority.

10.5 Loss, if any, under any of the policies mentioned and provided for in this Section (except Comprehensive General Liability insurance) shall be adjusted with and paid to the Lessee unless the loss exceeds $500,000.00, in which event the loss shall be adjusted with the Lessee and the Port Authority and paid to the Lessee.

10.6 Regardless of the persons whose interests are insured, the proceeds of all policies of insurance covered by this Section (except for Comprehensive General Liability Insurance) payable to the Lessee shall be applied by the Lessee strictly and solely as elsewhere required under the provisions of this Agreement, including without limitation the provisions of the Section of this Agreement entitled "Damage to or Destruction of the premises".

Section 11. Damage to or Destruction of the Premises

11.1 If the premises or any building constructed on any portion thereof, or any structures, improvements, fixtures and equipment, furnishings and physical property located thereon, or any part thereof, shall be damaged or destroyed by fire, the elements, the public enemy, or other casualty, or by reason of any cause whatsoever and whether partial or total, the Lessee shall, at its sole cost and expense, and whether or not such damage or destruction is covered by insurance proceeds sufficient for the purpose, remove all debris resulting from such damage or destruction, and shall rebuild, restore, repair and replace the damaged portion of the premises building, structure, improvement, fixture, equipment, furnishing or physical property, as the case may be, in accordance with the plans and specifications for the same as they existed prior to such damage

or destruction or with the approval in writing of the Port Authority make such other repairs, replacements, changes or alterations as may be desired by the Lessee. Such rebuilding, restoration, repairs, replacements, or alterations shall be commenced promptly and shall proceed with all due diligence subject to the terms and conditions of this Agreement, including, without limitation, the terms and provisions of the Section of this Agreement entitled "Alterations and Improvements by the Lessee" provided, however, that the Lessee shall be granted a reasonable time, not to exceed six (6) months from the date of the occurrance of the damage, to adjust the loss with its insurance carrier but nothing herein shall be deemed to affect the Lessee's obligation to remove debris, correct any hazardous conditions resulting from the damage, and to proceed with the preparation and submission of its plans for rebuilding the premises in accordance with the provisions of this Agreement.

11.1.1 Nothwithstanding the foregoing, if such damage or destruction as is described in paragraph 11.1 occurs during the last five (5) years of the term of the letting with respect to any Site constituting a part of the premises and the cost of rebuilding, restoration, repair or replacement shall exceed ten percent (10%) of the then full insurable value of the Building and all structures, improvements, fixtures and equipment, furnishings and physical property located on such Site immediately prior to such damage or destruction (as such insurable value shall have been determined in acordance with the provisions of Section 10.1.1 of this Agreement) the Lessee shall have the option of either:

(a) performing all rebuilding, restoration, repairs, replacement or alterations required, inaccordance with the provisions of this Agreement, or

(b) terminating the letting under this Agreement with repsect to such Site by written notice to the Port Authority subscribed or consented to by the Leasehold Mortgagee, as hereinafter defined, approved by the Port Authority pursuant to the provisions of Section 18 of this Agreement and given within thirty (30) days after the occurrence of such damage or destruction provided, there shall be in force and effect the required insurance valid and subsisting and adequate to cover such damage or destruction without any defenses to the payment by the insurance carriers based upon acts or omissions of the Lessee or of any other insureds and provided, further, that both at the time of the giving of notice and on the effective date thereof:

(i) The Lessee is not in default under any of the provisions of this Agreement or under notice of termination from the Port Authority, and

(ii) this Agreement with respect to such Site and the Building or any construction, buildings, structures, improvements, fixtures and equipment, furnishings and physical property located on such Site are unencumbered by any mortgage, security interest, judgments, or other liens (to be evidenced by a search made by a title company acceptable to the Port Authority and to be furnished by the Lessee at its sole cost and expense) and free from any pending matters that might develop into additional rent unless the Lessee shall secure payment and discharge of such mortgages, security interests, judgments or other liens and the payment of such additional rent to the Port Authority in a manner satisfactory to the Port Authority.

11.1.2 In the event of termination pursuant to the provisions of paragraph 11.1.1 the proceeds of fire insurance, boiler and pressure vessel insurance, war, risk insurance and rent or rental value insurance, if any, covering such damage as is described in said paragraph shall become the sole property of the Port Authority, but nothing herein shall be deemed to affect the Lessee's right to obtain the proceeds of insurance covering any prior occurrence.

11.1.3 Upon the effective date of such termination, the Lessee shall surrender and deliver up such Site, and the Building and all structures, improvements, fixtures and equipment, furnishings and other property located thereon into the possession and use of the Port Authority in the manner specified in the Section of this Agreement entitled "Surrender", subject, however, to the then physical condition and state of repair thereof. Subject to the foregoing, the Lessee upon such termination, surrender and removal, shall be released and discharged from any and all obligations under this Agreement with respect to such Site other than those which shall have accrued prior to the date of such termination or shall mature on such date.

11.2 Except as provided in paragraph 11.1.1 of this Section, no destruction of, or damage to the whole or any part of the premises or to any part of any buildings, structures, improvements, fixtures, and equipment, furnishings or other property located thereon by fire or any other casualty, cause or

condition shall permit the Lessee to surrender or terminate this Agreement or shall relieve the Lessee from its liability to make payment of any monies, charges, fees or rentals or additional rentals payable under this Agreement or from any of its otherobligations hereunder. The Lessee waives any rights now or hereafter conferred upon the Lessee by statute or otherwise to quit or surrender the premises and terminate this Agreement or any part thereof, or to any suspension, diminution, abatement or reduction of rent on account of any destruction or damage. The parties stipulate that neither the provisions of Section 227 of the Real Property Law of New York nor those of any other similar statute shall extend or apply to this Agreement.

11.3 If the Lessee has secured and maintained the policies of insurance described in Section 10 in the limits set forth therein and the proceeds of such insurance shall be insufficient to pay the entire cost of any rebuilding, restoration, repair, replacement and alteration work required to be performed by the Lessee pursuant to paragraph 11.1 hereof, and the Lesssee elects to finance the portion of the cost of such rebuilding and restoration which exceeds the proceeds of insurance the annual payments of principal and fixed interest due on any loan used by the Lessee solely to finance such portion of the cost shall be included as an item of Gross Expenses under Schedule E, provided that the terms of such financing, including the term and the rate of interest thereon, shall have been approved in advance by the Port Authority, which approval shall not be unreasonably withheld if, giving due recognition to market conditions prevailing at the time of such financing and the useful life of the item of construction, improvement, alteration, modification or replacement work for which such financing is incured, such terms are prudent.

11.4 If such damage or destruction as is described in paragraph 11.1 is covered by insurance then such proceeds shall be applied by the Lessee to the payment of the cost of the rebuilding, restoration, repair, replacement and alteration work required to be performed by the Lessee under the provisions of this Agreement. Any excess of the proceeds of insurance over costs of the restoration shall be includable as an item of Gross Revenue under this Agreement for the purpose of calculating the percentage rental payable by the Lessee hereunder.

Section 12. Indemnity

12.1 The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from (and shall reimburse the Port Authority for the Port Authority's costs or expenses including legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to those for death, for personal injuries, or for property damages, arising out of any default of the Lessee in performing or observing any term or

provision of this Agreement, or out of the use or occupancy of the premises by the Lessee, or others with its consent, or out of the acts or omissions of the Lessee, its officers, members, employers, agents, representatives, contractors, customers, guests, invitees and other persons who are doing business with the Lessee or who are at the premises with their consent where such acts or omissions are on the premises, or arising out of any acts or omissions of the Lessee, its officers, members, employees, agents and representatives where such acts or omissions are elsewhere at the Facility, including claims and demands of the City of New York against the Port Authority pursuant to the provisions of the Port Authority's agreement of lease with the City of New York covering the Teleport, whereby the Port Authority has agreed to indemnify the City against claims.

12.2 If so directed, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

Section 13. Signs

13.1 Except with the prior consent of the Port Authority, the Lessee shall not erect, maintain or display any signs, lettering, advertising, posters, displays or similar devices on the premises or elsewhere at the Facility provided, however, that on those interior portions of any building constructed by the Lessee on the premises not visible from outside such building the Lessee may install directional and informational signs necessary for its operations provided such signs are not annexed or affixed to structural members or walls.

13.2 Upon the expiration or earlier termination of this Agreement the Lessee if so directed by the Port Authority, shall remove, obliterate or paint over any and all signs, lettering, advertising, posters or displays whether or not consented to and shall restore the premises and Facility to the same condition as prior to the installation or placement thereof, and in the event of a failure on the part of the Lessee so to do, the Port Authority may perform the necessary work and the Lessee shall pay the cost thereof to the Port Authority on demand.

Section 14. Ingress and Egress

14.1 The Lessee, solely for itself, its officers, employees, contractors, suppliers of material, furnishers of services, and for its Space Lessees and such business invitees as are at the premises in connection with the transaction of the regular business of the Lessee or any of its Space Lessees, shall have the right of ingress and egress between the premises and the city streets or public ways outside the Facility by means of roadways, pedestrian ways, and vehicular ways within the Facility as may from time to time be designated by the Port Authority for the use of the public, to be used in common with others having rights of passage within the Facility, provided, however, that the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

14.2 The use of all roadways, pedestrian and vehicular ways shall be subject to the rules and regulations of the Port Authority which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Facility. In addition to the rights of closure granted above, the Port Authority may, at any time, temporarily or permanently close, or consent to or request the closing of, any such roadway, pedestrian or vehicular way and any other area at, in, or near the Facility presently or hereafter used as such, so long as a means of ingress and egress reasonably equivalent to that provided in paragraph 14.1 above remains available to the Lessee. The Lessee hereby releases and discharges the Port Authority, its successors and assigns, and all municipalities and other governmental authorities, and their respective successors and assigns of and from any and all claims, demands or causes of action which the Lessee may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway, pedestrian or vehicular way or other area used as such whether within or outside the Facility. The Lessee shall not do or permit anything to be done which will interfere with free access and passage of others to space adjacent to the premises or in any streets, ways and walks near the premises.

Section 15. Alterations and Improvements by the Lessee

15.1 Except as provided in Section 4 of this Agreement or with the prior consent of the Port Authority, the Lessee shall not erect any structures, make any improvements, or do any other construction work on the premises or elsewhere at the Facility, or alter, modify, or make additions, improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures removable without injury to the premises) (i) which shall affect the structure of the Building on which the

work is to be performed or (ii) which shall affect or modify the exterior or design of the Building in which the work is to be performed, or (iii) will interfere with or affect utility systems elsewhere at the Facility (other than heating, ventilating and air conditioning systems installed by the Lessee provided that any such construction work, alteration or improvement made to such systems installed by the Lessee does not affect or modify systems elsewhere at the Facility) or (iv) which would requre filing of plans with or other aproval by the Building Department of the City of New York if the Facility were under private ownership, and in the event any such construction, improvement, alteration, modification, addition, repair or replacement is made without such approval, then, upon reasonable notice so to do, the Lessee will remove the same, or, at the option of the Port Authority, cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Lessee to comply with such notice, the Port Authority may effect the removal or change, and the Lessee shall pay the cost thereof to the Port Authority on demand.

15.2 If after the completion of the initial construction work described in Section 4 of this Agreement the Port Authority consents to the performance of any construction work pursuant to paragraph 15.1 of this Section, the Port Authority shall not withhold consent to the plans and specifications covering such work which the Lessee proposes to perform in the premises, or request any revisions or modifications to the plans and specifications covering such work, except for reasons of safety, health, operational utility, impact on or compatability of the proposed work on building systems or on other parts of the Facility, or unless the proposed work shall in the reasonable opinion of the Port Authority fail to comply with all governmental laws, ordinances, enactments, resolutions, rules and orders including, without limitation, the enactments, ordinances, resolutions, and regulations of the City of New York and its various departments, boards, and bureaus that are applicable or would be applicable if the Port Authority were a private corporation, or fails to comply with all applicable requirements of the Insurance Services Office of New York. All plans and specifications submitted by the Lessee in accordance with paragraph 15.1 of this Section shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements set forth in this parargraph are met and in connetion with review by the Port Authority of such submissions, the Lessee shall submit to the Port Authority, at the Port Authority's request, such additional data, detail or information as may be reasonably necessary for such review. The Port Authority will apply the standards enumerated in this paragraph consistently and without discrimination against the Lessee.

15.3 In the event that at any time during the term of the letting the Lessee is required (or is permitted) to perform any of the above described work, all the applicable provisions of this Agreement shall apply to the performance of such work as though the same were described in the Section of this Agreement entitled "Construction by the Lessee" except for the provisions of said Section governing the time within which preparation and submission of plans and review and comment thereon shall occur. The Port Authority shall give its written approval to any such work which the Lessee may propose to perform or shall request such revisions or modifications therein as the Port Authority may find necessary within a reasonably prompt period of time.

Section 16. Additional Rent and Charges

16.1 If the Lessee shall fail or refuse to perform any of its obligations under this Agreement, the Port Authority, in addition to all other remedies available to it shall have the right to perform such obligations and the Lessee shall reimburse the Port Authority for the cost thereby incurred. If the Port Authority has paid any sum or sums or has incurred any obligations or expense which the Lessee has agreed to pay or reimburse the Port Authority for, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee shall pay to the Port Authority the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental as set forth in the Section of this Agreement entitled "Rental".

16.1.1 Prior to performing any obligation which the Lessee has failed to perform under this Agreement as referred to in paragraph 16.1 of this Section, the Port Authority shall, other than in the case of an emergency, give the Lessee ten (10) days prior written notice specifying the obligation which the Lessee has failed or refused to perform. If in the Port Authority's reasonable estimate the cost to be incurred by the Lessee by reason of the Port Authority's performance of the Lessee's obligation will exceed Ten Thousand Dollars and No Cents ($10,000.00) the Port Authority will, other than in case of emergency, notify any Leasehold Mortgagee, as defined in Section 18 of this Agreement, who shall be entitled to the notice described in paragraph 18.4 of this Agreement prior to performing such obligation.

16.2 For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by the Port Authority for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should the Port Authority elect to use its operating and maintenance staff in performing any work and to charge the Lessee with the cost of same, any time report of any employee of the Port Authoriy showing hours of labor or work allocated to such work, or any stock requisition of the Port Authority showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

16.3 The term "cost" as used in this Section, and as used elsewhere in this Agreement, unless otherwise specifically defined, shall mean and include: (1) Payroll costs paid or incurred by the Port Authority to or on account of its employees as determined in accordance with its normal accounting practice either pursuant to agreement with such employees or pursuant to Port Authority policy with respect thereto, including contributions to the Retirement System, or the cost of participation in other pension plans or systems, insurance costs, sick leave pay, holiday, vacation and authorized absence pay and payroll taxes and other payments payable pursuant to law upon the basis of wages and salaries paid to such employees, including F.I.C.A., New York State Unemployment Insurance Disability Insurance, and Federal Unemployment Insurance; (2) Cost of materials, supplies, equipment and utilities used; (3) Payments to contractors, suppliers, independent consultants, and experts; (4) Any other direct costs as charged under the Port Authority's normal accounting practices; and (5) 30% of the sum of the foregoing.

Section 17. Sale, Assignment, Transfer or Subleasing

17.1 During the term of the letting under this Agreement, the Lessee covenants and agrees that it will not, except only as hereinafter expressly permitted, sell, assign, transfer, mortgage, pledge, hypothecate, encumber or in any way, convey or dispose of the premises, the rents, revenues or any other income from any building constructed on any portion of the premises, or this Agreement or any part thereof, or any rights created thereby, or the letting thereunder, or any part thereof, or any license or other interest of the Lessee therein, or control, as hereinafter defined, of the corporations which are the general partners of Silverstein Teleport Company and Murray Teleport Associates, respectively, or any of the respective interests of Silverstein Teleport Company and Murray Teleport Asscociates in the joint venture known as Teleport Associates

without the prior written consent of the Port Authority. The Port Authority shall not withhold its consent to a proposed assignment by the Lessee of this Agreement and the letting hereunder in its entirety to a person, firm or corporation which is and continues to be wholly owned and controlled by one of the entities constituting the Lessee, or which wholly owns and controls one of the entities constituting the Lessee, or which is wholly owned and controlled by a person, firm or corporation which wholly owns and controls one of the entities constituting the Lessee, or into which one of the entities which constitutes the Lessee is merged or with which one of such entities is consolidated if the resulting corporation has a financial standing as of the date of the merger or consolidation at least as good as that of the Lessee (by which is meant that its working capital, its current assets, its ratio of current assets to current liabilities, its ratio of fixed assets to fixed liabilities and its net worth shall be at least as favorable as that of the Lessee) and such assignment is required in connection with such merger or consolidation, provided however, that such assignment shall not be effective until an agreement of assignment and assumption in the form annexed hereto as "Exhibit X" has been executed by the Port Authority, the Lessee and the proposed assignee. "Control" as used herein shall mean legal and beneficial ownership by one person, firm or corporation, or a group acting in concert, of a majority interest in another firm, or ownership by one person, firm or corporation, or a group acting in concert, of 51% or more of the capital stock and voting rights of another corporation.

17.1.1. Notwithstanding the provisions of paragraph 17.1 of this Section, from and after the completion of the Building to be constructed on Site A under this Agreement, the Lessee shall have the right to assign this Agreement and the letting hereunder in its entirety to a Qualified Transferee, as hereinafter defined, provided, however, that no such assignment shall be effective until an Agreement of Assignment and Assumption in the form annexed hereto as "Exhibit X" has been executed by the Port Authority, the Lessee and the proposed Assignee. As used herein a Qualified Transferee shall mean a person, firm, or corporation which shall meet the requirements and conditions set forth in Section 18.5.2 of this Agreement with respect to a prospective purchaser of the leasehold.

17.1.1.1 Each time this Agreement and the letting hereunder is assigned pursuant to the provisions of paragraph 17.1.1 of this Section or is assigned as a result of and in conjunction with the foreclosure of the Lessee's leasehold mortgage pursuant to Section 18 of this Agreement, the Lessee hereby agrees to pay the Port Authority thirty percent (30%) of the Net Proceeds of the assignment, as hereinafter defined, which are in excess of the Exempt Amount, as hereinafter defined. For the purposes of this paragraph, acquisition of the Lessee's leasehold interest by the Leasehold Mortgagee by foreclosure or by an assignment in lieu of foreclosure shall be deemed to be an

assignment. All payments to the Port Authority pursuant to this paragraph shall be made no later than the effective date of the particular assignment. The Lessee upon request from the Port Authority shall submit to the Port Authority in connection with any assignment referred to in this paragraph, a copy of the assignment agreement, together with all related contracts, documents and agreements in conjunction therewith as well as any additional information and data in connection therewith that the Port Authority may reasonably request.

17.1.1.2 As used in this Section:

(i) Gross Profit with respect to an assignment shall mean the total gross sales price, as hereinafter defined, for such assignment less the principal amount as of the effective date of the assignment of the Leasehold Mortgage as defined in Section 18 of this Agreement. In the case of a foreclosure or an assignment in lieu thereof, the principal amount of the mortgage shall be deemed to include accruals of interest, taxes, insurance premiums, and other amounts owing by reason of a default under the mortgage. In the event there has been a Refinancing of the Leasehold Mortgage pursuant to Section 18 hereof prior to a particular assignment, then with respect to such assignment Gross Profit shall mean the total gross sales price for the particular assignment less the Refinanced Amount, as defined in said Section 18, as of the effective date of the assignment.

(ii) "Total gross sales price" shall mean all and every consideration of any kind, form or nature whatsoever resulting from or accruing to the assignor for an assignment, including but not limited to, monetary payments, assumption or satisfaction of the assignor's obligations and debts, including the Leasehold Mortgage, or an assignment subject to any of the assignor's obligations or debts, including the Leasehold Mortgage, and any other items of value resulting from or accruing to the assignor as a result of or in connection with an assignment. The Lessee hereby agrees that the total gross sales price for an assignment shall be negotiated in good faith and at arms length with each assignee.

(iii) Net Proceeds with respect to an assignment shall mean the gross profit from such assignment less the cumulative deficit, as hereinafter defined, if any, resulting from the Lessee's operations under this Agreement as of the effective date of the assignment. In determining Net Proceeds the Lessee shall be entitled to deduct the costs and expenses incurred by the Lessee in connection with such assignment in accordance with the provisions of paragraph 17.7 of this Agreement.

(iv) Cumulative deficit shall mean the difference between the sum of the annual developer amounts for all sites included in the premises under this Agreement and the total Net

Cash Flow arising from the operation of all buildings constructed by the Lessee pursuant to this Agreement for all periods from the commencement date to the effective date of the assignment.

(v) Exempt Amount with respect to an assignment shall mean an amount equivalent to ten (10) times the sum of the annual developer amounts for all sites included in the premises under this Agreement.

17.2 No assignment of this Agreement or the letting hereunder shall be effective if on the effective date of such proposed assignment (i) the Lessee shall be in default for non-payment of rent, (ii) the Lessee shall be under notice of default as to which the applicable period to cure, if any is provided for in this Agreement, has passed, (iii) this Agreement shall not be in full force and effect, or (iv) the Port Authority shall have served a notice of termination pursuant to Section 21 of this Agreement.

17.3 The Lessee shall not sublet the premises or any part thereof. Nothing contained herein shall be deemed to effect the Lessee's right to enter into space leases provided such are in accordance with the provisions of the Section of this Agreement entitled "Space Leases".

17.4 Nothing contained, herein shall be deemed to affect the Lessee's right to mortgage the leasehold under this Agreement pursuant to the provisions of the Section of this Agreement entitled "Leasehold Mortgaging".

17.5 In the event of an assignment consented to by the Port Authority pursuant to the provisions of this Section and upon execution by the Port Authority, the assignor thereunder, and the proposed assignee of the assignment and assumption agreement referred to herein, the assignor shall be relieved of all liabilities and obligations thereafter accruing under this Agreement. Nothing contained herein shall be construed to relieve the assignor under such assignment from any liability or obligation which shall have accrued prior to the effective date of such assignment or which shall mature on such date.

17.6 Any sale, assignment, transfer, sublease, mortgage, pledge, hypothecation, encumbrance, conveyance or disposition of the premises or of the rents, revenues or any other income from any building constructed by the Lessee, or this Agreement or any part thereof, or any license or other interest of the Lessee therein not made in accordance with this Agreement shall be null and void <u>ab initio</u> and of no force or effect.

17.7 The Lessee for its own account shall pay all costs and expenses, including costs and expenses incurred by the Port Authority, in connection with any assignment, sale, or transfer made in accordance with this Section and none of such expenses shall be included in Gross Expenses for the purposes of computing the rental due under Section 5 of this Agreement.

17.8 If without the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, or pledges in violation of this Section or if the premises are occupied by anybody other then Lessee, the Port Authority may collect all sums, charges and fees, including rental, from any assignee, or anyone who claims a right under this Agreement or letting or who occupies the premises; but no such collection shall be deemed a waiver by the Port Authority of the covenants contained in this Section or an acceptance by the Port Authority of any such assignee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

Section 18. Leasehold Mortgaging

18.1 Definitions

18.1.1 'Institutional Lender' shall mean any of the following entities having at least $500,000,000.00 in gross assets:

(i) institutions, companies or other entities which are subject to the supervision and control of the Banking Department or the Insurance Department of either the State of New York or the State of New Jersey;

(ii) institutions, companies or other entities whose principal activities are subject to the supervision, regulation and control of a department, agency or other governmental authority (however denominated) of any State of the United States having jurisdiction over banks, insurance companies, savings and loan associations or similar entities;

(iii) institutions, companies or other entities whose principal investment activities are subject to the supervision, regulation and control of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Bank Board or the Federal Reserve Board (or their successors) or of any other agency, department or instrumentality of the United States of America exercising similar functions

or having supervisory and regulatory authority similar to that of the Banking Department or Insurance Department of either the State of New York or the State of New Jersey;

(iv) pension, retirement or profit sharing plans, trusts or systems whose investments are regulated by the (1) laws of the United States of America or (2) by the laws of any State of the United States of America or (3) whose investments are regulated by any public agency of any State of the United States or (4) by any public agency of the United States.

(v) a reputable and accredited college or university;

(vi) a corporation or real estate investment trust whose shares are traded on a national stock exhcange;

18.1.2 "Mortgage Amount" shall mean with respect to each Site constituting a part of the premises an amount not in excess of the lesser of (i) the Lessee's initial cost of construction, as defined in Schedule E annexed to this Agreement, of the Building to be constructed on such Site; or (ii) the amount authorized with respect to leasehold mortgaging by Institutional Lenders under the applicable laws and regulations of the Banking Department or the Insurance Department of the State of New York or of the State of New Jersey or of the appropriate agency or department of the United States of America and if the Institutional Lender is of the type described in subdivision (ii) of paragraph 18.1.1 or subdivision (iv)(2) and (3) of said paragraph 18.1.1 then the amount authorized for purposes of this subdivision shall mean that amount which would be authorized with respect to leasehold mortgaging by the Banking Department or the Insurance Department of the State of New York as if such Institutional Lender were subject to the supervision and control of either of said Departments. In the event that there is more than one Institutional Lender participating in the Leasehold Mortgage for any Site, then for purposes of this subdivision (ii) the authorized amount for such Site shall be the aggregate amount which may be advanced by all of such Institutional Lenders as determined in accordance with this subdivision (ii).

18.1.3 "Leasehold Mortgage" with respect to each Site constituting a part of the premises shall mean a loan or loans secured by one or more leasehold mortgages in an original Principal Amount not to exceed, in the aggregate, the Mortgage

Amount for such Site, and which is or are obtained by the Lessee from an Institutional Lender either to finance the initial construction of the building to be constructed by the Lessee on such Site, or in connection with the permanent financing of such building, or as is obtained in accordance with the provisions of paragraph 18.3.2 of this Agreement and which, other than in the case of a loan or loans obtained to finance the initial construction of such building, is or are to be repaid in equal monthly installments such as shall discharge a debt equal to the Mortgage Amount plus interest thereon at a rate to be approved by the Port Authority in advance over a term not to exceed thirty years, or such other long term mortgage in the Mortgage Amount which in accordance with the applicable provisions hereof the Lessee, with the approval of the Port Authority, may obtain. In the event that the loan or loans is or are secured by more than one Leasehold Mortgage, the Institutional Lender for all such Leasehold Mortgages shall be the same, except as provided below, and all such leasehold mortgages as shall secure the loan shall collectivley be referred to herein as the "Leasehold Mortgage. In the event the Lessee obtains a Leasehold Mortgage with respect to any Site constituting a part of the premises hereunder in connection with the permanent financing of the building constructed on such Site, the Lessee shall apply all of the proceeds of the permanent financing to discharge in whole the Leasehold Mortgage obtained in connection with the construction of the building, provided, however, that in the event the Lessee acting diligently and in good faith is unable in connection with its permanent financing of any building constructed hereunder to obtain a Leasehold Mortgage in an amount at least equal to the amount of the Leasehold Mortgage securing the construction loan obtained by the Lessee with respect to such building or in the event that the proceeds of the permanent financing obtained by the Lessee with respect to any building constructed hereunder are made available to the Lessee in stages so that the Lessee is unable to fully discharge the Leasehold Mortgage securing the construction loan obtained by the Lessee for such building until the Lessee has received the full proceeds of such permanent financing, then in either or both of such events only the Lessee will be permitted to have at the same time a Leasehold Mortgage securing the construction loan obtained by the Lessee with respect to such building and a Leasehold Mortgage securing the permanent financing of such building provided, however, that the aggregate amount of both Leasehold Mortgages at any one time shall not exceed the Mortgage Amount.

18.1.4 "Leasehold Mortgagee" shall mean such Institutional Lender which in accordance with the applicable provisions of this Agreement shall become the holder of the Leasehold Mortgage.

18.1.5. (a) "Refinancing of the Leasehold Mortgage" shall mean:

(i) the delivery and recording of a mortgage on the Lessee's leasehold interest with respect to any Site constituting a part of the premises under this Agreement secured by the Lessee from an Institutional Lender who meets the qualifications set forth in paragraph 18.2 (i), (ii), and (iii), all or a portion of the proceeds of which are used to satisfy in full any prior Leasehold Mortgage which may be outstanding with respect to such Site at the time of such refinancing; or

(ii) the advancing of additional monies under a Leasehold Mortgage; or

(iii) the entering into a new Leasehold Mortgage by the Lessee with respect to any Site constituting a part of the premises hereunder subsequent to the expiration on termination of a previously existing Leasehold Mortgage with respect to such Site.

(b) Notwithstanding the foregoing provisions of this paragraph, and without limiting the generality thereof, none of the following events shall be deemed a refinancing of the Leasehold Mortgage.

(i) the proceeds of a Leasehold Mortgage obtained by the Lessee to secure a construction loan used to finance the construction of a building on any Site constituting a part of the premises hereunder are made available to the Lessee in stages,or the proceeds of a Leasehold Mortgage obtained by the Lessee to secure the permanent financing obtained by the Lessee with respect to such building are made available to the Lessee in stages; or

(ii) the application by the Lessee of the proceeds of a permanent financing obtained by the Lessee with respect to a building to the satisfaction in whole or in part of the indebtedness owing under a Leasehold Mortgage obtained to secure a construction loan used to finance the construction of that building;

(iii) the issuance of a purchase money mortgage or the issuance of a new Leasehold Mortgage pursuant to paragraph 18.3.2 of this Agreement; or

(iv) monies advanced by the Leasehold Mortgagee for interest, taxes, insurance premiums and other amounts owing by reason of a default under the Leasehold Mortgage.

(v) the proceeds of a permanent financing obtained by the Lessee to secure a loan used to finance the cost of extraordinary improvements, alterations, charges or repairs subsequent to completion of the building and incurred to comply with governmental laws, rules, regulations, ordinances, requirements, orders or directions adopted subsequent to completion of the building, in accordance with the provisions of Section 6 of this Agreement, or incurred by the Lessee to perform major repairs, replacements or improvements subsequent to completion of the building, in accordance with the provisions of Sections 9 and 11 of this Agreement.

18.1.6 "Refinanced Amount" shall mean:

(i) in the event of a refinancing pursuant to subdivisions (i) or (iii) of subparagraph 18.1.5 (a) of this paragraph, the principal amount of the Leasehold Mortgage described therein, and

(ii) in the event of a refinancing pursuant to subdivision (ii) of subparagraph 18.1.5 (a) of this paragraph, the unpaid balance of the principal amount of the existing Leasehold Mortgage on the effective date of the refinancing plus the additional monies advanced pursuant to the Refinancing of the Leasehold Mortgage.

18.2 Notwithstanding the provisions of Section 17 of this Agreement and without otherwise limiting the generality thereof, the Lessee shall have the right to make a single mortgage of the Lessee's leasehold interest in each Site constituting a part of the premises under this Agreement in an amount not in excess of the Mortgage Amount with respect to such Site (but the limitation contained herein shall not prevent the mortgage lien arising in connection with such Leasehold Mortgage from securing accruals of interest, taxes, insurance premiums and other amounts owing by a reason of a default under the mortgage) under a Leasehold Mortgage to an Institutional Lender approved by the Port Authority in advance which approval shall not be unreasonably withheld if:

(i) the proposed Institutional Lender and each officer, director or partner thereof and any person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed Institutional Lender, if said Institutional Lender is a corporation, association, or partnership, by loans thereto, stock ownership therein, or any other form of financial interest has as of the date of the proposed financing a good reputation for integrity and financial responsibility and has not been convicted of or under current indictment for any crime and is not currently involved in civil anti-trust, or fraud litigation, or any proceedings indicative of a lack of business integrity;

(ii) the proposed Institutional Lender or any officer, director or partner thereof or any person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed Institutional lender, if said Instititutional Lender is a corporation, association, or partnership, by loans thereto, stock ownership therein or any other form of financial interest, shall not be in conflict of interest as defined under the laws of the State of New York as of the date of the proposed financing with any Commissioner of the Port Authority.

(iii) there are no liens of any kind on any portion of the premises, whether or not such portion is subject to a Leasehold Mortgage except as permitted under this Agreement; and

(iv) the Lessee shall not be in default for non-payment of rent or under notice of default as to which the applicable period to cure, if any is provided for in this Agreement, has passed and this Agreement shall be in full force and effect, and the Port Authority shall not have served a notice of termination pursuant to Section 21 of this Agreement.

18.2.1 The Lessee, at least thirty (30) days prior to the proposed effective date of a proposed Leasehold Mortgage, shall notify the Port Authority, The City of New York, and the New York City Public Development Corporation,in writing, of the identity of the proposed Institutional Lender, and shall also submit to the Port Authority for its approval a copy of the form

ASSIGNMENT OF LEASE
WITH ASSUMPTION AND CONSENT (Lease No.)

THIS AGREEMENT, made as of by THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), a body corporate and politic created by Compact between the States of New York and New Jersey, with the consent of the Congress of the United States of America, having an office for the transaction of business at One World Trade Center, in the Borough of Manhattan, in the City, County and State of New York, and

(hereinafter called "the Assignor"),
a corporation organized and existing under the laws of the State of
with an office for the transaction of business at

an individual, residing at

a partnership, consisting of

and
(hereinafter called "the Assignee"),
a corporation organized and existing under the laws of the State of
with an office for the transaction of business at

an individual, residing at

a partnership, consisting of

the representative of which is

WITNESSETH, THAT:

WHEREAS, the Assignor desires to assign to the Assignee that certain Agreement of Lease dated as of , 19 , made by and between the Port Authority and the Assignor, and hereinafter, as the same has been heretofore amended and extended, called "the Lease";

covering premises at the Teleport, located in a portion of the Staten Island Industrial Park leased by the City of New York to the Port Authority; and

WHEREAS, the Port Authority is willing to consent to such assignment on certain terms, provisions, covenants and conditions:

NOW, THEREFORE, in consideration of the covenants and mutual promises herein contained, the Port Authority, the Assignor and the Assignee hereby agree as follows:

1. The Assignor does hereby assign, transfer and set over to the Assignee, heirs, executors, administrators and successors to and their own proper use, benefit and behoof forever, the Lease, to have and to hold the same unto the Assignee, heirs, executors, administrators and successors from the day of , 19 , for and during all the rest, residue, and remainder of the term of the letting under the Lease, subject nevertheless to all the terms, provisions, covenants and conditions therein contained; and the Assignor does hereby assign, transfer and set over unto the Assignee, heirs, executors, administrators and successors, all right, title and interest of the Assignor in and to a certain deposit (whether of cash or bonds) in the amount of made by the Assignor with the Port Authority, as security for the performance of the terms, provisions, covenants and conditions of the Lease, but subject to the provisions of the Lease and to any claim or right to the said deposit or any part thereof heretofore or hereafter made or to be made on the part of the Port Authority.

2. The Port Authority hereby consents to the foregoing assignment. Notwithstanding anything herein to the contrary, the granting of such consent by the Port Authority shall not be, or be deemed to operate as, a waiver of the requirement for consent or consents to each and every subsequent assignment by the Assignee or by any subsequent assignee.

3. The Assignee does hereby assume the performance of and does hereby agree to perform, observe and be subject to, all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay rent, contained in the Lease, which were or are to be performed or observed by or are

applicable to the Lessee thereunder, as though the Assignee were the original signatory to the Lease. Without limiting the foregoing, as an inducement to the Port Authority to consent to this assignment, the Assignee hereby covenants and agrees that the Assignee will use the premises solely for the purpose set forth in Section 3 of the Lease and that such use shall be subject to all of the provisions of the Lease. The execution of this instrument by the Port Authority does not constitute a representation by it that the Assignor has performed or fulfilled every obligation required by the Lease; and as to such matters the Assignee agrees to rely solely upon the representations of the Assignor.

5. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Assignor or by the Assignee with any liability or held liable to either of them under any term or

provision of this Agreement, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

IN WITNESS WHEREOF, the Port Authority, the Assignor and the Assignee have executed these presents as of the date first hereinabove set forth.

ASSIGNOR:

_____

ATTEST: By_____

_____ (Title)_____

(Seal)

ASSIGNEE:

_____

ATTEST: By_____

_____ (Title)_____

(Seal)

WITNESS:

_____ _____(L.S.)

WITNESS:

_____ _____(L.S.)

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

ATTEST: By_____

_____ (Title)_____

(Seal)

CONSENT AGREEMENT

THIS AGREEMENT, dated as of , 19 , by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and TELEPORT ASSOCIATES (hereinafter called "the Lessee") a joint venture of Silverstein Teleport Company and Murray Teleport Associates (hereinafter called "the Space Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee have heretofore entered into an agreement dated June 14, 1985 (which agreement, as the same has been or may hereafter be supplemented and amended, is hereinafter called "the Main Lease") covering the construction and operation of an office building or buildings at the Teleport, (located in a portion of the Staten Island Industrial Park leased by the City of New York to the Port Authority and hereinafter called "the Facility"); and

WHEREAS, pursuant to and in accordance with the terms of the Main Lease, the Lessee proposes as of the effective date hereof to enter into a use and occupancy agreement with the Space Lessee dated , 19 , a copy of which is attached hereto, made a part hereof and hereafter called "the Space Lease", subject to the consent of the Port Authority and the execution of a Consent Agreement by and among the Lessee, the Space Lessee and the Port Authority;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Lessee and the Space Lessee hereby agree effective as of , 19 , as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Space Lease.

2. The Space Lease shall terminate, without notice to the Space Lessee, on the day preceding the date of expiration or earlier termination of the Main Lease, or on such earlier date as the Lessee and the Space Lessee may agree upon. The Space Lessee shall quit the space covered by the Space Lease and remove its property and property for which it is responsible therefrom on or before the termination of the Space Lease.

3. Neither this Consent Agreement, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to nor shall they create an implication that there has been consent to any enlargement or change in the rights, powers and privileges granted to the Lessee under the Main Lease, nor consent to the granting of any rights or privileges to the Space Lessee as may be provided by the Space Lease if not granted to the Lessee under the Main Lease. The Space Lease is an agreement between the Lessee and the Space Lessee with respect to the various matters set forth therein. Neither this Consent nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Lessee that the provisions of the Space Lease shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, conditions and agreements of the Main Lease shall, in all respects, be controlling and determinative. The specific mention of or reference to the Port Authority in any part of the Space Lease, including without limitation thereto, any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall thereafter grant its consent or approval thereto or that the Port Authority's discretion pursuant to the Main Lease as to any such consents or approvals shall in any way be affected or impaired. The lack of any specific reference in any provisions of the Space Lease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Main Lease shall, in all respects, be controlling.

No provision of the Space Lease including, but not limited to, those imposing obligations on the Space Lessee with respect to laws, rules, regulations, taxes, assessments and liens shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Space Lease covering actions which shall or may be undertaken by the Space Lessee or the Lessee including, but not limited to, construction on the space covered by the Space Lease, be deemed to imply or infer that Port Authority consent or approval thereto pursuant to the Main Lease will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired.

4. The Space Lessee, in its operations under or in connection with the Space Lease and in its occupancy of the space covered by the Space Lease, shall be subject to the applicable terms, provisions, covenants and conditions of the Main Lease. Without in any way affecting the obligations of the Lessee under the Main Lease and under this Consent Agreement, all acts and omissions of the Space Lessee shall be deemed acts and omissions of the Lessee under the Main Lease, but notwithstanding the foregoing, the Lessee shall not be or be deemed to be in default of the Main Lease to the extent that any of the foregoing shall constitute a breach thereof if, except for causes beyond the control of the Lessee, it shall have commenced to remedy said default within twenty (20) days after receipt of notice thereof from the Port Authority and continues diligently to pursue such remedy.

5. The Space Lease shall not be changed, modified, discharged or extended except by written instrument duly executed by the parties thereto and only with the express written consent of the Port Authority. Without limiting the generality of the foregoing, the Space Lessee shall use the space covered by the Space Lease for the following purpose and for no other purpose or purposes whatsoever:

6. If the Lessee shall at any time be in default of its obligations under the Main Lease to make payments to the Port Authority, or if there shall occur at any time an event involving insolvency, bankruptcy, arrangement or reorganization of the Lessee which under the terms of the Main Lease would constitute an event the occurrence of which grants the Port Authority the right to terminate the Main Lease, and provided the same has not been cured within the time granted therefor, if any, under the Main Lease, the Space Lessee on demand of the Port Authority shall pay directly to the Port Authority any fee or other amount due to the Lessee. No such payment shall relieve the Lessee from any obligations under the Main Lease or under this Consent Agreement but all such payments shall be credited against the obligations of the Lessee and of the Space Lessee for each payment or part thereof.

7. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of consent to any subsequent agreement with respect to the use or occupancy of space at the Facility (by the Lessee or by the Space Lessee) or to any assignment of the Main Lease or the Space Lease or of any rights under either of them, whether in whole or in part.

8. In the event of any substantial default by the Space Lessee under any of the provisions of this Consent Agreement and said default has not been cured within thirty (30) days after the Port Authority has served a notice of such default upon the Lessee and the Space Lessee, the Port Authority shall have the right to revoke the consent granted hereunder upon thirty (30) days' written notice to the Lessee and the Space Lessee, but no such revocation shall be deemed to affect the Main Lease and the continuance thereof, it being understood, moreover, that the foregoing shall not be deemed to affect or limit any rights of the Port Authority under the Main Lease. In the event of the revocation of the consent hereunder as hereinabove provided, the Lessee shall immediately terminate the Space Lease.

9. Reference herein to the Space Lessee shall mean and include the Space Lessee, its officers, agents, employees and also others on the space covered by the Space Lease or on the Facility with the consent of the Space Lessee.

10. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Lessee or to the Space Lessee under any term or provision of this Consent Agreement or because of its execution or because of any breach or alleged breach hereof.

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Space Lessee have executed these presents.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____

By _____

(Title) _____

ATTEST:

TELEPORT ASSOCIATES by Silverstein Teleport Company, a Joint Venturer

_____

By _____

(Title) _____

ATTEST:

_____

By _____

(Title) _____

SCHEDULE E

The term "Gross Expenses" shall mean and include with respect to each Site constituting a part of the premises under this Agreement solely those items set forth below which are paid or incurred during the Operating Period established with respect to such Site:

(a) wages, fringe benefits, and other payroll costs paid to or for the Lessee's hourly employees for time worked at the building constructed by the Lessee on the Site and for time worked outside the building in connection with the operation, maintenance, and repair of the building provided, however, that the amount of such wages and fringe benefits are not in excess of the amounts set forth in the applicable collective bargaining agreement covering such employees, and provided, further, however, that the wages and other fringe benefits set forth in said collective bargaining agreement (or paid or granted by the Lessee in the absence of a collective bargaining agreement) are not above the levels then customarily paid or granted to similar employees for similar work in other first class office buildings in the County of Richmond in New York City.

(b) Salaries, fringe benefits, and other payroll costs paid to or for salaried employees of the Lessee employed full time at the building constructed by the Lessee on the Site in connection with the Lessee's operation thereof under this Agreement provided, however, that such salaries and other fringe benefits shall be at the level then customarily paid or granted to similar employees for similar work in other first class office buildings in the county of Richmond in New York City.

As used above in subdivisions (a) and (b):

(i) "Fringe benefits" shall mean the items of cost which the Lessee is obligated to pay or incur pursuant to applicable collective bargaining agreements or which the Lessee otherwise agrees to pay on the basis of wages paid to employees including, without limitation, vacation allowances, sick leave, holiday pay, birthdays, jury duty, medical checkup, lunch time, relief time, other paid time off, bonuses paid in accordance with normal real estate practices to employees other than persons having an ownership interest in the Lessee, pension plans, welfare and training funds, and health, life, accident, or other such types of insurance, and any other payment made or cost incurred by agreement with such employees and

personnel or pursuant to the Lessee's established policy with respect to such employees and personnel, provided, that such benefits do not exceed those customarily paid or granted to similar employees for similar work in the operation of first class office buildings in the County of Richmond, in the City of New York;

(ii) "Other payroll costs" shall mean taxes and other payments payable pursuant to law upon the basis of wages paid to employees, including, without limitation, F.I.C.A., New York State Unemployment Insurance, disability insurance, and Federal Unemployment Insurance.

(c) Rental paid pursuant to Section 5 hereof

(d) The cost of ordinary maintenance, repairs, improvements, alterations and changes of or to the building other than any of such costs otherwise recoverable from Space Lessees, including, without limitation, payments to third party contractors for cleaning, rubbish removal, equipment maintenance, window cleaning, exterminating and other cleaning and maintenance services furnished by contractors in the normal operation, maintenance and repair of the building.

(e) Payments for electricity, water, sewer rents, and other fuel, utilities and services required for the operation of the building other than payments for which the Lessee is entitled to reimbursement from Space Lessees in the building.

(f) The cost of maintenance, repair and replacement of fixtures, furniture, furnishings, operating supplies, equipment and tools used in the operation of the building, including, without limitation, the cost of laundry, dry-cleaning and repair of uniforms and working clothes.

(g) The net cost of insurance carried by the Lessee with respect to the building or with respect to any accident or casualty occurring therein or with respect thereto, including appraisal costs, pursuant to the terms of this Agreement.

(h) The cost of advertising, business promotion, sales promotion, marketing and publicity services and activities incurred by the Lessee in connection with the building, including payments to third parties, and including, without limitation, the cost of printing and preparing brochures and other printed material, to the

extent that such costs do not exceed twenty five percent (25%) of the operating budget of the building for and during each of the first five annual periods under this Agreement and there- after do not exceed twelve and one-half percent (12 1/2%) thereof, provided, however, that if any of these costs represent allocations of shared costs with other buildings, the basis for allocation shall have been approved in advance by the Port Authority.

(i) The costs of telephone, telegraph, postage, messenger service and other communication charges, trucking and protection services incurred with respect to the operation and maintenance of the building.

(j) Payments for rental of leased equipment and supplies, including, without limitation, uniforms and work clothes, used in connection with the operation and maintenance of the building.

(k) Payments to third parties for legal, accounting, architectural, engineering, space planning and other professional services related to the operation and maintenance of the building, other than payments for which the Lessee is entitled to reimbursement from Space Lessees in the building, and provided such payments do not exceed those customarily paid for such services in County of Richmond in New York City.

(l) Payments for taxes, excises, levies and assessments pursuant to Section 6 of this Agreement, other than payments for which the Lessee is entitled to reimbursement from Space Lessees in the building and not including income or franchise taxes paid by the Lessee.

(m) Interest and amortization at a rate approved in advance by the Port Authority on any Leasehold Mortgage obtained by the Lessee in accordance with the provisions of Section 18 of this Agreement. In the event the Lessee acting diligently and in good faith is unable to obtain permanent financing for the building in an amount at least equal to the amount of the Leasehold Mortgage obtained by the Lessee to secure the construction loan thereon, or in the event the initial cost of construction of the building exceeds the proceeds of the permanent mortgage obtained with respect thereto an amount equivalent to interest and amortization payments on the amount of such excess at the rate applicable to the approved Leasehold Mortgage shall be a permitted expense for purposes of calculating Net Cash Flow hereunder for the building for the full term of such Leasehold Mortgage or until such Leasehold Mortgage shall have been refinanced or replaced in accordance with the provisions of Section 18 of this Agreement.

(n) The cost of extraordinary improvements, alterations, charges or repairs subsequent to completion of the building and incurred to comply with governmental laws, rules, regulations, ordinances, requirements, orders or directions adopted subsequent to completion of the building in accordance with the provisions of Section 6 of this Agreement, or incurred by the Lessee to perform major repairs, replacements or improvements subsequent to completion of the building in accordance with the provisions of Section 9 and 11 of this Agreement. Costs under this item (n) shall be amortized over the term of this Agreement in accordance with generally accepted accounting principles in the real estate industry. In the event the Lessee elects to finance such costs, interest and amortization on such financing, at a rate approved in advance by the Port Authority, shall be a permitted expense.

(o) Payments made into reserve funds established in accordance with generally accepted accounting principles as consistently applied prior to the execution of this Agreement for major repairs, replacements, alterations and improvements to the building.

(p) License and permit fees paid to governmental authorities or agencies for licenses or permits required for the operation of the building or any facilities therein.

(q) Allowances for bad debts at a rate in accordance with generally accepted accounting principles for the real estate industry.

(r) Payment of management fees to a managing agent for the building for management services provided, however, that the Port Authority shall have agreed in advance to the agent, to the amount of such fees, and to the terms of the operating agreement, provided, further, that the Port Authority shall not unreasonably withhold its approval to the agent if all of the requirements of subdivisions (i), (ii), (iii), and (iv) of Section 18.5.2 of this Agreement are met, and shall not unreasonably withhold its approval of the fee and the operating agreement if such are in accord with customary practices then in effect in the real estate industry for comparable buildings in the area.

(s) Payments by the Lessee for tenant construction work other than payments otherwise recoverable from Space Lessees in the building. Costs under this item shall be amortized over the term of the Space Lease in accordance with generally accepted auditing standards in the real estate industry.

(t) Any expenditure not itemized or referred to above as would customarily be incurred by a prudent developer, manager or operator in the conduct of or relating to the operation of a first class office building in the County of Richmond, in New York City.

In no event shall Gross Expenses under this Schedule include any costs or expenditures which have been or should have been included in the Lessee's initial cost of construction for the building, nor any amounts representing depreciation or amortization, other than as specifically permitted in this Schedule, nor any cash or donations by the Lessee other than as set forth in paragraph (m) of this Schedule. No expenditure shall be included more than once in Gross Expenses even though fitting under more than one item provided for above. All accounting hereunder shall be in accordance with generally accepted auditing standards.

Payments made to persons, firms or corporations which own or control the Lessee or who are owned or controlled by the Lessee or to any person, firms, or corporations owned and controlled by the same persons, firms or corporations which own and control the Lessee shall not constitute permitted expenses under this Schedule to the extent they exceed those normally made in accordance with customary practices then in effect in the real estate industry for comparable buildings in the area.

As used herein "initial cost of construction shall mean and include:

(i) payments made or incurred by the Lessee to contractors and suppliers for performance of construction of the Building;

(ii) payments made or incurred by the Lessee for all materials, supplies, equipment and utilities used in connection with performance of building construction work;

(iii) The cost of any performance or other bonds in connection with the construction of the building;

(iv) The cost of any insurance provided in connection with the construction, including, without limitation thereto, fire and extended coverage, workmen's compensation and comprehensive general liability;

(v) Payments by the Lessee to independent consultants, architects, engineers, attorneys, accountants, and all other experts engaged or retained by the Lessee to perform services for or in connection with any aspect of the construction provided such payments do not exceed those customarily paid for such services in connection with the construction of similar buildings in the County of Richmond in New York City;

(vi) Payments by the Lessee to any other third persons (excluding the Lessee's employees) for work performed or services rendered for or in connection with the construction;

(vii) Brokerage commissions paid to a real estate broker licensed to do business in New York State at the rates then prevailing in the County of Richmond, and payments or costs incurred in connection with the relocation of tenants to the building which payments and costs do not exceed those customarily paid or incurred with respect to comparable buildings in the area, provided that such commissions, payments and costs are incurred solely in connection with the initial leasing of space in the building.

(viii) Any other direct costs as properly charged under generally accepted accounting principles consistently applied;

(ix) financing, interest and other overhead or carrying charges which are due for a period ending on the earlier of (i) the day preceding the third anniversary of the commencement date of the letting under this Agreement fixed in paragraph 2.1 of this Agreement, or (ii) the date the proceeds of the Leasehold Mortgage obtained by the Lessee to service the permanent financing of such building is made available to the Lessee.

(x) the amount of Development Period Rental paid to the Port Authority during the Development Period established for the Site on which such building is constructed.

Simultaneously with delivery to the Port Authority by the Lessee of the Lessee's final certification required by paragraph 4.13 of this Agreement the Lessee shall also deliver a sworn statement of the initial cost of construction of each building constructed by the Lessee pursuant to this Agreement detailing all the foregoing, together with such other evidence of said cost as the Port Authority may request. The Lessee shall from time to time thereafter certify to the Port Authority any additional items to be included in such cost as the Lessee's costs are paid or incurred and also any items to be deleted or reduced. The Lessee shall permit the Port Authority by its agents, employees and representatives at all reasonable times prior to a final determination of cost with respect to each such building to examine and audit the records and other documentation of the Lessee which pertain to and will substantiate the cost thereof. In no event whatsoever shall initial cost of construction as defined and computed in this Schedule, include any expenses, outlays or charges whatsoever by or for the account of the Lessee for or in connection with any work in any building unless such are actually and completely installed in and or made thereto.

In no event shall there be included in the initial cost of construction any item of cost for which the Lessee is otherwise entitled to reimbursement under this Agreement, or which results solely from the fault, negligence or wilful misconduct of the Lessee or its contractors, nor shall any item of cost or expense be included in the initial cost of construction more than once even through fitting under more than one category provided for in this Schedule.

s/s Guy F. Tozzoli
For the Port Authority

Initialled:

s/s Larry A. Silverstein
For the Lessee

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 8th day of July, 1985, before me personally came Guy F. Tozzoli, to me known, who, being by me duly sworn, did depose and say that he resides at
that he is the Director, World Trade Department of The Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

/s/ Sidney Lipstein

SIDNEY D. LIPSTEIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-2377385
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1987

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 8th day of July, 1985, before me personally came Maurice M. Weill , to me known, who, being by me duly sworn, did depose and say that he resides at
that he is the President of Telestat Corp. a general partner of the firm of Silverstein Teleport Company one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, and which executed the foregoing instrument on behalf of Teleport Associates; and said, Maurice M. Weill acknowledged that he executed the foreging instrument for and on behalf of Teleport Associates.

/s/ Sidney Lipstein

SIDNEY D. LIPSTEIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-2377385
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1987

of the proposed Leasehold Mortgage and of the note or bond which the Leasehold Mortgage was given to secure. The Port Authority will advise the Lessee in writing within fifteen (15) days after receipt of such notification and submission whether or not the Port Authority will consent to such proposed Institutional Lender and such proposed Leasehold Mortgage and note or bond and the Port Authority will also set forth the provisions the Port Authority finds unacceptable. On the date of its execution, or within five (5) days thereafter, the Lessee shall deliver to the Port Authority, the City of New York, and the New York City Public Development Corporation a conformed copy of the executed Leasehold Mortgage and of the executed note or bond which the Leasehold Mortgage was given to secure, certified to be a true copy thereof.

18.2.2 The Leasehold Mortgagee approved by the Port Authority shall not assign or transfer the Leasehold Mortgage to other than an Institutional Lender approved by the Port Authority which approval shall not be withheld if the proposed assignee or transferee meets the qualifications described in subdivisions (i), and (ii) of paragraph 18.2 of this Agreement as of the date of the Proposed assignment or transfer. The Lessee, at least thirty (30) days prior to the effective date of the proposed assignment of the Leasehold Mortgage, shall submit to the Port Authority for its approval, and to the City of New York and the New York City Public Development Corporation for their information, notwithstanding any other form of notice to them, actual or constructive, the name and address of the proposed assignee together with a copy of the proposed assignment. The Port Authority will advise the Lessee in writing within fifteen (15) days after such submission whether or not the Port Authority will approve such proposed assignee and assignment and the Port Authority will also set forth the provisions the Port Authority finds unacceptable. On the effective date of such assignment or within five (5) days thereafter, the assignee shall deliver to the Port Authority, the City of New York, and the New York Public Development Corportion a conformed copy of the executed assignment of the Leasehold Mortgage.

18.2.3 Notwithstanding anything contained in the Leasehold Mortgage or any consent or approval of the Port Authority thereto, it is understood and agreed that the rights of the Leasehold Mortgagee shall in all respects be as specified in and shall be subject and subordinate to the terms, covenants, conditions and provisions set forth in this Agreement. Without limiting the generality of the foregoing, the Leasehold Mortgagee further understands and agrees that its rights shall be subject and subordinate to the terms, covenants, conditions, and provisions of the Ground Lease. The terms, covenants, conditions and provision of this Agreement and the Ground Lease shall govern as between the Port Authority, the Lessee, and the Leasehold

Mortgagee, and in the event of any inconsistency between the terms, covenants, conditions and provisions of this Agreement and the Ground Lease and the terms, covenants, conditions and provisions of the Leasehold Mortgage, the terms, covenants, conditions, and provisions of this Agreement and the Ground Lease shall control. Notwithstanding any provisions of the Leasehold Mortgage to the contrary the Lessee for all purposes shall be deemed to be the Lessee hereunder unless and until the Leasehold Mortgagee shall have acquired the Lessee's interest herein or a new lease has been executed pursuant to this Section, as the case may be, and the Lessee shall have as full and complete control of the operation and use of the premises as if the Leasehold Mortgage had not been executed and delivered. Subject to the provisions of paragraph 18.2.3.1, the Leasehold Mortgagee shall specifically agree that the Lessee shall have full power and authority to give waivers of and to consent to variations from, the rights of the Lessee under this Agreement and to negotiate and enter into supplements and amendments hereto and that the Port Authority may deal directly with the Lessee in the negotiation and procurement of such waivers, consents, supplements and amendments and in all other matters involving the Lessee under this Agreement or the operation and use of the premises, or any portion thereof, without any consultation with or the approval by the Leasehold Mortgagee provided, however, that no actions or omissions of the Lessee and the Port Authority or either of them pursuant to this paragraph shall have the effect of (i) terminating or reducing the term of this Agreement, or (ii) increasing the amount of any rentals payable by the Lessee hereunder, whether pursuant to Section 5 hereof or pursuant to any amendment which shall be added to this Agreement as a result of the exercise of the rights set forth in this paragraph, unless in the case of either (i) or (ii) above, the prior written approval of the Leasehold Mortgagee shall have been obtained to any such termination, reduction or increase. The Lessee hereby agrees for the benefit of the Leasehold Mortgagee and the Port Authority to perform any obligations and to discharge any liabilities of the Lessee under this Agreement which may result from any such actions or omissions of the Lessee and of the Port Authority, or either of them, pursuant to this paragraph to the exoneration of the Leasehold Mortgagee, therefrom, and the Lessee further agrees to indemnify and save the Leasehold Mortgagee harmless from any loss in connection with the Lessee's failure to discharge any such obligation and liability. The Leasehold Mortgage shall make reference to the provisions of this Agreement and shall provide that the Leasehold Mortgage and the rights of the Leasehold Mortgagee thereunder are and shall be in all respects subject hereto. Without limiting the generality of the foregoing, the Leasehold Mortgage shall contain the following provision:

> "This mortgage is executed upon the condition (i) that no purchaser at any foreclosure sale shall acquire any right, title or interest in

or to the lease hereby mortgaged, unless the said purchaser, or the person, firm or corportion to whom or to which such purchaser's right has been assigned, in the instrument transferring to such purchaser or to such assignee the interest of tenant under said lease, assumes and agrees to perform all of the terms, covenants and conditions of said lease thereafter to be observed or performed on the part of such tenant, (ii) that no further or additional mortgage or assignment of said lease shall be made except in accordance with the provisions contained in Article 14 of the lease between The City of New York and The Port Authority of New York and New Jersey, dated as of May 15, 1984 (the "Lease"), and (iii) that a duplicate original of the instrument containing such assumption agreement, duly executed and acknowledged by purchaser or assignee and in recordable form, is delivered to landlord under the Lease immediately after the consummation of such sale, or, in any event, prior to taking possession of the premises demised thereby."

"The mortgagee agrees to have the proceeds of any insurance or the proceeds of any condemnation award applied to the repair or restoration of the mortgaged premises to the extent such application is required by the provisions of the Lease."

"This mortgage and all rights of the mortgagee hereunder are, without the necessity for the execution of any further documents, subject and subordinate to the terms, covenants and conditions of the Lease as the same may be modified or amended with the consent of the holder of this mortgage if required."

18.2.3.1 It is understood and agreed that the Leasehold Mortgage obtained by the Lessee hereunder will not prevent the Lessee from amending this Agreement or from giving waivers of or consenting to variations from the rights of the Lessee under this Agreement, or from negotiating or entering into supplements, amendments, or modifications to this Agreement, without the approval of the Leasehold Mortgagee unless the waiver, consent, supplement, amendment, or modification may have a material adverse impact on the interest of the Leasehold Mortgagee. As to waivers, consents, supplements, amendments, or modifications which will not have a material adverse impact on the Leasehold Mortgagee's interest, the Port Authority shall

have the right (but not the obligation) to seek to obtain the Leasehold Mortgagee's approval and if such approval is not requested from the Leasehold Mortgagee or if it is requested but the Leasehold Mortgagee does not grant its approval such waiver, consent, supplement, amendment or modification shall nevertheless be effective except that if thereafter the Leasehold Mortgagee realizes upon the Leasehold Mortgage by foreclosure or otherwise in accordance with this Agreement, and the Leasehold Mortgage approved by the Port Authority, and it or any other entity succeeds to the Lessee's leasehold interest pursuant to this Section then such waiver, consent, supplement, modification or amendment shall not be binding on the Port Authority, the Leasehold Mortgagee, or such other entity who pursuant to this Section has succeeded to the Lessee's leasehold interest.

18.2.4 Any approval or consent by the Port Authority hereunder whether to the Leasehold Mortgage or to any assignment thereof shall apply only to the specific transaction thereby authorized and shall not relieve the Lessee or the Leasehold Mortgagee from the requirement of obtaining the prior approval or consent of the Port Authority to each and every further assignment of the Leasehold Mortgage.

18.2.5 The Port Authority and the Lessee agree that if they are requested by a qualified Institutional Lender as a condition to the issuance by such Lender of a commitment for a permitted Leasehold Mortgage to the Lessee, either to execute a separate lease for any Site constituting a part of the premises hereunder for the balance of the original term of the letting set forth herein, on the same terms and conditions set forth herein, or to amend this Agreement, they will not unreasonably refuse to execute and deliver such separate lease or to consent to such amendment, provided that the Port Authority shall not to be obligated to execute an amendment unless the proposed amendment does not in the sole opinion of the Port Authority adversely affect the Port Authority's rights hereunder or the operations of the Lessee in the manner contemplated by the provisions hereof, and unless such proposed amendment is not inconsistent with the terms of this Agreement.

18.3 Except as expressly authorized in paragraph 18.2 the Lessee shall not mortgage the Lessee's interest in this Agreement or the letting hereunder in whole or in part.

18.3.1 Notwithstanding the provisions of this paragraph the Lessee may effect a Refinancing of the Leasehold Mortgage with respect to any Site constituting a part of the premises hereunder at any time subsequent to the Completion Date of the building constructed on such Site, as said Completion Date is certified by the Port Authority under paragraph 4.13 of this

Agreement, provided, however, that the aggregate principal indebtedness to be secured by the Refinancing of the Leasehold Mortgage, the duration of said Refinancing, and the interest rate thereon, including the annual debt service payments, shall have been consented to in advance in writing by the Port Authority. In the event that the Net Refinanced Amount, as hereinafter defined, resulting from such Refinancing does not exceed an amount equivalent to ten (10) times the annual developer amount established for such Site, the entire Refinanced Amount shall be retained by the Lessee. The aggregate principal indebtedness secured by such Refinancing shall thereafter be deemed to be the "Mortgage Amount" under this Agreement with respect to such Site, but no portion of the payments of principal and interest arising from such Refinancing, nor any other payments or expenses of any kind whatsoever arising out of, as a result of, or in connection with such refinancing shall be includable as a permitted expense under Schedule E, provided, however, the Lessee shall continue to have the right to deduct an amount equivalent to the payments of interest and amortization on the original Leasehold Mortgage on the Site in calculating Net Cash Flow for the building constructed on such Site.

In the event that the Net Refinanced Amount resulting from such Refinancing equals or exceeds an amount equivalent to ten (10) times the annual developer amount established for such Site, the Lessee shall pay to the Port Authority thirty percent (30%) of such excess. The aggregate principal indebtedness secured by such Refinancing shall thereafter be deemed to be the "Mortgage Amount" under this Agreement with respect to such Site, and in the calculation of the Net Cash Flow for the Building constructed on such Site the Lessee shall be entitled to deduct the payments of interest and amortization on the indebtedness secured by such Refinancing. From and after the effective date of any such Refinancing of the Leasehold Mortgage with respect to any Site constituting a part of the premises hereunder, the Lessee shall pay to the Port Authority in lieu of the percentage rental set forth in paragraph 5.6.1 of this Agreement an annual percentage rental equivalent to thirty percent (30%) of the Net Cash Flow of the Building constructed on such Site arising during such annual period or portion of an annual period established with respect to such Site following the effective date of the refinancing. The calculation of such percentage rental shall be in accordance with the provisions of paragraphs 5.6.2 and 5.6.3 of this Agreement except that whenever any statement submitted by the Lessee with respect to the building constructed on such Site for any annual period, or portion thereof, following the effective date of such Refinancing shall show a Net Cash Flow for the building the Lessee shall pay at the time of rendering the statement an amount equal to the percentage stated above in this paragraph applied to such Net Cash Flow for such annual period or portion thereof. Following the expiration of the Leasehold Mortgage resulting from such Refinancing the Lessee shall pay

percentage rental for such Site strictly in accordance with paragraph 5.6.1 of this Agreement.

18.3.1.1 As used in paragraph 18.3.1 of this Agreement, Net Refinanced Amount shall mean with respect to the Refinancing of the Leasehold Mortgage the Refinanced Amount resulting from such Refinancing, less the outstanding balance of the principal amount of the Leasehold Mortgage existing immediately prior to such Refinancing, and less reasonable expenses incurred by the Lessee in connection such Refinancing. In the event that the Lessee is in default of the Leasehold Mortgage on the date of its Refinancing, the outstanding balance shall be deemed to include accruals of interest, taxes, insurance premiums, and other amounts owing by reason of such default.

18.3.2 A third party purchaser who in conformity with the provisions of this Agreement acquires the leasehold hereunder as a result of foreclosure of any Leasehold Mortgage authorized by this Agreement, either at foreclosure sale or by assignment in lieu of foreclosure, shall have the right in connection with the purchase at foreclosure of the original Leasehold Mortgage or the acquisition of the Lessee's interest under the Lease by assignment in lieu of foreclosure to mortgage its leasehold interest to an Institutional Lender who meets the qualifications set forth in paragraph 18.2 (i), and (ii) provided, that the aggregate principal indebtedness to be secured by such leasehold mortgage does not exceed the unpaid principal balance of the mortgage which was the subject of the foreclosure (including accruals of interest, taxes, insurance premiums or other amounts owing under the foreclosed morgage by reason of a default thereunder). Payment by such purchaser of principal and interest pursuant to the new leasehold mortgage obtained pursuant to the provisions of this paragraph shall be included as a Gross Expense pursuant to Schedule E annexed to this Agreement provided the duration of the mortgage, the interest rate thereon and the annual debt service resulting therefrom have been consented to by the Port Authority in advance, which consent shall not be unreasonably witheld provided such are in acccord with commercial practices then in effect.

18.4 If the Leasehold Mortgagee shall have given to the Port Authority a written notice specifying its name and address together with a conformed copy of the Leasehold Mortgage, the Port Authority shall send to the Leasehold Mortgagee a copy of each notice of default given under this Agreement at the same time as and whenever any such notice of default shall have been sent to the Lessee, such copy to be addressed to the Leasehold Mortgagee at the address last furnished by it to the Port Authority, and no notice of default shall be deemed to have been given by the Port Authority unless and until a copy thereof shall have been so given to the Leasehold Mortgagee. The Lessee irrevocably directs that the Port Authority accept, and the Port

Authority agrees to accept, the curing of such default by the Leasehold Mortgagee as if and with the same force and effect as though cured by the Lessee. The Port Authority for informational purposes only will also send to the Leasehold Mortgagee an additional copy of all other notices and requests given under this Agreement to the Lessee but receipt by the Leasehold Mortgagee of such notices shall not be a condition to the effectiveness thereof nor affect in any way the validity thereof.

18.4.1 Unless and until such time as it becomes the Lessee hereunder, the Leasehold Mortgagee shall not have any right in or to the operation or use of the premises or any building to be constructed thereon for the purposes set forth in this Agreement or for any other purpose whatsoever. The Leasehold Mortgagee shall not enter into or be entitled to enter into possession of the premises under this Agreement except to the extent afforded to it under this Agreement for the purpose of curing defaults by the Lessee.

18.5 If the Port Authority shall elect to terminate the letting under the Section of this Agreement entitled "Termination", or otherwise by reason of the Lessee's default, then the Port Authority shall give written notice of such termination to the Leasehold Mortgagee if it shall have become entitled to notice as provided in paragraph 18.4, which notice shall specify the event or events of default upon which the notice is predicated. If such events relate to the letting of Site A or to the letting of the entire premises, including Site A, the Leasehold Mortgagee shall have the right to extend the effective date of such termination as specified in the notice for a period not to exceed ninety (90) days' in order to cure all such defaults as are specified in the notice which are susceptible of being cured without the Leasehold Mortgagee first obtaining possession of Site A, or the premises, as the case may be, provided the Leasehold Mortgagee shall give notice of such extension to the Port Authority not later than forty-five (45) days after the date of service of the Port Authority's notice of termination on the Leasehold Mortgagee and shall simultaneously with the giving of its notice to the Port Authority pay to the Port Authority any and all arrears in the rentals payable under this Agreement as of the date of its notice to the Port Authority, as specified in the Port Authority's notice. During such ninety (90) day period the Leasehold Mortgagee shall assume the performance of all of the Lessee's obligations under this Agreement that are capable of being performed without the Leasehold Mortgagee first obtaining possession of the premises, or physically obtaining access to the premises by its agents or contractors, as though it were the Lessee hereunder and shall pay all rentals due to the Port Authority. At the end of such period the Port Authority shall be entitled to proceed to effect termination of the letting under this Agreement unless within such time the Leasehold Mortgagee shall have cured all such defaults as are specified in the Port Authority's notice which are capable of being cured without the Leasehold Mortgagee first

obtaining possession of the premises or physically obtaining access to the premises by its agents or contractors, and, if there are other defaults, shall have commenced an action to acquire the Lessee's interest under this Agreement by foreclosure of its mortgage or otherwise and shall have executed and delivered to the Port Authority an agreement in form satisfactory to the Port Authority wherein the Leasehold Mortgagee agrees during the pendency of such foreclosure action to assume performance and observance of each of the covenants and conditions herein contained on the Lessee's part to be performed and which are capable of being performed without the Leasehold Mortgagee obtaining possession of the premises or physically obtaining access to the premises by its agents or contractors as though it were the original Lessee under this Agreement. If the curing of such defaults requires activity over a period of time and the Leasehold Mortgagee shall have commenced the curing of such defaults within the said ninety day period and shall diligently continue such performance without interruption the said ninety day period shall be extended for such further period of time as such performance requires. If within the extension period all such defaults as are specified in the notice of termination shall be cured, the notice of termination predicated upon such defaults shall be null and void and of no further force or effect.

If the event of default or breach specified in the notice of termination is not susceptible of being cured by an act which the Leasehold Mortgagee can perform without first obtaining possession of the Site or is not susceptible of being cured by an act which the Leasehold Mortgagee can perform regardless of whether the Leasehold Mortgagee obtains possession of the Site, the Leasehold Mortgagee shall have the right to further extend the effective date of the notice of termination beyond the ninety day period specified in this paragraph for such additional period as, with all due diligence and in good faith, will enable such Leasehold Mortgagee to initiate an action to foreclose the Leasehold Mortgage and to diligently and expeditiously proceed and complete such proceedings and thereafter diligently proceed to cure all such defaults as are specified in the notice of termination which are susceptible of being cured by an act which the Leasehold Mortgagee can perform upon obtaining possession of the Site, <u>provided</u>, <u>however</u>, that: (a) the Leasehold Mortgagee shall deliver to the Port Authority within the ninety day period originally set forth herein a written instrument wherein the Leasehold Mortgagee unconditionally guarantees to the Port Authority that upon obtaining possession of the Site the Leasehold Mortgagee will cure all such defaults as are specified in the notice of termination which are susceptible of being cured by an act which the Leasehold Mortgagee can perform upon obtaining possession of the premises and that if this Agreement thereafter is terminated prior to the curing of all such defaults, the Leasehold Mortgagee will pay to the Port Authority the cost of curing such defaults; and (b) the Leasehold Mortgagee shall pay to the Port Authority any arrears in the rental payable

under this Agreement as of the date of its notice to the Port Authority as specified in the notice of termination; and (c) during the period from the effective date of termination as set forth in the notice of termination to the date that the Leasehold Mortgagee or purchaser at foreclosure acquires the Lessee's interest under this Agreement or the notice of termination shall become null and void as hereinafter provided, or until termination of the letting has been effected in accordance with the notice of termination, or until the Leasehold Mortgagee notifies the Port Authority that it no longer wishes to extend the effective date of termination, whichever shall first occur, (which period is hereinafter called "the extension period") the Leasehold Mortgagee pays to the Port Authority, in addition to the payment of any rental arrears, all of the rentals described in Section 5 of this Agreement; and (d) the Leasehold Mortgagee shall proceed with all due diligence and continuity and in good faith to institute foreclosure proceedings and diligently and expeditiously prosecute the same to completion (unless the Leasehold Mortgagee shall otherwise acquire the Lessee's interest under this Agreement by assignment in lieu of the foreclosure). The Leasehold Mortgagee shall not be required to continue to prosecute foreclosure proceedings or to obtain possession of the premises provided that it notify the Port Authority promptly of its discontinuance of the proceedings. Upon such discontinuance, the Port Authority shall be entitled to proceed to effect termination of the letting under this Agreement in accordance with its notice. In the event the foregoing conditions shall have been fully and timely fulfilled and all defaults specified in the notice as are susceptible of being cured have been cured, the notice of termination shall be null and void and of no further force or effect and the default of the prior Lessee as specified in the notice shall no longer be an event of default under this Agreement. Without limiting the generality of the foregoing provisions, with respect to defaults specified in subdivisions (a), (b), (c), (d), (e), (f) or (g) of Paragraph 23.1 of Section 23 of this Agreement, the Leasehold Mortgagee shall not be required to comply with the condition set forth in clause (a) above, and, so long as the conditions specified in clauses (b) and (c) above are fulfilled, and the Leasehold Mortgagee or its nominee or purchaser at a foreclosure sale shall acquire the Lessee's interest under this Agreement and shall not itself be subject to any bankruptcy or other proceedings which would entitle the Port Authority to terminate this Agreement pursuant to the aforementioned subdivisons of paragraph 23.1, the existence of bankruptcy or the other events of default described in subdivisions (a), (b), (c), (d), (e), (f), or (g) of paragraph 23.1 relating to the prior Lessee shall no longer be an event of default under this Agreement. In the event, however, that the Leasehold Mortgagee shall fail to comply with the requirements and conditions of this paragraph, the Port Authority shall be entitled to proceed to effect termination of the letting under this Agreement in accordance with the notice.

Nothing contained herein shall preclude the Port Authority from exercising any of its rights or remedies with respect to any event of default which shall occur during the period the effective date of any notice of termination has been extended, subject nevertheless to the Leasehold Mortgagee's rights as hereinabove provided for.

18.5.1 In the event the Leasehold Mortgagee shall commence to foreclose its mortgage or to have the Lessee's interest assigned to itself in lieu of such foreclosure, the Leasehold Mortgagee shall give the Port Authority written notice of its commencement of foreclosure proceedings or of its intention to have this Agreement assigned to itself which notice shall be given at least ninety (90) days prior to the completion of the foreclosure proceedings or the effective date of the assignment in lieu thereof and shall state the then principal balance of the Leasehold Mortgage, the amount of accrued and unpaid interest thereon, all other sums due thereunder and the per diem interest which will accrue on the Leasehold Mortgage from and after the giving of such notice. The Port Authority shall have the right within sixty (60) days following the giving of such notice by the Leasehold Mortgagee to purchase the Leasehold Mortgage for an amount equal to the total amount specified in such notice from the Leasehold Mortgagee, including per diem interest to the date of purchase. If the Port Authority shall fail to notify the Leasehold Mortgagee within the said sixty (60) day period of its intention to purchase the Leasehold Mortgage the Leasehold Mortgagee shall be entitled to proceed to foreclose the Leasehold Mortgage or to accept an assignment in lieu of foreclosure in accordance with the provisions of this Agreement.

18.5.2 No party other than an Institutional Lender described in paragraph 18.2 of this Section (or a corporation wholly owned and controlled by an Institutional Lender if the conditions set forth in subparagraph 18.5.2.1 of this Section are fulfilled) shall be entitled to become the owner of, or acquire any interest in this Agreement pursuant to a judgment of foreclosure and sale or as a result of an assignment in lieu of foreclosure except with the express prior consent of the Port Authority which consent shall not be withheld if the proposed purchaser or successor party to this Agreement shall meet the following requirements and conditions:

(i) the proposed party or its managing agent (as approved under paragraph (v) below) shall have an established record and reputation of more than ten (10) years' experience in the operation of first-class single occupancy or multiple-occupancy office buildings, as the case may be, containing not

less than 100,000 rentable square feet (per building) and shall have adequate and experienced staff and management personnel to give full time attention to the operation of the building as a first-class office building in accordance with all the terms and conditions of this Agreement and to fulfill all of the Lessee's obligations under this Agreement throughout the balance of the term of the letting hereunder;

(ii) the financial standing of the proposed party as of the date of the acquisition of the leasehold is sufficent to assure the operation of the building in accordance with the standards and requirements of this Agreement and to fulfill all of the Lessee's obligations under this Agreement throughout the balance of the term of the letting hereunder;

(iii) the proposed party and any officer, director or partner thereof and any person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed party, if said party is a corporation or partnership, by loans thereto, stock ownership therein, or any other form of financial interest has as of the date of the proposed acquisition a good reputation for integrity and financial responsibility and has not been convicted of or under current indictment for any crime and is not currently involved in civil anti-trust or fraud litigation, or any proceedings indicative of a lack of business integrity;

(iv) Neither the proposed transferee nor any officer, director or partner thereof nor any person, firm or corporation haing an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed transferee, if said transferee is a corportion or partnership, by loans thereto, stock ownership therein or any other form of financial interest has filed a voluntary petition in bankruptcy or has been adjudicated a bankrupt within five years prior to the date of transfer;

(v) the proposed party or any officer, director or partner thereof or any person, firm or corporation having an outright or

beneficial interest in twenty percent (20%) or more of the monies invested in the proposed party, if said party is a corporation or partnership, by loans thereto, stock ownership therein, or any other form of financial interest shall not be in conflict of interest, as defined under the laws of the State of New York, with any Commissioner of the Port Authority as of the date of the proposed acquisition;

(vi) if the proposed party shall desire, to use a managing agent for the operation of the building, such agent shall be subject to the Port Authority's prior approval which shall not be unreasonably withheld if all of the requirements and conditions referred to in subparagraphs (i), (ii) and (iii) above are met, collectively by the proposed party and said agent;

provided, however, that such acquisition, (sale or transfer) shall not be effective until an Assignment and Assumption Agreement in form and substance satisfactory to the Port Authority has been executed by the Port Authority, the Lessee and the proposed party.

18.5.2.1 An Institutional Lender may became the owner of or acquire an interest in this Agreement pursuant to a judgment of foreclosure and sale or as a result of an assignment in lieu of foreclosure in the name of a nominee corporation which is wholly owned and controlled by such Institutional Lender provided such Institional Lender enters into an agreement with the Port Authority, in form satisfactory to the Port Authority, pursuant to which such Institutional Lender agrees that during the period of such nominee's interest in this Agreement it will finance such nominee with sufficent funds as shall enable such nominee to comply with all of the obligations to be undertaken by the Institutional Lender pursuant to the provisions of this Section.

As used in this paragraph "wholly owned and controlled" shall mean 100% legal and beneficial ownership of all the capital stock and voting rights of the subsidiary corporation by the Institutional Lender and if this relationship shall not continue for the entire term of the letting that the said subsidiary corporation is the Lessee hereunder then the Lessee shall be considered in default under and the Port Autority shall have the right to terminate this Agreement and the letting hereunder pursuant to Section 23.1(k) of this Agreement.

18.5.3 Nothing herein shall be deemed to preclude the Port Authority from bidding for the Leasehold Mortgage at any

sale, public or private, pursuant to a judgment of foreclosure or in lieu of foreclosure and thereby becoming the owner of the Leasehold Mortgage free from any claims, equities or rights of redemption of the Lessee.

18.6 If, in the event this Agreement is terminated by reason of the occurrence of any event of default specified in the Section of this Agreement entitled "Termination by the Port Authority", the Port Authority, within thirty (30) days after the effective date of such termination, receives notice from the Leasehold Mortgagee that the Leasehold Mortgagee requests a new lease for the balance of the orginal term of the letting set forth herein, the Port Authority, provided the Leasehold Mortgagee is entitled to receive the notice described in paragraph 18.4 of this Agreement, within sixty (60) days following its receipt of such request or within twenty (20) days following the expiration of such longer period during which any decree or order of any Court having jurisdiction over the Lessee shall have the effect of preventing the Port Authority, as lessor, from executing or delivering such new lease, shall prepare and deliver to the Leasehold Mortgagee a new lease for the balance of what would have been the remainder of term of the letting under this Agreement, the terms of which shall be substantially similar to the terms contained in this Agreement, provided that such notice from the Leasehold Mortgagee shall not be effective unless accompanied by payment of a sum of money equal to any and all sums, fees, charges and rentals which had been due and payable by the Lessee as of the date of termination. In the event the Leasehold Mortgagee shall not deliver an executed copy of such new lease to the Port Authority within thirty (30) days of its receipt thereof together with a sum of money equal to all expenses, costs and fees, including reasonable counsel fees, as and when the same shall be incurred by the Port Authority in terminating this agreement and in acquiring possession of the premises together with a sum of money equal to all sums, fees and charges, including rentals, which, but for such termination, would have become due and payable under this Agreement up to and including the date of the commencement of the term of such new lease, and all expenses, including reasonable attorney's fees, incidental to the preparation, printing, execution, delivery and recording of such new lease, the Leasehold Mortgagee shall have no further rights or interest in or to the premises and the new lease shall be deemed null and void and of no further force and effect except that the Leasehold Mortgagee shall on demand return all copies thereof to the Port Authority. The granting of a new lease to the Leasehold Mortgagee shall not affect the survival of the Lessee's obligations hereunder as provided in Section 26.

18.6.1 In the event of termination of this Lease and the execution and delivery of a new lease to the Leasehold Mortgagee pursuant to this paragraph, nothing herein contained shall be deemed to impose any obligation on the part of the Port Authority to deliver physical possession of the premises to the

Leasehold Mortgagee. The Port Authority agrees, however, that the Port Authority will, at the sole cost and expense of the Leasehold Mortgagee, cooperate in the prosecution of summary proceedings to evict the Lessee in the event of such termination.

18.7 If the Leasehold Mortgagee shall acquire the title to the Lessee's interest under this Agreement by foreclosure of the Leasehold Mortgage or by an assignment in lieu of foreclosure, or under a new lease pursuant to this Section, or if a purchaser at a forcelosure sale shall acquire such title, the Leasehold Mortgagee or such purchaser shall not assign, sell or transfer this Agreement or such lease replacing this Agreement except to a person who shall qualify as an Institutional Lender under the provisions of Section 18.2 or a successor in accordance with the provisions of Sections 18.5.2 hereof, provided, however, that no sale, assignment or transfer of this Agreement or such new lease as shall replace this Agreement shall occur or be effective in any way unless the seller, transferor or assignor shall first notify the Port Authority of the interest it proposes to sell, transfer or assign, the name of the proposed buyer, transferee or assignee and all of the terms of the sale, transfer or assignment. The Port Authority shall have sixty (60) days from its receipt of such notice to agree to purchase or acquire the said interest, on the same terms and conditions as contained in the notice or for a consideration as favorable to the seller, transferor or assignor as contained in the terms and conditions described in the notice. In the event the Port Authority fails to notify the proposed seller, transferor or assignor of its intention to purchase his interest then the interest may be sold, transferred or assigned to the person named in the notice on the terms stated therein provided such person qualifies as a successor as provided above.

18.8 No sale, transfer or assigment by the Lessee of its interest in this Agreement to the Port Authority shall create a merger between the estates of the Port Authority and the Lessee unless the Port Authority, the Lessee and the Leasehold Mortgagee shall specifically consent to such merger in writing, nor shall any such sale, transfer or assignment be deemed to affect or diminish the liabilities of the Lessee named in this Agreement, whether for survived damages or otherwise.

Section 19. Space Leases

19.1 The Lessee shall not enter into any Space Lease as defined in paragraph 5.1.10 of this Agreement, without the Port Authority's prior written consent which consent shall not be withheld provided that all of the following conditions and requirements have been met or satisfied:

(i) Each proposed Space Tenant shall, in the opinion of the Port Authority, be eligible, suitable and qualified as a Teleport tenant and in exercising its opinion with

respect to a proposed Space Tenant, the Port Authority shall not apply criteria which are different from or more stringent than those criteria applied with respect to other lessees of space at the Teleport.

(ii) The proposed space tenant and the Port Authority have not executed a letter of intent or similar document regarding a proposed letting of space elsewhere at the Teleport.

19.1.1 Notwithstanding the provisions of Section 19.1 above and in addition to the requirements therein, the Lessee shall not enter into any Space Lease for the letting of a full floor or more, or for the sale of merchandise or the rendering of services, unless the Lessee has obtained the prior written consent of the Port Authority as to the form and terms of such proposed Space Lease. In exercising its right to approve the form and terms of such proposed Space Lease the Port Authority shall not act arbitrarily or capriciously.

19.1.2 In connection with securing the Port Authority's consent as provided in paragraphs 19.1 and 19.1.1, the Lessee shall submit to the Port Authority such information as the Port Authority may reasonably request regarding the financial and business background of the proposed Space Tenant as it relates to the eligibility of the proposed Space Tenant, and, if paragraph 19.1.1 is applicable, a copy of the proposed Space Lease. The Port Authority shall thereafter advise the Lessee whether or not the proposed Space Tenant is eligible, suitable and qualified as a Teleport tenant, and, if paragraph 19.1.1 is applicable, whether or not it otherwise consents to the proposed Space Lease. If the Port Authority deems the proposed Space Tenant eligible suitable and qualified and, if paragraph 19.1.1 is applicable, otherwise consents to the proposed Space Lease, the Port Authority shall prepare an agreement consenting to such Space Lease in the form annexed hereto as "Exhibit Z". No Space Tenant shall occupy any portion of the premises or conduct operations therein until the required Port Authority consent has been entered into by and between the Port Authority, the Lessee, and the proposed Space Tenant.

19.1.3 The Port Authority shall within five (5) business days after submission to it of all the information and data required by this Section, give its written consent or state its objections to the proposed Space Tenant <u>provided, however,</u> that if paragraph 19.1.1 is applicable the Port Authority shall have seven (7) business days after such submission to give its consent or state is objections to the proposed Space Lease.

19.2 The Lessee shall enter into all approved Space Leases in its own name and each Space Lease shall be executed by the Lessee. The Lessee shall provide the Port Authority with fully conformed copies of all Space Leases entered into by the Lessee with Space Tenants as expeditiously as possible. The Lessee itself or through a managing agent approved in advance by the Port Authority (the Port Authority not to withhold its approval if the proposed managing agent satisfies the requirements of Section 18.5.2) shall administer all Space Leases and each Space Lease shall contain provisions, among others, providing that the Space Tenant shall: (i) observe, be bound by, and comply with all of the terms, provisions, covenants and conditions of this Agreement affecting its operations under or in connection with the Space Lease and its occupancy of the premises; (ii) use the space it occupies for the purpose set forth in the Space Lease and for no other purpose whatsoever; (iii) pay directly to the Port Authority on demand any rental, fee, charge or other amount due to the Lessee if the Lessee shall be in default under this Agreement. If the Lessee shall have remedied the default, the Port Authority shall remit to the Lessee any such rentals, fees, charges or other amounts it has collected and which have not been used by the Port Authority to perform the Lessee's obligations during the period prior to the curing of the default.

19.2.1 The Lessee covenants that each Space Lease it enters into pursuant to the provisions of this Section:

(i) Shall be subject and subordinate to the terms, covenants, conditions and provisions of the Ground Lease, this Agreement, and the rights of the Port Authority hereunder;

(ii) Shall not be changed or modified, discharged or extended without the prior written approval of the Port Authority, if paragraph 19.1.1 is applicable;

(iii) Shall terminate and expire, without notice to the space tenant, on the day preceding the date of expiration of the Ground Lease, or this Agreement, or on such earlier date as the Lessee and Space Tenant may agree upon, or on the effective date of any revocation of the Port Authority's consent.

19.3 The Lessee shall not suffer or permit any person to use the premises or any portion thereof, except in accordance with the provisions of this Section.

19.3.1 The Lessee shall not suffer or permit any default on its part to continue with respect to any Space Lease which would enable the Space Tenant thereunder to terminate its Space Lease by reason thereof, and, in the event that any Space Tenant shall at any time assert to the Lessee that the Lessee is so in default, the Lessee shall promptly notify the Port Authority in writing of the assertion of such claim.

19.4 Each space lease entered into by the Lessee shall contain the following provisions:

> "Tenant covenants and agrees that, if by reason of a default upon the part of Landlord who is the Lessee under the Underlying Lease covering the demised premises, to wit, the Agreement of Lease dated as of between The Port Authority of New York and New Jersey as Lessor and Teleport Associates as Lessee, in the performance of any of the terms or provisions of such Underlying Lease or if for any other reason of any nature whatsoever such Underlying Lease and the leasehold estate of the Lessee thereunder are terminated by summary dispossess proceedings or otherwise, Tenant, at the request in writing of the then Landlord under such Underlying Lease, shall attorn to and recognize such landlord as Tenant's landlord under this lease. Tenant covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under such Underlying Lease, any instrument which may be necessary or appropriate to evidence such attornment. Tenant further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this lease or give or purport to give Tenant any right of election to terminate this lease or to surrender possession of the premises demised hereby in the event such Underlying Lease terminates or in the event any such proceeding is brought by the landlord under such Underlying lease if such landlord shall have requested in writing that Tenant attorn, as aforesaid and in that circumstance Tenant agrees that this lease shall not be affected in any way whatsoever by any such proceeding or termination. Nothing contained herein shall obligate the landlord to request the Tenant to attorn or to accept such attornment from the Tenant."

19.4.1 Notwithstanding anything to the contrary contained in this Agreement, the Port Authority agrees that after receiving from any Space Lessee occupying at least 10,000 rentable square feet a written request for a non-disturbance agreement, it will not unreasonably refuse to deliver to such Space Lessee such an agreement in customary form, and that it will deliver such agreement within ninety (90) days after receiving such request, provided, however, that the Port Authority shall have previously consented to the form and terms of the Space Lease in question.

19.5 The Lessee hereby assigns to the Port Authority all rents due or to become due from any present or future Space Tenant, provided that so long as the Lessee is not in default thereunder, the Lessee shall have the right to collect and receive such rents for its own uses and purposes. This assignment shall be subject to the rights of any Leasehold Mortgagee under a similar assignment of rents, provided that the Leasehold Mortgagee shall have exercised it rights under Section 18 to remedy the default of the Lessee under Section 18 and shall have made all payments required by Section 18 to be made to the Port Authority and be otherwise diligently performing the conditions of that Section. The effective date of the Port Authority's right to collect rents shall be the date of the happening of a default under the Section of this Agreement entitled "Termination." Thereupon, the Port Authority shall apply any net amount collected by it from Space Tenants to any rent due under this Agreement. No collection of rent by the Port Authority from an assignee of this Agreement or from a Space Tenant shall constitute a waiver of any of the provisions of this Section or an acceptance of the assignee or Space Tenant as a tenant or a release of the Lessee from performance by the Lessee of its obligations under this Agreement. The Lessee, without the prior consent of the Port Authority in writing, will not directly or indirectly collect or accept any payment of rent under any Space Lease more than six months in advance of the date when the same shall become due.

Section 20. Injury and Damage to Person or Property

The Port Authority shall not be liable to the Lessee, or others, for personal injury or death to any person or persons whomsoever, or damage to any property whatsoever located at any time in the premises or elsewhere at the Facility, including but not limited to any such injury, death or damage from falling material, water, rain, hail, snow, gas, steam, dampness, explosion, smoke, radiation, and/or electricity, whether the same may leak into, or fall, issue, or flow from any part of the premises or the Facility, including without limitation thereto any utility, mechanical, electrical, communication, or other systems therein, or from any other place or quarter, unless said damage, injury or death shall be due to the negligence of the Port Authority, its employees or agents.

Section 21. Quiet Enjoyment

The Port Authority covenants and agrees that as long as it remains the lessee of the Teleport the Lessee, upon paying all rentals hereunder and performing all the convenants, conditions and provisions of this Agreement on its part to be performed, shall and may peacefully and quietly have and enjoy the premises free of any act or acts of the Port Authority except as expressly agreed upon in this Agreement.

Section 22. Rights Of Entry Reserved

22.1 The Port Authority, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement, or otherwise.

22.2 Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents, representatives, and contractors, and furnishers of utilities and other services, shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Teleport, to maintain existing and future sewerage, utility, mechanical, electrical and other systems and to enter upon the premises at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in or under the premises new systems or parts thereof, and to use the premises for access to other parts of the Teleport --otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration, or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the premises by the Lessee.

22.3 In the event that any property of the Lessee or of others, shall obstruct the access of the Port Authority, its employees, agents or contractors to any of the existing or future utility, mechanical, electrical and other systems and thus shall interfere with the inspection, maintenance or repair of any such system, the Lessee shall move such property, as directed by the Port Authority, in order that access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so move such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agrees to pay the cost of such moving upon demand.

22.4 Nothing in this Section shall be or shall be construed to impose upon the Port Authority any obligations to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do. The Lessee is and shall be in exclusive

control and possession of the premises and the Port Authority shall not in any event be liable for any injury or damage to any property or to any person happening on or about the premises nor for any injury or damage to the premises nor to any property of the Lessee or of any other person located in or thereon (other than those occasioned by the affirmative acts of the Port Authority, its employees, agents and representatives).

22.5 At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, the Port Authority, for and by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same.

22.6 If, during the last month of the letting, the Lessee shall have removed all or substantially all of its property from the premises, the Port Authority may immediately enter and alter, renovate and redecorate the premises.

22.7 The exercise of any or all of the foregoing rights by the Port Authority or others shall not be or be construed to be an eviction of the Lessee nor be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

Section 23. Termination

23.1 If any one or more of the following events shall occur, that is to say:

(a) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petiton in bankruptcy or a petition or answer seeking an arrangment or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all its property; or

(b) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed or vacated within sixty

(60) days after the filing thereof; or

(c) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(d) By or pursuant to any order or decree of any court or governmental board, agency or officer, a receiver, trustee or liquidator shall take possession or control of all or substantially all the property of the Lessee, or any execution or attachment shall be issued against the Lessee or any of its property whereupon possession of the premises shall be taken by someone other than the Lessee, and any such possession or control shall continue in effect for a period of fifteen (15) days; or

(e) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be sold, transferred, assigned, subleased, mortgaged, pledged, hypothecated, encumbered, conveyed or shall pass to or devolve upon (by operation of law by statute or otherwise) any other person, firm or corportion, except as provided in this Agreement. Except as provided in this Agreement, a transfer of a controlling interest in the corporations which are the general partners of Silverstein Teleport Company and Murray Teleport Associates, respectively, or the sale to third parties of the respective interests of Silverstein Teleport Company and Murray Teleport Associates in the Lessee shall, for purposes of this Section, be considered a transfer under this subdivision; or

(f) The Lessee shall without the prior consent of the Port Authority become a survivor or merged corporation in a merger, the constituent corporation in a consolidation, or a corporation in dissolution provided, however, that a merger or consolidation shall not be grounds for termination hereunder if the resulting or surviving corportion has a financial standing as of the date of the merger or consolidation at least as good as the financial standing of

the Lessee, by which is meant that its working capital, its ratio of current assets to current liability, its ratio of fixed assets to fixed liabilities, and its net worth shall be at least as favorable as that of the Lessee; or

(g) The Lessee is a partnership, and the said partnership shall be dissolved as the result of any act or omission of its partners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever, or any of the events described insubparagraphs (a), (b), (c), or (d) above shall occur to or with respect to one of the entities which are partners in the Lessee or with respect to one of the corporations which are general partners in the partnerships which are partners in the Lessee; or

(h) The Lessee shall fail to commence, perform or complete the design, construction and equipping of any Building it is required to construct under this Agreement within twelve (12) months of the commencement date of the letting established with respect to the Site on which such Building is to be constructed, or the Lessee shall fail to commence operations therein within thirty (30) days after the Completion Date established with respect thereto; or

(i) Any lien is filed against the premises or any Building constructed thereon because of any act or omission of the Lessee and is not removed or discharged within thirty (30) days, unless such thirty (30) day period is extended with the Port Authority's consent, or

(j) The Lessee shall voluntarily abandon, desert or vacate the premises or discontinue its operations therein, or after exhausting or abandoning any right of further appeal, the Lessee shall be prevented for a period of thirty (30) days by action of any governmental agency, other than the Port Authority, having jurisdiction thereof, (other than by condemnation or taking of a temporary interest, as defined in Section 34 hereof, in all or any part of the premises by such governmental agency) from conducting its operations on the premises regardless of the fault of the Lessee; or

(k) The Lessee shall fail duly to pay the rentals, fees, charges or other monies payable hereunder within ten (10) days after receipt of notice from the Port Authority that such rentals, fees, charges, or other monies are due to the Port Authority, or, the Lessee shall fail to pay supplemental rental and Subtenant Impositions to the City of New York within ten (10) days after receipt of notice, either from the Port Authority or the City of New York, that such supplemental rental or Subtenant Impositions are then due; or

(l) The Lessee shall fail to keep, perform and observe each and every promise, covenant and agreement set forth in this Agreement on its part to be kept, performed or observed within thirty (30) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within thirty (30) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority may upon twenty (20) days' notice terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

23.2 No acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part for any period or periods after a default of any of the terms, covenants and conditions hereof to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of the Port Authority to terminate the letting.

23.3 No waiver by the Port Authority of any default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by the Port Authority of any other or subsequent default in performance of any of the said terms, covenants and conditions.

23.4 The rights of termination described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that the Port Authority would have at law or in equity consequent upon any

breach of this Agreement by the Lessee, and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies.

23.5 The Lessee shall not interpose any counterclaim in any summary proceeding or action for non-payment of rental which may be brought by the Port Authority unless such conterclaim, if not interposed, would be unavailable to the Lessee in a separate proceeding.

23.6 Any event described in this Agreement as a ground for termination, including without limitation thereto those stated in paragraph 23.1 of this Section shall be deemed to have occurred if it has occurred with respect to one of the legal entities constituting the Lessee hereunder whether or not it has occurred with respect to all such legal entities, and all acts and omissions of any one of such legal entities shall be deemed to be acts and omissions of all such legal entities under this Agreement and all shall be severally responsible therefor, including but not limited to the obligations of indemnification and repair.

Section 24. Right of Re-Entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in the Section of this Agreement entitled "Termination", have the right to re-enter the premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such reentry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

Section 25. Waiver of Redemption

The Lessee hereby waives any and all rights to recover or regain possession of the premises and any and all rights of redemption, granted by or under any present or future law in the event it is evicted or dispossessed for any cause, or in the event the Port Authority obtains possession of the premises in any lawful manner.

Section 26. Survival of the Obligation of the Lessee

26.1 In the event that the letting shall have been terminated in accordance with a notice of termination as provided in the Section of this Agreement entitled "Termination", or the interest of the Lessee cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed

possession of the premises in accordance with the provisions of the Section of this Agreement entitled "Right of Re-Entry", all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable, as more specifically stated in paragraph 26.2 of this Section, to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place.

26.2 Immediately upon any termination or cancellation pursuant to the Section of this Agreement entitled "Termination", or upon any re-entry, regaining or resumption of possession in accordance with the Section of this Agreement entitled "Right of Re-entry", there shall become due and payable by the Lessee to the Port Authority, in addition to rental which accrued prior to the effective date of termination, without notice or demand and as damages, the sum of the following:

(a) the amount of all unfulfilled monetary obligations of the Lessee under this Agreement, including, without limitation thereto, all sums constituting additional rental under Section 16, and all sums constituting Development Period Rental, Operating Expense Rental, Operating Period Rental, and percentge rental hereunder and the total cost to and expenses of the Port Authority for fulfilling all other obligations of the Lessee which would have accrued or matured during the balance of the term or on the expiration date originally fixed or within a stated time after expiration or termination;

(b) an amount equal to the cost to and the expenses of the Port Authority in connection with the termination, cancellation, regaining possession and restoring and reletting the premises, the Port Authority's legal expenses and cost, and the Port Authority's costs and expenses for putting the premises in order including, without limitation, cleaning, decorating and restoring (on failure of the Lessee to restore), the Port Authority's cost and expense for the care and maintenance of the premises and the furnishing and equipping thereof during any period of vacancy, and any brokerage fees and commissions in connection with any reletting; and

(c) subject to the provisions of paragraph 26.3 below:

(i) on account of the Lessee's Development Period Rental obligations for each Site included in the premises hereunder, an amount equal to the then present value of all Development Period Rental payable with respect thereto as provided for in this Agreement for the entire Development Period for such Site following the effective date of termination, as originally fixed in this Agreement, less the amount thereof which may have been actually paid to the Port Authority by the Lessee.

(ii) on account of the Lessee's Operating Expense Rental obligations for each Site included in the premises hereunder, an amount equal to the then present value of all Operting Expense Rental payable with respect thereto as provided for in this Agreement for the entire term of the letting of such Site following the effective date of termination, as originally fixed in this Agreement, less the amount thereof which may have been actually paid to the Port Authority by the Lessee.

(iii) on account of the Lessee's Operating Period Rental obligations for each Site included in the premises hereunder an amount equal to Four Dollars and No Cents ($4.00) applied to the number of rentable square feet in the building constructed by the Lessee on such Site which would have been used or occupied during the balance of the term if there had been no termination or cancellation (or any re-entry, regaining or resumption of possession) and for the purpose of calculation hereunder, the said number of rentable square feet shall be derived by multiplying the number of annual periods for the Site on which such building is constructed in the said balance of the term by the average annual number of rentable square feet in the building used or occupied in the five annual periods established for such site immediately preceding the effective date of termination except that if less than five annual periods preceded such termination, then the average shall be determined by the actual number of annual periods preceding termination.

(iv) on acocunt of the Lessee's percentage rental obligation for each Site included in the premises hereunder an amount equal to the percentage stated in the Section 5.6.2 of this Agreement applied to the amount constructed on such Site in excess of the annual

fixed rental amount which would have arisen during the balance of the term if there had been no termination or cancellation (or any re-entry, regaining or resumption of possession) and for the purpose of calculation hereunder the annual fixed rental amount shall be derived by multiplying the number of annual periods for the Site in the said balance of the term by the average annual number of rentable square feet in the building constructed on such Site used or occupied in the five annual periods for the Site immediately preceding the effective date of termination except that if less than five annual periods preceded such termination, then the average shall be determined by the actual number of annual periods preceding termination.

It is understood and agreed that the statement of damages under the preceding subparagraphs (a), (b) and (c) shall not affect or be construed to affect the Port Authority's right to damages in the event of termination or cancellation (or re-entry, regaining or resuption of possession) where no rentable square feet have been used or occupied at a building or where the Lessee has not received any actual Net Cash Flow under this Agreement from a building.

(d) an amount equal to the cost to and the expenses of the Port Authority in performing or completing the design, construction and equipping of each building to be constructed by the Lessee under this Agreement (in accordance with the provisions of the Section of the Agreement entitled "Construction by the Lessee") in the event that the Lessee has failed to perform or complete the same on or prior to the effective date of termination under this Section regardless of whether or not such termination results from failure of the Lessee to so perform or complete the same and all other monetary damages incurred by the Port Authority on account of the Lessee's failure to so perform or complete. In any such event the Port Authority may itself perform or contract for the performance or completion thereof or may retain a third party to act as agent or representative in accomplishing the same and the costs and expenses of the agent or representative in addition to those of the Port Authority shall likewise be included in the amount of damage under this provision.

26.3 The Port Authority may at any time bring an action to recover all damages as set forth above not previously recovered in separate actions, or it may bring separate actions to recover the items of damages set forth in subparagraphs (a) and (b) of paragraph 26.2 of this Section and separate actions

periodically to recover from time to time only such portion of the damages set forth in subparagraph (c) of paragraph 26.2 of this Section as would have accrued as rental up to the time of the action if there has been no termination or cancellation. In any such action under subparagraph (c) of said paragraph 26.2 above the Lessee shall be allowed a credit against its survived damages obligations equal to the amounts which the Port Authority shall have actually received from any tenant, licensee, permittee or other occupier of the premises or a part thereof during the period for which damages are sought, and if recovery is sought for a period subsequent to the date of suit a credit equal to the market rental value of the premises during such period (discounted to reflect the then present value thereof). If at the time of such action the Port Authority has relet the premises, the rental for the premises obtained through such reletting shall be deemed to be the market rental value of the premises or be deemed to be the basis for computing such market rental value if less than the entire premises were relet. In no event shall any credit allowed to the Lessee against its damages for any period exceed the then present value of the rental which would have been payable under this Agreement during such period if a termination or cancellation had not taken place. In determining present value of rental an interest rate of 7% per annum shall be used.

Section 27. Reletting by the Port Authority

The Port Authority, upon termination pursuant to the Section of this Agreement entitled "Termination" or otherwise or upon any re-entry, regaining or resumption of possession pursuant to the Section of this Agreement entitled "Right or Re-entry", may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. The Port Authority may grant free rental or other concessions and such reletting may be of part only of the premises or of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions and for purposes the same as or different from those set forth in this Agreement. The Port Authority shall also upon such termination or upon its re-entry, regaining or resumption of possession pursuant to the Section of this Agreement entitled "Right of Re-entry", have the right to repair or make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right of the Port Authority to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder

any net amount remaining after deducting from the amount actually received from the Lessee, licensee, permittee or other occupier as the rental or fee in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as the Port Authority may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith. No such reletting shall be or be construed to be an acceptance of a surrender.

Section 28. Remedies to be Non-Exclusive

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Port Authority or to the Lessee at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Section 29. Surrender

29.1 The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the premises on the date of cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in the same condition as required under paragraph 9.1 of the Section of this Agreement entitled "Maintenance, Repair and Rebuilding" and all of such premises and construction, buildings, structures, improvements and fixtures shall be free and clear of all liens, encumbrances, security interests and of any rights of any subtenants, concessionaires or occupants of the premises.

29.2 Notwithstanding anything to the contrary in this Agreement contained the Lessee and its authorized Space Lessees shall have the right to remove from the premises any or all of their trade fixtures on or prior to the expiration of the letting under this Agreement. The Lessee shall promptly repair any damage resulting from such removal and shall restore the premises by filling in or closing any openings or holes in the floors, walls, ceilings or partitions; all finishes in such areas shall be of the same quality, design and color as those existing on adjacent surfaces. Any trade fixtures remaining on the premises after expiration of the letting or after fifteen (15) days from the effective date of termination of the letting shall be deemed irrevocably abandoned and title to and property in the same shall immediately vest in the Port Authority without the doing of any further act or thing. The Lessee shall, if requested by the Port Authority at such time, execute and deliver to the Port Authority any instrument necessary to transfer to the Port Authority title to all or any of such trade fixtures.

29.3 Unless required for the performance by the Lessee of its obligations hereunder the Lessee shall have the right at any time during the letting to remove, and, on or before the expiration or earlier termination of the letting, shall be obligated to remove its other equipment, inventories, removable fixtures and personal property from the premises, repairing all damage caused by such removal. If the Lessee shall fail to remove such equipment, inventories, removable fixtures and personal property on or before the termination or expiration of the letting the Port Authority may remove the same to a public warehouse for deposit or may retain the same in its own possession and in either event may sell the same at public auction the proceeds of which shall be applied; first, to the expenses of removal, including repair required thereby, and of storage and sale; second, to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, repair, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

29.4 In the event the Lessee does not restore or repair the premises in accordance with the provisions of this Section the Port Authority shall have the right to do so and the Lessee shall reimburse the Port Authority for the cost thereof.

Section 30. Acceptance of Surrender of Lease

No agreement of surrender or to accept a surrender shall be be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representative of the Port Authority, the Lessee, and the Leasehold Mortgagee, if any. Except as expressly provided in this Section, neither the doing of, nor any omission to do, any act or thing, by any of the officers, agents or employees of the Port Authority, shall be deemed an acceptance of a surrender of the letting or of this Agreement. Without limiting the foregoing, no employee or officer of the Port Authority shall be authorized to accept the keys of the premises prior to the expiration date of the letting as fixed in the Section of this Agreement entitled "Term" and no delivery of keys by the Lessee shall constitute a termination of this Agreement or acceptance of surrender.

Section 31. Limitation of Rights and Privileges Granted

31.1 No greater rights or privileges with respect to the use of the premises or any part thereof are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly and specifically granted hereby.

31.2 The premises are let to the Lessee and the Lessee takes the same subject to all the following: (i) easements, restrictions, reservations, covenants and agreements, if any, to which the premises may be subject, (ii) rights of the public in and to any public street, (iii) rights, if any, of any enterprise, public or private, which is engaged in furnishing heating, lighting, power, telegraph, telephone, steam, or transportation services, and of the City and State of New York, (iv) permits, licenses, regulations, and restrictions, if any, of the United States, the City or State of New York or other governmental authority.

Section 32. Ground Lease

32.1 Notwithstanding any other provision of this Agreement, this Agreement shall in any event expire with the expiration or termination of the Ground Lease as the same from time to time may have been or may be supplemented, amended or extended, except as may otherwise be agreed to by the City of New York and the Lessee. The rights of the Port Authority in the premises are those granted to it by the Ground Lease, and no greater rights or privileges are hereby granted or intended to be granted to the Lessee than the Port Authority has power thereunder to grant.

32.2 The Port Authority covenants that, during the term of this Agreement, the Port Authority will not take any action which would amount to or have the effect of cancelling, surrendering or terminating the Ground Lease prior to the date specified in the Ground Lease for its expiration insofar as such surrender, cancellation or termination would in any manner deprive the Lessee of any of its rights, licenses or privileges under this Agreement. The Lessee acknowledges the buy out rights which the City of New York has pursuant to the Ground Lease and understands that nothing herein shall restrict the Port Authority from selling its leasehold interest under the Ground Lease to the City of New York in accordance with the terms of the Ground Lease. Upon termination of the Ground Lease, or a sale to the City of the Port Authority's leasehold interest thereunder, or if for any other reason of any nature whatsoever, the Ground Lease, and the leasehold estate of the Port Authority thereunder, are terminated by summary dispossess proceedings, or otherwise, the Lessee covenants and agrees pursuant to the requirements of the Ground Lease, at the request in writing of the City, to attorn to, or enter into a direct lease with, the City of New York on terms consistent with those set forth in this Agreement and to recognize the City as its landlord under this Agreement. The Lessee covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the City, any instrument which may be necessary or appropriate to evidence such

attornment. The Lessee further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this Agreement or give or purport to give the Lessee any right of election to terminate this Agreement or to surrender possession of the premises in the event the Ground Lease terminates or in the event any such proceeding is brought by the City under the Ground Lease, if the City shall have requested in writing that the Lessee attorn, as aforesaid, and in that circumstance the Lessee agrees that this Agreement shall not be affected in any way whatsoever by any such proceeding or termination. Nothing contained herein shall obligate the City to request the Lessee to attorn or to accept such attornment from the Lessee.

32.3 Nothing herein contained shall prevent the Port Authority from entering into an agreement with The City of New York pursuant to which the Ground Lease is surrendered, cancelled or terminated provided that The City of New York, at the time of such agreement, assumes the obligations of the Port Authority under this Agreement.

32.4 Nothing contained in this Agreement shall be deemed a waiver by the Lessee of any of its rights, licenses or privileges surrendered, cancelled or terminated prior to the dates specified in the Ground Lease for its expiration.

Section 33. Notices

33.1 Notices, requests, permissions, consents and approvals given or required to be given to or by either party under this Agreement, shall not be effective unless they are given in writing, and all such notices shall be (i) personally delivered to the party or a duly designated officer or representative of such party; or (ii) delivered to the office of such party, officer or representative during regular business hours, or (iii) if directed to the Lessee, delivered at the premises at any time; or (iv) forwarded to such party, officer or representative at the office or residence address by registered or certified mail. The Lessee shall designate an office within the Port of New York District and an officer or representative whose regular place of business is at such office. Until further notice, the Port Authority hereby designates its Executive Director, and the Lessee designates Larry Silverstein as their respective officers or representatives upon whom notices and requests may be served, and the Port Authority designates its office at One World Trade Center, New York, New York 10048 and the Lessee designates its office at its address stated on the first page hereof, as their respective offices where notices and requests may be served.

33.2 If any notice is mailed, the giving of such notice shall be deemed complete as of the date of the registered or certified mailing thereof.

33.3 If any notice is delivered, the giving of such notice shall be complete upon receipt, or, in the event of a refusal by the addressee, upon the first tender of the notice to the addressee or at the permitted address. If any notice is sent by telegraph, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice by the telegraph company to the addressee or at the address therof.

Section 34. Condemnation

34.1 Definitions

34.1.1 As used in this Section, the phrase "temporary interest", when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to the possession of such property (whether or not such interest includes or is co-extensive with an interest of the Lessee therein under this Agreement), for an indefinite term or for a term terminable at will or at sufferance or for a term measured by a war or an emergency or other contingency or for a fixed term expiring prior to the expiration date of this Lease; and the phrase "permanent interest", when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to possession therof, other than a temporary interest as above defined, including among others a fee simple and an interest for a term of years expiring on or after the expiration of this Agreement.

34.1.2 As used in this Section with reference to any Site forming a part of the premises leased to the Lessee for its exclusive use, the phrase "a material part" shall mean such a part of the said Sites that on an economic or operational basis the Lessee cannot continue to carry on therein the operations described in the Section of this Agreement entitled "Rights of User by the Lessee" without using such part.

34.2 Condemnation or Taking of a Permanent Interest in All or Any Part of the Premises

34.2.1 If, in the event of an acquisition by condemnation or the exercise of the power of eminent domain by anybody having a superior power of eminent domain of a permanent interest in all or any part of the premises or the improvements, construction and installations constructed by the Lessee thereon pursuant to the terms of this Agreement (which improvements, construction and installations are sometimes hereinafter referred to as "the facilities", any such acquisition under this Section being hereinafter referred to as a "permanent taking"), the permanent taking covers all or a material part of any Site forming a part of the premises and facilities, this Agreement and the letting hereunder shall terminate and expire as to such Site on the earlier of (i) the date Lessee is deprived of physical possession thereof or (ii) the date of such taking; all rentals, fees and payments due under this Agreement with respect to such Site shall be apportioned and paid by the Lessee to the date of such termination. With respect to any Site not so taken, the letting shall continue in full force and effect (subject to the provisions of subsection 34.2.3 hereof) and the Lessee shall continue to pay all sums, charges and fees applicable to the Site not so taken, including rental provided to be paid by the Lessee under this Agreement, without any reduction or abatement.

34.2.2 In the event a permanent taking covers less than all or a material part of any Site forming a part of the premises and facilities, this Agreement and the term of the letting hereunder shall be deemed terminated as to the part of such Site so taken as of the earlier of (i) the date the Lessee is deprived of physical possession of such part, or (ii) the date of such taking; and with respect to the part not taken, the letting shall continue in full force and effect (subject to the provisions of subsection 34.2.3 hereof) and the Lessee shall continue to pay all sums, charges and fees including rental provided to be paid by the Lessee under this Agreement without any reduction or abatement, provided, however, that if the taking covers any portion of any Site comprising a part of the premises, the applicable rentals for such Site referred to in the Section of this Agreement entitled "Rental" shall be abated as provided therein.

34.2.3 If any portion of the premises, or any Site forming a part thereof shall be damaged or partially destroyed by any permanent taking of less than all or a material part of any Site forming a part of the premises, the Lessee shall give the Port Authority prompt notice thereof and shall proceed with due diligence to perform any necessary demolition and to repair, replace or rebuild at the Lessee's own cost and expense any remaining part of the premises so as to constitute such remaining part a complete architectural unit of such usefulness, design and construction as to enable the Lessee to carry on therein the

activities described in the Section of this Agreement entitled "Rights of User by the Lessee", unless the parties shall otherwise agree in advance. All work necessary to repair, replace and rebuild the said facilities shall be performed in full compliance with the provisions of this Agreement including but not limited to the provisions of this Agreement entitled "Alterations and Improvements by the Lessee".

34.3 Condemnation or Taking of A Temporary Interest in all or Any Part of the Premises

If a temporary interest in the premises or the facilities or in any part thereof shall be taken in condemnation or other eminent domain proceedings (such taking being hereinafter referred to as "a temporary taking") then this Agreement shall nevertheless continue in full force and effect except to the extent the Lessee may be prevented from so doing pursuant to the terms of the order of the condemning power and the Lessee shall continue to pay all sums, charges and fees including rental, if any, provided to be paid by the Lessee under this Agreement without any reduction or abatement therein, but the Lessee shall have the right to assert a claim in such proceedings to protect its interests and to determine the value of the interest so taken. If such temporary taking is of a part only and the same shall damage the premises or the facilities, the Lessee at its cost and expense shall diligently repair any such damage and the said facilities shall be as nearly as possible in the condition thereof immediately prior to such taking.

34.4 Determination and Distribution of Award

34.4.1 (a) In the event of a permanent taking of all or any part of any Site forming a part of the premises, the Port Authority, the Lessee, and the Leasehold Mortgagee with respect to such Site, if any, shall have the right to appear in the condemnation or eminent domain proceedings and to participate in any and all hearings, trials and appeals therein, for the purpose of protecting their interests hereunder. In any such proceeding to determine the value of the Site so taken, the Port Authority and the Lessee shall together make one claim for their combined interest in the Site and the building, fixtures, equipment, furnishings and other property constructed, installed or situated therein and thereon (to the extent compensable), and the net award received shall be paid as hereafter provided in this Section 34.

(b) Nothing contained herein shall be deemed to affect in any way any claim the Port Authority may have for the value of any portion of the Facility not included within the premises hereunder which may be affected by any taking described in this Section or shall serve to give the Lessee any interest in any such claim.

34.4.1.1 The rights of the Port Authority and the Lessee in and to the net award or awards upon any permanent taking of all or a material part of any Site forming a part of the premises shall be determined as follows and in the following order priority:

(a) The Port Authority shall be entitled to receive and retain an amount equal to its investment in the Infrastructure with respect to the Site so taken;

(b) The Lessee shall be entitled to receive and retain an amount equal to the remaining unpaid principal amount, accrued interest, and all other sums due to the Leasehold Mortgagee under the Leasehold Mortgage as of the effective date of such taking, or in the event said Leasehold Mortgage has been foreclosed prior to the date of such taking the remaining unpaid principal amount, accrued interest and all other sums due on the Leasehold Mortgage at such foreclosure and the expenses incurred by the Leasehold Mortgagee in connection with such foreclosure; The portion of the Lessee's award described in this subparagraph shall be paid by the Lessee to the Leasehold Mortgagee and then the Leasehold Mortgage shall be satisfied and discharged of record.

(c) The Port Authority shall then be entitled to receive and retain an amount equal to the value of the land.

(d) The Lessee shall be entitled to receive an amount equal to value of the building and the fixtures, equipment, furnishing and other property so taken provided, however, that the portion of the award described in this subparagraph which remains after deducting therefrom the sum of the following: (i) a sum determined by subtracting the original Mortgage Amount from the total monies paid by the Lessee to contractors for the initial design, construction, equipping and furnishing of the buildings (said sum so arrived at being sometimes hereinafter called "Lessee's Initial Cost of Construction") or in the event said Leasehold Mortgage has been foreclosed prior to the date of such taking a sum determined by subtracting the remaining unpaid principal amount and accrued interest due the Leasehold Mortgagee at such foreclosure and the expenses incurred by the Leasehold Mortgagee in connection with such foreclosure from the total purchase price paid by the purchaser at foreclosure for the premises; and (ii) the remaining unpaid principal, fixed interest , and all other sums due on any loan obtained by the Lessee the proceeds of which have been used solely to finance the cost of performing an item of construction, improvement, alteration, modification or replacement work pursuant to the provisions of Sections 6, 9, or 11 of this Agreement provided the terms of said loan have been approved by the Port Authority in accordance with the provisions thereof (or the unamortized costs of performing the work described in said Sections and paid for by the Lessee in cash), shall be paid to the Port Authority. The Lessee's Initial Cost of Construction shall be determined in

accordance with the provisions of Schedule E annexed to this Agreement.

34.4.2 Upon a permanent taking of less than all or a material part of any Site forming a part of the premises, the award shall be made available to the Lessee for the repair or rebuilding of the Building constructed thereon, and such portion of the award remaining after providing for the repair or rebuilding of the Building constructed thereon shall be distributed in accordance with the provisions of paragraph 34.4.1.1, provided, however, that the sums described in subparagraphs (a), (b), (c), and (d) of said paragraph 34.4.1.1 shall each be multiplied by a fraction of the numerator of which shall be the number of square feet in the portion of the Site taken pursuant to such taking and the denominator of which shall be the total number of square feet originally included therein.

34.4.3 Upon a temporary taking of all or any portion of the premises, and subject to the Lessee's repair obligations as set forth in paragraph 34.3 hereof, the Lessee shall be entitled to receive the full amount of the net award except for such portion of the award representing any period of the taking subsequent to the term of the letting hereunder which portion shall be paid to and retained solely by the Port Authority. The portions of the award received by the Lessee shall be deemed a part of Gross Revenues in the annual period in which received provided, that, if the award for such temporary taking is paid in a lump sum or sums it shall be allocated to Gross Revenue on a pro-rata basis in each Annual Period in the period of the temporary taking.

34.4.4 Nothing contained herein shall or shall be deemed to limit the Port Authority's right to participate in any condemnation proceeding affecting the Facility for the purpose of protecting its interest under the Ground Lease.

34.5 In the event of a disagreement between the parties hereto (a) as to whether or not any taking is of a material part of any Site (as defined in paragraph 34.1.2 hereof), or (b) as to the portion of any award or payment for a temporary taking which represens compensation for the expense of a restoration, after repossession by the Lessee or the Port Authority, either party hereto may within 30 days after disagreement serve written notice on the other setting forth that the matter in dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or of any successor association. Each party shall select an architect or engineer to act as arbitrator in the dispute unfer paragraph (a) below, and an accountant or auditor in the dispute under paragraph (b) below, the two arbiyrators thus selected shall select a third and if neither they nor the parties can agree on the third, the remaining enginer or architect shall be selected by the presiding justice of the Appellate Division, First Department or failing

that by an officer of the American Arbitration Association. The arbitrators shall be required to render a written decision and such decision shall be binding on the Port Authority and the Lessee and both parties agree to comply therewith. Costs and expenses of said arbitration shall be borne equally by the Port Authority and the Lessee and none of the same shall be includable under Gross Expenses. In any such arbitration as to whether or not a taking is of a material part of any Site the question to be submitted to the arbitrators for decisions shall be as follows:

> (a) "Can the portion of the building constructed on such Site taken be adequately restored, repaired or reconstructed so that on an economic and operational basis it will constitute a complete architectural unit of such usefulness, design and construction so as to enable it to be used for the purposes set forth in Section 3 of this Agreement?"

In any such arbitration as to what portion of the award or payment for a temporary taking of any Site represents compensation for the expense of restoration after repossession by the Lessee or the Port Authority, the question to be submitted to the arbitrators for decision shall be as follows:

> (b) "What portion of the award given as compensation for the taking of a temporary interest in the Site represents compensation for the expense of restoring the building constructed thereon after reversion of possession thereof to the Lessee of the Port Authority?"

Section 35. <u>Separability</u>

Each and every covenant and agreement contained in this Lease shall for all purposes be construed to be a separate and independent covenant and agreement and the breach of any such covenant or agreement by the Port Authority shall not to any extent discharge or relieve the Lessee from the Lessee's obligation to perform each and every covenant and agreement of this Lease to be performed by the Lessee. If any term or provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid and unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the extent permitted by law.

Section 36. Premises

The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the premises or the suitability thereof for the operations permitted on the premises by this Agreement. The Lessee, prior to the execution of this Agreement, has thoroughly examined the premises and has found them to be suitable for the Lessee's operations hereunder. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use it will immediately correct any such unsafe or improper condition.

Section 37. Payments

37.1 All payments required of the Lessee by this Agreement shall be made at the office of the Treasurer of the Port Authority, One World Trade Center, New York, New York 10048 or to such other officer or address as may be substituted therefor. All payments of supplemental rent and Subtenant Impositions required of the Lessee by this Agreement shall be made at the office of the New York City Department of Finance, Bureau of City Collections, Room 375, 139 Centre Street, New York, New York 10013 or to such other address as may be substituted therefor.

37.2 No payment by the Lessee or receipt by the Port Authority of a lesser rental amount than that which is due and payable under the provisions of this Agreement at the time of such payment shall be deemed to be other than a payment on account of the earliest rental then due, nor shall any endorsement or statement on any check or in any letter accompanying any check or payment be deemed an accord and satisfaction, and the Port Authority may accept such check or payment without prejudicing in any way its right to recover the balance of such rental or to pursue any other remedy provided in this Agreement or by law.

Section 38. Brokerage

38.1 The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker, finder or similar agent who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority from any claims for commission, brokerage or fee made by any person, firm or corporation for services in connection with the negotiation or execution of this Agreement.

38.2 Notwithstanding the provisions of paragraph 38.1 the Lessee's indemnification thereunder shall extend only to claims and demands based on the acts of the Lessee.

Section 39. Communications Facilities

39.1 The Lessee understands that so long as the Sublease is in full force and effect, and the Port Authority is the tenant under the Ground Lease, the Partnership shall be the exclusive provider of communications services and facilities at the Teleport, including, without limitation, all antennas, conduit, and cabling and including any such items located in, on, or around any buildings and structures at the Teleport, and the Lessee shall not and shall not permit any of its Space Tenants or other third party, to install, contract for, or use, or cause to be installed, contracted for, or used, any such items, services, or facilities at the Teleport not provided by the Partnership without the prior written approval of the Partnership, which may be withheld or subject to such conditions as the Partnership in its sole discretion may determine, provided, however, that the Partnership shall consent to tenant-furnished internal building wiring and tenant-furnished internal terminal equipment with respect to initial tenants of buildings not yet constructed, but only if the Partnership is reasonably satisfied after testing and inspection that such wiring and equipment is technologically compatible with its telecommunications equipment and configurations at the Teleport. The Partnership's rights under this paragraph shall terminate at any time on or after the seventh anniversary of the commencement date of the Ground Lease if the Ground Lease has terminated or the Port Authority has ceased to be the lessee thereunder. To the extent that any other provision of this Agreement may or may be deemed to grant the Lessee a right inconsistent with the provisions of this Section the provisions of this Section shall be controlling.

39.2 In the event the Lessee or any of its Space Tenants is required or permitted to construct and operate a facility, antenna or any other item of equipment for the transmission of telecommunications signals to satellites, then prior to constructing and/or installing any such the Lessee shall:

(i) devise a program with respect to each such facility, antenna or item of equipment for monitoring electromagnetic radiation levels issuing therefrom on and in the vicinity of the premises (the "Program");

(ii) select a firm to carry out the Program (the "Monitor"); and

(iii) obtain through the Bureau of Radiation Control of the New York City Department of Health (the "Bureau"), the City's approval of both the Program and the Monitor.

The Lessee shall cause monitoring of electromagnetic radiation levels under each Program to commence when the facility, antenna or equipment covered by such Program commences to transmit signals and such monitoring shall be maintained in effect so long as such antenna or equipment continues in operation.

39.2.1 So long as any Program described in paragraph 39.2 is in operation the Lessee shall:

(i) submit to the Bureau from time to time but no less frequently than four (4) times per calendar year all reports produced by the Monitor with regard to the results of monitoring electromagnetic radiation levels under the Program;

(ii) substitute the City of New York as Monitor if and when the City develops its own capability to monitor electromagnetic radiation and pay for all costs and expenses incurred by the City as such Monitor; and

(iii) insure that monitoring occurs at locations on the premises which are readily or generally accessible to those employed at the Teleport or the general public.

39.2.2 If and when the level of electromagnetic radiation produced on the premises, as measured at one or more locations readily or generally accessible to those employed at the Teleport or the general public, exceeds the greater of fifty (50) microwatts/CM2 or any maximum permissible standard hereinafter adopted by the City, the Lessee shall take all necessary steps to reduce the level of electromagnetic radiation produced at the relevant locations to a power density below the applicable level.

39.2.3 If tests of a type then generally recognized as appropriate for the purpose determine that the reported level of electromagnetic radiation produced on the premises exceeds the permissible level defined in paragraph 39.2.2 hereof because of the multiple activities of the Lessee and other lessees at the Teleport, the responsibility for and expense of reducing such

level to the permissible standard shall be upon the Lessee and such other lessees, determined according to the inverse sequence of their initiating the particular activity or activities at the Teleport without whose inclusion thereat the permissible level of radiation would not be exceeded, provided, however, that if such testing determines that the reported level of electromagnetic radiation produced on the premises exceeds the permissible level defined in paragraph 39.2.2 hereof because of the multiple activities of the Lessee and the Partnership, or its successors, and the Lessee at the Teleport, the responsibility for and expense of reducing such level to the permissible standard shall be exclusively upon the Lessee, unless the Lessee's activities have been specifically consented to by the Partnership, in which event such responsibility shall be upon the Partnership and the Lessee, determined according to the inverse sequence of their initiating the particular activity or activities at the Teleport without whose inclusion thereat the permissible level of radiation would not be exceeded. The party responsible for reducing such level to the permissible standard shall attach protective devices to its equipment, if the reported level of electromagnetic radiation produced on the premises would thereby be reduced to the permissible standard, or if such level can not be so reduced, the responsible party will permanentaly discontinue the said activity.

Section 40. Services and Utilities

40.1 Subject to all the terms and provisions of this Agreement, and to the extent that their consumption does not exceed the capacity of feeders, risers or wiring in the premises or the Facility, the Port Authority will furnish to the Lessee and the Lessee's Space Tenants, respectively, and the Lessee and the Lessee's Space Tenants each will take and pay for electricity of the same characteristics and capacity as is supplied by the public utility company in the vicinity, but limited, however, to serve a maximum of 2200 KVA installed transformer capacity with respect to Site A, and, with respect to any other Site constituting a part of the premises, limited to serve a maximum equal to 20 watts multiplied by the number of rentable square feet contained in the building to be constructed on such Site, to be used for their respective operations, the quantity of such electricity supplied to the Lessee and its Space Tenants to be measured by meters installed for that purpose and the Lessee and each Space Tenant to pay for the electricity supplied to them an amount equal to the Port Authority's cost of obtaining the same quantity of electricity plus an amount (which amount is hereinafter referred to as "the incremental amount") not to exceed 15% of such costs to reimburse the Port Authority for the cost of supplying and distributing such electricity, provided, however, that the Port Authority shall not be entitled to receive any portion of the incremental amount which when added to the Port Authority's cost of obtaining the electricity shall exceed the rates that would be charged for supplying and distributing the same quantity of electricity, to be used for the same purposes, under the same conditions, by the Public Service & Gas Company of New Jersey, Inc. at the time of such purchase and

under the service classification which would be applicable to the Space Tenant if the Public Service & Gas Company of New Jersey, Inc. were supplying such electricity. The Lessee understands that the Port Authority is currently receiving electricity from The Power Authority of the State of New York (hereinafter referred to as "PASNY"). The Port Authority will continue to obtain electrical power from PASNY so long as PASNY continues to make such power available to the Port Authority. The Lessee shall be solely responsible for transforming the electricity to such voltage, phase and frequency as it and its Space Tenants desire, LS for the distribution and handling thereof within the premises and for connecting and tying into its systems to the connection points on the boundary of the premises as selected by the Port GFT Authority to which the Port Authority will deliver the said electricity through Port Authority wires, conduits or connections therefor. The Lessee and each Space Tenant shall furnish, MW install and maintain, subject to the provisions of this Agreement, all equipment required for the use of such electricity including without limitation thereto all cables, wires, fixtures, conduits, outlets, vents, switches, transformer cabinets and metering pans. The Port Authority shall have no responsibility for the distribution of electrical current in the premises or for the maintenance therein of any electrical usage. If from time to time, in the Port Authority's opinion, the load requirements of the Lessee and its Space Tenants for electricity have increased beyond the agreed upon capacity set forth above the Lessee shall at its own expense make such changes in the distribution system on the premises and pay the cost of such changes in the distribution system off the premises as are required in the Port Authority's opinion by reason of such increased load except that the Port Authority shall install a different meter and furnish a different current transformer, if required, which the Lessee shall install at its own expense. All work performed by the Lessee and equipment installed by it shall be subject to the Port Authority's prior approval and subject to its directions, supervision and inspection and the Lessee shall redo or replace any part of the electrical installation on the premises at the Port Authority's direction.

40.1.1 Subject to all of the terms and provisions of this Agreement, the Port Authority will furnish to the Lessee at each Site included in the premises hereunder and the Lessee will take and pay for cold water (of the character furnished by the City of New York) in reasonable quantities through existing pipes, mains and fittings, the quantity of water consumed by the Lessee to be metered by a meter or meters installed on the premises for such purpose and to be paid for by the Lessee at a rate equal to 125% of the charge which the Lessee would have to pay if it received the water directly from the municipality or public utility supplying the same. The supply of cold water to the premises shall be made by the Port Authority to the Lessee at such points on the boundary of the premises as the Port Authority shall designate for connection to such pipes, mains, fixtures and outlets as may be installed by the Lessee in the premises pursuant to the terms of this Agreement. The Port Authority

shall have no responsibility for the handling and distribution of cold water within the premises or for the maintenance of any systems installed by the Lessee therein.

40.1.2 Subject to the provisions of the Section of this Agreement entitled "Construction by the Lessee" the Lessee shall construct and install in the premises such lines, mains, conduits, pipes, cables, wires, manholes, fittings, meters and other facilities as shall in the opinion of the Port Authority be necessary or desirable, to connect all utility and communications services on the premises, including without limitation storm sewer, sanitary sewer, telephone, and other communications services, and fire alarm and fire protection services with supply lines off the premises at the locations designated by the Port Authority. The Lessee shall be solely responsible for bringing such services or utilities from the off premises point or points of connection therefor to the premises and for the handling and distribution thereof within the premises.

40.2 Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all equipment, systems, piping systems, tie-ins, utilities, lines and connections, mechanical, electrical, communications and other systems serving the premises or any portions thereof and the Port Authority shall have no responsibility for heating or cooling any Building, constructed by the Lessee, for electrical distribution therein, or for the maintenance of any specified temperature or comfort level or electrical usage. Without limiting in any way the extent of the Lessee's maintenance obligations as set forth elsewhere in this Agreement, the Lessee shall do all preventative maintenance and make all repairs, replacements, rebuilding and improvements necessary to keep such systems (whether the same involves structural or nonstructural work and whether located on or off the premises) in the condition they were in when made or installed.

40.3 Without in any wise limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used by it in its operations hereunder whether such pipes are located on the premises or elsewhere at the Facility. The Lessee shall also keep clean, repair and maintain all ventilation and exhaust ducts including the replacement of all filters where such ducts are exclusively used by it in its operations hereunder and whether such ducts are located on the premises or elsewhere at the Facility.

40.4 If for any reason any meter fails to record the consumption of any utilities described in this Section for which a metered rate is charged the consumption thereof during any such period that the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption as selected by the Port Authority.

40.5 If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any rate, charge, fee or rent on the Port Authority for any service, system or utility now or in the future supplied to or available to the premises or to any occupants or users thereof or to the Facility of which the premises form a part (including but not limited to electricity, cold water and any existing or future charge for sewer services furnished by the City of New York as are presently or may hereafter be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof) the Lessee shall, at the option of the Port Authority, exercised at any time and from time to time by notice to the Lessee, pay, in accordance with said notice, such rate, charge, fee or rent or increase thereof (or the portion thereof reasonably allocated by the Port Authority to the premises or the Lessee's operations hereunder) either directly to the governmental body, authority or agency or to the public utility or directly to the Port Authority.

40.6 The Port Authority shall have the right to discontinue temporarily the supply of any of the above services when necessary or desirable in the opinion of the Port Authority in order to make any repairs, alterations, changes or improvements in the premises or elsewhere at the Teleport, including but not limited to all systems for the supply of services. Except in cases of emergency, the Port Authority shall give the Lessee prior notification before any such discontinuance. The Port Authority shall proceed with reasonable promptitude to make such repairs, alterations, changes or improvements as are required and to restore the supply of services which have been discontinued.

40.7 No failure, delay, interruption or reduction in any service or services shall be or shall be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of the rentals payable hereunder, or shall constitute grounds for any claim by the Lessee for damages consequential or otherwise, unless due to the affirmative failure or negligent acts of the Port Authority, its employees or agents. The Lessee shall not be entitled to receive any service or services during any period in which the Lessee shall be under notice of default in the payment of rent or in the payment for such services as to which the applicable period to cure, if any is provided for in this Agreement, has passed.

40.8 The Port Authority shall be under no obligation to supply any service or services if and to the extent and during any period that the supplying of any such service or services or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port

Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency.

40.9 Notwithstanding that the Port Authority has agreed to supply any service hereunder to the Lessee, where such service is to be metered the Port Authority shall be under no obligation to provide or continue any such service if the Port Authority is prevented by law or by agreement resulting from a condition imposed by the supplier from submetering such service. In any such event the Lessee shall make all necessary arrangements for obtaining such service directly with the public utility and the Lessee shall perform at its expense the construction (subject to the terms of this Agreement) necessary for conversion; if the Lessee is permitted to use any existing Teleport equipment or facilities in connection therewith, the Lessee shall pay the Port Authority for the Port Authority's costs thereof.

40.10 The Port Authority shall have no obligations or responsibility with respect to the performance of any services or providing, supplying or furnishing to the Lessee or any utilities or services whatsoever except as expressly provided in this Section.

Section 41. Definitions

The following terms, when used in this Agreement, shall have the respective meanings given below:

41.1 "Letting" shall mean the letting under this Agreement for the original term stated herein, and shall include any extension thereof which may be made pursuant to the provisions of this Agreement or otherwise.

41.2 "Teleport" or "Facility" shall mean that portion of the Staten Island Industrial Park leased by the City of New York to the Port Authority pursuant to the Ground Lease, being the land and premises in the City of New York, in the County of Richmond and State of New York, which are described in Schedule A attached to the Ground Lease, and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for Teleport purposes.

41.3 "Premises" shall include the land, the buildings, structures and other improvements located or to be located or to be constructed therein or thereon, the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch-basins.

41.4 "Agreement" or "Lease" shall mean this agreement of lease.

41.5 The phrase "duct, drain, utility, mechanical, electrical, communication and other systems" shall mean and include (without limitation thereto) the following: machinery, engines, dynamos, fans, boilers, elevators, escalators, incinerators and incinerator flues, systems for the supply of fuel, electricity, water, gas and steam, plumbing, heating, sewerage, drainage, ventilating, air conditioners, communications, fire-alarm, fire-protection, sprinkler, telephone, telegraph and other similar systems, fire hydrants, fire hoses, and their respective wires, mains, conduits, lines, tubes, pipes, equipment, motors, cables, fixtures and other equipment.

Section 42. Headings

The section headings and the paragraph headings, if any, in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

Section 43. Relationship of the Parties

This Agreement does not constitute the Lessee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint adventure is hereby created.

Section 44. Force Majeure

44.1 Neither the Port Authority nor the Lessee shall be liable for any failure, delay or interruption in performing their obligations hereunder due to causes or conditions beyond their control; provided, however that this provision shall not apply to failures by the Lessee to pay the rentals or other charges, fees or payments specified in this Agreement.

44.2 "Causes or conditions beyond their control" shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of Governmental authority, war, shortage of labor or materials, acts of third parties for which neither the Port Authority nor the Lessee are is not responsible, injunctions, labor troubles or disputes of every kind or any other conditions or circumstances, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) which is beyond the control of the Port Authority and the Lessee or which could not be prevented or remedied by reasonable effort and at reasonable expense.

Section 45. Governmental Compliance

In the event that all or any portion of the premises is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority shall give the Lessee notice that all or any such portion of the premises is so required and the Lessee shall deliver all or any such portion of the premises so required on the date specified in such notice, and if the Lessee does not so deliver, the Port Authority may take the same. The provisions of the Section of this Agreement entitled "Condemnation" shall apply to any such delivery by the Lessee or taking by the Port Authority and no such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement or shall be made the basis of any claim by the Lessee against the Port Authority for damages, consequential or otherwise. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the premises so required in the same condition as that required hereunder for the delivery of the premises on the cessation of the letting.

Section 46. Construction and Application of Terms

46.1 The Lessee's representative, hereinbefore specified in this Agreement (or such substitute as the Lessee may hereafter designate in writing), shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

46.2 Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual gender or number thereof.

46.3 Whenever in this Agreement, the Lessee is placed under an obligation to covenant to do or to refrain from, or is prohibited from doing, or is entitled or privileged to do, any act or thing, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees. None of the provisions of this paragraph shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, business visitors, agents, representatives, contractors, customers, guests, or other persons, firms or corporations doing business with it or who or which are using or are on or at the premises with its consent.

46.4 All designations of time herein contained shall refer to the time-system then officially in effect in the municipality wherein the premises are located.

46.5 Unless otherwise stated in this Agreement, the rights of user thereby granted to the Lessee with respect to the premises shall be exercised by the Lessee only for its own account and, without limiting the generality of the foregoing, shall not be exercised as agent, representative, factor, broker, forwarder, bailee, or consignee without legal title to the subject matter of the consignment.

46.6 The provisions and obligations contained in any Exhibits or Schedules attached hereto whether there set out in full or as amendments of or supplements to provisions elsewhere in this Agreement stated shall have the same force and effect as if herein set forth in full.

46.7 This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

46.8 No greater rights or privileges with respect to the use of the premises or any part thereof or with respect to the Facility are granted or intended to be granted to the Lessee by this Agreement, or by any provision hereof, than the rights and privileges expressly granted hereby. Neither a partnership nor any joint venture is hereby created.

Section 47. Estoppel Certificates

47.1 The Lessee shall, without charge, at any time and from time to time, but not more than twice yearly, within ten days after request by the Port Authority, certify by written instrument, duly executed, acknowledged and delivered to the Port Authority or any person, firm, or corporation specified by the Port Authority:

(a) that this Agreement is unmodified and in full force and effect, or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications;

(b) whether or not there are then existing any set-offs or defenses against the enforcement of any of the agreements, terms, covenants or conditions hereof and any modifications thereof upon the part of the Lessee to be performed or complied with, and if so, specify the same; and

(c) the date, if any, to which the rental and other charges hereunder have been paid.

47.2 The Port Authority shall, without charge, at any time from time to time, but not more than twice yearly, within ten days after request by the Lessee or any Leasehold Mortgagee,

certify by written instrument, duly executed, acknowledge and delivered, to the Lessee or any Leasehold Mortgagee or any other person, firm or corporation specified by the Lessee or any Leasehold Mortgagee:

(a) that this Agreement is unmodified and in full force and effect, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications;

(b) that the Port Authority to the best of its actual knowledge knows of no condition or event which constitutes a default by the Lessee or Leasehold Mortgagee of a substantial obligation under this Agreement, or, if the Port Authority knows of any such condition or event, specifying to the best of the Port Authority's knowledge the nature thereof; and

(c) the dates, if any, to which the rental and other charges hereunder have been paid.

Section 48. Non-Liability of Individuals

Neither the Commissioners of the Port Authority nor the Directors of the corporate general Partners of Silverstein Teleport Company and Murray Teleport Associates, nor any of them, nor any officer, agent or employee of any party hereto, shall be charged personally by any party hereto with any liability or held personally liable under any term or provision of this Agreement or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

Section 49. Labor Harmony Obligation

The Lessee shall use its best efforts, taking all measures and means, to insure labor harmony in its operations at the Facility, all to the end of avoiding and preventing strikes, walkouts, work stoppages, slowdowns, boycotts and other labor trouble and discord. The Lessee recognizes the essential necessity of the continued and full operation of the Facility.

Section 50. No Discrimination

The Lessee shall treat all employees and applicants for employment at the premises without unlawful discrimination as to race, creed, color, national origin, sex, age, handicap, marital status, sexual orientation or affectional preference in all employment divisions, including but not limited to recruitment, hiring, compensation, training and apprenticeship, promotion, upgrading, demotion, downgrading, transfer, lay-off and termination, and all other terms and conditions of employment

except as provided by law, and shall state in all solicitations for employment at the premises that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, sex, sexual orientation or affectional preference.

Section 51. Objectionable Interference

51.1 In the event the Lessee desires or is required to construct any improvement in the air space of areas adjoining the portion of the premises leased by the Port Authority to the Partnership, as shown on Exhibit A annexed to the Sublease, the Lessee shall submit the plans of the proposed improvement to be constructed in such areas to the Partnership for comments regarding objectionable interference with the communications activities being carried on by them at the time. As expeditiously as possible, but in any event within forty-five (45) days following their receipt of such plans, the Partnership shall give written approval thereto or shall request such revisions or modifications therein as may be necessary to correct the cause of the objectionable interference. Failure to comment within such period shall be deemed an approval of such plans. The Lessee shall either revise or cause such revisions to be made to such plans to comply with the comments if any, made by the Partnership, or, if the Lessee shall be unwilling to alter them to meet the objections, the matter shall be sumitted to an engineering committee consisting of one engineer selected by the Lessee, one to be selected by the Partnership, and the third to be selected by the two engineers so selected. If neither the two engineers so selected or the parties can agree on a third engineer, the remaining engineer shall be selected by the Presiding Justice of the Appellate Division, First Department, or failing that, by an officer of the American Arbitration Association. It shall be the duty of the members of such committee to determine whether in their opinion the plans are such that there will result from the construction of the proposed improvement objectionable interference, as hereinafter defined, to any existing or currently planned communications activity then being, or planned to be, conducted by MLT, WUCS and the Partnership. If a majority of the committee shall be of the opinion that such objectionable interference will necessarily result, the Lessee may not proceed therewith without making such revisions as are necessary to remove the cause of the objectionable interference. However, if a majority of the committee shall be of the opinion that no such objectionable interference will necessarily result the Lessee may proceed therewith in accordance with such plans.

51.2 Objectionable interference to a communications activity shall be deemed to exist for purposes of this Section if:

51.2.1 The construction of the proposed improvement were to cause a condition to exist which would constitute interference within the meaning of the provisions of the Rules and Regulations of the Federal Communications Commission at the time in effect, or

51.2.2 The construction of the proposed improvement would cause a material impairment of the quality of either sound or picture signals of an existing or currently planned communications activity then being, or planned to be, conducted by MLT, WUCS and the Partnership, or one of their customers, at any hour during the period of operation of such activity, as compared with that which would be obtained if the proposed improvement were not to be constructed, or

51.2.3 The construction of the proposed improvement would prevent MLT, WUCS and the Partnership, or one of their customers, from using or having access to its equipment at reasonable and usual times to an extent which interferes to a material degree with the operation or maintenance thereof, it being understood that a reasonable temporary interference which does not materially interfere with the operation or maintenance of the said equipment and which is occasioned by the construction of the proposed improvement or by repairs or maintenance thereto shall not be considered objectionable interference.

Section 52. Recordation

The Lessee may, at its sole cost and expense, record this Agreement, or a memorandum thereof sastisfactory to the Port Authority, and the Port Authority agrees to execute such memorandum on request. If the Lessee so records this Agreement, or such memorandum, it shall, at its sole cost and expense, record each and every modification, extension, supplement, assignment, surrender, or other amendatory agreement relating thereto, or a maorandum thereof satisfactory to the Port Authority, prepared by and at the expense of the Lessee, in a timely fashion.

Section 53. Entire Agreement

This Agreement consists of the following: Pages 1 through 133, inclusive, Sections 1 through 53, inclusive, Exhibits A, A-1, B, X, and Z and Schedules A, A-1 and E. It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

s/s Doris E. Landre
Secretary

By s/s Guy F.Tozzoli

(Title)Dir., World Trade Dept.
(Seal)

WITNESS:

TELEPORT ASSOCIATES, by SILVERSTEIN TELEPORT COMPANY a Joint Venturer,by Silsat, Inc., a General Partner

s/s William M. Kufeld

By s/s Larry A. Silverstein

(Title)President
(Seal)

WITNESS:

TELEPORT ASSOCIATES, by MURRAY TELEPORT ASSOCIATES, a Joint Venturer, by Telstat Corp., a General Partner

s/s William M. Kufeld

By s/s Maurice M. Weill

(Title)President

APPROVED:	
Form	Terms
SMB	REC

SDL

Exhibit B

PA 531
6-79

THE PORT AUTHORITY OF NY & NJ
One World Trade Center, New York, N.Y. 10048

For Port Authority use only	
FACILITY	APP. NO.
DATE / /	APPLICANTS NAME

TENANT CONSTRUCTION OR ALTERATION APPLICATION

APPLICANT MUST READ THE TERMS AND CONDITIONS PRINTED ON THE REVERSE HEREOF AND THE TERMS AND CONDITIONS CONTAINED IN RIDERS "A", "B", "C", AND "D".

PART ONE: Information to be furnished by Applicant (Refer to your lease or permit for required information)

Permission is hereby requested to perform the following described work on the space occupied by the Applicant

AT (FACILITY)	PURSUANT TO (LEASE, SPACE PERMIT) NO.	LOCATION (BUILDING # OR AREA) OF SPACE TO BE ALTERED

DESCRIPTION OF WORK AND REASON

ESTIMATED COST OF WORK $	ESTIMATED TIME TO COMPLETE (DAYS)	STARTING DATE / /	COMPLETION DATE / /

Plans: Prints of each drawing must be submitted with copies of application. Include floor plan and show area affected by proposed work (size 8½" x 11" or larger).

TITLE OF DRAWING	DRAWING NO.	DATED

NAME & ADDRESS OF CONTRACTOR (IF NOT KNOWN, SUBMIT LATER)	NAME & ADDRESS OF ENGINEER OR ARCHITECT	TELEPHONE NO. / LICENSE NO.

SEND CORRESPONDENCE TO:
(NAME & ADDRESS OF EMPLOYEE IN CHARGE OF WORK)

TELEPHONE NO.

APPLICANT'S NAME (AS IT APPEARS ON LEASE OR PERMIT)

BY (SIGNATURE OF AUTHORIZED REP.)	TITLE	DATE / /

ENGINEER OR ARCHITECT CERTIFICATION

I have supervised the preparation of plans and specifications for the entire work represented herein and hereby certify that they conform to the requirements of the respective enactments, ordinances, resolutions and regulations of the City, town or municipality in regard to construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation.

SIGNATURE OF LICENSED PROF. ENGINEER OR ARCHITECT	DATE / /

PART TWO: Prepared by Port Authority and returned to applicant

The above Application is ☐ Approved ☐ Disapproved. Subject to the following conditions:

The Contractor by signing below agrees to all the terms and conditions on this application and on the reverse side thereof, including #5 indemnifying the Port Authority and further agrees to be bound by all riders and schedules attached to this application.

Contractor's Name & Address

Signature: _____ / / date

Signature of Officer/Partner: _____ / / date

☐ **Continued on Rider "A", "B", "C", and "D"**

Please advise the undersigned in writing, when this work has been Completed.

The Port Authority of New York and New Jersey

BY	
TITLE	DATE / /

INSPECTED BY	DATE / /

TERMS AND CONDITIONS

1. In the performance of the work covered hereunder the Applicant shall, unless otherwise directed in writing by the Port Authority, conform to the requirements of the respective enactments, ordinances, resolutions and regulations of the city, town or municipality in which the Facility is located in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation. The Applicant's obligations to comply with the above governmental requirements is for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

2. The Applicant shall comply also with such federal, state and municipal laws, statutes, orders and regulations, if any, as may be legally applicable to the work or the performance thereof or its employees therein. The Applicant shall consult with the Facility Manager with respect to the applicability of any and all laws, statutes, enactments, ordinances, resolutions and regulations and as to the procedure to be followed before taking any other action with respect thereto, and shall follow the instructions and procedure prescribed by said Facility Manager with respect thereto.

3. The Applicant shall also observe and obey (and compel its officers, employees, agents and contractors to observe and obey) the rules and regulations of the Port Authority now in effect which are applicable to the performance of the work, and such further applicable rules and regulations which may from time to time during the said performance be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, or for the safe and efficient operation of the Facility.

4. The Applicant shall procure and maintain bodily injury and property damage liability insurance in its own name in at least the limits specified in the preamble to this Application and Workmen's Compensation insurance; or if the work is to be done by an independent contractor, the Applicant shall require such contractor to procure and maintain such insurance in the contractor's name. A certificate evidencing such insurance shall be furnished to the Port Authority Facility Manager prior to the commencement of the work.

5. The Applicant shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, against and from (a) the risk of injuries (including wrongful death) or damage direct or consequential, to it or them or to its or their property, arising out of or in connection with the performance of the work, and (b) the risk of claims and demands by third persons, arising or alleged to arise out of the performance of the work, whether such risks arise out of acts or omissions of the Applicant, its contractors, the Port Authority, or otherwise. (see Rider "D" for revisions to this paragraph).

6. The Applicant shall pay all claims lawfully made against it by contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work; and shall cause all contractors and subcontractors to pay all such claims lawfully made against them.

7. Only first-class materials and workmanship shall be used in the performance of the work, which shall be done in accordance with the drawings described in Part I of this Application and to the satisfaction and subject to the inspection of the Facility Manager; the Applicant shall re-do or replace at its own expense any work not approved by him.

8. The Applicant shall notify the Facility Manager not less than two days prior to the commencement of the work, and shall complete the same within the number of days specified in Part I of this Application; and upon completion shall notify the Facility Manager.

9. In the performance of the work, (a) the Applicant shall not do or permit to be done any act affecting the operation of any existing plumbing, heating, fire-protection, fire-alarm, sewerage, drainage, water supply, electrical, sprinkler, ventilating, refrigerating, fuel or communication system at the Facility, or other such service system thereat, including all pipes, tubes, lines, mains, wires, conduits, equipment and fixtures, except with the express written approval of the Facility Manager or the Port Authority resident engineer; (b) the Applicant shall obtain a Port Authority permit from the Facility Manager prior to any cutting or welding and shall comply with the conditions which form a part of said permit, a sample of which may be examined in the office of the Facility Manager.

10. (a) Prior to the commencement of the work and throughout the performance thereof, the Applicant shall erect and maintain at its own expense in or about the space such barriers, shields and other suitable protective devices for the protection of the public and others and their property as in the opinion of the Facility Manager may be necessary or desirable for the purpose. The work shall be performed in such manner as will cause the minimum inconvenience to members of the public and others at the Facility. During the performance of the work, the Applicant shall not permit the accumulation in or about the space of any debris, rubbish or litter of any sort resulting from such performance, and shall make such arrangements for the frequent removal thereof from the Facility, by means of facilities to be furnished by the Applicant, as may in the opinion of the Facility Manager be necessary to prevent such accumulation.

(b) In the performance of the work covered by this permit, the Applicant shall not employ any contractor nor shall the Applicant or any of its contractors employ any persons or use or have any equipment or materials or allow any condition to exist if any such shall, or in the opinion of the Port Authority, may cause or be conducive to any labor troubles at the Facility which interfere, or in the opinion of the Port Authority, are likely to interfere with the operation of the Facility by the Port Authority or with the operations of others at the Facility or with the progress of other construction work thereat. The determinations of the Port Authority shall be conclusive on the Applicant and, upon notice from the Port Authority, the Applicant shall immediately remove such contractor or withdraw or cause its contractors to withdraw from the Facility the persons, equipment or materials specified in the notice and replace them with unobjectionable contractors, persons, equipment and materials and the Applicant shall or shall cause its contractor to immediately rectify any condition specified in the notice. In the event of failure by the Applicant or any of its contractors to immediately comply with the requirements of this paragraph (whether or not such failure is due to the Applicant's fault) the Port Authority shall have the right to suspend this permit and the permission thereby granted, without prior notice; when the labor troubles shall be so settled that such interference or the danger thereof no longer exists, the Port Authority, by notice to the Permittee, shall reinstate this permit on all the same terms and conditions as before the suspension. "Labor troubles" shall mean and include strikes, boycotts, picketing, work-stoppages, slowdowns, complaints, disputes, controversies or any other type of labor trouble, regardless of the employer of the person involved or their employment status, if any.

(c) Not withstanding the approval of this permit by the Port Authority, the Applicant shall not perform or permit to be performed any work hereunder, the performance of which or the subsequent use or occupancy of which will (1) invalidate or conflict with any insurance covering the Facility or any part thereof, or in any property located therein or thereon, or (2) increase the rate of any fire insurance, extended coverage, rental insurance or other insurance on the Facility, or any part thereof or upon any property located therein or thereon. The Applicant shall promptly observe, comply with and execute the provisions of any and all present and future rules, regulations, requirements, orders, directions and standards of the National Board of Fire Underwriters as interpreted by the New York Fire Insurance Rating Organization as to work performed in New York State, or as interpreted by the Fire Insurance Rating Organization of New Jersey as to work performed in New Jersey, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the performance of the work or to the completed work (including use or operation thereof) and the Applicant shall make any and all structural and non-structural improvements, alterations or repairs of the work that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If because of the work done or by reason of any failure on the part of the Applicant to comply with the provisions of this paragraph any such insurance shall at any time be limited, cancelled or invalidated, then the Applicant shall immediately remove the work; or if the rate of premium for any such insurance shall be higher than it otherwise would be, then the Applicant shall pay to the Port Authority on demand that part of all premiums which shall have been charged because of such work or by reason of such failure by the Applicant. The Applicant shall furnish to the Port Authority evidence of approval of the work by the insurance authority having jurisdiction.

11. Title to any installation, improvement, alteration, modification, addition, repair or replacement resulting from work done pursuant hereto shall immediately upon completion vest in the Port Authority (or in the Port Authority's lessor, if any and if the agreement between such lessor and the Port Authority so provides) without execution of any further instrument. The Applicant shall not remove or change the same unless the Port Authority, on or prior to the expiration or termination of the lease or permit described in Part I of this Application or within sixty (60) days after such expiration or termination, shall give notice to the Applicant requiring removal or restoration, in which case the Applicant (on or prior to the expiration or termination date or, if the notice is given after such date, then immediately after receipt of the notice) shall complete the removal of all of the same (or as much thereof as may be required by the notice) and the restoration (to the extent required by the notice) of the space affected by the work to the same condition as it was in prior to the commencement of the said work. If the Applicant shall fail to comply with such notice, the Port Authority may effect the removal and restoration and the Applicant shall pay the cost thereof to the Port Authority upon demand.

12. A certificate of completion shall be issued to the Applicant by the Facility Manager upon request of the Applicant on completion of the work hereunder in accordance with the Terms and Conditions hereof and inspection thereof by the Facility Manager. Issuance of such certificate shall not preclude the Port Authority from showing that Applicant has failed to comply with his obligations hereunder nor shall it release Applicant from such obligations.

Tenant Construction or Alteration Application
Rider "A"
Additional Terms and Conditions

A. The agreement between the applicant and any materialman, contractor or subcontractor shall contain the following provisions:

1. That upon notice from The Port Authority, the Contractor shall halt any and all construction which in the the opinion of The Port Authority is not or would not be in conformity with the approved contract documents and that construction will not proceed until the Contractor's proposal to correct the work and procedures have been approved by The Port Authority.

2. That the Contractor shall daily clean up all refuse, rubbish, scrap materials and debris caused by his operation, that at all times the construction site shall present a neat, orderly and workmanlike appearance. The Contractor shall remove and deposit the above refuse, rubbish, scrap materials and debris into containers conveniently located within the contract limit lines defined on the approved drawings. If the Contractor fails to place the refuse, rubbish, scrap materials and debris on a daily basis into such containers and then remove said containers' contents, then the Authority shall authorize others to perform these removals and the cost thereof shall be backcharged to the Contractor. These backcharges will be as determined by the Authority. The removal as described above shall be accommplished without storing excessive quantities of any refuse, rubbish, scrap materials and debris of any sort resulting from the removal operations.

3. The applicant will receive the certificate of completion from the Port Authority, indicating that the work has been completed in accordance with the terms and conditions of the application, only upon having satisfied all claims by the Port Authority for services in connection with clean-up or any other claims deemed appropriate by the Port Authority.

4. That the Contractor shall conform to all the requirements contained in the environmental permit granted the Port Authority by the State of New York.

B. Prior to the execution of any agreement between the applicant and a Contractor, subcontractor or materialman, the applicant shall submit, for approval, their name, address and telephone number. Such submittal shall be made to The Teleport Construction Manager. In no case shall the applicant enter into any agreement for work on The Teleport premises with any Contractor, subcontractor or materialman who has not been approved by The Port Authority for such work.

C. This Application shall be deemed withdrawn by the Applicant in the event performance of the work covered hereunder has not been commenced

within one year after the approval date as shown in the lower right hand corner of this Application. In such event, the Applicant shall not commence performance of any work until the Applicant has submitted a new application to The Port Authority for its approval and has received a copy of such application duly signed in Part Two thereof on behalf of The Port Authority.

D. All structural drawings submitted as part of the applicant's contract documents shall bear the seal and signature of a structural engineer, in addition to that of the Architect and/or Engineer of Record. Said structural engineer must be a Professional Engineer licensed to practice in the State of New York.

E. The Applicant shall compensate the Port Authority for each hour provided by a field engineer in connection with the periodic inspection of the tenant construction at the rate of Twenty-Five ($25.00) per hour (or portion thereof) during normal week day working hours between 8:00 A.M. and 4:30 P.M. and Thirty-Seven and One Half ($37.50) dollars per hour (or portion thereof) during other normal working hours between 4:30 P.M. and 8:00 A.M. and all hours on Saturday and Sunday.

F. Effective February 1, 1984, The World Trade Center will charge fees for the review of Tenant Alteration Applications. The following schedule represents the same fees charged by the City of New York for filing alteration plans in privately owned buildings.

CONSTRUCTION DOLLARS		DOLLAR VALUE OF FEE
Up to	$ 1,000	$ 55.00
$ 1,001	2,000	70.00
2,001	3,000	85.00
3,001	4,000	100.00
4,001	5,000	115.00
5,001	6,000	123.00
6,001	7,000	130.00
7,001	8,000	138.00
8,001	9,000	145.00
9,001	10,000	153.00
10,001	30,000	Note 1
30,001	60,000	Note 2
60,001	100,000	Note 3
Above 100,000		Note 4

Note 1--Between $10,000 and $30.000 fee is $152.00 plus $6.00 per $1,000 or fraction thereof above $10,000.

Note 2--Between $30,000 and $60,000 fee is $272.50 plus $550 per $1,000 or fraction thereof above $30.000.

Note 3--Between $60,000 and $100,000 fee is $437.50 plus $5.00 per $1,000 or fraction thereof above $60,000.

Note 4--In excess of $100,000 fee is $637.50 plus $4.75 per $1,000 or fraction thereof above $100,000.

RIDER B

(Effective August 1st, 1984)

Claims of Third Persons

The Contractor undertakes to pay all claims lawfully made against him by subcontractors, materialmen and workmen, and all claims lawfully made against him by other third persons arising out of or in connection with or because of the performance of this Contract and to cause all subcontractors to pay all such claims lawfully made against them.

If the Contractor fails to pay any such claim lawfully made against him or any subcontractor fails to pay any such claim lawfully made against him or if in the opinion of the owner any of the aforesaid contingencies is likely to arise, then the owner shall have the right, in its discretion, to withhold out of any payment (final or otherwise and even though such payment has already been certified as due) such sums as the owner may deem ample to assure the payment of such claims and to apply such sums in such manner as the owner may deem proper to satisfy such claims. All sums so applied shall be deducted from the contractor compensation. Omission by the owner to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the owner does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the owner to withhold and apply monies nor any exercise or attempted exercise of, or omission to exercise, such rights by the owner shall create any obligation of any kind to such materialman, subcontractors, workmen or other third persons.

Until actual payment to the contractor, his right to any amount to be paid under this contract (even though such amount has already been certified as due) shall be subordinate to the rights of the owner under this numbered clause.

No Port Authority Obligations

No obligations or liabilities to the contractor are assumed or intended to be assumed by The Port Authority.

RIDER "C"

(Effective August 1st, 1984)

1. Upon completion of this work, two (2) complete sets of reproducible "As Built" contract drawings and one complete and updated set of technical specifications, as well as two (2) complete sets "As Built" reproducible sprinkler drawings must be submitted to The Teleport Manager, Planning Services, One World Trade Center, 63 South.

2. All work must be performed in harmony with the existing trades currently working at The Teleport.

3. Submit, to The Teleport Manager, Planning Services, One World Trade Center, 63 South, affadavits attesting to the fire retardan of all wood construction prior to installation as per the New Yor City Building Code Section C26-502.6.

4. All fire protection and detection installations shall be tested by the contractor in the presence of Port Authority representatives concerned with this matter.

5. It shall be the responsibility of the General Contractor to install, as directed, by the Authority, additional speakers and amplifiers in order to maintain the audibility of the Fire Alarm Communication System required by the New York City Building Code, Sections C26-1704.5 and 1704.8. Upon completion of duct work, light fixture installation, etc., a test must be conducted, in the presence of Port Authority representatives concerned with this matter, to determine the audibilit of the system.

6. If sprinklers are being installed, four (4) black and white and one (1) reproducible copies of Shop Drawing(s) and Hydraulic Calculations stamped "Approved" and signed and sealed by the Architect or Engineer of record, and also bearing the approval signature of the applicant's insurance carrier, must be submitted to The Teleport's Manager, Planning Services for final concurrence by the Risk Management Division of the Authority.

7. It is required that the existing demising walls, if any, be checked for penetrations and sealed to restore their fire rating. In addition, all structural steel fire-proofing must be patched where material is missing. Both processes are subject to the inspection and approval of Port Authority constuction inspectors.

8. All floor outlets to be removed or abandoned, if any, shall have all wires removed back to the panel or header duct, and afterset fittings removed. A metal slug shall be installed to cap the power/telephone cell and the hole shall be filled with concrete adjusted to grade.

9. All exit signing shall be submitted for approval to the Port Authority prior to fabrication and/or installation.

P.7 of Exhibit B

RIDER "D"

(Effective August 1st, 1984)

1. The applicant shall not commence performance of the said work prior to the receipt by the Applicant of a copy of this Application duly signed in Part Two hereof on behalf of the Port Authority of New York & New Jersey. The Applicant and Contractor agrees to perform said work in accordance with the approved drawings and specifications forming a part of this Application, and to comply with and be bound by all requirements and conditions set forth below under the remarks, if any, in Part Two of this Application, and in the terms and conditions of all attached riders.

2. Minimum insurance limits shall be as specified in the lease.

3. The Applicant and Contractor shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, the City of New York and the New York City Public Development Corporation and their officers, agents and employees, against and from (a) the risk of any and all claims of injuries (including wrongful death) or damage direct or consequential, to it or them or its or their property, arising out of or in connection with the performance of the work, and (b) the risk of claims and demands by third persons, arising or alleged to arise out of the performance of the work, whether such risks arise out of acts or omissions of the Applicant, its contractors, the Port Authority, the City of New York, the New York City Public Development Corporation, or otherwise, except where indemnity would be precluded by New York State General Obligations Law.

4. If so directed, the contractor and the Applicant shall at their own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent), and in handling such they, or either of them, shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity to the Port Authority, its commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 8th day of July, 1985, before me personally came Larry A. Silverstein, to me known, who, being by me duly sworn, did depose and say that he resides at
that he is the President of Silsat, Inc. a general partner of the firm known as Murray Teleport Associates one of the firms described in the foregoing instrument as a Joint Venturer in the Joint Venture known as Teleport Associates, and which executed the foregoing instrument on behalf of Teleport Associates; and said Larry A. Silverstein acknowledged that he executed the foregoing instrument for and on behalf of Teleport Associates.

/s/ Sidney Lipstein

SIDNEY D. LIPSTEIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-2377385
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1987

LEASE

Dated: August 27, 2010

between

The Corporate Commons of Staten Island, LLC "Landlord"

and

Value Dental Studio, Inc. "Tenant"

Affecting Suite 101 which is part of the Building commonly known as
Corporate Commons Two in the Teleport, located at 2 Teleport Drive
South Avenue, Staten Island, in the County of Richmond
City and State of New York 10311.

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AGREEMENT OF LEASE made as of this day of August, 2010 between The Corporate Commons of Staten Island, LLC , with its principal place of business located at 1110 South Avenue, Staten Island, New York 10314, "Landlord" and VALUE DENTAL STUDIO, INC., *a New York Corporation*, with a mailing address of 91 Flagg Court, Staten Island, New York 10304 "Tenant",

ARTICLE I

1.01 DEMISED PREMISES In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be observed and performed, Landlord demises and leases to Tenant, and Tenant rents from Landlord, those certain Demised Premises identified as Suite 101, designated in Exhibit A, as part of the Building located in Two Corporate Commons in the Teleport at the address 2 Teleport Drive, South Avenue, Staten Island, New York 10311 (herein called the "Building"), and which Demised Premises consist of an area approximately 8,018 "rentable" square feet, herein referred to as the "Demised Premises". In computing rentable square footage, measurements are to the exterior surface of exterior walls and common areas and to the center line of any wall separating the Demised Premises from any other rentable space plus an add-on-factor as determined by Landlord's architect in order to adequately compensate Landlord for the loss factor incurred resulting from the use of the common areas of the Building by all tenants. The determination of Landlord's architect shall be conclusive as to the determination of the rentable square footage of the Demised Premises.

1.02 AS IS Tenant represents that neither Landlord's agents nor any broker, sales representative nor any person has made any representation with respect to the Building or Demised Premises except as herein expressly set forth. The taking possession of the Demised Premises by Tenant shall be conclusive evidence, as against Tenant, that Tenant accepts same "as is" and that the Demised Premises and the Building of which the same form a part were in good and satisfactory condition at the time such possession was so taken.

1.03 ADDITIONAL AREAS/REVOCABLE LICENSE (a) The use and occupation by Tenant of the Demised Premises shall include the use in common with others entitled thereto, of the common areas, service roads, sidewalks and vehicle parking areas, and other facilities as may be designated from time to time by Landlord, subject, however, to the terms and conditions of this Agreement and to reasonable rules and regulations for the use thereof as prescribed from time to time by Landlord. Such additional areas are specifically not included in the Demised Premises and are in the sole control of Landlord including the right to lease or license such additional areas.

(b) All common areas and facilities not within the Demised Premises, which Tenant may be permitted to use, are to be used under a revocable license, and if the amount of such areas be diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such diminution of such areas be deemed constructive or actual eviction.

(c) Tenant and Tenant's employees and agents shall not solicit or conduct any business or display any merchandise in the parking or other common areas, nor shall Tenant distribute any handbills or other advertising matter to automobiles parked in the parking areas or to customers in other common areas.

1.04 PARKING FACILITIES (a) Landlord, with the consent of the Port Authority, shall have the right at any time during the term of this Lease to alter, modify, change, move, or build on the parking facilities, fields or pads, as well as the roadways or footways. The parties hereto hereby acknowledge that the aforesaid parking facilities, roadways and footways constitute common use areas at the Facility as to which the Tenant has only a right to use and occupy in common with others similarly entitled, as described in Section 1.03 above.

(b) Landlord may at its option, supply such parking attendant or supervisory service, as it may, in its sole discretion, determine is advisable for the best interests of the property. Landlord has the right to require Tenant to validate parking, however at no additional expense to the Tenant, except as may already provided in Operating Expenses

(c) Landlord shall provide adequate parking facilities in compliance with the Building Code for use by Tenant but Tenant shall not be entitled to designated parking spots.

(d) Landlord shall be responsible for performing snow removal, or engaging such services as required to perform snow removal for the parking area, including the driveways leading to the public street and Building which Landlord, in its opinion, deems necessary to the proper operation of the Building.

(e) Tenant shall comply with all reasonable rules and regulations promulgated by Landlord.

(f) Except with respect to Landlord's gross negligence, Landlord shall not be liable to Tenant or to any agents, employees or invitees of Tenant for injuries to person or loss or damage to property in connection with the use of the parking facilities and Tenant hereby releases and discharges the Landlord from any and all claims arising out of such use. Tenant also agrees to defend, indemnify and hold the Landlord and the Port Authority harmless from any claims, lawsuits or judgments arising out of any use of the parking facilities by Tenant, its agents or employees.

(g) Landlord reserves the right to tow, at Tenant's expense, or in the case of a third party, at the vehicle owner's expense, any vehicle which violates any of the Building's rules and regulations with regard to parking.

1.05 USE AND OCCUPANCY Tenant shall use and occupy Demised Premises for a first class dental facility, training facility and administrative and/or executive office space and for no other purpose. Tenant shall continuously conduct, in the Demised Premises, the business above stated. Tenant will not use or permit, or suffer the use of, the Demised Premises for any other business or purpose other than as stated herein. The number of occupants utilizing the Demised

Premises on a regular basis shall not exceed Landlord's standards which shall be in strict accordance with New York City Department of Building codes, the Fire Department of the City of New York codes and regulation and any Emergency Action Plans all as may be promulgated and effect the Demised Premises from time to time, and in no event will Tenant utilize the Demised Premises in connection with any gambling or gaming including internet related gambling or gaming, any child preschool or day care center, family planning center and/or related services, abortion related facility or abortion related services, medical related purposes, except as provided earlier in this article, any clinic or office providing for treatment or counseling in connection with any substance abuse or any disease, restaurant, bar, cabaret, social club, or in connection with the sale and/or distribution of pornographic materials including any such distribution over the internet. Tenant further warrants and covenants that it will not permit the sale of any merchandise or the rendering of any services in the Premises.

ARTICLE II

2.01 TERM (a) Landlord hereby Leases to Tenant and Tenant hereby hires from Landlord the Demised Premises for a term of ten (10) years (or until such term shall sooner cease and expire as hereinafter provided) to commence upon execution of lease and delivery of possession of the Premises anticipated to be on or about August 15, 2010, and to end ten (10) years from the date thereof.

(b) If Landlord does not deliver possession of the Demised Premises to Tenant as required in this paragraph 2.01, then and in any of such events, the term of this Lease shall commence upon the day Landlord gives notice to Tenant that Landlord has substantially completed the work to be performed by Landlord pursuant to this Lease and delivers possession to Tenant. Landlord shall have no liability for such failure to deliver possession or for delay in such delivery, but agrees to use its best efforts to make timely delivery. In the event that Tenant enters into possession of all or part of the Demised Premises prior to such completion or prior to the date shown in (a) above, the term of this Lease and Tenant's obligation to pay rent and Additional Rent shall commence upon such occupation.

2.02 FORCE MAJEURE In the event that Landlord shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strike, lockouts, labor trouble, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, the failure of the prior occupant to vacate the Demised Premises or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of such delay. The provisions of this section shall not operate to excuse Tenant from the prompt payment of rent, Additional Rent, or any other payments required by the terms of this Lease.

2.03 GROSS RENT (a) Tenant shall pay Landlord Gross Rent which will include all costs, expenses and obligations of every kind relating to the building which may arise or become due during the term of this Lease. The following are not included in Gross Rent: (i) Electricity and gas as set forth in 3.05, 3.11 and 3.12; (ii) utilities, including HVAC as set forth in 3.05, 3.10 and

3.12; (iii) water as set forth in paragraph 3.13; (iv) increases in Operating Expenses over the Base Year 2009 as defined in Article III below; and (v) office cleaning as defined in section 3.08 below, if the Tenant shall decide to utilize these services. Tenant's Gross Rent during the Term of this Lease shall be:

(aa) For the first year of the Term, from on or about August 15, 2010 to on or about August 14, 2011, the sum of $159,959.10 per annum; payable in equal installments of $13,329.93 per month;

(bb) For the second and third years of the Term, from on or about August 15, 2011 to August 14, 2013, the sum of $167,977.10 per annum; payable in equal installments of $13,998.09 per month;

(cc) For the fourth and fifth years of the Term, from on or about August 15, 2013 to August 14, 2015, the sum of $175,995.10 per annum; payable in equal monthly installments of $14,666.26; and

(dd) For the sixth through tenth years of the Term, from on or about August 15, 2015 to August 14, 2020, the sum of $193,634.70 per annum; payable in equal monthly installments of $16,136.23.

(b) Notwithstanding anything to the contrary herein or otherwise, Tenant shall not be obligated to pay Gross Rent from the earlier of: (i) twelve months from delivery of possession; or (ii) August 1, 2011. The period between lease commencement and delivery of possession or August 1, 2011, shall include preparation and approval of plans as well as construction of Tenant's Premises.

(c) In the event that the Term of this Lease does not commence on the first day of the month, Tenant shall pay annual rent on a per diem basis until the first day of the month next succeeding such commencement date, and thereafter the fixed annual rent shall be payable as hereinabove provided.

2.04 PAYMENT The annual Base Rent shall be paid to Landlord at the address of Landlord as above set forth or at such other address as Landlord shall from time to time designate, in equal monthly installments in advance, on the first day of each month during the term hereof without notice or demand and without abatement, deduction or set-off of any amount whatsoever, except if hereinafter specifically provided otherwise. The rent for the first month of the term of the Lease shall be paid upon the execution of this Lease.

2.05 NO ATTORNMENT All checks tendered to Landlord as and for the rent of the Demised Premises shall be deemed payment for the account of Tenant. Acceptance by Landlord of rent

from anyone other than Tenant shall not be deemed to operate as an attornment to Landlord by the payor of such rent, or as a consent by Landlord to an assignment or subletting by Tenant of the Demised Premises to such payor, or as a modification of the provisions of this Lease, except by written notation releasing said Tenant.

2.06 LATE CHARGES In the event that the Base Rent or Additional Rent (as herein defined) is not received by Landlord within five (5) days after the due date, a late charge equal to 5% of the Base Rent and/or Additional Rent that is late, compounded monthly, shall accrue and become immediately due and payable to Landlord.

2.07 PAST DUE RENT If Tenant shall fail to pay within five (5) days after the same is due and payable, any Base Rent or any Additional Rent, or amounts or charges of the character described in this Lease, such unpaid amounts shall bear interest from the original due date thereof to the date of payment at the rate of sixteen (16%) percent per annum or maximum legal rate of interest, whichever is lower.

2.08 SECURITY Tenant has deposited with Landlord the sum of Thirteen Thousand Three Hundred Twenty Nine and 00/100 Dollars ($13,329.00) as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this Lease, to be deposited in a non-interest bearing account. In the event that Tenant defaults in respect to any of the terms, provisions and conditions of this Lease, including, but not limited to, the payment of annual Base Rent and Additional Rent, Landlord may use, apply or retain the whole or any part of the security so deposited, to the extent required, for the payment of any annual Base Rent and Additional Rent or any other sum as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default with respect to any of the terms, covenants and conditions of the Lease.

2.09 RESTORATION OF SECURITY. Should the entire deposit, or any portion thereof, be appropriated and applied by Landlord for the payment of overdue rent or other sums due and payable to Landlord by Tenant hereunder, then Tenant shall, upon the written demand of Landlord, forthwith remit to Landlord a sufficient amount in cash to restore said security to the original sum deposited within thirty (30) days after receipt of demand.

2.10 TRANSFER OF SECURITY In the event of a sale of the land and Building, termination of the Port Authority Lease or the City Lease or the sub-leasing of the Building of which the Demised Premises form a part, Landlord shall have the right to transfer the security to the vendee, over-landlord or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such security, and Tenant agrees to look solely to the new Landlord for the return of said security. It is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Landlord.

2.11 RETURN OF SECURITY In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this Lease, the security shall be returned without interest to Tenant after the date fixed at the end of the Lease and after delivery of possession of the entire Demised Premises to Landlord.

ARTICLE III

3.01 ADDITIONAL RENT Additional Rent shall be defined as any sum of money that is required to be paid by Tenant in addition to the Base Rent herein defined, and said additional amount so to be paid is not designated as "Additional Rent", or provision is not made in the Article covering such payment for the collection of said amount as "Additional Rent", then said amount shall nevertheless, at the option of Landlord, if not paid when due, be deemed "Additional Rent" and collectible as such with any installment of rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any sum at the time the same became due and payable hereunder, or limit any other remedy of Landlord. Failure to pay such items set forth shall constitute a default pursuant to the terms of this Lease.

3.02 OPERATING EXPENSES a) Tenant shall pay to Landlord as Additional Rent a sum equal to Tenant's proportionate share (as defined below) of all of Landlord's Operating Costs incurred by Landlord during each calendar year of this Lease in the ratio that Tenant's rentable space bears to all rentable space in the Building over and above the Operating Costs incurred by Landlord during the 2009 calendar year (the "Base Year"). The Landlord warrants that the maximum increase in Operating Expense per year would be 10%, of which the tenant would only be responsible for his proportionate share.

b) Landlord will provide Tenant with an estimated annual operating budget for the Building's operation. Tenant agrees to pay on the first day of each month, in equal monthly installments without notice or demand thereof, its proportionate share of this estimate. Landlord will provide an itemized accounting within 180 days of the end of the fiscal year, of all expenses incurred during the preceding period, at which time Tenant shall be either credited or assessed for the difference between the estimated and actual operating expense. All assessments due Landlord shall be paid within 10 days of demand. All credits due Tenant shall appear on the next regular monthly statement.

c) Landlord's Operating Costs' Defined

The term "Landlord's Operating Costs" shall mean all costs and expense incurred by Landlord in operating and maintaining the Building and Common Areas (which shall include the parking facilities and land surrounding the Building) striping, policing and security of the Common Areas. Landlord's Operating Costs shall include, but not be limited to, cost of uniforms, equipment and employment taxes; alarm systems; exterminating; Common Teleport Operating and Managements Costs and or Percentage Rent under the Port Authority Lease; insurance, including, without limitation, liability insurance for personal injury, death and property damage, insurance against fire, extended coverage, theft of other casualties, workers' compensation insurance covering personnel, fidelity bonds for personnel, insurance against

liability for assault and battery, defamation and claims of false arrest occurring on and about the Common Areas, plate glass insurance for glass exclusively serving the Common Areas; costs of maintaining heating, ventilation and air conditioning systems, maintenance of any sprinkler systems serving the Building or landscaping; removal of snow, ice, trash and debris; regulation of traffic; surcharges levied upon or assessed against parking spaces or areas; payments toward mass transit or car pooling facilities or otherwise as required by Federal, State or local governmental authorities; costs and expense in connection with maintaining Federal, State or local governmental ambient air or environmental standards; the cost of all materials, supplies and services purchased or hired therefor; operation of public toilets; installing and renting of signs; fire protection; maintenance, repair and replacement of utility systems serving the Common Areas, including, but not limited to, water, sanitary sewer and storm water lines and other utility lines, pipes and conduits; costs and expense of maintaining and operating sewage treatment facilities, if any; costs and expenses of inspection and depreciation of machinery equipment used in the operation and maintenance of the Common Areas and personal property taxes and other charges (including, without limitation, reasonable leasing, financing or rental costs) incurred in connection with such equipment; costs and expense of repair or replacement of paving, curbs, walkways, landscaping, drainage, pipes, ducts, conduits and similar items, and plate glass, lighting facilities and the roof; costs and expense of planting, replanting and replacing flowers, shrubbery and planters; costs and expense incurred in the rental of music program services and loudspeaker systems, including furnishing electricity therefore; costs of providing light and power to the Common Areas; costs of providing energy to heat, ventilate and air condition areas in which the Common Areas are located and the operation, maintenance and repair of such equipment, including, without limitation, the energy management system serving the Building; cost of water services, if any, furnished by Landlord for the non-exclusive use of all tenants; parcel pick-up and delivery services; and administrative costs attributable to the Common Areas for on-site personnel and administrative and overhead costs not to exceed fifteen (15%) percent of total Landlord's Operating Costs. Such costs and expenses shall not include depreciation (other than depreciation as above specified). Landlord may elect to amortize any of the foregoing costs and expenses over a useful life determined in accordance with generally accepted accounting principles.

d) In no event shall the Operating Costs payable as Additional Rent provided for under Article III of the Lease, whether denominated "operating expenses" or otherwise, include the following:

i. Marketing and advertising expenses;

ii. Cost for special services provided to particular tenants in the Building;

iii. Brokerage and leasing commissions;

iv. Penalties incurred because Landlord fails to pay any tax or other charge on time;

v. Fees and interest charges related to Landlord's financing;

vi. Any charge or penalty paid by landlord because it is in default under any agreement to which it is a party;

vii. Legal fees incurred by Landlord in connection with new leases or the sale of the Building;

viii. Depreciation except as otherwise provided for in this Lease;

x. Any expense which relates to a service which is not provided to all tenants of the Building;

xi. Cost of repair or replacement incurred by reason of any event to the extent which the Landlord is compensated through the proceeds of insurance or a condemnation award;

xii. Charitable contributions;

xiii. Capital improvements;

xiv. Salaries, benefits and payroll taxes of employees above level of property manager;

xv. Amounts paid to affiliates of Landlord in excess of commercially reasonable amounts; and

xvi. Management fees in excess of five (5%) percent of gross annual rent.

The exclusion of any of the expenses listed above from Operating Costs payable as Additional Rent provided for under Article III of the Lease shall in no way impair Landlord's rights to recover any cost to which it is entitled pursuant to Article VI of the Lease.

e) Landlord shall abide by the following in imposing or charging Additional Rent pursuant to Article III of the Lease:

i. No affiliate of the Landlord or its ownership will be a vendor to the operation of the building without competitive bidding;

ii. No expense charged as an operating cost will be charged through any other type of pass-through under this Lease;

iii. The administration fees will not be included in the operating expenses if the Landlord retains the services of a building or property manager;

iv. The Landlord will not charge as an operating cost or otherwise pass through the cost of repair or replacing any portion of the building or common areas where the need to make the repair or replacement is due to work or materials provided by the

Landlord's contractors in the construction of the Building which Landlord claims is in violation of the standards set forth in the applicable construction contracts; and

v. The Landlord will act in good faith to operate the building in an efficient manner.

(f) The Land and the Building are not currently subject to real estate taxes nor payments in lieu of taxes ("PILOT") and the Landlord does not anticipate assessment of taxes against the Land or the Building during the Term. Notwithstanding the foregoing, in the event any governmental entity implements, assesses or otherwise requires payment of real estate taxes and/or PILOT, then in such event, said payments shall be included as part of Operating Expenses.

3.03 TENANT'S PROPORTIONATE SHARE (a) Commencing on January 1, 2011Tenant shall pay to Landlord as Additional Rent for each calendar year during the Term, Tenant's Proportionate Share of four and 8/10ths (4.8%) percent of the Landlord's Operating Costs for the applicable year that are in excess of the Landlord's Operating Costs actually incurred by the Landlord, adjusted to reflect 100% occupancy of the Building over and above the Base Year. (hereinafter referred to as "Tenant's Additional Rent Payment"). Tenant's Additional Rent Payment shall be appropriately apportioned at the end of the Term of this Lease based on the portion of the calendar year which occurs prior to the date on which the Term expires or is otherwise termination as provided herein. "Tenant's Proportionate Share" shall equal a percentage calculated by dividing the rentable square footage of the Demised Premises by the total rentable square footage of the Building. Tenant's Proportionate Share shall be recalculated upon the addition of the Additional Premises and the addition of any Expansion Space to the Demised Premises.

(b) Commencing January 1, 2011,Tenant shall pay to Landlord on the first day of each month, an amount equal to one-twelfth (1/12th) of Landlord's estimate of the Tenant's Additional Rent Payment for the applicable calendar year during the Term. If Landlord shall not furnish any such estimate for a particular year during the Term or if Landlord shall furnish any such estimate for a year during the Term subsequent to the commencement thereof, then: (i) until the first day of the month following the month in which such estimate is furnished to Tenant, Tenant shall pay to Landlord on the first day of each month an amount equal to the monthly sum payable by Tenant to Landlord under this clause (b)(i) in respect of the last month of the preceding year, if any; (ii) concurrently with or after such estimate is furnished to Tenant, Landlord shall notify Tenant whether the installments of Tenant's Additional Rent Payment previously made for such year were greater or less than the installments of Tenant's Additional Rent Payment to be made in accordance with such estimate; (iii) if there is a deficiency, Tenant shall pay the amount thereof within thirty (30) days after demand therefore; or (y) if there is an overpayment, Landlord shall either credit the amount thereof to Tenant's Additional Rent Payment(s) next coming due, or refund to Tenant the amount thereof within thirty (30) days after such notice; and (iv) on the first day of the month following the month in which such estimate is furnished to Tenant (provided that Tenant actually received such notice at least ten (10) business days prior to the first of the month) and monthly thereafter throughout such calendar year, and

thereafter until such time as Landlord delivers a new estimate, Tenant shall pay to Landlord an amount equal to one-twelfth (1/12th) of Tenant's Additional Rent Payment shown on such estimate. Landlord may, no more than two times during each calendar year during the Term from and after January 1 2010, furnish to Tenant a revised statement of Landlord's estimate of Tenant's Additional Rent Payment for such year during the Term, and in such case, Tenant's Additional Rent Payment for said year shall be adjusted and paid or refunded, as the case may be, substantially in the same manner as specified in the preceding sentence.

(c) After the end of each calendar year during the Term from and after December 31, 2010, Landlord shall furnish to Tenant a statement of Tenant's Additional Rent Payment for said preceding year ("Landlord's Operating Cost Statement") accompanied by the relevant spreadsheets generated by Landlord. If a Landlord's Operating Cost Statement shall show that the estimated sums paid by Tenant, if any, under this clause (i) exceeded Tenant's Additional Rent Payment to be paid by Tenant for the applicable year during the Term, Landlord shall, at its election, either credit such excess payment to Tenant's Additional Rent Payment(s) next coming due, or refund to Tenant the amount of such excess within thirty (30) days thereafter. If a Landlord's Operating Cost Statement shall show that the estimated payments by Tenant for such year were less than Tenant's Additional Rent Payment to be paid by Tenant for such year, Tenant shall pay the amount of such deficiency within thirty (30) days after demand therefore.

3.04 COMPLIANCE WITH LAWS a) Tenant agrees at its own cost and expense to keep the Demised Premises in such order and condition as shall conform to all the orders, rules and regulations of all municipal, state and federal departments, boards, commissions and governmental agencies now existing or hereafter created and at its own cost and expense, promptly execute and comply with all laws, rules, ordinances and regulations now in force or hereafter enacted which affect the Demised Premises.

b) Tenant further agrees to comply, at Tenant's cost and expense, with all orders, regulations, rules and recommendations, whenever issued, of the New York Board of Fire Underwriters or of any similar organization and also to comply with the recommendations and requirements of any insurance company which insures or participates in insuring the Demised Premises against loss by fire.

3.05 TENANT'S UTILITIES Tenant agrees to pay for all utilities, including, but not limited to, electricity and gas (pursuant to paragraphs 3.11 and 3.12 herein) consumed by Tenant. Landlord reserves the absolute right to designate the supplier/utility company or companies providing service(s) to the Building. Tenant shall not be entitled to any rebate or incentive or any portion thereof which may be received by Landlord in connection with any agreement with any supplier or utility company. Landlord reserves the right to change suppliers and/or utility companies at its sole option.

3.06 LEASEHOLD TAXES Tenant shall be responsible for and shall pay before delinquency, all municipal, county or state taxes assessed during the term of this Lease against any Leasehold interest or personal property of any kind, owned by or placed in, upon or about the Demised Premises by Tenant.

3.07 RUBBISH Landlord agrees that it shall maintain for use by all Tenants of the Building, a trash dumpster and/or compactor at a location designated by Landlord. Tenant shall pay Tenant's proportionate share of all costs of trash removal as part of Tenant's common area maintenance charges.

3.08 OUTSIDE CLEANING SERVICE Tenant shall be responsible for its own cleaning services for the Demised Premises. Said cleaning services shall be commensurate with a first class office building. Tenant may request in writing that Landlord provide cleaning services, and upon receipt of such request, Landlord shall provide cleaning services at an additional cost of $1.50 per rentable square foot to be included as Additional Rent. If so requested by Tenant, Landlord shall provide cleaning services commensurate with a first class office building, in accordance with the cleaning schedule attached hereto as Exhibit C. Landlord reserves the right to increase the cost of the cleaning services during the term of the Lease to reflect actual increases in the cost of said services. Landlord reserves the right to engage an outside cleaning service or services in connection with its obligations hereunder. Tenant shall provide access to Demised Premises to Landlord or Landlord's designated cleaning service for the purpose of providing the cleaning services herein.

(b) Tenant will not clean nor require, permit, suffer of allow any window in the Demised Premises to be cleaned from the outside in violation of Section 202 of the Labor Law or any other applicable law or of the Rules of the Board of Standards and Appeals or of any other Board or body having or asserting jurisdiction. Landlord will clean the windows in the Demised Premises from the outside, in the manner required by applicable laws and regulations.

(c) Notwithstanding the foregoing, if Tenant intends to utilize an outside cleaning service, Tenant shall grant Landlord an opportunity to match the price and cleaning services offered by a third party *bona fide* qualified cleaning company that offers cleaning services consistent with Tenant's quality standards. If Landlord is able to match said third party *bona fide* offer, then Tenant shall be required to utilize Landlord's cleaning services.

3.09 SECURITY SERVICE The Land and Building are currently monitored by the Port Authority. Tenant may engage an outside security/alarm service to monitor the Demised Premises, subject to the Landlord and the Port Authority approving the security service provider.

3.10 HVAC/HEATING/AIR CONDITIONING SYSTEMS/UTILITY METERS (a) Tenant shall pay for all gas and/or electricity used for its HVAC units in accordance with Articles 3.11 and 3.12. Landlord will maintain the HVAC/heating/air conditioning units as well as all utility meters in good repair. Landlord will, at Tenant's cost and expense, maintain those portions of the HVAC/heating/air conditioning systems that are located in the Demised Premises. Tenant will provide Landlord with access upon demand for the purpose of same. The heating, ventilation and air-conditioning system shall provide a working environment during business hours only as set forth in paragraph 3.15 below capable of maintaining 72 degrees Fahrenheit in all spaces when temperature is 15 degrees Fahrenheit outside in accordance with the American Society of Heating, Refrigeration and Air-conditioning Engineers ("ASHRAE") winter design

conditions, and shall be capable of maintaining 78 degrees Fahrenheit when outside temperature is 89 degrees Fahrenheit with not more than 50 percent relative humidity in all spaces in accordance with ASHRAE summer design conditions. Tenant, if required to maintain the HVAC during non-business hours, may install and maintain a supplemental air HVAC unit at its sole cost and expense and Tenant shall pay all gas and/or electricity used for the supplemental HVAC.

3.11 ELECTRICITY SERVICE (a) Landlord, at Landlord's expense, shall redistribute or furnish electrical energy to or for the use of Tenant in the Demised Premises for the operation of lighting fixtures, air conditioning electrical charges, and the electrical receptacles installed, on the Commencement Date. Landlord may, at Tenant's cost, cause to be installed an electrical submeter or submeters to measure the Tenant's consumption (Kwhr) and demand (Kw) of electrical energy or Landlord shall cause Tenant's electrical usage to be billed on a proportionate use basis. Tenant shall pay directly to The Port Authority the consumption charges for all electricity which it uses in the Demised Premises.

B. Landlord shall ensure that the electrical capacity in the Demised Premises shall be no less than the greater of six (6) watts per rentable square foot of the Demised Premises, not including the power requirements of the HVAC, or as required by applicable laws and procedures. Tenant shall be responsible for its own electrical consumption and no other tenant's. The rate to be paid by Tenant for submetered electrical energy shall include any and all taxes or other charges in connection therewith. If any tax shall be imposed on Landlord's receipts from the sale or resale of electricity energy to Tenant, the pro-rata share of such tax allocable to the electrical energy service received by Tenant shall be passed on to, included in the bill of, and paid by Tenant if and to the extent permitted by law.

(b) If either the quantity or character of electrical service is changed by the Port Authority or the utility company serving the area in which the Building is located or is no longer available nor suitable for Tenant's requirements, no such change, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve the Tenant from any of its obligations under this lease, or impose any liability upon Landlord, or its Agents, by reason of inconvenience or annoyance to Tenant, or injury to, or interruption of Tenant's business, or otherwise.

(c) Any additional risers or feeders to be installed to supply Tenant's additional electrical requirements, and all other equipment proper and necessary in connection with such risers or feeders, shall be installed by Landlord upon Tenant's request at the sole cost and expense of Tenant, provided that, in Landlord's judgment, such additional risers or feeders are necessary and are permissible under applicable laws and insurance regulations and the installation of such risers or feeders will not cause permanent damage or injury to the Building or the Demised Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, interfere with, or disturb other tenants or occupants of the Building. Tenant covenants that at no time shall the use of electrical energy in the Demised Premises exceed the capacity of the existing risers or feeders then servicing the Demised Premises. Tenant shall not make or perform, or permit the making of or performance of, any alterations to the wiring or other additions to the business machines, office equipment, or other appliances within the

Demised Premises that utilize electrical energy, without the prior written consent of the Landlord in each instance. Any such alterations, additions, or consent by Landlord shall be subject to the provisions of this subsection, as well as to other provisions of the Lease, including, but not limited to, the provisions of Article IV hereof.

(d) If the Port Authority discontinues furnishing electricity to Tenant, Tenant shall arrange to obtain electricity directly from the public utility company serving the Building. Such electricity may be furnished to Tenant by means of the existing risers and feeders serving the Demised Premises to the extent that same are available, suitable, and safe for such purposes. All meters, meter panels, and all additional risers, feeders, panel boards, and equipment and other conductors which may be required to obtain electricity, of substantially the same character, quantity, and quality, shall be installed by Landlord at Tenant's sole cost and expense. Landlord shall not cause the discontinuance of the furnishing of electricity to Tenant.

(e) Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of electrical service furnished to the Demised Premises by reason of any requirement, act or omission of the Port Authority, the Landlord or of the utility company serving the Building with electricity or for any other reason except Landlord's gross negligence or willful misconduct.

3.12 GAS SERVICE Landlord shall redistribute or furnish gas to the Demised Premises and Landlord may cause to be installed a gas meter for use by the entire Building or Landlord shall cause Tenant's gas usage to be billed on a proportionate use basis. Tenant shall pay to Landlord its proportionate share pursuant to paragraph 3.03, as Additional Rent, on demand, from time to time, but not more frequently than monthly, for its consumption of gas at the then current rate schedule applicable for the redistribution of gas as charged by the utility company for commercial buildings plus Landlord's charges for maintaining and calibrating the system. In addition, Landlord shall be entitled to an administrative charge of ten percent (10%) of the total monthly charge for Tenant's gas service in accordance with Tenant's proportionate share of gas as registered on the meter.

Tenant's gas charges shall be computed as though Tenant were the only tenant within the Building and will not take into consideration any other gas use in any part of the Building or any incentive or discount rates offered by utility company, and computation shall include all charges for energy, demand, rate adjustments, taxes and all other charges included in the Landlord's monthly billings from the utility company servicing the Building.

Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of gas service furnished to the Demised Premises by reason of any requirement, act or omission of Landlord or of the utility company serving the Building with gas or for any other reason except Landlord's gross negligence or willful misconduct.

3.13 WATER Landlord shall provide Tenant water for ordinary drinking purposes, but if Tenant uses or consumes water for any other purposes or in unusual quantities (of which fact Landlord

shall be the sole judge), Landlord may install a water meter, at Tenant's expense, which Tenant shall thereafter maintain at Tenant's expense in good working order and repair, to register such water consumption, and Tenant shall pay for water consumed as shown on said meter as Additional Rent as and when bills are rendered.

3.14 INTERFERENCE AND BUSINESS INTERRUPTION Landlord reserves the right to stop the service of the heating, air conditioning, ventilating, elevator, plumbing, electrical or other mechanical systems or facilities in the Building when necessary by reason of accident or emergency, or for scheduled maintenance, repairs, alterations, replacements or improvements, which, in the judgment of Landlord, are necessary or reasonably desirable, until said repairs, scheduled maintenance, alterations, replacements or improvements shall have been completed. The exercise of such right by Landlord shall not constitute an actual or constructive eviction, in whole or part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise, except if such interruption continues for more than 10 days

3.15 HOURS OF OPERATION The Building shall operate Monday through Friday from 8:00 a.m. to 6:00 p.m. and Saturday from 9:00 a.m. to 1:00 p.m., except for legal holidays. Tenant shall have access to the Building and the Demised Premises twenty-four hours per day, seven days per week.

3.16 ELEVATOR SERVICE Landlord shall provide automatic elevator service twenty-four hours per day, seven days per week.

ARTICLE IV

4.01 LANDLORD'S OBLIGATIONS Landlord shall not be required to perform any work on the Demised Premises except as set forth herein in Exhibit B, "Landlord's Work Rider". Otherwise, any work which Tenant may require for the preparation of the Demised Premises for Tenant's use shall be performed by Tenant, at Tenant's own cost and expense. Any equipment or work over and above that set forth in Landlord's Work Rider which the Landlord installs or constructs in the Demised Premises on Tenant's behalf shall be paid for by Tenant within ten (10) days after receipt of a bill therefor at cost, plus ten (10%) percent for overhead and ten (10%) percent for supervision.

4.02 CHANGES AND ADDITIONS TO BUILDINGS (a) Subject to Port Authority's approval, Landlord hereby reserves the right at any time to make alterations or additions to or to build additional stories on the Building in which the Demised Premises are contained and to build adjoining same. Landlord also reserves the right to construct other Buildings or improvements on the land or parking fields of which the Demised Premises form a part, from time to time, and to make alterations thereof or additions thereto and to build additional stories on any such Buildings and to build adjoining same. Landlord reserves the right to relocate parking areas and other common areas.

b) In the event Landlord makes any alterations or changes to the rentable space in the Building, then Tenant's proportionate share, as stated in paragraph 3.03, shall be recalculated under the formula prescribed in paragraph 3.02.

4.03 TENANT ALTERATIONS (a) If Tenant is not at the time in default under this Lease, Tenant, at Tenant's expense, may make reasonable alterations to the Demised Premises, provided that any alteration shall not change the general character of the Demised Premises, or reduce the fair market value thereof below its value immediately before such alteration or addition, or impair the usefulness of the Demised Premises; is effected with due diligence, in a good and workmanlike manner and in compliance with all legal requirements pursuant to Section 3.04 and insurance requirements pursuant to Sections 4.04 and 5.01; is promptly and fully paid for by Tenant; and is made only after Tenant shall have obtained Landlord's and the Port Authority's prior written consent thereto and under the supervision of an architect or engineer satisfactory to Landlord and in accordance with plans, specifications and cost estimates approved and designated by Landlord. The Port Authority may consent to any proposed Tenant alterations in its sole discretion but shall not act arbitrarily or in a capricious manner with respect to said consent.

(b) Tenant covenants and agrees that no alteration, addition, improvement, change, or other work (collectively herein referred to as Tenant's Alteration(s)) will be made except in compliance with, and Tenant hereby covenants that it will comply with, each and all of the following provisions:

(i) All Tenant's Alterations shall be made with reasonable diligence and dispatch (subject to Unavoidable Delays) in a first-class manner and with first-class materials and workmanship and in such a manner as will not interfere with the operation of the Building or the business of any other occupant thereof, or interfere with or delay the completion of any other construction in the Building. Tenant shall use only those contractors (including subcontractors) approved in writing by Landlord, which approval may be granted or withheld in Landlord's sole discretion; provided, however, that if Landlord disapproves of any contractor suggested by Tenant, Landlord will provide Tenant with the names of at least two (2) contractors from the trade in question that it is prepared to approve.

(ii) Before any Tenant's Alterations are begun, Tenant shall procure, at its own sole cost and expense, all necessary licenses, permits, approvals and authorizations from all Governmental Authorities and shall, on demand, deliver photocopies thereof to Landlord. Upon Tenant's request, Landlord shall join in the application for such licenses, permits, approvals and authorizations whenever such action is necessary, and Tenant covenants that Landlord will not suffer, sustain or incur any cost, expense or liability by reason thereof. Any Tenant's Alteration requiring the filing of plans with the New York City Buildings Department (or similar Governmental Authority) shall be made under the supervision of a licensed professional architect or engineer selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld.

(iii) All Tenant's Alterations shall be made in compliance and conformity with all applicable laws and ordinances (including, but not limited to, all building and zoning laws and ordinances) and with all applicable licenses, permits, authorizations and approvals and with all applicable rules, regulations, orders and requirements of the Port Authority and all Governmental Authorities, as well as those of the National and Local Boards of Fire Underwriters or any other body or bodies exercising similar functions.

(iv) In making any Tenant's Alterations, Tenant shall not knowingly violate the terms or conditions of any insurance policy affecting or relating to the Demised Premises or Building or the terms of any covenants, restrictions or easements affecting the Demised Premises or Building.

(v) Promptly after the completion of any Tenant's Alterations, Tenant shall procure, at Tenant's sole cost and expense, all such approvals, sign-offs and close any permits as required by Governmental Authorities, if any, of the completed Tenant's Alterations as may be required by any applicable law or ordinance or any applicable rule or regulation of Governmental Authorities (including, without limitation, Certificates of Occupancy), and all such insurance organizations' approvals, if any, as may be required or customary in connection therewith, and on written demand, shall promptly deliver photocopies thereof to Landlord.

(vi) Tenant shall pay all costs, expenses and liabilities arising out of or in connection with or by reason of any Tenant's Alterations, including Landlord's expenses, costs of inspections, etc. and shall keep the Building, land, parking fields and the Demised Premises free and clear of all liens, claims and encumbrances in any way arising out of or in connection with or by reason of any Tenant's Alterations, subject to the provisions of Article IV hereof.

(vii) No Tenant's Alterations shall create any encroachment upon any adjacent premises.

(viii) No Tenant's Alterations shall be made which would render title to the land or any part thereof unmarketable or which would reduce the value of the Building below the value thereof immediately prior to the making of such Tenant's Alterations or reduce the value of Landlord's leasehold interest in the Land and the Building.

(ix) If any work being done by Tenant or its contractors causes any labor disturbance or unrest, Tenant will, within 24 hours after written demand by Landlord, cause such work to cease and will, if necessary, end such disturbance or unrest and/or discharge the contractor causing such disturbance or unrest (notwithstanding Landlord's prior approval of such contractor).

(x) At all times during the period of such Tenant's Alteration, Landlord shall be entitled to have a representative or representatives on the site to inspect such Tenant's Alteration, and such representative or representatives shall have free and unrestricted

access at all reasonable times to any and every part of the Demised Premises. In addition, all hookups to the Building's electrical system, switch gears, submeters, gas, water, telephone equipment, HVAC, and any other central Building system shall be done by Landlord's contractors at Tenant's sole cost and expense plus an additional charge, payable to Landlord within 10 days of demand, of ten (10%) percent for overhead and ten (10%) percent for supervision. Tenant shall deliver or cause to be delivered to Landlord such instrument or instruments in writing as Landlord may reasonably require or deem necessary to carry into effect the intended purpose of this Article.

(xi) Prior to commencing any Tenant's Alterations, In the event Tenant engages contractors to perform work on the leased premises during the course of its lease, Tenant shall cause such contractors to procure and evidence insurance coverages as follows:

(a) WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE affording coverage under the Workers Compensation laws of the State(s) of New York and Employers Liability coverage subject to a limit of no less than Five Hundred Thousand Dollars ($500,000) each employee, Five Hundred Thousand Dollars ($500,000) each accident, Five Hundred Thousand Dollars ($500,000) policy limit.

(b) COMMERCIAL GENERAL LIABILITY INSURANCE written on an Occurrence basis and including Products liability/Completed Operations coverage, at a $1,000,000 per occurrence Combined Single Limit applying to Bodily Injury and Property Damage, subject to no deductible or Self-Insured Retention, and including all standard Broad Form Commercial General Liability extensions. If coverage is written on a form under which an aggregate limit such aggregate limit shall not be less than $2,000,000 and shall apply on a per project basis. The policy shall be endorsed to name Tenant and Landlord as Additional Insured on a primary, non-contributory basis. The policy shall further be endorsed to waive the carrier's subrogation rights against Landlord.

(c) UMBRELLA LIABILITY INSURANCE WITH a limit of not less than $5,000,000 providing excess coverage over all limits and coverages noted in Paragraphs 2 above. This policy shall be written on an "occurrence" basis and include Tenant and Landlord as Additional Insureds.

The insurance policies noted above shall be written with insurance companies licensed to do business in the State of New York and rated no lower than A:VIII by the most recent edition of A.M. Best's Property-Casualty Rating Guide. All policies shall provide that in the event of cancellation, non-renewal or material modification, Landlord shall receive 30 days written notice thereof.

Tenant shall furnish Landlord with certificates of insurance evidencing Contractor's compliance with all of the above provisions before Contractor will be permitted to begin work.

Tenant shall also maintain such additional insurance as Landlord and/or the Port Authority shall request from time to time, provided such insurance or coverage is commonly carried by offices of similar size in similar buildings.

(xii) Before commencing any Tenant's Alteration, the estimated cost of which exceeds $5,000, Tenant shall furnish to Landlord or cause contractor to furnish to Landlord, upon Landlord's request, at Tenant's sole cost and expense, either (i) a completion bond, issued by a surety company reasonably approved by Landlord in an amount at least equal to the estimated cost of such change or alteration, or (ii) at Tenant's option, an irrevocable letter of credit, drawn on a bank which is a member of the New York Clearinghouse and otherwise satisfactory to Landlord, in an amount equal to one hundred ten percent (110%) of Landlord's good-faith estimate of the cost of performing such work, in each case guaranteeing to Landlord the completion of the proposed change or alteration within a reasonable time, free and clear of all liens, and, if available, all encumbrances, chattel mortgages, conditional bills of sale, security agreements and other claims and charges (other than chattel mortgages or security agreements delivered to a Landlord's Mortgagee or to Landlord) and in accordance with any plans or specifications approved by Landlord, or with any contract between Tenant and a general contractor engaged by it which incorporates such plans and specifications.

(xiii) Before commencing any Tenant's Alteration, the estimated cost of which exceeds $5,000, then Tenant or Tenant's general contractor shall be required to deposit in escrow with Landlord or Landlord's counsel greater of three (3%) of the estimated cost or $5,000 pending issuance of the final certificate of approval/completion or sign off on the construction permits from the New York City Building Department (Certificate of Approval). If for any reason Tenant does not receive the Certificate of Approval then Landlord shall be entitled to apply the escrowed moneys to procure the Certificate of Approval. Tenant shall be liable for any and all expenses incurred by Landlord in excess of the escrowed fund used in obtaining the Certificate of Approval. Upon issuance of the Certificate of Approval Landlord shall release the balance of the escrowed funds to the general contractor or Tenant.

(xiv) No structural alteration shall be made unless Tenant first obtains the written consent thereto of any Landlord's Mortgagee, if such consent is required under any Landlord's Mortgage(s) and the Port Authority. Landlord agrees to cooperate with Tenant to attempt to obtain any such consent, if the proposed Tenant's Alteration is approved by Landlord.

(xv) Tenant agrees to pay to Landlord on a monthly basis during any period in which Tenant is making Tenant alterations a charge of $.80 per rentable square foot to cover the cost of electric usage during the period of construction. In addition, in the event that Tenant does not provide its own garbage containers during construction, Tenant agrees to pay a charge of $1.75 per rentable square foot per month for the use of Landlord's containers.

(xvi) Notwithstanding anything contained in this paragraph 4.03 to the contrary, Landlord reserves the right to perform any and all Tenant Alterations hereunder, in which event Tenant shall pay Landlord for such alterations within 10 days of demand at a price equal to Tenant's lowest bid to perform said alterations plus ten (10%) percent for overhead and ten (10%) percent for supervision.

4.04 LANDLORD'S RIGHT TO ENTER (a) Landlord or Landlord's agents shall have the right to enter the Demised Premises at reasonable times to examine the same, and to show them to prospective purchasers or lessees of the Building, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said Demised Premises that may be required therefor without the same constituting an eviction of Tenant, in whole or in part, and the rent reserved shall in no way abate while said repairs, alterations, improvements or additions are being made by reason of loss or interruption of business of Tenant or otherwise. During the six months prior to the expiration of the term of this Lease, or any renewal term, Landlord may exhibit the Demised Premises to prospective tenants or purchasers and place upon said Demised Premises the usual notices "To Let" or "For Sale", which notices Tenant shall permit to remain thereon without molestation.

(b) If Tenant's principles, agents, employees and/or representatives shall not be personally present to open and permit any entry into said Demised Premises, at any time, when for any reason an entry therein for emergency purposes shall be necessary or permissible, Landlord or Landlord's agents may enter the same by a master key or may forcibly enter the same without rendering Landlord or such agents liable therefor and without in any manner affecting the obligations, responsibility or liability whatsoever for the care, maintenance or repair of the Building or any part thereof, except as otherwise herein specifically provided. If during the last month of the term Tenant shall vacate the Demised Premises, Landlord may immediately enter and alter, renovate and redecorate the Demised Premises without diminution or abatement of rent or incurring liability to Tenant for any compensation, and such acts shall have no effect upon this Lease.

(c) No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or mechanism thereof without the express written consent of Landlord. In the event that Landlord consents to the change in any locking mechanism, Tenant agrees that no such lock shall be of a nature and quality which cannot be accessed by Landlord's master key. Tenant agrees to pay the cost of re-keying the master key as well as any other costs associated with the addition or changing of any locking mechanism. Upon surrender or termination of the lease in the Demised Premises, Tenant shall restore to Landlord all keys to the Demised Premises, lavatories and Building either furnished to, or otherwise procured by Tenant. In the event of the loss of any keys so furnished by Landlord, Tenant shall pay to Landlord the cost thereof as well as any other costs associated with the loss of said keys.

(d) If an excavation shall be made upon land adjacent to the Demised Premises or shall be authorized to be made, Tenant shall afford access to the person causing or authorized to cause

such excavation and give a license to enter upon the Demised Premises for the purpose of doing such work as Landlord shall deem necessary to preserve the wall of the Building of which the Demised Premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnification against Landlord's or diminution or abatement of rent.

4.05 LANDLORD'S LIABILITY Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, loss or damage to Tenant's business or damage to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence (unless caused by or resulting from the negligence of Landlord, its agents, servants or employees) in or upon the Demised Premises or the Building common areas or parking field, including but not limited to, claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair; (ii) injury done or occasioned by wind or rain; (iii) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, gas, water and steam pipes, stairs, porches, railings or walks; (iv) broken glass; (v) the backing up of any sewer pipe or downspout; (vi) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about such Building or Demised Premises; (vii) the escape of steam or hot water; (viii) water, snow or ice being upon or coming through the roof, floor, skylight, trapdoor, stairs, doorways, show windows, walks or any other place upon or near such Building or the Demised Premises or otherwise; (ix) the falling of any fixture, plaster, tile or stucco; and (x) any act, omission or negligence of other tenants, licensees or of any other persons or occupants of said Building or of adjoining or contiguous Buildings or of owners of adjacent or contiguous property.

4.06 MECHANIC'S LIENS If any mechanic's lien or other liens or orders for the payment of money or any notice of intention to file a lien shall be filed against the Demised Premises or the Building by reason or arising out of any labor or material furnished or alleged to have been furnished or to be furnished to the Demised Premises on behalf of Tenant or any occupant thereof, or for or by reason of any change, alteration or addition or the cost or expense thereof or any contract relating thereto, or against the interest of Landlord, Tenant shall cause the same to be canceled and discharged of record by bond or otherwise as allowed by law at the expense of Tenant within fifteen (15) days after the filing thereof; and Tenant shall also defend on behalf of Landlord, at Tenant's sole cost and expense, any action, suit or proceeding which may be brought thereon or for the enforcement of such liens or orders, and Tenant will pay any damages and satisfy and discharge any judgment entered thereon and save harmless Landlord from any claim or damage resulting there from. Failure to comply with the provisions of this paragraph 4.05 shall be a material default of this lease.

4.07 LIMITATION OF PERSONAL LIABILITY Notwithstanding anything contained herein to the contrary, Tenant agrees that neither Landlord, nor any of its agents or employees, nor (if Landlord is or becomes a corporation or a limited liability company) any of its members, managers, officers, directors or shareholders or partners, nor (if Landlord is or becomes a partnership) any of its general or limited partners, shall have any personal liability with respect to any of the provisions of this Lease and Tenant shall look solely to the estate and interest of Landlord in the property for the satisfaction of Tenant's remedies, including, without limitation,

the collection of any judgment or the enforcement of any other judicial process requiring the payment or expenditure of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms and provisions of this Lease to be observed and/or performed by Landlord, subject, however, to the prior rights of any holder of any mortgage covering all or part of the Property, and no other assets of Landlord or any principal of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claim, and in the event Tenant obtains a judgment against Landlord, the judgment docket shall be so noted. This Section shall inure to the benefit of Landlord's successors and assigns and their respective principals.

4.08 TITLE TO IMPROVEMENTS AND RESTORATION OF DEMISED PREMISES

a) The title to all additions, repairs and replacements to any improvements made during the Lease Term and any renewal thereof shall forthwith vest in Landlord, and said improvements, additions, repairs and replacements shall be and become the sole and absolute property of Landlord without any obligation of payment by Landlord therefore.

b) All alterations, decorations, additions or improvements, except movable trade fixtures, made by either party shall become the property of Landlord upon installation unless Landlord shall elect otherwise, which election shall be made by giving notice not less than thirty (30) days prior to the expiration or other termination of this Lease or any renewal or extension thereof. In the event that Landlord shall elect otherwise, then such alterations, installations, additions or improvements made by Tenant upon the Demised Premises, as Landlord shall elect, shall be removed by Tenant and Tenant shall restore the Demised Premises to the original condition, at its own cost and expense, prior to the expiration of the term. All damage or injury to the Demised Premises and to its fixtures, appurtenances and equipment caused by Tenant moving property in or out of the Building or by installation or removal of furniture, fixtures or other property shall be repaired by Tenant. There shall be no allowance to Tenant for a diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant, or others, making any repairs, alterations, additions, or improvements to any portion of the Building or Demised Premises, or to fixtures, appurtenances, or equipment thereof, and/or by reason of failure of Landlord or others to make any repairs, alterations, additions or improvements in or to any portion of the Building or of Demised Premises, or to the fixtures, appurtenances or equipment thereof. Landlord reserves the right to stop the service of the heating, air conditioning, plumbing and electrical systems when repairs, alterations or improvements are necessary until such repairs, alterations or improvements shall have been completed. Neither the reference in this Lease to repairs by Landlord or any services, nor the presence upon the Demised Premises of any service equipment owned by Landlord, shall impose any liability upon Landlord to furnish, repair, maintain or operate any services unless expressly and specifically provided for herein.

4.09 TENANT OBLIGATIONS a) Tenant covenants throughout the term hereof, at its sole cost and expense, to keep the Demised Premises, all fixtures and equipment therein, all utility systems, and all signs of Tenant whether in the Demised Premises or erected outside thereof, in good repair, order and condition, making all repairs thereto as may be required or necessary, ordinary as well as extraordinary, foreseen and unforeseen, all repairs to be of the same quality, design and class as the original work; but the provisions of this Lease shall not require Tenant to

make repairs to the structural parts of the building, i.e. bearing walls, beams, or roof, it being agreed and understood that Landlord shall make all reasonably necessary structural repairs, unless the conditions necessitating such repairs to structural parts shall have been caused by Tenant, its agents, servants or invitees.

b) If Tenant refuses or neglects to repair property as required in this Lease agreement and to the reasonable satisfaction of Landlord as soon as reasonably possible, after written demand, Landlord may make such repairs and shall not be liable to Tenant for any loss or damage that may occur to Tenant's merchandise, fixtures, or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Landlord's cost for making such repairs plus twenty (20%) percent for overhead and supervision, as Additional Rent, to be paid by Tenant within ten (10) days of receipt of a statement from Landlord setting forth said charges and disbursements.

ARTICLE V

5.01 LIABILITY INSURANCE Tenant shall, during the entire term hereof, at Tenant's expense, keep in full force and affect a policy of insurance as follows:

A. Glass – Tenant assumes the liability for, and shall remedy, the breakage of exterior and interior plate glass during the term of this Lease if breakage is caused by Tenant's acts.

B. Property Insurance; Indemnity for Damage to Tenant's Personal Property – Tenant assumes liability for any damage to the Demised Premises and all fixtures and appurtenances thereto regardless of the cause thereof. Except as otherwise provided herein, Tenant expressly releases Landlord from, and waives all claims against Landlord and agrees to hold Landlord harmless for, any loss resulting from damage to or loss of Tenant's goods, wares, merchandise and/or improvements and betterments in, upon or about said premises regardless of the cause. Tenant shall maintain at its own expense replacement cost insurance on Tenant's goods, wares, merchandise and improvements and betterments against damage caused by fire and all other perils covered by a standard All Risk insurance policy. Landlord and Tenant agree to waive their rights of subrogation against each other and shall each attempt to obtain a waiver from their respective insurance companies releasing carriers' subrogation rights against the other party.

C. Liability Insurance – Tenant shall maintain, at its own expense, Liability insurance as follows:

1. Commercial General Liability insurance, written on an occurrence basis and including products liability insurance at a $1,000,000 per occurrence Combined Single Limit, subject to no deductible or Self-Insured Retention, including all standard Board Form Commercial General Liability coverages. Fire Legal Liability coverage shall be included and written in an amount equal to the replacement cost of premises occupied by Tenant, such amount to be agreed upon between Landlord and Tenant. If coverage is written on a form under which an aggregate limit applies to the Premises hazard, such aggregate shall be in an amount of no less than $2,000,000 and shall apply separately to each location covered by Tenant's policy.

2. Umbrella Liability insurance at a $5,000,000 per occurrence limit, subject to a $10,000 self insured retention, providing excess coverage over all coverages included in the Comprehensive General Liability policy noted in paragraph C (1) above.

These policies shall name Landlord as an additional insured on a primary, non-contributory basis and shall permit Tenant to release its carrier's subrogation rights against Landlord. Tenant hereby agrees to the waiver of such rights.

D. The insurance policies noted in (A), (B) and (C) above shall all be written with insurance companies licensed to do business in the State in the State of New York and rated no lower that A:VII by the most recent edition of A.M. Best's Property-Casualty Rating Guide. All policies shall provide that in the event of cancellation, non-renewal or material modification, Landlord shall receive 30 days written notice thereof.

E. Tenant shall furnish Landlord with certificates of insurance evidencing Tenant's compliance with all provisions of (A), (B), (C) and (D) above.

5.02 INDEMNIFICATION AND HOLD HARMLESS (a) Tenant shall defend, indemnify and hold Landlord, and Landlord's employees, agents and assigns, harmless from and against any and all loss, cost (including attorney's fees and witnesses' and court costs), damages, expense and liability (including statutory liability) resulting from injury and/or death of any person or damage to any property arising out of the maintenance, use, care or control of the demised premises, except that arising from the sole negligence of Landlord.

(b) In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, Tenant shall assume Landlord's defense protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation. Tenant shall also pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Landlord in enforcing the covenants and agreements of this Lease.

5.03 ACTS OF INVITEES Tenant shall be responsible for the acts of its customers, guests, invitees and/or anyone else on the Demised Premises at the invitation of Tenant or anyone in their employ or anyone occupying or using space in the Demised Premises. In this regard, should any of the enumerated parties commit acts which are in violation of any of the terms of this Lease, the Port Authority Lease or the City Lease, or are in any way detrimental to the person or property of Landlord or any of its staff on the Demised Premises of the Building, parking fields, plaza, or surrounding areas, or more specifically commit acts of vandalism or mischief on the Demised Premises of the Building or parking fields or surrounding areas, then, in that event, Tenant agrees that the cost of such violations, breaches, vandalism, etc. shall be immediately due and payable to Landlord and shall be considered as Additional Rent at the option of Landlord. Furthermore, the commission of any of the acts herein or the damage of the person or property of Landlord or Landlord's staff shall be a material breach of this Lease[1] and the Lease shall be subject to termination pursuant to paragraph 6.01 herein. In that regard, the first ten (10) days notice served pursuant to paragraph 6.01 shall contain a listing of the violations and the amount

[1] If Tenant cannot, for good cause, repair any damage caused withinten (10) days of damage occurring, Tenant shall give notice to Landlord of such cause and will move expeditiously to cure.

which Landlord has been damaged. The remedy or cure referred to in paragraph 6.01 shall, in this regard, be deemed to include not only the ceasing of said violations within the ten (10) day period, but also the full and complete payment of enumerated damages to Landlord. These charges, shall at the option of Landlord, be considered as Additional Rent.

ARTICLE VI

6.01 DEFAULT (a) If Tenant defaults in fulfilling any of the covenants of this Lease other than the covenants for the payment of Net Rent or Additional Rent, or if the Demised Premises becomes vacant or deserted, then, upon the expiration of ten (10) days from Landlord's serving a written notice upon Tenant specifying the nature of such default, if Tenant shall have failed to comply with or remedy such default within such ten (10) day period, or if the said default or omission shall be of such a nature that the same cannot be completely cured within said ten (10) day period, and if Tenant shall not have diligently commenced curing such default within such period and shall not thereafter with reasonable diligence proceed to cure such default, Landlord may serve a written notice of cancellation of this Lease upon Tenant, and upon the expiration of three (3) days from the service thereof, this Lease and the term hereunder shall end, and Tenant shall then quit and surrender the Demised Premises to Landlord; but Tenant shall remain liable as hereinafter provided.

(b) (i) If the notice provided for in (a) hereof shall have been given and the term shall expire as aforesaid; or (ii) if Tenant shall default in the payment of the rent reserved herein or any item of Additional Rent herein mentioned or any part of either, or in making any other payment herein provided; or (iii) if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the Demised Premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant; then, and in any of such events, Landlord may without notice re-enter the Demised Premises either by force or otherwise and dispossess Tenant or the legal representative of Tenant or other occupant of Demised Premises by summary proceedings or otherwise and remove their effects and hold the Demised Premises as if this Lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If Tenant shall be in default hereunder prior to the date fixed as the commencement of any renewal or extension of this Lease, Landlord may cancel and terminate such renewal or extension by written notice.

(c) If Tenant is in default as aforesaid, it is understood and agreed that no demand for rent and no re-entry for condition broken as at common law shall be necessary to enable Landlord to recover such possession pursuant to statute relating to summary proceedings.

(d) In the case of any such default, re-entry, expiration and/or dispossess, by summary proceedings or otherwise, (i) the rent shall become due thereupon and is to be paid upon the time of such reentry, dispossess and/or expiration, together with such expenses as Landlord may incur by reason thereof for legal expenses, attorneys' fees, and/or brokerage in putting the Demised Premises in good order and/or for preparing the same for re-rental; (ii) Landlord may rent the

Demised Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease, and may grant concessions or free rent; and (iii) Tenant or the legal representative of Tenant shall also pay Landlord as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent and Additional Rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the Lease or Leases of the Demised Premises for each month of the period which would otherwise have constituted the balance of the term of this Lease. The failure or refusal of Landlord to re-let the Demised Premises or any part or parts thereof or to collect rent therefore shall not release or affect Tenant's liability for damages. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding. Landlord, at Landlord's option, may make such alterations, repairs, replacements and/or decorations in the Demised Premises as Landlord, in Landlord's sole judgment, considers advisable and necessary for the purpose of re-letting the Demised Premises, and the making of such alterations and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy, whether in law or in equity.

(e) In the event Tenant shall fail to comply with or perform any of the covenants, conditions or agreements herein contained on Tenant's part to be performed, Landlord shall have the right (but not be obligated) to perform any such covenants, conditions or agreements, and Tenant agrees to pay to Landlord on demand as Additional Rent hereunder, a sum equal to the amount expended by Landlord in the performance of such covenants, conditions or agreements. In the event Landlord shall perform any such covenants, conditions or agreements, Tenant agrees that Landlord, its agents or employees, may enter the Demised Premises and that such entry and such performance shall not constitute an eviction of Tenant, in whole or in part, nor relieve Tenant from the continued performance of all covenants, conditions and agreements of the Lease, and further agrees that Landlord shall not be liable for any claim for loss or damage to Tenant or anyone through or under Tenant.

6.02 NO WAIVER The receipt by Landlord of Base Rent or Additional Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount that the rent or Additional Rent then due shall be deemed to be other than on account of full payments, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord's right to recover the balance of such rent or pursue any other remedy provided for by this Lease and/or at law shall not be diminished.

6.03 TENANT'S WAIVER OF JURY TRIAL Tenant waives its right of trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other, or with respect to any issue or defense raised therein, including the right to an advisory jury (except for personal injury or property damage), on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use and occupancy of said premises, including summary proceedings and possession actions, and any emergency statutory or other statutory remedy.

6.04 WAIVER OF REDEMPTION Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause or in the event of Landlord obtaining possession of the Demised Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease, or otherwise. No receipt of monies by Landlord from Tenant after the termination or cancellation of this Lease, in any lawful manner, shall reinstate, continue or extend the term of this Lease, or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of fixed or Additional Rent or rents then due, or thereafter falling due or operate as a waiver of the rights of Landlord to recover possession of the Demised Premises by proper suit, action, proceeding or remedy. It is agreed that, after the service of notice to terminate or cancel this Lease, or the commencement of suit, action or summary proceeding, or any other remedy, or after a final order or judgment for the possession of the Demised Premises, Landlord may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, order or judgment. Any and all such monies collected shall be deemed to be payments towards satisfying Tenant's obligations to Landlord.

6.05 VENUE In the event of any dispute under the terms of this Lease, the parties agree that the venue for settling the dispute will be placed in Richmond County, State of New York and none other.

6.06 REMEDIES CUMULATIVE All the rights and remedies herein given to Landlord for the recovery of the Demised Premises because of the default by Tenant in the payment of any sums which may be payable pursuant to the terms of this Lease, or upon the breach of any of the terms hereof, or the right to re-enter and take possession of the Demised Premises upon the happening of any of the defaults or breaches of any of the covenants, or the right to maintain any action for rent or Additional Rent, or damages and all other rights and remedies allowed at law or in equity, are hereby reserved and conferred upon Landlord as distinct, separate and cumulative remedies, and no one of them, whether exercised by Landlord or not, all be deemed to be in exclusion of any of the others.

ARTICLE VII

7.01 (a) ASSIGNMENT AND SUBLET (a) Any proposed assignment or subletting in whole or in part, mortgaging or other hypothecation of this Lease or of any interest in this Lease, or any

permitted use of the Demised Premises under this Lease by any person or persons other than the Tenant shall require the prior written consent of the Landlord and express prior written consent of the Port Authority. The Port Authority's consent may be withheld for any reason which is not arbitrary nor capricious.

(b) In the event that Tenant shall seek Landlord's permission to assign this Lease or sublet the Demised Premises, Tenant shall provide to Landlord the name, address and financial statement of the proposed assignee or sublessee and such other information concerning such proposed assignee or sublessee as Landlord may require. It shall be a condition to any consent by Landlord to an assignment or subletting that Tenant shall accompany such request with a certified check in the amount of Five Thousand and 00/100 Dollars ($5,000) to reimburse Landlord for reasonable legal expenses for the review and preparation of legal documents if there are no changes in the primary lease. Landlord shall be the liaison to procure the consent, or denial, of the Port Authority using commercially reasonable efforts to facilitate the application for said consent to the appropriate administrative offices of the Port Authority.

(c) In the event that Tenant shall at any time during the term of this Lease sublet all or any part of the Demised Premises or assign this Lease, either with the consent of Landlord or the Port Authority as herein provided or without the consent of Landlord or the Port Authority, then, and in such event, it is hereby mutually agreed that Tenant shall nevertheless remain fully liable under all the terms, covenants and conditions of this Lease including, but not limited to, the provisions for the payment of rent. Tenant's liability hereunder shall be continuing and shall in no way be affected, modified or diminished by reason of (i) any subsequent assignment or subletting, renewal, modification or extension of this Lease, or (ii) any modification or waiver of or change in any of the terms, conditions and covenants of this Lease, or (iii) any extension of time that may be granted by Landlord to any assignee or sublessee, its successors or assigns, or (iv) a changed or different use of the Demised Premises consented to in writing by Landlord, or (v) any dealings, transactions, or matters occurring between Landlord and said assignee or sublessee, its successors or assigns whether or not notice thereof is given to Tenant. If this Lease be assigned, subleased or any part thereof be subleased or occupied by anybody other than Tenant, Landlord may collect from the assignee, sublessee or occupant any rent or other charges payable by Tenant under this Lease and apply the amount collected to the rent and other charges herein reserved, but such collection by Landlord shall not be deemed an acceptance of the assignee, sublessee or occupant as a tenant nor a release of Tenant from performance by Tenant under this Lease.

(d) Landlord shall not unreasonably withhold its consent to an assignment or sublease of this Lease in connection with a bona fide sale of Tenant's business (conducted at the Demised Premises), provided (i) the assignee assumes in writing the performance and observance of all the terms, covenants and conditions of this Lease on the part of Tenant to be performed and observed; (ii) the assignee shall conduct its business in accordance with the permitted uses; (iii) the assignee shall conduct its business under the same trade name or another trade name approved by Landlord; (iv) the assignee shall have a certified (by a certified public accountant) net worth equal to or greater than the net worth of Tenant at the time of the assignment; and (v) a

duplicate original of the assignment and assumption is delivered to Landlord within five (5) days after its execution.

(e) In the event of any sale, assignment, sublease or other transfer of this Lease either by consent, court or administrative proceeding, or otherwise, whereby the rent and/or additional rent provided for in said assignment, sublease or other transfer exceeds the Base Rent and/or Additional Rent payable by Tenant to Landlord as provided in this Lease (Excess Rent), then this Excess Rent shall be due and payable to Landlord in addition to Base Rent and Additional Rents provided for in this Lease. Further, in the event there is a monetary exchange or exchange in lieu of cash as payment in consideration of the attempted sublease or assignment by Tenant from the transferee or its agent, then same shall be payable to Landlord as Additional Rent as provided for in this Lease. This provision shall be binding upon Tenant, Tenant's representatives, and Tenant's transferees.

(f) Tenant shall not assign this Lease or sublease any portion of the Demised Premises to a then current Tenant of the Building, the Teleport or the Corporate Park of Staten Island.

ARTICLE VIII

8.01 LANDLORD'S INTEREST IN PREMISES; PORT AUTHORITY CONSENT

(a). Landlord represents and warrants that it is the holder of the entire ground leasehold interest in the Property, including the Land and Building, equipment, fixtures and all other personal property appertaining thereto, and including the Demised Premises, free and clear of all tenancies, occupancies, restrictions, covenants, easements, liens, encumbrances and any other exceptions, other than this City Lease (as defined below) and The Port Authority Lease (as defined below), existing leases or other occupancy agreements which are not inconsistent with and do not adversely affect any rights of Tenant under this Lease. This Lease is subject to and subordinate to the Port Authority Lease and the City Lease. For purposes of the foregoing, (i) the term **"The Port Authority Lease"** means that certain lease dated as of July 8, 1985 between Landlord's predecessor in interest, Teleport Associates, and The Port Authority of New York and New Jersey (the **"The Port Authority"**), a true and complete copy of which, together with all amendments thereto, has been previously delivered by Landlord to Tenant, and (ii) the term the **City Lease"** means that certain lease dated as of May 15, 1984, as amended, between The City of New York and The Port Authority. Landlord agrees that it shall not amend The Port Authority Lease or permit any amendment to occur therein pursuant to any power of amendment reserved therein or otherwise which is inconsistent with or that adversely affects any rights of Tenant under this Lease in other than an incidental or de minimus manner or has an adverse monetary effect on Tenant that is other than de minimus or incidental.

(b) This Lease is subject to the consent of The Port Authority pursuant to The Port Authority Lease. If Landlord fails to obtain the consent of the Port Authority to this Lease within thirty (30) days after the execution and exchange of this Lease, either party may terminate this Lease upon written notice to the other, in which event this Lease shall terminate and be and become of

no further force and effect, and the parties shall not have any further rights, obligations, or liabilities hereunder

8.02 TENANT'S ESTOPPEL Within ten (10) days after request therefor by Landlord, Tenant agrees to deliver in recordable form a certification to The City of New York, the Port Authority or any proposed mortgagee or purchaser, certifying (if such be the case) that this Lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Tenant. Failure to comply shall be a material default of this Lease.

8.03 ATTORNMENT Tenant covenants and agrees that, if by reason of a default upon the part of Landlord who is the lessee under the Port Authority Lease covering the Demised Premises in the performance of any of the terms or provisions of such Port Authority Lease or if for any other reason of any nature whatsoever such Port Authority Lease and the leasehold estate of the Landlord thereunder are terminated by summary dispossess proceedings or otherwise, Tenant, at the request in writing of the then landlord under such Port Authority Lease, shall attorn to and recognize such landlord as Tenant's landlord under this Lease. Tenant covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under such Port Authority Lease, any instrument which may be necessary or appropriate to evidence such attornment. Tenant further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this Lease or give or purport to give Tenant any right of election to terminate this Lease or to surrender possession of the Demised Premises in the event such Port Authority Lease terminates or in the event any such proceeding is brought by the landlord under such Port Authority Lease if such landlord shall have requested in writing that Tenant attorn, as aforesaid and in that circumstance Tenant agrees that this Lease shall not be affected in any way whatsoever by any such proceeding or termination. Nothing contained herein shall obligate the landlord to request the Tenant to attorn or to accept such attornment from the Tenant.

ARTICLE IX

9.01 RESTORATION (a) Tenant must give Landlord prompt notice of fire, accident, damage or dangerous or defective condition. If the entire Demised Premises cannot be used because of fire or other casualty, Tenant is not required to pay rent for the time the Demised Premises are unusable. If part of the Demised Premises cannot be used, Tenant must pay rent for the usable part. If, however, the fire or other casualty is caused by any act, neglect omission or failure to comply with any covenant or condition of this Lease by Tenant, Tenant's employees or invitees, Tenant must pay the full rent with no adjustment. Landlord shall have the right to decide which part of the Demised Premises is usable. Should Landlord opt to rebuild as provided for in paragraph (b) of this section, Landlord need only repair the damaged structural parts of the Demised Premises. Landlord is not required to repair or replace any equipment, fixtures, furnishings or decorations. Landlord is not responsible for delays due to settling insurance claims, obtaining estimates, labor and supply problems or any other cause not fully under Landlord's control.

(b) Landlord has the right to demolish or rebuild the Building if there is substantial damage by fire or other casualty. Landlord may cancel this Lease within thirty (30) days after the substantial fire or casualty by giving Tenant notice of Landlord's intention to demolish or rebuild.

It is expressly agreed between the parties that the decision as to whether or not repairs shall be made or this Lease be terminated shall be in the sole discretion and option of Landlord, and the parties agree that the decision of Landlord in regard to whether or not same should be repaired is not subject to review by any agency or court, and the decision of Landlord in this regard shall be final and binding upon the parties and is deemed a negotiated condition in this Lease.

The Lease will end thirty (30) days after Landlord's cancellation notice to Tenant. Tenant must deliver the Demised Premises to Landlord on or before the cancellation date in the notice and pay all rent due to the date of the fire or casualty. The cancellation does not release Tenant of liability in connection with the fire or casualty. This section is intended to replace the terms of New York Real Property Law Section 227.

(c) Tenant shall have no entitlement or right to any insurance proceeds payable to Landlord as a result of damage to the Building.

(d) Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease in the event of damage to the Building.

(e) Whether destruction is partial or total, Tenant shall, on demand of Landlord, remove its stock fixtures and equipment to facilitate Landlord's restoration or other use of the Demised Premises.

9.02 EMINENT DOMAIN (a) If the whole of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use or purpose, then, and in that event, the term of this Lease shall cease and terminate upon the date of title vesting in such proceeding.

(b) If part of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use, the minimum rental to be paid hereunder shall be apportioned on the basis of the floor area so taken. In the event such partial taking shall exceed fifty (50%) percent of said floor area, this Lease may be canceled by either party upon the giving of five (5) days notice within twenty (20) days from the date title shall vest in the condemning authority.

(c) In no event shall Tenant have a claim for or be entitled to the value of any unexpired term of this Lease nor otherwise be entitled to any part of the award paid for such condemnation, and Landlord is to receive the full amount of such award. Tenant hereby expressly waives any right or claim to any part thereof.

ARTICLE X

10.01 SIGNS a) Tenant acknowledges that it shall have no right to affix any sign to the Demised Premises or its windows or doors, or to any part of the common areas of the Building or to the Building Landlord shall have the right to remove any sign affixed to the Building or Demised Premises by Tenant. Tenant further covenants and agrees that no awnings or other projections shall be attached to the outside walls or windows of the Building and that no curtains, blinds, shades or screens shall be attached to or hung in any window or door except as approved by Landlord. Tenant shall have no right to affix any sign in the Demised Premises which may be visible through any of the windows located in or about the Demised Premises. Landlord shall provide signage at the entrance to the Demised Premised and in the Building Lobby at Landlord's sole cost and expense.

b) In the event Landlord or Landlord's representatives shall deem it necessary to remove any Tenant sign or signs in order to paint or to make any other repairs, alterations or improvements in or upon said Demised Premises, or the Building wherein same is situated, or any part thereof, the Landlord shall have the right to do so, provided the same shall be removed and replaced at Landlord's expense whenever the said repairs, alterations or improvements shall have been completed. Landlord shall provide Building directory in lobby for Tenant and its subtenant's use.

ARTICLE XI

11.01 LANDLORD'S COVENANT OF QUIET ENJOYMENT Subject to the terms of the City Lease and the Port Authority Lease, Landlord covenants and agrees with Tenant that upon Tenant paying the Base Rent and Additional Rent and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Demised Premises hereby demised, subject, nevertheless, to the terms and conditions of this Lease and to any ground Leases underlying the Lease and mortgages herein mentioned or provided for.

11.02 NO WASTE Tenant shall not commit or suffer to be committed any waste upon the Demised Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Tenant in the Building in which the Demised Premises is located, or on the parking fields, or anywhere in the Corporate Commons, Teleport or the Corporate Park of Staten Island or surrounding areas, which may disturb the quiet enjoyment of any person within five hundred feet of the boundaries of the Building or parking fields.

11.03 SURRENDER Anything herein to the contrary notwithstanding, upon the termination of this Lease and vacating of the Demised Premises, Tenant agrees to leave the Demised Premises broom clean and in good repair, excepting reasonable wear and tear. The failure of Tenant to remove its trade fixtures or any of its property at the termination of the term of this Lease shall be deemed abandonment of such property, at the option of Landlord.

11.04 HOLDOVER Any holding over after the expiration of the term hereof or renewal term, with the consent of Landlord, shall be constructed to be a tenancy from month to month at a rate equal to 150% of the rent herein last specified, or in an amount specified by Landlord, provided notice of same is given by Landlord to Tenant at least thirty (30) days prior to the termination of the original, Lease term or thirty (30) days prior to the termination of any renewal term, and all obligations of Tenant contained herein shall apply during the holdover period. Nothing contained herein shall, be construed as authorization or consent for Tenant to hold over beyond the expiration of the term of this Lease.

11.05 BROKER Tenant represents that no broker brought about this agreement and Tenant agrees to indemnify and hold Landlord harmless from any claim for commission or compensation by any other broker in connection herewith and Tenant agrees to defend any such claim at Tenant's sole cost and expense.

11.06 COVENANTS The provisions of this Lease are to be construed as covenants and all the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators and assigns.

11.07 NOTICES All notices, requests, demands, consents, approvals and other communications (hereinafter individually and collectively called "Notices") required or permitted to be served or given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested or by a reputable national overnight courier service, postage prepaid, or by hand delivered addressed to the parties at their addresses set forth below:

Landlord: The Corporate Commons of Staten Island, LLC
1110 South Avenue
Staten Island, New York 10314

with a copy to: Kudman Trachten Aloe LLP
350 Fifth Avenue, Suite 4400
New York, New York 10118

Tenant: Value Dental Studio, Inc.
91 Flagg Court
Staten Island, New York 10304
Federal Employee Identification Number: 26-405-9890

with a copy to:
Yolanda Zawisny, Esq.
Zawisny & Zawisny, PC
578 Driggs Avenue
Brooklyn, NY 11211

11.08 CAPTIONS The captions, article numbers, marginal notes and index appearing in this Lease are inserted only as a matter of convenience, and in no way define, limit, describe of affect the scope or intent of this Lease.

11.09 DEFINITIONS (a) The term "Landlord" as used in this Lease means only the owner or the mortgagee in possession for the time being of the land and Building (or the owner of the Lease of the Building or of the land and Building) of which the Demised Premises form a part, so that in the event of any sale or sales of said land and Building or of said Lease, or in the event of a Lease of said Building, or the land and Building, Landlord as named in this Lease shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder. It shall be deemed and construed without further agreement between the parties or their successors in interest, that the purchaser or the lessee of the Building has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder. The words "re-enter" and "re-entry" as used in this Lease are not restricted to their technical legal meaning.

(b) The use of the neuter singular pronoun to refer to Landlord or Tenant shall, nevertheless, be deemed a proper reference even though Landlord and/or Tenant may be an individual, a corporation, a partnership or a group of two or more individuals or corporations.

11.10 RESOLUTION OF BOARD OF DIRECTORS In the event that Tenant, under this Lease, is a corporation, Tenant agrees to provide within thirty (30) days after execution of said Lease a resolution of the Board of Directors of Tenant corporation approving the execution of this Lease. In the event that Tenant fails to provide the aforementioned, Landlord shall, at its option, have the right to terminate this Lease on ten (10) days notice to Tenant provided Tenant does not cure same within 10 days after notice is rendered.

11.11 RECORDING Tenant covenants not to place this Lease or any memorandum of this Lease on record without the prior written consent of Landlord.

11.12 INVALIDITY OF PARTICULAR PROVISION If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

11.13 ENTIRE AGREEMENT This Lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

11.14 GOVERNING LAW This Lease, its provisions, or any dispute arising hereunder, shall be governed by the laws of the State of New York.

11.15 ROOF ANTENNA Subject to Port Authority and the Landlord's approval, which may be withheld for any reason, Tenant shall have the right to install a satellite dish, antennae and/or other communications equipment ("Communications Equipment"), whereupon Landlord shall be entitled to Additional Rent for same, in an amount to be determined at the time Tenant applies to Landlord for permission to install said Communications Equipment. In the event Tenant installs Communications Equipment, same shall be installed by Tenant, at its own cost and expense, on the roof of the Demised Premises. Further, the Communications Equipment shall not be visible from the ground and shall not interfere with any other existing or other contemplated antennae on the Building. Unless Landlord shall perform any installation and/or removal, Tenant shall remain responsible for any damage caused by the installation or removal of the Communications Equipment. Tenant shall not be entitled to use more than 100 square feet of the roof top in connection with the installation, the location of which is subject to the Landlord's consent, which consent will not be unreasonably withheld, conditioned or delayed so long as the proposed location does not interfere with any existing communications equipment, HVAC units, vents, exhaust units, or other roof installations. Landlord shall, at Tenant's option, install and remove any such antennas on the roof of the Building at Tenant's sole cost and expense, which shall be Landlord's actual cost plus ten (10%) percent. Tenant shall not be charged any additional roof rental fee for the placement of such antennae.

11.16 HAZARDOUS MATERIALS/ENVIRONMENTAL LAWS (a) "Hazardous Materials" include substances (i) which require remediation under any Environmental Laws; or (ii) which are or become defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any Environmental Laws; or (iii) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic or mutagenic; or (iv) which contain petroleum hydrocarbons, polychlorinated biphenyls, asbestos, asbestos containing materials or urea formaldehyde.

(b) "Environmental Laws" mean all applicable present and future statutes, regulations, rules, ordinances, codes, permits or odors of all governmental agencies, department, commission, boards, bureaus, instrumentalities of the United States, states and their political subdivisions and all applicable judicial, administrative and regulatory decrees and judgments relating to the protection of public health or safety or of the environment.

(c) "Environmental Damages" means all claims, judgments, losses, penalties, fines, liabilities, encumbrances, liens, costs and reasonable expenses of investigation, defense or good faith settlement resulting from violations of Environmental Laws, and including, without limitation: (i) damages for personal injury and injury to property or natural resources; (ii) reasonable fees and disbursements of attorneys, consultants, contractors, experts and laboratories; and (iii) reasonable costs of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any Environmental Law and other reasonable costs reasonably necessary to restore full economic use of the Demised Premises or the Building or the project.

(d) Tenant agrees to indemnify, defend, reimburse and hold Landlord and the Port Authority harmless against any Environmental Damages incurred by Landlord or the Port Authority arising

from Tenant's breach of paragraph (e) below. Port Authority and Landlord agrees to indemnify, defend, reimburse and hold Tenant harmless against any Environmental Damages incurred by Tenant arising from either the Port Authority or Landlord's breach of paragraph (e) below. The obligations of both parties in this paragraph shall survive termination of this Lease and the discharge of all other obligations owed by the parties to each other under this Lease. Landlord warrants and represents that the Property, the Building and the Demised Premises (and any Expansion Space) do not and will not contain any Hazardous Materials, including but not limited to asbestos and/or PCBs. In the event that any Hazardous Materials are found in the Property, Building and/or Demised Premises, Landlord shall, at Landlord's sole cost and expense, remove same in compliance with all applicable laws, rules and/or ordinances concerning the removal and/or disposal of same. Landlord agrees to indemnify and hold Tenant harmless from any and all liability arising from the presence of any Hazardous Materials in and around the Property, Building and/or Demised Premises, including but not limited to, Tenant's reasonable costs and attorney's fees.

(e) The Port Authority, Landlord and Tenant shall (i) comply with all Environmental Laws; (ii) not cause or permit any Hazardous Materials to be treated, stored, disposed of, generated, or used in the Demised Premises, building or project; provided, however, that Port Authority, Landlord and Tenant may each store, use or dispose of products customarily found in offices and used in connection with operation and maintenance of property if each complies with all Environmental Laws and does not contaminate the Demised Premises, building, project, or environment; and (iii) promptly after receipt, deliver to the other party a copy of communication concerning any past or present, actual or potential violation of Environmental Laws or liability of either party for Environmental Damages.

11.17 AMERICANS WITH DISABILITES ACT: Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant agree that responsibility for compliance with the Americans With Disabilities Act of 1990 (the "ADA") shall be allocated as follows: (i) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for all Common Areas, including exterior and interior areas of the Building; (ii) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises if such construction, renovations, alterations or repairs are made by Landlord at Landlord's request and sole expense for the purpose of improving the Building generally, and (iii) Tenant shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises during the term of the Lease after the initial tenant improvement work.

11.18 CONFIDENTIALITY: Landlord and Tenant hereby agree that the terms of this agreement are confidential and may not be disclosed to any third party without the consent of the other.

ARTICLE XII

12.01 RULES AND REGULATIONS Tenant covenants and agrees with Landlord to obey, in all respects, the following rules and regulations:

(1) Tenant agrees to comply with any reasonable rules and regulations to be promulgated by The Port Authority of New York and New Jersey pertaining to security requirements regarding entry to the Corporate Commons.

(2) The delivery, shipping, loading or unloading of furniture, supplies and fixtures to and from the Demised Premises shall be subject to such rules and regulations as in the judgment of Landlord are necessary for the proper operation of the Building. The Landlord hereby agrees to promulgate and apply all rules and regulations equitably and without discrimination against the Lessee and all other tenants in the Building;

(3) No loudspeakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the Demised Premises without the prior written consent of Landlord;

(4) Freight, furniture, business equipment, merchandise or bulky matter of any description shall be delivered to and removed from the Demised Premises only before or after business hours and in a manner approved by Landlord, unless otherwise approved by Landlord in writing. Tenant shall not move any such freight, furniture, business equipment, merchandise or bulky matter of any description on any elevator without the use of elevator wall padding as well as protective floor coverings in the hall ways. The sidewalks, entrances, parking fields, driveways, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than for ingress or egress from the Demised Premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Landlord. There shall not be used in any space, or in the public hall of the Building, either by any Tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards. Landlord reserves the right to require Tenant to use all reasonable measures to protect the floors and walls of the Building during Tenants moving any equipment or furniture in and out of the Building.

(5) Tenant shall keep the Demised Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures;

(6) The plumbing facilities shall not be used for any other purposes than that for which they are constructed, and no foreign substance of any kind shall be thrown therein;

(7) No auction, fire, bankruptcy, selling-out sales, or sidewalk sales shall be conducted on or about the Demised Premises without prior written consent of Landlord;

(8) Tenant shall not permit any unlawful or immoral practice or business to be carried on or committed upon the Demised Premises;

(9) Tenant shall not use the Demised Premises for any purpose or in any manner whatsoever which might create a nuisance or injure the reputation of the Building;

(10) Tenant shall not bring or permit to be brought or kept in or on the Demised Premises, any inflammable, combustible or explosive fluid, material, chemical or substance, or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors to permeate in or emanate from the Demised Premises;

(11) Tenant shall not bring or permit to be brought in the Building or kept in or on the Demised Premises any pet, except for pets used for medical and or disability assistance purposes.

(12) Tenant shall provide access to the Demised Premises to Landlord or Landlord's designated exterminating service for the purpose of providing exterminating services in connection with the Demised Premises or the Building;

(13) Landlord reserves the right to refuse admission during or outside of ordinary business hours to the Building and the Demised Premises to any person not known to any watchman in charge or properly identified; to eject any person from the Building whose conduct may tend to be harmful to the safety and interests of Tenants and the property therein; to close any part of the Building during any riot or other commotion where person or property may be imperiled; all of the foregoing to be without liability to Landlord;

(14) Tenant shall be entitled to install vending machines for use by its officers, employees and invitees, but not other tenants nor shall the vending machines be accessible to the public.

(14) Tenant shall comply with all further rules and regulations for the use and occupancy of the Building and Common Areas as Landlord from time to time promulgates for the best interests of the Corporate Commons, provided that if Tenant disputes the reasonableness of any future rule or regulation, Tenant shall so notify Landlord within ten (10) days after the promulgation thereof and the dispute shall be settled by arbitration by and in accordance with the rules then existing of the American Arbitration Association. Landlord shall have no liability for the violation of any other tenant of any rules or regulations nor shall such violation or the waiver thereof excuse Tenant from compliance.

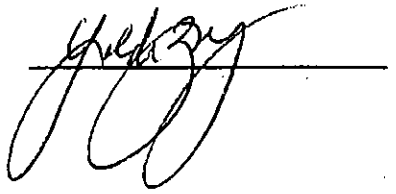
IN WITNESS WHEREOF, Landlord and Tenant have duly signed and sealed this Lease as of the day and year first above written.

Witness for Landlord:

LANDLORD:
The Corporate Commons of Staten Island, LLC

By _____
Richard Nicotra, Managing Member

Witness for Tenant:



YOLANDA ZAWISNY
Notary Public, State of New York
No.: 02ZA6163217
Qualified In Richmond County
Commission Expires May 7, 2011

TENANT:
Value Dental Studio, Inc.

By: _____
Keith Pillarella

EXHIBIT A - DESCRIPTION OF DEMISED PREMISES

EXHIBIT B - LANDLORD'S WORK

Landlord shall deliver the Premises to Tenant for beneficial occupancy broom clean condition with all building systems fully operational. Landlord agrees to remove any non-bearing partitions, plaster patch and install a new suspended ceiling at its sole costs and expense. In addition, Landlord agrees to install a drain, and to add an additional door in accordance with fire and building department requirements. All these to be done at the Landlord's sole cost and expense.

EXHIBIT C

If requested by Tenant and pursuant to the terms of Section 3.08, Landlord shall provide the following cleaning services:

All flooring swept daily.
All carpeted areas and rugs carpet-swept daily and vacuumed weekly.
All private stairways swept daily.
Waste paper baskets, ashtrays, receptacles, etc. emptied and cleaned daily and damp dusted when necessary.
Cigarette urns cleaned daily and sand or water replaced when necessary.
All furniture, fixtures and window sills dusted and wiped clean daily.
All glass furniture tops cleaned daily.
All water fountains washed clean daily.
Slop sink rooms cleaned daily.
Remove waste paper and waste materials to a designated area or areas, ready for removal by rubbish contractor daily.
Do all high dusting quarterly, including the following:
Dust all pictures, frames, charts, graphs and panel wall hangings not reached in daily cleaning.
Dust all vertical surfaces such as walls, partitions, ventilating louvers and other surfaces not reached in daily cleaning.
Dust all lighting fixtures (exterior only).
Dust all overhead pipes, sprinklers, etc.
Dust all Venetian blinds and window frames.
Exterior window washing twice per year.

CONSENT AGREEMENT

THIS AGREEMENT, dated as of June 18, 2010, by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by Compact between the States of New Jersey and New York, with the consent of the Congress of the United States of America and having an office at 225 Park Avenue South, New York, New York 10003 (hereinafter called the "Port Authority"), THE CORPORATE COMMONS OF STATEN ISLAND, LLC, a limited liability company organized and existing under the laws of the State of New York having its principal place of business at 1110 South Avenue, Staten Island, New York 10314 (hereinafter called the "Lessee"), and RICHMOND MEDICAL CENTER, d/b/a Richmond University Medical Center, a New York not-for-profit corporation, having its principal place of business at 355 Bard Avenue, Staten Island, New York 10310 (hereinafter called the "Space Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the City of New York heretofore entered into that certain Lease, dated as of May 15, 1984 (the "Ground Lease") covering the leasing to the Port Authority of a portion of the Staten Island Industrial Park known as the Teleport; and

WHEREAS, the Port Authority and the Lessee's predecessor in interest have heretofore entered into an agreement dated July 8, 1985 (which agreement, as the same has-been or may hereafter be supplemented and amended, is hereinafter called the "Main Lease") covering the construction and operation of an office building or buildings at the Teleport (sometimes hereinafter called the "Facility"); and

WHEREAS, pursuant to and in accordance with the terms of the Main Lease, the Lessee and the Space Lessee entered into an agreement of lease dated as of December 23, 2009, as amended and restated in that certain Amended and Restated Lease, dated June 15, 2010 (hereinafter called the "Space Lease"), subject to, among other things, the consent of the Port Authority and the execution of a Consent Agreement by and among the Lessee, the Space Lessee and the Port Authority; and

WHEREAS, the Port Authority and the Space Lessee have entered into a Non-Disturbance and Attornment Agreement dated as of the date hereof (the "Non-Disturbance Agreement");

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Lessee and the Space Lessee hereby agree as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Space Lease and, notwithstanding anything to the contrary contained in the Main Lease, approves of the Space Lessee using the Demised Premises for the Permitted Uses. Capitalized terms used herein without definition have the respective meanings assigned to those terms in the Space Lease.

The Port Authority hereby advises the Lessee and the Space Lessee, and the said parties hereby acknowledge, that the term of the Ground Lease expires on March 31, 2024. The Port Authority makes no representations that it will exercise any of the series of options granted to it under the Ground Lease, each to extend the term of the Ground Lease for a one-year period. However, in the event the Port Authority, in its sole discretion, does elect to exercise one or more of the said extension options, then, subject to the provisions of paragraph 9 hereof in all cases, the consent to the Space Lease herein contained will automatically be extended for the duration of each such extension so exercised.

2. The Port Authority agrees to cooperate with the Space Lessee and promptly take all actions reasonably necessary to enable the Space Lessee to obtain approval to build out, and to receive required Port Authority-issued "Permits to Occupy," the Demised Premises for the Permitted Uses. Notwithstanding the foregoing, the Port Authority retains sole discretion, not to be arbitrarily or capriciously exercised, to review and approve plans and specifications required for the issuance of the said Permits.

3. Neither this Consent Agreement, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to, nor shall they create an implication that there has been consent to, any enlargement or change in the rights, powers and privileges granted to the Lessee under the Main Lease, including but not limited to any purported rights of the Lessee, or enlargement thereof, set forth in subsections 1.04(a) and 4.02(a) of the Space Lease, nor consent to the granting of any rights or privileges to the Space Lessee as may be provided by the Space Lease if not granted to the Lessee under the Main Lease. The Space Lease is an agreement between the Lessee and the Space Lessee with respect to the various matters set forth therein. Neither this Consent nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Lessee that the provisions of the Space Lease shall apply and pertain as between the Lessee and the Port Authority, it being understood that, as between the Port Authority and the Lessee, the terms, conditions and agreements of the Main Lease shall, in all respects, be controlling and determinative. The specific mention of or reference to the Port Authority in any part of the Space Lease, including without limitation hereto, any mention of any consent or approval of the Port Authority hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall thereafter grant its consent or approval thereto or that the Port Authority's discretion pursuant to the Main Lease as to any such consents or approvals shall in any way be affected be impaired, except that in all instances in which Port Authority consent is required, the Port Authority shall not act arbitrarily or capriciously in withholding, conditioning or delaying its consent. The lack of any specific reference in any provisions of the Space Lease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required, and the Main Lease shall, in all respects, be controlling.

No provision of the Space Lease including, but not limited to, those imposing obligations on the Space Lessee with respect to laws, rules, regulations, taxes, assessments and liens shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Space Lease

covering actions which shall or may be undertaken by the Space Lessee or the Lessee, including but not limited to construction on the space covered by the Space Lease, be deemed to imply or infer that Port Authority consent or approval thereto pursuant to the Main Lease will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired, except that the Port Authority shall not act arbitrarily or capriciously in withholding, conditioning or delaying its consent with respect to such matters.

4. The Space Lessee, in its operations under or in connection with the Space Lease and in its occupancy of the space covered by the Space Lease, shall be subject to the applicable terms, provisions, covenants and conditions of the Main Lease. Without in any way affecting the obligations of the Lessee under the Main Lease and under this Consent Agreement, all acts and omissions of the Space Lessee shall be deemed acts and omissions of the Lessee under the Main Lease, but notwithstanding the foregoing, the Lessee shall not be or be deemed to be in default of the Main Lease to the extent that any of the foregoing acts or omissions shall constitute a breach thereof if, except for causes beyond the control of the Lessee, the Lessee shall have commenced to remedy said default within twenty (20) days after receipt of notice thereof from the Port Authority and continues diligently to pursue such remedy.

5. The Space Lessee shall indemnify and hold harmless the Port Authority and its agents, employees, officers and Commissioners against and from (a) any and all claims of third parties arising from (i) the operation, maintenance or management by the Space Lessee of the Premises or any work or thing whatsoever done, or any condition created in or about the Premises during the term of the Space Lease by the Space Lessee, its contractors, licensees, agents, servants, employees, subtenants, invitees or visitors, or (ii) any negligent or otherwise wrongful act or omission of the Space Lessee or any of its subtenants or licensees or its or their employees, agents, visitors, invitees or contractors or subcontractors of any tier, and (b) all reasonable costs, expenses and liabilities incurred in or in connection with each such claim or action or proceeding brought thereon. In case any action or proceeding shall be brought against the Port Authority by reason of any such claim, the Space Lessee, upon notice from the Port Authority, shall defend such action or proceeding.

6. The Space Lease shall not be changed, modified, discharged or extended (other than by the exercise of options to renew contained in the Space Lease) except by written instrument duly executed by the parties thereto and only with the express written consent of the Port Authority, not to be arbitrarily or capriciously withheld, conditioned or delayed. Without limiting the generality of the foregoing, the Space Lessee shall use the space covered by the Space Lease strictly in accordance with the provisions of Section 1.05 of the Space Lease and for no other purpose or purposes whatsoever.

7. If the Lessee shall at any time be in default of its obligations under the Main Lease to make payments to the Port Authority, or if there shall occur at any time an event involving insolvency, bankruptcy, arrangement or reorganization of the Lessee which under the terms of the Main Lease would constitute an event the occurrence of which grants the Port Authority the right to terminate the Main Lease based on the Lessee's default in its obligations under the Main Lease to make payments to the Port Authority, and provided the same has not been cured within the time granted therefor, if any, under the Main Lease, the Space Lessee, on

demand of the Port Authority, shall pay directly to the Port Authority any fee or other amount due to the Lessee. No such payment shall relieve the Lessee from any obligations under the Main Lease or under this Consent Agreement, but all such payments shall be credited against the obligations of the Lessee under the Main Lease and of the Space Lessee under the Space Lease for each payment or part thereof.

8. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of consent to any subsequent agreement with respect to the use or occupancy of space at the Facility (by the Lessee or by the Space Lessee) or to any assignment of the Main Lease or the Space Lease or of any rights under either of them, whether in whole or in part.

9. In the event any substantial default by the Space Lessee under any of the provisions of this Consent Agreement occurs and said default has not been cured within thirty (30) days after the Port Authority has served a notice of such default upon the Lessee and the Space Lessee, the Port Authority shall have the right to revoke the consent granted hereunder upon thirty (30) days' written notice to the Lessee and the Space Lessee, but no such revocation shall be deemed to affect the Main Lease and the continuance thereof, it being understood, moreover, that the foregoing shall not be deemed to affect or limit any rights of the Port Authority under the Main Lease. In the event of the revocation of the consent hereunder as hereinabove provided, the Lessee shall immediately terminate the Space Lease.

10. Notwithstanding anything in Section 1.04 of the Space Lease to the contrary, the Lessee shall not take any steps to alter, modify, change, move, build upon or otherwise affect the parking facilities, roads, roadways or footways at the Facility without the express, prior written consent of the Port Authority, and the parties hereto hereby acknowledge that the aforesaid parking facilities, roads, roadways and footways constitute common use areas at the Facility as described in Section 1.03 of the Space Lease, as to which the Space Lessee has only a right to use and occupy in common with others similarly entitled.

11. (a) The amounts per rentable square foot set forth in subparagraph (b)(ii) of Section 3.02 of the Space Lease with respect to Operating Expenses shall not be binding on the Port Authority in any respect, and the granting of this consent by the Port Authority shall not be deemed or construed as acknowledgment, agreement with, or approval of said amounts by the Port Authority in any particular.

(b) Nothing set forth in Section 3.04 of the Space shall be deemed or construed to affect the requirement to obtain Port Authority prior written approval of Tenant's Initial Improvements, which approval shall not be arbitrarily or capriciously withheld, conditioned or delayed.

(c) The Port Authority hereby expressly disavows Lessee's implied claims to possess certain "rights" with respect to the Building and other areas at the Facility as set forth in Section 4.02 of the Space Lease. Further, the Port Authority does not acknowledge or agree that Lessee has the right to build or develop a "New Teleport Building," as defined in subparagraph (b)(i) of Section 11.19 of the Space Lease. Under no circumstances during the term of the Space

Lease shall Lessee attempt to exercise any of the said purported "rights," and notwithstanding Lessee's implied claim in Section 4.02 to possess such "rights" and the implication created by Section 11.19 (b)(i)," no attempted exercise of any of the said "rights" by Lessee shall be valid or binding on the Port Authority.

12. The parties hereto hereby expressly acknowledge and agree that any proposed assignment, subletting in whole or in part, mortgaging or other hypothecation of the Space Lease or of any interest in the Space Lease, or any permitted use of the premises under the Space Lease by any person or persons other than the Space Lessee shall require the express prior written consent of the Port Authority in addition to the prior written consent of the Lessee and that the Port Authority agrees to act only in a non-arbitrary and non-capricious manner in determining whether to grant its consent to any such proposed transaction.

13. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Lessee or to the Space Lessee under any term or provision of this Consent Agreement or because of its execution or because of any breach or alleged breach hereof.

14. This Consent Agreement may be executed an any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument.

(Signatures follow)

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Space Lessee have executed these presents.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Francis A. DiMola
Director
Real Estate Services Department

(Seal)

ATTEST:

Secretary

THE CORPORATE COMMONS OF STATEN ISLAND, LLC
Lessee

By

Print Name Richard Nicom

(Title) Mgr President
(Corporate Seal)

ATTEST:

Secretary CEO

RICHMOND MEDICAL CENTER
Space Lessee

By

Print Name RICHARD J. MURPHY

(Title) President & CEO
(Corporate Seal)

"APPROVED"

FORM	TERMS
RMS	

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 25th day of June in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. DI MAGGIO personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Virginia Della Barca
(notarial seal and stamp)

VIRGINIA DELLABARCA
Notary Public, State of New York
No. 01DE6202188
Qualified In New York County
Term Expires March 9, 2013

STATE OF NY)
) ss.
COUNTY OF NY)

On the 22 day of June in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Richard Mcotra, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

JOHN LEGO
NOTARY PUBLIC STATE OF NEW YORK
KINGS COUNTY, LIC. #02LE6016297
COMM. EXP. [illegible]

STATE OF NEW YORK)
) ss.
COUNTY OF RICHMOND)

On the 18 day of June in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Richard Murphy, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Lee A Ba
(notarial seal and stamp)

LEE A. BARKAN
Notary Public, State of New York
No. 02BA4952197
Qualified in New York County
Commission Expires March 17, 2014

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS NON-DISTURBANCE AND ATTORNMENT AGREEMENT, dated as of June 18, 2010 (this "Agreement"), between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, having an office at 225 Park Avenue South, New York, New York 10003 (the "Port Authority"), and RICHMOND MEDICAL CENTER, d/b/a RICHMOND UNIVERSITY MEDICAL CENTER, a New York not-for-profit corporation, having an address at 355 Bard Avenue, Staten Island, New York 10310 (the "Space Lessee").

RECITALS

WHEREAS, the Port Authority and the predecessor in interest of THE CORPORATE COMMONS OF STATEN ISLAND, LLC (together with its transferees, successors and assigns, the "Lessee"), have heretofore entered into an agreement dated as of July 8, 1985 (which agreement, as the same has been or may hereafter be supplemented and amended, is hereinafter called the "Main Lease") covering the construction and operation of two office buildings at the Teleport (the "Facility") located in a portion of the Staten Island Industrial Park in the County of Richmond, City and State of New York;

WHEREAS, the Lessee, as landlord, and the Space Lessee, as tenant, have entered into a space lease, dated as of December 23, 2009, as amended and restated in that certain Amended and Restated Lease, dated June 15, 2010 (the "Space Lease"), covering certain premises (the "Premises") located in one or both of the buildings (the "Buildings") on the land known as 2 Teleport Drive (Block 2165, Lot 170) at the Facility;

WHEREAS, the Space Lessee has required, as a condition to its execution and delivery of the Space Lease, that the Port Authority agree to recognize the Space Lease and the Space Lessee's rights thereunder in the event of a termination of the Main Lease, and the Port Authority is willing to recognize the Space Lease, upon and subject to the terms and conditions of this Agreement; and

WHEREAS, contemporaneously herewith, the Port Authority, the Lessee and the Space Lessee have entered into a Consent Agreement (the "Consent") providing for the consent of the Port Authority to the form and terms of the Space Lease on the terms and conditions set forth in the Consent Agreement and for certain other matters as set forth therein.

IT IS, THEREFORE, AGREED:

1. All covenants made and obligations undertaken by the Port Authority under this Agreement shall be valid and binding on the Port Authority only during the "Term" of that certain Lease between The City of New York and the Port Authority, dated as of May 15, 1984 (the "Ground Lease"). The term of the Ground Lease and the Port Authority's interest as ground lessee thereunder are scheduled to expire as of March 31, 2024. However, in the event the Port Authority, in its sole discretion, elects to exercise one or more of the series of options in the

Ground Lease to extend the term thereof, then, the right of peaceable and quite use, occupancy, enjoyment and possession of the Premises herein granted to the Lessee shall continue in full force and effect during the extended term of the Ground Lease, subject to all of the terms and conditions hereof.

2. Non-Disturbance.

(a) So long as the Space Lessee shall not be in default under the Space Lease after the giving of any required notice and the expiration of any applicable grace or cure period provided for thereunder:

(i) The Space Lessee's right of peaceable and quiet use, occupancy, enjoyment and possession of the Premises shall not be affected or disturbed by the Port Authority; and

(ii) except as provided in Section 3 hereof, upon the expiration or any termination of the Main Lease by summary dispossess proceeding or otherwise, the Port Authority shall be bound by the provisions of the Space Lease, and the Space Lease shall remain in full force and effect as a direct lease between the Port Authority, as landlord, and and the Space Lessee, as tenant, upon all of the obligations, terms and conditions of the Space Lease.

(b) Notwithstanding the occurrence of any default or breach on the part of the Lessee under the Main Lease, and provided that the Space Lessee is not in default under the Space Lease following the expiration of any applicable cure period, the Port Authority shall not name the Space Lessee as a party in any action or proceeding arising from the exercise by the Port Authority of any of its rights or remedies under the Main Lease, provided that the Space Lessee may be so named or joined if required by law, and if such naming or joining of the Space Lessee will not adversely affect the Space Lessee's rights under this Agreement or under the Space Lease.

3. Attornment. Without in any way limiting the provisions of the Main Lease or the Consent, if the Port Authority shall succeed to the interest of the Lessee as landlord under the Space Lease as set forth in this Agreement, then the Space Lessee shall attorn to and recognize the Port Authority as the Space Lessee's landlord under the Space Lease and shall continue to be bound by all the terms, provisions and conditions of the Space Lease. Each of the Space Lessee and the Port Authority agrees to execute and deliver, at any time and from time to time, upon request of the other, any instrument that may reasonably be necessary or appropriate to evidence the recognition of a direct lease (as provided in Section 2 hereof) and such attornment (as provided in this Section). The Space Lessee hereby waives the provisions of any statute or rule of law now or hereafter in effect that may terminate the Space Lease or give or purport to give the Space Lessee any right of election to terminate the Space Lease or to surrender possession of the Premises in the event the Main Lease terminates or in the event that any proceeding is brought by the Port Authority under the Main Lease, and in each such case, the Space Lease shall not be affected in any way whatsoever by any such proceeding or termination.

4. Limitation on Port Authority's Obligations; No Merger.

(a) Notwithstanding the attornment by the Space Lessee to the Port Authority pursuant to this Agreement, neither the Port Authority nor anyone claiming by or through the Port Authority shall:

(i) be bound by any payment of rent or additional rent covering a period beyond the then-current rental period, which payment shall not have been consented to by the Port Authority, or any security deposit or any other pre-paid sum paid by the Space Lessee to the Lessee, except to the extent such rent or additional rent or security deposit or other pre-paid sum is actually received by the Port Authority;

(ii) be bound by any amendment or modification of the Space Lease or any surrender agreement, which amendment or modification or surrender agreement shall not have been consented to by the Port Authority;

(iii) subject to the provisions of clause (vi) of this Section 3, be liable for any previous act, omission or negligence of the Lessee under the Space Lease, nor be obligated to cure any defaults of the Lessee;

(iv) except as otherwise provided in clause (vi) of this Section 3, be subject to any defenses or offsets not expressly provided for in the Space Lease that shall have theretofore accrued in favor of the Space Lessee against the Lessee;

(v) be bound by any obligation to grant any credit not expressly provided for in the Space Lease, but, with respect to any credits so provided for, only to the extent not theretofore issued, or to make any payment to the Space Lessee, by any financing obligation the Lessee may have incurred with respect to the Space Lessee, or by any obligation for brokerage commissions or costs or expenses incurred in connection with the negotiation or execution of the Space Lease;

(vi) be bound by any covenant to undertake or complete any construction on or in the Premises or any portion thereof, except for repair and maintenance obligations in effect at the time of the attornment and thereafter accruing, nor be obligated to cure any defaults under the Space Lease that occurred prior to the termination of the Main Lease except for defaults that continue subsequent to the termination of the Main Lease; or

(vii) be bound by any extension option set forth in the Space Lease to the extent that, if exercised by the Space Lessee, it would result in the extension of the term of the Space Lease beyond any extended term of the Ground Lease.

(b) Notwithstanding any termination of the Main Lease, or any attornment by the Space Lessee to the Port Authority pursuant to this Agreement, there shall be no merger of the estates of the Port Authority as lessor under the Ground Lease and as landlord under the Space Lease, and the Space Lease and the Space Lessee's rights and obligations thereunder shall remain subject and subordinate to the Main Lease and the rights of the Port Authority thereunder (except as specifically modified by this Agreement). It is expressly understood and agreed that the Port Authority shall have the right to incorporate into the Space Lease those provisions of the Main Lease relating to the Port Authority's status and the relationship between the Port Authority and the Lessee that are set forth in Sections 6.6.3, 10.4, 12.2, 43 and 48 of the Main Lease, and the Space Lessee shall execute an agreement prepared by the Port Authority and submitted to the Space Lessee providing for the incorporation of such provisions in the Space Lease.

5. Successors and Assigns. The stipulations, terms, covenants and agreements contained in this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns, including (without limitation) each and every party deriving title to the Premises or the Buildings by or through the Port Authority.

6. Notices. Any demand, request, consent or other notice given or required to be given under this Agreement shall be deemed given only if in writing, and hand delivered (with receipt acknowledged in writing) or sent by registered or certified mail (return receipt requested) to the duly designated office of such party. Until further notice, the duly designated offices are as follows:

To the Port Authority:
The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003
Attention: Executive Director

To the Space Lessee:

Richmond University Medical Center
355 Bard Avenue
Staten Island, NY 10310
Attention: Chief Financial Officer

with a courtesy copy to:

Proskauer Rose
1585 Broadway
New York, NY 10036
Attention: Richard J. Zall, Esq.

All notices shall be deemed given when received.

7. Amendments. This Agreement may not be changed, modified, supplemented or terminated, nor may any of the obligations of the Port Authority or the Space Lessee hereto be waived, except by an instrument executed by each of the parties hereto.

8. Governing Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of New York.

9. Non-Liability of Individuals. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Space Lessee with any liability or be held personally liable under any term or provision of this Agreement or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

10. This Agreement may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Name: Francis A. DiMola

Title: Director Real Estate Services Department

RICHMOND MEDICAL CENTER

By: _____

Name: RICHARD J. MURPHY

Title: PRESIDENT & CEO

"APPROVED"

FORM	TERMS
RMS	

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 25th day of JUNE, 2010, before me, the undersigned, a notary public in and for said state, personally appeared FRANCIS A. DUDA, 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.

Virginia DellaBarca

Notary Public

VIRGINIA DELLABARCA
Notary Public, State of New York
No. 01DE6202188
Qualified in New York County
Term Expires March 9, 2013

[Notary Seal] My commission expires:

STATE OF NEW YORK)
)ss.:
COUNTY OF RICHMOND)

On the 18 day of June, 2010, before me, the undersigned,a notary public in and for said state, personally appeared Richard Murphy, 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.

Lee AB

Notary Public

[Notary Seal] My commission expires:

LEE A. BARKAN
Notary Public, State of New York
No. [illegible]
Qualified in New York County
Commission Expires [illegible] 14

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AMENDED AND RESTATED LEASE

Dated: June 15, 2010, effective as of December 23, 2009

between

The Corporate Commons of Staten Island, LLC "Landlord"

and

Richmond Medical Center doing business as
Richmond University Medical Center, "Tenant"

Affecting the First Floor of the Building commonly known as
Corporate Commons One
Located in the Corporate Park of Staten Island,
One Teleport Drive, South Avenue, Staten Island 10311
County of Richmond,
City and State of New York

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AMENDED AND RESTATED AGREEMENT OF LEASE (this "Lease") dated June 15, 2010 and effective as of December 23, 2009 between The Corporate Commons of Staten Island, LLC , with its principal place of business located at 1110 South Avenue, Staten Island, New York 10314, "Landlord" and Richmond Medical Center, doing business as Richmond University Medical Center with its principal place of business prior to execution of this lease at 355 Bard Avenue, Staten Island, New York 10310 "Tenant",

Recitals

WHEREAS, Landlord and Tenant entered into an Agreement of Lease, dated as of December 23, 2009, with respect to the Teleport in Staten Island, New York (the "Original Lease"); and

WHEREAS, the Original Lease was subject to, among other things, Landlord's obtaining the consent of the Port Authority of New York and New Jersey (the "Port Authority"); and

WHEREAS, Landlord and Tenant desire to amend and restate the Original Lease so as to incorporate changes required by the Port Authority in order to obtain its consent.

ARTICLE I

1.01 DEMISED PREMISES In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be observed and performed, Landlord demises and leases to Tenant, and Tenant rents from Landlord, those certain Demised Premises identified as the first floor, designated in Exhibit A, as part of the Building located in Corporate Commons One in the Teleport at the address One Teleport Drive, South Avenue, Staten Island, New York 10311 (herein called the "Building"), and which Demised Premises consist of an area approximately 37,589 "rentable" square feet, herein referred to as the "Demised Premises". The "Demised Premises" will also include the second floor of the Building, if the Second Floor Option is exercised as described below, and/or all or parts of the third floor of the Building and/or Corporate Commons Two, South Avenue, Staten Island, New York 10311 ("Corporate Commons Two"), if and to the extent Tenant exercises the Third Floor Right of First Refusal. The buildings located at Corporate Commons One and Corporate Commons Two are referred to collectively herein as the "Buildings." The Buildings, together with the land on which the Buildings are constructed, the parking lots, all Common Areas, and the equipment, fixtures and all other personal property appertaining thereto, are collectively referred to herein as the "Property." In computing rentable square footage, measurements have been determined by Landlord's architect in accordance with guidelines of the Real Estate Board of New York.

1.02 AS IS Tenant represents that neither Landlord's agents nor any broker, sales representative nor any person has made any representation with respect to the Building or Demised Premises except as herein expressly set forth. The taking possession of the Demised Premises by Tenant shall be conclusive evidence, as against Tenant, that Tenant accepts same "as is" and that the Demised Premises and the Building of which the same form a part were in good and satisfactory condition at the time such possession was so taken, except for any latent defects, Landlord's obligations to perform the work set forth in Landlord's Work Rider, and any

other repair and maintenance obligations of Landlord under this Lease. Landlord agrees to keep the Buildings free from cigarette and cigar smoke.

1.03 ADDITIONAL AREAS/REVOCABLE LICENSE

(a) The use and occupation by Tenant of the Demised Premises shall include the use in common with others entitled thereto, of the common areas, service roads, sidewalks and vehicle parking areas, and other facilities as may be designated from time to time by Landlord, subject, however, to the terms and conditions of this Agreement and to reasonable rules and regulations for the use thereof as prescribed from time to time by Landlord. Such additional areas are specifically not included in the Demised Premises and are in the sole control of Landlord including the right to lease or license such additional areas.

(b) All common areas and facilities not within the Demised Premises, which Tenant may be permitted to use, are to be used under a revocable license, and if the amount of such areas be diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such diminution of such areas be deemed constructive or actual eviction.

(c) Tenant and Tenant's employees and agents shall not solicit or conduct any business or display any merchandise in the parking or other common areas, nor shall Tenant distribute any handbills or other advertising matter to automobiles parked in the parking areas or to customers in other common areas.

(d) Nothing contained in this Section 1.03 shall be construed to allow Landlord to limit Tenant's right to the number of parking spaces provided in Section 1.04.

1.04 PARKING FACILITIES

(a) Subject to this Section 1.04, Landlord shall have the right at any time during the term of this Lease to alter, modify, change, move, or build on the parking facilities, fields or pads, as well as the roadways or footways.

(b) Landlord may at its option, supply such parking attendant or supervisory service, as it may, in its sole discretion, determine is advisable for the best interests of the property. Landlord has the right to require Tenant to validate parking.

(c) Landlord will provide Tenant with exclusive access to a sufficient number of designated parking spaces in close proximity to the front entrance of the Building for its employees and patients. If the New York State Department of Health or any other governmental authority with jurisdiction over Tenant's Permitted Uses as defined herein, or any governmental regulation (including, without limitation, any local ordinance), requires a minimum number of designated parking spaces that is greater than the number of designated parking spaces provided by Landlord, then Landlord will provide Tenant with exclusive access to said greater number of designated parking spaces closest in proximity to the front entrance of the Building. In addition,

Tenant shall have non-exclusive access to all other parking spaces at the Buildings. Tenant and its invitees shall be allowed to park in the parking facilities without paying any fee therefor.

(d) Landlord shall provide adequate parking facilities in compliance with the New York City Building Code, the Port Authority rules and regulations for use by Tenant, and all other applicable governmental codes and regulations.

(e) Landlord shall be responsible for performing snow removal, or engaging such services as required to perform snow removal for the parking area, including the driveways leading to the public street and Building which are reasonably necessary to the proper operation of the Building.

(f) Tenant shall comply with all reasonable and non-discriminatory rules and regulations promulgated by Landlord and the Port Authority.

(g) Except with respect to the negligence or willful misconduct of Landlord and its employees, agents, contractors, invitees and representatives, Landlord shall not be liable to Tenant or to any agents, employees or invitees of Tenant for injuries to person or loss or damage to property in connection with the use of the parking facilities and Tenant hereby releases and discharges the Landlord from any and all claims arising out of such use. Except for instances of negligence or willful misconduct by Landlord or the Port Authority, the Tenant aggress to defend, indemnify and hold the Landlord and the Port Authority harmless from any claims, lawsuits or judgment arising out of any use of the parking facilities by Tenant, its agents or employees.

(h) Landlord reserves the right to tow, at Tenant's expense, or in the case of a third party, at the vehicle owner's expense, any vehicle which violates any of the Building's rules and regulations with regard to parking; *provided, however*, that Tenant has been made aware of such rules and regulations.

1.05 USE

(a) Tenant shall use and occupy Demised Premises as a first class health care facility, including, without limitation, medical offices, an urgent care facility (the "Facility"), an imaging center, an ambulatory surgery center, administrative and/or executive office space, uses ancillary thereto and for no other purpose or purposes whatsoever (the "Permitted Uses"). At no time will the Demised Premises be occupied by patients for overnight stay nor shall Tenant use the Demised Premises for a nursing school or any allied health education programs including but not limited to dental, emergency, medical technician and/or medical assistant education programs. Nothing contained herein shall be deemed to prohibit Tenant from allowing students from schools, colleges and universities to perform clinical rotations at the Demised Premises. Tenant shall continuously conduct, in the Demised Premises, the business above stated. Tenant will not use or permit, or suffer the use of, the Demised Premises for any other business or purpose other than as stated herein and in no event will Tenant utilize the Demised Premises in connection with any gambling or gaming including internet related gambling or gaming, any child preschool or day care center, family planning center and/or related services, abortion related facility or

abortion related services, any clinic or office providing for treatment or counseling in connection with any substance abuse or psychiatric care, restaurant, bar, cabaret, social club, or in connection with the sale and/or distribution of pornographic materials including any such distribution over the internet. Tenant further warrants and covenants that it will not permit the sale of any merchandise in the Demised Premises. Nothing contained herein shall be deemed to prohibit Tenant from selling goods related to the Permitted Uses (including, without limitation, wigs, makeup and related products for oncology patients).

(b) The parties to this Agreement hereby acknowledge and agree that the Facility, as an urgent care center, shall provide medical care to patients only on an unscheduled, "walk-in" (ambulatory) basis. At no times and under no circumstances will ambulances, ambulettes or comparable vehicles be permitted to deliver patients to the Facility, except in connection with a scheduled patient visit. Ambulances, ambulettes and comparable vehicles will, however, be permitted to transfer patients from the Facility. Except as described in the last sentence of this paragraph, the Facility will provide treatment only for those types of injuries or illnesses that require immediate care but are not serious enough to warrant a visit to a hospital emergency department. Under the guidance of licensed physicians and licensed practitioners, as appropriate, the Facility may provide such services that are generally provided at an urgent care center, including, without limitation, treatment of fevers, upper respiratory infections, sprains and strains, lacerations, contusions and fractures, intravenous treatment, x-rays and laboratory services and occupational medical services. In addition, minor procedures such as suturing wounds and splinting bone fractures may be performed at the Facility. The parties do not intend the Facility to be used to treat life-threatening emergencies or major injuries, nor to provide labor and delivery assistance, but patients presenting themselves at the Facility having life-threatening emergencies, major injuries requiring emergency medical assistance, or an emergent need for labor and delivery assistance, will not be turned away.

(c) Notwithstanding anything to the contrary set forth elsewhere in this Agreement, the maximum hours of operation of the Facility for the treatment of patients will be from 8:00 AM to 11:00 PM on weekdays and from 9:00 AM to 7:00 PM on weekends and holidays, which hours, upon the request of Tenant, may be extended if agreed to by the Port Authority.

ARTICLE II

2.01 TERM

(a) Landlord hereby Leases to Tenant and Tenant hereby hires from Landlord the Demised Premises for a term (the "Initial Term") of fifteen (15) years (or until such term shall sooner cease and expire as hereinafter provided) to commence on the earlier of April 1, 2010 or the date on which Tenant takes possession of the Demised Premises (Tenant may take possession of the Demised Premises anytime after December 31, 2009) (hereinafter "First Floor Commencement Date") and to end on the last day of month, fifteen (15) years thereafter. The Initial Term and any Option Terms (defined below) are collectively referred to herein as the "Term."

(b) Provided the Landlord and the Port Authority are given the Tenant's demolition plans for the Demised Premises, Landlord shall deliver the Demised Premises to Tenant in the condition described in Exhibit B annexed hereto for occupancy by Tenant no later than forty five days after Tenant either obtains the Approval described in Section 3.04(d) below or notifies Landlord in writing that it is waiving the contingency described in that Section (the "Delivery Deadline"). If Landlord fails to so deliver the Demised Premises by the Delivery Deadline, then Tenant shall receive an abatement in Rent and Additional Rent of one day for each day after the Delivery Deadline on which the Demised Premises is not so delivered, and of two days for each day after thirtieth (30th) day following the Delivery Deadline for which the Demised Premises is not so delivered, with such Rent abatement commencing on the First Floor Rent Commencement Date (as defined below). If the Landlord has not completed Landlord's Work and delivered the Demised Premises to Tenant in the condition described in Exhibit B no later than sixty (60) days after the Delivery Deadline, then Tenant shall have the right to terminate this Lease and receive a refund of any moneys paid to Landlord including, without limitation, the Second Floor Option Payment.

(c) Following the First Floor Commencement Date and if applicable, the Second Floor Commencement Date and the Third Floor Commencement Date, Landlord and Tenant will execute a Memorandum of Commencement Date in the form attached as Exhibit E hereto within ten (10) days of receipt of same from Landlord, which letter shall ratify and confirm the actual Commencement Date of this Lease as well as the final rentable square footage of the Demised Premises as determined in accordance with this Lease.

2.02 FORCE MAJEURE In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strike, lockouts, labor trouble, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of such delay. The provisions of this section shall not operate to excuse Tenant from the prompt payment of rent, Additional Rent, or any other payments required by the terms of this Lease.

2.03 RENT SCHEDULE Tenant covenants and agrees to pay to Landlord during the term of this Lease the following annual Base Rent for the Demised Premises:

(i) For the first two (2) years of the Lease commencing April 1, 2010 (the "First Floor Rent Commencement Date"), the sum of $19.95 per rentable square foot, equal to the sum of $749,900.52 per annum; $62,491.71 per month;

(ii) For the third (3rd) year of the Lease, the sum of $20.35 per rentable square foot, equal to the sum of $764,936.15 per annum; $63,744.68 per month;

(iii) For the fourth (4th) year of the Lease, the sum of $20.76 per rentable square foot, equal to the sum of $780,347.64 per annum; $65,028.97 per month;

(iv) For the fifth (5th) year of the Lease, the sum of $21.17 per rentable square foot, equal to the sum of $795,759.13 per annum; $66,313.26 per month;

(v) For the sixth (6th) year of the Lease, the sum of $21.59 per rentable square foot, equal to the sum of $811,546.51 per annum; $67,628.88 per month;

(vi) For the seventh (7th) year of the Lease, the sum of $22.03 per rentable square foot, equal to the sum of $828,085.67 per annum; $69,007.14 per month;

(vii) For the eighth (8th) year of the Lease, the sum of $22.47 per rentable square foot, equal to the sum of $844,624.83 per annum; $70,385.40 per month;

(viii) For the ninth (9th) year of the Lease, the sum of $22.92 per rentable square foot, equal to the sum of $861,539.88 per annum; $71,794.99 per month;

(ix) For the tenth (10th) year of the Lease, the sum of $23.37 per rentable square foot, equal to the sum of $878,454.93 per annum; $73,204.58 per month;

(x) For the eleventh (11th) year of the Lease, the sum of $23.84 per rentable square foot, equal to the sum of $896,121.76 per annum; $74,676.81 per month;

(xi) For the twelfth (12th) year of the Lease, the sum of $24.32 per rentable square foot, equal to the sum of $914,164.48 per annum; $76,180.37 per month;

(xii) For the thirteenth (13th) year of the Lease, the sum of $24.81 per rentable square foot, equal to the sum of $932,583.09 per annum; $77,715.26 per month;

(xiii) For the fourteenth (14th) year of the Lease, the sum of $25.30 per rentable square foot, equal to the sum of $951,001.70 per annum; $79,250.14 per month;

(xiv) For the fifteenth (15th) year of the Lease, the sum of $25.81 per rentable square foot, equal to the sum of $970,172.09 per annum; $80,847.67 per month;

In the event that the Term of this Lease does not commence on the first day of the month, Tenant shall pay annual rent on a per diem basis until the first day of the month next succeeding such commencement date, and thereafter the fixed annual rent shall be payable as hereinabove provided. If the Term of this Lease does not end on the last day of the month, then Tenant shall pay annual rent on a per diem basis for that month.

2.04 OPTIONS TO RENEW Provided that Tenant is not in default following receipt of written notice thereof and the expiration of the applicable cure period at the time of exercise, Tenant shall have the right and options to renew this Lease two (2) times for an additional five (5) year term each time (the "Option Terms") beyond the expiration of the Initial Term of this Lease upon the terms and conditions as set forth as follows:

(i) For the first (1st) year of the first option term, the sum of $26.32 per rentable square foot, equal to the sum of $989,342.48 per annum; $82,445.21 per month;

(ii) For the second (2nd) year of the first option term, the sum of $26.85 per rentable square foot, equal to the sum of $1,009,264.659 per annum; $84,105.39 per month;

(iii) For the third (3rd) year of the first option term, the sum of $27.39 per rentable square foot, equal to the sum of $1,029,562.71 per annum; $85,796.89 per month;

(iv) For the fourth (4th) year of the first option term, the sum of $27.93 per rentable square foot, equal to the sum of $1,049,860.77 per annum; $87,488.40 per month; and

(v) For the fifth (5th) year of the first option term, the sum of $28.49 per rentable square foot, equal to the sum of $1,070,910.61 per annum; $89,242.55 per month.

In the event Tenant exercises the second five (5) year option to renew, the Base Rent shall be as follows:

(i) For the first (1st) year of the second option term, the sum of $29.06 per rentable square foot, equal to the sum of $1,092,336.34 per annum; $91,028.03 per month;

(ii) For the second (2nd) year of the second option term, the sum of $29.64 per rentable square foot, equal to the sum of $1,114,137.96 per annum; $92,844.83 per month;

(iii) For the third (3rd) year of the second option term, the sum of $30.24 per rentable square foot, equal to the sum of $1,136,691.36 per annum; $94,724.28 per month;

(iv) For the fourth (4th) year of the second option term, the sum of $30.84 per rentable square foot, equal to the sum of $1,159,244.76 per annum; $96,603.73 per month;

(v) For the fifth (5th) year of the second option term, the sum of $31.46 per rentable square foot, equal to the sum of $1,182,549.94 per annum; $98,545.83 per month;

Tenant may exercise each option for each extended five (5) year term by written notice to Landlord at least six (6) months before the expiration of the preceding Term.

2.05 PAYMENT The annual Base Rent shall be paid to Landlord at the address of Landlord as above set forth or at such other address as Landlord shall from time to time designate, in equal monthly installments in advance, on the first day of each month during the term hereof without notice or demand and without abatement, deduction or set-off of any amount whatsoever, except if hereinafter specifically provided otherwise. The rent for the first month of the term of the Lease shall be paid upon the execution of this Lease.

2.06 NO ATTORNMENT All checks tendered to Landlord as and for the rent of the Demised Premises shall be deemed payment for the account of Tenant. Acceptance by Landlord of rent from anyone other than Tenant shall not be deemed to operate as an attornment to Landlord by the payor of such rent, or as a consent by Landlord to an assignment or subletting by Tenant of the Demised Premises to such payor, or as a modification of the provisions of this Lease, except by written notation releasing said Tenant.

2.07 INTENTIONALLY OMITTED

2.08 PAST DUE RENT If Tenant shall fail to pay any installment of Rent within five (5) business days after receipt of written notice that the same is overdue, then Tenant shall pay Landlord as a late charge an amount equal to interest at the rate per annum of the lesser of (x) three hundred (300) basis points above the rate of interest announced publicly from time to time by JP Morgan Chase Bank, or its successor, as its "prime lending rate" then in effect, and (y) the maximum rate then permitted by applicable law, on the amount unpaid, computed from the date such payment was due to and including the date of payment. As used herein, the term "business day" means any day other than a Saturday and a Sunday and a day on which federally insured depository institutions in the State of New York are authorized or obligated by law, governmental decree or executive order to be closed.

2.09 SECURITY Tenant shall, on the Rent Commencement Date (or, if the payment of Rent and Additional Rent is abated pursuant to Section 2.01(b) or Section 2.14(a)(ii), as applicable, then on the date that Landlord's Work is completed), deposit with the Landlord a sum equivalent to two months Base Rent for each respective floor. For example, if the Rent and Additional Rent are not abated pursuant to Section 2.01(b), then on April 1, 2010, Tenant shall deposit with Landlord the sum of One Hundred Twenty-Four Thousand Nine Hundred Eighty-Three and 42/100 Dollars ($124,983.42). The total funds held by the Landlord shall be referred to as

"Security". The Security shall be held by Landlord as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this Lease. The Security shall be deposited in an interest bearing account. In the event that Tenant defaults in respect to any of the terms, provisions and conditions of this Lease, including, but not limited to, the payment of annual Base Rent and Additional Rent, Landlord may, after notice to Tenant and the expiration of the applicable cure period set forth in Section 6.01 below, use, apply or retain the whole or any part of the Security so deposited, to the extent required, for the payment of any annual Base Rent and Additional Rent or any other sum as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default with respect to any of the terms, covenants and conditions of the Lease.

2.10 RESTORATION OF SECURITY. Should the entire deposit, or any portion thereof, be appropriated and applied by Landlord as provided in this Lease for the payment of overdue rent or other sums due and payable to Landlord by Tenant hereunder, then Tenant shall, upon the written demand of Landlord, forthwith remit to Landlord a sufficient amount in cash to restore said security to the original sum deposited within thirty (30) days after receipt of demand.

2.11 TRANSFER OF SECURITY In the event of a sale of the land and Building, termination of the Port Authority Lease or the City Lease (as defined in Section 8.10(a) below) or the sub-leasing by the Landlord of the entire Building of which the Demised Premises form a part, Landlord shall have the right to transfer the security to the vendee, over-landlord or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such security, and Tenant agrees to look solely to the new Landlord for the return of said security. It is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Landlord.

2.12 RETURN OF SECURITY In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this Lease and no default exists after the giving of notice to Tenant and the expiration of the applicable cure period, the security shall be returned with interest to Tenant within 10 business days after the expiration of the Term or earlier termination of this Lease.

2.13 LETTER OF CREDIT

(a) In lieu of depositing Security in the manner described in Section 2.09 hereof, Tenant may, subject to the terms of this Section 2.13, deposit with Landlord on the Rent Commencement Date for each respective floor, as security for the performance of Tenant's obligations under this Lease, an unconditional, irrevocable and transferable letter of credit (the "Letter of Credit") that (i) is in the amount that Tenant would otherwise be required to deposit as Security under Section 2.09, (ii) is in a form that is reasonably satisfactory to Landlord, (iii) is issued for a term of not less than one (1) year, (iv) is issued for the account of Landlord, (v) automatically renews for periods of not less than one year unless the issuer thereof otherwise advises Landlord on or prior to the thirtieth (30th) day before the applicable expiration date, and (vi) is issued by, and drawn on, a bank that either (I) has an office on Staten Island at which Landlord can present the Letter of Credit for payment, or (II) has an office in the United States and allows Landlord to draw upon the Letter of Credit without presenting a draft in person (such as, for example, by submitting a draft by fax or overnight delivery service).

(b) In the event that Tenant defaults in respect to any of the terms, provisions and conditions of this Lease, including, but not limited to, the payment of annual Base Rent and Additional Rent, Landlord may, after notice to Tenant and the expiration of the applicable cure period set forth in Section 6.01 below, present the Letter of Credit for payment and apply the proceeds thereof, to the extent required, for the payment of any annual Base Rent and Additional Rent or any other sum as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default with respect to any of the terms, covenants and conditions of the Lease. If Landlord so applies any part of the proceeds of the Letter of Credit, then Tenant, upon demand, shall provide Landlord with a replacement Letter of Credit so that Landlord has the full amount of the required security at all times during the Term.

(c) Landlord shall return to Tenant the Letter of Credit (to the extent not theretofore presented for payment in accordance with the terms hereof) within 10 business days after the expiration of the Term or earlier termination of this Lease.

(d) If Tenant fails to provide Landlord with a replacement Letter of Credit that complies with the requirements of this Section 2.13 on or prior to the thirtieth (30th) day before the expiration date of the Letter of Credit that is then expiring, then Landlord may present the Letter of Credit for payment and retain the proceeds thereof as Security in lieu of the Letter of Credit pursuant to Section 2.09.

2.14 SECOND FLOOR OPTION AND RIGHTS OF FIRST REFUSAL

(a) SECOND FLOOR OPTION

(i) In consideration for the payment by Tenant of $250,000 in the manner described below (the "Second Floor Option Payment"), Tenant shall have the exclusive option to lease the entire Second Floor of the Building consisting of approximately 37,589 rentable square feet (the "Second Floor Option") on the same terms, conditions and Base Rent as for the First Floor, except as otherwise provided herein. In order to exercise the Second Floor Option, Tenant must do so by no later than December 31, 2010. Tenant may exercise the Second Floor Option as early as January 1, 2010. The Second Floor Option Payment shall be made by Tenant in two equal installments of $125,000, with the first installment being due on the date hereof and the second installment being due within five business days after Tenant has received all of the SNDA Agreements required under Section 8.02(b) (including, without limitation, the City/Port Authority SNDAs).

(ii) If Tenant exercises the Second Floor Option, Tenant shall deliver Tenant's demolition plans to Landlord at the earliest possible opportunity. Landlord shall deliver the entire Second Floor to Tenant in the condition described in Exhibit B annexed hereto for occupancy by Tenant no later thirty (30) days after the later of (x) the date on which Tenant delivers its demolition plans to Landlord, or (y) such date as Tenant may exercise the Second Floor Option following December 31, 2009 (the "Second Floor Delivery Deadline"). The date on which Tenant takes possession of the Second Floor after

exercising the Second Floor Option is referred to herein as the "Second Floor Commencement Date". If Landlord fails to so deliver the Demised Premises by the Second Floor Delivery Deadline, then Tenant shall receive an abatement in Rent and Additional Rent of one day for each day after the Second Floor Delivery Deadline on which the Second Floor is not so delivered, and of two days for each day after thirtieth (30th) day following the Second Floor Delivery Deadline for which the Second Floor is not so delivered, with such Rent abatement commencing on the Second Floor Rent Commencement Date (as defined below). If the Landlord has not completed Landlord's Work and delivered the Second Floor to Tenant in the condition described in Exhibit B no later than sixty (60) days after the Second Floor Delivery Deadline, then Tenant shall have the right to terminate the exercise of its option with respect to the Second Floor and receive a refund of the Second Floor Option Payment.

(iii) If Tenant exercises the Second Floor Option, then, subject to Section 2.14(a)(ii), Tenant shall commence payment of Base Rent and Additional Rent on the earlier of (i) three months after the Second Floor Commencement Date, or (ii) January 1, 2011 (the "Second Floor Rent Commencement Date"). No Base Rent or Additional Rent will be due until the Second Floor Rent Commencement Date, regardless of when Tenant takes possession of the Second Floor.

(iv) Application of Second Floor Option Payment. If Tenant exercises the Second Floor Option, then, Landlord will apply 50% of the Second Floor Option Payment to the Base Rent due following the Second Floor Rent Commencement Date, so that Tenant will not be required to pay Base Rent with respect to the Second Floor until after the application of the Second Floor Option Payment. Notwithstanding the foregoing, if Tenant takes possession of the Second Floor prior to January 1, 2011, then, instead of Landlord applying 50% of the Second Floor Option Payment to the Base Rent due following the Second Floor Rent Commencement Date, Landlord will apply the Second Floor Option Payment to the Base Rent as follows:

(a) If Tenant takes possession of the Second Floor by December 1, 2010, Landlord shall apply 54.17% (135,425.00) of the Second Floor Option Payment to Base Rent;

(b) If Tenant takes possession of the Second Floor by November 1, 2010, Landlord shall apply 58.34% (145,850.00) of the Second Floor Option Payment to Base Rent;

(c) If Tenant takes possession of the Second Floor by October 1, 2010, Landlord shall apply 62.51% (156,275.00) of the Second Floor Option Payment to Base Rent;

(d) If Tenant takes possession of the Second Floor by September 1, 2010, Landlord shall apply 66.68% ($166,700.00) of the Second Floor Option Payment to Base Rent;

(e) If Tenant takes possession of the Second Floor by August 1, 2010, Landlord shall apply 70.85% (177,125.00) of the Second Floor Option Payment to Base Rent;

(f) If Tenant takes possession of the Second Floor by July 1, 2010,

Landlord shall apply 75.02% (187,550.00) of the Second Floor Option Payment to Base Rent;

(g) If Tenant takes possession of the Second Floor by June 1, 2010, Landlord shall apply 79.19% (197,975.00) of the Second Floor Option Payment to Base Rent;

(h) If Tenant takes possession of the Second Floor by May 1, 2010, Landlord shall apply 83.36% (208,400.00) of the Second Floor Option Payment to Base Rent

(i) If Tenant takes possession of the Second Floor by April 1, 2010, Landlord shall apply 87.53% (218,825.00) of the Second Floor Option Payment to Base Rent

(j) If Tenant takes possession of the Second Floor by March 1, 2010, Landlord shall apply 91.7% (229,250.00) of the Second Floor Option Payment to Base Rent

(k) If Tenant takes possession of the Second Floor by February 1, 2010, Landlord shall apply 95.87% (239,675.00) of the Second Floor Option Payment to Base Rent

(l) If Tenant takes possession of the Second Floor by January 1, 2010, Landlord shall apply 100.00% (250,000.00) of the Second Floor Option Payment to Base Rent

(v) Notwithstanding anything to the contrary contained herein, Tenant shall be entitled to exercise the Second Floor Option in stages. Annexed hereto as Exhibit F is a floor plan of the Second Floor in which the Second Floor is separated into three sections, entitled "Option 1," "Option 2" and "Option 3." Tenant may at any time during the calendar year 2010, exercise the Second Floor Option in stages, exercising its option with respect to any or all of the spaces identified as Option 1, Option 2 or Option 3 during each stage. If Tenant exercises the Second Floor Option in stages, then the application of the Option Payment to the Rent as set forth in paragraph 2.14(a)(iv) above shall be pro-rated consistent with the amount of rentable square footage leased by Tenant in each stage. Moreover, the Second Floor Commencement Date and Second Floor Rent Commencement Date shall be determined with respect to each stage consistent with the terms and conditions set forth in Sections 2.14(a)(ii) and (iii) above in each instance. In addition, Tenant's Proportionate Share as set forth in Section 3.04 below shall be calculated consistent with each option exercised by Tenant.

(b) RIGHT OF FIRST REFUSAL ON THIRD FLOOR

(i) From time to time up to and including December 31, 2011, if and when Landlord is presented with a *bona fide* opportunity to let any space on the third floor of either of the Buildings to an affiliate or a third party ("Third Party Offer"), then in each instance, Landlord shall offer Tenant, in the manner set forth in this paragraph, the right to lease such space upon the terms, conditions and rental amounts per square foot as set forth in this Lease (the "Third Floor Right of First Refusal"). Landlord shall notify Tenant in writing if, and when, it receives a Third Party Offer and said notice shall contain the terms of said Third Party Offer. Tenant shall have thirty (30) days from the

receipt of Landlord's notice to provide written notice to Landlord of its intention to lease such space on the terms and conditions set forth in this Lease at the time of the exercise of this right of first refusal unless the terms contained in the Third Party Offer are more beneficial to the proposed tenant making the offer, in which event Tenant will have the right to lease such space on the terms set forth in Third Party Offer. Upon such election, Landlord and Tenant shall execute an amendment to this Lease adding such additional space to this Lease for a term co-terminus with the Term of this Lease. If Tenant fails to provide notice of its election to lease such additional space within the time frame provided herein or elects not to let additional space, then the Third Floor Right of First Refusal with respect to such space that was the subject of the Third Party Offer shall be deemed to be waived and of no further force and effect and Landlord shall be free to take for itself or let to such third party such additional space; *provided, however*, that Landlord leases such space to the third party on the terms set forth in the Third Party Offer within the time period described in the Third Party Offer.

(ii) The Third Floor Right of First Refusal shall not apply to an offer from either the New York City Department of Information Technology and Communication (DoITT) or Metropolitan Life Insurance Company to lease some or all of the space on the third floor of the Building or Corporate Commons Two.

(iii) If Tenant exercises the Third Floor Right of First Refusal with respect to any one or more Offers, then the "Third Floor Commencement Date" with respect to each such space will be the date Tenant on which Tenant takes possession of each such space.

(iv) If Tenant exercises the Third Floor Right of First Refusal with respect to any one or more Offers, then the "Third Floor Rent Commencement Date" with respect to each such space will be three months following the Third Floor Commencement Date notwithstanding the rent commencement date in the Third Party Offer.

(v) If Tenant exercise the Third Floor Right of First Refusal to lease space on the third floor of Corporate Commons Two, then Landlord shall, at Landlord's sole expense, renovate the third floor of Corporate Commons One prior to Tenant taking possession of such space, so as to create a secure common area to allow Tenant and its invitees to use the bridge between the third floors of Corporate Commons One and Corporate Commons Two without entering any space on the third floor of Corporate Commons One leased to a third party.

(c) RIGHT OF FIRST REFUSAL WITH RESPECT TO ANY NEW TELEPORT BUILDING

(i) During the New Teleport Building Refusal Period (defined below), if and when Landlord or its Affiliate (as defined in Section 11.19) is presented with a *bona fide* opportunity to let any space in any New Teleport Building (as defined in Section 11.19) to a third party, which Landlord or its Affiliate (as applicable) intends to accept (a "New Teleport Building Offer"), then Landlord or its Affiliate (as applicable) shall offer Tenant, in the manner set forth in this paragraph, the right to lease space in such New Teleport Building, upon the terms, conditions and rental amounts per square foot as set

forth in the New Teleport Building Offer, except that Tenant would have the right to lease as little or as much space in such New Teleport Building as it desires (the "New Teleport Building Right of First Refusal"). Landlord or its Affiliate (as applicable) shall notify Tenant in writing if, and when, it receives a New Teleport Building Offer and said notice shall contain the terms of said New Teleport Building Offer. Tenant shall have thirty (30) days from the receipt of such notice to provide written notice to Landlord or its Affiliate (as applicable) of its intention to exercise the New Teleport Building Right of First Refusal and how much space in such New Teleport Building it intends to lease. Upon such election, Landlord and Tenant shall execute an amendment to this Lease adding such additional space to this Lease (or, if necessary, Landlord or its Affiliate (as applicable) shall enter into a new lease on the terms contained in the New Teleport Building Offer and such other terms as contained herein) for a term co-terminus with the Term of this Lease. If Tenant fails to provide notice of its election to lease such additional space within the time frame provided herein or elects not to let additional space, then the New Teleport Building Right of First Refusal with respect to the space that was the subject of the New Teleport Building Offer shall be deemed to be waived and of no further force and effect and Landlord (or its Affiliate, as applicable) shall be free to let to such third party such additional space; *provided, however*, that Landlord (or its Affiliate, as applicable) leases such space to the third party on the terms set forth in the New Teleport Building Offer within the time period described in the New Teleport Building Offer.

(ii) The "New Teleport Building Refusal Period" means the period from the date hereof through the earlier to occur of (A) the date on which Tenant exercises its New Teleport Building Right of First Refusal; or (B) the date on which Tenant waives its right to exercise its New Teleport Building Right of First Refusal, provided, however, that Landlord (or its Affiliate, as applicable) and the third party identified in the New Teleport Building Offer enter into a lease with respect to space described in the New Teleport Building Offer on the terms set forth in the New Teleport Building Offer.

ARTICLE III

3.01 ADDITIONAL RENT Additional Rent shall be defined as any sum of money that is required to be paid by Tenant in addition to the Base Rent herein defined, and said additional amount so to be paid is not designated as "Additional Rent", or provision is not made in the Article covering such payment for the collection of said amount as "Additional Rent", then said amount shall nevertheless, at the option of Landlord, if not paid when due, be deemed "Additional Rent" and collectible as such with any installment of rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any sum at the time the same became due and payable hereunder, or limit any other remedy of Landlord. Failure to pay such items set forth shall constitute a default pursuant to the terms of this Lease. Base Rent and Additional Rent are referred to herein collectively as "Rent."

3.02 OPERATING EXPENSES

(a) On the Commencement Date and at least 90 days prior to January 1st of each year of the Term, Landlord will provide Tenant with an estimated annual operating budget for the operation of the Buildings.

(b) (i) Landlord's Operating Costs Defined. The term "Landlord's Operating Costs" shall mean all costs and expense incurred by Landlord in operating and maintaining the Buildings and common areas (which shall include the parking facilities and land surrounding the Building) striping, policing and security of the common areas. Landlord's Operating Costs shall include, but not be limited to, cost of uniforms, equipment and employment taxes; alarm systems; exterminating; Common Teleport O&M Costs and or Percentage Rent under the Port Authority Lease; insurance, including, without limitation, liability insurance for personal injury, death and property damage, insurance against fire, extended coverage, theft of other casualties, workers' compensation insurance covering personnel, fidelity bonds for personnel, insurance against liability for assault and battery, defamation and claims of false arrest occurring on and about the common areas, plate glass insurance for glass exclusively serving the common areas; costs of maintaining heating, ventilation and air conditioning systems, maintenance of any sprinkler systems serving the Buildings or landscaping; removal of snow, ice, trash and debris; regulation of traffic; surcharges levied upon or assessed against parking spaces or areas; payments toward mass transit or car pooling facilities or otherwise as required by Federal, State or local governmental authorities; costs and expense in connection with maintaining Federal, State or local governmental ambient air or environmental standards; the cost of all materials, supplies and services purchased or hired therefor; operation of public toilets; installing and renting of signs; fire protection; maintenance, repair and replacement of utility systems serving the common areas, including, but not limited to, water, sanitary sewer and storm water lines and other utility lines, pipes and conduits; costs and expense of maintaining and operating sewage treatment facilities, if any; costs and expenses of inspection and depreciation of machinery equipment used solely in the operation and maintenance of the common areas and personal property taxes and other charges (including, without limitation, reasonable leasing, financing or rental costs) incurred in connection with such equipment; costs and expense of repair or replacement of paving, curbs, walkways, landscaping, drainage, pipes, ducts, conduits and similar items, and plate glass, lighting facilities and the roof; costs and expense of planting, replanting and replacing flowers, shrubbery and planters; costs and expense incurred in the rental of music program services and loudspeaker systems, including furnishing electricity therefore; costs of providing light and power to the common areas; costs of providing energy to heat, ventilate and air condition areas in which the common areas are located and the operation, maintenance and repair of such equipment, including, without limitation, the energy management system serving the Building; cost of water services, if any, furnished by Landlord for the non-exclusive use of all tenants; and parcel pick-up and delivery services; and administrative costs attributable to the common areas for on site personnel and administrative and overhead costs (collectively, "Administrative Costs") not to exceed Landlord's actual expense, currently at 6%. Such costs and expenses shall not include depreciation (other than depreciation as above specified). Landlord may elect to amortize any of the foregoing costs and expenses over a useful life determined in accordance with generally accepted accounting principles.

(ii) Landlord acknowledges that the Operating Expenses as of the First Floor Rent Commencement Date will be approximately $3.15 per rentable square foot, comprised of

$2.35 per rentable square foot for expenses incurred by Landlord not payable to the Port Authority and $0.80 per rentable square foot for expenses payable to the Port Authority.

(c) In no event shall the Operating Costs payable as Additional Rent provided for under Article III of the Lease, whether denominated "operating expenses" or otherwise, include the following:

i. Marketing and advertising expenses;

ii. Cost for performing work or furnishing services to or for particular tenants in the Buildings;

iii. Brokerage and leasing commissions and other leasing costs;

iv. Penalties incurred because Landlord fails to pay any tax or other charge on time;

v. Fees and interest charges related to Landlord's financing, and other debt service;

vi. Any charge or penalty paid by landlord because it is in default under any agreement to which it is a party;

vii. Legal fees and other expenses incurred by Landlord in connection with: new leases, disputes with respect to other leases, and the leasing of space in, selling, or financing, either or both of the Buildings;

viii. Depreciation except as otherwise provided for in this Lease;

x. Any expense which relates to a service which is not provided to all tenants of the Building;

xi. Cost of repair or replacement incurred by reason of any event to the extent which the Landlord is compensated through the proceeds of insurance (or would have been covered by insurance required to be maintained by Landlord) or a condemnation award;

xii. Charitable contributions;

xiii. Capital improvements;

xiv. Salaries, benefits and payroll taxes of employees above the level of property manager;

xv. Amounts paid to affiliates of Landlord in excess of commercially reasonable amounts;

xvi. Any Administrative Costs that are not also charged to other tenants of the Buildings on a pro rata basis;

xvii. Any other management or administrative fees unless Landlord hires an outside manager, in which event, said fee shall (A) be in lieu of, and not in addition to, the Administrative Costs, and (B) not exceed five (5%) percent of gross annual rent;

xviii. Cost of electricity and other utilities that are furnished to portions of the Buildings that Landlord has leased or is offering to lease; and

xix. Any amounts payable pursuant to the Port Authority Lease, other than Common Teleport O&M Costs and or Percentage Rent under the Port Authority Lease.

The exclusion of any of the expenses listed above from Operating Costs payable as Additional Rent provided for under Article III of the Lease shall in no way impair Landlord's rights to recover any cost to which it is entitled pursuant to Article VI of the Lease.

(d) Landlord shall abide by the following in imposing or charging Additional Rent pursuant to Article III of the Lease:

i. No affiliate of the Landlord or its ownership will be a vendor to the operation of the building without competitive bidding;

ii. No expense charged as an operating cost will be charged through any other type of pass-through under this Lease;

iii. The administration fees will not be included in the operating expenses if the Landlord retains the services of a building or property manager;

iv. The Landlord will not charge as an operating cost or otherwise pass through the cost of repair or replacing any portion of the Buildings or common areas where the need to make the repair or replacement is due to work or materials provided by the Landlord's contractors in the construction of the Buildings which Landlord claims is in violation of the standards set forth in the applicable construction contracts; and

v. The Landlord will act in good faith to operate the Buildings in an efficient manner.

(e) The Land and the Building are not currently subject to real estate taxes nor payments in lieu of taxes ("PILOT") and the Landlord does not anticipate assessment of taxes against the Land or the Building during the Term. Notwithstanding the foregoing, in the event any governmental entity implements, assesses or otherwise requires payment of real estate taxes

and/or PILOT, then in such event, said payments shall be included as part of Operating Expenses.

3.03 TENANT'S PROPORTIONATE SHARE

(a) Commencing on the First Floor Rent Commencement Date, Tenant shall pay to Landlord as Additional Rent for each calendar year during the Term, Tenant's Proportionate Share of thirteen and 4/10^{ths} (13.4%) percent of the Landlord's Operating Costs for the applicable year that are in excess of the Landlord's Operating Costs actually incurred by the Landlord, adjusted to reflect 100% occupancy of the Building, from January 1, 2009 through December 31, 2009 (the "Base Year") (hereinafter referred to as "Tenant's Additional Rent Payment"). Tenant's Additional Rent Payment shall be appropriately apportioned for the period from the First Floor Rent Commencement Date through December 31st of the year in which the First Floor Rent Commencement Date occurs, and at the end of the Term of this Lease based on the portion of the calendar year which occurs prior to the date on which the Term expires or is otherwise termination as provided herein. "Tenant's Proportionate Share" with respect to each of the First Floor, the Second Floor (if the Second Floor Option is exercised), and any space on the Third Floor of the Buildings (to the extent the Third Floor Right of First Refusal is exercised) shall equal a percentage calculated by dividing the rentable square footage of the Demised Premises on such floor by the total rentable square footage of both Buildings.

(b) Commencing on the First Floor Rent Commencement Date, Tenant shall pay to Landlord on the first day of each month, an amount equal to one-twelfth (1/12th) of Landlord's estimate of the Tenant's Additional Rent Payment for the applicable calendar year during the Term. If Landlord shall not furnish any such estimate for a particular year during the Term or if Landlord shall furnish any such estimate for a year during the Term subsequent to the commencement thereof, then: (i) until the first day of the month following the month in which such estimate is furnished to Tenant, Tenant shall pay to Landlord on the first day of each month an amount equal to the monthly sum payable by Tenant to Landlord under this clause (b)(i) in respect of the last month of the preceding year, if any; (ii) concurrently with or after such estimate is furnished to Tenant, Landlord shall notify Tenant whether the installments of Tenant's Additional Rent Payment previously made for such year were greater or less than the installments of Tenant's Additional Rent Payment to be made in accordance with such estimate; (iii) if there is a deficiency, Tenant shall pay the amount thereof within thirty (30) days after demand therefor; or (y) if there is an overpayment, Landlord shall refund to Tenant the amount thereof within thirty (30) days after such notice; and (iv) on the first day of the month following the month in which such estimate is furnished to Tenant (provided that Tenant actually received such notice at least ten (10) business days prior to the first of the month) and monthly thereafter throughout such calendar year, and thereafter until such time as Landlord delivers a new estimate, Tenant shall pay to Landlord an amount equal to one-twelfth (1/12th) of Tenant's Additional Rent Payment shown on such estimate. Landlord may, no more than one time during each calendar year during the Term from and after April 1 2010, furnish to Tenant a revised statement of Landlord's estimate of Tenant's Additional Rent Payment for such year during the Term, and in such case, Tenant's Additional Rent Payment for said year shall be adjusted and paid or refunded, as the case may be, substantially in the same manner as specified in the preceding sentence.

(c) After the end of each calendar year during the Term from and after December 31, 2010, Landlord shall furnish to Tenant a statement of Tenant's Additional Rent Payment for said preceding year, including Landlord's Operating Costs for the applicable Base Year ("Landlord's Operating Cost Statement") accompanied by the relevant spreadsheets generated by Landlord. If a Landlord's Operating Cost Statement shall show that the estimated sums paid by Tenant, if any, under this clause (i) exceeded Tenant's Additional Rent Payment to be paid by Tenant for the applicable year during the Term, Landlord shall refund to Tenant the amount of such excess within thirty (30) days thereafter. If a Landlord's Operating Cost Statement shall show that the estimated payments by Tenant for such year were less than Tenant's Additional Rent Payment to be paid by Tenant for such year, Tenant shall pay the amount of such deficiency within thirty (30) days after demand therefor.

(d) Tenant shall have the right to examine Landlord's books and records relating to any Operating Cost Statement to determine the accuracy thereof, which right shall survive the expiration of the Term or earlier termination of this Lease. Tenant may perform such examination on reasonable advance notice to Landlord, at reasonable times, in Landlord's office or, at Landlord's option, at the office of Landlord's managing agent or accountants. Tenant, in performing such examination, shall have the right to be accompanied by an accountant. Either party shall have the right to submit a dispute between the parties regarding the results of any audit performed by Tenant in accordance with this Section to binding arbitration. If it is determined ultimately that (i) Landlord overstated Operating Costs and (ii) Tenant overpaid Operating Costs for a particular year, then Tenant shall be entitled to credit the amount of such overpayment of Operating Costs against the Rent thereafter coming due hereunder, and if Landlord overstated Operating Costs by more than five percent (5%) of the amount of the Operating Costs so paid by Tenant, then the amount credited shall include interest on the overpaid amount, at three percent (3%) per annum over the "Prime Rate" or the equivalent rate, as published in *The Wall Street Journal*, from the date paid through the date credited, and in addition, Landlord shall pay to Tenant the actual costs of Tenant's audit, plus reasonable legal fees. If (x) Tenant is entitled to a credit against Rent pursuant to this Section, and (y) the Term of this Lease expires or this Lease otherwise terminates prior to the date that such credit is exhausted, then Landlord shall pay to Tenant the unused portion of such credit on or prior to the thirtieth (30th) day after the expiration of the Term or earlier termination of this Lease (and Landlord's obligation to make such payment shall survive such expiration or termination).

(e) Any increase in the Operating Expenses for any calendar year, whether during or after such year during the Term, exclusive of expenses not within the control of Landlord, and or its affiliates, including but not limited to fuel and energy costs, Common Teleport Operating and Managements Costs and or Percentage Rent under the Port Authority Lease, shall not exceed five (5%) percent per annum.

(f) In the event the Second Floor Option is exercised, then Tenant's Proportionate Share with respect to the Second Floor will be 13.4% from and after the Second Floor Rent Commencement Date (based upon 37,589 rentable sq. ft. being leased by Tenant on the Second Floor in proportion to 279,529 rentable sq. ft. for Corporate Commons One and Two). In the event the Second Floor Option is exercised, then the Base Year for the Second Floor shall be calendar year 2010, such that Tenant will pay as Additional Rent, with respect to the Second Floor, 13.4% of the increase in Operating Costs over a 2010 Base Year, subject to the 5% cap

described in Section 3.03(e). The foregoing Additional Rent with respect to the Second Floor will be in addition to the Additional Rent with respect to the First Floor of 13.4% of the increase in Landlord's Operating Costs over a 2009 Base Year, subject to the 5% cap described in Section 3.03(e).

(g) In the event, Tenant exercises one or more Third Floor Right of First Refusals, for any space on the Third Floor, then Tenant's Proportionate Share resulting from the renting of Third Floor Space, will be determined at such time as Tenant exercises any Third Floor Space Right of First Refusal, to be effective as of each applicable Third Floor Rent Commencement Date. In the event, Tenant exercises one or more Third Floor Right of First Refusals, for any space on the third Floor, then the Base Year for the Third Floor shall be calendar year 2011.

3.04 COMPLIANCE WITH LAWS

(a) Tenant agrees at its own cost and expense to keep the Demised Premises in such order and condition as shall conform to all the orders, rules and regulations of all municipal, state and federal departments, boards, commissions and governmental agencies now existing or hereafter created and at its own cost and expense, promptly execute and comply with all laws, rules, ordinances and regulations now in force or hereafter enacted which affect the Demised Premises (collectively, "Laws"). Notwithstanding the foregoing, Tenant shall not be required to perform any Alteration to comply with any Laws, except to the extent such requirement is due to Tenant's specific use of the Demised Premises or by reason of an Alteration performed by Tenant. Tenant shall have the right and option to contest or review by legal, administrative or other appropriate proceedings the validity or applicability of any such laws, rules, ordinances and regulations. Landlord shall join in any such proceedings if necessary in order to properly prosecute such proceedings. The proceedings referred to herein shall include, but shall not be limited to, appropriate appeals from any judgment, decrees or orders made in any such proceedings. Landlord agrees at its own cost and expense to keep the Property (except for Tenant's obligation with respect to the Demised Premises) in such order and condition as shall conform to all the orders, rules and regulations of all municipal, state and federal departments, boards, commissions and governmental agencies now existing or hereafter created and at its own cost and expense, promptly execute and comply with all laws, rules, ordinances and regulations now in force or hereafter enacted which affect the Property.

(b) Tenant further agrees to comply, at Tenant's cost and expense, with all orders, regulations, rules and recommendations, whenever issued, of the New York Board of Fire Underwriters or of any similar organization and also to comply with the reasonable recommendations and requirements of any insurance company which insures or participates in insuring the Demised Premises against loss by fire. Landlord represents and warrants to Tenant that when the Demised Premises is delivered to Tenant for Tenant's possession, the Demised Premises will be in compliance with all orders, regulations, rules and recommendations of the New York Board of Fire Underwriters or of any similar organization and with the recommendations and requirements of any insurance company which insures or participates in insuring the Buildings against loss by fire.

(c) Notwithstanding the foregoing, Tenant shall not be required to make any Alterations or other changes to the structural components of the Buildings or to the equipment or systems serving the Buildings in either case to comply with any Laws, or any orders, regulations, rules or recommendations of the New York Board of Fire Underwriters or of any similar organization, or the recommendations or requirements of any insurance company which insures or participates in insuring the Demised Premises against loss by fire, Landlord acknowledging that Landlord shall retain responsibility for making such Alterations or other changes.

(d) Regulatory Approval

(i) This Lease shall be contingent upon Tenant, at its sole cost and expense, obtaining final, non-contingent, unconditional, written approval from the New York State Department of Health ("DOH") of its certificate of need application to use the Demised Premises as a licensed facility under Article 28 of the New York State Public Health Law (the "Approval"). Tenant will apply for the Approval promptly upon receiving from Landlord a fully executed counterpart of this Lease and proceed diligently in obtaining the Approval. If Tenant does not receive the Approval by January 31, 2010, Tenant shall have 5 business days thereafter to either waive this contingency or terminate this Lease. If Tenant elects to terminate this Lease, then this Lease will so terminate and Landlord will return to Tenant, within 5 business days following notice of such termination, the Security Deposit and the Second Floor Option Payment. If Tenant fails to receive the Approval by January 31, 2010 due to Landlord's failure to cooperate with Tenant's prosecution of such Approval, then Tenant may extend the January 31, 2010 date by such number of days by which Landlord failed to timely cooperate with Tenant's prosecution of such Approval. If Tenant elects to waive this contingency, then this Lease will continue in full force and effect.

(ii) Notwithstanding any waiver by Tenant of the contingency described in the immediately preceding paragraph, if at any time DOH requires an amendment of this Lease as a condition to granting the Approval, Landlord will cooperate with Tenant and DOH in making any reasonable amendments as may be required by DOH, which amendments will be subject to the written consent of the Port Authority, which consent will not be arbitrarily or capriciously withheld, conditioned or delayed; *provided, however*, that if DOH refuses to grant the Approval because of a refusal by Landlord or the Port Authority to consent to an amendment requested by DOH or because of Landlord's failure to cooperate with Tenant's prosecution of such Approval, then (i) Tenant may terminate this Agreement upon ten (10) Business Days notice to Landlord, and (ii) within thirty (30) days after such termination, Landlord shall return to Tenant all amounts paid to Landlord hereunder through the date of termination.

(e) Lender Approval. This Lease shall be contingent upon Tenant, at its sole cost and expense, obtaining the consent of its lender, CIT Healthcare LLC ("Lender Approval"). Tenant will take commercially reasonable efforts to obtain Lender Approval promptly upon receiving from Landlord a fully executed counterpart of this Lease. If Tenant does not receive Lender Approval within 45 days of this Lease, then Tenant shall have 5 business days thereafter to either waive this contingency or terminate this Lease. If Tenant elects to waive this contingency, then this Lease will continue in full force and effect. If Tenant elects to terminate this Lease, then this Lease will so terminate and Landlord will return to Tenant, within 5 business days following

notice of such termination, any moneys paid to Landlord including, without limitation, the Second Floor Option Payment.

3.05 TENANT'S UTILITIES Tenant agrees to pay for the electricity and gas consumed by Tenant at the Demised Premises (pursuant to paragraphs 3.11 and 3.12 herein).

3.06 LEASEHOLD TAXES Tenant shall be responsible for and shall pay before delinquency, all municipal, county or state taxes assessed during the term of this Lease against any leasehold interest or personal property of any kind, owned by or placed in, upon or about the Demised Premises by Tenant. As of the date hereof, Landlord is not aware of and has no knowledge of any municipal, county or state taxes applicable to Tenant's leasehold interest in the Demised Premises or personal property in the Demised Premises for which Tenant would be responsible pursuant to the terms hereof.

3.07 RUBBISH Landlord agrees that it shall maintain for use by all Tenants of the Building, a trash dumpster and/or compactor at a location designated by Landlord. Tenant shall pay Tenant's proportionate share of all costs of trash removal as part of Tenant's common area maintenance charges.

3.08 OUTSIDE CLEANING SERVICE

(a) Tenant shall be responsible for its own cleaning services for the Demised Premises. Said cleaning services shall be commensurate with a first class office building. Tenant may request in writing Landlord to provide and upon receipt of such request, Landlord shall provide cleaning services at an additional cost of $1.50 per rentable square foot to be included as Additional Rent. If so requested by Tenant, Landlord shall provide cleaning services commensurate with a first class office building, in accordance with the cleaning schedule attached hereto as Exhibit C. Landlord reserves the right to increase the cost of the cleaning services during the term of the Lease to reflect actual increases in the cost of said services. Landlord reserves the right to engage an outside cleaning service or services in connection with its obligations hereunder. Tenant shall provide access to Demised Premises to Landlord or Landlord's designated cleaning service for the purpose of providing the cleaning services herein.

(b) Tenant will not clean nor require, permit, suffer of allow any window in the Demised Premises to be cleaned from the outside in violation of Section 202 of the Labor Law or any other applicable law or of the Rules of the Board of Standards and Appeals or of any other Board or body having or asserting jurisdiction. Landlord will clean the windows in the Demised Premises from the outside, in the manner required by applicable laws and regulations.

(c) Notwithstanding the foregoing, if Tenant intends to utilize an outside cleaning service, Tenant shall grant Landlord an opportunity to match the price and cleaning services offered by a third party *bona fide* qualified cleaning company that offers cleaning services consistent with Tenant's quality standards. If Landlord is able to match said third party *bona fide* offer, then Tenant shall be required to utilize Landlord's cleaning services.

3.09 SECURITY SERVICE Landlord covenants that throughout the Term the Land and Building will be monitored by a security service, 24 hours each day, 7 days each week. Security is currently monitored by the Port Authority. Tenant may engage an outside security/alarm service to monitor the Demised Premises, subject to the Landlord and, if required by the Port Authority Lease, the Port Authority, approving the security service provider, such approval not to be unreasonably withheld, conditioned or delayed.

3.10 HVAC/HEATING/AIR CONDITIONING SYSTEMS/UTILITY METERS

(a) Landlord shall provide and maintain the heating, ventilation and air conditioning ("HVAC") equipment in good and working order so as to provide (i) air conditioning from May 15 through September 30 and (ii) to provide Tenant heating as and when required, for the comfortable occupancy of the Demised Premises. The HVAC shall be provided during the hours of 8:00 AM to 6:00 PM Monday through Friday, inclusive and Saturday 8:00 AM to 1:00 PM Saturday (collectively "Business Hours"), Federal and New York State and City holidays excluded, and during such other times as required by Tenant.

(b) Landlord shall at all times provide minimal heating (*e.g.* approximately 55 degrees Fahrenheit) to the Demised Premises during non-Business Hours. If Tenant desires additional heating during non-Business hours, then Tenant shall reimburse Landlord as Additional Rent, within thirty (30) days of receipt of Landlord's invoice and back up documentation (e.g. bills) for the actual costs of providing heat during non-Business Hours ("Extra HVAC Service"). Such costs shall not be included in Operating Expenses. The bill for Tenant's Extra HVAC Service shall be calculated and certified by an energy consumption company contracted with by Landlord and will be billed separately to Tenant with no profit to Landlord.

(c) The air-conditioning system shall exclusively serve the Demised Premises, except with respect to any space leased by Tenant on the third floor of either of the Buildings if Tenant exercises its Third Floor Right of First Refusal and lets less than the entire third floor, or if Tenant exercises its Second Floor Option with respect to less than the entire Second Floor. If Tenant occupies an entire floor in either of the Buildings, then (i) Tenant shall have exclusive control of the air conditioning on that floor, and (ii) Tenant shall pay for the cost of the electricity used to operate the air-conditioning provided to the Demised Premises in the manner described in Section 3.11. If Tenant occupies less than an entire floor in either of the Buildings and the air-conditioning unit serving the Demised Premises also services space not occupied by Tenant, then, the electricity cost applicable to the Demised Premises on that floor will be calculated and certified by an energy consumption company contracted with by Landlord and will be billed separately to the Tenant with no profit to the Landlord. Tenant will be permitted to install supplemental independent HVAC units, at its sole cost and expense.

3.11 ELECTRICITY SERVICE

(a) The Port Authority is the electrical supplier to the Building. Tenant shall pay directly to the Port Authority the consumption charges for all electricity which it uses in the

Demised Premises. Tenant shall be responsible for its own electrical consumption and no other tenant's.

(b) Landlord shall ensure that the electrical capacity in the Demised Premises shall be no less than the greater of six (6) watts per rentable square foot of the Demised Premises, not including the power requirements of the HVAC, or as required by applicable laws and procedures.

(c) If either the quantity or character of electrical service is changed by the Port Authority or the utility company serving the area in which the Building is located or is no longer available nor suitable for Tenant's requirements, no such change, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve the Tenant from any of its obligations under this lease, or impose any liability upon Landlord, or its Agents, by reason of inconvenience or annoyance to Tenant, or injury to, or interruption of Tenant's business, or otherwise.

(d) Any additional risers or feeders to be installed to supply Tenant's additional electrical requirements, and all other equipment proper and necessary in connection with such risers or feeders, shall be installed by Landlord upon Tenant's request at the sole cost and expense of Tenant, provided that, in Landlord's reasonable judgment, such additional risers or feeders are necessary and are permissible under applicable laws and insurance regulations and the installation of such risers or feeders will not cause permanent damage or injury to the Building or the Demised Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, interfere with, or disturb other tenants or occupants of the Building. Tenant covenants that at no time shall the use of electrical energy in the Demised Premises exceed the capacity of the existing risers or feeders then servicing the Demised Premises. Tenant shall not make or perform, or permit the making of or performance of, any alterations to the wiring or other additions to the business machines, office equipment, or other appliances within the Demised Premises that utilize electrical energy, without the prior written consent of the Landlord in each instance. Any such alterations, additions, or consent by Landlord shall be subject to the provisions of this subsection, as well as to other provisions of the Lease, including, but not limited to, the provisions of Article IV hereof.

(e) If the Port Authority discontinues furnishing electricity to Tenant, Landlord shall arrange to obtain electricity directly from the public utility company serving the Buildings. Such electricity may be furnished to Tenant by means of the existing risers and feeders serving the Demised Premises to the extent that same are available, suitable, and safe for such purposes. All meters, meter panels, and all additional risers, feeders, panel boards, and equipment and other conductors which may be required to obtain electricity, of substantially the same character, quantity, and quality, shall be installed by Landlord at Landlord's sole cost and expense. Landlord shall not cause the discontinuance of the furnishing of electricity to Tenant.

(f) Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of electrical service furnished to the Demised Premises by reason of any requirement, act or omission of the Port Authority, the

Landlord or of the utility company serving the Building with electricity or for any other reason except Landlord's negligence or willful misconduct.

3.12 GAS SERVICE

(a) Landlord shall redistribute or furnish gas to the Demised Premises and Landlord shall cause to be installed a gas meter for use by the entire Building. Tenant shall pay to Landlord its proportionate share pursuant to paragraph 3.03, as Additional Rent, on demand, from time to time, but not more frequently than monthly, for its consumption of gas at the then current rate schedule applicable for the redistribution of gas as charged by the utility company for commercial buildings plus Landlord's charges for maintaining and calibrating the system.

(b) Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of gas service furnished to the Demised Premises by reason of any requirement, act or omission of Landlord or of the utility company serving the Building with gas or for any other reason except Landlord's negligence or willful misconduct.

3.13 WATER Landlord shall provide Tenant water for ordinary drinking purposes, but if Tenant uses or consumes water for any other purposes or in unusual quantities (of which fact Landlord shall, in its reasonable discretion, determine), Landlord may install a water meter, at Tenant's expense, which Tenant shall thereafter maintain at Tenant's expense in good working order and repair, to register such water consumption, and Tenant shall pay for water consumed as shown on said meter as Additional Rent as and when bills are rendered.

3.14 INTERFERENCE AND BUSINESS INTERRUPTION

(a) Landlord reserves the right to stop the service of the heating, air conditioning, ventilating, elevator, plumbing, electrical or other mechanical systems or facilities in the Building when necessary by reason of accident or emergency, or for scheduled maintenance, repairs, alterations, replacements or improvements, which, in the judgment of Landlord, are necessary or reasonably desirable, until said repairs, scheduled maintenance, alterations, replacements or improvements shall have been completed. The exercise of such right by Landlord shall not constitute an actual or constructive eviction, in whole or part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise.

(b) Notwithstanding anything to the contrary contained in Section 3.14(a): (i) Landlord shall use commercially reasonable efforts to minimize interference with Tenant's use of the Demised Premises in connection with Landlord's performing repairs, maintenance, replacements, alterations or improvements, or its stopping of the service of heating, air conditioning, ventilating, elevator, plumbing, electrical or other mechanical systems or facilities in the Buildings; (ii) if the condition giving rise to such interference, or such interference itself, will (A) deny Tenant from having reasonable access to the Demised Premises, (B) threaten the

health or safety of any occupant of the Demised Premises, or (C) materially interfere with Tenant's ability to conduct its business in the Demised Premises during Tenant's ordinary business hours, then Landlord shall employ contractors or labor at overtime or premium pay rates to perform such repairs, maintenance and other work described above; and (iii) if Tenant is denied reasonable access to the Demised Premises, or if there is material interference with Tenant's ability to conduct its business in the Demised Premises during Tenant's ordinary business hours for more than five (5) consecutive days, then all obligations to pay Base Rent and Additional Rent will abate until the interference has ended and Tenant is able to conduct its business in the Demised Premises during Tenant's ordinary business hours.

3.15 HOURS OF OPERATION Tenant and its employees, representatives, agents, contractors and invitees shall have access to the Buildings and the Demised Premises twenty-four hours per day, seven days per week from the main entrance on South Avenue. The Port Authority imposes certain entry requirements during non-business hours and on weekends and holidays.

3.16 ELEVATOR SERVICE Landlord shall provide automatic elevator service twenty-four hours per day, seven days per week.

ARTICLE IV

4.01 LANDLORD'S OBLIGATIONS Landlord shall not be required to perform any work on the Demised Premises except as set forth elsewhere herein and in Exhibit B ("Landlord's Work Rider"). The work described in Landlord's Work Rider is referred to herein as "Landlord's Work." Otherwise, any work which Tenant may require for the preparation of the Demised Premises for Tenant's use shall be performed by Tenant, at Tenant's own cost and expense. Any equipment or work over and above that set forth in Landlord's Work Rider which the Landlord installs or constructs in the Demised Premises on Tenant's behalf shall be paid for by Tenant within thirty (30) days after receipt of a bill therefor. Landlord shall complete all of the work described in Landlord's Work Rider within forty-five days after Tenant receives or waives regulatory approval consistent with paragraph 3.04(d).

4.02 CHANGES AND ADDITIONS TO BUILDINGS

(a) Landlord hereby reserves the right at any time to make alterations or additions to or to build additional stories on the Building in which the Demised Premises are contained and to build adjoining same. Landlord also reserves the right to construct other Buildings or improvements on the land or parking fields of which the Demised Premises form a part, from time to time, and to make alterations thereof or additions thereto and to build additional stories on any such Buildings and to build adjoining same. Landlord reserves the right to relocate parking areas and other common areas. Nothing contained herein shall permit Landlord to alter the level or quality of services provided to Tenant hereunder or to interfere with access to the Buildings and the Demised Premises by Tenant and its invitees, nor to reduce the number of parking spaces available to Tenant and its invitees.

(b) In the event Landlord makes any alterations or changes to the rentable space in the Building, then Tenant's proportionate share, as stated in paragraph 3.03, shall be recalculated under the formula prescribed in paragraph 3.02. Notwithstanding the foregoing, under no circumstances will Tenant's Proportionate Share be increased. If the rentable square footage in the Buildings decreases, Tenant's Proportionate Share will not be increased. If the rentable square footage in the Buildings increases, then Tenant's Proportionate Share will be reduced accordingly.

4.03 TENANT INITIAL IMPROVEMENTS AND TENANT'S ALTERATIONS

(a) Tenant will have the right to make any of Tenant's Initial Improvements (defined below) at its sole cost and expense, with Landlord's prior written approval such approval in each instance not to be unreasonably withheld, conditioned or delayed and, if required by the Port Authority Lease, the Port Authority's prior written approval, such approval in each instance not to be arbitrarily or capriciously withheld, conditioned or delayed. Upon Tenant's request Landlord shall provide Tenant's Improvement Allowance as set forth in Exhibit D annexed hereto. Tenant and Landlord agree to cooperate in the preparation of Tenant's initial architectural and design plans for each floor. The improvements contemplated by Tenant's initial architectural and design plans for each floor are referred to herein as "Tenant's Initial Improvements." Upon submission of the architectural and design plan for Tenant's Initial Improvements, Landlord's approval of same will not be unreasonably withheld, conditioned or delayed (and the Port Authority's approval if required by the Port Authority Lease, which will not be arbitrarily or capriciously withheld, conditioned or delayed). Tenant will not be responsible for any costs incurred by Landlord or the Port Authority in performing its review of Tenant's Initial Improvements.

Landlord will cooperate with Tenant in promptly reviewing and approving architectural drawings that need to be submitted to the New York State Department of Health for its approval.

The parties understand that Tenant will be renovating the First Floor following the First Floor Commencement Date.

The parties understand that if Tenant exercises the Second Floor Option, then Tenant will be renovating the Second Floor following the Second Floor Commencement Date, and such renovation may continue past the Second Floor Rent Commencement Date.

The parties understand that if Tenant exercises its Third Floor Right of First Refusal, then Tenant will be renovating the Third Floor following the Third Floor Commencement Date.

(b) Except for Tenant's Initial Improvements, if Tenant is not at the time in default under this Lease after the giving of written notice of default and the expiration of the applicable cure period, Tenant, at Tenant's expense, may make reasonable alterations to the Demised Premises ("Alterations"), provided that any alteration shall not change the general character of the Demised Premises, or reduce the fair market value thereof below its value immediately before such alteration or addition, or impair the usefulness of the Demised Premises; is effected with due diligence; in a good and workmanlike manner; in compliance with all legal

requirements pursuant to Section 3.04 and insurance requirements pursuant to Sections 4.04 and 5.01; is promptly and fully paid for by Tenant; is made only after Tenant shall have obtained Landlord's prior written consent thereto, said consent not to be unreasonably withheld, conditioned or delayed; under the supervision of a qualified architect or engineer; in accordance with plans, specifications and cost estimates approved by Landlord; and, if required under Section 15.1 of the Port Authority Lease, the consent of the Port Authority, not to be arbitrarily or capriciously withheld, conditioned or delayed. Notwithstanding anything to the contrary contained in this Lease, Tenant shall not be required to obtain Landlord's or the Port Authority's consent to make alterations in the Demised Premises that are of a decorative nature including, without limitation, painting, wall coverings and floor coverings.

(c) Tenant covenants and agrees that no Alteration(s) will be made except in compliance with, and Tenant hereby covenants that it will comply with, each and all of the following provisions:

(i) All Tenant's Alterations shall be made with reasonable diligence and dispatch (subject to Unavoidable Delays) in a first-class manner and with first-class materials and workmanship and in such a manner as will not materially interfere with the operation of the Building or the business of any other occupant thereof, or interfere with or delay the completion of any other construction in the Building. Tenant shall use only reputable contractors (including subcontractors) that are approved in writing by Landlord, said approval shall not be unreasonably withheld, delayed or conditioned.

(ii) Before any Tenant Initial Improvements or Tenant's Alterations are begun, Tenant shall procure, at its own sole cost and expense, all necessary licenses, permits, approvals and authorizations from the Port Authority and all Governmental Authorities and shall, on demand, deliver photocopies thereof to Landlord. Landlord will cooperate with and assist Tenant in seeking such approvals and authorizations. Upon Tenant's request, Landlord shall join in the application for such licenses, permits, approvals and authorizations whenever such action is reasonably necessary. Any Tenant's Alteration requiring the filing of plans with the New York City Buildings Department (or similar Governmental Authority) shall be made under the supervision of a licensed professional architect or engineer selected by Tenant and reasonably satisfactory to the Landlord and the Port Authority.

(iii) All Tenant's Initial Improvements and Tenant's Alterations shall be made in compliance and conformity with all applicable laws and ordinances (including, but not limited to, all building and zoning laws and ordinances) and with all applicable licenses, permits, authorizations and approvals and with all applicable rules, regulations, orders and requirements of the Port Authority and all Governmental Authorities, as well as those of the National and Local Boards of Fire Underwriters or any other body or bodies exercising similar functions.

(iv) In making any Tenant Initial Improvements and Tenant's Alterations, Tenant shall not knowingly violate the terms or conditions of any insurance policy

affecting or relating to the Demised Premises or Building or the terms of any covenants, restrictions or easements affecting the Demised Premises or Building.

(v) Promptly after the completion of any Tenant Initial Improvements and Tenant's Alterations, Tenant shall procure, at Tenant's sole cost and expense, all such approvals, sign-offs and close any permits as required by Governmental Authorities, if any, of the completed Tenant's Alterations as may be required by any applicable law or ordinance or any applicable rule or regulation of Governmental Authorities (including, without limitation, Certificates of Occupancy), and all such insurance organizations' approvals, if any, as may be required or customary in connection therewith, and on written demand, shall promptly deliver photocopies thereof to Landlord.

(vi) Tenant shall pay all costs, expenses and liabilities arising out of or in connection with or by reason of any Tenant's Alterations, costs of inspections (except for Tenant's Initial Improvements, for which Landlord shall not impose expenses and costs for inspections and reviewing plans), and shall keep the Demised Premises free and clear of all liens, claims and encumbrances in any way arising out of or in connection with or by reason of any Tenant's Alterations, subject to the provisions of Article IV hereof.

(vii) No Tenant Initial Improvements or Tenant's Alterations shall create any encroachment upon any adjacent premises.

(viii) No Tenant Initial Improvements or Tenant's Alterations shall be made which would render title to the land or any part thereof unmarketable or which would reduce the value of the Building below the value thereof immediately prior to the making of such Tenant Initial Improvements or Tenant's Alterations or reduce the value of Landlord's leasehold interest in the Land and the Building.

(ix) If any work being done by Tenant or its contractors causes any labor disturbance or unrest by reason of conflicts with contractors employed by Landlord, Tenant will, within 24 hours after written demand by Landlord, cause such work to cease and will, if necessary, end such disturbance or unrest and/or discharge the contractor causing such disturbance or unrest (notwithstanding Landlord's prior approval of such contractor).

(x) At all times during the period of such Tenant Initial Improvements or Tenant's Alteration, Landlord shall be entitled to have a representative or representatives on the site to inspect such Tenant's Alteration, and such representative or representatives shall have free and unrestricted access at all reasonable times to any and every part of the Demised Premises. In addition, all hookups to the Building's electrical system, switch gears, submeters, gas, water, telephone equipment, HVAC, and any other central Building system shall be done by Landlord's contractors at Landlord's sole cost and expense as part of Landlord's Work. Tenant shall deliver or cause to be delivered to Landlord such instrument or instruments in writing as Landlord may reasonably require or deem necessary to carry into effect the intended purpose of this Article.

(xi) Prior to commencing any Tenant Initial Improvements or Tenant's Alterations, in the event Tenant engages contractors to perform work on the leased premises during the course of its lease, Tenant shall cause such contractors to procure and evidence insurance coverages as follows:

(A) WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE affording coverage under the Workers Compensation laws of the State(s) of New York and Employers Liability coverage subject to a limit of no less than Five Hundred Thousand Dollars ($500,000) each employee, Five Hundred Thousand Dollars ($500,000) each accident, Five Hundred Thousand Dollars ($500,000) policy limit.

(B) COMMERCIAL GENERAL LIABILITY INSURANCE written on an Occurrence basis and including Products liability/Completed Operations coverage, at a $1,000,000 per occurrence Combined Single Limit applying to Bodily Injury and Property Damage, subject to no deductible or Self-Insured Retention, and including all standard Broad Form Commercial General Liability extensions. If coverage is written on a form with an aggregate limit, then such aggregate limit shall not be less than $2,000,000 and shall apply on a per project basis. The policy shall be endorsed to name Tenant, Landlord, and the Port Authority as Additional Insureds for claims due to the acts or omissions of the contractor on a primary, non-contributory basis. The policy shall further be endorsed to waive the carrier's subrogation rights against Landlord.

(C) UMBRELLA LIABILITY INSURANCE with a per occurrence limit of not less than $3,000,000 providing excess coverage over all limits and coverages noted in Paragraphs 2 above. This policy shall be written on an "occurrence" basis and include Tenant, Landlord and the Port Authority as Additional Insureds.

The insurance policies noted above shall be written with insurance companies of recognized responsibility that are permitted to do business in the State of New York. All policies shall provide that in the event of cancellation, non-renewal or material modification, Landlord shall receive 15 days written notice thereof.

Tenant shall cause Contractor to furnish Landlord with certificates of insurance evidencing Contractor's compliance with all of the above provisions before Contractor will be permitted to begin work.

Tenant shall also maintain such additional insurance as Landlord and/or the Port Authority shall reasonably request from time to time, provided such insurance or coverage is commonly carried by offices of similar size in similar buildings.

(xii) No structural alteration shall be made unless Tenant first obtains the written consent thereto of any Landlord's Mortgagee, if such consent is required under any

Landlord's Mortgage(s). Landlord agrees to cooperate with Tenant to attempt to obtain any such consent, if the proposed Tenant's Alteration is approved by Landlord.

(xiii) Except for Tenant's Initial Improvements, Landlord reserves the right to perform any and all Tenant Alterations hereunder, in which event Tenant shall pay Landlord for such alterations within 30 days of demand at a price equal to Tenant's lowest bid to perform said alterations.

4.04 LANDLORD'S RIGHT TO ENTER

(a) Landlord or Landlord's agents shall have the right to enter the Demised Premises at reasonable times and upon reasonable notice to examine the same, and to make such repairs, alterations, improvements or additions that (i) Landlord is required to make pursuant to the terms of this Lease, or (ii) are reasonably necessary in connection with the maintenance, repair, or operation of the Buildings (Landlord's entry upon the Demised Premises to perform such repairs, alterations, improvements, additions or restorations being referred to herein as a "Work Access") without the same constituting an eviction of Tenant. Landlord, in connection with a Work Access, shall be allowed to bring into the Demised Premises and store in the Demised Premises in a reasonable manner for the duration of the Work Access, the materials and tools that Landlord reasonably requires to perform the applicable repair, alteration, improvement or addition. Landlord shall use reasonable efforts to minimize any interference with Tenant's use of the Demised Premises as a result of Landlord's access thereto. During the six months prior to the expiration of the Term, if Tenant has not exercised an option to renew hereunder, Landlord may exhibit the Demised Premises to prospective tenants or purchasers and place upon said Demised Premises the usual notices "To Let" or "For Sale", which notices Tenant shall permit to remain thereon without molestation.

(b) If Tenant's principals, agents, employees and/or representatives shall not be personally present to open and permit any entry into said Demised Premises, at any time, when for any reason an entry therein for emergency purposes shall be necessary or permissible, Landlord or Landlord's agents may enter the same by a master key or may forcibly enter the same without rendering Landlord or such agents liable therefor and without in any manner affecting the obligations, responsibility or liability whatsoever for the care, maintenance or repair of the Building or any part thereof, except as otherwise herein specifically provided, except that Landlord shall replace any damaged lock and repair any damage caused by such forcible entry. If during the last month of the term Tenant shall vacate the Demised Premises, Landlord may immediately enter and alter, renovate and redecorate the Demised Premises without diminution or abatement of rent or incurring liability to Tenant for any compensation, and such acts shall have no effect upon this Lease.

(c) No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or mechanism thereof without the express written consent of Landlord. In the event that Landlord consents to the change in any locking mechanism, Tenant agrees that no such lock shall be of a nature and quality which cannot be accessed by Landlord's master key. Tenant agrees to pay the cost of re-keying the master key as well as any other costs associated with the addition or changing of any locking mechanism. Upon surrender or termination of the lease in the Demised Premises, Tenant

shall restore to Landlord all keys to the Demised Premises, lavatories and Building either furnished to, or otherwise procured by Tenant. In the event of the loss of any keys so furnished by Landlord, Tenant shall pay to Landlord the cost thereof as well as any other costs associated with the loss of said keys.

(d) If an excavation shall be made upon land adjacent to the Demised Premises or shall be authorized to be made, Tenant shall afford access to the person causing or authorized to cause such excavation and give a license to enter upon the Demised Premises for the purpose of doing such work as Landlord shall reasonably deem necessary to preserve the wall of the Building of which the Demised Premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnification against Landlord's or diminution or abatement of rent.

(e) Except as expressly provided herein, there shall be no allowance to Tenant for a diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant, or others, making any repairs, alterations, additions, or improvements to any portion of the Building or Demised Premises, or to fixtures, appurtenances, or equipment thereof, and/or by reason of failure of Landlord or others to make any repairs, alterations, additions or improvements in or to any portion of the Building or of Demised Premises, or to the fixtures, appurtenances or equipment thereof. Landlord reserves the right to stop the service of the heating, air conditioning, plumbing and electrical systems when repairs, alterations or improvements are necessary until such repairs, alterations or improvements shall have been completed. Neither the reference in this Lease to repairs by Landlord or any services, nor the presence upon the Demised Premises of any service equipment owned by Landlord, shall impose any liability upon Landlord to furnish, repair, maintain or operate any services unless expressly and specifically provided for herein.

(f) Notwithstanding the foregoing, Landlord shall remain liable to Tenant for personal injury or property damage that derives from Landlord's negligence or willful misconduct in connection with any entry upon the Demised Premises, and nothing contained in this Section 4.04 limits Tenant's rights to an abatement of Rent after a fire or other casualty as provided herein.

4.05 LANDLORD'S LIABILITY Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, loss or damage to Tenant's business or damage to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence (unless caused by or resulting from the negligence or willful misconduct of Landlord, its agents, servants or employees) in or upon the Demised Premises or the Building common areas or parking field, including but not limited to, claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair; (ii) injury done or occasioned by wind or rain; (iii) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, gas, water and steam pipes, stairs, porches, railings or walks; (iv) broken glass; (v) the backing up of any sewer pipe or downspout; (vi) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about such Building or Demised Premises; (vii) the escape of steam or hot water; (viii) water, snow or ice being upon or coming through the roof, floor,

skylight, trapdoor, stairs, doorways, show windows, walks or any other place upon or near such Building or the Demised Premises or otherwise; (ix) the falling of any fixture, plaster, tile or stucco; and (x) any act, omission or negligence of other tenants, licensees or of any other persons or occupants of said Building or of adjoining or contiguous Buildings or of owners of adjacent or contiguous property.

4.06 MECHANIC'S LIENS If any mechanic's lien or other liens or orders for the payment of money or any notice of intention to file a lien shall be filed against the Demised Premises or the Building by reason or arising out of any labor or material furnished or alleged to have been furnished or to be furnished to the Demised Premises on behalf of Tenant or any occupant thereof, or for or by reason of any change, alteration or addition or the cost or expense thereof or any contract relating thereto, or against the interest of Landlord, Tenant shall cause the same to be canceled and discharged of record by bond or otherwise as allowed by law at the expense of Tenant within thirty (30) days after Tenant receives notice of the filing thereof; and Tenant shall also defend on behalf of Landlord, at Tenant's sole cost and expense, any action, suit or proceeding which may be brought thereon or for the enforcement of such liens or orders, and Tenant will pay any damages and satisfy and discharge any judgment entered thereon and save harmless Landlord from any claim or damage resulting there from. Failure to comply with the provisions of this paragraph 4.06 shall be a material default of this Lease. Nothing contained in this Section 4.06, (i) limits Tenant's right to challenge the claim that is made by the person that files a mechanic's lien, provided that Tenant discharges such lien of record as aforesaid, or (ii) obligates Tenant to discharge of record any mechanic's lien that derives from Landlord's acts or omissions.

4.07 LIMITATION OF PERSONAL LIABILITY Notwithstanding anything contained herein to the contrary except as provided in Section 8.01(a), Tenant agrees that neither Landlord, nor any of its agents or employees, nor (if Landlord is or becomes a corporation or a limited liability company) any of its members, managers, officers, directors or shareholders or partners, nor (if Landlord is or becomes a partnership) any of its general or limited partners, shall have any personal liability with respect to any of the provisions of this Lease and Tenant shall look solely to the estate and interest of Landlord in the property for the satisfaction of Tenant's remedies, including, without limitation, the collection of any judgment or the enforcement of any other judicial process requiring the payment or expenditure of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms and provisions of this Lease to be observed and/or performed by Landlord, subject, however, to the prior rights of any holder of any mortgage covering all or part of the Property, and no other assets of Landlord or any principal of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claim, and in the event Tenant obtains a judgment against Landlord, the judgment docket shall be so noted. This Section shall inure to the benefit of Landlord's successors and assigns and their respective principals.

4.08 TITLE TO IMPROVEMENTS AND RESTORATION OF DEMISED PREMISES

(a) The title to all additions, repairs and replacements to any improvements made during the Lease Term and any renewal thereof shall forthwith vest in Landlord, and said

improvements, additions, repairs and replacements shall be and become the sole and absolute property of Landlord without any obligation of payment by Landlord therefor.

(b) All alterations, decorations, additions or improvements, except movable trade fixtures, made by either party shall become the property of Landlord upon installation. Tenant shall have no obligation to restore the Premises to its original condition upon the expiration or termination of this Lease.

4.09 TENANT OBLIGATIONS

(a) Tenant covenants throughout the term hereof, at its sole cost and expense, to keep the Demised Premises, all fixtures and equipment therein, all utility systems, and all signs of Tenant whether in the Demised Premises or erected outside thereof, in good repair, order and condition, making all repairs thereto as may be required or necessary, ordinary as well as extraordinary, foreseen and unforeseen, all repairs to be of the same quality, design and class as the original work; but the provisions of this Lease shall not require Tenant to make repairs to the structural parts of the building, i.e. bearing walls, beams, or roof, it being agreed and understood that Landlord shall make all reasonably necessary structural repairs, unless the conditions necessitating such repairs to structural parts shall have been caused by Tenant, its agents, servants or invitees.

(b) If Tenant refuses or neglects to repair property as required in this Lease agreement and to the reasonable satisfaction of Landlord as soon as reasonably possible after notice from Landlord and expiration of the applicable cure period, after written demand, Landlord may make such repairs and shall not be liable to Tenant for any loss or damage that may occur to Tenant's merchandise, fixtures, or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Landlord's cost for making such repairs, as Additional Rent, to be paid by Tenant within thirty (30) days of receipt of a statement from Landlord setting forth said charges and disbursements.

4.10 LANDLORD'S OBLIGATION TO MAINTAIN, REPAIR AND REBUILD Landlord shall, at its sole cost and expense: (a) maintain, repair, and replace all of the structural elements and exterior surfaces of the Buildings, including roof, roof membrane, roof covering, walls, concrete slab and footings, as well as the electrical, gas, plumbing, sewer, heating, ventilating and air-conditioning systems servicing the Buildings, and the parking area, sidewalks, streets and common areas appurtenant to the Buildings; and (b) except for those obligations of Tenant with regard to the Demised Premises set forth in Section 4.09 hereof, fulfill all care, maintenance, repair and rebuilding obligations set forth in Section 9.1 of the Port Authority Lease (as such Section 9.01 exists on the date hereof).

ARTICLE V

5.01 LIABILITY INSURANCE Tenant shall, during the entire term hereof, at Tenant's expense, keep in full force and effect policies of insurance as follows:

(a) Glass – Tenant assumes the liability for, and shall remedy, the breakage of exterior and interior plate glass during the term of this Lease if breakage is caused by Tenant's acts.

(b) Property Insurance; Indemnity for Damage to Tenant's Personal Property – Tenant assumes liability for any damage to the Demised Premises and all fixtures and appurtenances thereto regardless of the cause thereof. Except as otherwise provided herein, Tenant expressly releases Landlord from, and waives all claims against Landlord and agrees to hold Landlord harmless for, any loss resulting from damage to or loss of Tenant's goods, wares, merchandise and/or improvements and betterments in, upon or about said Premises regardless of the cause, except to the extent caused by Landlord, its agents, representatives, employees or contractors. Tenant shall maintain at its own expense replacement cost insurance on Tenant's goods, wares, merchandise and improvements and betterments against damage caused by fire and all other perils covered by a standard All Risk insurance policy ("Tenant's Property Policy").

(c) Liability Insurance – Tenant shall maintain, at its own expense, Liability insurance as follows:

(i) Commercial General Liability insurance, written on an occurrence basis and including products liability insurance at a $1,000,000 per occurrence Combined Single Limit, subject to no-deductible or Self Insured Retention including all standard Broad Form Commercial General Liability coverages.

(ii) Umbrella Liability insurance at a $3,000,000 per occurrence limit, subject to a $10,000 self insured retention, providing excess coverage over all coverages included in the Comprehensive General Liability policy noted in paragraph (c)(i) above.

These policies shall name Landlord and the Port Authority as additional insureds on a primary, non-contributory basis and shall permit Tenant to release its carrier's subrogation rights against Landlord. Tenant hereby agrees to the waiver of such rights.

(d) The insurance policies noted in (a), (b) and (c) above shall be written with insurance companies of recognized responsibility that are permitted to do business in the State of New York. All policies shall provide that in the event of cancellation, non-renewal or material modification, Landlord shall receive 15 days written notice thereof.

(e) Tenant shall furnish Landlord with certificates of insurance evidencing Tenant's compliance with all provisions of (a), (b), (c) and (d) above.

5.02 LANDLORD'S INSURANCE

Landlord shall obtain and keep in full force and effect insurance against loss and damage by fire or other casualty to the Buildings, under then available standard forms of "all-risk" insurance policies, in an amount equal to one hundred percent (100%) of the replacement value thereof or, at Landlord's option, in such lesser amount as will avoid co-insurance (such insurance being referred to herein as "Landlord's Property Policy"). Landlord shall also obtain and keep in full force and effect such other insurance as is required under Section 10 of the Port Authority Lease (as such Section 10 exists on the date hereof).

5.03 WAIVER OF SUBROGATION Landlord and Tenant shall each obtain an appropriate clause in, or endorsement on, Landlord's Property Policy or Tenant's Property Policy (as the case may be) pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery. Landlord and Tenant also agree that, having obtained such clauses or endorsements of waiver of subrogation or consent to a waiver of right of recovery, they shall not make any claim against or seek to recover from Landlord or Tenant (as the case may be) for any loss or damage to its property or the property of others resulting from fire or other hazards covered by Landlord's Property Policy or Tenant's Property Policy (as the case may be); *provided, however*, that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by and be coextensive with the terms and provisions of the waiver of subrogation clause or endorsements or clauses or endorsements consenting to a waiver of right of recovery.

5.04 INDEMNIFICATION AND HOLD HARMLESS

(a) Tenant shall defend, indemnify and hold Landlord, and Landlord's employees, agents and assigns, and the Port Authority and its agents, employees, officers and Commissioners, harmless from and against any and all loss, cost (including reasonable attorney's fees and witnesses' and court costs), damages, expense and liability (including statutory liability) resulting from injury and/or death of any person or damage to any property arising out of the maintenance, use, care or control of the Demised Premises, except to the extent arising from the negligence or willful misconduct of Landlord, the Port Authority or their respective agents, employees, contractors and representatives. Landlord shall defend, indemnify and hold Tenant, and Tenant's employees, agents and assigns, harmless from and against any and all loss, cost (including reasonable attorney's fees and witnesses' and court costs), damages, expense and liability (including statutory liability) resulting from injury and/or death of any person or damage to any property arising out of the maintenance, use, care or control of the Property (other than the Demised Premises), except to the extent arising from the negligence or willful misconduct of Tenant, its agents, employees, contractors and representatives. The party entitled to indemnification hereunder is referred to as an "Indemnitee" and the party required to provide such indemnification is referred to as the "Indemnitor."

(b) In case an Indemnitee shall, without fault on its part, be made a party to any litigation commenced by or against an Indemnitor, the Indemnitor shall assume the Indemnitee's defense protect and hold the Indemnitee harmless.

(c) All damage or injury to the Demised Premises and to its fixtures, appurtenances and equipment caused by Tenant moving property in or out of the Building or by installation or removal of furniture, fixtures or other property shall be repaired by Tenant.

5.05 ACTS OF INVITEES Tenant shall be responsible for the acts of its customers, guests, invitees and/or anyone else in the Demised Premises at the invitation of Tenant or anyone in their employ or anyone occupying or using space in the Demised Premises.

ARTICLE VI

6.01 DEFAULT

(a) Event of Default.

(i) Non-Monetary Defaults. An "Event of Default" shall exist if Tenant defaults in fulfilling any of the covenants of this Lease other than for the payment of Base Rent or Additional Rent, and fails to cure such default within thirty (30) days from Landlord's serving a written notice upon Tenant specifying the nature of such default, or if the said default shall be of such a nature that the same cannot be completely cured within said thirty (30) day period, Tenant fails to have commenced curing such default within such period and thereafter acted with reasonable diligence to cure such default.

(ii) Monetary Defaults. An "Event of Default" also shall exist if Tenant defaults in the payment of Base Rent or Additional Rent and fails to cure such default within ten (10) days from Landlord's serving a written notice upon Tenant specifying the nature of such default.

(b) Cancellation Notice. Following an Event of Default, Landlord may serve a written notice of cancellation of this Lease upon Tenant (a "Cancellation Notice"), and upon the expiration of twenty (20) days from the service thereof, this Lease and the term hereunder shall end, and Tenant shall then quit and surrender the Demised Premises to Landlord; but Tenant shall remain liable as hereinafter provided.

(c) If the Cancellation Notice provided for in Section 6.01(b) hereof shall have been given and the Term shall expire as aforesaid, then Landlord may without notice re-enter the Demised Premises either by force or otherwise and dispossess Tenant or the legal representative of Tenant or other occupant of Demised Premises by summary proceedings or otherwise and remove their effects and hold the Demised Premises as if this Lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If Tenant shall be in default hereunder after receipt of notice thereof from Landlord and the expiration of the applicable cure period, then prior to the date fixed as the commencement of any renewal or extension of this Lease, Landlord may cancel and terminate such renewal or extension by written notice.

(d) If the Cancellation Notice provided for in Section 6.01(b) hereof shall have been given, it is understood and agreed that no further demand for rent and no re-entry for condition broken as at common law shall be necessary to enable Landlord to recover such possession pursuant to statute relating to summary proceedings.

(e) In the case of any such Event of Default, re-entry, expiration and/or dispossess, by summary proceedings or otherwise, (i) the rent shall become due thereupon and is to be paid upon the time of such reentry, dispossess and/or expiration, together with such reasonable expenses as Landlord may incur by reason thereof for reasonable legal expenses, attorneys' fees, and/or brokerage in putting the Demised Premises in good order and/or for preparing the same

for re-rental; (ii) Landlord may rent the Demised Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease, and may grant concessions or free rent; and (iii) Tenant or the legal representative of Tenant shall also pay Landlord as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent and Additional Rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the Lease or Leases of the Demised Premises for each month of the period which would otherwise have constituted the balance of the term of this Lease. The failure or refusal of Landlord to re-let the Demised Premises or any part or parts thereof or to collect rent therefore shall not release or affect Tenant's liability for damages. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding. Landlord, at Landlord's option, may make such alterations, repairs, replacements and/or decorations in the Demised Premises as Landlord, in Landlord's reasonable judgment, considers advisable and necessary for the purpose of re-letting the Demised Premises, and the making of such alterations and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy, whether in law or in equity.

(f) In the event Tenant shall fail to comply with or perform any of the covenants, conditions or agreements herein contained on Tenant's part to be performed, Landlord shall have the right (but not be obligated), following written notice to Tenant and the expiration of the applicable cure period, to perform any such covenants, conditions or agreements, and Tenant agrees to pay to Landlord on demand as Additional Rent hereunder, a sum equal to the amount actually expended by Landlord in the performance of such covenants, conditions or agreements. In the event Landlord shall perform any such covenants, conditions or agreements, Tenant agrees that Landlord, its agents or employees, may enter the Demised Premises and that such entry and such performance shall not constitute an eviction of Tenant, in whole or in part, nor relieve Tenant from the continued performance of all covenants, conditions and agreements of the Lease, and further agrees that Landlord shall not be liable for any claim for loss or damage to Tenant or anyone through or under Tenant, except for loss or damage caused by the negligence or willful misconduct of Landlord, its agents, employees, representatives or contractors.

(g) In the event Landlord shall fail to comply with or perform any of the covenants, conditions or agreements herein contained on Landlord's part to be performed, and fails to cure such default within thirty (30) days from Tenant's serving a written notice upon Landlord specifying the nature of such default, or if the said default shall be of such a nature that the same cannot be completely cured within said thirty (30) day period, Landlord fails to have commenced curing such default within such period and thereafter acted with reasonable diligence to cure such default then Tenant shall have the right (but not be obligated), to perform any such covenants, conditions or agreements, and Landlord agrees to pay to Tenant on demand, a sum

equal to the amount actually expended by Tenant in the performance of such covenants, conditions or agreements. If Landlord fails to pay such amount within twenty (20) days after demand therefor, Tenant may offset such amount against the Rent(s) next due. In the event Tenant shall perform any such covenants, conditions or agreements, Landlord agrees that Tenant shall not be liable for any claim for loss or damage to Landlord or anyone through or under Landlord, except for loss or damage caused by the negligence or willful misconduct of Tenant, its agents, employees, representatives or contractors.

6.02 NO WAIVER The receipt by Landlord of Base Rent or Additional Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the rent or Additional Rent then due shall be deemed to be other than on account of full payments, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord's right to recover the balance of such rent or pursue any other remedy provided for by this Lease and/or at law shall not be diminished.

6.03 TENANT'S WAIVER OF JURY TRIAL Tenant waives its right of trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other, or with respect to any issue or defense raised therein, including the right to an advisory jury (except for personal injury or property damage), on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use and occupancy of said premises, including summary proceedings and possession actions, and any emergency statutory or other statutory remedy.

6.04 WAIVER OF REDEMPTION Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause or in the event of Landlord obtaining possession of the Demised Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease, or otherwise. No receipt of monies by Landlord from Tenant after the termination or cancellation of this Lease, in any lawful manner, shall reinstate, continue or extend the term of this Lease, or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of fixed or Additional Rent or rents then due, or thereafter falling due or operate as a waiver of the rights of Landlord to recover possession of the Demised Premises by proper suit, action, proceeding or remedy. It is agreed that, after the service of notice to terminate or cancel this Lease, or the commencement of suit, action or summary proceeding, or any other remedy, or after a final order or judgment for the possession of the Demised Premises, Landlord may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, order or judgment. Any and all such monies collected shall be deemed to be payments towards satisfying Tenant's obligations to Landlord.

6.05 VENUE In the event of any dispute under the terms of this Lease, the parties agree that the venue for settling the dispute will be placed in Richmond County, State of New York and none other.

6.06 REMEDIES CUMULATIVE All the rights and remedies herein given to Landlord for the recovery of the Demised Premises because of an Event of Default with respect to the payment of any sums which may be payable pursuant to the terms of this Lease, or upon an Event of Default with respect to any of the terms hereof, or the right to re-enter and take possession of the Demised Premises upon the happening of any Event of Default, or the right to maintain any action for Base Rent or Additional Rent, or damages and all other rights and remedies allowed at law or in equity, are hereby reserved and conferred upon Landlord as distinct, separate and cumulative remedies, and no one of them, whether exercised by Landlord or not, all be deemed to be in exclusion of any of the others.

ARTICLE VII

7.01 ASSIGNMENT AND SUBLET

(a) Tenant shall have the right to assign or sublet the Demised Premises, in whole or in part, with the prior written consent of Landlord which shall not be unreasonably withheld, conditioned or delayed and, if required under the Port Authority Lease, the consent of the Port Authority, which shall not be arbitrarily or capriciously withheld, conditioned or delayed.

(b) In the event that Tenant shall seek Landlord's permission to assign this Lease or sublet the Demised Premises, Tenant shall provide to Landlord the name, address and financial statement of the proposed assignee or sublessee and such other information concerning such proposed assignee or sublessee as Landlord may reasonably require. It shall be a condition to any consent by Landlord to an assignment or subletting of an entire floor that Tenant shall pay Landlord's actual costs incurred for Landlord's for actual reasonable legal expenses for the review and preparation of legal documents not to exceed $2,500. If the Port Authority's consent is required under the Port Authority Lease, then Landlord shall be the liaison to procure the consent, or denial, of the Port Authority using commercially reasonable best efforts to facilitate the application for said consent to the appropriate administrative offices of the Port Authority.

(c) In the event that Tenant shall at any time during the term of this Lease sublet all or any part of the Demised Premises or assign this Lease, either with the consent of Landlord or the Port Authority as herein provided or without the consent of Landlord or the Port Authority, then, and in such event, it is hereby mutually agreed that Tenant shall nevertheless remain fully liable under all the terms, covenants and conditions of this Lease including, but not limited to, the provisions for the payment of rent. Tenant's liability hereunder shall be continuing and shall in no way be affected, modified, increased or diminished by reason of (i) any subsequent assignment or subletting of this Lease, or (ii) any modification or waiver of or change in any of the terms, conditions and covenants of this Lease that do not increase Tenant's financial obligation or liability under this Lease, or (iii) any extension of time that may be granted by Landlord to any assignee or sublessee, its successors or assigns, or (iv) a changed or different use of the Demised Premises consented to in writing by Landlord, or (v) any dealings, transactions, or matters occurring between Landlord and said assignee or sublessee, its successors or assigns whether or not notice thereof is given to Tenant. If this Lease be assigned, subleased or any part thereof be subleased or occupied by anybody other than Tenant, Landlord may collect from the

assignee, sublessee or occupant any rent or other charges payable by Tenant under this Lease and apply the amount collected to the rent and other charges herein reserved, but such collection by Landlord shall not be deemed an acceptance of the assignee, sublessee or occupant as a tenant nor a release of Tenant from performance by Tenant under this Lease.

(d) (i) Tenant shall have the right to assign the Lease in its entirety or to sublease the Demised Premises (or any portion(s) thereof) without the consent of Landlord to any of the following: (a) any entity resulting from a merger or consolidation with Tenant, (b) any entity succeeding to the business and assets of Tenant, and (c) any related entity (including commonly controlled entities and limited liability companies in which Tenant has an ownership interest). Tenant shall also have the right to sublease office space at the Demised Premises, without the consent of Landlord to one or more physicians or other entities providing health care services consistent with the use provisions of this Lease. In connection with the assignment of the Lease or sublet of the Demised Premises, as described above, Tenant shall remain liable under the terms of the Lease and shall obtain the consent of the Port Authority if required under the Port Authority Lease, such consent not to be arbitrarily or capriciously withheld, conditioned or delayed. If the Port Authority's consent is required under the Port Authority Lease, then Landlord shall be the liaison to procure the consent, or denial, of the Port Authority using commercially reasonable best efforts to facilitate the application for said consent to the appropriate administrative offices of the Port Authority.

(ii) Notwithstanding the foregoing, any assignment and/or sublease of the Premises (or any portion(s) thereof) consistent with this paragraph 7.01(d), shall be subject to the following: (i) the assignee/sublessee assumes in writing the performance and observance of all the terms, covenants and conditions of this Lease on the part of Tenant to be performed and observed; (ii) the assignee/sublessee shall conduct its business in accordance with the Permitted Uses; (iii) the assignee/sublessee shall conduct its business under the same trade name or another trade name approved by Landlord which approval(s) shall not be unreasonably withheld, conditioned or delayed and, if required under the Port Authority Lease, the Port Authority, which approval(s) shall not be unreasonably withheld, conditioned or delayed; and (iv) a copy of the assignment and assumption or sublease is delivered to Landlord within ten (10) days after its execution.

(e) Tenant shall not assign this Lease or sublease any portion of the Demised Premises to a then current Tenant of the Building, the Teleport or the Corporate Park of Staten Island.

ARTICLE VIII

8.01 LANDLORD'S INTEREST IN PREMISES; PORT AUTHORITY CONSENT

(a) Landlord represents and warrants that it is the holder of the entire ground leasehold interest in the Property, including the Land and Buildings, equipment, fixtures and all other personal property appertaining thereto, and including the Demised Premises, free and clear of all tenancies, occupancies, restrictions, covenants, easements, liens, encumbrances and any other exceptions, other than the City Lease (as defined below) and the Port Authority Lease (as defined below), existing leases or other occupancy agreements which are not inconsistent with

and do not adversely affect any rights of Tenant under this Lease. This Lease is subject to and subordinate to the Port Authority Lease and the City Lease. For purposes of the foregoing, (i) the "Port Authority Lease" means that certain lease dated as of July 8, 1985 between Landlord's predecessor in interest Teleport Associates and the Port Authority, amended by Supplement No. 1 dated as of January 9, 1989, a true and complete copy of which, together with the Recognition and Attornment Agreement dated January 12, 1989 have been delivered by Landlord to Tenant (Landlord acknowledges that it knows of no further amendments or modifications to the Port Authority Lease); and (ii) the term the "City Lease" means that certain lease dated as of May 15, 1984, between The City of New York and the Port Authority, as amended July 2, 1987, July 9, 1997 and June 26, 1998, true copies of which have been delivered by Landlord to Tenant (Landlord acknowledges that it knows of no further amendments or modifications to the City Lease). Landlord agrees that it shall not amend the Port Authority Lease or permit any amendment to occur therein which adversely affects any rights of Tenant under this Lease in other than a *de minimis* or incidental manner or has an adverse monetary effect on Tenant that is other than de minimis or incidental. Landlord represents and warrants to Tenant that the execution of this Lease by Landlord, the delivery thereof to Tenant and the compliance by the parties with the terms of this Lease, will not conflict with, or result in any breach or default (with or without notice or lapse of time, or both) under, the Port Authority Lease or the City Lease. Landlord covenants that, during the Term, it will not take any action or fail to take any action that would amount to or have the effect of cancelling, surrendering or terminating the Port Authority Lease, insofar as such cancellation, surrender or termination would in any manner deprive Tenant of any of its rights, licenses or privileges under this Lease. Landlord covenants that it will exercise its options to extend the term of the Port Authority Lease so that the Term hereof does not expire before the term of the Port Authority Lease. The limitation of liability with respect to Landlord provided for in Section 4.07 shall not apply to any breach by Landlord of any representation, warranty or covenant contained in this Section 8.01(a).

(b) This Lease is subject to the consent of the Port Authority pursuant to the Port Authority Lease. Landlord shall not deliver to Tenant a signed counterpart of this Lease without first having obtained the written consent of the Port Authority to the entering into of this Lease. If Landlord fails to deliver to Tenant a signed counterpart of this Lease within sixty (60) days after Tenant delivers a signed counterpart to Landlord, then either party may terminate this Lease upon written notice to the other, in which event this Lease shall terminate and be and become of no further force and effect, and the parties shall not have any further rights, obligations, or liabilities hereunder, except that Landlord shall promptly refund to Tenant any moneys paid to Landlord including, without limitation, the Second Floor Option Payment.

8.02 TENANT'S ESTOPPEL AND SUBORDINATION AND NON-DISTURBANCE AGREEMENT

(a) ESTOPPEL Tenant and Landlord agree that at any time and from time to time upon not less than twenty (20) days' prior request by the other, Tenant or Landlord, as the case may be, will execute, acknowledge and deliver to the other as required by any law, ordinance, order, regulation or requirement of any Federal, state or municipal governmental agency, the City of New York, the Port Authority, a prospective purchaser or mortgagee, and otherwise, a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if

there have been modifications that the same is in full force and effect as modified and identifying the modifications); (ii) the dates to which Base Rent and Additional Rent have been paid; and (iii) that, so far as the person making the certificate knows, the other party is not in default under any provisions of this Lease, nor does there exist any condition or state of facts which, with the passage of time or giving of notice or both, would constitute such a default (or, if such person knows of any such default, the nature of same).

(b) SUBORDINATION AND NON-DISTURBANCE AGREEMENT This Lease shall be contingent upon Landlord providing, and Landlord shall provide to Tenant within 60 days after the date of this Lease (the "SNDA Delivery Date"), an executed subordination, non-disturbance and attornment agreement from all holders of a mortgage (including Valley National Bank), or other similar encumbrance and/or ground leases (including the City of New York and the Port Authority) encumbering the Demised Premises or any portion thereof (collectively, "Lienholders") in such form as may be reasonably acceptable to the parties (collectively, the "SNDA Agreements"). Among the executed SNDA Agreements shall be an agreement substantially in the form annexed hereto as Exhibit G, between the City of New York and Tenant (the "City SNDA") and an agreement substantially in the form annexed hereto as Exhibit H between the Port Authority and Tenant (the "Port Authority SNDA", together with the City SNDA, the "City/Port Authority SNDAs"). The SNDA Agreements may be in such other forms as may be agreed upon by Tenant and the City of New York and the Port Authority, as applicable, and will, among other things, provide for continuation of all of Tenant's rights under the Lease, notwithstanding any foreclosure due to Landlord's default. The City SNDA will, among other things, provide for continuation of all of Tenant's rights notwithstanding the termination of the City Lease not caused by Tenant, and include a covenant from the City of New York that, notwithstanding any current zoning resolutions or restrictions, Tenant will be allowed to use the Demised Premises for the Permitted Uses. The Port Authority SNDA will, among other things, provide for continuation of all of Tenant's rights notwithstanding the termination of the Port Authority Lease not caused by Tenant, and include a covenant from the Port Authority that, notwithstanding any current zoning resolutions or restrictions, Tenant will be allowed to use the Demised Premises for the Permitted Uses. The conditions contained in this Section 8.02 may be waived solely by Tenant. If all of the executed SNDA Agreements, including, without limitation, the City/Port Authority SNDAs, are not delivered to Tenant by the SNDA Delivery Date, then Tenant may terminate this Lease on five (5) days notice to Landlord and receive a refund of any moneys paid to Landlord. Landlord shall use commercially reasonable efforts to obtain SNDA Agreements from all future Lienholders thereafter. Notwithstanding anything to the contrary contained herein, this Lease shall not be subordinate to the liens and other encumbrances of any Lienholders who do not execute and deliver to Tenant an SNDA Agreement.

8.03 ATTORNMENT Tenant covenants and agrees that, if by reason of a default upon the part of Landlord who is the lessee under the Port Authority Lease covering the Demised Premises in the performance of any of the terms or provisions of such Port Authority Lease or if for any other reason of any nature whatsoever such Port Authority Lease and the leasehold estate of the Landlord thereunder are terminated by summary dispossess proceedings or otherwise, Tenant, at the request in writing of the then Landlord under such Port Authority Lease, shall attorn to and recognize such landlord as Tenant's landlord under this Lease. Tenant covenants

and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under such Port Authority Lease, any instrument which may be necessary or appropriate to evidence such attornment. Tenant further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this Lease or give or purport to give Tenant any right of election to terminate this Lease or to surrender possession of the Demised Premises in the event such Port Authority Lease terminates or in the event any such proceeding is brought by the landlord under such Port Authority Lease if such landlord shall have requested in writing that Tenant attorn, as aforesaid and in that circumstance Tenant agrees that this Lease shall not be affected in any way whatsoever by any such proceeding or termination. Nothing contained herein shall obligate the landlord to request the Tenant to attorn or to accept such attornment from the Tenant. Nothing contained herein shall limit the rights and obligations of any party under the SNDA Agreements.

ARTICLE IX

9.01 CASUALTY

(a) Notice. Tenant shall notify Landlord promptly of any fire or other casualty that occurs in the Demised Premises.

(b) Landlord's Restoration Obligations. Subject to the terms of this Section 9.01(b), Landlord, with reasonable diligence, shall repair the damage to the Demised Premises to the extent caused by fire or other casualty and restore the Premises to the condition it was in after completion of Landlord's Work as set forth herein. Landlord shall commence the performance of such repairs as promptly as reasonably practicable after the occurrence of such fire or other casualty. Landlord shall use Landlord's reasonable efforts to perform such repairs diligently, in a good and workmanlike manner, and in a manner that minimizes to the extent reasonably practicable interference with Tenant's use and occupancy of any portion of the Demised Premises that remains tenantable. Landlord shall not be required to restore Tenant's property or Alterations. Landlord shall not be required to commence such restoration until Tenant gives Landlord the notice described in Section 9.01(a) hereof (unless Landlord otherwise has received actual notice of the fire or other casualty). Landlord shall have the right to adapt the restoration of the Demised Premises as contemplated by this Section 9.01(b) to comply with applicable legal requirements that are then in effect. Landlord shall not be obligated to restore the Demised Premises as provided in this Section 9.01(b) to the extent that this Lease terminates by reason of such fire or other casualty as provided in this Section 9.01.

(c) Tenant's Restoration Obligations. Subject to the terms of this Section 9.01(c), Tenant shall repair the damage to the Demised Premises (including, without limitation, Tenant's Alterations) to the extent caused by fire or other casualty, with reasonable diligence. Nothing contained in this Section 9.01(c) diminishes Landlord's obligation to perform the restoration that Section 9.01(b) otherwise obligates Landlord to perform. Tenant shall have the right to adapt such restoration of the Demised Premises (x) to comply with applicable legal requirements that are then in effect, or (y) to otherwise meet Tenant's business objectives. Tenant shall not be obligated to restore the Demised Premises to the extent that this Lease terminates by reason of such fire or other casualty as provided in this Section 9.01.

(d) Rent Abatement.

(i) The Base Rent and Additional Rent that are otherwise due and payable hereunder shall be reduced in the proportion that the number of rentable square feet of the part of the Demised Premises that is not usable by Tenant by reason of such fire or other casualty bears to the total rentable square footage of the Premises immediately prior to such fire or other casualty, for the period commencing on the date of such fire or other casualty and ending on the 180th day after the date that Landlord completes the restoration described in Section 9.01(b) hereof; *provided, however*, that in no event shall such abatement continue after the date that Tenant occupies the Demised Premises (or the applicable portion thereof that was damaged by such fire or other casualty) for the conduct of business.

(ii) If (A) fifty percent (50%) or more of the Demised Premises is rendered untenantable by reason of a fire or other casualty, (B) Tenant cannot be reasonably expected to use the tenantable portion of the Demised Premises for the conduct of Tenant's business, and (iii) Tenant actually ceases to use the Demised Premises for the conduct of its business, then the entire Demised Premises shall be deemed to be untenantable for purposes of this Section 9.01(d).

(e) Landlord's Termination Right. If the Building is so damaged by fire or other casualty that, in Landlord's reasonable opinion, substantial alteration, demolition, or reconstruction of the Building is required (regardless of whether the Demised Premises have been damaged or rendered untenantable), then Landlord may terminate this Lease by giving Tenant notice thereof on or prior to the ninetieth (90th) day after such fire or other casualty. If Landlord elects to terminate this Lease as aforesaid, then (i) the Term shall expire on a date set by Landlord that (A) is not sooner than (x) the tenth (10th) day after the date that Landlord gives such notice (if all or substantially all of the Demised Premises is rendered untenantable by such fire or other casualty), and (y) the ninetieth (90th) day after the date that Landlord gives such notice (if less than all or substantially all of the Demised Premises is rendered untenantable by such fire or other casualty), and (B) is not later than the first (1st) anniversary of the date on which such fire or other casualty occurs, and (ii) Tenant, on such date set by Landlord, shall vacate the Premises and surrender the Premises to Landlord in accordance with the terms of this Lease that govern Tenant's obligations upon the expiration or earlier termination of the Term. Upon the termination of this Lease under this Section 9.01(e), the Base Rent and Additional Rent shall be apportioned and any prepaid portion of the Base Rent or Additional Rent for any period after the date that the abatement of Base Rent and Additional Rent as described in Section 9.01(d) hereof becomes effective shall be refunded promptly by Landlord to Tenant (and Landlord's obligation to make such refund shall survive the termination of this Lease).

(f) Tenant's Termination Right.

(i) Landlord, within forty-five (45) days after the earlier to occur of (x) the date that Tenant gives Landlord notice of the occurrence of a fire or other casualty as contemplated by Section 9.01(a) hereof, and (y) the date that Landlord otherwise has

actual notice of such fire or other casualty, shall give to Tenant a statement prepared by a reputable and independent contractor setting forth such contractor's estimate in good faith as to the time required for Landlord to substantially complete the restoration described in Section 9.01(b) hereof (such statement that Landlord gives to Tenant being referred to herein as the "Casualty Statement"). If the estimated time period as set forth in the Casualty Statement exceeds twelve (12) months from the date of the applicable fire or other casualty, then Tenant may elect to terminate this Lease by giving notice to Landlord not later than the sixtieth (60th) day after the date that Landlord gives the Casualty Statement to Tenant. If Tenant makes such election to so terminate this Lease, then the Term shall expire on the sixtieth (60th) day after Tenant gives such notice to Landlord.

(ii) This Lease shall terminate if (A) a fire or other casualty occurs, and, by reason thereof, Landlord has an obligation to perform a restoration as contemplated by Section 9.01(b) hereof, (B) Tenant does not exercise Tenant's right to terminate this Lease under Section 9.01(f)(i) hereof in connection with such fire or other casualty (or Tenant does not have the right to terminate this Lease under Section 9.01(f)(i) hereof in connection with such fire or other casualty), (C) Landlord fails to substantially complete the performance of the restoration work that Landlord is required to perform on or prior to the later to occur of (I) twelve (12) months after the date of the applicable fire or other casualty, and (II) the date that is thirty (30) days after the last day of the estimated time period set forth in the Casualty Statement (the later of the dates described in clause (I) and clause (II) above being referred to herein as the "Second Bite Date"), (D) Tenant gives Landlord notice to the effect that this Lease will terminate under this Section 9.01(f)(ii) if Landlord fails to substantially complete the restoration within thirty (30) days after the Second Bite Date (such notice given by Tenant to Landlord being referred to herein as the "Second Bite Notice"), and (E) Landlord fails to substantially complete the restoration within thirty (30) days after the Second Bite Date.

(iii) If the Term terminates as provided in this Section 9.01(f), then (I) Tenant shall vacate the Demised Premises and surrender the Demised Premises to Landlord on the date of such termination "as is" and otherwise in accordance with the terms of this Lease that govern Tenant's obligations upon the expiration or earlier termination of the Term, (II) any Base Rent and Additional Rent due hereunder shall be apportioned as of the date of such termination, and (III) any portion of the Base Rent and Additional Rent that is then prepaid by Tenant and relates to the period after the date that the abatement of Base Rent and Additional Rent as described in Section 9.01(d) hereof becomes effective shall be promptly refunded by Landlord to Tenant (with the understanding that Landlord's obligation to make any such refund shall survive such termination of this Lease).

(g) Termination Rights at End of the Term. If the Demised Premises are substantially damaged by a fire or other casualty that occurs during the period of eighteen (18) months immediately preceding the expiration of the Initial Term or any Option Term, then either Landlord or Tenant may elect to terminate this Lease by notice given to the other party within thirty (30) days after such fire or other casualty occurs. If either party makes such election, then

the Term shall expire on the thirtieth (30th) day after the notice of such election is given, and, accordingly, Tenant, on or prior to such thirtieth (30th) day, shall vacate the Demised Premises and surrender the Demised Premises to Landlord in accordance with the provisions of this Lease that govern Tenant's obligation to deliver vacant and exclusive possession of the Demised Premises to Landlord upon the expiration of the Term. Upon the termination of this Lease under this Section 9.01(g), the Base Rent and Additional Rent shall be apportioned and any prepaid portion of the Base Rent and Additional Rent for any period after the date of such termination shall be refunded promptly by Landlord to Tenant (and Landlord's obligation to make such refund shall survive the termination of this Lease). For purposes of this Section 9.01(g), the term "substantially damaged" means that: (A) a fire or other casualty precludes Tenant from using more than fifty percent (50%) of the Demised Premises for the conduct of its business, and (b) Tenant's inability to so use the Demised Premises (or the applicable portion thereof) is reasonably expected to continue until at least the earlier to occur of (i) the expiration of the Initial Term or, following the Initial Term, the expiration of the Option Term, or (ii) the twelfth (12th) month after the date that such fire or other casualty occurs.

(h) Tenant shall have no entitlement or right to any insurance proceeds payable to Landlord as a result of damage to the Building.

(i) Landlord shall have no entitlement or right to any insurance proceeds payable to Tenant as a result of damage to the Demised Premises.

(j) Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease in the event of damage to the Building.

(k) Whether destruction is partial or total, Tenant shall, on demand of Landlord, remove its stock fixtures and equipment to facilitate Landlord's restoration of the Demised Premises.

9.02 EMINENT DOMAIN

(a) If the whole of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use or purpose, then, and in that event, the term of this Lease shall cease and terminate upon the date of title vesting in such proceeding.

(b) If part of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use, the minimum rental to be paid hereunder shall be apportioned on the basis of the floor area so taken. In the event such partial taking shall exceed ten (10%) percent of said floor area, this Lease may be canceled by either party upon the giving of five (5) days notice within twenty (20) days from the date title shall vest in the condemning authority. If, as a result of any such taking, Tenant no longer has reasonable means of access to the Demised Premises, then Tenant may terminate this Lease upon the giving of five (5) days notice within twenty (20) days from the date title shall vest in the condemning authority.

(c) Nothing contained herein shall prejudice the rights of either party to recover compensation from the condemning authority or be deemed or construed to prevent either

Landlord or Tenant from enforcing and prosecuting a claim for the value of their respective interest in any condemnation proceeding.

ARTICLE X

10.01 SIGNS

(a) All signage is subject to the review and approval of the Port Authority, which approval shall not be arbitrarily or capriciously withheld, conditioned or delayed. Tenant acknowledges that it shall have no right to affix any sign to the Demised Premises or its windows or doors, or to any part of the common areas of the Building or to the Building. Landlord shall have the right to remove any sign affixed to the Building or Demised Premises by Tenant. Tenant further covenants and agrees that no awnings or other projections shall be attached to the outside walls or windows of the Building and that no curtains, blinds, shades or screens shall be attached to or hung in any window or door except as approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall have no right to affix any sign in the Demised Premises which may be visible through any of the windows located in or about the Demised Premises. Landlord shall provide signage in the Building Lobby at Landlord's sole cost and expense.

(b) Notwithstanding the foregoing, Tenant shall be permitted to install such signage at the Building entrance and on an exterior directory facing South Avenue at the entrance to the Teleport, as Tenant may, in its discretion determine, provided that such signage complies with applicable laws and is approved by the Port Authority, such approval not to be arbitrarily or capriciously withheld, conditioned or delayed. Tenant shall install such signage at its sole cost and expense in compliance with all applicable laws.

(c) In the event Landlord or Landlord's representatives shall deem it necessary to remove any Tenant sign or signs in order to paint or to make any other repairs, alterations or improvements in or upon said Demised Premises, or the Building wherein same is situated, or any part thereof, the Landlord shall have the right to do so, provided the same shall be removed and replaced at Landlord's expense whenever the said repairs, alterations or improvements shall have been completed. Landlord shall provide Building directory in lobby for Tenant and its subtenant's use.

(d) The Lease shall be contingent upon the Port Authority approving signage consistent with the terms hereof proposed by Tenant prior to the date on which an executed Lease is delivered by Landlord to Tenant. This condition may be waived by Tenant.

ARTICLE XI

11.01 LANDLORD'S COVENANT OF QUIET ENJOYMENT Landlord covenants and agrees with Tenant that upon Tenant paying the Base Rent and Additional Rent and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Demised Premises hereby demised, subject, nevertheless, to the terms and conditions of this Lease and to any ground Leases underlying the Lease and mortgages herein mentioned or provided for. All of Tenant's rights

under this Lease, including, without limitation, any options and rights of first refusal, shall continue notwithstanding any change in the ownership of the Buildings or the Property.

11.02 NO WASTE Tenant shall not commit or suffer to be committed any waste upon the Demised Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant in the Building in which the Demised Premises is located, or on the parking fields, or anywhere in the Corporate Commons, Teleport or the Corporate Park of Staten Island or surrounding areas, which may disturb the quiet enjoyment of any person within five hundred feet of the boundaries of the Building or parking fields.

11.03 SURRENDER Anything herein to the contrary notwithstanding, upon the termination of this Lease and vacating of the Demised Premises, Tenant agrees to leave the Demised Premises broom clean and in good repair, excepting reasonable wear and tear. The failure of Tenant to remove its trade fixtures or any of its property at the termination of the term of this Lease shall be deemed abandonment of such property, at the option of Landlord.

11.04 HOLDOVER Any holding over after the expiration of the term hereof or renewal term, with the consent of Landlord, shall be constructed to be a tenancy from month to month at a rate equal to 125% of the rent herein last specified, and all obligations of Tenant contained herein shall apply during the holdover period. Nothing contained herein shall, be construed as authorization or consent for Tenant to hold over beyond the expiration of the term of this Lease.

11.05 BROKER Tenant represents that no broker brought about this agreement and Tenant agrees to indemnify and hold Landlord harmless from any claim by any broker arising out of any inaccuracy or alleged inaccuracy of the above representation and Tenant agrees to defend any such claim at Tenant's sole cost and expense. Landlord represents that no broker brought about this agreement and Landlord agrees to indemnify and hold Tenant harmless from any claim by any broker arising out of any inaccuracy or alleged inaccuracy of the above representation and Landlord agrees to defend any such claim at Landlord's sole cost and expense.

11.06 COVENANTS The provisions of this Lease are to be construed as covenants and all the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators and assigns.

11.07 NOTICES All notices, requests, demands, consents, approvals and other communications (hereinafter individually and collectively called "Notices") required or permitted to be served or given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested or by a reputable national overnight courier service, postage prepaid, or by hand delivered addressed to the parties at their addresses set forth below:

Landlord:	The Corporate Commons of Staten Island, LLC 1110 South Avenue Staten Island, New York 10314
with a copy to:	Kudman Trachten Aloe LLP 350 Fifth Avenue, Suite 4400

New York, New York 10118

Tenant: Richmond University Medical Center
355 Bard Avenue
Staten Island, NY 10310
Attention: Chief Financial Officer
Federal Employee Identification Number: _____

with a copy to: Richard J. Zall, Esq.
Proskauer Rose
1585 Broadway
New York, NY 10036

11.08 CAPTIONS The captions, article numbers, marginal notes and index appearing in this Lease are inserted only as a matter of convenience, and in no way define, limit, describe of affect the scope or intent of this Lease.

11.09 DEFINITIONS

(a) The term "Landlord" as used in this Lease means only the owner or the mortgagee in possession for the time being of the land and Buildings (or the owner of the Lease of the Buildings or of the land and Buildings) of which the Demised Premises form a part, so that in the event of any sale or sales of said land and Buildings or of said Lease, or in the event of a Lease of said Buildings, or the land and Buildings, Landlord as named in this Lease shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder accruing thereafter. It shall be deemed and construed without further agreement between the parties or their successors in interest, that the purchaser or the lessee of the Buildings has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder. The words "re-enter" and "re-entry" as used in this Lease are not restricted to their technical legal meaning.

(b) The use of the neuter singular pronoun to refer to Landlord or Tenant shall, nevertheless, be deemed a proper reference even though Landlord and/or Tenant may be an individual, a corporation, a partnership or a group of two or more individuals or corporations.

11.10 RESOLUTION OF BOARD OF DIRECTORS Tenant agrees to provide within thirty (30) days after execution of said Lease a resolution of the Board of Directors of Tenant corporation approving the execution of this Lease.

11.11 RECORDING Tenant covenants not to place this Lease or any memorandum of this Lease on record without the prior written consent of Landlord.

11.12 INVALIDITY OF PARTICULAR PROVISION If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall

not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

11.13 ENTIRE AGREEMENT This Lease contains the entire agreement between the parties with respect to the subject matter contained herein, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

11.14 GOVERNING LAW This Lease, its provisions, or any dispute arising hereunder, shall be governed by the laws of the State of New York.

11.15 ROOF ANTENNA Subject to the Landlord approval, which approval shall not be unreasonably withheld, conditioned or delayed and Port Authority's approval, which approval shall not be arbitrarily or capriciously withheld, conditioned or delayed, Tenant shall have the right to install a satellite dish, antennae and/or other communications equipment ("Communications Equipment"), without any additional charge. In the event Tenant installs Communications Equipment, same shall be installed by Tenant, at its own cost and expense, on the roof of the Building in which the Demised Premises is located. Further, the Communications Equipment shall not be visible from the ground and shall not interfere with any other existing or other contemplated antennae on the Building. Unless Landlord shall perform any installation and/or removal, Tenant shall remain responsible for any damage caused by the installation or removal of the Communications Equipment. Tenant shall not be entitled to use more than 100 square feet of the roof top in connection with the installation, the location of which is subject to the Landlord's consent, which consent will not be unreasonably withheld, conditioned or delayed so long as the proposed location does not interfere with any existing communications equipment, HVAC units, vents, exhaust units, or other roof installations. Landlord shall, at Tenant's option, install and remove any such antennas on the roof of the Building at Tenant's sole cost and expense, which shall be Landlord's actual cost plus ten (10%) percent. Tenant shall not be charged any additional roof rental fee for the placement of such antennae.

11.16 HAZARDOUS MATERIALS/ENVIRONMENTAL LAWS

(a) "Hazardous Materials" include substances (i) which require remediation under any Environmental Laws; or (ii) which are or become defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any Environmental Laws; or (iii) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic or mutagenic; or (iv) which contain petroleum hydrocarbons, polychlorinated biphenyls, asbestos, asbestos containing materials or urea formaldehyde.

(b) "Environmental Laws" mean all applicable present and future statutes, regulations, rules, ordinances, codes, permits or odors of all governmental agencies, department, commission, boards, bureaus, instrumentalities of the United States, states and their political subdivisions and all applicable judicial, administrative and regulatory decrees and judgments relating to the protection of public health or safety or of the environment.

(c) "Environmental Damages" means all claims, judgments, losses, penalties, fines, liabilities, encumbrances, liens, costs and reasonable expenses of investigation, defense or good faith settlement resulting from violations of Environmental Laws, and including, without limitation: (i) damages for personal injury and injury to property or natural resources; (ii) reasonable fees and disbursements of attorneys, consultants, contractors, experts and laboratories; and (iii) reasonable costs of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any Environmental Law and other reasonable costs reasonably necessary to restore full economic use of the Demised Premises or the Building or the project.

(d) Tenant agrees to indemnify, defend, reimburse and hold Landlord and the Port Authority harmless against any Environmental Damages incurred by Landlord arising from Tenant's breach of paragraph (e) below. Landlord agrees to indemnify, defend, reimburse and hold Tenant harmless against any Environmental Damages incurred by Tenant arising from Landlord's breach of paragraph (e) below. The obligations of both parties in this paragraph shall survive termination of this Lease and the discharge of all other obligations owed by the parties to each other under this Lease. Landlord warrants and represents that the Property, the Building and the Demised Premises (and any Expansion Space) do not and will not contain any Hazardous Materials, including but not limited to asbestos and/or PCBs. In the event that any Hazardous Materials are found in the Property, Building and/or Demised Premises, Landlord shall, at Landlord's sole cost and expense, remove same in compliance with all applicable laws, rules and/or ordinances concerning the removal and/or disposal of same. Landlord agrees to indemnify and hold Tenant harmless from any and all liability arising from the presence of any Hazardous Materials in and around the Property, Building and/or Demised Premises, including but not limited to, Tenant's reasonable costs and attorney's fees.

(e) The parties agree that (i) Landlord shall comply with all Environmental Laws affecting the Property and Tenant shall comply with all Environmental Laws affecting the Demised Premises resulting from Tenant's specific use thereof; (ii) they will not cause or permit any Hazardous Materials to be treated, stored, disposed of, generated, or used in the Demised Premises, Buildings or Property; provided, however, that Landlord and Tenant may each store, use or dispose of products customarily found in offices and health care facilities and used in connection with operation and maintenance of property if each complies with all Environmental Laws and does not contaminate the Demised Premises, Building, Property, or environment; and (iii) promptly after receipt, each will deliver to the other party a copy of communication concerning any past or present, actual or potential violation of Environmental Laws or liability of either party for Environmental Damages.

11.17 AMERICANS WITH DISABILITIES ACT Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant agree that responsibility for compliance with the Americans With Disabilities Act of 1990 (the "ADA") shall be allocated as follows: (i) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for all Common Areas, including exterior and interior areas of the Building; (ii) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises if such construction, renovations, alterations or repairs are made by Landlord at Landlord's request and sole expense for the

purpose of improving the Building generally, and (iii) Tenant shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Demised Premises during the term of the Lease after the initial tenant improvement work.

11.18 CONFIDENTIALITY Landlord and Tenant hereby agree that the terms of this agreement are confidential and may not be disclosed to any third party without the consent of the other, except as otherwise required by law or subpoena, and except as may be necessary for Tenant to obtain the Approval.

11.19 EXCLUSIVITY

(a) The Buildings. Landlord shall not allow any Person (as defined below) providing health care services to occupy space in the Building or Corporate Commons Two during the Term except with the prior written consent of the Tenant, which consent shall not be unreasonably withheld. The parties agree that it will not be unreasonable for Tenant to withhold its consent if Tenant makes a good faith determination that the prospective tenant is or will be a competitor of Tenant.

(b) New Teleport Buildings.

(i) During the Term, Landlord shall not, and shall ensure that its Affiliates (as defined below) and their respective successors and assigns do not, directly or indirectly, (A) allow Staten Island University Hospital or any Affiliate thereof to occupy space in any New Teleport Building (as defined below), or (B) allow any Person to operate an urgent care facility in any New Teleport Building, except with the prior written consent of the Tenant, which consent may be withheld in the sole discretion of Tenant. A "New Teleport Building" means any building built after the date hereof on the land that is the subject of the City Lease, which (x) was either built or developed by Landlord or an Affiliate of Landlord, or (y) is owned, in whole or in part, by Landlord, an Affiliate of Landlord, or their respective successors and assigns. "Affiliate" means any Person that directly or indirectly controls, is controlled by, or is under common control with, the Person in question and any successors or assigns of such Person; and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through ownership of voting securities, by appointment of trustees, directors, and/or officers, by contract or otherwise. "Person" means an association, a corporation, a limited liability company, an individual, a partnership, a limited liability partnership, a trust or any other entity or organization, including Landlord and Staten Island University Hospital.

(ii) During the Term, Landlord shall not, and shall ensure that its Affiliates and their respective successors and assigns do not, directly or indirectly, allow any Person to provide any health care services in any New Teleport Building (such business, a "Potential Competitive Business"), except as provided in this paragraph. Before allowing any Person to provide any health care services in any New Teleport Building, Landlord (or its Affiliate, if applicable), shall notify Tenant in writing of its intent to so allow the provision of such services (such notice being a "Potential Competitive Business Notice"). The Potential Competitive

Business Notice shall describe with specificity the type of health care services that may be provided in the New Teleport Building. Tenant will have twenty (20) business days after its receipt of such Potential Competitive Business Notice to object in writing (an "Objection to Competitive Business"). If Tenant objects to the Potential Competitive Business on the ground that (x) Tenant is currently providing in the Demised Premises or in a New Teleport Building health care services that are the same as or substantially similar to the Potential Competitive Business described in the Potential Competitive Business Notice, or (y) Tenant intends to so provide such health care services in the Demised Premises or in a New Teleport Building and provides reasonable documentary evidence demonstrating that it has such intent, then Landlord shall not, and shall ensure that its Affiliates and their respective successors and assigns do not, directly or indirectly, allow any Person to conduct such Potential Competitive Business in a New Teleport Building. If Tenant fails to send Landlord an Objection to Competitive Business within the time frame set forth in this paragraph, it will be deemed to have waived any right to object to such Person conducting the type of health business described in the Potential Competitive Business Notice.

(c) Effect of Failure to Exercise Second Floor Option. If Tenant fails to exercise the Second Floor Option by December 31, 2010, or opts to take less than the entire second floor, then, from and after January 1, 2011, (i) paragraph 11.19(b)(ii) above will be of no further force and effect, and (ii) the following exclusivity provision will apply in lieu of the provision contained in paragraph 11.19(a) above: Landlord shall not, and shall cause its Affiliates not to, directly or indirectly, allow to occupy space in any of the Buildings, a Person that conducts any business providing any of the types of health care services then being provided by Tenant in the Demised Premises.

11.20 MISCELLANEOUS

(a) The Port Authority currently provides a safety patrol 24 hours a day, seven days a week in and about the complex that constitutes the Teleport in Staten Island.

(b) The Landlord will cause its affiliates to make available to Tenant, subject to availability, shuttle bus service from the Hilton Garden Inn in the Corporate Park of Staten Island located at 1100 South Avenue, Staten Island, New York and the Building to the Staten Island Ferry.

(c) Landlord will cause its affiliates to provide discount rates for rooms, meeting rooms and banquet facilities at the Hamptons Inn and the Hilton Garden Inn in the Corporate Park of Staten Island, subject to availability.

(d) Landlord will cooperate and collaborate with Tenant in Tenant's pursuit and procurement of grants and assistance from governmental agencies, including, without limitation, HEAL grants and Empire Zone incentives, benefits and wage tax credits.

(e) If any of the Demised Premises is used by Tenant pursuant to the Approval (as defined in Section 3.04(c) above), then the following provisions, required by 10 NYCRR § 600.2(d), shall apply with respect to such Demised Premises:

Landlord acknowledges that its rights of reentry into the Demised Premises set forth in this Lease do not confer on it the authority to operate a hospital as defined in Article 28 of the Public Health Law on the Demised Premises and agrees that it will give the New York State Department of Health, Tower Building, Empire State Plaza, Albany, NY 12237, notification by certified mail of its intent to reenter the Demised Premises or to initiate dispossess proceedings or that the Lease is due to expire, at least 30 days prior to the date on which Landlord intends to exercise a right of reentry or to initiate such proceedings or at least 60 days before expiration of this Lease.

Upon receipt of notice from Landlord of its intent to exercise his right of reentry or upon the service of process in dispossess proceedings and 60 days prior to the expiration of the lease, Tenant shall immediately notify by certified mail the New York State Department of Health, Tower Building, Empire State Plaza, Albany, NY 12237, of the receipt of such notice or service of such process or that this Lease is about to expire.

(f) In each instance under this Lease where the consent of the Port Authority is required, Landlord shall use its best efforts to obtain such consent expeditiously and the Port Authority's consent shall not be arbitrarily or capriciously withheld, conditioned or delayed.

ARTICLE XII

12.01 RULES AND REGULATIONS Tenant covenants and agrees with Landlord to obey, in all respects, the following rules and regulations:

(1) Tenant agrees to comply with any non-discriminatory rules and regulations to be promulgated by the Port Authority pertaining to security requirements regarding entry to the Corporate Commons.

(2) The delivery, shipping, loading or unloading of furniture, supplies and fixtures to and from the Demised Premises shall be subject to such rules and regulations as in the reasonable judgment of Landlord are necessary for the proper operation of the Building. The Landlord hereby agrees to promulgate and apply all rules and regulations equitably and without discrimination against the Tenant and all other tenants in the Building;

(3) No loudspeakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the Demised Premises without the prior written consent of Landlord;

(4) Freight, furniture, business equipment, merchandise or bulky matter of any description shall be delivered to and removed from the Demised Premises only before or after business hours and in a manner approved by Landlord, unless otherwise approved by Landlord in writing, such approval not to be unreasonably withheld, conditioned or delayed. Tenant shall not move any such freight, furniture, business equipment, merchandise or bulky matter of any description on any elevator without the use of elevator wall padding as well as protective floor coverings in the hall ways. The sidewalks, entrances, parking fields, driveways, passages, courts,

elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than for ingress or egress from the Demised Premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Landlord. There shall not be used in any space, or in the public hall of the Building, either by any Tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards. Landlord reserves the right to require Tenant to use all reasonable measures to protect the floors and walls of the Building during Tenants moving any equipment or furniture in and out of the Building.

(5) Tenant shall keep the Demised Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures;

(6) The plumbing facilities shall not be used for any other purposes than that for which they are constructed, and no foreign substance of any kind shall be thrown therein;

(7) No auction, fire, bankruptcy, selling-out sales, or sidewalk sales shall be conducted on or about the Demised Premises without prior written consent of Landlord;

(8) Tenant shall not permit any unlawful or immoral practice or business to be carried on or committed upon the Demised Premises;

(9) Tenant shall not use the Demised Premises for any purpose or in any manner whatsoever which might create a nuisance or injure the reputation of the Building;

(10) Tenant shall not bring or permit to be brought or kept in or on the Demised Premises, any inflammable, combustible or explosive fluid, material, chemical or substance (except for those customarily found in offices and health care facilities of the type permitted by Section 1.05), or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors to permeate in or emanate from the Demised Premises;

(11) Tenant shall not bring or permit to be brought in the Building or kept in or on the Demised Premises any pet, except for pets used for medical and or disability assistance purposes.

(12) Tenant shall provide access to the Demised Premises to Landlord or Landlord's designated exterminating service for the purpose of providing exterminating services in connection with the Demised Premises or the Building;

(13) Landlord reserves the right to refuse admission to the Building and the Demised Premises outside of the hours set forth in Section 1.05(c) to any person not known to any watchman in charge or properly identified; to eject any person from the Building whose conduct may tend to be harmful to the safety and interests of Tenants and the property therein; to close any part of the Building during any riot or other commotion where person or property may be imperiled; all of the foregoing to be without liability to Landlord;

(14) Tenant shall be entitled to install vending machines for use by its officers, employees and invitees, but not other tenants nor shall the vending machines be accessible to the public.

(15) Tenant shall comply with all further reasonable, non-discriminatory rules and regulations for the use and occupancy of the Building and Common Areas as Landlord from time to time promulgates for the best interests of the Corporate Commons, provided that if Tenant disputes the reasonableness of any future rule or regulation, Tenant shall so notify Landlord within ten (10) days after the promulgation thereof and the dispute shall be settled by arbitration by and in accordance with the rules then existing of the American Arbitration Association. Landlord shall have no liability for the violation of any other tenant of any rules or regulations nor shall such violation or the waiver thereof excuse Tenant from compliance.

{signatures follow}

IN WITNESS WHEREOF, Landlord and Tenant have duly signed and sealed this Lease as of the day and year first above written.

Witness for Landlord:

LANDLORD:
The Corporate Commons of Staten Island, LLC

By_____
Richard Nicotra, Member

Witness for Tenant:

TENANT:
Richmond Medical Center dba Richmond University Medical Center

By_____
Richard Murphy, President & CEO

EXHIBIT A
DESCRIPTION OF DEMISED PREMISES

see attached

EXHIBIT B
LANDLORD'S WORK

Landlord will deliver the Demised Premises to Tenant for beneficial occupancy (i) in broom clean condition with all building systems fully operational, (ii) free of any hazardous substances and/or conditions on or about the Demised Premises, (see below) and (iii) vacant and free and clear of all tenancies, leases, subleases and rights of occupants. Landlord further agrees to demolish and remove any existing non bearing partitions in accordance with Tenant's demolition plan.

Landlord will provide appropriate access on the side of the Buildings for patients being transferred from the Demised Premises by ambulance and ambulette.

The Lease shall be contingent upon Landlord providing, and Landlord shall provide to Tenant on or before the date the Lease is signed, environmental and asbestos reports indicating no hazardous substances and/or conditions on or about the Demised Premises, including asbestos and without limitation an ACP-5 in a form acceptable for any Department of Buildings or Port Authority permitting requirements. In the event a Phase I is required by one of Tenant's lenders or by a regulatory agency governing the operation of Tenant's business (whether prior to or following the First Floor Commencement Date), then Landlord shall retain a reputable company to perform the Phase I, subject to reasonable approval by Tenant, and the parties will share equally in the cost of such Phase I. This condition may be waived by Tenant.

EXHIBIT C
CLEANING SERVICES

All flooring swept daily.
All carpeted areas and rugs carpet-swept daily and vacuumed weekly.
All private stairways swept daily.
Waste paper baskets, ashtrays, receptacles, etc. emptied and cleaned daily and damp dusted when necessary.
Cigarette urns cleaned daily and sand or water replaced when necessary.
All furniture, fixtures and window sills dusted and wiped clean daily.
All glass furniture tops cleaned daily.
All water fountains washed clean daily.
Slop sink rooms cleaned daily.
Remove waste paper and waste materials to a designated area or areas, ready for removal by rubbish contractor daily.
Do all high dusting quarterly, including the following:
Dust all pictures, frames, charts, graphs and panel wall hangings not reached in daily cleaning.
Dust all vertical surfaces such as walls, partitions, ventilating louvers and other surfaces not reached in daily cleaning.
Dust all lighting fixtures (exterior only).
Dust all overhead pipes, sprinklers, etc.
Dust all Venetian blinds and window frames.
Exterior window washing twice per year.

EXHIBIT D
TENANT'S IMPROVEMENT ALLOWANCE

Separate and apart from Landlord's costs and expenses in performing the Landlord's Work as set forth above in Exhibit B, Landlord, if requested by Tenant, shall provide an allowance with respect to the Tenant Improvements as set forth in paragraph 4.03 above, in an amount equal to $25.00 per rentable square foot of the Demised Premises (the "Tenant's Improvement Work Allowance"). Such allowance shall be provided to Tenant upon the Commencement Date of each floor, if and when Tenant exercises its Second Floor Option or Right of First Refusal on Third Floor in each instance. Tenant shall use the Tenant's Improvement Allowance to construct Tenant's Initial Improvements as set forth in the design specifications submitted to and approved by Landlord and the Port Authority. If the actual cost of the Tenant Improvements exceed the Tenant's Improvement Allowance, Tenant shall pay any additional costs. Tenant shall provide, at Landlord or the Port Authority's request, copies of invoices detailing with specificity each and every charge and fee actually incurred for the construction of the Tenant Improvements. Tenant shall pay within thirty (30) days of each requisition, the amounts attributable to the Tenant Improvements in excess of the Tenant's Improvement Allowance. In no instance shall Landlord be obligated, and Landlord will not pay, more than $25.00 per rentable square foot for the Tenant's Improvement Allowance. Tenant's Improvement Allowances shall be reimbursed and paid by Tenant to Landlord monthly as Additional Rent, amortized over the Initial Term at an interest rate of 8.5% per annum.

If and when Tenant requests and Landlord grants the foregoing Tenant's Improvement Allowances, in each instance, the parties shall execute an addendum to this Lease in the form of a promissory note setting forth the amount of the Tenant's Improvement Allowance, the interest rate and monthly Additional Rent Payment over the balance of the Term.

EXHIBIT E
MEMORANDUM OF COMMENCEMENT DATE

THIS MEMORANDUM OF COMMENCEMENT DATE (this "Agreement") is between THE CORPORATE COMMONS OF STATEN ISLAND, LLC ("Landlord"), and RICHMOND MEDICAL CENTER ("Tenant").

W I T N E S S E T H:

A. Landlord and Tenant executed a certain Lease dated _____ __, 2009 (the "Lease"). Capitalized terms used herein not otherwise defined shall have the meaning set forth in the Lease.

B. Landlord and Tenant desire to set forth in writing, among other things, the Commencement Date, the termination date of the Lease and the rentable square of the Demised Premises.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other valuable consideration, the parties agree that:

(1) The Commencement Date occurred on _____;

(2) The Term of the Lease expires on _____, unless Tenant exercises one or more options to renew as provided in the Lease.

(3) Tenant's Proportionate Share is _____.

(4) Base Rent per month is:

(xv) [For the period of _____ to _____, the sum of $_____ per annum; $_____ per month; and

(xvi) For the period of _____ to _____, the sum of $_____ per annum; $_____ per month., ETC.]

(6) The rentable square footage of the Initial Demised Premises is _____.

(7) The rentable square footage of the Additional Premises is _____.

(7) Landlord's Work Allowance is $_____.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on the day and year first above written.

LANDLORD:

THE CORPORATE COMMONS OF STATEN ISLAND, LLC

By: _____
Name: _____
Title: _____

TENANT:

RICHMOND MEDICAL CENTER

By: _____
Name: _____
Title: _____

EXHIBIT F
SECOND FLOOR OPTION PARCELS

see attached

EXHIBIT G
CITY SNDA

see attached

RECOGNITION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This Recognition, Non-Disturbance and Attornment Agreement (this "Agreement"), dated as of this ___ day of June, 2010 between THE CITY OF NEW YORK, a municipal corporation of the State of New York, acting by its Mayor or his designee, with offices located at City Hall, New York, New York 10007 ("Fee Owner"), and RICHMOND MEDICAL CENTER D/B/A RICHMOND UNIVERSITY MEDICAL CENTER, a not-for-profit corporation with its principal offices located at 355 Bard Avenue, Staten Island, New York 10310 ("Subtenant").

WITNESSETH:

WHEREAS, Fee Owner is the owner of certain real property located in the City of New York, County of Richmond, State of New York, which real property is commonly known as the Teleport (the "Property").

WHEREAS, by lease dated as of May 15, 1984, and amended July 2, 1987, July 9, 1997 and June 26, 1998 ("Master Lease"), between Fee Owner, as landlord and PORT AUTHORITY OF NEW YORK AND NEW JERSEY ("PA"), as Master Lessor, the Property was leased to the PA for the purposes stated in the Master Lease.

WHEREAS, by Lease dated as of July 8, 1985, and amended as of January 9, 1989 ("Lease"), the PA leased to Teleport Associates ("Associates") a portion of the Property as more particularly set forth in the Lease.

WHEREAS, by Recognition and Attornment Agreement dated January 12, 1989 ("First Recognition Agreement") between Fee Owner, PA and Associates, Fee Owner agreed, among other things, that in the event of a termination or expiration of the Master Lease prior to the termination or expiration of the Lease, the Lease will continue in full force and effect as a

direct lease between Fee Owner and Associates, and Fee Owner will recognize the Lease and the rights of Associates thereunder and not disturb Associates' possession of the Property.

WHEREAS, by Assignment of Lease dated as of December 3, 2008, The Corporate Commons of Staten Island, LLC ("Lessor") was assigned the rights and assumed the obligations of Associates contained in the Lease and in the First Recognition Agreement.

WHEREAS, by Amended and Restated Lease dated June 15, 2010 and effective as of December 23, 2009 ("Sublease"), Lessor subleased to Subtenant a portion of the Property as more particularly set forth in the Sublease ("Premises"), together with certain non-exclusive rights with respect to the other portions of the Property.

WHEREAS, Subtenant wishes to protect its interest in the Premises in the event of the termination of the Master Lease and the Lease prior to the expiration of the term of the Sublease (including any Option Terms) (the "Sublease Fixed Expiration Date").

NOW THEREFORE, in consideration of the mutual covenants contained below, the parties covenant and agree as follows:

1. Fee Owner agrees that in the event of a termination or expiration of the Master Lease prior to the termination or expiration of the Lease, it will (a) comply with its obligations under the First Recognition Agreement and (b) not disturb the possession of Subtenant in and to the Premises, provided that (i) at the time of such termination or expiration of the Master Lease prior to the termination or expiration of the Lease, no default exists under the Sublease on the part of Subtenant after the expiration of any applicable cure period which would permit Lessor, as landlord thereunder, to terminate the Sublease or to exercise any dispossess remedy provided for therein at law or in equity, and (ii) subtenant shall not have made an intentional misrepresentation under Section 2(b) hereof (the "Nondisturb Conditions") in

which event, Fee Owner agrees, subject to the satisfaction of the Nondisturb Conditions, to recognize the Sublease and the rights of Subtenant thereunder and not to disturb the possession of Subtenant in and to the Premises, all in accordance with the terms and conditions of the Sublease, and Fee Owner agrees not to join Subtenant as a party defendant in any action or proceeding to terminate the Master Lease or to recover possession of the Property. Such recognition by the Fee Owner shall be effective and self-operative as of the date of termination of the Master Lease prior to the termination or expiration of the Lease without the execution of any further instrument, subject to the Nondisturb Conditions. Fee Owner also agrees that it will not terminate the First Recognition Agreement nor amend the First Recognition Agreement in any manner that would have a negative impact on Subtenant.

2. (a) In the event of a termination or expiration of the Master Lease and the Lease, prior to the Sublease Expiration Date, the Sublease shall continue in full force and effect as a direct lease between Subtenant and Fee Owner, upon all the terms and conditions of the Sublease, except as specifically set forth below, and the Sublease shall not be deemed terminated or expired for any purpose, provided that (i) at the time of such termination or expiration of the Master Lease, no default exists under the Sublease on the part of Subtenant after the expiration of any applicable cure period which would permit Lessor, as landlord thereunder, to terminate the Sublease or to exercise any dispossess remedy provided for therein at law or in equity, and (ii) subtenant shall not have breached the Nondisturb Conditions, in which event, Fee Owner agrees, subject to the satisfaction of the Nondisturb Conditions, to recognize the Sublease and the rights of Subtenant thereunder and not to disturb the possession of Subtenant in and to the Premises, all in accordance with the terms and conditions of the Sublease, and Fee Owner agrees not to join Subtenant as a party defendant in any action or

proceeding to terminate the Master Lease or to recover possession of the Property. Such recognition by the Fee Owner shall be effective and self-operative as of the date of termination of the Master Lease without the execution of any further instrument, subject to the Nondisturb Conditions.

(b) Subtenant represents and warrants to Fee Owner that Subtenant is not on the date hereof a Prohibited Person (as defined below), and covenants that it shall not be a Prohibited Person on the date (if any) that Subtenant (x) exercises any renewal or extension options for the Sublease or (y) otherwise enters into any agreement to renew or extend the term thereof. Prohibited Person" means any person or entity that (i) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the City, or (ii) has been convicted of a misdemeanor related to truthfulness and/or business conduct in the past five years, or (iii) has been convicted of a felony in the past ten (10) years; (iv) has received formal written notice from a federal, state or local governmental agency or body that such person or entity is currently under investigation for a felony criminal offense; or (v) has received notice of default in the payment to the City of any taxes, sewer rents or water charges, which have not been paid, unless such default is then being contested with due diligence in proceedings in a court or other appropriate forum.

(c) Notwithstanding anything to the contrary contained in the Sublease, Subtenant represents and warrants to Fee Owner that Subtenant is not on the date hereof in violation of New York City Administrative Code Section 6-125 and covenants that, as applicable, it shall provide the services contained in the Rider annexed hereto.

3. In the event that Fee Owner shall enter into and become possessed of the Property by reason of a termination or expiration of the Master Lease and the Lease as described

in Paragraph 2 hereof, then Subtenant shall attorn to Fee Owner and recognize Fee Owner as its landlord, and Fee Owner shall accept such attornment, and the Sublease shall continue as a direct lease between Fee Owner and Subtenant in accordance with its terms, except as provided in this Agreement. Such attornment shall provide Fee Owner with all rights of Lessor under the Sublease, and Subtenant shall be obligated to Fee Owner to perform all of the obligations of Subtenant thereunder. Such attornment by Subtenant shall be effective and self-operative as of the date of the later termination or expiration of the (i) Master Lease, or (ii) Lease, as described in Paragraph 2 hereof without the execution of any further instrument.

4. Upon recognition and attornment by Fee Owner and Subtenant, respectively, as provided herein, neither Fee Owner, nor anyone claiming by, through, or under Fee Owner shall be:

(i) liable for any act or omission of any prior landlord (including, without limitation, the then defaulting landlord) under the Sublease except for acts or omissions which are then continuing and are subject to being cured by Fee Owner; or

(ii) subject to any counterclaims, offsets or defenses which Subtenant may have against the prior landlord (including, without limitation, the then defaulting landlord) under the Sublease; or

(iii) bound by any payment of rent or other charges (other than security deposits actually received by Fee Owner) payable under the Sublease which Subtenant might have paid for more than one month to any prior landlord (including, without limitation, the then defaulting landlord) under the Sublease; or

(iv) bound by any Sublease covenant to undertake or complete any work of any kind in or on the Premises or elsewhere on the Property (other than normal maintenance and repairs, and any obligations that arise after attornment); or

(v) bound by any obligation to make any payment to Subtenant under the Sublease except with respect to (a) any amount payable from a fund, reserve, deposit, credit, receipt or other amount if actually held or received by Fee Owner for such purpose, or (b) any obligation which arises after attornment; or

(vi) bound by any modification or amendment of the Sublease which reduces the rent payable under the Sublease or any other charges payable under the Sublease or shortens or lengthens the term thereof, or otherwise materially adversely affects the rights of the landlord thereunder, unless Fee Owner shall have theretofore received a copy of the same and given its written consent thereto; or

(vii) liable for any asbestos or other hazardous or toxic substance present at the Property or any other structure constructed by or on behalf of any prior landlord; or

(viii) obligated to procure any insurance covering any risk for which The City of New York generally self-insures; or

(ix) in the event of a casualty, obligated to repair or restore the Property or any portion thereof beyond such repair or restoration as may be reasonably accomplished from the net insurance proceeds actually made available to Fee Owner; or

(x) in the event of a partial condemnation, obligated to repair or restore the Premises or any part thereof beyond such repair or restoration as may be reasonably accomplished from the net proceeds of any award actually made available to Fee

Owner (or, in the case of self-insurance by The City of New York, in excess of the amount of casualty insurance required to be carried by landlord under the Sublease);

(xi) subject to any right of cancellation or termination which requires payment by the landlord thereunder of a charge, fee or penalty for such cancellation or termination, except if Fee Owner voluntarily exercises such right or cancellation or termination other than as a result of a casualty or condemnation; or

(xii) obligated to give Subtenant all or any portion of any insurance proceeds or condemnation awards received by Fee Owner as a result of a casualty or condemnation other than for trade fixtures and personalty (such as inventory) of Subtenant; or

(xiii) required to permit Subtenant to examine Fee Owner's books and records;

(xiv) obligated to restrict the users or the uses allowed in any New Teleport Building(s) as defined in Section 11.19(b) of the Sublease.

5. Upon recognition and attornment by Fee Owner and Subtenant,

(a) Subtenant shall name Fee Owner as an additional insured on its liability insurance; and

(b) Paragraph 6.05 of the Sublease shall be modified, to the extent that venue to resolve any dispute between Fee Owner and Subtenant shall be in the County of New York.

6. Upon the request of either Subtenant or Fee Owner, Subtenant or Fee Owner, as the case may be, shall promptly execute and deliver to the other an agreement or other instrument in recordable form, which may be necessary or appropriate to evidence such attornment.

7. Subtenant shall not discriminate with respect to its use of the Premises against any person because of race, creed, color, national origin, gender, age, disability, sexual orientation, marital status, partnership status, or alienage or citizenship status.

8. In the event of any conflict between any provisions of the Sublease and the Master Lease, the Master Lease shall control.

9. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York.

10. This Agreement may not be terminated, amended or waived orally, but only by an instrument in writing signed by the parties hereto.

11. Fee Owner hereby confirms that the Master Lease and First Recognition Agreement are in full force and effect.

12. This Agreement may be signed in counterparts each and every one of which shall be deemed an original and taken together, one and the same document. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes.

13. This Agreement shall inure to the benefit of and be binding upon the successor in interest of the parties hereto and their permitted assigns.

[Signature Page Follows]

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

Attest:

THE CITY OF NEW YORK

_____
City Clerk

By:_____
(Deputy Mayor)

Approved as to form:

_____
Acting Corporation Counsel

RICHMOND MEDICAL CENTER d/b/a RICHMOND UNIVERSITY MEDICAL CENTER

By:_____
Name:
Title:

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, 20___, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that his is the [Deputy Mayor] of The City of New York, the same person who executed the foregoing instrument; that he acknowledged that he executed the foregoing instrument on behalf of The City of New York as [Deputy Mayor] and pursuant to the authority vested in him by _____.

_____
Notary Public

STATE OF NEW YORK)
: ss.:
COUNTY OF RICHMOND)

On the _____ day of _____, 20___, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he is the _____ of Richmond Medical Center, the same person who executed the foregoing instrument; and that he acknowledged that he executed the foregoing instrument on behalf of Richmond Medical Center and pursuant to the authority vested in him by Richmond Medical Center.

_____
Notary Public

EXHIBIT H
PORT AUTHORITY SNDA

see attached

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS NON-DISTURBANCE AND ATTORNMENT AGREEMENT, dated as of June , 2010 (this "Agreement"), between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, having an office at 225 Park Avenue South, New York, New York 10003 (the "Port Authority"), and RICHMOND MEDICAL CENTER, d/b/a RICHMOND UNIVERSITY MEDICAL CENTER, a New York not-for-profit corporation, having an address at 355 Bard Avenue, Staten Island, New York 10310 (the "Space Lessee").

RECITALS

WHEREAS, the Port Authority and the predecessor in interest of THE CORPORATE COMMONS OF STATEN ISLAND, LLC (together with its transferees, successors and assigns, the "Lessee"), have heretofore entered into an agreement dated as of July 8, 1985 (which agreement, as the same has been or may hereafter be supplemented and amended, is hereinafter called the "Main Lease") covering the construction and operation of two office buildings at the Teleport (the "Facility") located in a portion of the Staten Island Industrial Park in the County of Richmond, City and State of New York;

WHEREAS, the Lessee, as landlord, and the Space Lessee, as tenant, have entered into a space lease, dated as of December 23, 2009, as amended and restated in that certain Amended and Restated Lease, dated June , 2010 (the "Space Lease"), covering certain premises (the "Premises") located in one or both of the buildings (the "Buildings") on the land known as 2 Teleport Drive (Block 2165, Lot 170) at the Facility;

WHEREAS, the Space Lessee has required, as a condition to its execution and delivery of the Space Lease, that the Port Authority agree to recognize the Space Lease and the Space Lessee's rights thereunder in the event of a termination of the Main Lease, and the Port Authority is willing to recognize the Space Lease, upon and subject to the terms and conditions of this Agreement; and

WHEREAS, contemporaneously herewith, the Port Authority, the Lessee and the Space Lessee have entered into a Consent Agreement (the "Consent") providing for the consent of the Port Authority to the form and terms of the Space Lease on the terms and conditions set forth in the Consent Agreement and for certain other matters as set forth therein.

IT IS, THEREFORE, AGREED:

1. All covenants made and obligations undertaken by the Port Authority under this Agreement shall be valid and binding on the Port Authority only during the "Term" of that certain Lease between The City of New York and the Port Authority, dated as of May 15, 1984 (the "Ground Lease"). The term of the Ground Lease and the Port Authority's interest as ground lessee thereunder are scheduled to expire as of March 31, 2024. However, in the event the Port Authority, in its sole discretion, elects to exercise one or more of the series of options in the

Ground Lease to extend the term thereof, then, the right of peaceable and quite use, occupancy, enjoyment and possession of the Premises herein granted to the Lessee shall continue in full force and effect during the extended term of the Ground Lease, subject to all of the terms and conditions hereof.

2. Non-Disturbance.

(a) So long as the Space Lessee shall not be in default under the Space Lease after the giving of any required notice and the expiration of any applicable grace or cure period provided for thereunder:

(i) The Space Lessee's right of peaceable and quiet use, occupancy, enjoyment and possession of the Premises shall not be affected or disturbed by the Port Authority; and

(ii) except as provided in Section 3 hereof, upon the expiration or any termination of the Main Lease by summary dispossess proceeding or otherwise, the Port Authority shall be bound by the provisions of the Space Lease, and the Space Lease shall remain in full force and effect as a direct lease between the Port Authority, as landlord, and and the Space Lessee, as tenant, upon all of the obligations, terms and conditions of the Space Lease.

(b) Notwithstanding the occurrence of any default or breach on the part of the Lessee under the Main Lease, and provided that the Space Lessee is not in default under the Space Lease following the expiration of any applicable cure period, the Port Authority shall not name the Space Lessee as a party in any action or proceeding arising from the exercise by the Port Authority of any of its rights or remedies under the Main Lease, provided that the Space Lessee may be so named or joined if required by law, and if such naming or joining of the Space Lessee will not adversely affect the Space Lessee's rights under this Agreement or under the Space Lease.

3. Attornment. Without in any way limiting the provisions of the Main Lease or the Consent, if the Port Authority shall succeed to the interest of the Lessee as landlord under the Space Lease as set forth in this Agreement, then the Space Lessee shall attorn to and recognize the Port Authority as the Space Lessee's landlord under the Space Lease and shall continue to be bound by all the terms, provisions and conditions of the Space Lease. Each of the Space Lessee and the Port Authority agrees to execute and deliver, at any time and from time to time, upon request of the other, any instrument that may reasonably be necessary or appropriate to evidence the recognition of a direct lease (as provided in Section 2 hereof) and such attornment (as provided in this Section). The Space Lessee hereby waives the provisions of any statute or rule of law now or hereafter in effect that may terminate the Space Lease or give or purport to give the Space Lessee any right of election to terminate the Space Lease or to surrender possession of the Premises in the event the Main Lease terminates or in the event that any proceeding is brought by the Port Authority under the Main Lease, and in each such case, the Space Lease shall not be affected in any way whatsoever by any such proceeding or termination.

4. Limitation on Port Authority's Obligations; No Merger.

(a) Notwithstanding the attornment by the Space Lessee to the Port Authority pursuant to this Agreement, neither the Port Authority nor anyone claiming by or through the Port Authority shall:

(i) be bound by any payment of rent or additional rent covering a period beyond the then-current rental period, which payment shall not have been consented to by the Port Authority, or any security deposit or any other pre-paid sum paid by the Space Lessee to the Lessee, except to the extent such rent or additional rent or security deposit or other pre-paid sum is actually received by the Port Authority;

(ii) be bound by any amendment or modification of the Space Lease or any surrender agreement, which amendment or modification or surrender agreement shall not have been consented to by the Port Authority;

(iii) subject to the provisions of clause (vi) of this Section 3, be liable for any previous act, omission or negligence of the Lessee under the Space Lease, nor be obligated to cure any defaults of the Lessee;

(iv) except as otherwise provided in clause (vi) of this Section 3, be subject to any defenses or offsets not expressly provided for in the Space Lease that shall have theretofore accrued in favor of the Space Lessee against the Lessee;

(v) be bound by any obligation to grant any credit not expressly provided for in the Space Lease, but, with respect to any credits so provided for, only to the extent not theretofore issued, or to make any payment to the Space Lessee, by any financing obligation the Lessee may have incurred with respect to the Space Lessee, or by any obligation for brokerage commissions or costs or expenses incurred in connection with the negotiation or execution of the Space Lease;

(vi) be bound by any covenant to undertake or complete any construction on or in the Premises or any portion thereof, except for repair and maintenance obligations in effect at the time of the attornment and thereafter accruing, nor be obligated to cure any defaults under the Space Lease that occurred prior to the termination of the Main Lease except for defaults that continue subsequent to the termination of the Main Lease; or

(vii) be bound by any extension option set forth in the Space Lease to the extent that, if exercised by the Space Lessee, it would result in the extension of the term of the Space Lease beyond any extended term of the Ground Lease.

(b) Notwithstanding any termination of the Main Lease, or any attornment by the Space Lessee to the Port Authority pursuant to this Agreement, there shall be no merger of the estates of the Port Authority as lessor under the Ground Lease and as landlord under the Space Lease, and the Space Lease and the Space Lessee's rights and obligations thereunder shall remain subject and subordinate to the Main Lease and the rights of the Port Authority thereunder (except as specifically modified by this Agreement). It is expressly understood and agreed that the Port Authority shall have the right to incorporate into the Space Lease those provisions of the Main Lease relating to the Port Authority's status and the relationship between the Port Authority and the Lessee that are set forth in Sections 6.6.3, 10.4, 12.2, 43 and 48 of the Main Lease, and the Space Lessee shall execute an agreement prepared by the Port Authority and submitted to the Space Lessee providing for the incorporation of such provisions in the Space Lease.

5. Successors and Assigns. The stipulations, terms, covenants and agreements contained in this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns, including (without limitation) each and every party deriving title to the Premises or the Buildings by or through the Port Authority.

6. Notices. Any demand, request, consent or other notice given or required to be given under this Agreement shall be deemed given only if in writing, and hand delivered (with receipt acknowledged in writing) or sent by registered or certified mail (return receipt requested) to the duly designated office of such party. Until further notice, the duly designated offices are as follows:

To the Port Authority:
The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003
Attention: Executive Director

To the Space Lessee:

Richmond University Medical Center
355 Bard Avenue
Staten Island, NY 10310
Attention: Chief Financial Officer

with a courtesy copy to:

Proskauer Rose
1585 Broadway
New York, NY 10036
Attention: Richard J. Zall, Esq.

All notices shall be deemed given when received.

7. Amendments. This Agreement may not be changed, modified, supplemented or terminated, nor may any of the obligations of the Port Authority or the Space Lessee hereto be waived, except by an instrument executed by each of the parties hereto.

8. Governing Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of New York.

9. Non-Liability of Individuals. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Space Lessee with any liability or be held personally liable under any term or provision of this Agreement or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

10. This Agreement may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By:_____

Name:_____

Title:_____

RICHMOND MEDICAL CENTER

By:_____

Name:_____

Title:_____

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the day of , 2010 , 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)

On the day of , 2010, 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:

CONSENT AGREEMENT

THIS AGREEMENT, dated as of June , 2010, by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by Compact between the States of New Jersey and New York, with the consent of the Congress of the United States of America and having an office at 225 Park Avenue South, New York, New York 10003 (hereinafter called the "Port Authority"), THE CORPORATE COMMONS OF STATEN ISLAND, LLC, a limited liability company organized and existing under the laws of the State of New York having its principal place of business at 1110 South Avenue, Staten Island, New York 10314 (hereinafter called the "Lessee"), and RICHMOND MEDICAL CENTER, d/b/a Richmond University Medical Center, a New York not-for-profit corporation, having its principal place of business at 355 Bard Avenue, Staten Island, New York 10310 (hereinafter called the "Space Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the City of New York heretofore entered into that certain Lease, dated as of May 15, 1984 (the "Ground Lease") covering the leasing to the Port Authority of a portion of the Staten Island Industrial Park known as the Teleport; and

WHEREAS, the Port Authority and the Lessee's predecessor in interest have heretofore entered into an agreement dated July 8, 1985 (which agreement, as the same has-been or may hereafter be supplemented and amended, is hereinafter called the "Main Lease") covering the construction and operation of an office building or buildings at the Teleport (sometimes hereinafter called the "Facility"); and

WHEREAS, pursuant to and in accordance with the terms of the Main Lease, the Lessee and the Space Lessee entered into an agreement of lease dated as of December 23, 2009, as amended and restated in that certain Amended and Restated Lease, dated June , 2010 (hereinafter called the "Space Lease"), subject to, among other things, the consent of the Port Authority and the execution of a Consent Agreement by and among the Lessee, the Space Lessee and the Port Authority; and

WHEREAS, the Port Authority and the Space Lessee have entered into a Non-Disturbance and Attornment Agreement dated as of the date hereof (the "Non-Disturbance Agreement");

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Lessee and the Space Lessee hereby agree as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Space Lease and, notwithstanding anything to the contrary contained in the Main Lease, approves of the Space Lessee using the Demised Premises for the Permitted Uses. Capitalized terms used herein without definition have the respective meanings assigned to those terms in the Space Lease.

The Port Authority hereby advises the Lessee and the Space Lessee, and the said parties hereby acknowledge, that the term of the Ground Lease expires on March 31, 2024. The Port Authority makes no representations that it will exercise any of the series of options granted to it under the Ground Lease, each to extend the term of the Ground Lease for a one-year period. However, in the event the Port Authority, in its sole discretion, does elect to exercise one or more of the said extension options, then, subject to the provisions of paragraph 9 hereof in all cases, the consent to the Space Lease herein contained will automatically be extended for the duration of each such extension so exercised.

2. The Port Authority agrees to cooperate with the Space Lessee and promptly take all actions reasonably necessary to enable the Space Lessee to obtain approval to build out, and to receive required Port Authority-issued "Permits to Occupy," the Demised Premises for the Permitted Uses. Notwithstanding the foregoing, the Port Authority retains sole discretion, not to be arbitrarily or capriciously exercised, to review and approve plans and specifications required for the issuance of the said Permits.

3. Neither this Consent Agreement, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to, nor shall they create an implication that there has been consent to, any enlargement or change in the rights, powers and privileges granted to the Lessee under the Main Lease, including but not limited to any purported rights of the Lessee, or enlargement thereof, set forth in subsections 1.04(a) and 4.02(a) of the Space Lease, nor consent to the granting of any rights or privileges to the Space Lessee as may be provided by the Space Lease if not granted to the Lessee under the Main Lease. The Space Lease is an agreement between the Lessee and the Space Lessee with respect to the various matters set forth therein. Neither this Consent nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Lessee that the provisions of the Space Lease shall apply and pertain as between the Lessee and the Port Authority, it being understood that, as between the Port Authority and the Lessee, the terms, conditions and agreements of the Main Lease shall, in all respects, be controlling and determinative. The specific mention of or reference to the Port Authority in any part of the Space Lease, including without limitation hereto, any mention of any consent or approval of the Port Authority hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall thereafter grant its consent or approval thereto or that the Port Authority's discretion pursuant to the Main Lease as to any such consents or approvals shall in any way be affected be impaired, except that in all instances in which Port Authority consent is required, the Port Authority shall not act arbitrarily or capriciously in withholding, conditioning or delaying its consent. The lack of any specific reference in any provisions of the Space Lease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required, and the Main Lease shall, in all respects, be controlling.

No provision of the Space Lease including, but not limited to, those imposing obligations on the Space Lessee with respect to laws, rules, regulations, taxes, assessments and liens shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Space Lease

covering actions which shall or may be undertaken by the Space Lessee or the Lessee, including but not limited to construction on the space covered by the Space Lease, be deemed to imply or infer that Port Authority consent or approval thereto pursuant to the Main Lease will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired, except that the Port Authority shall not act arbitrarily or capriciously in withholding, conditioning or delaying its consent with respect to such matters.

4. The Space Lessee, in its operations under or in connection with the Space Lease and in its occupancy of the space covered by the Space Lease, shall be subject to the applicable terms, provisions, covenants and conditions of the Main Lease. Without in any way affecting the obligations of the Lessee under the Main Lease and under this Consent Agreement, all acts and omissions of the Space Lessee shall be deemed acts and omissions of the Lessee under the Main Lease, but notwithstanding the foregoing, the Lessee shall not be or be deemed to be in default of the Main Lease to the extent that any of the foregoing acts or omissions shall constitute a breach thereof if, except for causes beyond the control of the Lessee, the Lessee shall have commenced to remedy said default within twenty (20) days after receipt of notice thereof from the Port Authority and continues diligently to pursue such remedy.

5. The Space Lessee shall indemnify and hold harmless the Port Authority and its agents, employees, officers and Commissioners against and from (a) any and all claims of third parties arising from (i) the operation, maintenance or management by the Space Lessee of the Premises or any work or thing whatsoever done, or any condition created in or about the Premises during the term of the Space Lease by the Space Lessee, its contractors, licensees, agents, servants, employees, subtenants, invitees or visitors, or (ii) any negligent or otherwise wrongful act or omission of the Space Lessee or any of its subtenants or licensees or its or their employees, agents, visitors, invitees or contractors or subcontractors of any tier, and (b) all reasonable costs, expenses and liabilities incurred in or in connection with each such claim or action or proceeding brought thereon. In case any action or proceeding shall be brought against the Port Authority by reason of any such claim, the Space Lessee, upon notice from the Port Authority, shall defend such action or proceeding.

6. The Space Lease shall not be changed, modified, discharged or extended (other than by the exercise of options to renew contained in the Space Lease) except by written instrument duly executed by the parties thereto and only with the express written consent of the Port Authority, not to be arbitrarily or capriciously withheld, conditioned or delayed. Without limiting the generality of the foregoing, the Space Lessee shall use the space covered by the Space Lease strictly in accordance with the provisions of Section 1.05 of the Space Lease and for no other purpose or purposes whatsoever.

7. If the Lessee shall at any time be in default of its obligations under the Main Lease to make payments to the Port Authority, or if there shall occur at any time an event involving insolvency, bankruptcy, arrangement or reorganization of the Lessee which under the terms of the Main Lease would constitute an event the occurrence of which grants the Port Authority the right to terminate the Main Lease based on the Lessee's default in its obligations under the Main Lease to make payments to the Port Authority, and provided the same has not been cured within the time granted therefor, if any, under the Main Lease, the Space Lessee, on

demand of the Port Authority, shall pay directly to the Port Authority any fee or other amount due to the Lessee. No such payment shall relieve the Lessee from any obligations under the Main Lease or under this Consent Agreement, but all such payments shall be credited against the obligations of the Lessee under the Main Lease and of the Space Lessee under the Space Lease for each payment or part thereof.

8. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of consent to any subsequent agreement with respect to the use or occupancy of space at the Facility (by the Lessee or by the Space Lessee) or to any assignment of the Main Lease or the Space Lease or of any rights under either of them, whether in whole or in part.

9. In the event any substantial default by the Space Lessee under any of the provisions of this Consent Agreement occurs and said default has not been cured within thirty (30) days after the Port Authority has served a notice of such default upon the Lessee and the Space Lessee, the Port Authority shall have the right to revoke the consent granted hereunder upon thirty (30) days' written notice to the Lessee and the Space Lessee, but no such revocation shall be deemed to affect the Main Lease and the continuance thereof, it being understood, moreover, that the foregoing shall not be deemed to affect or limit any rights of the Port Authority under the Main Lease. In the event of the revocation of the consent hereunder as hereinabove provided, the Lessee shall immediately terminate the Space Lease.

10. Notwithstanding anything in Section 1.04 of the Space Lease to the contrary, the Lessee shall not take any steps to alter, modify, change, move, build upon or otherwise affect the parking facilities, roads, roadways or footways at the Facility without the express, prior written consent of the Port Authority, and the parties hereto hereby acknowledge that the aforesaid parking facilities, roads, roadways and footways constitute common use areas at the Facility as described in Section 1.03 of the Space Lease, as to which the Space Lessee has only a right to use and occupy in common with others similarly entitled.

11. (a) The amounts per rentable square foot set forth in subparagraph (b)(ii) of Section 3.02 of the Space Lease with respect to Operating Expenses shall not be binding on the Port Authority in any respect, and the granting of this consent by the Port Authority shall not be deemed or construed as acknowledgment, agreement with, or approval of said amounts by the Port Authority in any particular.

(b) Nothing set forth in Section 3.04 of the Space shall be deemed or construed to affect the requirement to obtain Port Authority prior written approval of Tenant's Initial Improvements, which approval shall not be arbitrarily or capriciously withheld, conditioned or delayed.

(c) The Port Authority hereby expressly disavows Lessee's implied claims to possess certain "rights" with respect to the Building and other areas at the Facility as set forth in Section 4.02 of the Space Lease. Further, the Port Authority does not acknowledge or agree that Lessee has the right to build or develop a "New Teleport Building," as defined in subparagraph (b)(i) of Section 11.19 of the Space Lease. Under no circumstances during the term of the Space

Lease shall Lessee attempt to exercise any of the said purported "rights," and notwithstanding Lessee's implied claim in Section 4.02 to possess such "rights" and the implication created by Section 11.19 (b)(i)," no attempted exercise of any of the said "rights" by Lessee shall be valid or binding on the Port Authority.

12. The parties hereto hereby expressly acknowledge and agree that any proposed assignment, subletting in whole or in part, mortgaging or other hypothecation of the Space Lease or of any interest in the Space Lease, or any permitted use of the premises under the Space Lease by any person or persons other than the Space Lessee shall require the express prior written consent of the Port Authority in addition to the prior written consent of the Lessee and that the Port Authority agrees to act only in a non-arbitrary and non-capricious manner in determining whether to grant its consent to any such proposed transaction.

13. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Lessee or to the Space Lessee under any term or provision of this Consent Agreement or because of its execution or because of any breach or alleged breach hereof.

14. This Consent Agreement may be executed an any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument.

(Signatures follow)

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Space Lessee have executed these presents.

ATTEST:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

_____
Secretary

By_____

(Title)_____
(Seal)

ATTEST:

THE CORPORATE COMMONS
OF STATEN ISLAND, LLC
Lessee

_____
Secretary

By_____

Print Name_____

(Title)_____President
(Corporate Seal)

ATTEST:

RICHMOND MEDICAL CENTER
Space Lessee

_____
Secretary

By_____

Print Name_____

(Title)_____President
(Corporate Seal)

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the day of in the year 2010, 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

STATE OF)
) ss.
COUNTY OF)

On the day of in the year 2010, 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

STATE OF)
) ss.
COUNTY OF)

On the day of in the year 2010, 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

CONSENT AGREEMENT

THIS AGREEMENT, dated as of FEBRUARY 4th, 2010, by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by Compact between the States of New Jersey and New York, with the consent of the Congress of the United States of America and having an office at 225 Park Avenue South, New York 10003 (hereinafter called "the Port Authority"), THE CORPORATE COMMONS OF STATEN ISLAND, LLC, a limited liability company organized and existing under the laws of the State of New York having its principal place of business at 1110 South Avenue, Staten Island, New York 10314(hereinafter called "the Lessee"), and THE CITY OF NEW YORK, a municipal corporation acting through the Department of Citywide Administrative Services, having an address at 1 Centre Street, 20th Floor North, New York, New York (hereinafter called the "Space Lessee").

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee's predecessor in interest have heretofore entered into an agreement dated July 8, 1985 (which agreement, as the same has-been or may hereafter be supplemented and amended, is hereinafter called the "Main Lease") covering the construction and operation of an office building or buildings at the Teleport, (located in a portion of the Staten Island Industrial Park leased by the City of New York to the Port Authority and hereinafter called the "Facility");

WHEREAS, pursuant to and in accordance with the terms of the Main Lease, the Lessee has entered into a space lease with the Space Lessee, dated as of September 14, 2009, as amended by the First Amendment of Lease, dated as of January 29, 2010 (hereafter jointly called the "Space Lease"), subject to the consent of the Port Authority and the execution of a Consent Agreement by and among the Lessee, the Space Lessee and the Port Authority;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Lessee and the Space Lessee hereby agree as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Space Lease.

2. The Space Lease shall terminate, without notice to the Space Lessee, on the day preceding the date of expiration or earlier termination of the Main Lease, or on such earlier date as the Lessee and the Space Lessee may agree upon. The Space Lessee shall quit the space covered by the Space Lease and remove its property and property, for which it is responsible therefrom on or before the termination of the Space Lease.

3. Neither this Consent Agreement, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to nor shall they create an implication that there has been consent to any enlargement or change in the rights, powers and privileges granted to the Lessee under the Main Lease, nor consent to the granting of any rights or privileges to the Space Lessee as maybe provided by the Space Lease if not granted to the Lessee under the Main Lease. The Space Lease is an agreement between the Lessee and the Space Lessee with respect to the various matters set forth therein. Neither this Consent nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Lessee that the provisions of the Space Lease shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, conditions and agreements of the Main Lease shall, in all respects, be controlling and determinative. The

specific mention of or reference to the Port Authority in any part of the Space Lease, including without limitation hereto, any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall thereafter grant its consent or approval thereto or that the Port Authority's discretion pursuant to the Main Lease as to any such consents or approvals shall in any way be affected be impaired. The lack of any specific reference in any provisions of the Space Lease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Main Lease shall, in all respects, be controlling.

No provision of the Space Lease including, but not limited to, those imposing obligations on the Space Lessee with respect to laws, rules, regulations, taxes, assessments and liens shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Space Lease covering actions which shall or may be undertaken by the Space Lessee or the Lessee including, but not limited to, construction on the space covered by the Space Lease, be deemed to imply or infer that Port Authority consent or approval thereto pursuant to the Main Lease will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired.

4. The Space Lessee, in its operations under or in connection with the Space Lease and in its occupancy of the space covered by the Space Lease, shall be subject to the applicable terms, provisions, covenants and conditions of the Main Lease. Without in any way affecting the obligations of the Lessee under the Main Lease and under this Consent Agreement, all acts and omissions of the Space Lessee shall be deemed acts and omissions of the Lessee under the Main Lease, but notwithstanding the foregoing, the Lessee shall not be or be deemed to be in default of the Main Lease to the extent that any of the foregoing shall constitute a breach thereof if, except for causes beyond the control of the Lessee, it shall have commenced to remedy said default within twenty (20) days after receipt of notice thereof from the Port Authority and continues diligently to pursue such remedy.

5. The Space Lease shall not be changed, modified, discharged or extended except by written instrument duly executed by the parties thereto and only with the express written consent of the Port Authority. Without limiting the generality of the foregoing, the Space Lessee shall use the space covered by the Space Lease for the following purpose and for no other purpose or purposes whatsoever: as first class general and administrative offices in connection with New York City Police Department (NYPD) activities and for related ancillary uses.

6. If the Lessee shall at any time be in default of its obligations under the Main Lease to make payments to the Port Authority, or if there shall occur at any time an event involving insolvency, bankruptcy, arrangement or reorganization of the Lessee which under the terms of the Main Lease would constitute an event the occurrence of which grants the Port Authority the right to terminate the Main Lease, and provided the same has not been cured within the time granted therefore, if any, under the Main Lease, the Space Lessee on demand of the Port Authority shall pay directly to the Port Authority any fee or other amount due to the Lessee. No such payment shall relieve the Lessee from any obligations under the Main Lease or under this Consent Agreement but all such payments shall be credited against the obligations of the Lessee and of the Space Lessee for each payment or part thereof.

7. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of consent to any subsequent agreement with respect to the use or occupancy of space at the Facility (by the Lessee or by the Space Lessee) or to any assignment of the Main Lease or the Space Lease or of any rights under either of them, whether in whole or in part.

8. In the event of any substantial default by the Space Lessee under any of the provisions of this Consent Agreement and said default has not been cured within thirty (30) days after the Port Authority has served a notice of such default upon the Lessee and the Space Lessee, the Port Authority shall have the right to revoke the consent granted hereunder upon thirty (30) days' written notice to the Lessee and the Space Lessee, but no such revocation shall be deemed to affect the Main Lease and the continuance thereof, it being understood, moreover, that the foregoing shall not be deemed to affect or limit any rights of the Port Authority under the Main Lease. In the event of the revocation of the consent hereunder as hereinabove provided, the Lessee shall immediately terminate the Space Lease.

9. The parties acknowledge and agree that all security and law enforcement matters at the Teleport (at which facility the office space covered by the Space Lease is located) fall under Port Authority Police jurisdiction and control and will be handled solely by Port Authority Police and Teleport security personnel. This provision shall not limit the Space Lessee from installing in the demised premises under the Space Lease and in the parking areas adjacent to the building in which the demised premises is located appropriate alarm systems, cameras, monitors and other security equipment of its own choosing in accordance with the terms of the Space Lease. Additionally, the parties acknowledge and agree that during the term of the Space Lease, uniformed members of the NYPD may carry NYPD-authorized firearms at the Facility.

10. Reference herein to the Space Lessee shall mean and include the Space Lessee, its officers, agents, employees and also others on the space covered by the Space Lease or on the Facility with the consent of the Space Lessee.

11. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Lessee or to the Space Lessee under any term or provision of this Consent Agreement or because of its execution or because of any breach or alleged breach hereof.

12. This Consent Agreement may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Space Lessee have executed these presents.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Francis A. DiMola
Director
Real Estate Services Department

(Seal)

ATTEST:

Secretary

THE CORPORATE COMMONS OF STATEN ISLAND, LLC
Lessee

By

Name RICHARD NICOTRA

(Title) Member

(Seal)

Approved as to Form

Corporation Counsel

JAN 27 2010

THE CITY OF NEW YORK
Space Lessee

By

Name: Lori Fierstein
Deputy Commissioner
Department of Citywide Administrative Services

RMS

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the 2/ MK day of FEBRUARY in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. DIMOLA, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

VIRGINIA DELLABARCA
Notary Public, State of New York
No. 01DE6202188
Qualified in New York County
Term Expires March 9, 2013

STATE OF New York)

) ss.

COUNTY OF Richmond)

On the 8 day of JANUARY in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Richard Nicotra, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

Nicholas A. Noceino
Notary Public, State of New York
No. 01NO6129965
Qualified in Richmond County
Commission expires July 5, 2013

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the 1ST day of FEBRUARY in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared LORI FIERSTEIN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

MARTIN S. LUDA
Notary Public, State of New York
No. [illegible]
Qualified in [illegible]
My Commission Expires [illegible] 2010

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS NON-DISTURBANCE AND ATTORNMENT AGREEMENT, dated as of FEBRUARY 4th, 2010 (this "Agreement"), between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, having an office at 225 Park Avenue South, New York, New York 10003 (the "Port Authority"), and THE CITY OF NEW YORK, a municipal corporation acting through the Department of Citywide Administrative Services, having an address at 1 Centre Street, 20th Floor North, New York, New York 10007 (the "Space Lessee").

RECITALS

WHEREAS, the Port Authority and the predecessor in interest of THE CORPORATE COMMONS OF STATEN ISLAND, LLC (together with its transferees, successors and assigns, the "Lessee"), have heretofore entered into an agreement dated as of July 8, 1985 (which agreement, as the same has been or may hereafter be supplemented and amended, is hereinafter called the "Main Lease") covering the construction and operation of two office buildings at the Teleport (the "Facility") located in a portion of the Staten Island Industrial Park in the County of Richmond, City and State of New York;

WHEREAS, the Lessee, as landlord, and the Space Lessee, as tenant, have entered into a space lease, dated as of September 14, 2009, as amended by the First Amendment of Lease, dated as of January 29, 2010 (jointly, the "Space Lease"), covering certain premises (the "Premises") located in the building (the "Building") on the land known as 2 Teleport Drive (Block 2165, Lot 170) at the Facility;

WHEREAS, the Space Lessee has required, as a condition to its execution and delivery of the Space Lease, that the Port Authority agree to recognize the Space Lease and the Space Lessee's rights thereunder in the event of a termination of the Main Lease, and the Port Authority is willing to recognize the Space Lease, upon and subject to the terms and conditions of this Agreement; and

WHEREAS, contemporaneously herewith, the Port Authority, the Lessee and the Space Lessee have entered into a Consent Agreement (the "Consent") providing for the consent of the Port Authority to the form and terms of the Space Lease on the terms and conditions set forth in the Consent Agreement and for certain other matters as set forth therein.

IT IS, THEREFORE, AGREED:

1. Non-Disturbance.

(a) So long as the Space Lessee shall not be in default under the Space Lease after the giving of any required notice and the expiration of any applicable grace or cure period provided for thereunder:

(i) The Space Lessee's right of peaceable and quiet use, occupancy, enjoyment and possession of the Premises shall not be affected or disturbed by the Port Authority; and

(ii) except as provided in Section 3 hereof, upon the expiration or any termination of the Main Lease by summary dispossess proceeding or otherwise, the Port Authority shall be bound by the provisions of the Space Lease, and the Space Lease shall remain in full force and effect as a direct lease between the Port Authority, as landlord, and and the Space Lessee, as tenant, upon all of the obligations, terms and conditions of the Space Lease.

(b) Notwithstanding the occurrence of any default or breach on the part of the Lessee under the Main Lease, and provided that the Space Lessee is not in default under the Space Lease, the Port Authority shall not name the Space Lessee as a party in any action or proceeding arising from the exercise by the Port Authority of any of its rights or remedies under the Main Lease, provided that the Space Lessee may be so named or joined if required by law, and if such naming or joining of the Space Lessee will not adversely affect the Space Lessee's rights under this Agreement or under the Space Lease.

2. Attornment. Without in any way limiting the provisions of the Main Lease or the Consent, if the Port Authority shall succeed to the interest of the Lessee as landlord under the Space Lease as set forth in this Agreement, then the Space Lessee shall attorn to and recognize the Port Authority as the Space Lessee's landlord under the Space Lease and shall continue to be bound by all the terms, provisions and conditions of the Space Lease. The Space Lessee agrees to execute and deliver, at any time and from time to time, upon request of the Port Authority, any instrument that may reasonably be necessary or appropriate to evidence such attornment. The Space Lessee hereby waives the provisions of any statute or rule of law now or hereafter in effect that may terminate the Space Lease or give or purport to give the Space Lessee any right of election to terminate the Space Lease or to surrender possession of the Premises in the event the Main Lease terminates or in the event that any proceeding is brought by the Port Authority under the Main Lease, and in each such case, the Space Lease shall not be affected in any way whatsoever by any such proceeding or termination.

3. Limitation on Port Authority's Obligations; No Merger.

(a) Notwithstanding the attornment by the Space Lessee to the Port Authority pursuant to this Agreement, neither the Port Authority nor anyone claiming by or through the Port Authority shall:

(i) be bound by any payment of rent or additional rent covering a period beyond the then-current rental period, which payment shall not have been consented to by the Port Authority, or any security deposit or any other pre-paid sum paid by the Space Lessee to the Lessee, except to the extent such rent or additional rent or security deposit or other pre-paid sum is actually received by the Port Authority;

(ii) be bound by any amendment or modification of the Space Lease or any surrender agreement, which amendment or modification or surrender agreement shall not have been consented to by the Port Authority;

(iii) subject to the provisions of clause (vi) of this Section 3, be liable for any previous act, omission or negligence of the Lessee under the Space Lease, nor be obligated to cure any defaults of the Lessee;

(iv) except as otherwise provided in clause (vi) of this Section 3, be subject to any defenses or offsets not expressly provided for in the Space Lease that shall have theretofore accrued in favor of the Space Lessee against the Lessee;

(v) be bound by any obligation to grant any credit not expressly provided for in the Space Lease, but, with respect to any credits so provided for, only to the extent not theretofore issued, or to make any payment to the Space Lessee, by any financing obligation the Lessee may have incurred with respect to the Space Lessee, or by any obligation for brokerage commissions or costs or expenses incurred in connection with the negotiation or execution of the Space Lease;

(vi) be bound by any covenant to undertake or complete any construction on or in the Premises or any portion thereof, except for repair and maintenance obligations thereafter accruing, nor be obligated to cure any defaults under the Space Lease that occurred prior to the termination of the Main Lease except for defaults that continue subsequent to the termination of the Main Lease; or

(vii) be bound by any extension option set forth in the Space Lease to the extent that the extended term of such option does extend beyond the day preceding the earlier of the expiration date of the term of the letting of the Main Lease or the expiration date of the term of the letting of that certain agreement of lease, dated May 15, 1984, between the City of New York, acting by and through the New York City Public Development Corporation, and the Port Authority, covering the Facility.

(b) Notwithstanding any termination of the Main Lease, or any attornment by the Space Lessee to the Port Authority pursuant to this Agreement, there shall be no merger of the estates of the Port Authority as lessor under the Ground Lease and as landlord under the Space Lease, and the Space Lease and the Space Lessee's rights and obligations thereunder shall remain subject and subordinate to the Main Lease and the rights of the Port Authority thereunder (except as specifically modified by this Agreement). It is expressly understood and agreed that the Port Authority shall have the right to incorporate into the Space Lease those provisions of the Main Lease relating to the Port Authority's status and the relationship between the Port Authority and the Lessee that are set forth in Sections 6.6.3, 10.4, 12.2, 43 and 48 of the Main Lease, and the Space Lessee shall execute an agreement prepared by the Port Authority and submitted to the Space Lessee providing for the incorporation of such provisions in the Space Lease.

4. Successors and Assigns. The stipulations, terms, covenants and agreements contained in this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns, including (without limitation) each and every party deriving title to the Premises or the Building by or through the Port Authority.

5. Notices. Any demand, request, consent or other notice given or required to be given under this Agreement shall be deemed given only if in writing, and hand delivered (with receipt acknowledged in writing) or sent by registered or certified mail (return receipt requested) to the duly designated office of such party. Until further notice, the duly designated offices are as follows:

To the Port Authority:

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003
Attention: Executive Director

To the Space Lessee:

Deputy Inspector
Administrative Services Division
New York City Police Department
1 Police Plaza – Room 800
New York, New York 10004

Assistant Commissioner for
Bureau of Acquisitions and Construction Services
Department of Citywide Administrative Services
Division of Real Estate Services
1 Centre Street, 20th Floor North
New York, New York 10007

All notices shall be deemed given when received.

6. Amendments. This Agreement may not be changed, modified, supplemented or terminated, nor may any of the obligations of the Port Authority or the Space Lessee hereto be waived, except by an instrument executed by each of the parties hereto.

7. Governing Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of New York.

8. Non-Liability of Individuals. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Space Lessee with any liability or be held personally liable under any term or provision of this Agreement or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

9. This Agreement may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Name: Francis A. DiMola
Title: Director
Real Estate Services Department

SECRETARY

THE CITY OF NEW YORK

By: _____

Name: Lori Fierstein
Title: Deputy Commissioner
Department of Citywide Administrative Services

Approved as to form:

Acting Corporation Counsel

JAN 27 2010

RMS

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 1st day of February, 2010, before me, the undersigned, a notary public in and for said state, personally appeared LORI FIERSTEIN, 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.

Martin S Linda

Notary Public

MARTIN S. LINDA
Notary Public, State of New York
No. [illegible]
Qualified in Bronx County
Commission Expires March 30, 2010

[Notary Seal] My commission expires:

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 1st day of FEBRUARY, 2010, before me, the undersigned,a notary public in and for said state, personally appeared FRANCIS A. DIMOCA ,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.

Virginia Della Barca

Notary Public

[Notary Seal] My commission expires:

VIRGINIA DELLABARCA
Notary Public, State of New York
No. 01DE6202109
Qualified in New York County
Term Expires March 9, 2012

LEASE NO.
7949

FIRST AMENDMENT OF LEASE

BETWEEN

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

&

THE CORPORATE COMMONS OF STATEN ISLAND, LLC
1110 SOUTH AVENUE, SUITE 403
STATEN ISLAND, NEW YORK 10314

Premises: 2 Teleport Drive (Block 2165, Lot 170)
Borough of Staten Island
Approximately 25,840 square feet of space in the Building and 119 parking spaces to be used by the New York City Police Department

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Reviewed by:	Attorney MSL	Date	11/24/10
	Dir. Arch. Services	Date	
	Dir. Eng. Services	Date	
	Negotiator	Date	1/7/2011

FIRST AMENDMENT OF LEASE (hereinafter this "**Amendment**") made as of the 29th day of January 2010 between THE CORPORATE COMMONS OF STATEN ISLAND, LLC, a New York limited liability company, whose address is 1110 South Avenue, Staten Island, New York, 10314, hereinafter designated as Landlord, and THE CITY OF NEW YORK, a municipal corporation, acting through the Department of Citywide Administrative Services ("**DCAS**"), with an address at 1 Centre Street, 20th Floor North, New York, New York 10007, hereinafter designated as Tenant.

WITNESSETH

WHEREAS, Landlord and Tenant entered into a Lease dated as of September 14, 2009 (the "Original Lease") pursuant to which Landlord leased to Tenant certain demised premises containing approximately twenty-five thousand, eight hundred forty (25,840) rentable square feet of office space on part of the ground floor of the building located on the land known as 2 Teleport Drive (Block 2165, Lot 170) in the Borough of Staten Island, New York, as more particularly described in the Original Lease;

WHEREAS, the Original Lease is subject to the consent of The Port Authority of New York and New Jersey (the "**The Port Authority**") pursuant to that certain lease, dated as of July 8, 1985, between Teleport Associates and The Port Authority;

WHEREAS, The Port Authority has requested modifications to the Original Lease as a condition to granting its the consent thereto; and

WHEREAS, Landlord and Tenant desire to amend the Original Lease on the terms and conditions set forth herein (the Original Lease, as modified by this Amendment, hereinafter referred to as the "**Lease.**");

WHEREAS, this Amendment may be executed by the Deputy Commissioner of the Department of Citywide Administrative Services subject to approval as to form by the Corporation Counsel by the City of New York; and

WHEREAS, the Members of Landlord authorized the execution of this Amendment by the undersigned Member of Landlord.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, Landlord and Tenant hereby amend the Original Lease as follows:

1. Except for those terms expressly defined in this Amendment, all capitalized terms used herein shall have the meanings set forth in the Original Lease.

2. The third paragraph on page 2 of the Original Lease starting with the words "**NOW, THEREFORE**" and ending with the words "Exhibit **B**" is hereby deleted in its entirety and replaced with the following:

> "**NOW, THEREFORE**, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, subject to public hearing and Mayoral approval as referred to above, the following described premises (hereinafter referred to as the "**Demised Premises**"): approximately twenty-five thousand, eight hundred forty (25,840) rentable square feet of office space on part of the ground floor of the building (hereinafter referred to as the "**Building**") located on the land known as 2 Teleport Drive (Block 2165, Lot 170) in the Borough of Staten Island, New York (the "**Land;**" the Building and the Land are hereinafter sometimes referred to collectively as the "**Property**"), together with the right to use an aggregate of one hundred nineteen (119) parking spaces (collectively, the **Parking Spaces**") located in the parking areas adjacent to the front and rear of the Building (hereinafter sometimes referred to collectively as the "**Parking Area**") in accordance with Article 32 of this Lease and as more particularly shown on the site plan attached to and made a part of this Lease as Exhibit **A**. The Demised Premises shall be used by the New York City Police Department (hereinafter referred to as "**NYPD**") only as first class general and administrative offices and for related ancillary uses, upon the terms and conditions hereinafter set forth. The floor plans of the Demised Premises shall be made a part of the Lease as Exhibit **B.**"

3. Article 1 (TERM) of the Original Lease is hereby modified as follows:

The paragraph constituting Article 1 of the Original Lease is hereby deleted in its entirety and is replaced with the following:

> "The term of this Lease (the "**Term**") shall commence (the "**Commencement Date**") on the Substantial Completion Date (as hereinafter defined in Article 6), and shall expire (unless earlier terminated) at midnight on March 29, 2024 (the "**Expiration Date**"). The term "**Lease Year**" as used in this Lease shall mean the period of twelve (12) full calendar months commencing on the Commencement Date and each twelve (12) month period thereafter; provided, however, that if the Commencement Date occurs on a day other than the first day of a calendar month, then the first Lease Year shall mean the period from the Commencement Date until the last day of the

twelfth (12th) full calendar month thereafter."

4. Article 3 (OPTION TO TERMINATE) of the Original Lease is hereby modified as follows:

Section B of Article 3 of the Original Lease is hereby deleted in its entirety and is replaced with the following:

> "B. The foregoing right to terminate shall not require the payment of a penalty, except that if this Lease is terminated by Tenant, Tenant shall pay to Landlord an amount (the "**Termination Fee**") equal to the sum of the then remaining unamortized portion of (x) the **Broker's Commission** (as defined in Article 35), and (y) **Landlord's Contribution** (as defined in Article 6)."

5. Article 5 (LANDLORD'S INTEREST IN PREMISES; PORT AUTHORITY CONSENT) of the Original Lease is hereby modified as follows:

The last two sentences of Section A of Article 5 of the Original Lease starting with the words "For purposes" and ending with the words "this Lease" are hereby deleted in their entirety and are replaced with the following:

> "For purposes of the foregoing, (i) the term "**The Port Authority Lease**" means that certain lease dated as of July 8, 1985 between Teleport Associates and The Port Authority of New York and New Jersey (the "**The Port Authority**"), as the same was assigned to Landlord by Assignment of Lease with Assumption and Consent, dated as of December 3, 2008, true and complete copies of which, together with all amendments thereto, has been previously delivered by Landlord to Tenant, and (ii) the term the "**City Lease**" means that certain lease, dated as of May 15, 1984, as amended, between The City of New York and The Port Authority. Landlord agrees that it shall not modify The Port Authority Lease in such a manner as to materially adversely affect Tenant or have an adverse monetary effect on Tenant that is other than de minimis or incidental."

6. Article 7 (CERTIFICATE OF OCCUPANCY; COMPLIANCE WITH LAWS) of the Original Lease is hereby modified as follows:

(A) Section A of Article 7 of the Original Lease is hereby deleted in its entirety and is replaced with the following:

"A. Landlord agrees to deliver to DCAS a temporary or permanent Permit to Use or Occupy issued by The Port Authority and same shall be a prerequisite to the official assumption of occupancy by Tenant. If the Permit to Use or Occupy is temporary, then Landlord shall, at Landlord's sole cost and expense, keep such temporary Permit to Use or Occupy in full force and effect and shall diligently and with continuity pursue to completion efforts to obtain a permanent Permit to Use or Occupy."

(B) The first sentence of Section C of Article 7 of the Original Lease starting with the words "Subject to" and ending with the words "to Landlord" is hereby deleted in its entirety and is replaced with the following:

> "Subject to the provisions of subparagraph D of this Article 7 below, in the event Landlord fails to comply with any of the provisions of this Article, Tenant, in addition to any other remedy it may have, upon ten (10) days written notice to Landlord, may: (i) as agent of Landlord, perform the same and deduct the reasonable cost of such compliance from any Rent due or that may become due or payable under this Lease; (ii) withhold Rent up to an amount equal to 200% of the cost to cure Landlord's default, as reasonably determined by the Tenant, until Landlord affects a cure in accordance with the terms of this Lease, at which time all amounts withheld shall be promptly paid to Landlord; or (iii) give a second notice (the "**Second Notice**") of said default to Landlord."

7. Article 10 (ELECTRICITY) of the Original Lease is hereby modified as follows:

The first sentence of Section A of Article 10 of the Original Lease on page 41 thereof, starting with the words "Landlord shall" and ending with the words "Demised Premises" is hereby deleted in its entirety and replaced with the following:

> "Landlord shall, as part of the Landlord's Work as provided in Article 6 hereof, at Landlord's sole cost and expense, perform all work to directly meter the Demised Premises, including, without limitation, furnishing and installing all risers, wiring and switches that may be necessary for such direct meter installation and required by The Port Authority."

8. Article 11 (ALTERATIONS BY TENANT) of the Original Lease is hereby modified as follows:

(A) The third sentence of Article 11 of the Original Lease starting with the words "Notwithstanding anything" and ending with the words "written approval" is hereby deleted in its entirety and is replaced with the following:

> "Notwithstanding anything to the contrary contained herein, (A) any Alteration that (i) does not affect the structure of the Building or does not affect or interfere with the mechanical or utility systems of the Building or elsewhere at the Teleport (as defined in The Port Authority Lease), (ii) would not require the filing of plans with or other approval by the Buildings Department of the City of New York if the Teleport were under private ownership, or (iii) consists solely of any painting, carpeting or comparable decorative work (regardless of cost), shall not require Landlord's prior written approval (any of the foregoing, a "**Permitted Alteration**"); and (B) any Alteration other than a Permitted Alteration shall be subject to the prior written consent of The Port Authority, which consent The Port Authority shall not arbitrarily and capriciously withhold."

9. Article 13 (REPAIRS) of the Original Lease is hereby modified as follows: Section E of Article 13 of the Original Lease is hereby deleted in its entirety and is replaced with the following:

"E. At Tenant's option, Landlord, at Tenant's cost and expense and payable as Additional Rent within thirty (30) days after submission of requisition for payment by Landlord, will perform any repairs which are Tenant's responsibility under this Article 13, and such costs shall not be included in Operating Expenses, provided, if the cost of such repairs, as reasonably estimated by Landlord shall exceed $10,000, Landlord shall have the option of electing not to make such repairs on Tenant's behalf, in which event, Tenant shall be responsible for making such repairs. Tenant shall obtain the prior approval of the Landlord and/or The Port Authority for any repairs performed by Tenant pursuant to this Article the same extent such approvals would be required under Article 11 for Alterations."

10. Article 17 (QUIET ENJOYMENT) of the Original Lease is hereby modified as follows:

The sentence constituting Article 17 of the Original Lease starting with the words "Landlord covenants", and ending with the words "may determine", is hereby deleted in its entirety and is replaced with the following:

"Landlord covenants that Tenant, paying the Rent reserved herein, and performing all of the other terms, covenants and conditions on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the Demised Premises for the use and purpose stated in this Lease."

11. Article 19 (SUBORDINATION AND NON-DISTURBANCE) of the Original Lease is hereby modified as follows:
Sections A, B, C and D are hereby deleted in their entirety and are replaced with the following:

"A. This Lease is subject and subordinate to all existing ground or underlying leases (individually, "**Ground Lease**" and collectively, "**Ground Leases**"), including The Port Authority Lease, the City Lease, all mortgages which may now affect such leases or the Land and the Building (including mortgages that cover other property in addition to the Land and the Building) (individually, "**Mortgage**" and collectively, "**Mortgages**"), all advances thereunder and all renewals, modifications, consolidations, replacements and extensions of any such Ground Leases or Mortgages. This Lease shall be superior to any future Mortgages and Ground Leases, if any, unless the mortgagee(s) under such Mortgage(s) (individually, "New **Mortgagee**" and collectively, "New **Mortgagees**") and/or ground lessor(s) under such Ground Lease(s) (individually, "**Ground Lessor**" and collectively, "**Ground Lessors**") shall execute and deliver to Tenant a recordable agreement, substantially in a form reasonably acceptable to Tenant ("**Subordination, Nondisturbance and Attornment Agreement**") whereby said New Mortgagee(s) and/or Ground Lessor(s) agree(s) that should it become necessary to foreclose such New Mortgage(s) or terminate such Ground Lease(s), or should the New Mortgagee(s) or Ground Lessor(s) otherwise come into possession of the Demised Premises, such New Mortgagee(s) or Ground Lessor(s) will not join Tenant under this Lease in any foreclosure or summary proceeding that seeks to regain possession of the Demised Premises and will not disturb the use and occupancy of Tenant under this Lease, so long as Tenant is not in default under this Lease.

B. The following provision is included herein because it is required by the Port Authority Lease:

'Tenant covenants and agrees that, if by reason of a default upon the part of Landlord who is the Lessee under the Underlying Lease covering the demised premises, to wit, the Agreement of Lease dated as of July 8, 1985

between The Port Authority of New York and New Jersey, as Lessor, and Teleport Associates, as Lessee, as assigned to Landlord by Assignment of Lease and Assumption and Consent, dated as of December 3, 2008, in the performance of any of the terms or provisions of such Underlying Lease or if for any other reason of any nature whatsoever such Underlying Lease and the leasehold estate of the Lessee thereunder are terminated by summary dispossess proceedings or otherwise, Tenant, at the request in writing of the then Landlord under such Underlying Lease, shall attorn to and recognize such landlord as Tenant's landlord under this lease. Tenant covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under such Underlying Lease, any instrument which may be necessary or appropriate to evidence such attornment. Tenant further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this lease or give or purport to give Tenant any right of election to terminate this lease or to surrender possession of the premises demised hereby in the event such Underlying Lease terminates or in the event any such proceeding is brought by the landlord under such Underlying Lease if such landlord shall have requested in writing that Tenant attorn, as aforesaid, and in that circumstance Tenant agrees that this lease shall not be affected in any way whatsoever by any such proceeding or termination. Nothing contained herein shall obligate the landlord to request the Tenant to attorn or to accept such attornment from the Tenant.'

C. Notwithstanding anything to the contrary in the foregoing Subparagraphs A and B, Landlord agrees, at its sole cost and expense, to deliver to Tenant, within one hundred twenty (120) days after the execution and exchange of this Lease, (i) a fully negotiated and executed Subordination, Nondisturbance and Attornment Agreement, signed by Landlord and The Port Authority, and (ii) a fully negotiated and executed Subordination, Nondisturbance and Attornment Agreement signed by Landlord and any current mortgagee. If Landlord fails to deliver to Tenant such agreements within such one hundred twenty (120) days period, Tenant may terminate this Lease upon written notice to Landlord, in which event this Lease shall terminate and be and become of no further force and effect, and the parties shall not have any further rights, obligations or liabilities hereunder. Delivery of such agreement by Landlord to Tenant shall be a pre-condition of Tenant's execution and delivery of this Lease.

D. Landlord represents and warrants that as of the date of Landlord's execution of this Lease there is a current mortgage on the Property held by Valley National Bank, but except for The Port Authority Lease and the City Lease, there are no

other mortgages, ground leases, or over-landlords. Any misrepresentation with regard to the foregoing representation and warranty shall constitute a basis for rescission of this Lease by Tenant."

12. Article 34 (ASSIGNMENT, SUBLETTING, MORTGAGING) of the Original Lease is hereby modified as follows:

(A) The first sentence of Section A of Article 34 of the Original Lease starting with the words "Tenant, for itself", and ending with the words "or no reason", is hereby deleted in its entirety and is replaced with the following:

"Tenant, for itself, its administrators, legal representatives, successors and assigns, expressly covenants that it shall not assign, mortgage or encumber the Demised Premises or permit the Demised Premises or any part thereof, to be used by others without the prior written consent of Landlord and The Port Authority in each instance, which may be withheld for any or no reason."

(B) Section B of Article 34 of the Original Lease is hereby deleted in its entirety and is replaced with the following:

"Anything contained in the foregoing to the contrary notwithstanding, without Landlord's prior written consent, but only with the prior written consent of The Port Authority, which consent shall not be arbitrarily or capriciously withheld, delayed or conditioned, Tenant shall have the right to permit any agency, department or division of the City of New York to occupy a portion or all of the Demised Premises, provided such occupancy shall be subject to all of the terms and conditions of this Lease. Such occupancy shall not be construed as an assignment for purposes of this Article. Tenant shall notify Landlord if such agency, department or division of the City of New York takes occupancy of the Demised Premises in whole or in part."

13. This Agreement is subject to the delivery by Landlord to Tenant of the consent of The Port Authority to the Lease (i.e. the Original Lease and this Amendment) in form and substance acceptable to Tenant, Landlord and The Port Authority. Delivery of such agreement by Landlord to Tenant shall be a pre-condition of Tenant's execution and delivery of this Amendment.

14. Except as modified herein, all other terms, covenants and conditions of the Original Lease shall remain in full force and effect, as if fully set forth herein.

15. In the event of a conflict between the terms, covenants and conditions of this Amendment and those of the Original Lease, the terms, covenants and conditions of this Amendment shall govern and control to the extent of any such conflict.

[Signature Page Follows]

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

THE CORPORATE COMMONS OF
STATEN ISLAND, LLC
Landlord

By _____
Name: Richard Nicotra
Title: Member

By _____
Name: Lois Nicotra
Title: Member

THE CITY OF NEW YORK
Tenant

By _____
Lori Fierstein
Deputy Commissioner
Department of Citywide
Administrative Services

Approved as to Form:

_____
Acting Corporation Counsel

JAN 2 7 2010

UNIFORM FORM OF ACKNOWLEDGMENT

STATE OF NEW YORK)
) ss.:
COUNTY OF Richmond **)**

On the 13 day of January, in the year 2010, before me, the undersigned, personally appeared **RICHARD NICOTRA** and **LOIS NICOTRA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Nicholas A. Nocerino
Notary Public, State of New York
No. 01NO6129965
Qualified in Richmond County
Commission expires July 5, 2013

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 15 day of February, in the year 2010, before me, the undersigned, personally appeared **LORI FIERSTEIN**, 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 she executed the same in her capacity, and that by her signature on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

CONSENT AGREEMENT

THIS AGREEMENT, dated as of ~~January~~ MARCH ~~FEBRUARY~~ 10, 2010, by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by Compact between the States of New Jersey and New York, with the consent of the Congress of the United States of America and having an office at 225 Park Avenue South, New York, New York 10003 (hereinafter called "the Port Authority"), THE CORPORATE COMMONS OF STATEN ISLAND, LLC, a limited liability company organized and existing under the laws of the State of New York having its principal place of business at 1110 South Avenue, Staten Island, New York 10314(hereinafter called the "Lessee"), and METROPOLITAN LIFE INSURANCE COMPANY, a corporation organized and existing under the laws of the State of New York, having its principal place of business at One Madison Avenue, New York, New York 10010 (hereinafter called the "Space Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee's predecessor in interest have heretofore entered into an agreement dated July 8, 1985 (which agreement, as the same has been or may hereafter be supplemented and amended, is hereinafter called the "Main Lease") covering the construction and operation of an office building or buildings at the Teleport (located in a portion of the Staten Island Industrial Park leased by the City of New York to the Port Authority and hereinafter called the "Facility"); and

WHEREAS, pursuant to and in accordance with the terms of the Main Lease, the Lessee has entered into an agreement of lease with the Space Lessee dated as of December 18, 2009, a copy of which is attached hereto, made a part hereof and hereafter collectively called the "Space Lease," subject to the consent of the Port Authority and the execution of a Consent Agreement by and among the Lessee, the Space Lessee and the Port Authority;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Lessee and the Space Lessee hereby agree as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Space Lease.

2. The Space Lease shall terminate, without notice to the Space Lessee, on the day preceding the date of expiration or earlier termination of the Main Lease, or on such earlier date as the Lessee and the Space Lessee may agree upon. The Space Lessee shall quit the space covered by the Space Lease and remove therefrom its property and property for which it is responsible on or before the termination of the Space Lease.

3. Neither this Consent Agreement, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to nor shall they create an implication that there has been consent to any enlargement or change in the

rights, powers and privileges granted to the Lessee under the Main Lease, nor consent to the granting of any rights or privileges to the Space Lessee as may be provided by the Space Lease if not granted to the Lessee under the Main Lease. The Space Lease is an agreement between the Lessee and the Space Lessee with respect to the various matters set forth therein. Neither this Consent nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Lessee that the provisions of the Space Lease shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, conditions and agreements of the Main Lease shall, in all respects, be controlling and determinative. The specific mention of or reference to the Port Authority in any part of the Space Lease, including without limitation hereto, any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall thereafter grant its consent or approval thereto or that the Port Authority's discretion pursuant to the Main Lease as to any such consents or approvals shall in any way be affected be impaired. The lack of any specific reference in any provisions of the Space Lease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required, and the Main Lease shall, in all respects, be controlling.

No provision of the Space Lease including, but not limited to, those imposing obligations on the Space Lessee with respect to laws, rules, regulations, taxes, assessments and liens shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Space Lease covering actions which shall or may be undertaken by the Space Lessee or the Lessee, including but not limited to construction on the space covered by the Space Lease, be deemed to imply or infer that Port Authority consent or approval thereto pursuant to the Main Lease will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired

4. The Space Lessee, in its operations under or in connection with the Space Lease and in its occupancy of the space covered by the Space Lease, shall be subject to the applicable terms, provisions, covenants and conditions of the Main Lease. Without in any way affecting the obligations of the Lessee under the Main Lease and under this Consent Agreement, all acts and omissions of the Space Lessee shall be deemed acts and omissions of the Lessee under the Main Lease, but notwithstanding the foregoing, the Lessee shall not be or be deemed to be in default of the Main Lease to the extent that any of the foregoing shall constitute a breach thereof if, except for causes beyond the control of the Lessee, it shall have commenced to remedy said default within twenty (20) days after receipt of notice thereof from the Port Authority and continues diligently to pursue such remedy.

5. The Space Lease shall not be changed, modified, discharged or extended except by written instrument duly executed by the parties thereto and only with the express written consent of the Port Authority. Without limiting the generality of the foregoing, and notwithstanding anything to the contrary set forth in Section 1.05 of the Space Lease, the Space Lessee shall use the space covered by the Space Lease for the following purpose and for no other purpose or purposes whatsoever: for general and executive office space in

connection with and related to the Space Lessee's insurance business and to Space Lessee's financial services business, and for no other purpose or purposes whatsoever.

6. If the Lessee shall at any time be in default of its obligations under the Main Lease to make payments to the Port Authority, or if there shall occur at any time an event involving insolvency, bankruptcy, arrangement or reorganization of the Lessee which under the terms of the Main Lease would constitute an event the occurrence of which grants the Port Authority the right to terminate the Main Lease, and provided the same has not been cured within the time granted therefore, if any, under the Main Lease, the Space Lessee, on demand of the Port Authority, shall pay directly to the Port Authority any fee or other amount due to the Lessee. No such payment shall relieve the Lessee from any obligations under the Main Lease or under this Consent Agreement but all such payments shall be credited against the obligations of the Lessee and of the Space Lessee for each payment or part thereof.

7. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of consent to any subsequent agreement with respect to the use or occupancy of space at the Facility (by the Lessee or by the Space Lessee) or to any assignment of the Main Lease or the Space Lease or of any rights under either of them, whether in whole or in part.

8. In the event any substantial default by the Space Lessee under any of the provisions of this Consent Agreement occurs and said default has not been cured within thirty (30) days after the Port Authority has served a notice of such default upon the Lessee and the Space Lessee, the Port Authority shall have the right to revoke the consent granted hereunder upon thirty (30) days' written notice to the Lessee and the Space Lessee, but no such revocation shall be deemed to affect the Main Lease and the continuance thereof, it being understood, moreover, that the foregoing shall not be deemed to affect or limit any rights of the Port Authority under the Main Lease. In the event of the revocation of the consent hereunder as hereinabove provided, the Lessee shall immediately terminate the Space Lease.

9. (a) Notwithstanding anything in Section 1.04 of the Space Lease to the contrary, the Lessee shall not take any steps to alter, modify, change, move, build upon or otherwise affect the parking facilities, roads, roadways or footways at the Facility without the express, prior written consent of the Port Authority, and the parties hereto hereby acknowledge that the aforesaid parking facilities, roadways and footways constitute common use areas at the Facility as to which the Space Lessee has only a right to use and occupy in common with others similarly entitled, as described in Section 1.03 of the Space Lease.

(b) The words "and the Port Authority" shall be deemed inserted following the words "the Landlord" in the next-to-last line of paragraph (f) of Section 1.04 of the Space Lease.

10. The parties hereto hereby expressly acknowledge that the Port Authority shall agree to act only in a non-arbitrary and non-capricious manner in determining whether to grant its required prior written consent to any alterations by the Space Lessee to its premises under the Space Lease.

11. The parties hereto hereby expressly acknowledge and agree that any proposed assignment, subletting in whole or in part, mortgaging or other hypothecation of the Space Lease or of any interest in the Space Lease, or any permitted use of the premises under the Space Lease by any person or persons other than the Space Lessee shall require the express prior written consent of the Port Authority in addition to the prior written consent of the Lessee and that the Port Authority agrees to act only in a non-arbitrary and non-capricious manner in determining whether to grant its consent to any such proposed transaction. The parties further acknowledge and agree that notwithstanding anything set forth in paragraph (e) of Section 7.01 of the Space Lease, all proposed occupancies of any portion of the Space Lease premises by a Tenant Affiliate shall be subject to the prior written consent of the Port Authority.

12. (a) The parties hereby acknowledge that the reference in paragraph (a) of Section 8.01 of the Space Lease to Teleport Associates as "Landlord's successor in interest" should be, instead, to "Landlord's predecessor in interest."

(b) For the sake of clarity and avoidance of doubt, the parties acknowledge that the term "then Landlord" and the lower case term "landlord" (rather than the initially capitalized "Landlord") used in Section 8.03 of the Space Lease means the Port Authority.

13. The Space Lessee agrees that it shall include the Port Authority within the full scope of the indemnity obligation with respect to Environmental Damages set forth in paragraph (d) of Section 11.16 of the Space Lease.

14. Reference herein to the Space Lessee shall mean and include the Space Lessee, its officers, agents, employees and also others on the space covered by the Space Lease or on the Facility with the consent of the Space Lessee.

15. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Lessee or to the Space Lessee under any term or provision of this Consent Agreement or because of its execution or because of any breach or alleged breach hereof.

(Signature Page Follows)

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Space Lessee have executed these presents.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Francis A. DiMola
Director
Real Estate Services Department

(Seal)

ATTEST:

Asst Secretary
William Lynch

THE CORPORATE COMMONS OF STATEN ISLAND, LLC
Lessee

By

Print Name Richard Nictra

(Title) Managing Member President

(Corporate Seal)

ATTEST:

Asst Secretary
(Isaac Torres)

METROPOLITAN LIFE INSURANCE COMPANY
Space Lessee

By

Print Name Kevin L. Brandenburg
Vice-President

(Title) President

(Corporate Seal)

RMS

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 10th day of MARCH in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. LIMOLA personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Virginia DellaBarca
(notarial seal and stamp)

VIRGINIA DELLABARCA
Notary Public, State of New York
No. 01DE6202188
Qualified in New York County
Term Expires March 9, 2013

STATE OF NY)
) ss.
COUNTY OF Richmond)

On the 9 day of February in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Richard Nicotra, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

JOHN LEGO
NOTARY PUBLIC STATE OF NEW YORK
KINGS COUNTY, LIC. #02LE5016897
COMM. EXP. Aug 9, 2013

STATE OF NY)
) ss.
COUNTY OF NY)

On the 10 day of February in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Kevin L. Brandenburg personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

PAUL E. HANAU
Notary Public, State of New York
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires Sept. 15, ~~19~~ 2010

LEASE

dated December 18 2009

between

Corporate Commons of Staten Island, LLC "Landlord"

and

Metropolitan Life Insurance Company "Tenant"

Affecting Demised Premises commonly known as
Corporate Commons Two, 2 Teleport Drive, in the County of Richmond,
the City and State of New York.

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AGREEMENT OF LEASE made as of this day of December 2009 between CORPORATE COMMONS OF STATEN ISLAND, LLC, a New York Limited Liability Company, with its principal place of business located at 1110 South Avenue, Staten Island, New York 10314, "Landlord" and METROPOLITAN LIFE INSURANCE COMPANY, a New York corporation with principal offices at One Madison Avenue, New York, New York 10010, "Tenant".

WITNESSETH

ARTICLE I

1.01 DEMISED PREMISES In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be observed and performed, Landlord demises and leases to Tenant, and Tenant rents from Landlord, those certain Demised Premises located on the third level, designated in Exhibit A, as part of the Building known as Corporate Commons Two, 2 Teleport Drive, Staten Island, New York (herein called the "Building"), and which Demised Premises consist of an area of approximately 27,429 rentable square feet, herein collectively called the "Demised Premises". Tenant shall have the right to expand or contract up to ten (10%) percent of the rentable square footage of the Demised Premises until such time as the plans are approved by the Landlord pursuant to Exhibit B, Landlord's Work, annexed hereto. In computing size, measurements are to the exterior surface of exterior walls and common areas and to the center line of any wall separating the Demised Premises. Landlord's architect shall initially calculate the rentable square footage of the Demised Premises and Landlord shall provide the results of that calculation to Tenant for Tenant's review. Within 10 days after receipt of Landlord's calculation, Tenant shall notify Landlord of Tenant's agreement or disagreement with the calculation. In the event that Tenant disagrees with Landlord's calculation, Tenant's architect and Landlord's architect shall meet to resolve the discrepancy in the calculation. If Tenant's architect and Landlord's architect cannot resolve the discrepancy within 20 days, Tenant shall have the right to terminate this Lease on notice to Landlord and all sums paid shall be refunded to Tenant and tenant shall have no further liability hereunder. For purposes hereof, Tenant shall not disagree with Landlord's calculation if such calculation is within 2% of Tenant's calculation of the square footage of the Demised Premises.

1.02 AS IS Tenant represents that neither Landlord's agents nor any broker, sales representative nor any person has made any representation with respect to the Building or Demised Premises except as herein expressly set forth. The taking possession of the Demised Premises by Tenant shall be conclusive evidence, as against Tenant, that Tenant accepts same "as is" and that the Demised Premises and the Building of which the same form a part were in good and satisfactory condition at the time such possession was so taken, excepting only latent defects and those deficiencies set forth in a notice from Tenant to Landlord or its representatives.

1.03 ADDITIONAL AREAS/REVOCABLE LICENSE (a) The use and occupation by Tenant

of the Demised Premises shall include the use in common with others entitled thereto, of the common areas, service roads, sidewalks and vehicle parking areas, and other facilities as may be designated from time to time by Landlord, subject, however, to the terms and conditions of this Agreement and to reasonable rules and regulations for the use thereof as prescribed from time to time by Landlord. Such additional areas are specifically not included in the Demised Premises and are in the sole control of Landlord including the right to lease or license such additional areas.

(b) All common areas and facilities not within the Demised Premises, which Tenant may be permitted to use, are to be used under a revocable license, and if the amount of such areas be diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such diminution of such areas be deemed constructive or actual eviction.

(c) Tenant and Tenant's employees and agents shall not solicit or conduct any business or display any merchandise in the parking or other common areas, nor shall Tenant distribute any handbills or other advertising matter to automobiles parked in the parking areas or to customers in other common areas.

1.04 PARKING FACILITIES (a) Landlord shall have the right at any time during the term of this Lease to alter, modify, change, move, or build on the parking facilities or fields, or roads, roadways or footways so long as Landlord continues to operate a parking lot for the building and to provide Tenant with at least eighty-two (82) parking space on a non-reserved basis.

(b) Landlord may at its option, supply such parking attendant or supervisory service as it may, in its sole discretion, determine is advisable for the best interests of the property. Landlord has the right to require Tenant to validate parking.

(c) Landlord shall provide open parking facilities consistent with New York City Building Department regulations for use by Tenant and Tenant shall be entitled to one (1) designated parking spot located close to the building at a location to be mutually agreed upon.

(d) Landlord shall be responsible for performing snow removal, or engaging such services as required to perform snow removal for the parking area, including the driveways leading to the public street and Building which Landlord, in its opinion, deems necessary to the proper operation of the Building.

(e) Tenant shall comply with all reasonable rules and regulations promulgated by Landlord.

(f) Except with respect to Landlord's negligence or willful misconduct, Landlord shall not be liable to Tenant or to any agents, employees or invitees of Tenant for injuries to person or loss or damage to property in connection with the use of the parking facilities and Tenant hereby releases and discharges the Landlord from any and all claims arising out of such use.

1.05 USE Tenant shall use and occupy Demised Premises for general and executive office space and no other purpose. In the event of assignment or sublet, the use herein by any such assignee or sublessee shall be limited to general and executive office space. Notwithstanding anything in this paragraph to the contrary, in no event shall the Demised Premises be used for any medical related purpose or for any clinic or office providing for treatment or counseling in connection with any substance abuse or any disease.

ARTICLE II

2.01 TERM (a) Landlord hereby Leases to Tenant and Tenant hereby hires from Landlord the Demised Premises for a term of seven (7) years (or until such term shall sooner cease and expire as hereinafter provided) to commence upon the commencement date, which shall mean the date of Landlord's completion of Landlord's work in compliance with all applicable laws and with the approval of the port authority and delivery of the demised premises to Tenant for Tenant's beneficial occupancy, in its as is condition on the date hereof (subject to completion of the Landlord's work), such that same may be lawfully occupied by Tenant for the conduct of business, broom clean, vacant and free of tenants or other occupants and to expire on midnight on the last day of the month in which the seventh (7th) anniversary of the commencement date shall fall.

(b) Landlord shall use its best efforts to cause the commencement date to be on or about ninety (90) days from the later of the execution of this Lease or Landlord's approval of the Tenant's plans. As Landlord is required to perform work, labor or services in order to prepare the Demised Premises for Tenant's occupancy, as may hereinafter be specifically provided for in Exhibit B, or for any other reason if Landlord does not deliver possession of the Demised Premises to Tenant as required in this paragraph 2.01, then and in any of such events, the term of this Lease shall commence upon the day Landlord which is five (5) days following the date that landlord gives notice to Tenant that Landlord has substantially completed the work to be performed by Landlord pursuant to this Lease and delivers possession to Tenant in the condition required hereby and in satisfaction of the conditions set out above. Landlord shall have no liability for such failure to deliver possession or for delay in such delivery, but agrees to use its best efforts to make timely delivery. In the event that Tenant enters into possession of all or part of the Demised Premises prior to such completion or prior to the date shown in (a) above, the term of this Lease and Tenant's obligation to pay rent and additional rent shall commence upon such occupation. Notwithstanding the foregoing, if the commencement date shall be on or after June 1, 2010 (including, with limitation, by reason of force majeure) for reasons other than Tenant's delay (hereinafter "Tenant delay"), Tenant shall have the right to terminate this lease upon written notice to Landlord and the term of this lease shall terminate on the fifteenth (15th) day after the giving of such notice unless the commencement date shall be on or before such fifteenth (15th) day. If the term shall end, all sums prepaid by Tenant shall be returned to Tenant and Tenant shall have no further liability hereunder. The term "Tenant delay" shall mean any delay reasonably within the control of or caused by the acts or omissions of Tenant, whether intentional, negligent or otherwise.

It is expressly agreed between Landlord and Tenant and Landlord's affiliates, that Tenant may remain in possession of the offices leased by Tenant at 1000 South Avenue, Staten Island under the terms of the Lease of same between Tenant and Nicotra 1000, LLC and or its predecessors in interest ("the Lease") until the later of the date which is ten (10) days following the commencement date or twelve (12) months following the termination of this Lease by reason of late delivery of the demised premises as set forth above.

2.02 FORCE MAJEURE In the event that Landlord or Tenant shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strike, lockouts, labor trouble, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, the failure of the prior occupant to vacate the Demised Premises or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of such delay. The provisions of this section shall not operate to excuse Tenant from the prompt payment of rent, additional rent, or any other payments required by the terms of this Lease.

2.03 NET RENT It is the intention of Landlord and Tenant that the rent specified in paragraph 2.04 below shall be absolutely net to Landlord in each year during the term of this Lease (hereinafter "Net Rent"). Accordingly, all costs, expenses, and obligations, as defined and set forth herein in Section 3.02 relating to the Building, shall be paid by Tenant only to the extent of Tenant's proportionate share as defined herein.

2.04 RENT SCHEDULE Tenant covenants and agrees to pay to Landlord during the term of this Lease the following annual rent:

(i) Tenant shall be granted free rent for the first full calendar month of the Term.

(ii) For the first twenty-three months of the Lease, Tenant shall pay $25.95 per annum per rentable square foot in an amount of $711,782.55 per annum payable in equal monthly payments of $59,315.21

(iii) For final five (5) years of the Lease, Tenant shall pay $27.95 per rentable square foot per annum in an amount of $766,640.55 per annum payable in equal monthly payments of $63,886.71.

The annual rent herein includes cleaning services as more particularly described in paragraph 3.08 herein.

In the event that the terms of this Lease does not commence on the first day of the month, Tenant shall pay annual rent on a per diem basis until the first day of the month next succeeding such commencement date, and thereafter the fixed minimum rent shall be payable as hereinabove provided.

2.05 PAYMENT The annual rent shall be paid to Landlord at the address of Landlord as above set forth or at such other address as Landlord shall from time to time designate in a signed notice, in equal monthly installments in advance, on the first day of each month during the term hereof without notice or demand and without abatement, deduction or set-off of any amount whatsoever, except if hereinafter specifically provided.

2.06 NO ATTORNMENT All checks tendered to Landlord as and for the rent of the Demised Premises shall be deemed payment for the account of Tenant. Acceptance by Landlord of rent from anyone other than Tenant shall not be deemed to operate as an attornment to Landlord by the payor of such rent, or as a consent by Landlord to an assignment or subletting by Tenant of the Demised Premises to such payor, or as a modification of the provisions of this Lease, except by written notation releasing said Tenant.

2.07 LATE CHARGES In the event that the rent or additional rent reserved herein is not received by Landlord within ten (10) days after written notice by Landlord to Tenant, a late charge equal to 5% of the late payment shall accrue and become immediately due and payable to Landlord. Notwithstanding the foregoing, no non-recurring sum shall due and payable under this Lease unless and until Tenant shall be provided with at least thirty (30) days prior written notice of the sum due such that Tenant may pay same in accordance with it operating procedures.

2.08 OPTION TO RENEW Provided that no event of default Beyond any applicable notice provisions and opportunities to cure, has occurred and is continuing at the time of exercise, Tenant shall have the right and option to renew this Lease for an additional five (5) year term (the "Option Term") beyond the expiration of the initial Term of this Lease upon the terms and conditions as set forth herein except the Base Rent shall be One Hundred (100%) percent of the then fair market rent. If the parties can not mutually agree as to the fair market rent, each party shall, within ten (10) days of request of the other party select a licensed commercial lease broker with at least five (5) years experience renting office space in Richmond County who is not currently or formerly employed by the party selecting same and notify the other party, in writing of its selection. The Landlord and Tenant's brokers will be charged to together determine and agree upon a fair market rent for the Demised Premises based on all relevant factors. If they are unable to determine or agree, upon a fair market rent for the Demised Premises, then they shall select a third commercial broker with the same or better experience and qualifications to do the following: Said third broker shall be paid by Landlord and Tenant, equally, and the third party broker shall determine the fair market rent of the Demised Premises provided however that such third broker's rent determination shall not exceed the rent as determined by Landlord's broker or be less than the rent as determined by Tenant's broker. The final selection by the third party broker shall be final and not subject to judicial determination or intervention or the subject of arbitration or mediation. The selection of the third party broker shall be final and conclusive. If the brokers cannot agree upon a third broker, either party may apply to the Supreme Court for the county of Richmond for same. If either party fails to timely appoint an arbitrator, the other parties' arbitrator shall act alone to make the determinations set forth herein.

Tenant may exercise its option for an extended five (5) year term by written notice to Landlord at least nine (9) months before the expiration of the preceding Term.

2.09 RIGHT OF FIRST OPTION In the event Landlord is presented with the opportunity to let space adjacent to the Demised Premises on the third floor of the Building to a third party, then Landlord shall offer Tenant a lease to let said additional space (in an amount not to exceed ten (10%) of the rentable square footage of the Premises) on the third floor of the Building co-terminus with this Lease and upon the terms, conditions and rental amounts per square foot as set forth in this Lease. Landlord shall notify Tenant in writing if, and when, Landlord is presented with the opportunity to let adjacent space to the Demised Premises. Tenant shall have ten (10) business days from the receipt of Landlord's notice to provide written notice to Landlord of its intention to lease such space on the terms and conditions set forth in this Lease at the time of the exercise of this right of first option. Upon such election, Landlord and Tenant shall execute an amendment to this Lease adding such additional space to this Lease for a term co-terminus with the Term of this Lease. If Tenant fails to provide notice of its election to lease such additional space in the time frame provided herein or elects not to let the additional adjacent space, then Tenant's right of first offer with respect to such space shall be deemed to be waived and of no further force and effect and Landlord shall be free to take for itself or let to a third party such additional adjacent space without further notice.

ARTICLE III

3.01 ADDITIONAL RENT Whenever under the terms of this Lease any sum of money is required to be paid by Tenant in addition to the rent herein reserved, and said additional amount so to be paid is not designated as "additional rent", or provision is not made in the Article covering such payment for the collection of said amount as "additional rent", then said amount shall nevertheless, at the option of Landlord, if not paid when due, be deemed "additional rent" and collectible as such with any installment of rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any sum at the time the same became due and payable hereunder, or limit any other remedy of Landlord. Failure to pay such items set forth shall constitute a default pursuant to the terms of this Lease.

3.02 OPERATING EXPENSES a) Tenant shall pay to Landlord as Additional Rent a sum equal to Tenant's proportionate share of all of Landlord's Operating Costs over a base year of 2010 in a ratio that Tenant's usable space bears to all usable space in the Building. The open space of the parking area shall not be included when establishing this ratio. Operating Expenses shall be determined based in both the base year and the comparison year in question assuming full occupancy of the Building.

(b) Tenant shall have the right to inspect Landlord's accounting records relative to Operating Costs during normal business hours at any time during the Lease Term at Landlord's office at 1110 South Avenue, Staten Island, New York or other reasonable location on Staten Island as designated by Landlord and, following the expiration or earlier termination of the Lease, until a date that is ninety (90) days after the receipt by Tenant of Landlord's final itemized accounting statement of Operating Costs (the "Statement") attributable to the last three (3) years of the Lease Term. If after such inspection, Tenant notifies Landlord in writing (the "Audit Report") that Tenant disputes any amounts set forth in any of the Statement(s) provided by Landlord, a certification (the "Certification") as to the proper amount shall be made by an independent certified public accountant (the "CPA") selected by Landlord and approved by

Tenant, and at Tenant's sole expense; provided, however, that if the Certification reflects that the Operating Costs set forth in any of the Statement(s) provided by Landlord were overstated by more than five percent (5%), then the cost of the CPA and the cost of the Certification shall be paid by Landlord. Landlord shall cooperate in good faith with Tenant and the CPA to provide to Tenant and the CPA all information required by the CPA to permit the CPA to make such Certification. Promptly following the parties' receipt of such Certification, the parties shall make such appropriate payments or reimbursements, as the case may be, within thirty (30) days. Tenant's right to inspect Landlord's accounting records shall survive the termination of the Lease.

c) Landlord's Operating Costs' Defined

The term "Landlord's Operating Costs" shall mean all costs and expense incurred by Landlord in operating and maintaining the Building and Common Areas (which shall include the parking facilities and land surrounding the Building striping, policing and security of the Common Areas. Landlord's Operating Costs shall include, but not be limited to, Common Teleport Operating and Management Costs under the Port Authority Lease cost of uniforms, equipment and employment taxes; alarm systems; exterminating; insurance, including, without limitation, liability insurance for personal injury, death and property damage, insurance against fire, extended coverage, theft of other casualties, workers' compensation insurance covering personnel, fidelity bonds for personnel, insurance against liability for assault and battery. defamation and claims of false arrest occurring on and about the Common Areas, plate glass insurance for glass exclusively serving the Common Areas; costs of maintaining heating, ventilation and air conditioning systems; maintenance of any sprinkler systems serving the Building or landscaping; removal of snow, ice, trash and debris; regulation of traffic; payments toward mass transit or car pooling facilities or otherwise as required by Federal, State or local governmental authorities; costs and expense in connection with maintaining Federal, State or local governmental ambient air or environmental standards; the cost of all materials, supplies and services purchased or hired therefore; operation of public toilets; installing and renting of signs; fire protection; maintenance, repair of utility systems serving the Common Areas, including, but not limited to, water, sanitary sewer and storm water lines and other utility lines, pipes and conduits; costs and expenses of inspecting and depreciation of machinery equipment used in the operation and maintenance of the Common Areas and personal property taxes and other charges (including, without limitation, reasonable leasing, financing or rental costs) incurred in connection with such equipment; costs and expense of repair of paving, curbs, walkways, landscaping, drainage, pipes, ducts, conduits and similar items, and plate glass. lighting facilities and the roof; costs and expense of planting, replanting and replacing flowers, shrubbery and planters; costs and expense incurred in the rental of music program services and loudspeaker systems, including furnishing electricity therefore; costs of providing light and power to the Common Areas; costs of providing energy to heat, ventilate and air condition areas in which the Common Areas are located and the operation, maintenance and repair of such equipment, including, without limitation, the energy management system serving the Building; cost of water services, if any, furnished by Landlord for the non-exclusive use of all tenants; parcel pick-up and delivery services; and administrative costs attributable to the Common Areas for on-site personnel and an overhead cost equal to six (6%) of total Landlord's Operating Costs. Such costs and expenses shall not include depreciation (other than depreciation as above

specified). Landlord shall amortize any of the foregoing costs and expenses over a useful life determined by the Internal Revenue Code of 1986, as amended, and the regulations applicable thereto, or if no guidelines are available in said code, in accordance with generally accepted accounting principles. Any taxes or assessments which may be paid over more than a one year period shall be apportioned evenly over the maximum period of time permitted by law and only the portion thereof attributable to a given year shall be included in taxes for that year. If the expiration date of this Lease is on any date other than the end of a tax year, the Tenant's liability for its proportionate share of taxes and/or assessments shall be apportioned by the percentage that the number of days from the end of the tax year to the expiration date of this Lease bears to the total number of days in a tax year.

d) In no event shall the Operating Costs payable as Additional Rent provided for under Article III of the Lease, whether denominated operating expenses or otherwise include the following:

i. Marketing and advertising expenses;

ii. Cost for special services provided to particular tenants in the Building;

iii. Brokerage and leasing commissions, and expenses of procuring tenants, including lease concessions and lease take-over obligations;

iv. Penalties incurred because Landlord fails to pay any tax or other charge on time;

v. Fees and interest charges related to, and amortization of, Landlord's financing;

vi. Any charge or penalty paid by landlord because it is in default under any agreement to which it is a party;

vii. Legal fees incurred by Landlord in connection with new leases or the sale of the Building;

viii. Depreciation except as otherwise provided for in this Lease;

ix. Landlord's general corporate overhead, except for administrative fees otherwise provided for and charged in lieu of property management;

x. Any expense which relates to a service which is not provided to all tenants of the Building;

xi. Cost of repair or replacement incurred by reason of any event to the extent which the Landlord is compensated through the proceeds of insurance or a condemnation award;

xii. Charitable contributions;

xiii. Capital improvements;

xiv. Costs to make any repair or pay any damages in connection with a casualty;

xv. Salaries, benefits and payroll taxes of employees above level of property manager; and

xvi. Amounts paid to affiliates of Landlord in excess of commercially reasonable amounts;

xvii. Painting, redecorating or other work which Landlord performs for any other tenant or prospective tenant of the Building other than painting, redecorating or other work which is standard for the Building and performed for tenants subsequent to their initial occupancy;

xviii. Rent payable under any lease to which this Lease is subject or debt service under any mortgage or other lien;

xix. Managing agents' commissions in excess of rates then customarily charged by managing agents for buildings in the area;

xx. Expense resulting from violation by Landlord of the terms of any lease of space in the Building or of any ground or underlying lease or mortgage to which this Lease is subordinate;

xxi. Costs of compliance with the Americans with Disabilities Act, as from time to time amended and the rules and regulations thereunder;

xxii. Any cost and expense incurred by or on behalf of Landlord in removing and disposing or causing to be removed or disposed any cooling or chiller system and the chemicals used in such system from any part of the Building;

The exclusion of any of the expenses listed above from Operating Costs payable as Additional Rent provided for under Article III of the Lease shall in no way impair Landlord's rights to recover any cost to which it is entitled pursuant to Article VI of the Lease.

e) Landlord shall abide by the following in imposing or charging Additional Rent pursuant to Article III of the Lease:

i. No affiliate of the Landlord or its ownership will be a vendor to the operation of the building without competitive bidding;

ii No expense charged as an operating cost will be charged through any other type of pass-through under this Lease;

iii. The administration fees will not be included in the operating expenses if the Landlord retains the services of a building or property manager;

iv. The Landlord will not charge as an operating cost or otherwise pass through the cost of repair or replacing any portion of the building or common areas where the need to make the repair or replacement is due to work or materials provided by the landlord's contractors in the construction of the Building which Landlord claims is in violation of the standards set forth in the applicable construction contracts; and

v. The Landlord will act in good faith to operate the building in an efficient manner.

(f) The Land and the Building are not currently subject to real estate taxes nor payments in lieu of taxes ("PILOT") and the Landlord does not anticipate assessment of taxes or PILOT against the Land or the Building during the Term. Notwithstanding the foregoing, in the event any governmental entity implements, assesses or otherwise requires payment of real estate taxes and/or PILOT, then in such event, said payments shall be included as part of Landlord's Operating Costs.

3.03 TENANT'S PROPORTIONATE SHARE (a) Commencing on January 1, 2011, Tenant shall pay to Landlord as Additional Rent for each calendar year during the Term, Tenant's Proportionate Share of sixteen and 45/100 (16.45%) percent of the Landlord's Operating Costs for the applicable year that are in excess of the Landlord's Operating Costs actually incurred by the Landlord, adjusted to reflect 100% occupancy of the Building, from January 1, 2010 through December 31, 2010 (the "Base Year") (hereinafter referred to as "Tenant's Additional Rent Payment"). Tenant's Additional Rent Payment shall be appropriately apportioned at the end of the Term of this Lease based on the portion of the calendar year which occurs prior to the date on which the Term expires or is otherwise termination as provided herein. "Tenant's Proportionate Share" shall equal a percentage calculated by dividing the rentable square footage of the Demised Premises by the total rentable square footage of the Building of 166,761. Tenant's Proportionate Share shall be recalculated upon any addition to the space of the Demised Premises.

(b) Commencing January 1, 2011, Tenant shall pay to Landlord on the first day of each month, an amount equal to one-twelfth (1/12th) of Landlord's estimate of the Tenant's Additional Rent Payment for the applicable calendar year during the Term. If Landlord shall not furnish any such estimate for a particular year during the Term or if Landlord shall furnish any such estimate for a year during the Term subsequent to the commencement thereof, then: (i) until the first day of the month following the first full calendar month in which such estimate is furnished to Tenant, Tenant shall pay to Landlord on the first day of each month an amount equal to the monthly sum payable by Tenant to Landlord under this clause (b)(i) in respect of the last month of the preceding year, if any; (ii) concurrently with or after such estimate is furnished to

Tenant, Landlord shall notify Tenant whether the installments of Tenant's Additional Rent Payment previously made for such year were greater or less than the installments of Tenant's Additional Rent Payment to be made in accordance with such estimate; (iii) if there is a deficiency, Tenant shall pay the amount thereof within thirty (30) days after notice therefore; or (y) if there is an overpayment, Landlord shall either credit the amount thereof to Tenant's Additional Rent Payment(s) next coming due, or refund to Tenant the amount thereof within thirty (30) days after such notice; and (iv) on the first day of the month following the first full calendar month in which such estimate is furnished to Tenant and monthly thereafter throughout such calendar year, and thereafter until such time as Landlord delivers a new but reasonable estimate, Tenant shall pay to Landlord an amount equal to one-twelfth ($1/12^{th}$) of Tenant's Additional Rent Payment shown on such estimate. Landlord may, no more than one time during each calendar year during the Term from and after January 1 2011, furnish to Tenant a revised statement of Landlord's estimate of Tenant's Additional Rent Payment for such year during the Term, and in such case, Tenant's Additional Rent Payment for said year shall be adjusted and paid or refunded, as the case may be, substantially in the same manner as specified in the preceding sentence.

3.04 COMPLIANCE WITH LAWS a) Tenant agrees at its own cost and expense to keep the Demised Premises in such order and condition as shall not violate the orders, rules and regulations of all municipal, state and federal departments, boards, commissions and governmental agencies now existing or hereafter created and shall not violate the laws, rules, ordinances and regulations, now in force or hereafter enacted which affect the Demised Premises.

Tenant further agrees to comply, at Tenant's cost and expenses with all orders, regulations, rules and recommendations, whenever issued, of the New York Board of Fire Underwriters or of any similar organization and also to comply with the recommendations and requirements of any insurance company which insures or participates in insuring the Demised Premises against loss by fire.

Notwithstanding the foregoing, Tenant's obligations under this Article or any other similar provision of the Lease (including the rules and regulations, if any) shall be limited to those situations in which a violation, order, code, duty or insurance requirement is imposed resulting from the particular manner of use made of the Demised Premises or any portion thereof by Tenant, it being understood that Tenant shall not be responsible for complying with any violations, orders, directives, laws, rules, regulations, codes, duties or insurance requirements which are imposed on the Building generally and which would have to be complied with whether Tenant or any other tenants were then in possession of the Demised Premises.

The parties acknowledge that Title III of the Americans with Disabilities Act of 1990 and the regulations and rules promulgated thereunder, as all of the same may be amended and supplemented from time to time (collective referred to herein as the "ADA") establish requirements for accessibility and barrier removal, and that such requirements may or may not apply to the Demised Premises and the Real property of which the Demised Premises are a part depending on, among other things: (1) whether Tenant's business is deemed a "public

accommodation" or "commercial facility", (2) whether such requirements are "readily achievable", and (3) whether a given alteration affects a "primary function area" or triggers "path of travel" requirements. The parties hereby agree that: (a) Landlord shall be responsible for ADA Title III compliance in the common areas and those portions of the real property not in possession of Tenant, (b) Tenant shall be responsible for ADA Title III compliance within the Demised Premises following delivery of possession, and (c) Landlord may perform, or require that Tenant perform, and Tenant shall be responsible for the cost of, ADA Title III "path of travel" requirements triggered by alterations within the Demised Premises made subsequent to the commencement of the term at the request of Tenant.

3.05 TENANT'S UTILITIES. Tenant agrees to pay for all utilities-including but not limited to water and gas as well as for electricity (pursuant to paragraph 3.11 herein) consumed by Tenant.

3.06 LEASEHOLD TAXES Tenant shall be responsible for and shall pay before delinquency, all municipal, county or state taxes assessed during the term of this Lease against any Leasehold interest or personal property of any kind, owned by or placed in, upon or about the Demised Premises by Tenant.

3.07 RUBBISH Landlord agrees that it shall maintain for use by all Tenants of the Building, a trash dumpster and/or compactor at a location designated by Landlord. Tenant shall pay Tenant's proportionate share of all costs of trash removal as part of Tenant's common area maintenance charges.

3.08 OUTSIDE CLEANING SERVICE Landlord shall provide cleaning services commensurate to the Demised Premises in accordance with the cleaning schedule attached hereto as Exhibit C.

3.09 SECURITY SERVICE Tenant may engage an outside security/alarm service to monitor the Demised Premises provided however that Tenant shall be obligated to use a company approved by the Landlord and Port Authority.

3.10 HVAC/HEATING/AIR CONDITIONING SYSTEMS/UTILITY METERS (a) Landlord shall provide Tenant with and heat and air conditioning (during cooling season) during the following Building standard hours (on regular business days) Monday through Friday 8 am to 6 p.m. and Saturday 9 a.m. to 1 p.m. Landlord will, maintain the HVAC/heating/air conditioning units as well as all utility meters in good repair. Landlord will maintain those portions of the HVAC/heating/air conditioning systems which are located in the Demised Premises.

(b) The heating, ventilation and air-conditioning system shall provide a working environment capable of maintaining 72 degrees Fahrenheit in all spaces when temperature is 15 degrees Fahrenheit outside in accordance with the American Society of Heating, Refrigeration and Air-conditioning Engineers ("ASHRAE") winter design conditions, and shall be capable of maintaining 78 degrees Fahrenheit when outside temperature is 89 degrees Fahrenheit with not more than 50 percent relative humidity in all spaces in accordance with ASHRAE summer design conditions. Fresh air shall be introduced into the building in accordance with ASHRAE but not less than 20 cubic feet per person per minute. The carbon dioxide count in the Building

shall never exceed 1000 parts per million. Tenant shall have the right, from time to time, to have the air quality environment sampled by a certified industrial hygienist at Tenant's cost. Tenant will notify Landlord if the air quality standards above are not met and Landlord shall promptly make repairs or adjustments as required. Landlord shall also provide cold water for drinking, lavatory and toilet purposes.

(c) During non-business hours, Monday through Friday 6 pm to 8 am, Saturday midnight to 9 a.m. and after 1 p.m and all day Sunday, Tenant shall have the right to use the HVAC systems at its sole cost and expense based on its actual use. Landlord shall bill Tenant at the building wide rate for its "after hours" use and same shall be "additional rent" and the rate therefor shall be commercially reasonable and competitive. Landlord shall engage an independent third party to ascertain the actual costs for after hours HVAC use and bill Tenant directly without mark-ups to Landlord. Tenant shall have the right at its sole cost and expense to install additional supplementary air conditioning units and or air handling equipment, proprietary to Tenant, for Tenant's sole use to supplement air conditioning service to the Demised Premises during the hours when the Building HVAC services are not provided. Tenant agrees to pay all related operating charges, including electricity, for its "after hours" use of the Building HVAC and said supplemental HVAC at Landlord's actual cost.

3.11 ELECTRICITY SERVICE a) The Port Authority provides electricity to the Premises. Tenant shall pay directly to The Port Authority the consumption charges for all electricity which it uses in the Demised Premises based on actual usage pursuant to an electrical submeter to be installed by Landlord pursuant to Tenant's Improvements. Tenant shall be responsible for its electrical consumption and no other tenant's.

(b) Landlord shall ensure that the electrical capacity in the Demised Premises shall be no less than six (6) watts per rentable square foot of the Demised Premises, not including the power requirements of the HVAC, or as required by applicable laws and procedures. The rate to be paid by Tenant for submetered electrical energy shall include any and all taxes or other charges in connection therewith. If any tax shall be imposed on Landlord's receipts from the sale or resale of electricity energy to Tenant, the pro-rata share of such tax allocable to the electrical energy service received by Tenant shall be passed on to, included in the bill of, and paid by Tenant if and to the extent permitted by law.

(c) If either the quantity or character of electrical service is changed by the Port Authority or their successor serving the area in which the Building is located or is no longer available nor suitable for Tenant's requirements, no such change, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve the Tenant from any of its obligations under this lease, or impose any liability upon Landlord, or its Agents, by reason of inconvenience or annoyance to Tenant, or injury to, or interruption of Tenant's business, or otherwise.

(d) Any additional risers or feeders to be installed to supply Tenant's additional electrical requirements, and all other equipment proper and necessary in connection with such risers or feeders, shall be installed by Landlord upon Tenant's request at the sole cost and expense of Tenant, provided that, in Landlord's judgment, such additional risers or feeders are necessary and

are permissible under applicable laws and insurance regulations and the installation of such risers or feeders will not cause permanent damage or injury to the Building or the Demised Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, interfere with, or disturb other tenants or occupants of the Building. Tenant covenants that at no time shall the use of electrical energy in the Demised Premises exceed the capacity of the existing risers or feeders then servicing the Demised Premises. Tenant shall not make or perform, or permit the making of or performance of, any alterations to the wiring or other additions to the business machines, office equipment, or other appliances within the Demised Premises that utilize electrical energy, without the prior written consent of the Landlord in each instance. Any such alterations, additions, or consent by Landlord shall be subject to the provisions of this subsection, as well as to other provisions of the Lease, including, but not limited to, the provisions of Article IV hereof.

(e) If the Port Authority discontinues furnishing electricity to Tenant, Tenant shall arrange to obtain electricity directly from the public utility company serving the Building. Such electricity may be furnished to Tenant by means of the existing risers and feeders serving the Demised Premises to the extent that same are available, suitable, and safe for such purposes. All meters, meter panels, and all additional risers, feeders, panel boards, and equipment and other conductors which may be required to obtain electricity, of substantially the same character, quantity, and quality, shall be installed by Landlord at Tenant's sole cost and expense. Landlord shall not cause the discontinuance of the furnishing of electricity to Tenant. If, as a result of the port authorities' determination to discontinue supplying electric service, Tenant is unable to obtain same directly from the public authority within 90 days at a competitive and reasonable cost, tenant may demand the Landlord to obtain electrical service for the Demised Premises. In the event Landlord is unable to provide electrical service for the Demised Premises at reasonable terms and competitive prices, then Tenant may terminate this lease upon 90 days prior written notice to landlord. Thereupon the term shall cease

(f) Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of electrical service furnished to the Demised Premises by reason of any requirement, act or omission of the Port Authority, the Landlord or of the utility company serving the Building with electricity or for any other reason except Landlord's negligence or willful misconduct.

ARTICLE IV

4.01 LANDLORD'S OBLIGATIONS Landlord shall not be required to perform any work on the Demised Premises except as specifically detailed in Exhibit B. Any additional work which Tenant may require for the preparation of the Demised Premises for Tenant's use shall be performed by Tenant, at Tenant's own cost and expense pursuant to Tenant's Alteration below..

4.02 CHANGES AND ADDITIONS TO BUILDINGS (a) Landlord hereby reserves the right at any time to make alterations or additions to or to build additional stories on the Building in which the Demised Premises are contained and to build adjoining same. Landlord shall use commercially reasonable efforts to minimize any disruption or interference with Tenant's business. Landlord shall not block or unreasonably impede access to the Building or the Demised

Premises. However, in no event will Landlord be liable to Tenant for lost business due to Landlord's reservation herein. Moreover, if Landlord blocks Tenant's access to the Building during any alterations or additions to the Building in excess of five (5) consecutive business days, then Tenant shall be entitled to an abatement of rent for reach day Tenant was out of possession of the Demised Premises. Except for necessary improvements of Building Systems, Landlord shall not alter the square footage of the Demises Premises without Tenant's consent thereto. Landlord also reserves the right to construct other buildings or improvements on the land or parking fields of which the Demised Premises form a part, from time. to time, and to make alterations thereof or additions thereto and to build additional stories on any such buildings and to build adjoining same but in no event will Tenant's windows be covered or blocked without the Tenant's consent Landlord shall conduct its activities at the time in a manner so as to minimize any disruption of or interference with Tenant's business or access to the Demised Premises.

b) In the event Landlord makes any alterations, changes or in the rentable space in the Building, then Tenant's proportionate share, as stated in paragraph 3.03, shall be recalculated under the formula prescribed in paragraph 3.02.

4.03 ALTERATIONS a) So long as Tenant is not at the time in default under this Lease after the giving of all required notices and the expiration of all applicable grace periods, Tenant at Tenant's expense may make reasonable alterations to the Demised Premises, provided that any alteration shall not change the general character of the Demised Premises, or reduce the fair market value thereof below its value immediately before such alteration or addition, or impair the usefulness of the Demised Premises; is effected with due diligence, in a good and workmanlike manner and in compliance with all Legal Requirements and Insurance Requirements; is promptly and fully paid for by Tenant; and only after Tenant has obtained Landlord's prior written approval and the Landlord has, on behalf of the Tenant obtained the prior written approval of the Port Authority of New York and New Jersey's (Port Authority) prior written consent, unless said alteration is purely decorative (e.g. painting or carpeting). Said Landlord's consent shall not be unreasonably withheld. Further, any Tenant alterations shall be under the supervision of an architect or engineer reasonably satisfactory to Landlord and in accordance with plans, specifications and cost estimates as approved by Landlord and the Port Authority as set forth herein.

(b) The title to all additions, repairs and replacements to any improvements (excluding trade fixtures purchased by Tenant) permanently installed in the demised premises during the Lease term and any renewal thereof, forthwith shall vest in Landlord, and said Improvements, additions, repairs and replacements shall be and become the sole and absolute property of Landlord, without any obligation of payment by Landlord therefore.

(c) All alterations, decorations. additions or improvements, except movable trade fixtures, made by either party shall become the property of Landlord upon installation, unless Landlord shall elect otherwise, which election shall be made by giving notice not less than thirty (30) days prior to the expiration of other termination of this Lease or any renewal or extension thereof. In the event that Landlord shall elect otherwise and to the extent the addition or improvement is structural in nature or of a type not typically found in office environments then such alterations, installations, additions or improvements made by Tenant upon the Demised Premises as Landlord shall elect, shall be removed by Tenant at or prior to the end of the Lease

term and Tenant shall restore the Demised Premises to the condition prior to the installation thereof, at its own cost and expense, prior to the expiration of the term. All damage or injury to the Demised Premises and to its fixtures, appurtenances and equipment caused by Tenant moving property in or out of the building, or by installation or removal of furniture, fixtures or other property shall be repaired by Tenant. There shall be no allowance to Tenant for a diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord. Tenant, or others, making any repairs, alterations, additions, or improvements to any portion of the building or Demised Premises, or to fixtures, appurtenances, or equipment thereof, and/or by reason of failure of Landlord or others to make any repairs, alterations, additions or improvements in or to any portion of the building or of Demised Premises, or to the fixtures, appurtenances or equipment thereof Notwithstanding any other provisions of this Lease, if the electrical or any other building services to be provided by Landlord are suspended or interrupted for any reason other than the default, willful acts or negligence of Tenant for a period of more than five (5) consecutive business days, all rent due hereunder shall abate until such time as such services is restored to the Demised Premises. Landlord reserves the right to stop the service of the heating, air conditioning, plumbing and electrical systems when repairs, alterations or improvements are necessary, until such repairs, alterations or improvements shall have been completed, but same shall be performed in a commercially reasonable manner. Neither the reference in this Lease to repairs by Landlord or any services, nor the presence upon the Demised Premises of any service equipment owned by Landlord, shall impose any liability upon Landlord to furnish, repair, maintain or operate any services unless expressly and specifically provided for herein.

(d) Tenant covenants throughout the term hereof at its sole cost and expense to keep the Demised Premises, and all fixtures and equipment therein, and all signs of Tenant erected outside thereof, in good repair, order and condition, making all repairs thereto as may be required or necessary, ordinary as well as extraordinary, foreseen and unforeseen, all repairs to be of the same quality, design and class as the original work; but the provisions of this Lease shall not require Tenant to make repairs to the structural parts of the building, i.e. bearing walls, beams, or roof, it being agreed and understood that Landlord shall make all reasonably necessary structural repairs, unless the conditions necessitating such repairs to structural parts shall have been caused by the negligence of Tenant, its agents, servants.

(e) If Tenant refuses or neglects to repair property as required in this Lease agreement and to the reasonable satisfaction of Landlord as soon as reasonably possible, after written demand, Landlord may make such repairs and shall not be liable to Tenant for any loss or damage that may occur to Tenant's merchandise, fixtures, or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Landlord's cost for making such repairs plus ten (10%) percent for overhead and supervision, as additional rent, to be paid by Tenant within thirty (30) days of receipt of a statement from Landlord setting forth said charges and disbursements.

4.04 LANDLORD'S RIGHT TO ENTER (a) Landlord or Landlord's agents shall have the right to enter the Demised Premises at reasonable times with 24 hour notice to Tenant, except in case of emergency, to examine the same, and to show them to prospective purchasers or lessees of the Building, and to make such repairs, alterations, improvements or additions as Landlord may

deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said Demised Premises that may be required therefore without the same constituting an eviction of Tenant, in whole or in part, and the rent reserved shall, subject to the provision hereof, in no way abate while said repairs, alterations, 'improvements or additions are being, made by reason of loss or interruption of business of Tenant or otherwise provided Landlord proceeds with diligence and continuity to complete the same. During the six months prior to the expiration of the term of this Lease, or any renewal term, Landlord may exhibit the Demised Premises to prospective tenants or purchasers, and place upon said Demised Premises the usual notices "To Let" or "For Sale", which notices Tenant shall permit to remain thereon without molestation. Landlord shall use commercially reasonable efforts to reduce interference with the Tenant and the conduct of its business while in or upon the demised premises.

(b) If Tenant shall not be personally present to open and permit any entry into said Demised Premises, at any time, when for any reason, an entry therein for emergency purposes shall be necessary or permissible, Landlord or Landlord's agents may enter the same by a master key. or may forcibly enter the same. without rendering Landlord or such agents liable therefore, and without in any manner affecting the obligations. responsibility or liability whatsoever, for the care, maintenance or repair of the Building or any part thereof, except as otherwise herein specifically provided.

(c) If an excavation shall be made upon land adjacent to the Demised Premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation license to enter upon the Demised Premises for the purpose of doing such work as Landlord shall deem necessary to preserve the wall of the Building of which the Demised Premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnification against Landlord or diminution or abatement of rent. Landlord shall conduct its activities at a time and in a manner so as to minimize any disruption of or interference with Tenant's business or access to the Demised Premises. If Tenant's use and enjoyment or appearance of the Demised Premises be interfered with or if free access to the Demised Premises is barred in excess of five (5) consecutive days for any reason whatsoever, Tenant shall be entitled to an abatement of rent.

4.05 MECHANICS' LIENS If any mechanic's lien or other liens or orders for the payment of money or any notice of intention to file a lien shall be filed against the Demised Premises, or the Building by reason or arising out of any labor or material furnished or alleged to have been furnished or to be furnished to for the Demised Premises on behalf of Tenant or any occupant thereof, or for or by reason of, any change, alteration or addition or the cost or expense thereof or any contract relating thereto being made for Tenant, or against the interest of Landlord by reason of the foregoing, Tenant shall cause the same to be canceled and discharged of record by bond or otherwise as allowed by law at the expense of Tenant within fifteen (15) days after the filing thereof and Tenant shall also defend on behalf of Landlord, at Tenant's sole cost and expense, any action. suit or proceeding which may be brought thereon or for the enforcement of such liens or orders, and Tenant will pay any damages and satisfy and discharge any judgment entered thereon and save harmless Landlord from any claim or damage resulting therefrom. Nothing herein shall require Tenant to take any action or pay any sums on account of any of the foregoing in connection with any work being performed by Landlord or any other Tenant in the building.

4.06 NEGATION OF PERSONAL LIABILITY Tenant covenants and agrees that Tenant shall look solely to the estate and property of Landlord or any successor in interest in the land and the building, as the case may be, for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants, stipulations and conditions of the Lease to be observed and performed by Landlord, and no other property or assets of Landlord, its partners, shareholders, officers, directors, or any successor in interest shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies. The provisions of this paragraph shall apply only to the Landlord and the parties herein described, and they shall not be for the benefit of any insurance company nor any other party.

ARTICLE V

5.01 LIABILITY INSURANCE Tenant shall, during the entire term hereof, at Tenant's expense, keep in full force and effect policies of insurance as follows:

A. Glass – Tenant assumes the liability for, and shall remedy, the breakage of exterior and interior plate glass during the term of this Lease if breakage is caused by Tenant's negligent or wrongful acts.

B. Property Insurance; Indemnity for Damage to Tenant's Personal Property –Except as otherwise provided herein, Tenant expressly releases Landlord from, and waives all claims against Landlord and agrees to hold Landlord harmless for, any loss resulting from damage to or loss of Tenant's goods, wares, merchandise and/or improvements and betterments in, upon or about said premises unless caused by the gross negligent or willful misconduct of Landlord. Tenant shall maintain at its own expense replacement cost insurance on Tenant's goods, wares, merchandise and improvements and betterments against damage caused by fire and all other perils covered by a standard All Risk insurance policy. Landlord and Tenant agree to waive their rights of subrogation against each other and shall each attempt to obtain a waiver from their respective insurance companies releasing carriers' subrogation rights against the other party.

C. Liability Insurance – Tenant shall maintain, at its own expense, Liability insurance as follows:

1. Commercial General Liability insurance, written on an occurrence basis at a $1,000,000 per occurrence Combined Single Limit including all standard Broad Form Commercial General Liability coverages. Fire Legal Liability coverage shall be included and written in an amount equal to the replacement cost of premises occupied by Tenant, such amount to be agreed upon between Landlord and Tenant. If coverage is written on a form under which an aggregate limit applies to the Premises hazard, such aggregate shall be in an amount of no less than $2,000,000 and shall apply separately to each location covered by Tenant's policy.

2. Umbrella Liability insurance at a $5,000,000 per occurrence limit, subject to a $10,000 self insured retention, providing excess coverage over all coverages included in the Comprehensive General Liability policy noted in paragraph C (1) above.

These policies shall name Landlord as an additional insured on a primary, non-contributory basis and shall permit Tenant to release its carrier's subrogation rights against Landlord. Tenant hereby agrees to the waiver of such rights.

D. The insurance policies noted in (A), (B) and (C) above shall all be written with insurance companies licensed to do business in the State in the State of New York and rated no lower that A:VII by the most recent edition of A.M. Best's Property-Casualty Rating Guide. All policies shall provide that in the event of cancellation, non-renewal or material modification, Landlord shall receive 30 days written notice thereof.

E. Tenant shall furnish Landlord with certificates of insurance evidencing Tenant's compliance with all provisions of (A), (B), (C) and (D) above.

5.02 HOLD HARMLESS Tenant shall indemnify Landlord against any expense, loss or liability paid, suffered or incurred as the result of any breach during the term of this Lease by Tenant, its agents, servants and employees, of any covenant or condition of this Lease. Except as otherwise provided in this Lease, Tenant shall indemnify and hold the Landlord harmless against all claims and expenses for personal injury or property damage occurring upon the Demised Premises, except any claim or expense which is due to the negligence or misconduct of the Landlord, its agents or employees. The indemnity herein provided shall be for the exclusive benefit of the Landlord, its agents and employees, successors and assigns, and shall not inure to the benefit of any third party. The liability of Tenant to indemnify Landlord shall not extend to any matter against which Landlord shall be effectively protected by insurance. The liability of either party to indemnify the other shall not extend to any matter against which the party who seeks indemnification shall be effectively protected by insurance.

5.03 ACTS OF AGENTS. SERVANTS AND EMPLOYEES Tenant shall be responsible for the acts of its agents, servants and employees. In this regard, should any of the enumerated parties commit acts which are in violation of any of the terms of this Lease, or are in any way detrimental to the person or property of Landlord or any of its' staff on the Demised Premises of the Building, parking fields, plaza, or surrounding areas or more specifically commit acts of vandalism or mischief on the Demised Premises or the Building or parking fields, or surrounding areas then in that event Tenant agrees that the cost of such violations, breaches, vandalism, etc., shall be immediately due and payable to Landlord, and shall be considered as additional rent at the option of Landlord. Furthermore, the commission of any of the acts herein or the damage of the person or property of Landlord or Landlord's staff shall be a material breach of this Lease and the Lease shall be subject to termination pursuant to paragraph 6.01 herein. In that regard, the first thirty (30) days notice served pursuant to paragraph 6.01 shall contain a listing of the violations and the amount which Landlord has been damaged. The remedy or cure referred to in paragraph 6.01 shall, in this regard, be deemed to include not only the ceasing of said violations within the thirty (30) day period, but also the full and complete payment of enumerated damages to Landlord. These charges, shall at the option of Landlord, be considered as additional rent.

ARTICLE VI

6.01 DEFAULT (a) If Tenant defaults in fulfilling any of the covenants of this Lease other than the covenants for the payment of Rent or Additional Rent, or if the Demised Premises become vacant or deserted while rent remains unpaid, then, upon the expiration of thirty (30) days from Landlord's serving a written notice upon Tenant specifying the nature of such default, if Tenant shall have failed to comply with or remedy such default within such thirty (30) day period, or if the said default or omission shall be of such a nature that the same cannot be completely cured within said thirty (30) day period, and if Tenant shall not have diligently commenced curing such default within such period, and shall not thereafter with reasonable diligence proceed to cure such default. Landlord may serve a written notice of cancellation of this Lease upon Tenant, and upon the expiration of three (3) days from the service thereof, this Lease and the term hereunder shall end, and Tenant shall then quit and surrender the Demised Premises to Landlord but Tenant shall remain liable as hereinafter provided.

(b) (i) If the notice provided for in (a) hereof shall have been given, and the term shall expire as aforesaid; or (ii) if Tenant after fifteen (15) days written notice by Landlord to Tenant shall be in default in the payment of the Rent reserved herein or any item of Additional Rent herein mentioned or any part of either, or in making any other payment herein provided; or (iii) if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the Demised Premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant; then and in any of such events, Landlord may without notice re-enter the Demised Premises either by force or otherwise, and dispossess Tenant or the legal representative of Tenant or other occupant of Demised Premises by summary proceedings or otherwise and remove their effects and hold the Demised Premises as if this Lease had not been made. If Tenant shall be in default hereunder after the giving of all required notices and the expiration of all applicable grace periods, prior to the date fixed as the commencement of any renewal or extension of this Lease, Landlord may cancel and terminate such renewal or extension by written notice.

(c) If Tenant is in default as aforesaid, it is understood and agreed that no demand for rent, and no re-entry for condition broken as at common law, shall be necessary to enable Landlord to recover such possession pursuant to statute relating to summary proceedings.

In the case of any such default, re-entry, expiration and/or dispossess by summary proceedings or otherwise, (i) Landlord shall rent the Demised Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease, and may grant concessions or free rent; and (ii) Tenant or the legal representative of Tenant shall also pay Landlord as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent and additional rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the lease or leases of the Demised Premises for each month of the period which would otherwise have constituted the balance of the term of this Lease. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for

any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding. Landlord, at Landlord's option, may make such alterations, repairs, replacements and/or decorations in the Demised Premises as Landlord in Landlord's sole judgment, considers advisable and necessary for the purpose of re-letting the Demised Premises; and the making of such alterations and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy, in law or in equity.

(e) In the event Tenant shall fail to comply with or perform any of the covenants, conditions or agreements herein contained on Tenant's part to be performed, Landlord shall have the right (but not be obligated) to perform any such covenants, conditions or agreements and Tenant agrees to pay to Landlord after 30 days written notice by Landlord to Tenant as additional rent hereunder, a sum equal to the amount expended by Landlord in the performance of such covenants, conditions or agreements. In the event Landlord shall perform any such covenants, conditions or agreements. Tenant agrees that Landlord, its agents or employees, may enter the Demised Premises and that such entry and such performance shall not constitute an eviction of Tenant, in whole or in part, nor relieve Tenant from the continued performance of all covenants, conditions and agreements of the Lease, and further agrees that Landlord shall not be liable for any claim for loss or damage to Tenant or anyone through or under Tenant.

6.02 NO WAIVER (a) The receipt by Landlord of Rent or Additional Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by Landlord, unless such waiver is in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the rent or additional rent then due shall be deemed to be other than on account of full payments, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord's right to recover the balance of such rent or pursue any other remedy provided for by this Lease and/or at law shall not be diminished.

6.03 TENANT'S WAIVER OF JURY TRIAL It is agreed that Tenant and Landlord shall each, and hereby does waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of said Demised Premises, and/or any claim of injury or damage. In the event Landlord commences any summary proceedings for nonpayment of rent or additional rent, Tenant will not interpose any counterclaim in such proceedings unless same would be waived if not interposed. Tenant may assert such claims in a separate action.

6.04 WAIVER OF REDEMPTION No receipt of monies by Landlord from Tenant after the termination or cancellation of this Lease, in any lawful manner, shall reinstate, continue or extend the term of this Lease, or affect any notice theretofore given to Tenant, or operate as a

waiver of the right of Landlord to enforce the payment of fixed or additional rent or rents then due, or thereafter falling due or operate as a waiver of the rights of Landlord to recover possession of the Demised Premises by proper suit, action, proceeding or remedy. It is agreed that, after the service of notice to terminate or cancel this Lease, or the commencement of suit, action or summary proceeding, or any other remedy, or after a final order or judgment for the possession of the Demised Premises, Landlord may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, order or judgment. Any and all such monies collected shall be deemed to be payments towards satisfying Tenant's obligations to Landlord.

6.05 VENUE In the event of any dispute under the terms of this Lease, the parties agree that the venue for settling the dispute, will be placed in Richmond County, State of New York and none other.

6.06 REMEDIES CUMULATIVE All the rights and remedies herein given to Landlord for the recovery of the Demised Premises because of the default by Tenant in the payment of any sums which may be payable pursuant to the terms of this Lease, or upon the breach of any of the terms hereof, or the right to re-enter and take possession of the Demised Premises upon the happening of any of the defaults or breaches of any of the covenants, or the right to maintain any action for rent or additional rent, or damages and all other rights and remedies allowed at law or in equity. are hereby reserved and conferred upon Landlord as distinct, separate and cumulative remedies, and no one of them, whether exercised by Landlord or not, all be deemed to be in exclusion of any of the others.

6.07 FAILURE TO DELIVER POSSESSION If, for any reason, Landlord fails to deliver possession of the Demised Premises to Tenant within ninety (90) days from approval of all Tenant's plans by all parties, including the Port Authority, either party shall have the right to terminate and cancel this Lease by giving notice to that effect within thirty (30) days after such date, but prior to the delivery of possession, and, upon the giving of such notice this Lease shall terminate and there shall be no further rights or obligations of either party against the other.

ARTICLE VII

7.01 ASSIGNMENT AND SUBLET (a) Tenant shall not assign this Lease or any interest herein or mortgage or hypothecate this Lease or any interest herein, or permit the use of the Demised Premises by any person or persons other than Tenant, or sublet the Demised Premises in whole or in part, without Landlord's prior written consent. Wherever it is indicated in this Lease that consent or approval must first be obtained from the Landlord by the Tenant, the Landlord agrees in such instance that it will not unreasonably withhold or delay its consent.

(b) Any consent by Landlord to any of the foregoing prohibited acts shall apply only in the given instance, and a further like act by Tenant of its assignee or subtenant shall require a further prior written consent of Landlord.

(c) In the event that Tenant shall seek Landlord's permission to assign this Lease or sublet the Demised Premises, Tenant shall provide to Landlord the name and address and shall

request from such assignee or sublessee to provide Landlord with a financial statement of the proposed assignee or sublessee and such other information concerning such proposed assignee or sublessee as Landlord may require. It shall be a condition to any consent by Landlord to an assignment or subletting that Tenant shall accompany such request with check in the amount of One Thousand Five Hundred and 00/100 Dollars ($1,500.00) to reimburse Landlord for administrative and legal expenses for the review and preparation of legal documents.

(d) In the event that Tenant shall at any time during the term of this Lease sublet all or any part of the Demised Premises or assign this Lease, either with the consent of Landlord as herein provided or without the consent of Landlord, then, and in such event, it is hereby mutually agreed that Tenant shall nevertheless remain fully liable under all the terms, covenants and conditions of this Lease including, but not limited to, the provisions for the payment of rent. If this Lease be assigned, subleased or any part thereof be subleased or occupied by anybody other than Tenant, Landlord may collect from the assignee, sublessee or occupant any rent or other charges payable by Tenant under this Lease, and apply the amount collected to the rent and other charges herein reserved, but such collection by Landlord shall not be deemed an acceptance of the assignee, sublessee or occupant as a tenant nor a release of Tenant from performance by Tenant under this Lease.

(e) Landlord shall not unreasonably withhold its consent to an assignment of this Lease provided (i) the assignee assumes in writing the performance and observance of all the terms, covenants and conditions of this Lease on the part of Tenant to be performed and observed; (ii) the assignee shall conduct its business in accordance with the permitted uses; and (iii) a duplicate original of the assignment and assumption is delivered to Landlord within five (5) days after its execution.

Any assignment of this Lease or any sublease of the Demised Premises shall not relieve Tenant of any of its obligations under this Lease.

Anything in this Lease to the contrary notwithstanding, the consent of the Landlord need not be obtained if the assignment or sublease is to a parent, subsidiary or affiliate of the Tenant.

Landlord acknowledges that the Demised Premises may be occupied by a parent, subsidiary or affiliate of Tenant ("Tenant Affiliate") and their employees and that such use of the Demised Premises shall not be considered an assignment or sublease. Any of Landlord's representations, warranties, covenants, agreements, guarantees or indemnities made for the benefit of Tenant or any rights or privileges granted by Landlord to Tenant shall also inure to the benefit of such Tenant Affiliate and their employees.

f) In the event of an approved assignment or sublease, Landlord shall be entitled to receive 50 percent of the Profits actually received by Tenant pursuant to such approved sublease or assignment. Whenever Landlord is entitled to share in any excess income resulting from an assignment or sublease of the Demised Premises, the following shall constitute the definition of the Profits: Profits, as that term is used or described in the Lease, shall mean the gross revenue received from the assignee or sublessee during the sublease term or during the assignment, less: (a) the gross revenue paid to Landlord by Tenant during the period of the sublease term or

during the assignment; (b) the gross revenue paid to Landlord by Tenant for all days the portion of the Demised Premises in question was vacated from the date that Tenant first vacated that portion of the Demised Premises until the date the assignee or sublessee was to pay rent; (c) any improvement allowance or other economic concession (planning allowance, moving expenses, etc.), paid by Tenant to sublessee or assignee; (d) brokers commission; (e) reasonable attorneys fees; (f) lease takeover payments; (g) costs of advertising the space for sublease or assignment, and (h) unamortized cost of initial and subsequent improvements to the Demised Premises by Tenant.

(g) Landlord may withhold it consent to a proposed sublease by Tenant if Tenant desires to sublease to a then current tenant of the Corporate Commons of Staten Island. Notwithstanding the foregoing, Tenant may sublet to other tenants of the Building provided Landlord has no comparable space (e.g. comparable space shall include total rentable square footage available) to let.

ARTICLE VIII

8.01 LANDLORD'S INTEREST IN PREMISES; PORT AUTHORITY CONSENT

(a). Landlord represents and warrants that it is the holder of the entire ground leasehold interest in the Property, including the Land and Building, equipment, fixtures and all other personal property appertaining thereto, and including the Demised Premises, free and clear of all tenancies, occupancies, restrictions, covenants, easements, liens, encumbrances and any other exceptions, other than this City Lease (as defined below) and The Port Authority Lease (as defined below), existing leases or other occupancy agreements which are not inconsistent with and do not adversely affect any rights of Tenant under this Lease. This Lease is subject to and subordinate to the Port Authority Lease and the City Lease. For purposes of the foregoing, (i) the term "The Port Authority Lease" means that certain lease dated as of July 8, 1985 between Landlord's successor in interest Teleport Associates and The Port Authority of New York and New Jersey (the "The Port Authority"), a true and complete copy of which, together with all amendments thereto, has been previously delivered by Landlord to Tenant and (ii) the term the City Lease" means that certain lease dated as of May 15, 1984, as amended, between The City of New York and The Port Authority. Landlord agrees that it will not exercise any power to amend The Port Authority Lease or permit any amendment to occur therein pursuant to any power of amendment reserved therein or otherwise which is inconsistent with or adversely affects any rights of Tenant under this Lease.

(b) This Lease is subject to the consent of The Port Authority pursuant to The Port Authority Lease. Landlord shall provide fully conformed copies of this Lease to the Port Authority as expeditiously as possible and use its best efforts to promptly obtain The Port Authority's consent. The parties hereto agree to cooperate and use commercially reasonable efforts to obtain said consent.

(c) Tenant shall (i) observe, be bound by and comply with all of the terms, provisions, covenants and conditions of the Port Authority Lease affecting its operations in

connection with this Lease and its occupancy of the Premises; (ii) use the space it occupies for the purpose set forth in this Lease and for no other purpose whatsoever; (iii) pay directly to the Port Authority on demand any rental, fee, charge or other amount due to the Landlord if the Landlord shall be in default under this Lease.

(d) This Lease shall: (i) be subject and subordinate to the terms covenants, conditions and provisions of the City Lease, the Port Authority Lease and the rights of the Port Authority thereunder; (ii) not be changed or modified, discharged or extended without the prior written approval of the Port Authority; and (iii) terminate and expire without notice to the Tenant on the day preceding the date of expiration of the City Lease or the Port Authority Lease or on such earlier date as the Landlord and Tenant may agree upon, or on the effective date of any revocation of the Port Authority consent.

8.02 (a) TENANT'S ESTOPPEL Within twenty (20) days after request therefore by Landlord, Tenant agrees to deliver in recordable form a certification to The City of New York, the Port Authority or any proposed mortgagee or purchaser, certifying (if such be the case) that this Lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Tenant. Failure to comply shall be a material default of this Lease.

(b) For the purposes hereof, the Port Authority's consent to this Lease shall be deemed equivalent to a Subordination and Non-disturbance Agreement for the Tenant. Landlord shall use commercially reasonable efforts to obtain a SNDA from Landlord's mortgagee(s).

8.03 ATTORNMENT Tenant covenants and agrees that, if by reason of a default upon the part of Landlord who is the lessee under the Port Authority Lease covering the Demised Premises in the performance of any of the terms or provisions of such Port Authority Lease or if for any other reason of any nature whatsoever such Port Authority Lease and the leasehold estate of the Landlord thereunder are terminated by summary dispossess proceedings or otherwise, Tenant, at the request in writing of the then Landlord under such Port Authority Lease, shall attorn to and recognize such landlord as Tenant's landlord under this Lease. Tenant covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under such Port Authority Lease, any instrument which may be necessary or appropriate to evidence such attornment. Tenant further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this Lease or give or purport to give Tenant any right of election to terminate this Lease or to surrender possession of the Demised Premises in the event such Port Authority Lease terminates or in the event any such proceeding is brought by the landlord under such Port Authority Lease if such landlord shall have requested in writing that Tenant attorn, as aforesaid and in that circumstance Tenant agrees that this Lease shall not be affected in any way whatsoever by any such proceeding or termination. Nothing contained herein shall obligate the landlord to request the Tenant to attorn or to accept such attornment from the Tenant.

ARTICLE IX

9.01 RESTORATION (a) Tenant must give Landlord prompt notice of fire, accident, damage or

dangerous or defective condition. If the entire Demised Premises cannot be used because of fire or other casualty, Tenant is not required to pay rent for the time the Demised Premises are unusable. If part of the Demised Premises cannot be used, Tenant must pay rent for the usable part. Landlord shall have the right to reasonably determine which part of the Demised Premises is usable. Should Landlord opt to rebuild as provided for in paragraph (b) of this section, Landlord need only repair the damaged structural parts of the Demised Premises and to re-true the walls, floors and ceiling and all plumbing, and electrical and other building systems. Landlord is not required to repair or replace any equipment, fixtures, furnishings or decorations. Landlord is not responsible for delays due to settling insurance claims, obtaining estimates, labor and supply problems or any other cause not fully under Landlord's control.

Anything herein to the contrary notwithstanding, if the Demised Premises or the Building is destroyed, or so damaged that in normal course it cannot be repaired and made tenantable within 180 days, or so damaged that Landlord shall decide not to repair or rebuild and shall not restore or rebuild with one year, either Landlord or Tenant may terminate this Lease by giving notice to the other, and the rent shall be paid to or adjusted as of the date of the damage, and Tenant shall thereupon vacate the Demised Premises and surrender them to Landlord.

(b) Landlord has the right to demolish or rebuild the Building if there is substantial damage by fire or other casualty. Landlord may cancel this Lease within thirty (30) days after the substantial fire or casualty by giving Tenant notice of Landlord's intention to demolish or rebuild. It is expressly agreed between the parties that the decision as to whether or not repairs shall be made or this Lease be terminated, shall be in the sole discretion and option of Landlord, and the parties agree that the decision of Landlord in regard to whether or not same should be.-repaired is not subject to review by any agency or court, and the decision of Landlord in this regard shall be final and binding upon the parties and is deemed a negotiated condition in this Lease.

The Lease will end thirty (30) days after Landlord' s cancellation notice to Tenant. Tenant must deliver the Demised Premises to Landlord on or before the cancellation date in the notice and pay all rent due to the date of the fire or casualty. The cancellation does not release Tenant of liability in connection with the fire or casualty. In the event the Demised Premises or Building are damaged or rendered untenantable by fire or other casualty and the Landlord would have an option to cancel this Lease, or if 50% of the Building of which the Demised Premises form a part are damaged, then and in that event, Tenant shall have the option of canceling and terminating this Lease by giving the Landlord written notice within 90 days from the date of said occurrence. This section is intended to replace the terms of New York Real Property Law Section 227.

(c) Tenant shall have no entitlement or right to any insurance proceeds payable to Landlord as a result of damage to the Building.

(d) Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease in the event of damage to the Building.

(e) Whether destruction is partial or total, Tenant shall, on demand of Landlord, remove its stock fixtures and equipment to facilitate Landlord's restoration or other use of the Demised Premises.

9.02 EMINENT DOMAIN (a) If the whole of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use or purpose, then and in that event, the term of this Lease shall cease and terminate upon the date of title vesting in such proceeding.

(b) If part of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use, the minimum rental to be paid hereunder shall be apportioned on the basis of the floor area so taken. In the event that the remaining portion of the Demised Premises is not suitable for the conduct of Tenant's business, Tenant shall have the right to terminate the Lease upon the giving of five (5) days notice within twenty (20) days from the date of taking.

(c) In no event shall Tenant have a claim for or be entitled to the value of any unexpired term of this Lease, nor otherwise be entitled to any part of the award paid for such condemnation and Landlord is to receive the full amount of such award, Tenant hereby expressly waiving any right or claim to any part thereof Anything herein to the contrary notwithstanding, Tenant shall be entitled to that portion of the award applicable to Tenant's improvements, personal property, fixtures and moving expenses. In the event that separate awards are made by the condemning

authority, Tenant shall be entitled to claim, prove and receive in the condemnation proceedings such awards as may be allowed for Tenant's improvements, personal property, fixtures and moving expenses.

ARTICLE X

10.01 SIGNS a) Tenant acknowledges that it shall have no right to affix any sign to the Demised Premises or its windows or doors, or to any part of the common areas of the Building or to the Building unless and until the sign has been approved by the Landlord, in its sole discretion as harmonious with Landlord's criteria for color, type, size and design of all offices and common areas in the Building. Landlord shall have the right to remove any sign affixed by Tenant prior to such approval. Tenant further covenants and agrees that no awnings or other projections shall be attached to the outside walls or windows of the Building and that no curtains, blinds, shades or screens shall be attached to or hung in any window or door except as approved by Landlord. Tenant shall have no right to affix any sign in the Demised Premises which may be visible through any of the windows located in or about the Demised Premises.

b) Landlord shall provide signage (i) at the entrance to the Demised Premised and in the Building Lobby and (ii) in the event the Port Authority allows and the Landlord, in its sole discretion, installs a monument sign that incorporates all the tenant's names in the Corporate Commons, then, Tenant will be included on the monument sign located in the front of the Building, at Landlord's sole cost and expense. Landlord shall use its best efforts to have

additional signage visible from the entrance to the Corporate Commons from South Avenue.

c) In the event Landlord or Landlord's representatives shall deem it necessary to remove any Tenant sign or signs in order to paint or to make any other repairs, alterations or improvements in or upon said Demised Premises, or the Building wherein same is situated, or any part thereof, the Landlord shall have the right to do so, provided the same shall be removed and replaced at Landlord's expense whenever the said repairs, alterations or improvements shall have been completed. Landlord shall provide Building directory in lobby for Tenant and its subtenant's use.

ARTICLE XI

11.01 LANDLORD'S COVENANT OF QUIET ENJOYMENT Landlord covenants and agrees with Tenant that upon Tenant paying the rent and additional rent and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Demised Premises hereby demised, subject, nevertheless, to the terms and conditions of this Lease and to any ground Leases underlying the Lease and mortgages herein mentioned or provided for.

11.02 NO WASTE Tenant shall not commit or suffer to be committed any waste upon the Demised Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Tenant in the Building in which the Demised Premises is located, or on the parking fields, or anywhere in the Plaza or surrounding areas, which may disturb the quiet enjoyment of any person within five hundred feet of the boundaries of the Building or parking fields.

11.03 SURRENDER Anything herein to the contrary notwithstanding, upon the termination of this Lease and vacating of the Demised Premises, Tenant agrees to leave the Demised Premises broom clean and in good repair, excepting reasonable wear and tear, obsolescence, condemnation and damage from the elements, fire and other casualty excepted. The failure of Tenant to remove its trade fixtures or any of its property at the termination of the term of this Lease shall be deemed abandonment of such property, at the option of Landlord.

11.04 HOLDOVER Any holding over, after the expiration of the term hereof, or renewal term, shall be constructed to be a tenancy from month to month at a rate equal to 125% of the rent herein last specified and all obligations of Tenant contained herein shall apply during the holdover period. Nothing contained herein shall, be construed as authorization or consent for Tenant to hold over beyond the expiration of the term of this Lease.

11.05 BROKER Tenant represents that Jones Lang LaSalle, other than Sam Stein, Sr. Vice President of Leasing at the Nicotra Group, LLC were the only brokers that brought about this agreement on behalf of Tenant and Tenant agrees to indemnify and hold Landlord harmless from any claim for commission or compensation by any other broker with which Tenant has dealt in connection herewith and Tenant agrees to defend any such claim at Tenant's sole cost and expense. Landlord represents that no broker brought about this agreement on behalf of Landlord and Landlord agrees to indemnify and hold Tenant harmless from any claim for commission or

compensation by any other broker in connection herewith and Landlord agrees to defend any such claim at Landlord's sole cost and expense. Landlord agrees to pay Jones Lang LaSalle a brokerage commission pursuant to the terms of a separate agreement.

11.06 COVENANTS The provisions of this Lease are to be construed as covenants and all the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators and assigns.

11.07 NOTICES All notices, requests, demands, consents, approvals and other communications (hereinafter individually and collectively called "Notices") required or permitted to be served or given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested or by a reputable national overnight courier service, postage prepaid addressed to the parties at their addresses set forth below:

Landlord:

The Nicotra Group, LLC
1110 South Avenue
Staten Island, New York 10314
Attention: Richard Nicotra

with a copy to:
Kudman Trachten Aloe, LLP
350 Fifth Avenue, Suite 4400
New York, New York 10301
Attention: John S. Lego

Tenant:

MetLife Lease Administration
c/o Jones Lang LaSalle Americas, Inc.
525 William Penn Place – 20th Floor
Pittsburgh, PA 15259

With copies to:

Metropolitan Life Insurance Company
9797 Springboro Pike
Dayton, OH 45448
Attn:VP, Corporate Real Estate

And

Metropolitan Life Insurance Company
1095 Avenue of the Americas
New York, NY 10036-6797

Attn: Chief Counsel, General
Corporate

11.08 CAPTIONS The captions, article numbers, marginal notes and index appearing in this Lease are inserted only as a matter of convenience, and in no way define, limit, describe of affect the scope or intent of this Lease.

11.09 DEFINITIONS (a) The term "Landlord" as used in this Lease means only the owner or the mortgagee in possession for the time being of the land and Building (or the owner of the Lease of the Building or of the land and Building) of which the Demised Premises form a part. so that in the event of any sale or sales of said land and Building or of said Lease, or in the event of a Lease of said Building, or the land and Building, Landlord as named in this Lease shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder. It shall be deemed and construed without further agreement between the parties or their successors in interest that the purchaser or the lessee of the Building has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder. The words "re-enter" and "re-entry" as used in this Lease are not restricted to their technical legal meaning.

(b) The use of the neuter singular pronoun to refer to Landlord or Tenant shall, nevertheless, be deemed a proper reference even though Landlord and/or Tenant may be an individual, a corporation, a partnership or a group of two or more individuals or corporations.

11.10 RECORDING Tenant covenants not to place this Lease or any memorandum of this Lease on record without the prior written consent of Landlord.

11.11 INVALIDITY OF PARTICULAR PROVISION If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

11.12 ENTIRE AGREEMENT This Lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

11.13 GOVERNING LAW This Lease, its provisions, or any dispute arising thereunder, shall be governed by the laws of the State of New York.

11.14 ETHICS AND COMPLIANCE CLAUSE Landlord represents and warrants that to its best knowledge he/she is not an officer, director or employee of Metropolitan Life Insurance Company or its affiliates nor a "Family Member" of such officer, director or employee. "Family Member" shall include the son, daughter, stepson, stepdaughter, father, mother, stepfather, stepmother, sibling or spouse of such officer, director or employee. Landlord represents and

warrants that to its best knowledge no trustee, shareholder, general partner, officer, director or employee is an officer, director or employee of Metropolitan Life Insurance Company or its affiliates.

11.15 ROOF ANTENNA Subject to approval by Landlord's and the Port Authority, Tenant shall have the right to install a satellite dish, antennae and/or other communications equipment ("Communications Equipment"), whereupon Landlord shall not be entitled to Additional Rent for same. In the event Tenant installs Communications Equipment, same shall be installed by Tenant, at its own cost and expense, on the roof of the Demised Premises. Further, the Communications Equipment shall not be visible from the ground and shall not interfere with any other existing or other contemplated antennae on the Building. Unless Landlord shall perform any installation and/or removal, Tenant shall remain responsible for any damage caused by the installation or removal of the Communications Equipment. Tenant shall not be entitled to use more than 100 square feet of the roof top in connection with the installation, the location of which is subject to the Landlord's consent, which consent will not be unreasonably withheld, conditioned or delayed so long as the proposed location does not interfere with any existing communications equipment, HVAC units, vents, exhaust units, or other roof installations. Landlord shall, at Tenant's option, install and remove any such antennas on the roof of the Building at Tenant's sole cost and expense, which shall be Landlord's actual cost plus ten (10%) percent. Tenant shall not be charged any additional roof rental fee for the placement of such antennae.

11.16 HAZARDOUS MATERIALS/ENVIRONMENTAL LAWS (a) "Hazardous Materials" include substances (I) which require remediation under any Environmental Laws; or (ii) which are or become defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any Environmental Laws; or (iii) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic or mutagenic; or (iv) which contain petroleum hydrocarbons, polychlorinated biphenyls, asbestos, asbestos containing materials or urea formaldehyde.

(b) "Environmental Laws" mean all applicable present and future statutes, regulations, rules, ordinances, codes, permits or odors of all governmental agencies, department, commission, boards, bureaus, instrumentalities of the United States, states and their political subdivisions and all applicable judicial, administrative and regulatory decrees and judgments relating to the protection of public health or safety or of the environment.

(c) "Environmental Damages" means all claims, judgments, losses, penalties, fines, liabilities, encumbrances, liens, costs and reasonable expenses of investigation, defense or good faith settlement resulting from violations of Environmental Laws, and including, without limitation: (i) damages for personal injury and injury to property or natural resources; (ii) reasonable fees and disbursements of attorneys, consultants, contractors, experts and laboratories; and (iii) reasonable costs of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any Environmental Law and other reasonable costs reasonably necessary to restore full economic use of the Demised Premises or the Building or the project.

(d) Tenant agrees to indemnify, defend, reimburse and hold Landlord harmless against any Environmental Damages incurred by Landlord arising from Tenant's breach of paragraph (e) below. Landlord agrees to indemnify, defend, reimburse and hold Tenant harmless against any Environmental Damages incurred by Tenant arising from Landlord's breach of paragraph (e) below. The obligations of both parties in this paragraph shall survive termination of this Lease and the discharge of all other obligations owed by the parties to each other under this Lease. Landlord warrants and represents that the Property, the Building and the Demised Premises (and any Expansion Space) do not and will not contain any Hazardous Materials, including but not limited to asbestos and/or PCBs. In the event that any Hazardous Materials are found in the Property, Building and/or Demised Premises, Landlord shall, at Landlord's sole cost and expense, remove same in compliance with all applicable laws, rules and/or ordinances concerning the removal and/or disposal of same. Landlord agrees to indemnify and hold Tenant harmless from any and all liability arising from the presence of any Hazardous Materials in and around the Property, Building and/or Demised Premises, including but not limited to, Tenant's reasonable costs and attorney's fees.

(e) Landlord and Tenant shall (i) comply with all Environmental Laws; (ii) not cause or permit any Hazardous Materials to be treated, stored, disposed of, generated, or used in the Demised Premises, building or project; provided, however, that Landlord and Tenant may each store, use or dispose of products customarily found in offices and used in connection with operation and maintenance of property if each complies with all Environmental Laws and does not contaminate the Demised Premises, building, project, or environment; and (iii) promptly after receipt, deliver to the other party a copy of communication concerning any past or present, actual or potential violation of Environmental Laws or liability of either party for Environmental Damages.

11.17 AMERICANS WITH DISABILITES ACT: Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant agree that responsibility for compliance with the Americans With Disabilities Act of 1990 (the "ADA") shall be allocated as follows: (i) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for all Common Areas, including exterior and interior areas of the Building; (ii) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises if such construction, renovations, alterations or repairs are made by Landlord at Landlord's request and sole expense for the purpose of improving the Building generally, and (iii) Tenant shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises during the term of the Lease after the initial tenant improvement work.

11.18 CONFIDENTIALITY: Landlord and Tenant hereby agree that the financial terms of this agreement are confidential and may not be disclosed to any third party without the consent of the other. Notwithstanding the foregoing, Tenant may disclose same to its employees, agents, attorneys, consultants, auditors, brokers and third party consultants who need to know same in order to perform their duties and Tenant may disclose same to regulators and to the extent required by applicable law.

11.19. Tenant shall have access to use the Demised Premises 24 hours a day, seven days a week and subject to the terms hereof.

ARTICLE XII

12.01 RULES AND REGULATIONS Tenant covenants and agrees with Landlord to obey, in all respects, the following rules and regulations:

(1) Tenant agrees to comply with any reasonable rules and regulations to be promulgated by The Port Authority pertaining to security requirements regarding entry to the Corporate Commons.

(2) The delivery, shipping, loading or unloading of furniture, supplies and fixtures to and from the Demised Premises shall be subject to such rules and regulations as in the judgment of Landlord are necessary for the proper operation of the Building. The Landlord hereby agrees to promulgate and apply all rules and regulations equitably and without discrimination against the Lessee and all other tenants in the Building;

(3) No loudspeakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the Demised Premises without the prior written consent of Landlord;

(4) Freight, furniture, business equipment, merchandise or bulky matter of any description shall be delivered to and removed from the Demised Premises only before or after business hours and in a manner approved by Landlord, unless otherwise approved by Landlord in writing. Tenant shall not move any such freight, furniture, business equipment, merchandise or bulky matter of any description on any elevator without the use of elevator wall padding as well as protective floor coverings in the hall ways. The sidewalks, entrances, parking fields, driveways, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than for ingress or egress from the Demised Premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Landlord. There shall not be used in any space, or in the public hall of the Building, either by any Tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards. Landlord reserves the right to require Tenant to use all reasonable measures to protect the floors and walls of the Building during Tenants moving any equipment or furniture in and out of the Building.

(5) Tenant shall keep the Demised Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures;

(6) The plumbing facilities shall not be used for any other purposes than that for which they are constructed, and no foreign substance of any kind shall be thrown therein;

(7) No auction, fire, bankruptcy, selling-out sales, or sidewalk sales shall be conducted on or

about the Demised Premises without prior written consent of Landlord;

(8) Tenant shall not permit any unlawful or immoral practice or business to be carried on or committed upon the Demised Premises;

(9) Tenant shall not use the Demised Premises for any purpose or in any manner whatsoever which creates a nuisance or injures the reputation of the Building;

(10) Tenant shall not bring or permit to be brought or kept in or on the Demised Premises, any inflammable, combustible or explosive fluid, material, chemical or substance, or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors to permeate in or emanate from the Demised Premises;

(11) Tenant shall not bring or permit to be brought in the Building or kept in or on the Demised Premises any pet, except for pets used for medical and or disability assistance purposes.

(12) Tenant shall provide access to the Demised Premises to Landlord or Landlord's designated exterminating service for the purpose of providing exterminating services in connection with the Demised Premises or the Building;

(13) Landlord reserves the right to refuse admission during or outside of ordinary business hours to the Building and the Demised Premises to any person not known to any watchman in charge or properly identified; to eject any person from the Building whose conduct may tend to be harmful to the safety and interests of Tenants and the property therein; to close any part of the Building during any riot or other commotion where person or property may be imperiled; all of the foregoing to be without liability to Landlord;

(14) Tenant shall comply with all further rules and regulations for the use and occupancy of the Building and Common Areas as Landlord from time to time promulgates for the best interests of the Corporate Commons, provided that if Tenant disputes the reasonableness of any future rule or regulation, Tenant shall so notify Landlord within a reasonable period of time after the promulgation thereof and the dispute shall be settled by arbitration by and in accordance with the rules then existing of the American Arbitration Association. Landlord shall have no liability for the violation of any other tenant of any rules or regulations nor shall such violation or the waiver thereof excuse Tenant from compliance.

IN WITNESS WHEREOF, Landlord and Tenant have duly signed and sealed this Lease as of the day and year first above written.

Witness for Landlord:

LANDLORD:
The Corporate Commons of Staten Island, LLC

By _____, Member

Witness for Tenant:

_____

TENANT:
Metropolitan Life Insurance Company

By _____
Vice President
Corporate Real Estate

EXHIBIT A - DESCRIPTION OF DEMISED PREMISES

EXHIBIT B - LANDLORD'S WORK

A. As set forth in paragraph 4.01(a), Landlord shall deliver the Building and Demised Premises shall be delivered with the following Landlord's Work completed at Landlord's sole cost and expense and to be performed in a good and workmanlike manner:

1) Demising walls in place, location to be determined as per space plan to be attached
2) All fireproofing and fire stopping shall be in place
3) All building systems serving the Premises shall be in compliance with all applicable NYC and Port Authority building code(s), ADA regulations and performing to original design specifications (hereinafter "to Code")
4) Bathroom facilities will be constructed to a building standard condition
5) Common area bathrooms will be to Code
6) Sufficient sprinkler riser capacity to the floors and main valves will be installed
7) Sufficient connection points for Tenant's Class E system

B. The Demised Premises shall be delivered in "turn-key" condition consistent with Tenant's original design specifications as reasonably approved by Landlord and the Port Authority (hereinafter "Tenant's Improvement"). Separate and apart from the Landlord's costs and expenses in performing its obligations set forth above in paragraph A of this Exhibit B, Landlord shall provide an allowance with respect to the Tenant Improvements in an amount equal to $30.00 per rentable square foot of the Demised Premises (the "Landlord's Work Allowance"). Landlord shall use the Landlord's Work Allowance to construct Tenant's Improvements as set forth in the aforesaid original design specifications submitted to and approved by Landlord and the Port Authority. If the actual cost of the Tenant Improvements exceed the Landlord's Work Allowance, Tenant shall pay to Landlord upon submission of requisitions by Landlord with invoices detailing with specificity each and every invoice, charge and fee actually incurred for the construction of the Improvements. Tenant shall pay within thirty (30) days of each requisition, the amounts attributable to the Tenant Improvements in excess of the Landlords' Work Allowance. In no instance shall Landlord be obligated, and Landlord will not pay, more than $30.00 per rentable square foot for the Landlord's Work Allowance.

EXHIBIT C
CLEANING SERVICES

All flooring swept daily.
All carpeted areas and rugs carpet-swept daily and vacuumed weekly.
All private stairways swept daily.
Waste paper baskets, ashtrays, receptacles, etc. emptied and cleaned daily and damp dusted when necessary.
Cigarette urns cleaned daily and sand or water replaced when necessary.
All furniture, fixtures and window sills dusted and wiped clean daily.
All glass furniture tops cleaned daily.
All water fountains washed clean daily.
Slop sink rooms cleaned daily.
Remove waste paper and waste materials to a designated area or areas. ready for removal by rubbish contractor daily.
Do all high dusting quarterly, including the following:
Dust all pictures, frames, charts, graphs and panel wall hangings not reached in daily cleaning.
Dust all vertical surfaces such as walls, partitions, ventilating louvers and other surfaces not reached in daily cleaning.
Dust all lighting fixtures (exterior only).
Dust all overhead pipes, sprinklers, etc.
Dust all Venetian blinds and window frames.
Exterior window washing twice per year.

LEASE

Dated: August 10, 2010

between

The Corporate Commons of Staten Island, LLC "Landlord"

and

Jack DeSantis, CPA "Tenant"

Affecting Suite 104 which is part of the Building commonly known as Corporate Commons Two in the Teleport, located at 2 Teleport Drive, South Avenue, Staten Island, in the County of Richmond, City and State of New York 10311.

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AGREEMENT OF LEASE made as of this 10th day of August, 2010 between The Corporate Commons of Staten Island, LLC , with its principal place of business located at 1110 South Avenue, Staten Island, New York 10314, "Landlord" and Jack DeSantis, CPA, with its principal place of business at 81 Radcliffe Drive, Lincroft, NJ 07738 "Tenant",

ARTICLE I

1.01 DEMISED PREMISES In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be observed and performed, Landlord demises and leases to Tenant, and Tenant rents from Landlord, those certain Demised Premises identified as Suite 104, designated in Exhibit A, as part of the Building located in Two Corporate Commons in the Teleport at the address 2Teleport Drive, South Avenue, Staten Island, New York 10311 (herein called the "Building"), and which Demised Premises consist of an area approximately 917 "rentable" square feet, herein referred to as the "Demised Premises". In computing rentable square footage, measurements are to the exterior surface of exterior walls and common areas and to the center line of any wall separating the Demised Premises from any other rentable space plus an add-on-factor as determined by Landlord's architect in order to adequately compensate Landlord for the loss factor incurred resulting from the use of the common areas of the Building by all tenants. The determination of Landlord's architect shall be conclusive as to the determination of the rentable square footage of the Demised Premises.

1.02 AS IS. Tenant represents that neither Landlord's agents nor any broker, sales representative nor any person has made any representation with respect to the Building or Demised Premises except as herein expressly set forth. The taking possession of the Demised Premises by Tenant shall be conclusive evidence, as against Tenant, that Tenant accepts same "as is" and that the Demised Premises and the Building of which the same form a part were in good and satisfactory condition at the time such possession was so taken.

1.03 ADDITIONAL AREAS/REVOCABLE LICENSE (a) The use and occupation by Tenant of the Demised Premises shall include the use in common with others entitled thereto, of the common areas, service roads, sidewalks and vehicle parking areas, and other facilities as may be designated from time to time by Landlord, subject, however, to the terms and conditions of this Agreement and to reasonable rules and regulations for the use thereof as prescribed from time to time by Landlord. Such additional areas are specifically not included in the Demised Premises and are in the sole control of Landlord including the right to lease or license such additional areas.

(b) All common areas and facilities not within the Demised Premises, which Tenant may be permitted to use, are to be used under a revocable license, and if the amount of such areas be diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such diminution of such areas be deemed constructive or actual eviction.

(c) Tenant and Tenant's employees and agents shall not solicit or conduct any business or display any merchandise in the parking or other common areas, nor shall Tenant

distribute any handbills or other advertising matter to automobiles parked in the parking areas or to customers in other common areas.

1.04 PARKING FACILITIES (a) Landlord, with the consent of the Port Authority, shall have the right at any time during the term of this Lease to alter, modify, change, move, or build on the parking facilities, fields or pads, as well as the roadways or footways. The parties hereto hereby acknowledge that the aforesaid parking facilities, roadways and footways constitute common use areas at the Facility as to which the Tenant has only a right to use and occupy in common with others similarly entitled, as described in Section 1.03 above.

(b) Landlord may at its option, supply such parking attendant or supervisory service, as it may, in its sole discretion, determine is advisable for the best interests of the property. Landlord has the right to require Tenant to validate parking.

(c) Landlord shall provide adequate parking facilities in compliance with the Building Code for use by Tenant but Tenant shall not be entitled to designated parking spots.

(d) Landlord shall be responsible for performing snow removal, or engaging such services as required to perform snow removal for the parking area, including the driveways leading to the public street and Building which Landlord, in its opinion, deems necessary to the proper operation of the Building.

(e) Tenant shall comply with all reasonable rules and regulations promulgated by Landlord.

(f) Except with respect to Landlord's gross negligence, Landlord shall not be liable to Tenant or to any agents, employees or invitees of Tenant for injuries to person or loss or damage to property in connection with the use of the parking facilities and Tenant hereby releases and discharges the Landlord from any and all claims arising out of such use. Tenant also agrees to defend, indemnify and hold the Landlord and the Port Authority harmless from any claims, lawsuits or judgments arising out of any use of the parking facilities by Tenant, its agents or employees.

(g) Landlord reserves the right to tow, at Tenant's expense, or in the case of a third party, at the vehicle owner's expense, any vehicle which violates any of the Building's rules and regulations with regard to parking.

1.05 USE AND OCCUPANCY Tenant shall use and occupy Demised Premises for first class administrative and/or executive office space in connection with its accounting practice and for no other purpose. Tenant shall continuously conduct, in the Demised Premises, the business above stated. Tenant will not use or permit, or suffer the use of, the Demised Premises for any other business or purpose other than as stated herein. The number of occupants utilizing the Demised Premises on a regular basis shall not exceed Landlord's standards which shall be in strict accordance with New York City Department of Building codes, the Fire Department of the City

of New York codes and regulation and any Emergency Action Plans all as may be promulgated and effect the Demised Premises from time to time. and in no event will Tenant utilize the Demised Premises in connection with any gambling or gaming including internet related gambling or gaming, any child preschool or day care center, family planning center and/or related services, abortion related facility or abortion related services, medical related purposes, any clinic or office providing for treatment or counseling in connection with any substance abuse or any disease, restaurant, bar, cabaret, social club, or in connection with the sale and/or distribution of pornographic materials including any such distribution over the internet. Tenant further warrants and covenants that it will not permit the sale of any merchandise or the rendering of any services in the Premises.

ARTICLE II

2.01 TERM (a) Landlord hereby Leases to Tenant and Tenant hereby hires from Landlord the Demised Premises for a term of five (5) years (or until such term shall sooner cease and expire as hereinafter provided) to commence on the completion of Landlord's Work as defined below in section 4.01, anticipated to be on or about October 1, 2010, and to end on the last day of September 2015.

(b) If Landlord does not deliver possession of the Demised Premises to Tenant as required in this paragraph 2.01, then and in any of such events, the term of this Lease shall commence upon the day Landlord gives notice to Tenant that Landlord has substantially completed the work to be performed by Landlord pursuant to this Lease and delivers possession to Tenant. Landlord shall have no liability for such failure to deliver possession or for delay in such delivery, but agrees to use its best efforts to make timely delivery. In the event that Tenant enters into possession of all or part of the Demised Premises prior to such completion or prior to the date shown in (a) above, the term of this Lease and Tenant's obligation to pay rent and Additional Rent shall commence upon such occupation.

2.02 FORCE MAJEURE In the event that Landlord shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strike, lockouts, labor trouble, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, the failure of the prior occupant to vacate the Demised Premises or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of such delay. The provisions of this section shall not operate to excuse Tenant from the prompt payment of rent, Additional Rent, or any other payments required by the terms of this Lease.

.2.03 GROSS RENT Tenant shall pay Landlord Gross Rent which will include all costs, expenses and obligations of every kind relating to the building which may arise or become due during the term of this Lease, ("Operating Expenses" as defined in paragraph 3.02 below). The following are not included in Gross Rent: (i) Electricity and gas as set forth in 3.05, 3.11 and 3.12; (ii) utilities, including HVAC as set forth in 3.05, 3.10 and 3.12; (iii) water as set forth in paragraph 3.13; (iv) increases in Operating Expenses over the Base Year 2009 as defined in

Article III below; and (v) office cleaning as defined in section 3.08 below. Tenant's Gross Rent during the Term of this Lease shall be:

(i) For the first two (2) years of the Term, from on or about October 1, 2010 to on or about September 30, 2012, the sum of $22,925.00 per annum; payable in equal installments of $1,910.42 per month;

(ii) For the last three (3) years of the Term, from on or about October 1, 2012 to September 30, 2015, the sum of $25,217.50 per annum; payable in equal installments of $2,101.46 per month;

In the event that the Term of this Lease does not commence on the first day of the month, Tenant shall pay annual rent on a per diem basis until the first day of the month next succeeding such commencement date, and thereafter the fixed annual rent shall be payable as hereinabove provided.

2.04 PAYMENT The annual Base Rent shall be paid to Landlord at the address of Landlord as above set forth or at such other address as Landlord shall from time to time designate, in equal monthly installments in advance, on the first day of each month during the term hereof without notice or demand and without abatement, deduction or set-off of any amount whatsoever, except if hereinafter specifically provided otherwise. The rent for the first month of the term of the Lease shall be paid upon the execution of this Lease.

2.05 NO ATTORNMENT All checks tendered to Landlord as and for the rent of the Demised Premises shall be deemed payment for the account of Tenant. Acceptance by Landlord of rent from anyone other than Tenant shall not be deemed to operate as an attornment to Landlord by the payor of such rent, or as a consent by Landlord to an assignment or subletting by Tenant of the Demised Premises to such payor, or as a modification of the provisions of this Lease, except by written notation releasing said Tenant.

2.06 LATE CHARGES In the event that the Base Rent or Additional Rent (as herein defined) is not received by Landlord within five (5) days after the due date, a late charge equal to 5% of the Base Rent and/or Additional Rent that is late, compounded monthly, shall accrue and become immediately due and payable to Landlord.

2.07 PAST DUE RENT If Tenant shall fail to pay within five (5) days after the same is due and payable, any Base Rent or any Additional Rent, or amounts or charges of the character described in this Lease, such unpaid amounts shall bear interest from the original due date thereof to the date of payment at the rate of sixteen (16%) percent per annum or maximum legal rate of interest, whichever is lower.

2.08 SECURITY Tenant has deposited with Landlord the sum of Five Thousand Seven Hundred Thirty One and 00/100 Dollars ($5,731.00) as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this Lease, to be deposited in a non-interest bearing account. In the event that Tenant defaults in respect to any of the terms, provisions and conditions of this Lease, including, but not limited to, the payment of annual Base Rent and Additional Rent, Landlord may use, apply or retain the whole or any part of the security so deposited, to the extent required, for the payment of any annual Base Rent and Additional Rent or any other sum as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default with respect to any of the terms, covenants and conditions of the Lease.

2.09 RESTORATION OF SECURITY. Should the entire deposit, or any portion thereof, be appropriated and applied by Landlord for the payment of overdue rent or other sums due and payable to Landlord by Tenant hereunder, then Tenant shall, upon the written demand of Landlord, forthwith remit to Landlord a sufficient amount in cash to restore said security to the original sum deposited within thirty (30) days after receipt of demand.

2.10 TRANSFER OF SECURITY In the event of a sale of the land and Building, termination of the Port Authority Lease or the City Leaseor the sub-leasing of the Building of which the Demised Premises form a part, Landlord shall have the right to transfer the security to the vendee, over-landlord or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such security, and Tenant agrees to look solely to the new Landlord for the return of said security. It is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Landlord.

2.11 RETURN OF SECURITY In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this Lease, the security shall be returned without interest to Tenant after the date fixed at the end of the Lease and after delivery of possession of the entire Demised Premises to Landlord.

ARTICLE III

3.01 ADDITIONAL RENT Additional Rent shall be defined as any sum of money that is required to be paid by Tenant in addition to the Base Rent herein defined, and said additional amount so to be paid is not designated as "Additional Rent", or provision is not made in the Article covering such payment for the collection of said amount as "Additional Rent", then said amount shall nevertheless, at the option of Landlord, if not paid when due, be deemed "Additional Rent" and collectible as such with any installment of rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any sum at the time the same became due and payable hereunder, or limit any other remedy of Landlord. Failure to pay such items set forth shall constitute a default pursuant to the terms of this Lease.

3.02 OPERATING EXPENSES a) Tenant shall pay to Landlord as Additional Rent a sum equal to Tenant's proportionate share (as defined below) of all of Landlord's Operating Costs incurred by Landlord during each calendar year of this Lease in the ratio that Tenant's rentable space bears to all rentable space in the Building over and above the Operating Costs incurred by Landlord during the 2009 calendar year (the "Base Year").

b) Landlord will provide Tenant with an estimated annual operating budget for the Building's operation. Tenant agrees to pay on the first day of each month, in equal monthly installments without notice or demand thereof, its proportionate share of this estimate. Landlord will provide an itemized accounting within 180 days of the end of the fiscal year, of all expenses incurred during the preceding period, at which time Tenant shall be either credited or assessed for the difference between the estimated and actual operating expense. All assessments due Landlord shall be paid within 10 days of demand. All credits due Tenant shall appear on the next regular monthly statement.

c) Landlord's Operating Costs' Defined

The term "Landlord's Operating Costs" shall mean all costs and expense incurred by Landlord in operating and maintaining the Building and Common Areas (which shall include the parking facilities and land surrounding the Building) striping, policing and security of the Common Areas. Landlord's Operating Costs shall include, but not be limited to, cost of uniforms, equipment and employment taxes; alarm systems; exterminating; Common Teleport Operating and Managements Costs and or Percentage Rent under the Port Authority Lease; insurance, including, without limitation, liability insurance for personal injury, death and property damage, insurance against fire, extended coverage, theft of other casualties, workers' compensation insurance covering personnel, fidelity bonds for personnel, insurance against liability for assault and battery, defamation and claims of false arrest occurring on and about the Common Areas, plate glass insurance for glass exclusively serving the Common Areas; costs of maintaining heating, ventilation and air conditioning systems, maintenance of any sprinkler systems serving the Building or landscaping; removal of snow, ice, trash and debris; regulation of traffic; surcharges levied upon or assessed against parking spaces or areas; payments toward mass transit or car pooling facilities or otherwise as required by Federal, State or local governmental authorities; costs and expense in connection with maintaining Federal, State or local governmental ambient air or environmental standards; the cost of all materials, supplies and services purchased or hired therefor; operation of public toilets; installing and renting of signs; fire protection; maintenance, repair and replacement of utility systems serving the Common Areas, including, but not limited to, water, sanitary sewer and storm water lines and other utility lines, pipes and conduits; costs and expense of maintaining and operating sewage treatment facilities, if any; costs and expenses of inspection and depreciation of machinery equipment used in the operation and maintenance of the Common Areas and personal property taxes and other charges (including, without limitation, reasonable leasing, financing or rental costs) incurred in connection with such equipment; costs and expense of repair or replacement of paving, curbs, walkways, landscaping, drainage, pipes, ducts, conduits and similar items, and plate glass, lighting facilities and the roof; costs and expense of planting, replanting and replacing flowers, shrubbery and planters; costs and expense incurred in the rental of music program services and

loudspeaker systems, including furnishing electricity therefor; costs of providing light and power to the Common Areas; costs of providing energy to heat, ventilate and air condition areas in which the Common Areas are located and the operation, maintenance and repair of such equipment, including, without limitation, the energy management system serving the Building; cost of water services, if any, furnished by Landlord for the non-exclusive use of all tenants; parcel pick-up and delivery services; and administrative costs attributable to the Common Areas for on-site personnel and administrative and overhead costs not to exceed fifteen (15%) percent of total Landlord's Operating Costs. Such costs and expenses shall not include depreciation (other than depreciation as above specified). Landlord may elect to amortize any of the foregoing costs and expenses over a useful life determined in accordance with generally accepted accounting principles.

d) In no event shall the Operating Costs payable as Additional Rent provided for under Article III of the Lease, whether denominated "operating expenses" or otherwise, include the following:

i. Marketing and advertising expenses;

ii. Cost for special services provided to particular tenants in the Building;

iii. Brokerage and leasing commissions;

iv. Penalties incurred because Landlord fails to pay any tax or other charge on time;

v. Fees and interest charges related to Landlord's financing;

vi. Any charge or penalty paid by landlord because it is in default under any agreement to which it is a party;

vii. Legal fees incurred by Landlord in connection with new leases or the sale of the Building;

viii. Depreciation except as otherwise provided for in this Lease;

x. Any expense which relates to a service which is not provided to all tenants of the Building;

xi. Cost of repair or replacement incurred by reason of any event to the extent which the Landlord is compensated through the proceeds of insurance or a condemnation award;

xii. Charitable contributions;

xiii. Capital improvements;

xiv. Salaries, benefits and payroll taxes of employees above level of property manager;

xv. Amounts paid to affiliates of Landlord in excess of commercially reasonable amounts; and

xvi. Management fees in excess of five (5%) percent of gross annual rent.

The exclusion of any of the expenses listed above from Operating Costs payable as Additional Rent provided for under Article III of the Lease shall in no way impair Landlord's rights to recover any cost to which it is entitled pursuant to Article VI of the Lease.

e) Landlord shall abide by the following in imposing or charging Additional Rent pursuant to Article III of the Lease:

i. No affiliate of the Landlord or its ownership will be a vendor to the operation of the building without competitive bidding;

ii. No expense charged as an operating cost will be charged through any other type of pass-through under this Lease;

iii. The administration fees will not be included in the operating expenses if the Landlord retains the services of a building or property manager;

iv. The Landlord will not charge as an operating cost or otherwise pass through the cost of repair or replacing any portion of the building or common areas where the need to make the repair or replacement is due to work or materials provided by the Landlord's contractors in the construction of the Building which Landlord claims is in violation of the standards set forth in the applicable construction contracts; and

v. The Landlord will act in good faith to operate the building in an efficient manner.

(f) The Land and the Building are not currently subject to real estate taxes nor payments in lieu of taxes ("PILOT") and the Landlord does not anticipate assessment of taxes against the Land or the Building during the Term. Notwithstanding the foregoing, in the event any governmental entity implements, assesses or otherwise requires payment of real estate taxes and/or PILOT, then in such event, said payments shall be included as part of Operating Expenses.

3.03 TENANT'S PROPORTIONATE SHARE (a) Commencing on January 1, 2010, Tenant shall pay to Landlord as Additional Rent for each calendar year during the Term, Tenant's Proportionate Share of one-half of one percent (0.005%) percent of the Landlord's Operating Costs for the applicable year that are in excess of the Landlord's Operating Costs actually incurred by the Landlord, adjusted to reflect 100% occupancy of the Building ovewr and above the Base Year. (hereinafter referred to as "Tenant's Additional Rent Payment"). Tenant's

Additional Rent Payment shall be appropriately apportioned at the end of the Term of this Lease based on the portion of the calendar year which occurs prior to the date on which the Term expires or is otherwise termination as provided herein. "Tenant's Proportionate Share" shall equal a percentage calculated by dividing the rentable square footage of the Demised Premises by the total rentable square footage of the Building. Tenant's Proportionate Share shall be recalculated upon the addition of the Additional Premises and the addition of any Expansion Space to the Demised Premises.

(b) Commencing January 1, 2010, Tenant shall pay to Landlord on the first day of each month, an amount equal to one-twelfth (1/12th) of Landlord's estimate of the Tenant's Additional Rent Payment for the applicable calendar year during the Term. If Landlord shall not furnish any such estimate for a particular year during the Term or if Landlord shall furnish any such estimate for a year during the Term subsequent to the commencement thereof, then: (i) until the first day of the month following the month in which such estimate is furnished to Tenant, Tenant shall pay to Landlord on the first day of each month an amount equal to the monthly sum payable by Tenant to Landlord under this clause (b)(i) in respect of the last month of the preceding year, if any; (ii) concurrently with or after such estimate is furnished to Tenant, Landlord shall notify Tenant whether the installments of Tenant's Additional Rent Payment previously made for such year were greater or less than the installments of Tenant's Additional Rent Payment to be made in accordance with such estimate; (iii) if there is a deficiency, Tenant shall pay the amount thereof within thirty (30) days after demand therefore; or (y) if there is an overpayment, Landlord shall either credit the amount thereof to Tenant's Additional Rent Payment(s) next coming due, or refund to Tenant the amount thereof within thirty (30) days after such notice; and (iv) on the first day of the month following the month in which such estimate is furnished to Tenant (provided that Tenant actually received such notice at least ten (10) business days prior to the first of the month) and monthly thereafter throughout such calendar year, and thereafter until such time as Landlord delivers a new estimate, Tenant shall pay to Landlord an amount equal to one-twelfth ($1/12^{th}$) of Tenant's Additional Rent Payment shown on such estimate. Landlord may, no more than two times during each calendar year during the Term from and after January 1 2010, furnish to Tenant a revised statement of Landlord's estimate of Tenant's Additional Rent Payment for such year during the Term, and in such case, Tenant's Additional Rent Payment for said year shall be adjusted and paid or refunded, as the case may be, substantially in the same manner as specified in the preceding sentence.

(c) After the end of each calendar year during the Term from and after December 31, 2010, Landlord shall furnish to Tenant a statement of Tenant's Additional Rent Payment for said preceding year ("Landlord's Operating Cost Statement") accompanied by the relevant spreadsheets generated by Landlord. If a Landlord's Operating Cost Statement shall show that the estimated sums paid by Tenant, if any, under this clause (i) exceeded Tenant's Additional Rent Payment to be paid by Tenant for the applicable year during the Term, Landlord shall, at its election, either credit such excess payment to Tenant's Additional Rent Payment(s) next coming due, or refund to Tenant the amount of such excess within thirty (30) days thereafter. If a Landlord's Operating Cost Statement shall show that the estimated payments by Tenant for such year were less than Tenant's Additional Rent Payment to be paid by Tenant for such year, Tenant shall pay the amount of such deficiency within thirty (30) days after demand therefore.

3.04 COMPLIANCE WITH LAWS a) Tenant agrees at its own cost and expense to keep the Demised Premises in such order and condition as shall conform to all the orders, rules and regulations of all municipal, state and federal departments, boards, commissions and governmental agencies now existing or hereafter created and at its own cost and expense, promptly execute and comply with all laws, rules, ordinances and regulations now in force or hereafter enacted which affect the Demised Premises.

b) Tenant further agrees to comply, at Tenant's cost and expense, with all orders, regulations, rules and recommendations, whenever issued, of the New York Board of Fire Underwriters or of any similar organization and also to comply with the recommendations and requirements of any insurance company which insures or participates in insuring the Demised Premises against loss by fire.

3.05 TENANT'S UTILITIES Tenant agrees to pay for all utilities, including, but not limited to, electricity and gas (pursuant to paragraphs 3.11 and 3.12 herein) consumed by Tenant. Landlord reserves the absolute right to designate the supplier/utility company or companies providing service(s) to the Building. Tenant shall not be entitled to any rebate or incentive or any portion thereof which may be received by Landlord in connection with any agreement with any supplier or utility company. Landlord reserves the right to change suppliers and/or utility companies at its sole option.

3.06 LEASEHOLD TAXES Tenant shall be responsible for and shall pay before delinquency, all municipal, county or state taxes assessed during the term of this Lease against any Leasehold interest or personal property of any kind, owned by or placed in, upon or about the Demised Premises by Tenant.

3.07 RUBBISH Landlord agrees that it shall maintain for use by all Tenants of the Building, a trash dumpster and/or compactor at a location designated by Landlord. Tenant shall pay Tenant's proportionate share of all costs of trash removal as part of Tenant's common area maintenance charges.

3.08 OUTSIDE CLEANING SERVICE Tenant shall be responsible for its own cleaning services for the Demised Premises. Said cleaning services shall be commensurate with a first class office building. Tenant may request in writing that Landlord provide said cleaning services, and upon receipt of such request, Landlord shall provide cleaning services at an additional cost of $1.50 per rentable square foot to be included as Additional Rent. If so requested by Tenant, Landlord shall provide cleaning services commensurate with a first class office building, in accordance with the cleaning schedule attached hereto as Exhibit C. Landlord reserves the right to increase the cost of the cleaning services during the term of the Lease to reflect actual increases in the cost of said services. Landlord reserves the right to engage an outside cleaning service or services in connection with its obligations hereunder. Tenant shall provide access to Demised Premises to Landlord or Landlord's designated cleaning service for the purpose of providing the cleaning services herein.

(b) Tenant will not clean nor require, permit, suffer of allow any window in the Demised Premises to be cleaned from the outside in violation of Section 202 of the Labor Law or any other applicable law or of the Rules of the Board of Standards and Appeals or of any other Board or body having or asserting jurisdiction. Landlord will clean the windows in the Demised Premises from the outside, in the manner required by applicable laws and regulations.

(c) Notwithstanding the foregoing, if Tenant intends to utilize an outside cleaning service, Tenant shall grant Landlord an opportunity to match the price and cleaning services offered by a third party *bona fide* qualified cleaning company that offers cleaning services consistent with Tenant's quality standards. If Landlord is able to match said third party *bona fide* offer, then Tenant shall be required to utilize Landlord's cleaning services.

3.09 SECURITY SERVICE The Land and Building are currently monitored by the Port Authority. Tenant may engage an outside security/alarm service to monitor the Demised Premises, subject to the Landlord and the Port Authority approving the security service provider.

3.10 HVAC/HEATING/AIR CONDITIONING SYSTEMS/UTILITY METERS (a) Tenant shall pay for all gas and/or electricity used for its HVAC units in accordance with Articles 3.11 and 3.12. Landlord will maintain the HVAC/heating/air conditioning units as well as all utility meters in good repair. Landlord will, at Tenant's cost and expense, maintain those portions of the HVAC/heating/air conditioning systems that are located in the Demised Premises. Tenant will provide Landlord with access upon demand for the purpose of same. The heating, ventilation and air-conditioning system shall provide a working environment during business hours only as set forth in paragraph 3.15 below capable of maintaining 72 degrees Fahrenheit in all spaces when temperature is 15 degrees Fahrenheit outside in accordance with the American Society of Heating, Refrigeration and Air-conditioning Engineers ("ASHRAE") winter design conditions, and shall be capable of maintaining 78 degrees Fahrenheit when outside temperature is 89 degrees Fahrenheit with not more than 50 percent relative humidity in all spaces in accordance with ASHRAE summer design conditions. Landlord, if required to maintain the HVAC during non-business hours, may install and maintain a supplemental air HVAC unit at its sole cost and expense and Tenant shall pay all gas and/or electricity used for the supplemental HVAC.

3.11 ELECTRICITY SERVICE (a) Landlord, at Landlord's expense, shall redistribute or furnish electrical energy to or for the use of Tenant in the Demised Premises for the operation of lighting fixtures, air conditioning electrical charges, and the electrical receptacles installed, on the Commencement Date. Landlord may, at Tenant's cost, cause to be installed an electrical submeter or submeters to measure the Tenant's consumption (Kwhr) and demand (Kw) of electrical energy or Landlord shall cause Tenant's electrical usage to be billed on a proportionate use basis. Tenant shall pay directly to The Port Authority the consumption charges for all electricity which it uses in the Demised Premises.

B. Landlord shall ensure that the electrical capacity in the Demised Premises shall be no less than the greater of six (6) watts per rentable square foot of the Demised Premises, not

including the power requirements of the HVAC, or as required by applicable laws and procedures. Tenant shall be responsible for its own electrical consumption and no other tenant's. The rate to be paid by Tenant for submetered electrical energy shall include any and all taxes or other charges in connection therewith. If any tax shall be imposed on Landlord's receipts from the sale or resale of electricity energy to Tenant, the pro-rata share of such tax allocable to the electrical energy service received by Tenant shall be passed on to, included in the bill of, and paid by Tenant if and to the extent permitted by law.

(b) If either the quantity or character of electrical service is changed by the Port Authority or the utility company serving the area in which the Building is located or is no longer available nor suitable for Tenant's requirements, no such change, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve the Tenant from any of its obligations under this lease, or impose any liability upon Landlord, or its Agents, by reason of inconvenience or annoyance to Tenant, or injury to, or interruption of Tenant's business, or otherwise.

(c) Any additional risers or feeders to be installed to supply Tenant's additional electrical requirements, and all other equipment proper and necessary in connection with such risers or feeders, shall be installed by Landlord upon Tenant's request at the sole cost and expense of Tenant, provided that, in Landlord's judgment, such additional risers or feeders are necessary and are permissible under applicable laws and insurance regulations and the installation of such risers or feeders will not cause permanent damage or injury to the Building or the Demised Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, interfere with, or disturb other tenants or occupants of the Building. Tenant covenants that at no time shall the use of electrical energy in the Demised Premises exceed the capacity of the existing risers or feeders then servicing the Demised Premises. Tenant shall not make or perform, or permit the making of or performance of, any alterations to the wiring or other additions to the business machines, office equipment, or other appliances within the Demised Premises that utilize electrical energy, without the prior written consent of the Landlord in each instance. Any such alterations, additions, or consent by Landlord shall be subject to the provisions of this subsection, as well as to other provisions of the Lease, including, but not limited to, the provisions of Article IV hereof.

(d) If the Port Authority discontinues furnishing electricity to Tenant, Tenant shall arrange to obtain electricity directly from the public utility company serving the Building. Such electricity may be furnished to Tenant by means of the existing risers and feeders serving the Demised Premises to the extent that same are available, suitable, and safe for such purposes. All meters, meter panels, and all additional risers, feeders, panel boards, and equipment and other conductors which may be required to obtain electricity, of substantially the same character, quantity, and quality, shall be installed by Landlord at Tenant's sole cost and expense. Landlord shall not cause the discontinuance of the furnishing of electricity to Tenant.

(e) Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of electrical service furnished to the Demised Premises by reason of any requirement, act or omission of the Port Authority, the

Landlord or of the utility company serving the Building with electricity or for any other reason except Landlord's gross negligence or willful misconduct.

3.12 GAS SERVICE Landlord shall redistribute or furnish gas to the Demised Premises and Landlord may cause to be installed a gas meter for use by the entire Building or Landlord shall cause Tenant's gas usage to be billed on a proportionate use basis. Tenant shall pay to Landlord its proportionate share pursuant to paragraph 3.03, as Additional Rent, on demand, from time to time, but not more frequently than monthly, for its consumption of gas at the then current rate schedule applicable for the redistribution of gas as charged by the utility company for commercial buildings plus Landlord's charges for maintaining and calibrating the system. In addition, Landlord shall be entitled to an administrative charge of ten percent (10%) of the total monthly charge for Tenant's gas service in accordance with Tenant's proportionate share of gas as registered on the meter.

Tenant's gas charges shall be computed as though Tenant were the only tenant within the Building and will not take into consideration any other gas use in any part of the Building or any incentive or discount rates offered by utility company, and computation shall include all charges for energy, demand, rate adjustments, taxes and all other charges included in the Landlord's monthly billings from the utility company servicing the Building.

Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of gas service furnished to the Demised Premises by reason of any requirement, act or omission of Landlord or of the utility company serving the Building with gas or for any other reason except Landlord's gross negligence or willful misconduct.

3.13 WATER Landlord shall provide Tenant water for ordinary drinking purposes, but if Tenant uses or consumes water for any other purposes or in unusual quantities (of which fact Landlord shall be the sole judge), Landlord may install a water meter, at Tenant's expense, which Tenant shall thereafter maintain at Tenant's expense in good working order and repair, to register such water consumption, and Tenant shall pay for water consumed as shown on said meter as Additional Rent as and when bills are rendered.

3.14 INTERFERENCE AND BUSINESS INTERRUPTION Landlord reserves the right to stop the service of the heating, air conditioning, ventilating, elevator, plumbing, electrical or other mechanical systems or facilities in the Building when necessary by reason of accident or emergency, or for scheduled maintenance, repairs, alterations, replacements or improvements, which, in the judgment of Landlord, are necessary or reasonably desirable, until said repairs, scheduled maintenance, alterations, replacements or improvements shall have been completed. The exercise of such right by Landlord shall not constitute an actual or constructive eviction, in whole or part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise.

3.15 HOURS OF OPERATION The Building shall operate Monday through Friday from 8:00 a.m. to 6:00 p.m. and Saturday from 9:00 a.m. to 1:00 p.m., except for legal holidays. Tenant shall have access to the Building and the Demised Premises twenty-four hours per day, seven days per week.

3.16 ELEVATOR SERVICE Landlord shall provide automatic elevator service twenty-four hours per day, seven days per week.

ARTICLE IV

4.01 LANDLORD'S OBLIGATIONS Landlord shall not be required to perform any work on the Demised Premises except as set forth herein in Exhibit B, "Landlord's Work Rider". Otherwise, any work which Tenant may require for the preparation of the Demised Premises for Tenant's use shall be performed by Tenant, at Tenant's own cost and expense. Any equipment or work over and above that set forth in Landlord's Work Rider which the Landlord installs or constructs in the Demised Premises on Tenant's behalf shall be paid for by Tenant within ten (10) days after receipt of a bill therefor at cost, plus ten (10%) percent for overhead and ten (10%) percent for supervision.

4.02 CHANGES AND ADDITIONS TO BUILDINGS (a) Landlord hereby reserves the right at any time to make alterations or additions to or to build additional stories on the Building in which the Demised Premises are contained and to build adjoining same. Landlord also reserves the right to construct other Buildings or improvements on the land or parking fields of which the Demised Premises form a part, from time to time, and to make alterations thereof or additions thereto and to build additional stories on any such Buildings and to build adjoining same. Landlord reserves the right to relocate parking areas and other common areas.

b) In the event Landlord makes any alterations or changes to the rentable space in the Building, then Tenant's proportionate share, as stated in paragraph 3.03, shall be recalculated under the formula prescribed in paragraph 3.02.

4.03 TENANT ALTERATIONS (a) If Tenant is not at the time in default under this Lease, Tenant, at Tenant's expense, may make reasonable alterations to the Demised Premises, provided that any alteration shall not change the general character of the Demised Premises, or reduce the fair market value thereof below its value immediately before such alteration or addition, or impair the usefulness of the Demised Premises; is effected with due diligence, in a good and workmanlike manner and in compliance with all legal requirements pursuant to Section 3.04 and insurance requirements pursuant to Sections 4.04 and 5.01; is promptly and fully paid for by Tenant; and is made only after Tenant shall have obtained Landlord's and the Port Authority's prior written consent thereto and under the supervision of an architect or engineer satisfactory to Landlord and in accordance with plans, specifications and cost estimates approved and designated by Landlord. The Port Authority may consent to any proposed Tenant alterations in its sole discretion but shall not act arbitrarily or in a capricious manner with respect to said consent.

(b) Tenant covenants and agrees that no alteration, addition, improvement, change, or other work (collectively herein referred to as Tenant's Alteration(s)) will be made except in compliance with, and Tenant hereby covenants that it will comply with, each and all of the following provisions:

(i) All Tenant's Alterations shall be made with reasonable diligence and dispatch (subject to Unavoidable Delays) in a first-class manner and with first-class materials and workmanship and in such a manner as will not interfere with the operation of the Building or the business of any other occupant thereof, or interfere with or delay the completion of any other construction in the Building. Tenant shall use only those contractors (including subcontractors) approved in writing by Landlord, which approval may be granted or withheld in Landlord's sole discretion; provided, however, that if Landlord disapproves of any contractor suggested by Tenant, Landlord will provide Tenant with the names of at least two (2) contractors from the trade in question that it is prepared to approve.

(ii) Before any Tenant's Alterations are begun, Tenant shall procure, at its own sole cost and expense, all necessary licenses, permits, approvals and authorizations from all Governmental Authorities and shall, on demand, deliver photocopies thereof to Landlord. Upon Tenant's request, Landlord shall join in the application for such licenses, permits, approvals and authorizations whenever such action is necessary, and Tenant covenants that Landlord will not suffer, sustain or incur any cost, expense or liability by reason thereof. Any Tenant's Alteration requiring the filing of plans with the New York City Buildings Department (or similar Governmental Authority) shall be made under the supervision of a licensed professional architect or engineer selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld.

(iii) All Tenant's Alterations shall be made in compliance and conformity with all applicable laws and ordinances (including, but not limited to, all building and zoning laws and ordinances) and with all applicable licenses, permits, authorizations and approvals and with all applicable rules, regulations, orders and requirements of the Port Authority and all Governmental Authorities, as well as those of the National and Local Boards of Fire Underwriters or any other body or bodies exercising similar functions.

(iv) In making any Tenant's Alterations, Tenant shall not knowingly violate the terms or conditions of any insurance policy affecting or relating to the Demised Premises or Building or the terms of any covenants, restrictions or easements affecting the Demised Premises or Building.

(v) Promptly after the completion of any Tenant's Alterations, Tenant shall procure, at Tenant's sole cost and expense, all such approvals, sign-offs and close any permits as required by Governmental Authorities, if any, of the completed Tenant's Alterations as may be required by any applicable law or ordinance or any applicable rule or regulation of Governmental Authorities (including, without limitation, Certificates of Occupancy), and all such insurance organizations' approvals, if any, as may be required or

customary in connection therewith, and on written demand, shall promptly deliver photocopies thereof to Landlord.

(vi) Tenant shall pay all costs, expenses and liabilities arising out of or in connection with or by reason of any Tenant's Alterations, including Landlord's expenses, costs of inspections, etc. and shall keep the Building, land, parking fields and the Demised Premises free and clear of all liens, claims and encumbrances in any way arising out of or in connection with or by reason of any Tenant's Alterations, subject to the provisions of Article IV hereof.

(vii) No Tenant's Alterations shall create any encroachment upon any adjacent premises.

(viii) No Tenant's Alterations shall be made which would render title to the land or any part thereof unmarketable or which would reduce the value of the Building below the value thereof immediately prior to the making of such Tenant's Alterations or reduce the value of Landlord's leasehold interest in the Land and the Building.

(ix) If any work being done by Tenant or its contractors causes any labor disturbance or unrest, Tenant will, within 24 hours after written demand by Landlord, cause such work to cease and will, if necessary, end such disturbance or unrest and/or discharge the contractor causing such disturbance or unrest (notwithstanding Landlord's prior approval of such contractor).

(x) At all times during the period of such Tenant's Alteration, Landlord shall be entitled to have a representative or representatives on the site to inspect such Tenant's Alteration, and such representative or representatives shall have free and unrestricted access at all reasonable times to any and every part of the Demised Premises. In addition, all hookups to the Building's electrical system, switch gears, submeters, gas, water, telephone equipment, HVAC, and any other central Building system shall be done by Landlord's contractors at Tenant's sole cost and expense plus an additional charge, payable to Landlord within 10 days of demand, of ten (10%) percent for overhead and ten (10%) percent for supervision. Tenant shall deliver or cause to be delivered to Landlord such instrument or instruments in writing as Landlord may reasonably require or deem necessary to carry into effect the intended purpose of this Article.

(xi) Prior to commencing any Tenant's Alterations, In the event Tenant engages contractors to perform work on the leased premises during the course of its lease, Tenant shall cause such contractors to procure and evidence insurance coverages as follows:

(a) WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE affording coverage under the Workers Compensation laws of the State(s) of New York and Employers Liability coverage subject to a limit of no less than Five Hundred Thousand Dollars ($500,000) each employee, Five Hundred Thousand Dollars ($500,000) each accident, Five Hundred Thousand Dollars ($500,000) policy limit.

(b) COMMERCIAL GENERAL LIABILITY INSURANCE written on an Occurrence basis and including Products liability/Completed Operations coverage, at a $1,000,000 per occurrence Combined Single Limit applying to Bodily Injury and Property Damage, subject to no deductible or Self-Insured Retention, and including all standard Broad Form Commercial General Liability extensions. If coverage is written on a form under which an aggregate limit such aggregate limit shall not be less than $2,000,000 and shall apply on a per project basis. The policy shall be endorsed to name Tenant and Landlord as Additional Insured on a primary, non-contributory basis. The policy shall further be endorsed to waive the carrier's subrogation rights against Landlord.

(c) UMBRELLA LIABILITY INSURANCE WITH a limit of not less than $5,000,000 providing excess coverage over all limits and coverages noted in Paragraphs 2 above. This policy shall be written on an "occurrence" basis and include Tenant and Landlord as Additional Insureds.

The insurance policies noted above shall be written with insurance companies licensed to do business in the State of New York and rated no lower than A:VIII by the most recent edition of A.M. Best's Property-Casualty Rating Guide. All policies shall provide that in the event of cancellation, non-renewal or material modification, Landlord shall receive 30 days written notice thereof.

Tenant shall furnish Landlord with certificates of insurance evidencing Contractor's compliance with all of the above provisions before Contractor will be permitted to begin work.

Tenant shall also maintain such additional insurance as Landlord and/or the Port Authority shall request from time to time, provided such insurance or coverage is commonly carried by offices of similar size in similar buildings.

(xii) Before commencing any Tenant's Alteration, the estimated cost of which exceeds $5,000, Tenant shall furnish to Landlord or cause contractor to furnish to Landlord, upon Landlord's request, at Tenant's sole cost and expense, either (i) a completion bond, issued by a surety company reasonably approved by Landlord in an amount at least equal to the estimated cost of such change or alteration, or (ii) at Tenant's option, an irrevocable letter of credit, drawn on a bank which is a member of the New York Clearinghouse and otherwise satisfactory to Landlord, in an amount equal to one hundred ten percent (110%) of Landlord's good-faith estimate of the cost of performing such work, in each case guaranteeing to Landlord the completion of the proposed change or alteration within a reasonable time, free and clear of all liens, and, if available, all encumbrances, chattel mortgages, conditional bills of sale, security agreements and other claims and charges (other than chattel mortgages or security agreements delivered to a Landlord's Mortgagee or to Landlord) and in accordance with any plans or specifications approved by Landlord, or with any contract between Tenant and a general contractor engaged by it which incorporates such plans and specifications.

(xiii) Before commencing any Tenant's Alteration, the estimated cost of which exceeds $5,000, then Tenant or Tenant's general contractor shall be required to deposit in escrow with Landlord or Landlord's counsel greater of three (3%) of the estimated cost or $5,000 pending issuance of the final certificate of approval/completion or sign off on the construction permits from the New York City Building Department (Certificate of Approval). If for any reason Tenant does not receive the Certificate of Approval then Landlord shall be entitled to apply the escrowed moneys to procure the Certificate of Approval. Tenant shall be liable for any and all expenses incurred by Landlord in excess of the escrowed fund used in obtaining the Certificate of Approval. Upon issuance of the Certificate of Approval Landlord shall release the balance of the escrowed funds to the general contractor or Tenant.

(xiv) No structural alteration shall be made unless Tenant first obtains the written consent thereto of any Landlord's Mortgagee, if such consent is required under any Landlord's Mortgage(s). Landlord agrees to cooperate with Tenant to attempt to obtain any such consent, if the proposed Tenant's Alteration is approved by Landlord.

(xv) Tenant agrees to pay to Landlord on a monthly basis during any period in which Tenant is making Tenant alterations a charge of $.80 per rentable square foot to cover the cost of electric usage during the period of construction. In addition, in the event that Tenant does not provide its own garbage containers during construction, Tenant agrees to pay a charge of $1.75 per rentable square foot per month for the use of Landlord's containers.

(xvi) Notwithstanding anything contained in this paragraph 4.03 to the contrary, Landlord reserves the right to perform any and all Tenant Alterations hereunder, in which event Tenant shall pay Landlord for such alterations within 10 days of demand at a price equal to Tenant's lowest bid to perform said alterations plus ten (10%) percent for overhead and ten (10%) percent for supervision.

4.04 LANDLORD'S RIGHT TO ENTER (a) Landlord or Landlord's agents shall have the right to enter the Demised Premises at reasonable times to examine the same, and to show them to prospective purchasers or lessees of the Building, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said Demised Premises that may be required therefor without the same constituting an eviction of Tenant, in whole or in part, and the rent reserved shall in no way abate while said repairs, alterations, improvements or additions are being made by reason of loss or interruption of business of Tenant or otherwise. During the six months prior to the expiration of the term of this Lease, or any renewal term, Landlord may exhibit the Demised Premises to prospective tenants or purchasers and place upon said Demised Premises the usual notices "To Let" or "For Sale", which notices Tenant shall permit to remain thereon without molestation.

(b) If Tenant's principles, agents, employees and/or representatives shall not be personally present to open and permit any entry into said Demised Premises, at any time, when for any reason an entry therein for emergency purposes shall be necessary or permissible, Landlord or Landlord's agents may enter the same by a master key or may forcibly enter the same without rendering Landlord or such agents liable therefor and without in any manner affecting the obligations, responsibility or liability whatsoever for the care, maintenance or repair of the Building or any part thereof, except as otherwise herein specifically provided. If during the last month of the term Tenant shall vacate the Demised Premises, Landlord may immediately enter and alter, renovate and redecorate the Demised Premises without diminution or abatement of rent or incurring liability to Tenant for any compensation, and such acts shall have no effect upon this Lease.

(c) No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or mechanism thereof without the express written consent of Landlord. In the event that Landlord consents to the change in any locking mechanism, Tenant agrees that no such lock shall be of a nature and quality which cannot be accessed by Landlord's master key. Tenant agrees to pay the cost of re-keying the master key as well as any other costs associated with the addition or changing of any locking mechanism. Upon surrender or termination of the lease in the Demised Premises, Tenant shall restore to Landlord all keys to the Demised Premises, lavatories and Building either furnished to, or otherwise procured by Tenant. In the event of the loss of any keys so furnished by Landlord, Tenant shall pay to Landlord the cost thereof as well as any other costs associated with the loss of said keys.

(d) If an excavation shall be made upon land adjacent to the Demised Premises or shall be authorized to be made, Tenant shall afford access to the person causing or authorized to cause such excavation and give a license to enter upon the Demised Premises for the purpose of doing such work as Landlord shall deem necessary to preserve the wall of the Building of which the Demised Premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnification against Landlord's or diminution or abatement of rent.

4.05 LANDLORD'S LIABILITY Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, loss or damage to Tenant's business or damage to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence (unless caused by or resulting from the negligence of Landlord, its agents, servants or employees) in or upon the Demised Premises or the Building common areas or parking field, including but not limited to, claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair; (ii) injury done or occasioned by wind or rain; (iii) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, gas, water and steam pipes, stairs, porches, railings or walks; (iv) broken glass; (v) the backing up of any sewer pipe or downspout; (vi) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about such Building or Demised Premises; (vii) the escape of steam or hot water; (viii) water, snow or ice being upon or coming through the roof, floor, skylight, trapdoor, stairs, doorways,

show windows, walks or any other place upon or near such Building or the Demised Premises or otherwise; (ix) the falling of any fixture, plaster, tile or stucco; and (x) any act, omission or negligence of other tenants, licensees or of any other persons or occupants of said Building or of adjoining or contiguous Buildings or of owners of adjacent or contiguous property.

4.06 MECHANIC'S LIENS If any mechanic's lien or other liens or orders for the payment of money or any notice of intention to file a lien shall be filed against the Demised Premises or the Building by reason or arising out of any labor or material furnished or alleged to have been furnished or to be furnished to the Demised Premises on behalf of Tenant or any occupant thereof, or for or by reason of any change, alteration or addition or the cost or expense thereof or any contract relating thereto, or against the interest of Landlord, Tenant shall cause the same to be canceled and discharged of record by bond or otherwise as allowed by law at the expense of Tenant within fifteen (15) days after the filing thereof; and Tenant shall also defend on behalf of Landlord, at Tenant's sole cost and expense, any action, suit or proceeding which may be brought thereon or for the enforcement of such liens or orders, and Tenant will pay any damages and satisfy and discharge any judgment entered thereon and save harmless Landlord from any claim or damage resulting there from. Failure to comply with the provisions of this paragraph 4.05 shall be a material default of this lease.

4.07 LIMITATION OF PERSONAL LIABILITY Notwithstanding anything contained herein to the contrary, Tenant agrees that neither Landlord, nor any of its agents or employees, nor (if Landlord is or becomes a corporation or a limited liability company) any of its members, managers, officers, directors or shareholders or partners, nor (if Landlord is or becomes a partnership) any of its general or limited partners, shall have any personal liability with respect to any of the provisions of this Lease and Tenant shall look solely to the estate and interest of Landlord in the property for the satisfaction of Tenant's remedies, including, without limitation, the collection of any judgment or the enforcement of any other judicial process requiring the payment or expenditure of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms and provisions of this Lease to be observed and/or performed by Landlord, subject, however, to the prior rights of any holder of any mortgage covering all or part of the Property, and no other assets of Landlord or any principal of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claim, and in the event Tenant obtains a judgment against Landlord, the judgment docket shall be so noted. This Section shall inure to the benefit of Landlord's successors and assigns and their respective principals.

4.08 TITLE TO IMPROVEMENTS AND RESTORATION OF DEMISED PREMISES

a) The title to all additions, repairs and replacements to any improvements made during the Lease Term and any renewal thereof shall forthwith vest in Landlord, and said improvements, additions, repairs and replacements shall be and become the sole and absolute property of Landlord without any obligation of payment by Landlord therefore.

b) All alterations, decorations, additions or improvements, except movable trade fixtures, made by either party shall become the property of Landlord upon installation unless Landlord shall elect otherwise, which election shall be made by giving notice not less than thirty (30) days prior to the expiration or other termination of this Lease or any renewal or extension thereof. In

the event that Landlord shall elect otherwise, then such alterations, installations, additions or improvements made by Tenant upon the Demised Premises, as Landlord shall elect, shall be removed by Tenant and Tenant shall restore the Demised Premises to the original condition, at its own cost and expense, prior to the expiration of the term. All damage or injury to the Demised Premises and to its fixtures, appurtenances and equipment caused by Tenant moving property in or out of the Building or by installation or removal of furniture, fixtures or other property shall be repaired by Tenant. There shall be no allowance to Tenant for a diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant, or others, making any repairs, alterations, additions, or improvements to any portion of the Building or Demised Premises, or to fixtures, appurtenances, or equipment thereof, and/or by reason of failure of Landlord or others to make any repairs, alterations, additions or improvements in or to any portion of the Building or of Demised Premises, or to the fixtures, appurtenances or equipment thereof. Landlord reserves the right to stop the service of the heating, air conditioning, plumbing and electrical systems when repairs, alterations or improvements are necessary until such repairs, alterations or improvements shall have been completed. Neither the reference in this Lease to repairs by Landlord or any services, nor the presence upon the Demised Premises of any service equipment owned by Landlord, shall impose any liability upon Landlord to furnish, repair, maintain or operate any services unless expressly and specifically provided for herein.

4.09 TENANT OBLIGATIONS a) Tenant covenants throughout the term hereof, at its sole cost and expense, to keep the Demised Premises, all fixtures and equipment therein, all utility systems, and all signs of Tenant whether in the Demised Premises or erected outside thereof, in good repair, order and condition, making all repairs thereto as may be required or necessary, ordinary as well as extraordinary, foreseen and unforeseen, all repairs to be of the same quality, design and class as the original work; but the provisions of this Lease shall not require Tenant to make repairs to the structural parts of the building, i.e. bearing walls, beams, or roof, it being agreed and understood that Landlord shall make all reasonably necessary structural repairs, unless the conditions necessitating such repairs to structural parts shall have been caused by Tenant, its agents, servants or invitees.

b) If Tenant refuses or neglects to repair property as required in this Lease agreement and to the reasonable satisfaction of Landlord as soon as reasonably possible, after written demand, Landlord may make such repairs and shall not be liable to Tenant for any loss or damage that may occur to Tenant's merchandise, fixtures, or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Landlord's cost for making such repairs plus twenty (20%) percent for overhead and supervision, as Additional Rent, to be paid by Tenant within ten (10) days of receipt of a statement from Landlord setting forth said charges and disbursements.

ARTICLE V

5.01 LIABILITY INSURANCE Tenant shall, during the entire term hereof, at Tenant's expense, keep in full force and affect a policy of insurance as follows:

A. Glass – Tenant assumes the liability for, and shall remedy, the breakage of exterior and interior plate glass during the term of this Lease if breakage is caused by Tenant's acts.

B. Property Insurance; Indemnity for Damage to Tenant's Personal Property – Tenant assumes liability for any damage to the Demised Premises and all fixtures and appurtenances thereto regardless of the cause thereof. Except as otherwise provided herein, Tenant expressly releases Landlord from; and waives all claims against Landlord and agrees to hold Landlord harmless for, any loss resulting from damage to or loss of Tenant's goods, wares, merchandise and/or improvements and betterments in, upon or about said premises regardless of the cause. Tenant shall maintain at its own expense replacement cost insurance on Tenant's goods, wares, merchandise and improvements and betterments against damage caused by fire and all other perils covered by a standard All Risk insurance policy. Landlord and Tenant agree to waive their rights of subrogation against each other and shall each attempt to obtain a waiver from their respective insurance companies releasing carriers' subrogation rights against the other party.

C. Liability Insurance – Tenant shall maintain, at its own expense, Liability insurance as follows:

1. Commercial General Liability insurance, written on an occurrence basis and including products liability insurance at a $1,000,000 per occurrence Combined Single Limit, subject to no deductible or Self-Insured Retention, including all standard Board Form Commercial General Liability coverages. Fire Legal Liability coverage shall be included and written in an amount equal to the replacement cost of premises occupied by Tenant, such amount to be agreed upon between Landlord and Tenant. If coverage is written on a form under which an aggregate limit applies to the Premises hazard, such aggregate shall be in an amount of no less than $2,000,000 and shall apply separately to each location covered by Tenant's policy.

2. Umbrella Liability insurance at a $5,000,000 per occurrence limit, subject to a $10,000 self insured retention, providing excess coverage over all coverages included in the Comprehensive General Liability policy noted in paragraph C (1) above.

These policies shall name Landlord as an additional insured on a primary, non-contributory basis and shall permit Tenant to release its carrier's subrogation rights against Landlord. Tenant hereby agrees to the waiver of such rights.

D. The insurance policies noted in (A), (B) and (C) above shall all be written with insurance companies licensed to do business in the State in the State of New York and rated no lower that A:VII by the most recent edition of A.M. Best's Property-Casualty Rating Guide. All policies shall provide that in the event of cancellation, non-renewal or material modification, Landlord shall receive 30 days written notice thereof.

E. Tenant shall furnish Landlord with certificates of insurance evidencing Tenant's compliance with all provisions of (A), (B), (C) and (D) above.

5.02 <u>INDEMNIFICATION AND HOLD HARMLESS</u> (a) Tenant shall defend, indemnify and hold Landlord, and Landlord's employees, agents and assigns, harmless from and against any and all loss, cost (including attorney's fees and witnesses' and court costs), damages, expense and

liability (including statutory liability) resulting from injury and/or death of any person or damage to any property arising out of the maintenance, use, care or control of the demised premises, except that arising from the sole negligence of Landlord.

(b) In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, Tenant shall assume Landlord's defense protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation. Tenant shall also pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Landlord in enforcing the covenants and agreements of this Lease.

5.03 ACTS OF INVITEES Tenant shall be responsible for the acts of its customers, guests, invitees and/or anyone else on the Demised Premises at the invitation of Tenant or anyone in their employ or anyone occupying or using space in the Demised Premises. In this regard, should any of the enumerated parties commit acts which are in violation of any of the terms of this Lease, the Port Authority Lease or the City Lease, or are in any way detrimental to the person or property of Landlord or any of its staff on the Demised Premises of the Building, parking fields, plaza, or surrounding areas, or more specifically commit acts of vandalism or mischief on the Demised Premises of the Building or parking fields or surrounding areas, then, in that event, Tenant agrees that the cost of such violations, breaches, vandalism, etc. shall be immediately due and payable to Landlord and shall be considered as Additional Rent at the option of Landlord. Furthermore, the commission of any of the acts herein or the damage of the person or property of Landlord or Landlord's staff shall be a material breach of this Lease[1] and the Lease shall be subject to termination pursuant to paragraph 6.01 herein. In that regard, the first ten (10) days notice served pursuant to paragraph 6.01 shall contain a listing of the violations and the amount which Landlord has been damaged. The remedy or cure referred to in paragraph 6.01 shall, in this regard, be deemed to include not only the ceasing of said violations within the ten (10) day period, but also the full and complete payment of enumerated damages to Landlord. These charges, shall at the option of Landlord, be considered as Additional Rent.

ARTICLE VI

6.01 DEFAULT (a) If Tenant defaults in fulfilling any of the covenants of this Lease other than the covenants for the payment of Net Rent or Additional Rent, or if the Demised Premises becomes vacant or deserted, then, upon the expiration of ten (10) days from Landlord's serving a written notice upon Tenant specifying the nature of such default, if Tenant shall have failed to comply with or remedy such default within such ten (10) day period, or if the said default or omission shall be of such a nature that the same cannot be completely cured within said ten (10) day period, and if Tenant shall not have diligently commenced curing such default within such period and shall not thereafter with reasonable diligence proceed to cure such default, Landlord may serve a written notice of cancellation of this Lease upon Tenant, and upon the expiration of three (3) days from the service thereof, this Lease and the term hereunder shall end, and Tenant

[1] If Tenant cannot, for good cause, repair any damage caused within ten (10) days of damage occurring, Tenant shall give notice to Landlord of such cause and will move expeditiously to cure.

shall then quit and surrender the Demised Premises to Landlord; but Tenant shall remain liable as hereinafter provided.

(b) (i) If the notice provided for in (a) hereof shall have been given and the term shall expire as aforesaid; or (ii) if Tenant shall default in the payment of the rent reserved herein or any item of Additional Rent herein mentioned or any part of either, or in making any other payment herein provided; or (iii) if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the Demised Premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant; then, and in any of such events, Landlord may without notice re-enter the Demised Premises either by force or otherwise and dispossess Tenant or the legal representative of Tenant or other occupant of Demised Premises by summary proceedings or otherwise and remove their effects and hold the Demised Premises as if this Lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If Tenant shall be in default hereunder prior to the date fixed as the commencement of any renewal or extension of this Lease, Landlord may cancel and terminate such renewal or extension by written notice.

(c) If Tenant is in default as aforesaid, it is understood and agreed that no demand for rent and no re-entry for condition broken as at common law shall be necessary to enable Landlord to recover such possession pursuant to statute relating to summary proceedings.

(d) In the case of any such default, re-entry, expiration and/or dispossess, by summary proceedings or otherwise, (i) the rent shall become due thereupon and is to be paid upon the time of such reentry, dispossess and/or expiration, together with such expenses as Landlord may incur by reason thereof for legal expenses, attorneys' fees, and/or brokerage in putting the Demised Premises in good order and/or for preparing the same for re-rental; (ii) Landlord may rent the Demised Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease, and may grant concessions or free rent; and (iii) Tenant or the legal representative of Tenant shall also pay Landlord as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent and Additional Rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the Lease or Leases of the Demised Premises for each month of the period which would otherwise have constituted the balance of the term of this Lease. The failure or refusal of Landlord to re-let the Demised Premises or any part or parts thereof or to collect rent therefore shall not release or affect Tenant's liability for damages. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding. Landlord, at Landlord's option, may make such alterations, repairs, replacements and/or decorations in the Demised Premises as Landlord, in Landlord's sole judgment, considers advisable and necessary for the purpose of re-letting the Demised Premises, and the making of such alterations and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. In the event of a breach or threatened breach by Tenant of any of the covenants or

provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy, whether in law or in equity.

(e) In the event Tenant shall fail to comply with or perform any of the covenants, conditions or agreements herein contained on Tenant's part to be performed, Landlord shall have the right (but not be obligated) to perform any such covenants, conditions or agreements, and Tenant agrees to pay to Landlord on demand as Additional Rent hereunder, a sum equal to the amount expended by Landlord in the performance of such covenants, conditions or agreements. In the event Landlord shall perform any such covenants, conditions or agreements, Tenant agrees that Landlord, its agents or employees, may enter the Demised Premises and that such entry and such performance shall not constitute an eviction of Tenant, in whole or in part, nor relieve Tenant from the continued performance of all covenants, conditions and agreements of the Lease, and further agrees that Landlord shall not be liable for any claim for loss or damage to Tenant or anyone through or under Tenant.

6.02 NO WAIVER The receipt by Landlord of Base Rent or Additional Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount that the rent or Additional Rent then due shall be deemed to be other than on account of full payments, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord's right to recover the balance of such rent or pursue any other remedy provided for by this Lease and/or at law shall not be diminished.

6.03 TENANT'S WAIVER OF JURY TRIAL Tenant waives its right of trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other, or with respect to any issue or defense raised therein, including the right to an advisory jury (except for personal injury or property damage), on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use and occupancy of said premises, including summary proceedings and possession actions, and any emergency statutory or other statutory remedy.

6.04 WAIVER OF REDEMPTION Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause or in the event of Landlord obtaining possession of the Demised Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease, or otherwise. No receipt of monies by Landlord from Tenant after the termination or cancellation of this Lease, in any lawful manner, shall reinstate, continue or extend the term of this Lease, or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of fixed or Additional Rent or rents then due, or thereafter falling due or operate as a waiver of the rights of Landlord to recover possession of the Demised Premises by proper suit, action, proceeding or remedy. It is agreed that, after the service of

notice to terminate or cancel this Lease, or the commencement of suit, action or summary proceeding, or any other remedy, or after a final order or judgment for the possession of the Demised Premises, Landlord may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, order or judgment. Any and all such monies collected shall be deemed to be payments towards satisfying Tenant's obligations to Landlord.

6.05 VENUE In the event of any dispute under the terms of this Lease, the parties agree that the venue for settling the dispute will be placed in Richmond County, State of New York and none other.

6.06 REMEDIES CUMULATIVE All the rights and remedies herein given to Landlord for the recovery of the Demised Premises because of the default by Tenant in the payment of any sums which may be payable pursuant to the terms of this Lease, or upon the breach of any of the terms hereof, or the right to re-enter and take possession of the Demised Premises upon the happening of any of the defaults or breaches of any of the covenants, or the right to maintain any action for rent or Additional Rent, or damages and all other rights and remedies allowed at law or in equity, are hereby reserved and conferred upon Landlord as distinct, separate and cumulative remedies, and no one of them, whether exercised by Landlord or not, all be deemed to be in exclusion of any of the others.

ARTICLE VII

7.01 (a) ASSIGNMENT AND SUBLET (a) Any proposed assignment or subletting in whole or in part, mortgaging or other hypothecation of this Lease or of any interest in this Lease, or any permitted use of the Demised Premises under this Lease by any person or persons other than the Tenant shall require the prior written consent of the Landlord and express prior written consent of the Port Authority. The Port Authority's consent may be withheld for any reason which is not arbitrary nor capricious.

(b) In the event that Tenant shall seek Landlord's permission to assign this Lease or sublet the Demised Premises, Tenant shall provide to Landlord the name, address and financial statement of the proposed assignee or sublessee and such other information concerning such proposed assignee or sublessee as Landlord may require. It shall be a condition to any consent by Landlord to an assignment or subletting that Tenant shall accompany such request with a certified check in the amount of Five Thousand and 00/100 Dollars ($5,000) to reimburse Landlord for reasonable legal expenses for the review and preparation of legal documents if there are no changes in the primary lease. Landlord shall be the liaison to procure the consent, or denial, of the Port Authority using commercially reasonable efforts to facilitate the application for said consent to the appropriate administrative offices of the Port Authority.

(c) In the event that Tenant shall at any time during the term of this Lease sublet all or any part of the Demised Premises or assign this Lease, either with the consent of Landlord or the Port Authority as herein provided or without the consent of Landlord or the Port Authority, then,

and in such event, it is hereby mutually agreed that Tenant shall nevertheless remain fully liable under all the terms, covenants and conditions of this Lease including, but not limited to, the provisions for the payment of rent. Tenant's liability hereunder shall be continuing and shall in no way be affected, modified or diminished by reason of (i) any subsequent assignment or subletting, renewal, modification or extension of this Lease, or (ii) any modification or waiver of or change in any of the terms, conditions and covenants of this Lease, or (iii) any extension of time that may be granted by Landlord to any assignee or sublessee, its successors or assigns, or (iv) a changed or different use of the Demised Premises consented to in writing by Landlord, or (v) any dealings, transactions, or matters occurring between Landlord and said assignee or sublessee, its successors or assigns whether or not notice thereof is given to Tenant. If this Lease be assigned, subleased or any part thereof be subleased or occupied by anybody other than Tenant, Landlord may collect from the assignee, sublessee or occupant any rent or other charges payable by Tenant under this Lease and apply the amount collected to the rent and other charges herein reserved, but such collection by Landlord shall not be deemed an acceptance of the assignee, sublessee or occupant as a tenant nor a release of Tenant from performance by Tenant under this Lease.

(d) Landlord shall not unreasonably withhold its consent to an assignment or sublease of this Lease in connection with a bona fide sale of Tenant's business (conducted at the Demised Premises), provided (i) the assignee assumes in writing the performance and observance of all the terms, covenants and conditions of this Lease on the part of Tenant to be performed and observed; (ii) the assignee shall conduct its business in accordance with the permitted uses; (iii) the assignee shall conduct its business under the same trade name or another trade name approved by Landlord; (iv) the assignee shall have a certified (by a certified public accountant) net worth equal to or greater than the net worth of Tenant at the time of the assignment; and (v) a duplicate original of the assignment and assumption is delivered to Landlord within five (5) days after its execution.

(e) In the event of any sale, assignment, sublease or other transfer of this Lease either by consent, court or administrative proceeding, or otherwise, whereby the rent and/or additional rent provided for in said assignment, sublease or other transfer exceeds the Base Rent and/or Additional Rent payable by Tenant to Landlord as provided in this Lease (Excess Rent), then this Excess Rent shall be due and payable to Landlord in addition to Base Rent and Additional Rents provided for in this Lease. Further, in the event there is a monetary exchange or exchange in lieu of cash as payment in consideration of the attempted sublease or assignment by Tenant from the transferee or its agent, then same shall be payable to Landlord as Additional Rent as provided for in this Lease. This provision shall be binding upon Tenant, Tenant's representatives, and Tenant's transferees.

(f) Tenant shall not assign this Lease or sublease any portion of the Demised Premises to a then current Tenant of the Building, the Teleport or the Corporate Park of Staten Island.

ARTICLE VIII

8.01 LANDLORD'S INTEREST IN PREMISES; PORT AUTHORITY CONSENT

(a). Landlord represents and warrants that it is the holder of the entire ground leasehold interest in the Property, including the Land and Building, equipment, fixtures and all other personal property appertaining thereto, and including the Demised Premises, free and clear of all tenancies, occupancies, restrictions, covenants, easements, liens, encumbrances and any other exceptions, other than this City Lease (as defined below) and The Port Authority Lease (as defined below), existing leases or other occupancy agreements which are not inconsistent with and do not adversely affect any rights of Tenant under this Lease. This Lease is subject to and subordinate to the Port Authority Lease and the City Lease. For purposes of the foregoing, (i) the term **"The Port Authority Lease"** means that certain lease dated as of July 8, 1985 between Landlord's predecessor in interest, Teleport Associates, and The Port Authority of New York and New Jersey (the **"The Port Authority"**), a true and complete copy of which, together with all amendments thereto, has been previously delivered by Landlord to Tenant, and (ii) the term the **City Lease"** means that certain lease dated as of May 15, 1984, as amended, between The City of New York and The Port Authority. Landlord agrees that it shall not amend The Port Authority Lease or permit any amendment to occur therein pursuant to any power of amendment reserved therein or otherwise which is inconsistent with or that adversely affects any rights of Tenant under this Lease in other than an incidental or de minimus manner or has an adverse monetary effect on Tenant that is other than de minimus or incidental.

(b) This Lease is subject to the consent of The Port Authority pursuant to The Port Authority Lease. If Landlord fails to obtain the consent of the Port Authority to this Lease within thirty (30) days after the execution and exchange of this Lease, either party may terminate this Lease upon written notice to the other, in which event this Lease shall terminate and be and become of no further force and effect, and the parties shall not have any further rights, obligations, or liabilities hereunder

8.02 TENANT'S ESTOPPEL Within ten (10) days after request therefor by Landlord, Tenant agrees to deliver in recordable form a certification to The City of New York, the Port Authority or any proposed mortgagee or purchaser, certifying (if such be the case) that this Lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Tenant. Failure to comply shall be a material default of this Lease.

8.03 ATTORNMENT Tenant covenants and agrees that, if by reason of a default upon the part of Landlord who is the lessee under the Port Authority Lease covering the Demised Premises in the performance of any of the terms or provisions of such Port Authority Lease or if for any other reason of any nature whatsoever such Port Authority Lease and the leasehold estate of the Landlord thereunder are terminated by summary dispossess proceedings or otherwise, Tenant, at the request in writing of the then landlord under such Port Authority Lease, shall attorn to and recognize such landlord as Tenant's landlord under this Lease. Tenant covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under such Port Authority Lease, any instrument which may be necessary or appropriate to evidence such attornment. Tenant further waives the provisions of any statute or rule of law now or

hereafter in effect which may terminate this Lease or give or purport to give Tenant any right of election to terminate this Lease or to surrender possession of the Demised Premises in the event such Port Authority Lease terminates or in the event any such proceeding is brought by the landlord under such Port Authority Lease if such landlord shall have requested in writing that Tenant attorn, as aforesaid and in that circumstance Tenant agrees that this Lease shall not be affected in any way whatsoever by any such proceeding or termination. Nothing contained herein shall obligate the landlord to request the Tenant to attorn or to accept such attornment from the Tenant.

ARTICLE IX

9.01 RESTORATION (a) Tenant must give Landlord prompt notice of fire, accident, damage or dangerous or defective condition. If the entire Demised Premises cannot be used because of fire or other casualty, Tenant is not required to pay rent for the time the Demised Premises are unusable. If part of the Demised Premises cannot be used, Tenant must pay rent for the usable part. If, however, the fire or other casualty is caused by any act, neglect omission or failure to comply with any covenant or condition of this Lease by Tenant, Tenant's employees or invitees, Tenant must pay the full rent with no adjustment. Landlord shall have the right to decide which part of the Demised Premises is usable. Should Landlord opt to rebuild as provided for in paragraph (b) of this section, Landlord need only repair the damaged structural parts of the Demised Premises. Landlord is not required to repair or replace any equipment, fixtures, furnishings or decorations. Landlord is not responsible for delays due to settling insurance claims, obtaining estimates, labor and supply problems or any other cause not fully under Landlord's control.

(b) Landlord has the right to demolish or rebuild the Building if there is substantial damage by fire or other casualty. Landlord may cancel this Lease within thirty (30) days after the substantial fire or casualty by giving Tenant notice of Landlord's intention to demolish or rebuild.

It is expressly agreed between the parties that the decision as to whether or not repairs shall be made or this Lease be terminated shall be in the sole discretion and option of Landlord, and the parties agree that the decision of Landlord in regard to whether or not same should be repaired is not subject to review by any agency or court, and the decision of Landlord in this regard shall be final and binding upon the parties and is deemed a negotiated condition in this Lease.

The Lease will end thirty (30) days after Landlord's cancellation notice to Tenant. Tenant must deliver the Demised Premises to Landlord on or before the cancellation date in the notice and pay all rent due to the date of the fire or casualty. The cancellation does not release Tenant of liability in connection with the fire or casualty. This section is intended to replace the terms of New York Real Property Law Section 227.

(c) Tenant shall have no entitlement or right to any insurance proceeds payable to Landlord as a result of damage to the Building.

(d) Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease in the event of damage to the Building.

(e) Whether destruction is partial or total, Tenant shall, on demand of Landlord, remove its stock fixtures and equipment to facilitate Landlord's restoration or other use of the Demised Premises.

9.02 EMINENT DOMAIN (a) If the whole of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use or purpose, then, and in that event, the term of this Lease shall cease and terminate upon the date of title vesting in such proceeding.

(b) If part of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use, the minimum rental to be paid hereunder shall be apportioned on the basis of the floor area so taken. In the event such partial taking shall exceed fifty (50%) percent of said floor area, this Lease may be canceled by either party upon the giving of five (5) days notice within twenty (20) days from the date title shall vest in the condemning authority.

(c) In no event shall Tenant have a claim for or be entitled to the value of any unexpired term of this Lease nor otherwise be entitled to any part of the award paid for such condemnation, and Landlord is to receive the full amount of such award. Tenant hereby expressly waives any right or claim to any part thereof.

ARTICLE X

10.01 SIGNS a) Tenant acknowledges that it shall have no right to affix any sign to the Demised Premises or its windows or doors, or to any part of the common areas of the Building or to the Building. Landlord shall have the right to remove any sign affixed to the Building or Demised Premises by Tenant. Tenant further covenants and agrees that no awnings or other projections shall be attached to the outside walls or windows of the Building and that no curtains, blinds, shades or screens shall be attached to or hung in any window or door except as approved by Landlord. Tenant shall have no right to affix any sign in the Demised Premises which may be visible through any of the windows located in or about the Demised Premises. Landlord shall provide signage at the entrance to the Demised Premised and in the Building Lobby at Landlord's sole cost and expense.

b) In the event Landlord or Landlord's representatives shall deem it necessary to remove any Tenant sign or signs in order to paint or to make any other repairs, alterations or improvements in or upon said Demised Premises, or the Building wherein same is situated, or any part thereof, the Landlord shall have the right to do so, provided the same shall be removed and replaced at Landlord's expense whenever the said repairs, alterations or improvements shall have been completed. Landlord shall provide Building directory in lobby for Tenant and its subtenant's use.

ARTICLE XI

11.01 LANDLORD'S COVENANT OF QUIET ENJOYMENT Subject to the terms of the City Lease and the Port Authority Lease, Landlord covenants and agrees with Tenant that upon Tenant paying the Base Rent and Additional Rent and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Demised Premises hereby demised, subject, nevertheless, to the terms and conditions of this Lease and to any ground Leases underlying the Lease and mortgages herein mentioned or provided for.

11.02 NO WASTE Tenant shall not commit or suffer to be committed any waste upon the Demised Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Tenant in the Building in which the Demised Premises is located, or on the parking fields, or anywhere in the Corporate Commons, Teleport or the Corporate Park of Staten Island or surrounding areas, which may disturb the quiet enjoyment of any person within five hundred feet of the boundaries of the Building or parking fields.

11.03 SURRENDER Anything herein to the contrary notwithstanding, upon the termination of this Lease and vacating of the Demised Premises, Tenant agrees to leave the Demised Premises broom clean and in good repair, excepting reasonable wear and tear. The failure of Tenant to remove its trade fixtures or any of its property at the termination of the term of this Lease shall be deemed abandonment of such property, at the option of Landlord.

11.04 HOLDOVER Any holding over after the expiration of the term hereof or renewal term, with the consent of Landlord, shall be constructed to be a tenancy from month to month at a rate equal to 150% of the rent herein last specified, or in an amount specified by Landlord, provided notice of same is given by Landlord to Tenant at least thirty (30) days prior to the termination of the original, Lease term or thirty (30) days prior to the termination of any renewal term, and all obligations of Tenant contained herein shall apply during the holdover period. Nothing contained herein shall, be construed as authorization or consent for Tenant to hold over beyond the expiration of the term of this Lease.

11.05 BROKER Tenant represents that no broker brought about this agreement and Tenant agrees to indemnify and hold Landlord harmless from any claim for commission or compensation by any other broker in connection herewith and Tenant agrees to defend any such claim at Tenant's sole cost and expense.

11.06 COVENANTS The provisions of this Lease are to be construed as covenants and all the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators and assigns.

11.07 NOTICES All notices, requests, demands, consents, approvals and other communications (hereinafter individually and collectively called "Notices") required or permitted to be served or given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt

requested or by a reputable national overnight courier service, postage prepaid, or by hand delivered addressed to the parties at their addresses set forth below:

Landlord:	The Corporate Commons of Staten Island, LLC 1110 South Avenue Staten Island, New York 10314
with a copy to:	Kudman Trachten Aloe LLP 350 Fifth Avenue, Suite 4400 New York, New York 10118
Tenant:	Jack DeSantis, CPA 81 Radcliffe Drive Lincroft, NJ 07738 Federal Employee Identification Number: _____

11.08 CAPTIONS The captions, article numbers, marginal notes and index appearing in this Lease are inserted only as a matter of convenience, and in no way define, limit, describe of affect the scope or intent of this Lease.

11.09 DEFINITIONS (a) The term "Landlord" as used in this Lease means only the owner or the mortgagee in possession for the time being of the land and Building (or the owner of the Lease of the Building or of the land and Building) of which the Demised Premises form a part, so that in the event of any sale or sales of said land and Building or of said Lease, or in the event of a Lease of said Building, or the land and Building, Landlord as named in this Lease shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder. It shall be deemed and construed without further agreement between the parties or their successors in interest, that the purchaser or the lessee of the Building has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder. The words "re-enter" and "re-entry" as used in this Lease are not restricted to their technical legal meaning.

(b) The use of the neuter singular pronoun to refer to Landlord or Tenant shall, nevertheless, be deemed a proper reference even though Landlord and/or Tenant may be an individual, a corporation, a partnership or a group of two or more individuals or corporations.

11.10 RESOLUTION OF BOARD OF DIRECTORS In the event that Tenant, under this Lease, is a corporation, Tenant agrees to provide within thirty (30) days after execution of said Lease a resolution of the Board of Directors of Tenant corporation approving the execution of this Lease. In the event that Tenant fails to provide the aforementioned, Landlord shall, at its option, have the right to terminate this Lease on ten (10) days notice to Tenant provided Tenant does not cure same within 10 days after notice is rendered.

11.11 RECORDING Tenant covenants not to place this Lease or any memorandum of this Lease on record without the prior written consent of Landlord.

11.12 INVALIDITY OF PARTICULAR PROVISION If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

11.13 ENTIRE AGREEMENT This Lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

11.14 GOVERNING LAW This Lease, its provisions, or any dispute arising hereunder, shall be governed by the laws of the State of New York.

11.15 ROOF ANTENNA Subject to Landlord's approval, which may be withheld for any reason, Tenant shall have the right to install a satellite dish, antennae and/or other communications equipment ("Communications Equipment"), whereupon Landlord shall be entitled to Additional Rent for same, in an amount to be determined at the time Tenant applies to Landlord for permission to install said Communications Equipment. In the event Tenant installs Communications Equipment, same shall be installed by Tenant, at its own cost and expense, on the roof of the Demised Premises. Further, the Communications Equipment shall not be visible from the ground and shall not interfere with any other existing or other contemplated antennae on the Building. Unless Landlord shall perform any installation and/or removal, Tenant shall remain responsible for any damage caused by the installation or removal of the Communications Equipment. Tenant shall not be entitled to use more than 100 square feet of the roof top in connection with the installation, the location of which is subject to the Landlord's consent, which consent will not be unreasonably withheld, conditioned or delayed so long as the proposed location does not interfere with any existing communications equipment, HVAC units, vents, exhaust units, or other roof installations. Landlord shall, at Tenant's option, install and remove any such antennas on the roof of the Building at Tenant's sole cost and expense, which shall be Landlord's actual cost plus ten (10%) percent. Tenant shall not be charged any additional roof rental fee for the placement of such antennae.

11.16 HAZARDOUS MATERIALS/ENVIRONMENTAL LAWS (a) "Hazardous Materials" include substances (i) which require remediation under any Environmental Laws; or (ii) which are or become defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any Environmental Laws; or (iii) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic or mutagenic; or (iv) which contain petroleum hydrocarbons, polychlorinated biphenyls, asbestos, asbestos containing materials or urea formaldehyde.

(b) "Environmental Laws" mean all applicable present and future statutes, regulations, rules, ordinances, codes, permits or odors of all governmental agencies, department, commission, boards, bureaus, instrumentalities of the United States, states and their political subdivisions and all applicable judicial, administrative and regulatory decrees and judgments relating to the protection of public health or safety or of the environment.

(c) "Environmental Damages" means all claims, judgments, losses, penalties, fines, liabilities, encumbrances, liens, costs and reasonable expenses of investigation, defense or good faith settlement resulting from violations of Environmental Laws, and including, without limitation: (i) damages for personal injury and injury to property or natural resources; (ii) reasonable fees and disbursements of attorneys, consultants, contractors, experts and laboratories; and (iii) reasonable costs of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any Environmental Law and other reasonable costs reasonably necessary to restore full economic use of the Demised Premises or the Building or the project.

(d) Tenant agrees to indemnify, defend, reimburse and hold Landlord and the Port Authority harmless against any Environmental Damages incurred by Landlord or the Port Authority arising from Tenant's breach of paragraph (e) below. Port Authority and Landlord agrees to indemnify, defend, reimburse and hold Tenant harmless against any Environmental Damages incurred by Tenant arising from either the Port Authority or Landlord's breach of paragraph (e) below. The obligations of both parties in this paragraph shall survive termination of this Lease and the discharge of all other obligations owed by the parties to each other under this Lease. Landlord warrants and represents that the Property, the Building and the Demised Premises (and any Expansion Space) do not and will not contain any Hazardous Materials, including but not limited to asbestos and/or PCBs. In the event that any Hazardous Materials are found in the Property, Building and/or Demised Premises, Landlord shall, at Landlord's sole cost and expense, remove same in compliance with all applicable laws, rules and/or ordinances concerning the removal and/or disposal of same. Landlord agrees to indemnify and hold Tenant harmless from any and all liability arising from the presence of any Hazardous Materials in and around the Property, Building and/or Demised Premises, including but not limited to, Tenant's reasonable costs and attorney's fees.

(e) The Port Authority, Landlord and Tenant shall (i) comply with all Environmental Laws; (ii) not cause or permit any Hazardous Materials to be treated, stored, disposed of, generated, or used in the Demised Premises, building or project; provided, however, that Port Authority, Landlord and Tenant may each store, use or dispose of products customarily found in offices and used in connection with operation and maintenance of property if each complies with all Environmental Laws and does not contaminate the Demised Premises, building, project, or environment; and (iii) promptly after receipt, deliver to the other party a copy of communication concerning any past or present, actual or potential violation of Environmental Laws or liability of either party for Environmental Damages.

11.17 AMERICANS WITH DISABILITES ACT: Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant agree that responsibility for compliance with the

Americans With Disabilities Act of 1990 (the "ADA") shall be allocated as follows: (i) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for all Common Areas, including exterior and interior areas of the Building; (ii) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises if such construction, renovations, alterations or repairs are made by Landlord at Landlord's request and sole expense for the purpose of improving the Building generally, and (iii) Tenant shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises during the term of the Lease after the initial tenant improvement work.

11.18 CONFIDENTIALITY: Landlord and Tenant hereby agree that the terms of this agreement are confidential and may not be disclosed to any third party without the consent of the other.

ARTICLE XII

12.01 RULES AND REGULATIONS Tenant covenants and agrees with Landlord to obey, in all respects, the following rules and regulations:

(1) Tenant agrees to comply with any reasonable rules and regulations to be promulgated by The Port Authority of New York and New Jersey pertaining to security requirements regarding entry to the Corporate Commons.

(2) The delivery, shipping, loading or unloading of furniture, supplies and fixtures to and from the Demised Premises shall be subject to such rules and regulations as in the judgment of Landlord are necessary for the proper operation of the Building. The Landlord hereby agrees to promulgate and apply all rules and regulations equitably and without discrimination against the Lessee and all other tenants in the Building;

(3) No loudspeakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the Demised Premises without the prior written consent of Landlord;

(4) Freight, furniture, business equipment, merchandise or bulky matter of any description shall be delivered to and removed from the Demised Premises only before or after business hours and in a manner approved by Landlord, unless otherwise approved by Landlord in writing. Tenant shall not move any such freight, furniture, business equipment, merchandise or bulky matter of any description on any elevator without the use of elevator wall padding as well as protective floor coverings in the hall ways. The sidewalks, entrances, parking fields, driveways, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than for ingress or egress from the Demised Premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Landlord. There shall not be used in any space, or in the public hall of the Building, either by any Tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards. Landlord reserves the right to require Tenant to use all reasonable

measures to protect the floors and walls of the Building during Tenants moving any equipment or furniture in and out of the Building.

(5) Tenant shall keep the Demised Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures;

(6) The plumbing facilities shall not be used for any other purposes than that for which they are constructed, and no foreign substance of any kind shall be thrown therein;

(7) No auction, fire, bankruptcy, selling-out sales, or sidewalk sales shall be conducted on or about the Demised Premises without prior written consent of Landlord;

(8) Tenant shall not permit any unlawful or immoral practice or business to be carried on or committed upon the Demised Premises;

(9) Tenant shall not use the Demised Premises for any purpose or in any manner whatsoever which might create a nuisance or injure the reputation of the Building;

(10) Tenant shall not bring or permit to be brought or kept in or on the Demised Premises, any inflammable, combustible or explosive fluid, material, chemical or substance, or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors to permeate in or emanate from the Demised Premises;

(11) Tenant shall not bring or permit to be brought in the Building or kept in or on the Demised Premises any pet, except for pets used for medical and or disability assistance purposes.

(12) Tenant shall provide access to the Demised Premises to Landlord or Landlord's designated exterminating service for the purpose of providing exterminating services in connection with the Demised Premises or the Building;

(13) Landlord reserves the right to refuse admission during or outside of ordinary business hours to the Building and the Demised Premises to any person not known to any watchman in charge or properly identified; to eject any person from the Building whose conduct may tend to be harmful to the safety and interests of Tenants and the property therein; to close any part of the Building during any riot or other commotion where person or property may be imperiled; all of the foregoing to be without liability to Landlord;

(14) Tenant shall be entitled to install vending machines for use by its officers, employees and invitees, but not other tenants nor shall the vending machines be accessible to the public.

(14) Tenant shall comply with all further rules and regulations for the use and occupancy of the Building and Common Areas as Landlord from time to time promulgates for the best interests of the Corporate Commons, provided that if Tenant disputes the reasonableness of any future rule or regulation, Tenant shall so notify Landlord within ten (10) days after the promulgation thereof and the dispute shall be settled by arbitration by and in accordance with the rules then existing of

the American Arbitration Association. Landlord shall have no liability for the violation of any other tenant of any rules or regulations nor shall such violation or the waiver thereof excuse Tenant from compliance.

IN WITNESS WHEREOF, Landlord and Tenant have duly signed and sealed this Lease as of the day and year first above written.

LANDLORD:
The Corporate Commons of Staten Island, LLC

Witness for Landlord:

By _____
Richard Nicotra, Member

TENANT:

Witness for Tenant:

_____
Jack DeSantis

EXHIBIT C

If requested by Tenant and pursuant to the terms of Section 3.08, Landlord shall provide the following cleaning services:

All flooring swept daily.
All carpeted areas and rugs carpet-swept daily and vacuumed weekly.
All private stairways swept daily.
Waste paper baskets, ashtrays, receptacles, etc. emptied and cleaned daily and damp dusted when necessary.
Cigarette urns cleaned daily and sand or water replaced when necessary.
All furniture, fixtures and window sills dusted and wiped clean daily.
All glass furniture tops cleaned daily.
All water fountains washed clean daily.
Slop sink rooms cleaned daily.
Remove waste paper and waste materials to a designated area or areas, ready for removal by rubbish contractor daily.
Do all high dusting quarterly, including the following:
Dust all pictures, frames, charts, graphs and panel wall hangings not reached in daily cleaning.
Dust all vertical surfaces such as walls, partitions, ventilating louvers and other surfaces not reached in daily cleaning.
Dust all lighting fixtures (exterior only).
Dust all overhead pipes, sprinklers, etc.
Dust all Venetian blinds and window frames.
Exterior window washing twice per year.

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS NON-DISTURBANCE AND ATTORNMENT AGREEMENT, dated as of April 23, 2009 (this "Agreement"), between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, having an office at 225 Park Avenue South, New York, New York 10003 (the "Port Authority"), and EDUCATION AFFILIATES, INC., a corporation organized and existing under the laws of the State of Delaware having its principal place of business at 5024A Campbell Boulevard, Baltimore, Maryland 21236 (the "Space Lessee").

RECITALS

WHEREAS, the Port Authority and the predecessor in interest of THE CORPORATE COMMONS OF STATEN ISLAND, LLC (together with its transferees, successors and assigns, the "Lessee"), have heretofore entered into an agreement dated as of July 8, 1985 (which agreement, as the same has been or may hereafter be supplemented and amended, is hereinafter called the "Main Lease") covering the construction and operation of two office buildings at the Teleport (the "Facility") located in a portion of Staten Island Industrial Park in the County of Richmond, City and State of New York;

WHEREAS, the Lessee, as landlord, and the Space Lessee, as tenant, have entered into a space lease, dated as of April 23, 2009, as the same has been amended by First Modification and Amendment of Lease dated as of April 23, 2009 (the "Space Lease") covering certain premises (the "Premises") located in the building commonly known as "Corporate Commons Two" (the "Building") at the Facility;

WHEREAS, the Space Lessee has required, as a condition to its execution and delivery of the Space Lease, that the Port Authority agree to recognize the Space Lease and the Space Lessee's rights thereunder in the event of a termination of the Main Lease, and the Port Authority is willing to recognize the Space Lease, upon and subject to the terms and conditions of this Agreement; and

WHEREAS, contemporaneously herewith, the Port Authority, the Lessee and the Space Lessee have entered into a Consent Agreement (the "Consent") providing for the consent of the Port Authority to the form and terms of the Space Lease on the terms and conditions set forth in the Consent Agreement and for certain other matters as set forth therein.

IT IS, THEREFORE, AGREED:

1. Non-Disturbance.

(a) So long as the Space Lessee shall not be in default under the Space Lease after the giving of any required notice and the expiration of any applicable grace or cure period provided for thereunder:

(i) The Space Lessee's right of peaceable and quiet use, occupancy, enjoyment and possession of the Premises shall not be affected or disturbed by the Port Authority; and

(ii) except as provided in Section 3 hereof, upon the expiration or any termination of the Main Lease by summary dispossess proceeding or otherwise, the Port Authority shall be bound by the provisions of the Space Lease, and the Space Lease shall remain in full force and effect as a direct lease between the Port Authority, as landlord, and the Space Lessee, as tenant, upon all of the obligations, terms and conditions of the Space Lease.

(b) Notwithstanding the occurrence of any default or breach on the part of the Lessee under the Main Lease, and provided that the Space Lessee is not in default under the Space Lease, the Port Authority shall not name the Space Lessee as a party in any action or proceeding arising from the exercise by the Port Authority of any of its rights or remedies under the Main Lease, provided that the Space Lessee may be so named or joined if required by law, and if such naming or joining of the Space Lessee will not adversely affect the Space Lessee's rights under this Agreement or under the Space Lease.

2. Attornment. Without in any way limiting the provisions of the Main Lease or the Consent, if the Port Authority shall succeed to the interest of the Lessee as landlord under the Space Lease as set forth in this Agreement, then the Space Lessee shall attorn to and recognize the Port Authority as the Space Lessee's landlord under the Space Lease and shall continue to be bound by all the terms, provisions and conditions of the Space Lease. The Space Lessee agrees to execute and deliver, at any time and from time to time, upon request of the Port Authority, any instrument which may be reasonably necessary or appropriate to evidence such attornment. The Space Lessee hereby waives the provisions of any statute or rule of law now or hereafter in effect which may

(a) terminate the Space Lease or

(b) give or purport to give the Space Lessee any right of election

(1) to terminate the Space Lease or

(2) to surrender possession of the Premises (i) in the event the Main Lease terminates or (ii) in the event that any proceeding is brought by the Port Authority under the Main Lease,

and in each such case the Space Lease shall not be affected in any way whatsoever by any such proceeding or termination.

3. Limitation on Port Authority's Obligations; No Merger.

(a) Notwithstanding the attornment by the Space Lessee to the Port Authority pursuant to this Agreement, neither the Port Authority nor anyone claiming by or through the Port Authority shall:

(i) be bound by any payment of rent or additional rent covering a period beyond the then-current rental period, which payment shall not have been consented to by the Port Authority, or any security deposit or any other pre-paid sum paid by the Space Lessee to the Lessee, except to the extent such rent or additional rent or security deposit or other pre-paid sum is actually received by the Port Authority;

(ii) be bound by any amendment or modification of the Space Lease or any surrender agreement, which amendment or modification or surrender agreement shall not have been consented to by the Port Authority;

(iii) subject to the provisions of clause (vi) of this Section 3, be liable for any previous act, omission or negligence of the Lessee under the Space Lease, nor be obligated to cure any defaults of the Lessee;

(iv) except as otherwise provided in clause (vi) of this Section 3, be subject to any defenses or offsets not expressly provided for in the Space Lease which shall have theretofore accrued in favor of the Space Lessee against the Lessee;

(v) be bound by any obligation to grant any credit or to make any payment to the Space Lessee, by any financing obligation the Lessee may have incurred with respect to the Space Lessee, or by any obligation for brokerage commissions or costs or expenses incurred in connection with the negotiation or execution of the Space Lease;

(vi) be bound by any covenant to undertake or complete any construction on or in the Premises or any portion thereof, except for repair and maintenance obligations thereafter accruing, nor be obligated to cure any defaults under the Space Lease that occurred prior to the termination of the Main Lease except for defaults that continue subsequent to the termination of the Main Lease; or

(vii) be bound by any extension option set forth in the Space Lease to the extent that the extended term of the letting of such option does extend beyond the day preceding the earlier of the expiration date of the term of the letting of the Main Lease or the expiration date of the term of the letting of that certain agreement of lease, dated May 15, 1984, between the City of New York, acting by and through the New York City Public Development Corporation, and the Port Authority, covering the Facility.

(b) Notwithstanding any termination of the Main Lease, or any attornment by the Space Lessee to the Port Authority pursuant to this Agreement, there shall be no merger of the estates of the Port Authority as lessor under the Main Lease and as landlord under the Space Lease, and the Space Lease and the Space Lessee's rights and obligations thereunder shall remain subject and subordinate to the Main Lease and the rights of the Port Authority thereunder (except as specifically modified by this Agreement). It is expressly understood and agreed that the Port Authority shall have the right to incorporate into the Space Lease those provisions of the Main Lease relating to the Port Authority's status and the relationship between the Port Authority and the Lessee that are set forth in Sections 6.6.3, 10.4, 12.2, 43 and 48 of the Main Lease, and the Space Lessee shall execute an agreement prepared by the Port Authority and submitted to the Space Lessee providing for the incorporation of such provisions in the Space Lease.

4. Successors and Assigns. The stipulations, terms, covenants and agreements contained in this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns, including (without limitation) each and every party deriving title to the Premises or the Building by or through the Port Authority.

5. Notices. Any demand, request, consent or other notice given or required to be given under this Agreement shall be deemed given only if in writing, and hand delivered (with receipt acknowledged in writing) or sent by registered or certified mail (return receipt requested) to the duly designated office of such party. Until further notice, the duly designated offices are as follows:

To the Port Authority:

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003
Attention: Executive Director

To the Space Lessee:

Education Affiliates, Inc.
5024A Campbell Boulevard
Baltimore, Maryland 21236

All notices shall be deemed given when received.

6. Amendments. This Agreement may not be changed, modified, supplemented or terminated, nor may any of the obligations of the Port Authority or the Space Lessee hereto be waived, except by an instrument executed by each of the parties hereto.

7. Governing Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of New York.

8. Non-Liability of Individuals. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Space Lessee with any liability or held personally liable under any term or provision of this Agreement or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Francis A. DiMola
(Director
Real Estate Services Department

ATTEST:

Secretary VP

EDUCATION AFFILIATES, INC.

By

(Title) CFO

(Corporate Seal)

APPROVED

TERMS	FORM
	NR

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 11th day of September, in the year 2009, before me, the undersigned, a notary public in and for said state, personally appeared FRANCIS A. DIMAIA, 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.

Virginia Della Barca
Notary Public

[Notary Seal] My commission expires:

VIRGINIA DELLABARCA
Notary Public, State of New York
No. 01DE6202188
Qualified In New York County
Term Expires March 9, 2013

STATE OF ~~NEW YORK~~ Maryland)
)ss.:
COUNTY OF ~~NEW YORK~~ Baltimore)

On the 21st day of July, in the year 2009, before me, the undersigned, a notary public in and for said state, personally appeared Stephen J. Budosh, 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.

KYMBERLY A. BENNETT
NOTARY PUBLIC STATE OF MARYLAND
Commission Expires 05/18/2010

Kymberly A Bennett
Notary Public
[Notary Seal] My commission expires: 5/18/2010

CONSENT AGREEMENT

THIS AGREEMENT, dated as of April 23, 2009, by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by Compact between the States of New Jersey and New York, with the consent of the Congress of the United States of America and having an office at 225 Park Avenue South, New York 10003 (hereinafter called "the Port Authority"), THE CORPORATE COMMONS OF STATEN ISLAND, LLC, a limited liability company organized and existing under the laws of the State of New York having its principal place of business at 1110 South Avenue, Staten Island, New York 10314 (hereinafter called "the Lessee"), and EDUCATION AFFILIATES, INC., a corporation organized and existing under the laws of the State of Delaware having its principal place of business at 5024A Campbell Boulevard, Baltimore, Maryland 21236 (hereinafter called "the Space Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee's predecessor in interest have heretofore entered into an agreement dated as of July 8, 1985 (which agreement, as the same has been or may hereafter be supplemented and amended, is hereinafter called "the Main Lease") covering the construction and operation of an office building or buildings at the Teleport, (located in a portion of the Staten Island Industrial Park leased by the City of New York to the Port Authority and hereinafter called "the Facility"); and

WHEREAS, pursuant to and in accordance with the terms of the Main Lease, the Lessee proposes as of the effective date hereof to enter into a sublease with the Space Lessee dated as of April 23, 2009, as the same has been amended by First Modification and Amendment of Lease dated as of April 23, 2009, copies of which are attached hereto, made a part hereof and hereafter collectively called "the Space Lease", covering certain space at the Facility (hereinafter the "Premises"), subject to the consent of the Port Authority and the execution of a Consent Agreement by and among the Lessee, the Space Lessee and the Port Authority;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Lessee and the Space Lessee hereby agree effective as of April 23, 2009, as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Space Lease.

2. Notwithstanding anything to the contrary set forth in the Space Lease, and subject to the provisions of that certain Non-Disturbance and Attornment Agreement, dated as of April 23, 2009, between the Port Authority and the Space Lessee (hereinafter the "Non-Disturbance Agreement"), the Space Lease shall terminate, without notice to the Space Lessee, on the day preceding the date of expiration or earlier termination of the Main Lease, or on such

earlier date as the Lessee and the Space Lessee may agree upon. The Space Lessee shall quit the Premises and remove its property and property for which it is responsible therefrom on or before the termination of the Space Lease.

3. Neither this Consent Agreement, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to nor shall they create an implication that there has been consent to any enlargement or change in the rights, powers and privileges granted to the Lessee under the Main Lease, nor consent to the granting of any rights or privileges to the Space Lessee as may be provided by the Space Lease if not granted to the Lessee under the Main Lease. The Space Lease is an agreement between the Lessee and the Space Lessee with respect to the various matters set forth therein. Neither this Consent nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Lessee that the provisions of the Space Lease shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, conditions and agreements of the Main Lease shall, in all respects, be controlling and determinative, except to the extent expressly modified with respect to non-disturbance and attornment by the Non-Disturbance Agreement. The specific mention of or reference to the Port Authority in any part of the Space Lease, including without limitation hereto, any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall thereafter grant its consent or approval thereto or that the Port Authority's discretion pursuant to the Main Lease as to any such consents or approvals shall in any way be affected be impaired. The lack of any specific reference in any provisions of the Space Lease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Main Lease shall, in all respects, be controlling.

No provision of the Space Lease including, but not limited to, those imposing obligations on the Space Lessee with respect to laws, rules, regulations, taxes, assessments and liens shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Space Lease covering actions which shall or may be undertaken by the Space Lessee or the Lessee including, but not limited to, construction in the Premises, be deemed to imply or infer that Port Authority consent or approval thereto pursuant to the Main Lease will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired

4. The Space Lessee, in its operations under or in connection with the Space Lease and in its occupancy of the Premises, shall be subject to the applicable terms, provisions, covenants and conditions of the Main Lease. Without in any way affecting the obligations of the Lessee under the Main Lease and under this Consent Agreement, all acts and omissions of the Space Lessee shall be deemed acts and omissions of the Lessee under the Main Lease, but notwithstanding the foregoing, the Lessee shall not be or be deemed to be in default of the Main Lease to the extent that any of the foregoing shall constitute a breach thereof if, except for causes beyond the control of the Lessee, it shall have commenced to remedy said default within twenty

(20) days after receipt of notice thereof from the Port Authority and continues diligently to pursue such remedy.

5. The Space Lease shall not be changed, modified, discharged or extended except by written instrument duly executed by the parties thereto and only with the express written consent of the Port Authority, *provided*, that the Port Authority hereby does consent to the exercise by the Space Lessee of the extension options set forth in the Space Lease but only to the extent that the extended term of the letting of each such option does not extend beyond the day preceding the earlier of the expiration date of the term of the letting of the Main Lease or the expiration date of the term of the letting of that certain agreement of lease, dated May 15, 1984, between the City of New York, acting by and through the New York City Public Development Corporation, and the Port Authority, covering the Facility, and such consent does not extend to the modification of other terms and provisions of the Space Lease at the time of the exercise of such extension options. Without limiting the generality of the foregoing, the Space Lessee shall use the space covered by the Space Lease for the following purpose and for no other purpose or purposes whatsoever:

> as a center for the group or individual tutoring of classes and/or training, academic assessment, career services and/or enrichment programs, listening and viewing library and medical laboratories (utilizing, without limitation computers, tapes compact discs, CD-ROMS and other electronic equipment and installation of medical and laboratory equipment, including but not limited to x-ray machines and dental equipment), test administration, sale of related materials and/or products and programs typically offered by a community college, and for a first class general and administrative office in connection with the above use and for such other type or types of business or operations engaged in by tenants or subtenants at the Facility whose eligibility and qualifications have been previously determined by the Port Authority under the provisions of Chapter 5 of Title 17 of the Unconsolidated Laws of the State of New York strictly on the basis of their functions, activities, and services in world trade and commerce.

6. If the Lessee shall at any time be in default of its obligations under the Main Lease to make payments to the Port Authority, or if there shall occur at any time an event involving insolvency, bankruptcy, arrangement or reorganization of the Lessee which under the terms of the Main Lease would constitute an event the occurrence of which grants the Port Authority the right to terminate the Main Lease, and provided the same has not been cured within the time granted to the Lessee therefor, if any, under the Main Lease, the Space Lessee on demand of the Port Authority shall pay directly to the Port Authority any fee or other amount due to the Lessee under the Space Lease. No such payment shall relieve the Lessee from any obligations under the Main Lease or under this Consent Agreement but all such payments shall be credited against the obligations of the Lessee and of the Space Lessee for each payment or part thereof.

7. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of consent to any subsequent agreement with respect to the use or occupancy of space at the Facility (by the Lessee or by the Space Lessee) or to any assignment of the Main Lease or the Space Lease or of any rights under either of them, whether in whole or in part, except as expressly set forth in the proviso to Section 5 of this Agreement.

8. In the event of any substantial default by the Space Lessee under any of the provisions of this Consent Agreement and said default has not been cured within thirty (30) days after the Port Authority has served a notice of such default upon the Lessee and the Space Lessee, the Port Authority shall have the right to revoke the consent granted hereunder upon thirty (30) days' written notice to the Lessee and the Space Lessee, but no such revocation shall be deemed to affect the Main Lease and the continuance thereof, it being understood, moreover, that the foregoing shall not be deemed to affect or limit any rights of the Port Authority under the Main Lease. In the event of the revocation of the consent hereunder as hereinabove provided, the Lessee shall immediately terminate the Space Lease.

9. Section 8.03 of the Space Lease is hereby deleted in its entirety and the following:

> "Tenant covenants and agrees that, if by reason of a default upon the part of Landlord who is the lessee under the Port Authority Lease covering the Demised Premises in the performance of any of the terms or provisions of the Port Authority Lease or if for any other reason of any nature whatsoever the Port Authority Lease and the leasehold estate of the Landlord thereunder are terminated by summary dispossess proceedings or otherwise, Tenant, at the request in writing of the then landlord under the Port Authority Lease, shall attorn to and recognize such landlord as Tenant's landlord under this Lease. Tenant covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under the Port Authority Lease, any instrument which may be necessary or appropriate to evidence such attornment. Tenant further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this lease or give or purport to give Tenant any right of election to terminate this Lease or to surrender possession of the Demised Premises in the event the Port Authority Lease terminates or in the event any such proceeding is brought by the landlord under the Port Authority Lease if such landlord shall have requested in writing that Tenant attorn, as aforesaid, and in that circumstance Tenant agrees that this Lease shall not be affected in any way whatsoever by any such proceeding or termination. Nothing contained herein shall obligate the landlord under the Port Authority Lease to request the Tenant to attorn or to accept such attornment from the Tenant."

The operation of the provisions of said Section, as so amended, shall be subject to the provisions of the Non-Disturbance Agreement.

10. Reference herein to the Space Lessee shall mean and include the Space Lessee, its officers, agents, employees and also others on the space covered by the Space Lease or on the Facility with the consent of the Space Lessee

11. Without limiting the provisions of Sections 3, 4 and 5 of this Consent, the Port Authority will permit the Space Lessee's customers unimpeded access to the Premises during normal business hours on weekdays other than legal holidays, subject to the Port Authority's obligations to the City of New York and the Port Authority's existing tenants and lessees under the Ground Lease (as defined in the Main Lease) and the Teleport Master Plan Design Manual dated March 1988. Any construction work required to implement such access will be at the Port Authority's sole discretion. For the purposes of this Consent, the term "normal business hours" shall mean 7:00 o'clock A.M. to 7:00 o'clock P.M.

12. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Lessee or to the Space Lessee under any term or provision of this Consent Agreement or because of its execution or because of any breach or alleged breach hereof.

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Space Lessee have executed these presents.

ATTEST:

Secretary

THE PORT AUTHORITY ~~OF NEW~~ YORK AND NEW JERSEY

By

(Title) Francis A. DiMola
Director
Real Estate Services Department

(Seal)

ATTEST:

~~Secretary~~ CEO

THE CORPORATE COMMONS OF STATEN ISLAND, LLC.
Lessee

By

Print Name Ricuson Nicotra
(Title) President
(Corporate Seal)

ATTEST:

~~Secretary~~ VP

EDUCATION AFFILIATES, INC.
Sublessee

By

Print Name Stephen J Bulot
(Title) CFO & Vice President
(Corporate Seal)

APPROVED	
TERMS	FORM
	NR

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 11th day of September in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. DILLON, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Virginia DellaBarca
(notarial seal and stamp)
VIRGINIA DELLABARCA
Notary Public, State of New York
No. 01DE6202188
Qualified in New York County
Term Expires March 9, 2013

STATE OF NY)
) ss.
COUNTY OF Richmond)

On the 21 day of July in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared Richard Nicotra, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)
JOHN S. LEGO
Notary Public, State of New York
No. 02LE5016297
Qualified in New York County
Commission Expires August 9, 2009

STATE OF Maryland)
) ss.
COUNTY OF Baltimore)

On the 21ST day of July in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared Stephen J. Budosh, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Kymberly A. Bennett
(notarial seal and stamp)

KYMBERLY A. BENNETT
NOTARY PUBLIC STATE OF MARYLAND
Commission Expires 05/18/2010

LEASE

Dated: April 23, 2009

between

The Corporate Commons of Staten Island, LLC, as landlord

and

Education Affiliates, Inc., as tenant

Affecting Suite 202 which is part of the Building commonly known as
Corporate Commons Two
located at Teleport Drive, South Avenue, Staten Island
in the County of Richmond, City and State of New York 10311.

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Memorandum of Commencement Date

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Letter of Credit Agreement

This LEASE (this "Lease") is made as of this ___ day of April, 2009 (the "Lease Date"), between **The Corporate Commons of Staten Island, LLC**, a New York Limited Liability Company with its principal place of business located at 1110 South Avenue, Staten Island, New York 10314, as landlord ("Landlord") and **Education Affiliates, Inc.**, a Delaware corporation with its principal place of business located at 5024A Campbell Boulevard, Baltimore, Maryland 21236, as Tenant ("Tenant").

ARTICLE I

1.01 DEMISED PREMISES In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be observed and performed, Landlord demises and leases to Tenant, and Tenant rents from Landlord, those certain premises identified as Suite 202 designated in Exhibit A, as part of the Building located in The Corporate Commons in the Teleport at the address Teleport Drive, South Avenue, Staten Island, New York 10311 (herein called the "Building") containing approximately 166,761 rentable square feet, and which Demised Premises consist of an area approximately 27,287 rentable square feet on the second floor (herein referred to as the "Demised Premises"). Computations for rentable square footage shall be in accordance with the Real Estate Board of New York ("REBNY") standards for office use which utilize measurement to the exterior surface of exterior walls and common areas and to the center line of any wall separating the Demised Premises from any other rentable space plus an add-on-factor as reasonably determined by Landlord's architect in order to adequately compensate Landlord for the loss factor incurred resulting from the use of the common areas of the Building by all tenants thereof. The determination of Landlord's architect shall be conclusive as to the determination of the rentable square footage of the Demised Premises.

1.02 AS IS Subject to paragraph 4.01 below and Exhibit B annexed hereto, Tenant represents that neither Landlord's agents nor any broker, sales representative nor any person has made any representation with respect to the Building or the Demised Premises except as herein expressly set forth. The taking possession of the Demised Premises by Tenant shall be conclusive evidence, as against Tenant, that Tenant accepts same "as is" and that the Demised Premises and the Building of which the same form a part were in good and satisfactory condition at the time such possession was so taken subject to any punch list agreed upon by the parties.

1.03 ADDITIONAL AREAS/REVOCABLE LICENSE

(a) The use and occupation by Tenant of the Demised Premises shall include the use in common with others entitled thereto, of the common areas, service roads, sidewalks and vehicle parking areas, and other facilities as may be designated from time to time by Landlord, subject, however, to the terms and conditions of this Agreement and to reasonable rules and regulations for the use thereof as prescribed from time to time by Landlord. Such additional areas are specifically not included in the Demised Premises and are in the sole control of Landlord including the right to lease or license such additional areas provided that at all times Landlord will ensure that Tenant has reasonable and proper access to the Demised Premises.

(b) All common areas and facilities not within the Demised Premises, which Tenant may be permitted to use, are to be used under a revocable license, and if the amount of such areas be diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such diminution of such areas be deemed constructive or actual eviction.

(c) Tenant and Tenant's employees and agents shall not solicit or conduct any business or display any merchandise in the parking or other common areas, nor shall Tenant distribute any handbills or other advertising matter to automobiles parked in the parking areas or to customers in other common areas.

1.04 PARKING FACILITIES

(a) Landlord shall have the right at any time during the Term (as defined below) of this Lease to alter, modify, change, move, or build on the parking facilities, fields or pads, as well as the roadways or footways provided however that Landlord shall at all times provide parking facilities to Tenant in reasonable proximity to the Demised Premises in accordance with subsection (c) below.

(b) Landlord may at its option, supply such parking attendant or supervisory service, as it may, in its sole discretion, determine is advisable for the best interests of the property. Landlord has the right to require Tenant to validate parking.

(c) Notwithstanding anything to the contrary herein, Landlord shall at all times during the Term provide adequate parking facilities, fully illuminated, paved striped and landscaped for 112 non-designated parking spaces for use by Tenant and its directors, officers, agents employees and guests.

(d) Landlord shall be responsible for performing snow removal, or engaging such services as required to perform snow removal for the parking area, including the driveways leading to the public street and Building which Landlord, in its opinion, deems necessary to the proper operation of the Building.

(e) Tenant shall comply with all reasonable rules and regulations promulgated by Landlord with respect to the parking facilities.

(f) Except with respect to the gross negligence or willful misconduct of Landlord or its employees or agents, Landlord shall not be liable to Tenant or to any agents, employees or invitees of Tenant for injuries to person or loss or damage to property in connection with the use of the parking facilities and Tenant hereby releases and discharges the Landlord from any and all claims arising out of such use. Tenant also agrees to defend, indemnify and hold the Landlord harmless from any claims, lawsuits or judgments arising out of any use of the parking facilities by Tenant, its agents or employees provided however that the foregoing indemnity shall not extend to any claims, lawsuits or judgments resulting from the gross negligence or willful misconduct of Landlord or its employees or agents.

(g) Landlord reserves the right to tow, at Tenant's expense, or in the case of a third party, at the vehicle owner's expense, any vehicle which violates any of the Building's rules and regulations with regard to parking.

1.05 USE

Tenant shall use and occupy Demised Premises as a center for the group or individual tutoring of classes and/or training, academic assessment, career services and/or enrichment programs, listening and viewing library and medical laboratories (utilizing, without limitation computers, tapes compact discs, CD-ROMS and other electronic equipment and installation of medical and laboratory equipment, including but not limited to x-ray machines and dental equipment), test administration, sale of related materials and/or products and programs typically offered by a community college, and or first class general and administrative office and for any other legally permissible purposes consistent with the certificate of occupancy for the Building (or its equivalent as issued by the Port Authority) and the other tenant's uses in the Building. Tenant shall continuously conduct, in the Demised Premises, the business above stated. Tenant will not use or permit, or suffer the use of, the Demised Premises for any other business or purpose other than as stated herein and in no event will Tenant utilize the Demised Premises in connection with any gambling or gaming including internet related gambling or gaming, any child preschool or day care center, family planning center and/or related services, abortion related facility or abortion related services, any clinic or office providing for treatment or counseling in connection with any substance abuse or any disease, restaurant, bar, cabaret, social club, or in connection with the sale and/or distribution of pornographic materials including any such distribution over the internet.

ARTICLE II

2.01 TERM

(a) Landlord hereby Leases to Tenant and Tenant hereby hires from Landlord the Demised Premises for a term of ten (10) years (or until such term shall sooner cease and expire as hereinafter provided) to commence upon the first date that all of the following have occurred: (i) Landlord substantially completes the Base Building Conditions and Improvements (as each term is defined in Exhibit B attached hereto), (ii) Landlord obtains the approval of this Lease by the Port Authority of New York and New Jersey (hereinafter "Port Authority"), (iii) Landlord has delivered the Demised Premises to Tenant for Tenant's use and occupancy, and (iv) Landlord has obtained a certificate of occupancy (or its equivalent as issued by the Port Authority") with respect to the Demised Premises (the "Commencement Date"), and to end on the last day of the one hundred twentieth (120th) full month thereafter (the "Term"). As used in this Lease, the "Term" shall include any Option Periods (as defined below) to the extent exercised by Tenant unless the context clearly provides otherwise.

(b) Landlord will construct or install in the Demised Premises the Base Building Conditions and Improvements (as defined in Exhibit B) to be constructed or installed by

Landlord according to the provisions of Section 4.01 hereof and Exhibit B attached hereto. If Tenant submits complete plans for the Improvements to Landlord, including architectural, mechanical and construction plans (the "Plans") by April 30, 2009 then if the Commencement Date has not occurred on or before September 1, 2009 (the "Improvements Deadline")and provided that such failure is not the result of a Force Majeure Event (as hereinafter defined) or a delay resulting in a Tenant Delay Day (as defined in the Exhibit B), then Tenant shall be entitled to receive a credit to Base Rent (to be applied on the Commencement Date) in the amount of one day of prorated annual Base Rent for each day from the Improvements Deadline through the date on which the Commencement Date actually occurs. In addition to the foregoing, if the Commencement Date has not occurred on or before January 1, 2010 (the "Improvements Default Date"), and the failure is not the result of a Force Majeure Event or a delay resulting in a Tenant Delay Day, then Tenant may elect, by giving written notice to Landlord, to complete the Base Building Conditions and Improvements and offset the cost of such completion against Base Rent due under this Lease or Tenant may, by written notice to Landlord at any time after the Improvements Deadline and prior to the Commencement Date, notify Landlord in writing of its election to terminate this Lease (the "Termination Notice"), whereupon this Lease shall automatically terminate within twenty (20) days after Landlord's receipt of the Termination Notice unless the Commencement Date has occurred within such twenty (20)-day period. If Tenant terminates this Lease in accordance with this Section 2.01(b), Landlord shall promptly return to Tenant any funds paid by Tenant in connection with the Base Building Conditions and Improvements. If the Commencement Date is delayed due to strikes or accident or by any Force Majeure Event or by any delay by Tenant resulting in a Tenant Delay Day, then the Improvements Deadline shall be extended by the period of the delay caused by such Force Majeure Event or the number of Tenant Delay Days, as applicable. If Tenant does not submit the Plans to Landlord on or before April 30, 2009, then (a) the Improvements Deadline shall be extended for an equivalent day beyond September 1, 2009 for each day after April 30, 2009 through the date Tenant submits the Plans to Landlord and (b) the Improvements Default Date shall be commensurately extended on a per diem basis as with the Improvements Deadline.

(c) Following the Commencement Date, Landlord and Tenant will execute a Memorandum of Commencement Date in the form attached as Exhibit C hereto within ten (10) days of receipt of same from Landlord, which letter shall ratify and confirm the actual Commencement Date of this Lease as well as the final rentable square footage of the Demised Premises as determined in accordance with Section 1.01.

(d) If Tenant is permitted entry to the Demised Premises prior to the Commencement Date for the purpose of installing fixtures or any other purpose permitted by Landlord, the early entry will be at Tenant's sole risk and subject to all the terms and provisions of this Lease as though the Commencement Date had occurred, except for the payment of Rent, which will commence on the Commencement Date. Tenant, its agents, or employees will not interfere with or delay Landlord's completion of construction of the improvements. Landlord has the right to impose additional conditions on Tenant's early entry that Landlord, in its reasonable discretion, deems appropriate and Landlord will further have the right to require that Tenant execute an early entry agreement containing those conditions prior to Tenant's early entry.

2.02 FORCE MAJEURE In the event that Landlord shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strike, lockouts, labor trouble, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, the failure of the prior occupant to vacate the Demised Premises or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of such delay (each a "Force Majeure Event"). The provisions of this section shall not operate to excuse Tenant from the prompt payment of rent, Additional Rent, or any other payments required by the terms of this Lease except as otherwise expressly provided herein.

2.03 RENT SCHEDULE Tenant covenants and agrees to pay to Landlord during the Term of this Lease the following annual base rent ("Base Rent"):

(i) For the first two years of the Term, the sum of $661,709.75 per annum payable in equal monthly installments of $55,142.48 equivalent to $24.25 per rentable square foot;

(ii) For the third, fourth and fifth years of the Term, the sum of $716,283.75 per annum payable in equal monthly installments of $59,690.31 equivalent to $26.25 per square foot;

(iii) For the sixth and seventh years of the Term, the sum of $743,570.75 per annum payable in equal monthly installments of $61,964.22 equivalent to $27.25 per rentable square foot; and

(iv) For the eighth, ninth and tenth years of the Term, the sum of $798,144.75 per annum payable in equal monthly installments of $66,512.06 equivalent to $29.25 per rentable square foot

In the event that the Term of this Lease does not commence on the first day of the month, Tenant shall pay Base Rent on a per diem basis until the first day of the month next succeeding the Commencement Date, and thereafter Base Rent shall be payable as hereinabove provided.

Tenant shall be granted free Base Rent for the first two (2) full calendar months of the Term following the Commencement Date.

2.04 OPTION TO EXTEND TERM Provided that no Event of Default has occurred and is continuing at the time of exercise, Tenant shall have the right and option to renew this Lease for two (2) additional five (5) year terms (the "Option Terms") beyond the expiration of the initial Term of this Lease upon the terms and conditions as set forth herein except the Base Rent shall be Ninety-Five (95%) percent of the then fair market rent. If the parties can not mutually agree as to the fair market rent, each party shall select a commercial lease broker with at least five (5) years experience renting office space in Richmond County. The Landlord and Tenant's brokers

will together use their best efforts to determine and agree upon a fair market rent for the Demised Premises for the three (3) most recent transactions for comparable space within any comparable building located along South Avenue in Staten Island. If they are unable to determine the then fair market rent for the Demised Premises, then they shall select a third commercial broker with the same or better experience to do the following: Said third broker shall be paid by Landlord and Tenant, equally, and the third party broker shall determine the fair market rent of the Demised Premises provided however that such third broker's rent determination shall not exceed the rent as determined by Landlord's broker or be less than the rent as determined by Tenant's broker. The final selection by the third party broker shall be final and not subject to judicial determination or intervention or the subject of arbitration or mediation. The selection of the third party broker shall be final and conclusive.

Tenant may exercise each option for an extended five (5) year term by written notice to Landlord at least six (6) months before the expiration of the preceding Term.

2.05 PAYMENT Base Rent shall be paid to Landlord at the address of Landlord as above set forth or at such other address as Landlord shall from time to time designate, in equal monthly installments in advance, on the first day of each month during the Term hereof without notice or demand and without abatement, deduction or set-off of any amount whatsoever, except as otherwise expressly provided herein. The Base Rent for the third full month of the Term of this Lease shall be paid upon the execution of this Lease.

2.06 NO ATTORNMENT All checks tendered to Landlord as Rent (as defined below) for the Demised Premises shall be deemed payment for the account of Tenant. Acceptance by Landlord of Rent from anyone other than Tenant shall not be deemed to operate as an attornment to Landlord by the payor of such Rent, or as a consent by Landlord to an assignment or subletting by Tenant of the Demised Premises to such payor, or as a modification of the provisions of this Lease, except by written notation releasing said Tenant. "Rent" shall mean Base Rent and or Additional Rent (as defined below).

2.07 LATE CHARGES In the event that the Base Rent or Additional Rent is not received by Landlord within five (5) days after the due date therefor, a late charge equal to 5% of the Base Rent and/or Additional Rent that is late shall become immediately due and payable to Landlord.

2.08 PAST DUE RENT If Tenant shall fail to pay within five (5) days after the same is due and payable, any Base Rent or any Additional Rent, or amounts or charges of the character described in this Lease, such unpaid amounts shall bear interest from the original due date thereof to the date of payment at the rate of sixteen (16%) percent per annum or maximum legal rate of interest, whichever is lower.

2.09 SECURITY Tenant has deposited with Landlord the sum of Fifty Five Thousand One Hundred and Forty Two Dollars and 48/100 US Dollars ($55,142.48) as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this Lease, to be deposited in a non-interest bearing account (the "Security Deposit"). In the event that an Event of Default occurs and is continuing hereunder, Landlord may use, apply or retain the whole or

any part of the Security Deposit, to the extent past due, for the payment of any annual Base Rent and Additional Rent or any other sum as to which Tenant is in default (beyond all applicable cure or grace periods) or for any sum which Landlord may expend or may be required to expend by reason of Tenant's Event of Default with respect to any of the terms, covenants and conditions of this Lease.

2.10 RESTORATION OF SECURITY. Should the entire Security Deposit, or any portion thereof, be appropriated and applied by Landlord for the payment of past due Rent or other sums due and payable to Landlord by Tenant hereunder, then Tenant shall, upon the written demand of Landlord, forthwith remit to Landlord a sufficient amount in cash to restore the Security Deposit to the original sum deposited within thirty (30) days after receipt of demand therefore.

2.11 TRANSFER OF SECURITY In the event of a sale of the Building, termination of the Port Authority Lease (as defined below) or the City Lease (as defined below) or the sub-leasing of the Building of which the Demised Premises form a part, Landlord shall have the right to transfer the Security Deposit to the vendee, over-landlord or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such Security Deposit, and Tenant agrees to look solely to the new Landlord for the return of said Security Deposit. It is agreed that the provisions hereof shall apply to every transfer or assignment made of the Security Deposit to a new Landlord.

2.12 RETURN OF SECURITY In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this Lease, the Security Deposit shall be returned without interest to Tenant promptly after the date fixed at the end of this Lease and after delivery of possession of the entire Demised Premises to Landlord.

2.13 RIGHT OF FIRST OFFER AND EXPANSION OPTION

(a) In the event additional space becomes available after the Lease Date through the expiration of third (3rd) full year of the Term of this Lease on the second floor at the Building, and/or Landlord is presented with the opportunity to let additional space on the second floor of the Building to a third party during such period, then Landlord shall offer Tenant to lease said additional space on the second floor of the Building upon the terms, conditions and rental amounts per square foot as set forth in this Lease. Landlord shall notify Tenant in writing if, and when, any additional space becomes available. Tenant shall have ten (10) business days from the receipt of Landlord's notice to provide written notice to Landlord of its intention to lease such space on the terms and conditions set forth in this Lease at the time of the exercise of this option. Upon such election, Landlord and Tenant shall execute an amendment to this Lease adding such additional space to this Lease for a term co-terminus with the Term of this Lease. If Tenant fails to provide notice of its election to lease such additional space in the time frame provided herein or elects not to let additional space, then Tenant's right of first offer with respect to such space shall be deemed to be waived and of no further force and effect and Landlord shall be free to take for itself or let to a third party such additional space. Notwithstanding anything to the contrary herein, if such additional space is not let by Landlord to a third party within six (6) months of the waiver or deemed waiver of Tenant's right of first offer with respect to such space or such space

otherwise later becomes available to lease, Tenant's right to first offer with respect to such space shall be reinstated and Landlord and Tenant shall have the obligations and rights with respect to such space as set forth herein.

(b) Any time after the expiration of the third (3rd) full year of the Term of this Lease, in the event additional space becomes available on the second floor at the Building and/or Landlord is presented with the opportunity to let additional space on the second floor to a third party during such period, then Landlord shall offer Tenant a term sheet to lease said additional space on the second floor of the Building upon the terms, conditions and rental amounts per square foot as set forth in the term sheet (which shall be the same terms as to which Landlord has the opportunity to Lease the space to a third party, if applicable, and if no term sheet has been provided to any third party, such terms sheet shall reflect the current market rental rate and provide for a term co-terminus with the Term of this Lease). Landlord shall notify Tenant in writing if, and when, any additional space becomes available and/or when any term sheet is provided to any third party with respect to any such space. Tenant shall have ten (10) business days from the receipt of Landlord's notice to accept the terms of Landlord's offer. Upon such election, Landlord and Tenant shall execute an amendment to this Lease adding such additional space to this Lease. If Tenant fails to provide notice of its election to lease such additional space in the time frame provided herein or elects not to let additional space, then Tenant's right of first offer with respect to such space shall be deemed to be waived and of no further force and effect and Landlord shall be free to take for itself or let to a third party any additional space on the second floor at the Building. Notwithstanding anything to the contrary herein, if such additional space is not let by Landlord to a third party within six (6) months of the waiver or deemed waiver of Tenant's right of first offer with respect to such space or such space otherwise later becomes available to lease, Tenant's right to first offer with respect to such space shall be reinstated and Landlord and Tenant shall have the obligations and rights with respect to such space as set forth herein.

(c) Tenant shall have an expansion right (each, an "Expansion Right") for all, but not less than all, of each space on the second floor in the Building (each, an "Expansion Space") as such space becomes available for rent. If Tenant desires to lease the Expansion Space, Tenant will notify Landlord. Landlord will prepare and deliver to Tenant a term sheet containing the rental and all other terms for the Expansion Space to Tenant. In the event that Tenant provides notice of its desire to lease any Expansion Space at any time after the Lease Date through the expiration of third (3rd) full year of the Term of this Lease, then Landlord shall offer Tenant to lease said additional space on the second floor of the Building upon the terms, conditions and rental amounts per square foot as set forth in this Lease at the time of the exercise of this option. If Tenant provides such notice at any time after the expiration of the third (3rd) full year of the Term of this Lease, then Landlord shall offer Tenant a term sheet based upon the terms and conditions of this Lease provided that and rental amounts shall be the then current market rental rates. If Landlord and Tenant shall fail to execute an amendment to this Lease adding such Expansion Space to this Lease within ten (10) business days of Tenant's receipt of Landlord's term sheet, then Tenant's Expansion Right with respect to the applicable Expansion Space shall be deemed to be waived and of no further force and effect and Landlord shall be free to take for itself or let to a third party any additional space on the second floor at the Building.

Notwithstanding anything to the contrary herein, if such additional space is not let by Landlord to a third party within six (6) months of the waiver or deemed waiver of Tenant's Expansion Right with respect to such space or such space otherwise later becomes available to lease, Tenant's Expansion Right with respect to such space shall be reinstated and Landlord and Tenant shall have the obligations and rights with respect to such space as set forth herein.

(d) A waiver by Tenant of its right of first offer or Expansion Right with respect to any particular area or suite in the Building shall not be deemed to be a waiver of Tenant's rights with respect to any other space on the second floor of the Building.

2.15 OPTION TO TERMINATE Tenant shall have a one time option to terminate this Lease on the expiration of the end of the sixtieth (60th) full calendar month of the Term of this Lease (the "Early Termination Date"), on the following terms and conditions: (i) Tenant shall deliver written notice to Landlord on or before the day that is the last day of the fifty-fourth (54th) full month of the Term at this Lease, if said day falls on a weekend or holiday, the day shall be the next business day, that Tenant intends to terminate this Lease as of the end of the Early Termination Date; (ii) upon or prior to the Early Termination Date, Tenant pays to Landlord the unamortized cost of (a) the Landlord's Work Allowance including any Base Rent credits provided in Section 4.01 hereof; and (b) the broker(s) commission paid by Landlord in connection with this Lease; and (iii) Tenant delivers the Demised Premises to Landlord vacant and broom clean with all keys and security codes and otherwise in the condition as required in this Lease upon termination thereof.

ARTICLE III

3.01 ADDITIONAL RENT "Additional Rent" shall be defined as any sum of money that is required to be paid by Tenant in addition to Base Rent.

3.02 OPERATING EXPENSES

a) Tenant shall pay to Landlord as Additional Rent a sum equal to Tenant's Proportionate Share (as defined below) of all of Landlord's Operating Costs in the ratio that Tenant's rentable space bears to all rentable space in the Building.

b) The term "Landlord's Operating Costs" shall mean all costs and expense incurred by Landlord in operating and maintaining the Building and Common Areas (which shall include the parking facilities and land surrounding the Building) striping, policing and security of the Common Areas. Landlord's Operating Costs shall include, but not be limited to, Common Teleport Operating and Management Costs and or Percentage Rent under the Port Authority Lease cost of uniforms, equipment and employment taxes; alarm systems; exterminating;; insurance, including, without limitation, liability insurance for personal injury, death and property damage, insurance against fire, extended coverage, theft of other casualties, workers' compensation insurance covering personnel, fidelity bonds for personnel, insurance against liability for assault and battery, defamation and claims of false arrest occurring on and about the Common Areas, plate glass insurance for glass exclusively serving the Common Areas; costs of

maintaining heating, ventilation and air conditioning systems, maintenance of any sprinkler systems serving the Building or landscaping; removal of snow, ice, trash and debris; regulation of traffic; surcharges levied upon or assessed against parking spaces or areas; payments toward mass transit or car pooling facilities or otherwise as required by Federal, State or local governmental authorities; costs and expense in connection with maintaining Federal, State or local governmental ambient air or environmental standards; the cost of all materials, supplies and services purchased or hired therefore; operation of public toilets; installing and renting of signs; fire protection; maintenance, repair and replacement of utility systems serving the Common Areas, including, but not limited to, water, sanitary sewer and storm water lines and other utility lines, pipes and conduits; costs and expense of maintaining and operating sewage treatment facilities, if any; costs and expenses of inspection and depreciation of machinery equipment used in the operation and maintenance of the Common Areas and personal property taxes and other charges (including, without limitation, reasonable leasing, financing or rental costs) incurred in connection with such equipment; costs and expense of repair or replacement of paving, curbs, walkways, landscaping, drainage, pipes, ducts, conduits and similar items, and plate glass, lighting facilities and the roof; costs and expense of planting, replanting and replacing flowers, shrubbery and planters; costs and expense incurred in the rental of music program services and loudspeaker systems, including furnishing electricity therefore; costs of providing light and power to the Common Areas; costs of providing energy to heat, ventilate and air condition areas in which the Common Areas are located and the operation, maintenance and repair of such equipment, including, without limitation, the energy management system serving the Building; cost of water services, if any, furnished by Landlord for the non-exclusive use of all tenants; parcel pick-up and delivery services; and administrative costs attributable to the Common Areas for on-site personnel and administrative and overhead costs not to exceed ten (10%) percent of total Landlord's Operating Costs. Such costs and expenses shall not include depreciation (other than depreciation as above specified). Landlord shall amortize any of the foregoing costs and expenses over a useful life determined in accordance with generally accepted accounting principles.

c) In no event shall the Landlord's Operating Costs payable as Additional Rent provided for under Article III of this Lease, whether denominated "operating expenses" or otherwise, include the following:

i. Marketing and advertising expenses;

ii. Cost for special services provided to particular tenants in the Building;

iii. Brokerage and leasing commissions;

iv. Penalties incurred because Landlord fails to pay any tax or other charge on time, including, without limitation, any rent due and payable under the Port Authority Lease;

v. Fees and interest charges related to Landlord's financing;

vi. Any charge or penalty paid by Landlord because it is in default under any agreement to which it is a party;

vii. Legal fees incurred by Landlord in connection with new leases, leases with other tenants or the sale of the Building;

viii. Depreciation except as otherwise expressly provided in this Lease;

x. Any expense which relates to a service which is not provided to all tenants of the Building;

xi. Cost of repair or replacement incurred by reason of any event to the extent which the Landlord is compensated through the proceeds of insurance or a condemnation award;

xii. Charitable contributions;

xiii. Capital improvements;

xiv. Salaries, benefits and payroll taxes of employees above level of property manager;

xv. Amounts paid to affiliates of Landlord in excess of commercially reasonable amounts; and

xvi. Management fees in excess of five (5%) percent of gross annual rent.

The exclusion of any of the expenses listed above from Operating Costs payable as Additional Rent provided for under Article III of this Lease shall in no way impair Landlord's rights to recover any cost to which it is entitled pursuant to Article VI of this Lease.

d) Landlord shall abide by the following in imposing or charging Additional Rent pursuant to Article III of this Lease:

i. No affiliate of the Landlord or its ownership will be a vendor to the operation of the Building without competitive bidding;

ii. No expense charged as a Landlord's Operating Cost will be charged through any other type of pass-through under this Lease;

iii. The administration fees will not be included in the Landlord's Operating Costs if the Landlord retains the services of a building or property manager;

iv. The Landlord will not charge as a Landlord's Operating Cost or otherwise pass through the cost of repair or replacing any portion of the Building or

common areas where the need to make the repair or replacement is due to work or materials provided by the Landlord's contractors in the construction of the Building which Landlord claims is in violation of the standards set forth in the applicable construction contracts;

v. The Landlord will act in good faith to operate the Building in an efficient manner; and

vi. No expense charged to Tenant or to any other tenant in the Building will be included as a Landlord's Operating Cost.

(e) The Land and the Building are not currently subject to real estate taxes nor payments in lieu of taxes ("PILOT") and the Landlord does not anticipate assessment of taxes or PILOT against the Land or the Building during the Term. Notwithstanding the foregoing, in the event any governmental entity implements, assesses or otherwise requires payment of real estate taxes and/or PILOT, then in such event, said payments shall be included as part of Landlord's Operating Costs.

3.03 TENANT'S PROPORTIONATE SHARE (a) Commencing on January 1, 2010, Tenant shall pay to Landlord as Additional Rent for each calendar year during the Term, Tenant's Proportionate Share of sixteen and 36/100^{ths} (16.36%) percent of the Landlord's Operating Costs for the applicable year that are in excess of the Landlord's Operating Costs actually incurred by the Landlord, adjusted to reflect 100% occupancy of the Building, from January 1, 2009 through December 31, 2009 (the "Base Year") (hereinafter referred to as "Tenant's Additional Rent Payment"). Tenant's Additional Rent Payment shall be appropriately apportioned at the end of the Term of this Lease based on the portion of the calendar year which occurs prior to the date on which the Term expires or is otherwise termination as provided herein. "Tenant's Proportionate Share" shall equal a percentage calculated by dividing the rentable square footage of the Demised Premises by the total rentable square footage of the Building. Tenant's Proportionate Share shall be recalculated upon the addition of the Additional Premises and the addition of any Expansion Space to the Demised Premises.

(b) Commencing January 1, 2010, Tenant shall pay to Landlord on the first day of each month, an amount equal to one-twelfth (1/12th) of Landlord's estimate of the Tenant's Additional Rent Payment for the applicable calendar year during the Term. If Landlord shall not furnish any such estimate for a particular year during the Term or if Landlord shall furnish any such estimate for a year during the Term subsequent to the commencement thereof, then: (i) until the first day of the month following the month in which such estimate is furnished to Tenant, Tenant shall pay to Landlord on the first day of each month an amount equal to the monthly sum payable by Tenant to Landlord under this clause (b)(i) in respect of the last month of the preceding year, if any; (ii) concurrently with or after such estimate is furnished to Tenant, Landlord shall notify Tenant whether the installments of Tenant's Additional Rent Payment previously made for such year were greater or less than the installments of Tenant's Additional Rent Payment to be made in accordance with such estimate; (iii) if there is a deficiency, Tenant shall pay the amount thereof within thirty (30) days after demand therefore; or (y) if there is an

overpayment, Landlord shall either credit the amount thereof to Tenant's Additional Rent Payment(s) next coming due, or refund to Tenant the amount thereof within thirty (30) days after such notice; and (iv) on the first day of the month following the month in which such estimate is furnished to Tenant (provided that Tenant actually received such notice at least ten (10) business days prior to the first of the month) and monthly thereafter throughout such calendar year, and thereafter until such time as Landlord delivers a new estimate, Tenant shall pay to Landlord an amount equal to one-twelfth ($1/12^{th}$) of Tenant's Additional Rent Payment shown on such estimate. Landlord may, no more than one time during each calendar year during the Term from and after January 1 2010, furnish to Tenant a revised statement of Landlord's estimate of Tenant's Additional Rent Payment for such year during the Term, and in such case, Tenant's Additional Rent Payment for said year shall be adjusted and paid or refunded, as the case may be, substantially in the same manner as specified in the preceding sentence.

(c) After the end of each calendar year during the Term from and after December 31, 2010, Landlord shall furnish to Tenant a statement of Tenant's Additional Rent Payment for said preceding year ("Landlord's Operating Cost Statement") accompanied by the relevant spreadsheets generated by Landlord. If a Landlord's Operating Cost Statement shall show that the estimated sums paid by Tenant, if any, under this clause (i) exceeded Tenant's Additional Rent Payment to be paid by Tenant for the applicable year during the Term, Landlord shall, at its election, either credit such excess payment to Tenant's Additional Rent Payment(s) next coming due, or refund to Tenant the amount of such excess within thirty (30) days thereafter. If a Landlord's Operating Cost Statement shall show that the estimated payments by Tenant for such year were less than Tenant's Additional Rent Payment to be paid by Tenant for such year, Tenant shall pay the amount of such deficiency within thirty (30) days after demand therefore.

(d) Any increase in the Operating Expenses for any calendar year, whether during or after such year during the Term, exclusive of expenses not within the control of Landlord, and or its affiliates, including but not limited to fuel and energy costs, Common Teleport Operating and Managements Costs and or Percentage Rent under the Port Authority Lease, shall not exceed five (5%) percent per annum.

3.04 <u>COMPLIANCE WITH LAWS and TENANT'S RIGHT TO TERMINATE</u> a) Tenant agrees at its own cost and expense to keep the Demised Premises in such order and condition as shall conform to all the orders, rules and regulations of all municipal, state and federal departments, boards, commissions and governmental agencies now existing or hereafter created and at its own cost and expense, promptly execute and comply with all laws, rules, ordinances and regulations now in force or hereafter enacted which affect the Demised Premises, provided however that nothing herein shall relieve Landlord's obligations to deliver the Demised Premises to Tenant in accordance with the provisions of Exhibit B attached hereto. Notwithstanding anything to the contrary provided herein, Landlord shall be responsible for causing the Building (exclusive of the Demised Premises) to be in full compliance with the American with Disabilities Act at all times during the Term.

b) Tenant agrees to comply, at Tenant's cost and expense, with all orders, regulations, rules and recommendations, whenever issued, of the New York Board of Fire

Underwriters or of any similar organization and also to comply with the recommendations and requirements of any insurance company which insures or participates in insuring the Demised Premises against loss by fire.

c) Tenant agrees to comply, at Tenant's sole cost and expense to procure and maintain during the Term any and all licenses necessary and appropriate to operate the business intended as described in the Use section 1.05 above that may be required by any accrediting agencies and any and all governmental entities a the local, County, State or Federal levels, including any and all rules, regulations, ordinance and or laws.

d) Termination If by the date which is one year from and after the Commencement Date (the "Approvals Termination Deadline"), Tenant is unable to procure the necessary approvals from any governmental agency and or accreditation agency as set forth in paragraph 3.04(c) above provided that Tenant shall have (i) exercised all commercially reasonable efforts to obtain said approvals, including but not limited to pursuing said approvals in good faith with due diligence and without unnecessary delay; (ii) complied with all reasonable requests from said governmental and or accreditation agencies; (iii) paid all applicable fees; and (iv) not failed to obtain such approvals due to a criminal record, misdemeanor of felony, in any jurisdiction of any of the Tenant's officers, directors, principals; then Tenant shall be entitled to terminate this Lease. Said termination will not be effective unless and until Tenant delivers possession to the Landlord, vacant and broom clean, and Tenant pays to Landlord a fee equal to (i) all amounts actually paid by Landlord in building out the Demised Premises as set forth in paragraph 4.01 below and Exhibit B annexed hereto, (ii) reasonable attorneys' fees incurred by Landlord in connection with the execution and termination of this Lease, and (iii) any brokerage commissions paid by Landlord in connection with this Lease (the "Approvals Termination Fee"). Tenant agrees to secure the Approvals Termination Fee by delivering a letter of credit to Landlord within fifteen (15) days of the Lease Date in accordance with the requirements set forth on Exhibit E attached hereto (the "Letter of Credit").

3.05 TENANT'S UTILITIES Tenant agrees to pay for all utilities, including, but not limited to, electricity and gas (pursuant to paragraphs 3.11 and 3.12 herein) consumed by Tenant. The designated supplier of utilities is the Port Authority. Landlord and or the Port Authority reserve the right to change suppliers and/or utility companies at its sole option.

3.06 LEASEHOLD TAXES Tenant shall be responsible for and shall pay before delinquency, all municipal, county or state taxes assessed during the Term of this Lease against any Leasehold interest or personal property of any kind, owned by or placed in, upon or about the Demised Premises by Tenant.

3.07 RUBBISH Landlord agrees that it shall maintain for use by all Tenants of the Building, a trash dumpster and/or compactor at a location designated by Landlord. The costs of rubbish removal shall be included in Landlord's Operating Costs, provided however that if Landlord or any other tenants in the Building have special or excessive trash removal requirements, Landlord shall not include such excess amounts in Landlord's Operating Costs.

3.08 OUTSIDE CLEANING SERVICE

(a) Tenant shall provide cleaning services to the Demised Premises, commensurate with a first class office building. If Tenant fails to provide cleaning services, Landlord reserves the right to engage an outside cleaning service or services in connection to perform said cleaning services and Landlord shall bill Tenant as additional Rent the actual cost for said cleaning services, plus ten (10%) percent administrative charges. Tenant shall provide access to Demised Premises to Landlord or Landlord's designated cleaning service for the purpose of providing the cleaning services herein.

(b) Tenant will not clean nor require, permit, suffer of allow any window in the Demised Premises to be cleaned from the outside in violation of Section 202 of the Labor Law or any other applicable law or of the Rules of the Board of Standards and Appeals or of any other Board or body having or asserting jurisdiction.

3.09 SECURITY SERVICE The Land and Building are currently monitored by the Port Authority. Tenant may engage an outside security/alarm service to monitor the Demised Premises, subject to the Landlord and the Port Authority approving the security service provider, such approval by Landlord not to be unreasonably withheld, delayed or conditioned.

3.10 (a) HVAC/HEATING/AIR CONDITIONING SYSTEMS/UTILITY METERS Tenant shall pay for all gas and/or electricity used for its HVAC units in accordance with Articles 3.11 and 3.12. Landlord will maintain the HVAC/heating/air conditioning units as well as all utility meters in good repair. Tenant will provide Landlord with reasonable access to the Demised Premises for the purpose of same. During Normal Business Hours (as defined in paragraph 3.16 below), the HVAC/heating/ventilation/air-conditioning system shall provide a working environment capable of maintaining 72 degrees Fahrenheit in all spaces when temperature is 11 degrees Fahrenheit outside in accordance with the American Society of Heating, Refrigeration and Air-conditioning Engineers ("ASHRAE") winter design conditions, and shall be capable of maintaining 74 degrees Fahrenheit when outside temperature is 92 degrees Fahrenheit with not more than 50 percent relative humidity in all spaces in accordance with ASHRAE summer design conditions based on an occupancy base of 307 people (the foregoing collectively, the "HVAC Standards"). Landlord shall ensure that the occupant load for the remainder of the 2nd floor (other than the Demised Premises) shall at all times be in compliance with the New York City building codes.

(b) At all times during the Term other than during Normal Business Hours, Landlord shall provide a supplementary HVAC system, at Landlord's sole cost and expense, to be used at Tenant's sole election within the Demised Premises to service the Demised Premises in accordance with the Plans ("Supplementary HVAC System"). The Supplemental HVAC System shall at all times be able to be sufficient to heat or cool the Demised Premises outside of Normal Business Hours in accordance with the HVAC Standards. Tenant agrees to pay all related operating charges, including electricity, for its after hours use of the Supplementary HVAC System for the Demised Premises at Landlord's actual cost.

3.11 ELECTRICITY SERVICE

(a) Landlord, at Landlord's expense, shall redistribute or furnish electrical energy to or for the use of Tenant in the Demised Premises for the operation of lighting fixtures, air conditioning electrical charges, and the electrical receptacles installed, on the Commencement Date. Landlord shall cause to be installed an electrical submeter or submeters to measure the Tenant's consumption (Kwhr) and demand (Kw) of electrical energy. Tenant shall pay directly to The Port Authority the consumption charges for all electricity which it uses in the Demised Premises within thirty (30) days of Tenant's receipt of an invoice therefor.

(b) Landlord shall ensure that the electrical capacity in the Demised Premises shall be no less than eight (8) watts per rentable square foot of the Demised Premises, not including the power requirements of the HVAC, or as required by applicable laws and procedures. Tenant shall be responsible for its own electrical consumption and no other tenant's. The rate to be paid by Tenant for submetered electrical energy shall include any and all taxes or other charges in connection therewith. If any tax shall be imposed on Landlord's receipts from the sale or resale of electricity energy to Tenant, the pro-rata share of such tax allocable to the electrical energy service received by Tenant shall be passed on to, included in the bill of, and paid by Tenant if and to the extent permitted by law.

(c) If either the quantity or character of electrical service is changed by the Port Authority or the utility company serving the area in which the Building is located or is no longer available nor suitable for Tenant's requirements, no such change, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve the Tenant from any of its obligations under this lease, or impose any liability upon Landlord, or its Agents, by reason of inconvenience or annoyance to Tenant, or injury to, or interruption of Tenant's business, or otherwise.

(d) Any additional risers or feeders to be installed to supply Tenant's additional electrical requirements, and all other equipment proper and necessary in connection with such risers or feeders, shall be installed by Landlord upon Tenant's request at the sole cost and expense of Tenant, provided that, in Landlord's reasonable judgment, such additional risers or feeders are necessary and are permissible under applicable laws and insurance regulations and the installation of such risers or feeders will not cause permanent damage or injury to the Building or the Demised Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, interfere with, or disturb other tenants or occupants of the Building. Notwithstanding anything to the contrary in this Lease, the costs to repair and maintain any such additional risers or feeders installed to exclusively serve the Demised Premises shall be the responsibility of the Tenant during the Term of this Lease. Tenant covenants that at no time shall the use of electrical energy in the Demised Premises exceed the capacity of the existing risers or feeders then servicing the Demised Premises. Tenant shall not make or perform, or permit the making of or performance of, any alterations to the wiring or other additions to the business machines, office equipment, or other appliances within the Demised Premises that utilize electrical energy, without the prior written consent of the Landlord in each instance, such approval not to be unreasonably withheld, delayed or conditioned. Any such alterations,

additions, or consent by Landlord shall be subject to the provisions of this subsection, as well as to other provisions of this Lease, including, but not limited to, the provisions of Article IV hereof.

(d) If the Port Authority discontinues furnishing electricity to Tenant, Tenant shall arrange to obtain electricity directly from the public utility company serving the Building. Such electricity may be furnished to Tenant by means of the existing risers and feeders serving the Demised Premises to the extent that same are available, suitable, and safe for such purposes. All meters, meter panels, and all additional risers, feeders, panel boards, and equipment and other conductors which may be required to obtain electricity, of substantially the same character, quantity, and quality, shall be installed by Landlord at Tenant's sole cost and expense. Landlord shall not cause the discontinuance of the furnishing of electricity to Tenant.

(e) Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of electrical service furnished to the Demised Premises by reason of any requirement, act or omission of the Port Authority, the Landlord or of the utility company serving the Building with electricity or for any other reason except Landlord's gross negligence or willful misconduct.

3.12 GAS SERVICE Landlord shall redistribute or furnish gas to the Demised Premises and Landlord shall cause to be installed a gas meter for use by the entire Building. Tenant shall pay to Landlord its proportionate share pursuant to paragraph 3.03, as Additional Rent, on demand, from time to time, but not more frequently than monthly, for its consumption of gas at the then current rate schedule applicable for the redistribution of gas as charged by the utility company for commercial buildings plus Landlord's charges for maintaining and calibrating the system.

Tenant's gas charges shall be computed as though Tenant were the only tenant within the Building and will not take into consideration any other gas use in any part of the Building or any incentive or discount rates offered by utility company, and computation shall include all charges for energy, demand, rate adjustments, taxes and all other charges included in the Landlord's monthly billings from the utility company servicing the Building.

Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of gas service furnished to the Demised Premises by reason of any requirement, act or omission of Landlord or of the utility company serving the Building with gas or for any other reason except Landlord's gross negligence or willful misconduct.

3.13 WATER Landlord shall provide Tenant water for ordinary drinking and lavatory purposes, but if Tenant uses or consumes water for any other purposes or in unusual quantities (of which fact Landlord shall be the sole judge in Landlord's reasonable judgment in comparison to use by Landlord any other tenants in the Building), Landlord may install a water meter, at Tenant's expense, which Tenant shall thereafter maintain at Tenant's expense in good working order and repair, to register such water consumption, and Tenant shall pay for water consumed as shown on said meter as Additional Rent within thirty (30) days of Tenant's receipt of an invoice therefor.

3.14 INTERFERENCE AND BUSINESS INTERRUPTION Landlord reserves the right to stop the service of the heating, air conditioning, ventilating, elevator, plumbing, electrical or other mechanical systems or facilities in the Building when necessary by reason of accident or emergency, or for scheduled maintenance, repairs, alterations, replacements or improvements, which, in the reasonable judgment of Landlord, are necessary or reasonably desirable, until said repairs, scheduled maintenance, alterations, replacements or improvements shall have been completed, provided however that Landlord shall use best efforts not to interfere with Tenant's business operations in connection with any such stoppage and shall to the extent possible cause any such stoppages to occur outside of Tenant's business hours.. Except to the extent that such stoppage is required as a result of the gross negligence or willful misconduct of Landlords, its employees or its agents, the exercise of such right by Landlord shall not constitute an actual or constructive eviction, in whole or part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise.

3.15 HOURS OF OPERATION The Building shall operate Monday through Friday from 8:00 a.m. to 6:00 p.m. and Saturday from 9:00 a.m. to 1:00 p.m., except for legal holidays ("Normal Business Hours"). Notwithstanding the foregoing, Tenant shall have access to the Building and the Demised Premises and be permitted to conducted its business operations therein twenty-four hours per day, seven days per week.

3.16 ELEVATOR SERVICE Landlord shall provide automatic elevator service twenty-four hours per day, seven days per week.

ARTICLE IV

4.01 LANDLORD'S OBLIGATIONS

(a) Landlord shall not be required to perform any work on the Demised Premises except the Base Building Conditions and Improvements as set forth herein in Exhibit B ("Landlord's Work Rider"). Otherwise, any work which Tenant may require for the preparation of the Demised Premises for Tenant's use shall be performed by Tenant, at Tenant's own cost and expense.

(b) Landlord's Work Allowance

(i) Separate and apart from the Landlord's costs and expenses in performing its obligations as to the Base Building Conditions set forth in Landlord's Work Rider, Landlord shall provide an allowance with respect to the Improvements in an amount equal to $25 per rentable square foot of the Demised Premises (the "Landlord's Work Allowance"). Landlord shall use the Landlord's Work Allowance to construct the Improvements as set forth in the Plans submitted to Landlord in accordance with paragraph 4.03 below. The parties shall solicit at least (2) bids from Landlord's approved contractor list and one (1) bid from the Tenant's preferred

contractor and jointly select a contractor from the bids provided. Landlord shall sign a contract, reasonably acceptable to Landlord and Tenant, with the selected contractor to perform and install the Improvements. If the actual cost of the Improvements exceeds the Landlord's Work Allowance (such excess, the "Excess Improvements Costs"), Tenant shall pay such Excess Improvements Costs to Landlord upon submission of requisitions by Landlord submitted along with invoices detailing with specificity each and every invoice, charge and fee actually incurred for the construction of the Improvements. The Letter of Credit shall secure Tenant's obligations with respect to the Excess Improvements Costs in accordance with the provisions of Exhibit E annexed hereto. Tenant shall pay within thirty (30) days of each requisition, the Excess Improvements Costs described and detailed in such requisition. In no instance shall Landlord be obligated, and Landlord will not pay, more than $25 per rentable square foot (i.e. $682,175.00) for the Landlord's Work Allowance. Notwithstanding, in the event the actual cost of the Improvements is less than the amount of the Landlord's Work Allowance, Landlord shall grant Tenant a credit for the difference against Base Rent to be applied in equal installments over the twenty-four (24) consecutive months of the Term beginning with the third full calendar month of the Term.

(ii) Tenant reserves the right to audit the requisitions submitted by Landlord for any amounts to be paid by Tenant in subparagraph (i) above, including after payment thereof by Tenant and if an overage is ascertained, to receive a credit against Base Rent equal to the amount of any overage.

4.02 CHANGES AND ADDITIONS TO BUILDINGS

(a) Landlord hereby reserves the right at any time to make alterations or additions to or to build additional stories on the Building in which the Demised Premises are contained and to build additional structures adjoining the Building. Landlord also reserves the right to construct other Buildings or improvements on the land or parking fields of which the Demised Premises form a part, from time to time, and to make alterations thereof or additions thereto and to build additional stories on any such Buildings and to build adjoining same. Landlord reserves the right to relocate parking areas and other common areas provided however that Landlord shall at all times comply with the requirements of Section 1.04 hereof.

(b) In the event Landlord makes any alterations or changes to the rentable space in the Building, then Tenant's proportionate share, as stated in paragraph 3.03, shall be recalculated under the formula prescribed in paragraph 3.02.

4.03 TENANT ALTERATIONS (a) If no Event of Default has occurred and is continuing hereunder, Tenant, at Tenant's expense, may make reasonable alterations to the Demised Premises, provided that any alteration shall not change the general character of the Demised Premises, or reduce the fair market value thereof below its value immediately before such alteration or addition, or impair the usefulness of the Demised Premises; is effected with due diligence, in a good and workmanlike manner and in compliance with all legal requirements pursuant to Section 3.04 and insurance requirements pursuant to Sections 4.04 and 5.01; is promptly and fully paid for by Tenant; and is made, in case the estimated cost of such alteration

or addition exceeds $10,000.00, only after Tenant shall have obtained Landlord's and the Port Authority's prior written consent thereto and under the supervision of an architect or engineer satisfactory to Landlord and in accordance with plans, specifications and cost estimates approved and designated by Landlord. Landlord's consent to the extent required hereunder shall not be unreasonably withheld, delayed or conditioned.

(b) Tenant covenants and agrees that no alteration, addition, improvement, change, or other work (collectively herein referred to as "Tenant's Alterations" will be made except in compliance with, and Tenant hereby covenants that it will comply with, each and all of the following provisions:

(i) All Tenant's Alterations shall be made with reasonable diligence and dispatch (subject to unavoidable delays) in a first-class manner and with first-class materials and workmanship and in such a manner as will not interfere with the operation of the Building or the business of any other occupant thereof, or interfere with or delay the completion of any other construction in the Building. With respect to any Tenant's Alterations requiring Landlord's consent hereunder, Tenant shall use only those contractors (including subcontractors) approved in writing by Landlord, which approval shall not be unreasonably withheld, delayed or conditioned.

(ii) Before any Tenant's Alterations are begun, Tenant shall procure, at its own sole cost and expense, all necessary licenses, permits, approvals and authorizations from all Governmental Authorities and shall, on demand, deliver photocopies thereof to Landlord. Upon Tenant's request, Landlord shall join in the application for such licenses, permits, approvals and authorizations whenever such action is necessary, and Tenant covenants that Landlord will not suffer, sustain or incur any cost, expense or liability by reason thereof. Any Tenant's Alteration requiring the filing of plans with the New York City Buildings Department (or similar Governmental Authority) shall be made under the supervision of a licensed professional architect or engineer selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, delayed or conditioned.

(iii) All Tenant's Alterations shall be made in compliance and conformity with all applicable laws and ordinances (including, but not limited to, all building and zoning laws and ordinances) and with all applicable licenses, permits, authorizations and approvals and with all applicable rules, regulations, orders and requirements of the Port Authority and all Governmental Authorities, as well as those of the National and Local Boards of Fire Underwriters or any other body or bodies exercising similar functions.

(iv) In making any Tenant's Alterations, Tenant shall not knowingly violate the terms or conditions of any insurance policy affecting or relating to the Demised Premises or Building or the terms of any covenants, restrictions or easements affecting the Demised Premises or Building.

(v) Promptly after the completion of any Tenant's Alterations, Tenant shall procure, at Tenant's sole cost and expense, all such approvals, sign-offs and close any permits as required by Governmental Authorities, if any, of the completed Tenant's Alterations as may be required by any applicable law or ordinance or any applicable rule or regulation of Governmental Authorities (including, without limitation, Certificates of Occupancy), and all such insurance organizations' approvals, if any, as may be required or customary in connection therewith, and on written demand, shall promptly deliver photocopies thereof to Landlord.

(vi) Tenant shall pay all costs, expenses and liabilities arising out of or in connection with or by reason of any Tenant's Alterations, including Landlord's expenses, costs of inspections, etc. and shall keep the Building, land, parking fields and the Demised Premises free and clear of all liens, claims and encumbrances in any way arising out of or in connection with or by reason of any Tenant's Alterations, subject to the provisions of Article IV hereof.

(vii) No Tenant's Alterations shall create any encroachment upon any adjacent premises.

(viii) No Tenant's Alterations shall be made which would render title to the land or any part thereof unmarketable or which would reduce the value of the Building below the value thereof immediately prior to the making of such Tenant's Alterations or reduce the value of Landlord's leasehold interest in the Land and the Building.

(ix) If any work being done by Tenant or its contractors causes any labor disturbance or unrest, Tenant will, within 24 hours after written demand by Landlord, cause such work to cease and will, if necessary, use commercially reasonable efforts to end such disturbance or unrest and/or discharge the contractor causing such disturbance or unrest (notwithstanding Landlord's prior approval of such contractor).

(x) At all times during the period of such Tenant's Alteration, Landlord shall be entitled to have a representative or representatives on the site to inspect such Tenant's Alteration, and such representative or representatives shall have free and unrestricted access at all reasonable times to the area of the Demised Premises in which the Tenant's Alterations are being constructed provided that Landlord shall not unreasonably interfere with the construction of the Tenant's Alterations or Tenant's business operations on the Demised Premises. In addition, all hookups to the Building's electrical system, switch gears, submeters, gas, water, telephone equipment, HVAC, and any other central Building system shall be done by Landlord's contractors at Tenant's sole cost and expense plus an additional charge, payable to Landlord within 10 days of demand, of ten (10%) percent for overhead. Tenant shall deliver or cause to be delivered to Landlord such instrument or instruments in writing as Landlord may reasonably require or deem necessary to carry into effect the intended purpose of this Article.

(xi) Prior to commencing any Tenant's Alterations requiring Landlord's consent hereunder, in the event Tenant engages contractors to perform work on the Demised Premises during the course of this Lease, Tenant shall cause such contractors to procure and evidence insurance coverage's as follows:

(a) WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE affording coverage under the Workers Compensation laws of the State(s) of New York and Employers Liability coverage subject to a limit of no less than Five Hundred Thousand Dollars ($500,000) each employee, Five Hundred Thousand Dollars ($500,000) each accident, Five Hundred Thousand Dollars ($500,000) policy limit.

(b) COMMERCIAL GENERAL LIABILITY INSURANCE written on an Occurrence basis and including Products liability/Completed Operations coverage, at a $1,000,000 per occurrence Combined Single Limit applying to Bodily Injury and Property Damage, subject to no deductible or Self-Insured Retention, and including all standard Broad Form Commercial General Liability extensions. If coverage is written on a form under which an aggregate limit such aggregate limit shall not be less than $2,000,000 and shall apply on a per project basis. The policy shall be endorsed to name Tenant and Landlord as Additional Insured on a primary, non-contributory basis. The policy shall further be endorsed to waive the carrier's subrogation rights against Landlord.

(c) UMBRELLA LIABILITY INSURANCE WITH a limit of not less than $5,000,000 providing excess coverage over all limits and coverages noted in Paragraphs 2 above. This policy shall be written on an "occurrence" basis and include Tenant and Landlord as additional insured.

(xii) The insurance policies noted above shall be written with insurance companies licensed to do business in the State of New York and rated no lower than A:VIII by the most recent edition of A.M. Best's Property-Casualty Rating Guide. All policies shall provide that in the event of cancellation, non-renewal or material modification, Landlord shall receive 30 days written notice thereof. Tenant shall furnish Landlord with certificates of insurance, to the extent required pursuant to subsection (xi) above, evidencing their Contractor's compliance with all of the above provisions before Contractor will be permitted to begin work.

(xiii) Tenant shall also maintain such additional insurance as Landlord and/or the Port Authority shall request from time to time, provided such insurance or coverage is commonly carried by offices of similar size in similar buildings.

(xiv) Before commencing any Tenant's Alteration, the estimated cost of which exceeds $100,000, Tenant shall furnish to Landlord or cause contractor to furnish to Landlord, upon Landlord's request, at Tenant's sole cost and expense, either (i) a completion bond, issued by a surety company reasonably approved by Landlord in an amount at least equal to the estimated cost of such change or alteration, or (ii) at Tenant's

option, an irrevocable letter of credit, drawn on a bank which is a member of the New York Clearinghouse and otherwise satisfactory to Landlord, in an amount equal to one hundred ten percent (110%) of Tenant's good-faith estimate of the cost of performing such work, in each case guaranteeing to Landlord the completion of the proposed change or alteration within a reasonable time, free and clear of all liens, and, if available, all encumbrances, chattel mortgages, conditional bills of sale, security agreements and other claims and charges (other than chattel mortgages or security agreements delivered to a Landlord's mortgagee or to Landlord) and in accordance with any plans or specifications approved by Landlord, or with any contract between Tenant and a general contractor engaged by it which incorporates such plans and specifications.

(xv) No structural alteration shall be made unless Tenant first obtains the written consent thereto of any Landlord's Mortgagee, if such consent is required under any Landlord's Mortgage(s). Landlord agrees to cooperate with Tenant to attempt to obtain any such consent, if the proposed Tenant's Alteration is approved by Landlord.

4.04 LANDLORD'S RIGHT TO ENTER

(a) Landlord or Landlord's agents shall have the right to enter the Demised Premises at reasonable times upon at least one (1) business day prior written notice to examine the same, and to show them to prospective purchasers or lessees of the Building, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said Demised Premises that may be required therefore without the same constituting an eviction of Tenant, in whole or in part, and the rent reserved shall in no way abate while said repairs, alterations, improvements or additions are being made by reason of loss or interruption of business of Tenant or otherwise, provided, however, that no prior notice shall be required in the event of an emergency. During the six (6) months prior to the expiration of the Term of this Lease, Landlord may exhibit the Demised Premises to prospective tenants or purchasers and place upon said Demised Premises the usual notices "To Let" or "For Sale", which notices Tenant shall permit to remain thereon without molestation. Upon any entry into the Demised Premises by Landlord, Landlord shall not unreasonably interfere with Tenant's business operations thereon.

(b) If Tenant's principles, agents, employees and/or representatives shall not be personally present to open and permit any entry into said Demised Premises, at any time, when for any reason an entry therein for emergency purposes shall be necessary or permissible, Landlord or Landlord's agents may enter the same by a master key or may forcibly enter the same without rendering Landlord or such agents liable therefore and without in any manner affecting the obligations, responsibility or liability whatsoever for the care, maintenance or repair of the Building or any part thereof, except as otherwise herein specifically provided. If during the last month of the Term, Tenant shall vacate the Demised Premises, Landlord may immediately enter and alter, renovate and redecorate the Demised Premises without diminution or abatement of Base Rent or Additional Rent or incurring any liability to Tenant for compensation, and such acts shall have no effect upon this Lease, except Landlord shall assume all premises liability due to

Landlord's possession of the Demised Premises and shall indemnify and hold Tenant harmless from any liability incurred due to Landlord's possession.

(c) No additional locks or bolts of any kind shall be placed upon any of the exterior doors or windows by Tenant, nor shall any changes be made in existing locks or mechanism thereof without the express written consent of Landlord not to be unreasonably withheld, delayed or conditioned. In the event that Landlord consents to the change in any locking mechanism for any exterior door or window, Tenant agrees that no such lock shall be of a nature and quality which cannot be accessed by Landlord's master key. Tenant agrees to pay the cost of re-keying the master key as well as any other costs associated with the addition or changing of any locking mechanism. Upon surrender or termination of the lease in the Demised Premises, Tenant shall restore to Landlord all keys to the Demised Premises, lavatories and Building either furnished to, or otherwise procured by Tenant. In the event of the loss of any keys so furnished by Landlord, Tenant shall pay to Landlord the cost thereof as well as any other costs associated with the loss of said keys.

(d) If an excavation shall be made upon land adjacent to the Demised Premises or shall be authorized to be made, Tenant shall afford access to the person causing or authorized to cause such excavation and give a license to enter upon the Demised Premises for the purpose of doing such work as Landlord shall deem necessary to preserve the wall of the Building of which the Demised Premises form a part from injury or damage and to support the same by proper foundations (provided that any such entry shall not unreasonably interfere with Tenant's business operations on the Demised Premises) without any claim for damages or indemnification against Landlord's or diminution or abatement of rent unless any such claim results from the gross negligence or willful misconduct of Landlord, its employees, contractors or agents.

4.05 LANDLORD'S LIABILITY Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, loss or damage to Tenant's business or damage to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence (unless caused by or resulting from the negligence or willful misconduct of Landlord, its agents, servants or employees) in or upon the Demised Premises or the Building common areas or parking field, including but not limited to, claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair; (ii) injury done or occasioned by wind or rain; (iii) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, gas, water and steam pipes, stairs, porches, railings or walks; (iv) broken glass; (v) the backing up of any sewer pipe or downspout; (vi) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about such Building or Demised Premises; (vii) the escape of steam or hot water; (viii) water, snow or ice being upon or coming through the roof, floor, skylight, trapdoor, stairs, doorways, show windows, walks or any other place upon or near such Building or the Demised Premises or otherwise; (ix) the falling of any fixture, plaster, tile or stucco; and (x) any act, omission or negligence of other tenants, licensees or of any other persons or occupants of said Building or of adjoining or contiguous Buildings or of owners of adjacent or contiguous property.

4.06 MECHANIC'S LIENS If any mechanic's lien or other liens or orders for the payment of money or any notice of intention to file a lien shall be filed against the Demised Premises or the Building by reason or arising out of any labor or material furnished or alleged to have been furnished or to be furnished to the Demised Premises on behalf of Tenant or any occupant thereof, or for or by reason of any change, alteration or addition or the cost or expense thereof or any contract relating thereto, or against the interest of Landlord, Tenant shall cause the same to be canceled and discharged of record by bond or otherwise as allowed by law at the expense of Tenant within thirty (30) days after the filing thereof; and Tenant shall also defend on behalf of Landlord, at Tenant's sole cost and expense, any action, suit or proceeding which may be brought thereon or for the enforcement of such liens or orders, and Tenant will pay any damages and satisfy and discharge any judgment entered thereon and save harmless Landlord from any claim or damage resulting there from.

4.07 LIMITATION OF PERSONAL LIABILITY Notwithstanding anything contained herein to the contrary, Tenant agrees that neither Landlord, nor any of its agents or employees, nor (if Landlord is or becomes a corporation or a limited liability company) any of its members, managers, officers, directors or shareholders or partners, nor (if Landlord is or becomes a partnership) any of its general or limited partners, shall have any personal liability with respect to any of the provisions of this Lease and Tenant shall look solely to the estate and interest of Landlord in the property for the satisfaction of Tenant's remedies, including, without limitation, the collection of any judgment or the enforcement of any other judicial process requiring the payment or expenditure of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms and provisions of this Lease to be observed and/or performed by Landlord, subject, however, to the prior rights of any holder of any mortgage covering all or part of the Property, and no other assets of Landlord or any principal of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claim, and in the event Tenant obtains a judgment against Landlord, the judgment docket shall be so noted. This Section shall inure to the benefit of Landlord's successors and assigns and their respective principals.

4.08 TITLE TO IMPROVEMENTS AND RESTORATION OF DEMISED PREMISES

a) The title to all additions, repairs and replacements to any improvements made during the Term by Landlord shall forthwith vest in Landlord, and said improvements, additions, repairs and replacements shall be and become the sole and absolute property of Landlord without any obligation of payment by Landlord therefore.

b) All Tenant's Alterations (excluding Tenant's trade fixtures, equipment and furniture and other personal property) made by either party shall become the property of Landlord upon installation unless Landlord shall elect otherwise at the time of installation. In the event that Landlord shall elect otherwise as a condition to Landlord's consent to any Tenant Improvements, then such Tenant's Alterations shall be removed by Tenant and Tenant shall restore the Demised Premises to the original condition, subject to ordinary wear and tear, at its own cost and expense, prior to the expiration of the Term. All damage or injury to the Demised Premises and to its fixtures, appurtenances and equipment caused by Tenant moving property in or out of the Building or by installation or removal of furniture, fixtures or other property shall be repaired by Tenant. There shall be no allowance to Tenant for a diminution of rental value and no liability

on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant, or others, making any repairs, alterations, additions, or improvements to any portion of the Building or Demised Premises, or to fixtures, appurtenances, or equipment thereof. Landlord reserves the right to stop the service of the heating, air conditioning, plumbing and electrical systems when repairs, alterations or improvements are necessary until such repairs, alterations or improvements shall have been completed provided however that except in the event of an emergency, Landlord shall cause any such stoppage to occur outside of Tenant's normal business hours and shall provide at least three (3) business days prior notice of any such stoppage.

4.09 TENANT OBLIGATIONS

a) Tenant covenants throughout the Term hereof, at its sole cost and expense, to keep the Demised Premises, all Tenant's fixtures and equipment therein, and all signs of Tenant whether in the Demised Premises or erected outside thereof, in good repair, order and condition, subject to ordinary wear and tear, making all repairs thereto as may be required or necessary, ordinary as well as extraordinary, foreseen and unforeseen, all repairs to be of the same quality, design and class as the original work. Landlord shall be obligated to promptly make any and all repairs to the structural parts of the Building and the building systems, including without limitation bearing walls, beams, roof, and utility systems.

b) If Tenant refuses or neglects to repair property as required in this Lease and to the reasonable satisfaction of Landlord as soon as reasonably possible, after written demand, Landlord may make such repairs and shall not be liable to Tenant for any loss or damage that may occur to Tenant's merchandise, fixtures, or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Landlord's cost for making such repairs plus ten (10%) percent for overhead and supervision, as Additional Rent, to be paid by Tenant within thirty (30) days of receipt of a statement from Landlord setting forth said charges and disbursements.

ARTICLE V

5.01 LIABILITY INSURANCE Tenant shall, during the entire term hereof, at Tenant's expense, keep in full force and effect policies of insurance as follows:

A. Glass – Tenant assumes the liability for, and shall remedy, the breakage of exterior and interior plate glass during the Term of this Lease if breakage is caused by Tenant's acts.

B. Property Insurance; Indemnity for Damage to Tenant's Personal Property – Tenant assumes liability for any damage to the Demised Premises and all fixtures and appurtenances thereto

regardless of the cause thereof. Except as otherwise provided herein, Tenant expressly releases Landlord from, and waives all claims against Landlord and agrees to hold Landlord harmless for, any loss resulting from damage to or loss of Tenant's goods, wares, merchandise and/or improvements and betterments in, upon or about said premises regardless of the cause. Tenant shall maintain at its own expense replacement cost insurance on Tenant's goods, wares, merchandise and improvements and betterments against damage caused by fire and all other perils covered by a standard All Risk insurance policy. Landlord and Tenant agree to waive their rights of subrogation against each other and shall each attempt to obtain a waiver from their respective insurance companies releasing carriers' subrogation rights against the other party.

C. Liability Insurance – Tenant shall maintain, at its own expense, Liability insurance as follows:

1. Commercial General Liability insurance, written on an occurrence basis and including products liability insurance at a $1,000,000 per occurrence Combined Single Limit, subject to no deductible or Self-Insured Retention, including all standard Board Form Commercial If coverage is written on a form under which an aggregate limit applies to the Demised Premises hazard, such aggregate shall be in an amount of no less than $2,000,000 and shall apply separately to each location covered by Tenant's policy. Fire Legal Liability coverage shall be included in the CGL policy and shall be written in the amount of $500,000.

2. Umbrella Liability insurance at a $10,000,000 per occurrence limit, subject to a $10,000 self insured retention, providing excess coverage over all coverages included in the Comprehensive General Liability policy noted in paragraph C (1) above.

These policies shall name Landlord as an additional insured on a primary, non-contributory basis and shall permit Tenant to release its carrier's subrogation rights against Landlord. Tenant hereby agrees to the waiver of such rights.

D. The insurance policies noted in (A), (B) and (C) above shall all be written with insurance companies licensed to do business in the State in the State of New York and rated no lower that A:VII by the most recent edition of A.M. Best's Property-Casualty Rating Guide. All policies shall provide that in the event of cancellation, non-renewal or material modification, Landlord shall receive 30 days written notice thereof.

E. Tenant shall furnish Landlord with certificates of insurance evidencing Tenant's compliance with all provisions of (A), (B), (C) and (D) above.

5.02 INDEMNIFICATION AND HOLD HARMLESS

(a) Tenant shall defend, indemnify and hold Landlord, and Landlord's employees, agents and assigns, harmless from and against any and all loss, cost (including reasonable attorney's fees and witnesses' and court costs), damages, expense and liability (including statutory liability) resulting from injury and/or death of any person or damage to any property arising out of Tenant's (or its employees', agents' or contractors') maintenance, use, care or control of the Demised Premises, except that arising from the negligence or willful misconduct of Landlord.

(b) In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, Tenant shall assume Landlord's defense, protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or

paid by Landlord in connection with such litigation. Tenant shall also pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Landlord in enforcing the covenants and agreements of this Lease.

(c) Landlord shall defend, indemnify and hold Tenant, and Tenant's employees, agents and assigns, harmless from and against any and all loss, cost (including reasonable attorney's fees and witnesses' and court costs), damages, expense and liability (including statutory liability) resulting from injury and/or death of any person or damage to any property arising out of Landlord's (or its employees', agents' or contractors') maintenance, care or control or entry upon of the Demised Premises, except that arising from the negligence or willful misconduct of Tenant.

(d) In case Tenant shall, without fault on its part, be made a party to any litigation commenced by or against Landlord, Landlord shall assume Tenant's defense, protect and hold Tenant harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Tenant in connection with such litigation. Landlord shall also pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Tenant in enforcing the covenants and agreements of this Lease.

5.03 ACTS OF INVITEES Tenant shall be responsible for the acts of its customers, invitees and/or anyone else on the Demised Premises at the invitation of Tenant or anyone in their employ or anyone occupying or using space in the Demised Premises. In this regard, should any of the enumerated parties commit acts which are in violation of any of the terms of this Lease, the Port Authority Lease or the City Lease, Tenant agrees that the cost of such violations shall be due and payable to Landlord and shall be considered as Additional Rent at the option of Landlord. In that regard, any notice of default the served pursuant to paragraph 6.01 shall contain a listing of the violations and the amount of out-of-pocket costs which Landlord has incurred as a result of such breach. The remedy or cure referred to in paragraph 6.01 shall, in this regard, be deemed to include not only the ceasing of said violations but also the full and complete payment of actual out-of-pocket costs incurred by Landlord. These charges, shall at the option of Landlord, be considered as Additional Rent.

ARTICLE VI

6.01 DEFAULT

(a) The following shall be an "Event of Default" under this Lease:

(i) if Tenant defaults in fulfilling any of the covenants of this Lease other than the covenants for the payment of Base Rent or Additional Rent, or if the Demised Premises becomes vacant or deserted, then, upon the expiration of twenty (20) days from Landlord's serving a written notice upon Tenant specifying the nature of such default, if Tenant shall have failed to comply with or remedy such default within such twenty (20) day period, or if the said default or omission shall be of such a nature that the same cannot be completely cured within said twenty (20) day period, and if Tenant shall not have diligently commenced curing such default within such period and shall not thereafter with reasonable diligence proceed to cure such default;

(ii) if Tenant shall default in the payment of the Rent reserved herein or any item of Additional Rent herein mentioned or any part of either, or in making any other payment herein provided for a period of five (5) business days after receiving written notice thereof from Landlord; or

(iii) if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the Demised Premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant.

(b) Following the occurrence and during the continuance of an Event of Default hereunder, Landlord may without notice re-enter the Demised Premises either by force or otherwise and dispossess Tenant or the legal representative of Tenant or other occupant of Demised Premises by summary proceedings or otherwise and remove their effects and hold the Demised Premises as if this Lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end.

(c) If an Event of Default has occurred and is continuing, it is understood and agreed that no demand for Rent and no re-entry for condition broken as at common law shall be necessary to enable Landlord to recover such possession pursuant to statute relating to summary proceedings.

(d) In the case that Landlord exercises any of its remedies under subparagraph (b) above, then (i) the Rent shall become due thereupon and is to be paid upon the time of such reentry, dispossess and/or expiration, together with such expenses as Landlord may incur by reason thereof for legal expenses, reasonable attorneys' fees, and/or brokerage in putting the Demised Premises in good order and/or for preparing the same for re-rental; (ii) Landlord may rent the Demised Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the Term of this Lease, and may grant concessions or free rent; and (iii) Tenant or the legal representative of Tenant shall also pay Landlord as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent and Additional Rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of this Lease or Leases of the Demised Premises for each month of the period which would otherwise have constituted the balance of the Term of this Lease. The failure of Landlord to re-let the Demised Premises or any part or parts thereof or to collect rent therefore shall not release or affect Tenant's liability for damages provided that Landlord shall be obligated to use commercially reasonable efforts to mitigate any damages incurred by Landlord as a result of an Event of Default by Tenant hereunder. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding. Landlord, at Landlord's option, may make such alterations, repairs, and/or replacements in the Demised Premises as Landlord, in Landlord's reasonable judgment, considers advisable and necessary for the purpose of re-letting the Demised Premises, and the making of such alterations shall not operate or be construed to release Tenant

from liability hereunder as aforesaid. Following the occurrence and during the continuance of an Event of Default hereunder, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy, whether in law or in equity.

(e) In the event Tenant shall fail to comply with or perform any of the covenants, conditions or agreements herein contained on Tenant's part to be performed, Landlord shall have the right (but not be obligated) to perform any such covenants, conditions or agreements, and Tenant agrees to pay to Landlord on demand as Additional Rent hereunder, a sum equal to the amount expended by Landlord in the performance of such covenants, conditions or agreements. In the event Landlord shall perform any such covenants, conditions or agreements, Tenant agrees that Landlord, its agents or employees, may enter the Demised Premises and that such entry and such performance shall not constitute an eviction of Tenant, in whole or in part, nor relieve Tenant from the continued performance of all covenants, conditions and agreements of this Lease, and further agrees that Landlord shall not be liable for any claim for loss or damage to Tenant or anyone through or under Tenant.

6.02 NO WAIVER The receipt by Landlord of Base Rent or Additional Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount that the Base Rent or Additional Rent then due shall be deemed to be other than on account of full payments, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord's right to recover the balance of such rent or pursue any other remedy provided for by this Lease and/or at law shall not be diminished.

6.03 TENANT'S WAIVER OF JURY TRIAL Tenant waives its right of trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other, or with respect to any issue or defense raised therein, including the right to an advisory jury (except for personal injury or property damage), on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use and occupancy of the Demised Premises including summary proceedings and possession actions, and any emergency statutory or other statutory remedy.

6.04 WAIVER OF REDEMPTION Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause or in the event of Landlord obtaining possession of the Demised Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease, or otherwise. No receipt of monies by Landlord from Tenant after the termination or cancellation of this Lease, in any lawful manner, shall reinstate, continue or extend the Term of this Lease, or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of fixed or Additional Rent or rents then due, or thereafter falling due or operate as a waiver of the rights of Landlord to recover possession of the Demised

Premises by proper suit, action, proceeding or remedy. It is agreed that, after the service of notice to terminate or cancel this Lease, or the commencement of suit, action or summary proceeding, or any other remedy, or after a final order or judgment for the possession of the Demised Premises, Landlord may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, order or judgment. Any and all such monies collected shall be deemed to be payments towards satisfying Tenant's obligations to Landlord.

6.05 VENUE In the event of any dispute under the terms of this Lease, the parties agree that the venue for settling the dispute will be placed in Richmond County, State of New York and none other.

6.06 REMEDIES CUMULATIVE All the rights and remedies herein given to Landlord for the recovery of the Demised Premises because of the default by Tenant in the payment of any sums which may be payable pursuant to the terms of this Lease, or upon the breach of any of the terms hereof, or the right to re-enter and take possession of the Demised Premises upon the happening of any of the defaults or breaches of any of the covenants, or the right to maintain any action for rent or Additional Rent, or damages and all other rights and remedies allowed at law or in equity, are hereby reserved and conferred upon Landlord as distinct, separate and cumulative remedies, and no one of them, whether exercised by Landlord or not, all be deemed to be in exclusion of any of the others.

ARTICLE VII

7.01 ASSIGNMENT AND SUBLET

(a) Landlord consents to an assignment of this Lease or sublease of all or part of the Premises to (i) an entity resulting from a merger or consolidation with Tenant; (ii) any entity succeeding to the business and assets of Tenant or any entity that purchases all or substantially all of the assets of Tenant; and (iii) any Affiliate (as defined below) of Tenant (each, a "Permitted Transferee"); provided that (a) the assignee assumes in writing the performance and observance of all the terms, covenants and conditions of this Lease on the part of Tenant to be performed and observed; and (b) the Port Authority consents to such assignment or sublease to the extent that the Port Authority's consent is required pursuant to the terms and conditions of the Port Authority Lease. "Affiliate" shall mean any partnership, corporation, un-incorporated association, joint venture or other legal entity that controls, is controlled by or is under common control with Tenant.

(b) Tenant shall have the right to assign or sublease the Demised Premises, in whole or in part to person or entity other than a Permitted Transferee only with Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed and the consent of the Port Authority (to the extent required under the Port Authority Lease).

(c) In the event that Tenant shall seek Landlord's permission to assign this Lease or sublet the Demised Premises as required in subsection (a) or (b) above, Tenant shall provide to Landlord the name, address and financial statement of the proposed assignee or sublessee and such other information concerning such proposed assignee or sublessee as Landlord may require. It shall be a condition to any consent by Landlord to an assignment or subletting that Tenant shall accompany such request with a certified check in the amount of One Thousand and 00/100 Dollars ($1,000.00) to reimburse Landlord for reasonable legal expenses for the review and preparation of legal documents. Landlord shall be the liaison to procure the consent, or denial, of the Port Authority using commercially reasonable efforts to facilitate the application for said consent to the appropriate administrative offices of the Port Authority.

(d) In the event that Tenant shall at any time during the Term of this Lease sublet all or any part of the Demised Premises or assign this Lease, either with the consent of Landlord or the Port Authority as herein provided or without the consent of Landlord or the Port Authority, then, and in such event, it is hereby mutually agreed that Tenant shall nevertheless remain fully liable under all the terms, covenants and conditions of this Lease including, but not limited to, the provisions for the payment of Rent. Tenant's liability hereunder shall be continuing and shall in no way be affected, modified or diminished by reason of (i) any subsequent assignment or subletting, renewal, modification or extension of this Lease to which the parties agrees in writing or (ii) any modification or waiver of or change in any of the terms, conditions and covenants of this Lease to which the parties agrees in writing, or (iii) any extension of time that may be granted by Landlord to any assignee or sublessee, its successors or assigns, or (iv) a changed or different use of the Demised Premises consented to in writing by Landlord. If this Lease be assigned, subleased or any part thereof be subleased or occupied by anybody other than Tenant, Landlord may collect from the assignee, sublessee or occupant any Rent payable by Tenant under this Lease and apply the amount collected to the Rent herein reserved, but such collection by Landlord shall not be deemed an acceptance of the assignee, sublessee or occupant as a tenant nor a release of Tenant from performance by Tenant under this Lease.

(e) In the event of any sale, assignment, sublease or other transfer of this Lease to any person or entity other than a Permitted Transferee either by consent, court or administrative proceeding, or otherwise, whereby the Rent provided for in said assignment, sublease or other transfer exceeds (i) the Base Rent payable by Tenant to Landlord as provided in this Lease plus (ii) Tenant's reasonable costs incurred in effecting such transfer ("Excess Rent"), then fifty percent (50%) of the Excess Rent shall be due and payable to Landlord on a monthly basis in addition to Base Rent provided for in this Lease. This provision shall be binding upon Tenant, Tenant's representatives, and Tenant's transferees.

(f) Tenant shall not assign this Lease or sublease any portion of the Demised Premises to a then current Tenant of the Building, the Corporate Commons or the Corporate Park of Staten Island.

(g) Landlord agrees to enter into a collateral assignment and access agreement in favor of Tenant's lender in the form attached hereto as Exhibit D attached hereto.

ARTICLE VIII

8.01 LANDLORD'S INTEREST IN PREMISES; PORT AUTHORITY CONSENT

(a). Landlord represents and warrants that it is the holder of the entire ground leasehold interest in the Property, including the Land and Building, equipment, fixtures and all other personal property appertaining thereto, and including the Demised Premises, free and clear of all tenancies, occupancies, restrictions, covenants, easements, liens, encumbrances and any other exceptions, other than this City Lease (as defined below) and The Port Authority Lease (as defined below), and existing leases or other occupancy agreements which are not inconsistent with and do not adversely affect any rights of Tenant under this Lease. This Lease is subject to and subordinate to the Port Authority Lease and the City Lease. For purposes of the foregoing, (i) the term the "**Port Authority Lease**" means that certain lease dated as of July 8, 1985 between Landlord's successor in interest Teleport Associates and The Port Authority and (ii) the term the "**City Lease**" means that certain lease dated as of May 15, 1984, as amended, between The City of New York and The Port Authority. Landlord agrees that it will not exercise any power to amend The Port Authority Lease or permit any amendment to occur therein pursuant to any power of amendment reserved therein or otherwise which is inconsistent with or adversely affects any rights of Tenant under this Lease.

(b) This Lease is subject to the consent of The Port Authority pursuant to The Port Authority Lease. If Landlord fails to obtain the consent of the Port Authority to this Lease within thirty (30) days after the execution and exchange of this Lease, either party may terminate this Lease upon written notice to the other, in which event this Lease shall terminate and be and become of no further force and effect, and the parties shall not have any further rights, obligations, or liabilities hereunder

(c) Landlord represents that the Building is not within the jurisdiction of the local New York City Building Department. Any references to applicable permitting, approvals and or certificates of occupancy, shall mean consents and approvals by the Port Authority.

8.02 TENANT'S ESTOPPEL and LANDLORD'S SUBORDIANTION AND NON-DISTURBANCE AGREEMENT

(a) Within ten (10) business days after request therefore by Landlord, Tenant agrees to deliver in recordable form reasonably acceptable to Tenant a certification to The City of New York, the Port Authority or any proposed mortgagee or purchaser, certifying (if such be the case) that this Lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Tenant.

(b) Landlord shall use commercially reasonable efforts to obtain from any existing or future mortgagees or leasehold mortgagees a Subordination and Non-Disturbance Agreement in a form reasonably satisfactory to Landlord, Tenant and Landlord's mortgagee.

8.03 ATTORNMENT Tenant covenants and agrees that, if by reason of a default upon the part of Landlord who is the lessee under the Port Authority Lease covering the Demised Premises in the performance of any of the terms or provisions of such Port Authority Lease or if for any other reason of any nature whatsoever such Port Authority Lease and the leasehold estate of the Landlord thereunder are terminated by summary dispossess proceedings or otherwise, Tenant, at the request in writing of the then landlord under such Port Authority Lease, shall attorn to and recognize such landlord as Tenant's landlord under this Lease provided that such landlord agrees in writing not to disturb Tenant's possession and use of the Demised Premises subject to the terms of this Lease. Tenant covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under such Port Authority Lease, any instrument which may be necessary or appropriate to evidence such attornment and non-disturbance provided that any such agreement shall not be effective unless and until Tenant receives a copy of such agreement as executed by such landlord. Tenant further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this Lease or give or purport to give Tenant any right of election to terminate this Lease or to surrender possession of the Demised Premises in the event such Port Authority Lease terminates or in the event any such proceeding is brought by the landlord under such Port Authority Lease if such landlord shall have requested in writing that Tenant attorn, as aforesaid and in that circumstance Tenant agrees that this Lease shall not be affected in any way whatsoever by any such proceeding or termination.

ARTICLE IX

9.01 RESTORATION (a) Tenant must give Landlord prompt notice of fire, accident, damage or dangerous or defective condition. If the entire Demised Premises cannot be used because of fire or other casualty, Tenant is not required to pay rent for the time the Demised Premises are unusable. If part of the Demised Premises cannot be used, Tenant must pay rent for the usable part. If, however, the fire or other casualty is caused by any act, neglect omission or failure to comply with any covenant or condition of this Lease by Tenant, Tenant's employees or invitees, Tenant must pay the full rent with no adjustment. Landlord shall have the right to decide which part of the Demised Premises is usable. Should Landlord opt to rebuild as provided for in paragraph (b) of this section, Landlord need only repair the damaged structural parts of the Demised Premises. Landlord is not required to repair or replace any equipment, fixtures, furnishings or decorations. Landlord is not responsible for delays due to settling insurance claims, obtaining estimates, labor and supply problems or any other cause not fully under Landlord's control.

(b) Landlord has the right to demolish or rebuild the Building if there is substantial damage by fire or other casualty. Landlord may cancel this Lease within thirty (30) days after the substantial fire or casualty by giving Tenant notice of Landlord's intention to demolish or rebuild.

It is expressly agreed between the parties that the decision as to whether or not repairs shall be made or this Lease be terminated shall be in the sole discretion and option of Landlord,

and the parties agree that the decision of Landlord in regard to whether or not same should be repaired is not subject to review by any agency or court, and the decision of Landlord in this regard shall be final and binding upon the parties and is deemed a negotiated condition in this Lease.

The Lease will end thirty (30) days after Landlord's cancellation notice to Tenant. Tenant must deliver the Demised Premises to Landlord on or before the cancellation date in the notice and pay all rent due to the date of the fire or casualty. The cancellation does not release Tenant of liability in connection with the fire or casualty. This section is intended to replace the terms of New York Real Property Law Section 227.

(c) Tenant shall have no entitlement or right to any insurance proceeds payable to Landlord as a result of damage to the Building.

(d) Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease in the event of damage to the Building.

(e) Whether destruction is partial or total, Tenant shall, on demand of Landlord, remove its stock fixtures and equipment to facilitate Landlord's restoration or other use of the Demised Premises.

9.02 EMINENT DOMAIN

(a) If the whole of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use or purpose, then, and in that event, the Term of this Lease shall cease and terminate upon the date of title vesting in such proceeding.

(b) If part of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use, the minimum rental to be paid hereunder shall be apportioned on the basis of the floor area so taken. In the event such partial taking shall exceed fifty (50%) percent of said floor area, this Lease may be canceled by either party upon the giving of five (5) days notice within twenty (20) days from the date title shall vest in the condemning authority.

(c) In no event shall Tenant have a claim for or be entitled to the value of any unexpired term of this Lease nor otherwise be entitled to any part of the award paid for such condemnation, and Landlord is to receive the full amount of such award. Tenant hereby expressly waives any right or claim to any part thereof.

ARTICLE X

10.01 SIGNS a) Tenant acknowledges that it shall have no right to affix any sign to the Demised Premises or its windows or doors, or to any part of the common areas of the Building or to the Building. Landlord shall have the right to remove any sign affixed to the Building or Demised Premises by Tenant. Tenant further covenants and agrees that no awnings or other

projections shall be attached to the outside walls or windows of the Building. Tenant shall have no right to affix any sign in the Demised Premises which may be visible through any of the windows located in or about the Demised Premises. Landlord shall provide signage (i) at the entrance to the Demised Premised and in the Building Lobby and (ii) in the event the Port Authority allows and the Landlord, in its sole discretion, installs a monument sign that incorporates all the tenant's names in the Corporate Commons, then, Tenant will be included on the monument sign located in the front of the Building, at Landlord's sole cost and expense. Landlord shall use its best efforts to have additional signage visible from the entrance to the Corporate Commons from South Avenue.

b) In the event Landlord or Landlord's representatives shall deem it necessary to remove any Tenant sign or signs in order to paint or to make any other repairs, alterations or improvements in or upon said Demised Premises, or the Building wherein same is situated, or any part thereof, the Landlord shall have the right to do so, provided the same shall be removed and replaced at Landlord's expense whenever the said repairs, alterations or improvements shall have been completed. Landlord shall provide Building directory in lobby for Tenant and its subtenant's use.

ARTICLE XI

11.01 LANDLORD'S COVENANT OF QUIET ENJOYMENT Subject to the terms of the City Lease and the Port Authority Lease, Landlord covenants and agrees with Tenant that upon Tenant paying the Base Rent and Additional Rent and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Demised Premises hereby demised, subject, nevertheless, to the terms and conditions of this Lease and to any ground Leases underlying this Lease and mortgages herein mentioned or provided for.

11.02 NO WASTE Tenant shall not commit or suffer to be committed any waste upon the Demised Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Tenant in the Building in which the Demised Premises is located, or on the parking fields, or anywhere in the Corporate Commons, Teleport or the Corporate Park of Staten Island or surrounding areas, which may disturb the quiet enjoyment of any person within five hundred feet of the boundaries of the Building or parking fields.

11.03 SURRENDER Anything herein to the contrary notwithstanding, upon the termination of this Lease and vacating of the Demised Premises, Tenant agrees to leave the Demised Premises broom clean and in good repair, excepting reasonable wear and tear. The failure of Tenant to remove its trade fixtures or any of its property at the termination of the Term of this Lease shall be deemed abandonment of such property, at the option of Landlord.

11.04 HOLDOVER Any holding over after the expiration of the Term hereof or renewal term, with the consent of Landlord, shall be constructed to be a tenancy from month to month at a rate equal to 150% of the rent herein last specified, or in an amount specified by Landlord, provided

notice of same is given by Landlord to Tenant at least thirty (30) days prior to the termination of the original, Lease term or thirty (30) days prior to the termination of any renewal term, and all obligations of Tenant contained herein shall apply during the holdover period. Nothing contained herein shall, be construed as authorization or consent for Tenant to hold over beyond the expiration of the Term of this Lease.

11.05 BROKER Tenant represents that Cresa Partners were the only brokers that brought about this agreement on behalf of Tenant and Tenant agrees to indemnify and hold Landlord harmless from any claim for commission or compensation by any other broker in connection herewith and Tenant agrees to defend any such claim at Tenant's sole cost and expense. Landlord represents that no broker brought about this agreement on behalf of Landlord and Landlord agrees to indemnify and hold Tenant harmless from any claim for commission or compensation by any other broker in connection herewith and Landlord agrees to defend any such claim at Landlord's sole cost and expense. Landlord agrees to pay Cresa Partners pursuant to the terms of a separate agreement.

11.06 COVENANTS The provisions of this Lease are to be construed as covenants and all the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators and assigns.

11.07 NOTICES All notices, requests, demands, consents, approvals and other communications (hereinafter individually and collectively called "Notices") required or permitted to be served or given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested or by a reputable national overnight courier service, postage prepaid, or by hand delivered addressed to the parties at their addresses set forth below:

Landlord:	The Corporate Commons of Staten Island, LLC 1110 South Avenue Staten Island, New York 10314
with a copy to:	Kudman Trachten Aloe LLP 350 Fifth Avenue, Suite 4400 New York, New York 10118
Tenant:	Education Affiliates, Inc. 5024A Campbell Boulevard Baltimore, Maryland 21236
	Federal Employee Identification Number: 20-1720350

11.08 CAPTIONS The captions, article numbers, marginal notes and index appearing in this Lease are inserted only as a matter of convenience, and in no way define, limit, describe of affect the scope or intent of this Lease.

11.09 DEFINITIONS (a) The term "Landlord" as used in this Lease means only the owner or the mortgagee in possession for the time being of the land and Building (or the owner of the Lease of the Building or of the land and Building) of which the Demised Premises form a part, so that in the event of any sale or sales of said land and Building or of said Lease, or in the event of a Lease of said Building, or the land and Building, Landlord as named in this Lease shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder. It shall be deemed and construed without further agreement between the parties or their successors in interest, that the purchaser or the lessee of the Building has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder. The words "re-enter" and "re-entry" as used in this Lease are not restricted to their technical legal meaning.

(b) The use of the neuter singular pronoun to refer to Landlord or Tenant shall, nevertheless, be deemed a proper reference even though Landlord and/or Tenant may be an individual, a corporation, a partnership or a group of two or more individuals or corporations.

11.10 RESOLUTION OF BOARD OF DIRECTORS In the event that Tenant, under this Lease, is a corporation, Tenant agrees to provide within thirty (30) days after execution of said Lease a resolution of the Board of Directors of Tenant corporation approving the execution of this Lease. In the event that Tenant fails to provide the aforementioned, Landlord shall, at its option, have the right to terminate this Lease on ten (10) days notice to Tenant provided Tenant does not cure same within 10 days after notice is rendered.

11.11 RECORDING Tenant covenants not to place this Lease or any memorandum of this Lease on record without the prior written consent of Landlord.

11.12 INVALIDITY OF PARTICULAR PROVISION If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

11.13 ENTIRE AGREEMENT This Lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

11.14 GOVERNING LAW This Lease, its provisions, or any dispute arising hereunder, shall be governed by the laws of the State of New York.

11.15 ROOF ANTENNA Subject to Landlord's approval which shall not be unreasonably withheld, and the Port Authority's approval, which may be withheld for any reason, Tenant shall have the right to install a satellite dish, antennae and/or other communications equipment ("Communications Equipment"). In the event Tenant installs Communications Equipment, same shall be installed by Tenant, at its own cost and expense, on the roof of the Demised Premises

consent with the Tenant Alteration provisions herein. Further, the Communications Equipment shall not be visible from the ground and shall not interfere with any other existing or other contemplated antennae on the Building. Unless Landlord shall perform any installation and/or removal, Tenant shall remain responsible for any damage caused by the installation or removal of the Communications Equipment. Tenant shall not be entitled to use more than 100 square feet of the roof top in connection with the installation, the location of which is subject to the Landlord's consent, which consent will not be unreasonably withheld, conditioned or delayed so long as the proposed location does not interfere with any existing communications equipment, HVAC units, vents, exhaust units, or other roof installations. Landlord shall, at Tenant's option, install and remove any such antennas on the roof of the Building at Tenant's sole cost and expense, which shall be Landlord's actual cost plus ten (10%) percent. Tenant shall not be charged any additional roof rental fee for the placement of such antennae.

11.16 HAZARDOUS MATERIALS/ENVIRONMENTAL LAWS

(a) "Hazardous Materials" include substances (I) which require remediation under any Environmental Laws; or (ii) which are or become defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any Environmental Laws; or (iii) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic or mutagenic; or (iv) which contain petroleum hydrocarbons, polychlorinated biphenyls, asbestos, asbestos containing materials or urea formaldehyde.

(b) "Environmental Laws" mean all applicable present and future statutes, regulations, rules, ordinances, codes, permits or odors of all governmental agencies, department, commission, boards, bureaus, instrumentalities of the United States, states and their political subdivisions and all applicable judicial, administrative and regulatory decrees and judgments relating to the protection of public health or safety or of the environment.

(c) "Environmental Damages" means all claims, judgments, losses, penalties, fines, liabilities, encumbrances, liens, costs and reasonable expenses of investigation, defense or good faith settlement resulting from violations of Environmental Laws, and including, without limitation: (i) damages for personal injury and injury to property or natural resources; (ii) reasonable fees and disbursements of attorneys, consultants, contractors, experts and laboratories; and (iii) reasonable costs of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any Environmental Law and other reasonable costs reasonably necessary to restore full economic use of the Demised Premises or the Building or the project.

(d) Tenant agrees to indemnify, defend, reimburse and hold Landlord harmless against any Environmental Damages incurred by Landlord arising from Tenant's breach of paragraph (e) below. Landlord agrees to indemnify, defend, reimburse and hold Tenant harmless against any Environmental Damages incurred by Tenant arising from Landlord's breach of paragraph (e) below. The obligations of both parties in this paragraph shall survive termination of this Lease and the discharge of all other obligations owed by the parties to each other under this Lease. Landlord warrants and represents that the Property, the Building and the Demised Premises (and

any Expansion Space) do not and will not contain any Hazardous Materials, including but not limited to asbestos and/or PCBs. In the event that any Hazardous Materials are found in the Property, Building and/or Demised Premises, Landlord shall, at Landlord's sole cost and expense, remove same in compliance with all applicable laws, rules and/or ordinances concerning the removal and/or disposal of same. Landlord agrees to indemnify and hold Tenant harmless from any and all liability arising from the presence of any Hazardous Materials in and around the Property, Building and/or Demised Premises, including but not limited to, Tenant's reasonable costs and attorney's fees.

(e) Landlord and Tenant shall (i) comply with all Environmental Laws; (ii) not cause or permit any Hazardous Materials to be treated, stored, disposed of, generated, or used in the Demised Premises or the Building; provided, however, that Landlord and Tenant may each store, use or dispose of products customarily found in offices and used in connection with operation and maintenance of property or their business (including Tenant's operation of a nursing school) if each complies with all Environmental Laws and does not contaminate the Demised Premises, the Building, or underlying land; and (iii) promptly after receipt, deliver to the other party a copy of communication concerning any past or present, actual or potential violation of Environmental Laws or liability of either party for Environmental Damages.

11.17 AMERICANS WITH DISABILITES ACT: Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant agree that responsibility for compliance with the Americans With Disabilities Act of 1990 (the "ADA") shall be allocated as follows: (i) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for all Common Areas, including exterior and interior areas of the Building; (ii) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Demised Premises if such construction, renovations, alterations or repairs are made by Landlord at Landlord's request and sole expense for the purpose of improving the Building generally, and (iii) Tenant shall be responsible for compliance with the provisions of Title III of the ADA for any Tenant's Alterations made within the Demised Premises during the Term of this Lease (excluding the Base Building Conditions and the Improvements).

11.18 CONFIDENTIALITY: Landlord and Tenant hereby agree that the terms of this agreement are confidential and may not be disclosed to any third party without the consent of the other provided that the parties may disclose the terms to their legal and financial advisors, accountants, auditors and any other consultants or agents engaged by such party. Nothing herein shall prevent disclosure of this Lease be either party to the extent required to comply with any law or any order of any court of applicable jurisdiction.

11.19 EXCLUSIVITY. Landlord shall not lease any other space in the Building to any Tenant Competitor, nor will Landlord consent to any sublease or assignment to a competitor of Tenant in such situations where Landlord's consent thereto is required. "Tenant Competitor" shall include any person or entity that operates a nursing school or other post-secondary education center for Allied health educational programs at the Corporate Commons, including but not limited to dental, emergency medical technician and or medical assistant programs.

ARTICLE XII

12.01 RULES AND REGULATIONS Tenant covenants and agrees with Landlord to obey, in all respects, the following rules and regulations:

(1) Tenant agrees to comply with any reasonable rules and regulations to be promulgated by The Port Authority of New York and New Jersey pertaining to security requirements regarding entry to the Corporate Commons.

(2) The delivery, shipping, loading or unloading of furniture, supplies and fixtures to and from the Demised Premises shall be subject to such rules and regulations as in the judgment of Landlord are necessary for the proper operation of the Building. The Landlord hereby agrees to promulgate and apply all rules and regulations equitably and without discrimination against the Lessee and all other tenants in the Building;

(3) No loudspeakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the Demised Premises without the prior written consent of Landlord;

(4) Freight, furniture, business equipment, merchandise or bulky matter of any description shall be delivered to and removed from the Demised Premises only before or after business hours and in a manner approved by Landlord, unless otherwise approved by Landlord in writing. Tenant shall not move any such freight, furniture, business equipment, merchandise or bulky matter of any description on any elevator without the use of elevator wall padding as well as protective floor coverings in the hall ways. The sidewalks, entrances, parking fields, driveways, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than for ingress or egress from the Demised Premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Landlord. There shall not be used in any space, or in the public hall of the Building, either by any Tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards. Landlord reserves the right to require Tenant to use all reasonable measures to protect the floors and walls of the Building during Tenants moving any equipment or furniture in and out of the Building.

(5) Tenant shall keep the Demised Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures;

(6) The plumbing facilities shall not be used for any other purposes than that for which they are constructed;

(7) No auction, fire, bankruptcy, selling-out sales, or sidewalk sales shall be conducted on or about the Demised Premises without prior written consent of Landlord;

(8) Tenant shall not permit any unlawful or immoral practice or business to be carried on or committed upon the Demised Premises;

(9) Tenant shall not use the Demised Premises for any purpose or in any manner whatsoever which might create a nuisance or materially injure the reputation of the Building provided that Landlord agrees that Tenant's operation of a nursing school shall not create a nuisance or injure the reputation of the Building.;

(10) Tenant shall not cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors to permeate in or emanate from the Demised Premises;

(11) Tenant shall not bring or permit to be brought in the Building or kept in or on the Demised Premises any pet, except for pets used for medical and or disability assistance purposes.

(12) Tenant shall provide access to the Demised Premises to Landlord or Landlord's designated exterminating service for the purpose of providing exterminating services in connection with the Demised Premises or the Building;

(13) Landlord reserves the right to refuse admission during or outside of ordinary business hours to the Building and the Demised Premises to any person not known to any watchman in charge or properly identified to be an employee, visitor or student of Tenant; to eject any person from the Building whose conduct may tend to be harmful to the safety and interests of Tenants and the property therein; to close any part of the Building during any riot or other commotion where person or property may be imperiled; all of the foregoing to be without liability to Landlord;

(14) Tenant shall be entitled to install vending machines for use by its officers, employees and invitees, but not other tenants nor shall the vending machines be accessible to the public.

(15) Tenant shall comply with all further rules and regulations for the use and occupancy of the Building and Common Areas as Landlord from time to time reasonably promulgates for the best interests of the Corporate Commons, provided that if Tenant disputes the reasonableness of any future rule or regulation, Tenant shall so notify Landlord within ten (10) business days after the promulgation thereof and the dispute shall be settled by arbitration by and in accordance with the rules then existing of the American Arbitration Association. Landlord shall have no liability for the violation of any other tenant of any rules or regulations nor shall such violation or the waiver thereof excuse Tenant from compliance.

IN WITNESS WHEREOF, Landlord and Tenant have duly signed and sealed this Lease as of the day and year first above written.

Attest for Landlord:

Attest for Tenant:

LANDLORD:
The Corporate Commons of Staten Island, LLC

By
Member

TENANT:
Education Affiliates, Inc.

By
Name: DUNCAN ANDERSON
Its: PRESIDENT / CEO

EXHIBIT A - DESCRIPTION OF DEMISED PREMISES

EXHIBIT B - LANDLORD'S WORK

A. As set forth in paragraph 4.01(a), Landlord shall deliver the Building and Demised Premises shall be delivered with the following "Base Building Conditions" completed at Landlord's expense, exclusive of Landlord's Work Allowance, said work to be performed in a good and workmanlike manner:

1. The Demised Premises shall be delivered in "warm shell" condition with all previous tenant improvements removed. All mold and any other hazardous substances shall be removed from the Demised Premises. Tenant may inform Landlord to salvage certain items if same can be re-used by Tenant and Landlord shall store any salvaged items at the Demised Premises on behalf of Tenant, without any further liability for their condition.

2 Common areas and commercial grade bathrooms shall be constructed in accordance with the Americans with Disabilities Act and local and state codes. Landlord shall provide enough commercial grade restroom fixtures as required by Tenant's occupancy load and code requirements specifically related to Tenant's Use.

4 The Building and the Project shall be delivered in conformance with the American's with Disabilities Act ("ADA"), which shall include but not be limited to all common areas, access / egress to and from the Demised Premises, elevators, parking areas, ramps. Such compliance shall be the responsibility of Landlord at the time of Tenant's occupancy of the Demised Premises and throughout the Term of this Lease.

5 The Demised Premises shall be delivered with electric capacity of at least eight (8) watts per rentable square foot including code compliant distribution panels, which electric service shall be exclusive of HVAC and any other building systems. The location of electrical distribution panels shall be subject to Tenant's reasonable pre-approval.

6. A multi-tenant corridor (if necessary) and demising wall (if necessary) shall be constructed in accordance with the Plans in a mutually agreed-upon standard in terms of design and appearance. All work shall be code compliant and fire rated.

7. Provide Tenant-controlled, multiple zone HVAC systems for Normal Business Hours and ductwork with a capacity of one (1) ton per 250 rentable square feet. Such systems should be capable of meeting ASHRAE requirements and local and state codes, including fresh air of not less than 0.25 CFM per square feet. The design of HVAC system shall be subject to Tenant's reasonable pre-approval and shall be sufficient to meet the HVAC Standards. Landlord shall install at its sole cost and expense the Supplementary HVAC System to service Demised Premises in accordance with Tenant's Plans for after Normal Business Hours use. The Supplementary HVAC System shall be sufficient to meet the HVAC Standards as well as the requirement for the multiple zone HVAC system described in this paragraph 7.

8. All windows, roof, exterior walls and floors shall be delivered free of leaks and seepage in good working order and condition. Landlord shall replace any damaged defective glass if reasonably required by Tenant.

9. Floors shall be delivered in a condition that is reasonably acceptable to Tenant so that specific floor Treatments may be installed as part of the Improvements. All floors shall be level, smooth and contain a moisture level that is reasonably acceptable to Tenant.

10. Any required maintenance and/or refurbishment to the exterior portion of the Building and project site will be done at Landlord's cost (to include but not be limited to landscaping, the front entrance itself, exterior lighting of the Building and the parking lot, striping of the parking lot and pot-hole repair of the parking lot), but same shall not be a pre-condition to the commencement of this Lease. Landlord's delay or failure to complete the aforesaid shall not be an impediment to the commencement of this Lease and shall not serve as a basis for Tenant to abate or otherwise withhold Rent.

11. Structural and non structural portions of the Building and basic building systems (including but not limited to the roof, mechanical, electrical, and plumbing) shall be delivered in working order and functioning. Tenant reserves the right to have a qualified inspector/engineer explore and review the Demised Premises/Building for such deficiencies, which would need to be remediated. Landlord shall be responsible for code compliance of all base building core and shell conditions, including but not limited to all structural and non-structural items, but same shall not be a pre-condition to the commencement of this Lease. Landlord's delay or failure to compete the aforesaid shall not be an impediment to the commencement of this Lease and shall not serve as a basis for Tenant to abate or otherwise withhold Rent.

12. Landlord agrees to install two (2) additional bathroom stalls in both the male and female lavatories in the common area adjacent to the Premises in accordance with the Plans.

13. Landlord agrees to alter the entrance into the parking area serving The Corporate Commons in the Teleport such that Tenant's employees, agents, visitors and invitees shall not be required to pass through any security gates to enter the parking areas serving the Demised Premises.

B. As set forth in paragraph 4.01(b), Landlord shall engage a contractor to construct and install certain improvements to the Initial Demised Premises and the Additional Premises in a good and workman like manner, in accordance with the Plans (the "Improvements"). Supplementing paragraph 2.01(b), Landlord agrees to use its best efforts to facilitate completion of the Improvements by September 1, 2009, provided there are no Tenant Delay Days and Tenant provides Landlord with the Plans by April 30, 2009. For the purposes of this Lease a "Tenant Delay Day" shall be a delay that is solely due to Tenant's failure to perform under the terms of this Lease.

EXHIBIT C

FORM OF MEMORANDUM OF COMMENCEMENT DATE

MEMORANDUM OF COMMENCEMENT DATE

THIS MEMORANDUM OF COMMENCEMENT DATE (this "Agreement") is between THE CORPORATE COMMONS OF STATEN ISLAND, LLC ("Landlord"), and EDUCATION AFFILIATES, INC. ("Tenant").

W I T N E S S E T H:

A. Landlord and Tenant executed a certain Lease dated April __, 2009 (the "Lease"). Capitalized terms used herein not otherwise defined shall have the meaning set forth in the Lease.

B. Landlord and Tenant desire to set forth in writing, among other things, the Commencement Date, the termination date of the Lease and the rentable square of the Demised Premises.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other valuable consideration, the parties agree that:

(1) The Commencement Date occurred on _____;

(2) The Term of the Lease expires on _____.

(3) Tenant's Proportionate Share is _____.

(4) Base Rent per month is:

(i) [For the period of _____ to _____, the sum of $_____ per annum; $_____ per month; and

(ii) For the period of _____ to _____, the sum of $_____ per annum; $_____ per month., ETC.]

(6) The rentable square footage of the Initial Demised Premises is _____.

(7) The rentable square footage of the Additional Premises is _____.

(7) Landlord's Work Allowance is $_____.

EXHIBIT D

FORM OF COLLATERAL ASSIGNMENT

COLLATERAL ASSIGNMENT OF LEASE AND ACCESS AGREEMENT

THIS COLLATERAL ASSIGNMENT OF LEASE AND ACCESS AGREEMENT (this "Agreement"), is executed and delivered as of April ___, 2009, by and among EDUCATION AFFILIATES, INC., a Delaware corporation (the "Tenant"), THE CORPORATE COMMONS OF STATEN ISLAND, LLC, a New York limited liability company (the "Landlord"), and BANK OF AMERICA, N.A., (as successor-in-interest to LASALLE BANK NATIONAL ASSOCIATION), as administrative agent (including any successor administrative agent under the Credit Agreements referred to below, the "Administrative Agent") for certain lenders (the "Lenders").

RECITALS

A. Administrative Agent and the Lenders have entered and may from time to time hereafter enter into various agreements, instruments and documents with Education Affiliates, Inc., a Delaware corporation (the "Company") and/or its affiliates and subsidiaries (collectively, as such agreements, instruments and documents may be amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreements") providing for Administrative Agent and the Lenders to make or cause to be made certain financial accommodations for the benefit of the Company and/or its affiliates and subsidiaries.

B. To secure payment and performance of all of the Company's obligations and liabilities to the Lenders under the Credit Agreements (the "Company's Liabilities"), the Lenders have required that the Company and its affiliates grant to Administrative Agent, for the ratable benefit of the Lenders, a security interest in all of the Company's or its affiliates' personal property and all products and proceeds of the foregoing (the "Collateral").

C. The Lenders have further required that the Company and its affiliates collaterally assign to Administrative Agent any interest that the Company or its affiliates may hold under any leases to which the Company or such affiliate is party as tenant.

D. Tenant currently leases the premises commonly known as Teleport Drive, South Avenue, Staten Island, New York 10311 (the "Premises"), pursuant to a Lease with Landlord dated as of the date hereof, a copy of which is attached hereto as **EXHIBIT A** (the "Lease").

E. All or some of the Collateral is now or from time to time hereafter may be located at the Premises.

F. As a condition to making or continuing to make certain financial accommodations available to the Company and/or its affiliates pursuant to the Credit Agreements, the

Administrative Agent has required the Company and Tenant to cause Landlord to execute and deliver this Agreement.

AGREEMENTS

In consideration of the mutual agreements contained herein, Tenant, Landlord and Administrative Agent hereby covenant and agree as follows:

1. For the purpose of securing the Company's prompt and complete payment, performance and satisfaction of all of the Company's Liabilities when due under the Credit Agreements, Tenant hereby transfers, assigns, sets over, and grants to Administrative Agent all of its right, title and interest in and to the Lease and any amendments, extensions and renewals thereof and all of Tenant's rights, powers and privileges in connection therewith. This Agreement is executed only as security for the Company's Liabilities under the Credit Agreements. Therefore, the execution and delivery of this Agreement shall not subject Administrative Agent to, or transfer or pass to Administrative Agent, or in any way affect or modify, Tenant's liability or obligations under the Lease, unless and until Administrative Agent fully assumes Tenant's rights and obligations under the Lease pursuant to Section 2 hereunder.

2. By acceptance hereof, Administrative Agent agrees that so long as no Event of Default under any of the Credit Agreement shall have occurred and be continuing, Tenant shall have the right to use and remain in occupancy of the Premises in accordance with the terms of the Lease. Upon the occurrence and during the continuance of any such Event of Default, however, Administrative Agent shall be entitled, at its sole option, upon written notice to Landlord but without further notice or demand upon Tenant, and without prejudice to any other rights or remedies available to it, to immediately take possession of the Premises by any lawful means, including self-help, and to thereafter hold and enjoy the leasehold interest under the Lease free from any interest of Tenant.

3. Tenant hereby covenants, represents and warrants that (i) to Tenant's knowledge, it possesses full beneficial ownership of the leasehold interest herein assigned to Administrative Agent; (ii) it has full right and power to enter into this Agreement; (iii) the Lease is free of any prior assignment or encumbrance made by Tenant; (iv) the Lease is valid and enforceable against Tenant in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally, and to general principles of equity, and has not been modified, altered, or amended in any manner; and (v) neither Tenant nor Landlord is in default under the Lease, nor has any event occurred which with the passage of time or the giving of notice would constitute a default under the Lease.

4. To protect the security of this Agreement, Tenant further covenants as follows:

(a) Tenant shall not do or voluntarily permit anything to be done which would impair or could reasonably be expected to impair the security of this Agreement.

(b) Except as permitted by the Credit Agreements, Tenant shall not alter, modify or change the terms of the Lease so as to materially adversely affect the value of

the leasehold interest, cancel or terminate the Lease except due to material casualty, condemnation or default by the landlord, or effectuate a surrender of possession of the Premises; nor do anything whatsoever affecting in any material adverse (to Administrative Agent) way the rights or obligations of the parties thereto, nor sublease the Premises or any portion thereof, nor assign, pledge or encumber its interest therein, without in each case receiving the prior written consent of Administrative Agent, which consent shall not be unreasonably withheld, delayed or conditioned, and in any event no such prohibited act shall be valid as against Administrative Agent.

(c) Tenant shall faithfully abide by, perform and discharge each and every material obligation, covenant, condition, duty and agreement which the Lease provides are to be performed by Tenant.

(d) Tenant shall promptly give written notice to Administrative Agent of any default known by Tenant to have been asserted under the Lease, or of anything which, to Tenant's knowledge or reasonable belief, could reasonably be expected to impair the security of this Agreement;

(e) Tenant shall execute, acknowledge, deliver, file, register and record, at the request of Administrative Agent, all such further assurances, assignments and instruments as Administrative Agent shall from time to time reasonably require to effectuate the purposes hereof, provided that Administrative Agent shall not be required to incur any material expense in connection with the foregoing.

5. The acceptance of this Agreement shall not obligate Administrative Agent to perform or discharge any duty on the part of Tenant under the Lease, and Tenant shall and does hereby indemnify, defend and hold harmless Administrative Agent from and against all liability, loss, costs, damages or claims arising out of the Lease, or this Agreement, including reasonable attorneys' fees and expenses. This Agreement shall not place responsibility of any sort upon Administrative Agent for the control, care, management, repair or preservation of the Premises.

6. Upon payment in full of all of the Company's Liabilities and satisfaction of all the provisions hereof and under the Credit Agreements, this Agreement shall become void and of no further effect. The affidavit, certificate, letter or statement of any officer or attorney of Administrative Agent alleging any part of said indebtedness to remain unpaid or any such provision to have been breached shall be and constitute prima facie evidence of the validity, effectiveness, and continuing force of this Agreement, and any person may and is hereby authorized to rely thereon.

7. Landlord waives each and every right which Landlord now has or hereafter may have, under state law, or by virtue of the Lease, or any renewals, extensions, amendments, modifications, substitutions or replacements thereof (the "New Lease") or by virtue of Tenant's occupation of the Premises, to levy or distrain upon, for rent, in arrears, in advance or both or for any monetary obligation arising by reason of default under the Lease or any New Lease, or to claim or assert any lien, right, claim or title to any or all of the Collateral, which now or hereafter may be, or may be installed, on said Premises. Administrative Agent and the Landlord hereby

agree that the provisions of this Section 7 are made in favor, and shall inure to the benefit, of only Administrative Agent and the Lenders and their successors and assigns, and to no other persons. Nothing herein shall be construed to limit Landlord's right to sue Tenant for nonpayment of rent or any other default under the Lease.

8. Landlord agrees that the Collateral (a) is and shall remain personal property notwithstanding the manner or mode of the attachment of any item of Collateral to the Premises, and (b) is not and shall not become or be deemed to be fixtures. Landlord recognizes and acknowledges that Administrative Agent's security interest in the Collateral pursuant to the Credit Agreements is superior to any lien, right or claim of title of any nature which Landlord now has or hereafter may have or assert in or to the Collateral by statute, the Lease, any New Lease, any other agreement or otherwise.

9. In the event of default by the Company in the payment or performance of any of the Company's Liabilities, Landlord (a) will cooperate with Administrative Agent in its efforts to assemble all of the Collateral located on the Premises, (b) will permit Administrative Agent to remove the Collateral and/or conduct a public or private sale thereof from the Premises and (c) will not hinder Administrative Agent's actions in enforcing its security interest in the Collateral. Landlord will also in such event, at Administrative Agent's sole option, exercised by written notice to Landlord, permit Administrative Agent to remain on the Premises, without fully assuming Tenant's rights and obligations under the Lease pursuant to Section 2 hereof, for ninety (90) days after Administrative Agent declares the default and takes possession of the Premises, provided that Administrative Agent pays rent for the period of time Administrative Agent remains on the Premises.

10. Administrative Agent may, without affecting the validity of this Agreement, extend, amend or in any way modify the terms of payment or performance of any of the Company's Liabilities, without the consent of the Landlord and without giving notice thereof to Landlord.

11. Landlord will notify Administrative Agent if Tenant defaults on its obligations to Landlord under the Lease or any New Lease and allow Administrative Agent (but without obligation to do so) thirty (30) days from its receipt of notice in which to cure or cause the Tenant to cure any such default.

12. If, for any reason whatsoever, Landlord either deems itself entitled to redeem or to take possession of the Premises during the term of the Lease or any New Lease or intends to sell or otherwise transfer all or any part of its interest in the Premises, Landlord will notify Administrative Agent at least thirty (30) days before taking such action.

13. Administrative Agent may, upon one (1) day's prior written notice to Landlord and Tenant, and during normal business hours, without any fee or charge for rent, enter upon the Premises to inspect the Collateral located on the Premises.

14. Notwithstanding anything to the contrary contained in the Lease, Landlord hereby consents to the pledge of the equity interests of the Company by its equity holder(s), as well as

the pledge by the Company of the equity interests of any other entities (if any) in which the Company is or becomes an equity holder, in connection with the financing transactions contemplated by the Credit Agreements.

15. Nothing in this Agreement shall be construed to limit or restrict in any way the rights and powers granted Administrative Agent in any of the Credit Agreements, and the collection and application by Administrative Agent of any sums by virtue of this Agreement shall not constitute a waiver of any Event of Default which might at the time of collection or application, or thereafter, exist under the Credit Agreements. Nothing in this Agreement shall in any way restrict or limit Administrative Agent's rights or remedies under any financial accommodation now or hereafter existing between Administrative Agent and Landlord.

16. This Agreement shall inure to the benefit of the successors and assigns of the Administrative Agent and the Lenders and shall be binding upon the heirs, personal representatives, successors and assigns of Landlord. Landlord agrees to disclose this Agreement to any purchaser or successor to Landlord's interest in the Premises.

17. This Agreement shall continue in force until all of the Company's obligations and liabilities to the Administrative Agent are paid and satisfied in full and the Credit Agreements between the Administrative Agent and the Company have been terminated.

18. The failure of Administrative Agent at any time or times to enforce the rights and remedies to which it may be entitled hereunder shall not be deemed a waiver of any such rights and remedies nor of any of the terms and provisions hereof, and Administrative Agent, notwithstanding any such failure, shall have the right thereafter to fully enforce such rights and remedies.

19. Each of Administrative Agent's rights and remedies under this Agreement are independent of one another and may be exercised independently of one another. In no event shall Administrative Agent be obligated to assume the Lease pursuant to Section 2 hereof in order to exercise any of its other rights and remedies hereunder.

[signature page follows]

This Agreement has been duly executed and delivered as of the date first set forth above.

LANDLORD:

THE CORPORATE COMMONS OF STATEN ISLAND, LLC, a New York limited liability company

By:_____
Its:_____

TENANT:

EDUCATION AFFILIATES, INC., a Delaware corporation

By:_____
Its:_____

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.

By:_____
Its:_____

EXHIBIT A TO COLLATERAL ASSIGNMENT

Lease

See attached.

EXHIBIT E

LETTER OF CREDIT

Tenant agrees to deliver to Landlord a stand-by irrevocable Letter of Credit in the amount of $682,175.00 issued by Bank of America, N.A. or other financial institution reasonably acceptable to Landlord and Tenant to secure Tenant's obligations with respect to the Approvals Termination Fee as set forth in paragraph 3.04(d) and its obligations with respect to the Excess Improvements Costs as set forth in paragraph 4.01. The Letter of Credit shall be in a form and substance reasonably acceptable to Landlord and Tenant. If a monetary Event of Default with respect to Tenant's obligations under paragraph 3.04(d) or paragraph 4.01 hereof, Landlord shall be entitled to present the Letter of Credit to the issuer for payment of the amount of such Event of Default, not to exceed the then face amount of the Letter of Credit. Failure to maintain the Letter of Credit in the amount set forth herein shall be a breach of this Lease. Tenant shall be entitled to reduce the amount of the Letter of Credit to $341,087.50 after the Approvals Termination Deadline in the event Tenant does not exercise its option of early termination as set forth in paragraph 3.04(d). Thereafter, Tenant may cancel the Letter of Credit upon payment in full of the Excess Improvements Costs in accordance with paragraph 4.01.

First Modification and Amendment of Lease

This First Modification and Amendment to Lease (the "First Amendment") made by and between **THE CORPORATE COMMONS OF STATEN ISLAND, LLC** ("Landlord") having an office at 1110 South Avenue, Staten Island, New York 10314 and **EDUCATION AFFILIATES, INC.** ("Tenant"), having an office at 5024A Campbell Boulevard, Baltimore Maryland 21236;

Whereas, Landlord and Tenant desire to modify and amend a certain Lease between them for the Premises known as Suite 202 at Teleport Drive, South Avenue, Staten Island, New York, dated April 23, 2009 (the "Lease"); and

Whereas, the parties hereto have finalized and agreed to the plans for the Base Building Conditions and Improvements and the square footage of the Premises in said plans has been increased from the 27,287 rentable square feet set forth in the Lease to 27,778 rentable square feet;

Now Therefore, in consideration of the mutual covenants exchanged herein and other valuable consideration, the Landlord and Tenant agree as follows:

1. In the event of any inconsistency between the terms or provisions of this First Amendment and the terms of the Lease, the terms of this First Amendment shall control.

2. Paragraph 1.01 of the Lease shall be modified and amended by replacing the reference to "27,287 rentable square feet" with a reference to "27,778 rentable square feet."

3. Paragraph 2.03 of the Lease shall be modified and amended to reflect the increase in the Demised Premises such that sub-paragraphs (i) through (iv) shall be deleted in their entirety and replaced with the following:

   (i) For the first two years of the Term, the sum of $673,616.50 per annum payable in equal monthly installments of $56,134.70 equivalent to $24.25 per rentable square foot;

   (ii) For the third, fourth and fifth years of the Term, the sum of $729,172.50 per annum payable in equal monthly installments of $60,764.38 equivalent to $26.25 per square foot;

   (iii) For the sixth and seventh years of the Term, the sum of $756,950.50 per annum payable in equal monthly installments of $63,079.21 equivalent to $27.25 per rentable square foot; and

   (iv) For the eighth, ninth and tenth years of the Term, the sum of $812,506.50 per annum payable in equal

monthly installments of $67,708.88 equivalent to $29.25 per rentable square foot.

4. Paragraph 2.09 of the Lease shall be modified and amended by replacing the reference to "Fifty Five Thousand One Hundred and Forty Two Dollars and 48/100 US Dollars ($55,142.48)" with a reference to "Fifty Six Thousand One Hundred Thirty-Four and 70/100 US Dollars ($56,134.70)". Additionally, Tenant shall submit a check to Landlord in the amount of $992.22 upon execution of this First Amendment to reflect the increased amount of the Security Deposit.

5. Paragraph 3.03(a) of the Lease shall be modified and amended by replacing the reference to "Sixteen and 36/100ths (16.36%) percent" with a reference to "Sixteen and 56/100ths (16.56%) percent".

6. The second sentence of Paragraph 3.05 of the Lease shall be deleted in its entirety and replaced with the following:

   "The designated suppliers of utilities to the Demised Premises shall be the local gas utility company."

7. Paragraph 5.01C(1) of the Lease shall be modified to correct a typographical error in the third line, the word "Board" shall be deleted and replaced with "Broad" and to insert a "." after the words "Form Commercial."

8. Paragraph 8.01(a) of the Lease shall be modified to correct an error in the tenth line such that the reference to "successor in interest" shall be deleted and replaced with a reference to "predecessor in interest".

9. The following sentence is added at the end of Paragraph 11.01:

   "Landlord shall promptly notify Tenant of any notice of a breach or default on the part of Landlord under, or the termination, cancellation or discharge of, the Port Authority Lease and/or the City Lease."

10. Exhibit A of the Lease shall be deleted in its entirety and replaced with Exhibit A-1 annexed hereto and made a part of the Lease hereof. All references in the Lease to Exhibit A shall hereafter refer to Exhibit A-1.

11. All capitalized terms used herein but not otherwise defined shall have the meaning defined in the Lease. All other terms and provisions of the Lease shall remain in full force and effect.

12. The First Amendment may be executed in one or more counterparts, by the different parties hereto in separate counterparts, each of which when executed

shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

This First Modification and Amendment of Lease is signed and effective as of the 23rd day of April, 2009.

THE CORPORATE COMMONS
OF STATEN ISLAND, LLC

By: _____
Richard Nicotra
Managing Member

EDUCATION AFFILIATES, INC.

By: _____
Stephen J Budosh
CFO

EXHIBIT A-1

THE PREMISES

First Modification and Amendment of Lease

This First Modification and Amendment to Lease (the "First Amendment") made by and between **THE CORPORATE COMMONS OF STATEN ISLAND, LLC** ("Landlord") having an office at 1110 South Avenue, Staten Island, New York 10314 and **CBN STUDENT SERVICES, LLC** ("Tenant"), having an office at 1200 South Avenue, Staten Island, New York 10314;

Whereas, Landlord and Tenant desire to modify and amend a certain Lease between them for the Premises known as Suite 202 at Corporate Commons Two, 2 Teleport Drive, South Avenue, Staten Island, New York, dated July 31, 2009 (the "Lease");

Whereas, the Landlord has been advised that the Port Authority requires consent to all Tenant alterations except for those alterations that are decorative; and

Now Therefore, in consideration of the mutual covenants exchanged herein and other valuable consideration, the Landlord and Tenant agree as follows:

1. In the event of any inconsistency between the terms or provisions of this First Amendment and the terms of the Lease, the terms of this First Amendment shall control.

2. Paragraph 8.03 of the Lease shall be modified and amended by adding the following sentence to the end of the paragraph:

   "Nothing contained herein shall obligate the landlord to request the Tenant to attorn or to accept such attornment from the Tenant."

3. Paragraph 4.03 of the Lease shall be modified and amended such that any Tenant alterations shall require the consent of the Port Authority unless said alterations are purely decorative.

4. All capitalized terms used herein but not otherwise defined shall have the meaning defined in the Lease. All other terms and provisions of the Lease shall remain in full force and effect.

This First Modification and Amendment of Lease is signed and effective as of the _____ day of September 2009.

THE CORPORATE COMMONS
OF STATEN ISLAND, LLC

By: _____
Richard Nicotra
Managing Member

CBN STUDENT SERVICES, LLC

By: _____
Mario Lupia
Chief Operating Officer

MEMORANDUM OF COMMENCEMENT DATE

THIS MEMORANDUM OF COMMENCEMENT DATE (this "Agreement") is between THE CORPORATE COMMONS OF STATEN ISLAND, LLC ("Landlord"), and CBN STUDENT SERVICES, LLC ("Tenant").

WITNESSETH

A. Landlord and Tenant executed a certain Lease dated July 31, 2009 (the "Lease"). Capitalized terms used herein not otherwise defined shall have the meaning set forth in the Lease.

B. Landlord and Tenant desire to set forth in writing, among other things, the Commencement Date, the termination date of the Lease and the rentable square of the Demised Premises.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other valuable consideration, the parties agree that:

(1) The Commencement Date shall be November 2, 2009.

(2) The Term of the Lease expires on November 1, 2014.

(3) Tenant's Proportionate Share is Four an d00/100 (4.0%) percent.

(4) Base Rent per month is:

(i) For the period of November 2, 2009 to November 1, 2012, the sum $134,762.25 per annum; in equal installments of $11,230.19 per month (rent for November 2, 2009 to November 30, 2009 shall be prorated as per the Lease); and

(ii) For the period of November 2, 2012 to November 1, 2014, the sum of $141,517.25 per annum in equal monthly installments of $11,793.10 (rent for November 1, 2014 shall be prorated as per the lease.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on the day and year first above written.

LANDLORD:

THE CORPORATE COMMONS OF STATEN ISLAND, LLC

By: _____
Name: Richard Nicotra
Title: Co-Chairperson

TENANT:

CBN STUDENT SERVICES, LLC

By: _____
Name: Mario Cupia
Title: COO

LEASE

Dated: July 31, 2009

between

The Corporate Commons of Staten Island, LLC ("Landlord")

and

CBN Student Services, LLC ("Tenant")

Affecting Suite 202 which is part of the Building commonly known as
The Corporate Commons Two at the Teleport, located at 2 Teleport Drive
South Avenue, Staten Island, in the County of Richmond
City and State of New York

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AGREEMENT OF LEASE made as of this day of July, 2009 between The Corporate Commons of Staten Island, LLC , with its principal place of business located at 1110 South Avenue, Staten Island, New York 10314, "Landlord" and CBN Student Services, LLC doing business as College Bound Network with its principal place of business at 1200 South Avenue, Staten Island, New York 10314 "Tenant",

ARTICLE I

1.01 DEMISED PREMISES In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be observed and performed, Landlord demises and leases to Tenant, and Tenant rents from Landlord, those certain Demised Premises identified as Suite 202, designated in Exhibit A, as part of the Building located in The Corporate Commons in the Teleport at the address Two Teleport Drive, South Avenue, Staten Island, New York 10311 (herein called the "Building"), and which Demised Premises consist of an area approximately 6,755 "rentable" square feet, herein referred to as the "Demised Premises". In computing rentable square footage, measurements are to the exterior surface of exterior walls and common areas and to the center line of any wall separating the Demised Premises from any other rentable space plus an add-on-factor as determined by Landlord's architect in order to adequately compensate Landlord for the loss factor incurred resulting from the use of the common areas of the Building by all tenants. The determination of Landlord's architect shall be conclusive as to the determination of the rentable square footage of the Demised Premises.

1.02 AS IS Tenant represents that neither Landlord's agents nor any broker, sales representative nor any person has made any representation with respect to the Building or Demised Premises except as herein expressly set forth. The taking possession of the Demised Premises by Tenant shall be conclusive evidence, as against Tenant, that Tenant accepts same "as is" and that the Demised Premises and the Building of which the same form a part were in good and satisfactory condition at the time such possession was so taken, except that the foregoing shall not apply to latent defects that are not observable upon a visual inspection prior to the Commencement Date.

1.03 ADDITIONAL AREAS/REVOCABLE LICENSE (a) The use and occupation by Tenant of the Demised Premises shall include the use in common with others entitled thereto, on a non-discriminatory basis, of the common areas, service roads, sidewalks and vehicle parking areas, and other facilities as may be designated from time to time by Landlord, subject, however, to the terms and conditions of this Agreement and to reasonable rules and regulations for the use thereof as prescribed from time to time by Landlord. Such additional areas are specifically not included in the Demised Premises and are in the sole control of Landlord.

(b) All common areas and facilities not within the Demised Premises, which Tenant may be permitted to use, are to be used under a revocable license, and if the amount of such areas be diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such diminution of such areas be deemed constructive or actual eviction. Notwithstanding the foregoing, any modification by Landlord with respect to such common areas and facilities shall not materially impair ingress to

or egress from the Demised Premises or Tenant's ability to use the Demised Premises for the purposes permitted hereunder.

(c) Tenant and Tenant's employees and agents shall not display any merchandise in the parking or other common areas, nor shall Tenant distribute any handbills or other advertising matter to automobiles parked in the parking areas or to customers in other common areas.

1.04 PARKING FACILITIES (a) Subject to paragraph 1.04(c), below, Landlord shall have the right at any time during the term of this Lease to alter, modify, change, move, or build on the parking facilities, fields or pads, as well as the roadways or footways.

(b) Landlord may at its option, supply such parking attendant or supervisory service, as it may, in its sole discretion, determine is advisable for the best interests of the property, and may require Tenant to validate parking, provided that such policies of the Landlord are applied to all Building tenants on a non-discriminatory basis.

(c) Landlord shall provide adequate parking facilities in compliance with the Building Code for use by Tenant and Tenant shall be entitled to two (2) designated parking spots.

(d) Landlord shall be responsible for performing snow removal, or engaging such services as required to perform snow removal for the parking area, including the driveways leading to the public street and Building which Landlord, in its opinion, deems necessary to the proper operation of the Building.

(e) Tenant shall comply with all reasonable rules and regulations promulgated by Landlord and applied to Building tenants on a non-discriminatory basis.

(f) Except with respect to Landlord's, its agents' or employees' negligence or willful misconduct, Landlord shall not be liable to Tenant or to any agents, employees or invitees of Tenant for injuries to person or loss or damage to property in connection with the use of the parking facilities and, to the extent allowed by law, Tenant hereby releases and discharges the Landlord from any and all such claims. Tenant also agrees to defend, indemnify and hold the Landlord harmless from any claims, lawsuits or judgments arising out of any use of the parking facilities by Tenant, its agents or employees, unless and to the extent caused by the negligence or willful misconduct of Landlord, its agents or employees.

(g) Landlord reserves the right to tow, at Tenant's expense, or in the case of a third party, at the vehicle owner's expense, any vehicle which violates any of the Building's rules and regulations with regard to parking.

1.05 USE Tenant shall use and occupy Demised Premises for administrative and/or commercial office space in connection with its computer oriented educational publishing business and for no other purpose. Tenant shall continuously conduct in the Demised Premises, the business above stated. Tenant will not use or permit, or suffer the use of, the Demised Premises for any other business or purpose other than as stated herein and in no event will Tenant utilize

Tenant utilize the Demised Premises in connection with any gambling or gaming including internet related gambling or gaming, any child preschool or day care center, family planning center and/or related services, abortion related facility or abortion related services, medical related purposes, any clinic or office providing for treatment or counseling in connection with any substance abuse or any disease, restaurant, bar, cabaret, social club, or in connection with the sale and/or distribution of pornographic materials including any such distribution over the internet. Tenant further warrants and covenants that it will not permit the retail sale of merchandise or services in the Premises. Sales ancillary to the use herein shall be permitted.

ARTICLE II

2.01 TERM (a) Landlord hereby Leases to Tenant and Tenant hereby hires from Landlord the Demised Premises for a term of five (5) years (or until such term shall sooner cease and expire as hereinafter provided) to commence upon completion of Landlord's Work (as defined below) and five (5) business days' notice from Landlord of such completion, which is anticipated to be on or about September 1, 2009 (the "Commencement Date") and to end on five (5) calendar years thereafter (the Expiration Date). The parties shall execute an amendment to this Lease memorializing the Commencement Date and the Expiration Date.

(b) Landlord shall have no liability for such failure to deliver possession or for delay in such delivery, but agrees to use its best efforts to make timely delivery. In the event that Tenant enters into possession of all or substantially all of the Demised Premises prior to such completion or prior to the date shown in (a) above, the term of this Lease and Tenant's Free Rent period as defined below shall commence upon such occupation. Notwithstanding anything to the contrary in this Lease and due to no fault of Tenant, Tenant's agents, employees or representatives, if possession of the Demised Premises is not tendered by Landlord no later than the later of: (i) December 1, 2009 or ninety (90) days from the execution of this Lease and approval of plans by Landlord and the Port Authority, Tenant shall have the right, upon ten (10) days written notice, to terminate this Lease and, upon the expiration of such ten (10) days, unless possession of the Demised Premises shall have been tendered in the condition required hereby, including completion of all Landlord's Work, Landlord shall promptly return to Tenant all sums previously delivered by Tenant to Landlord in connection with this Lease or the Demised Premises.

2.02 FORCE MAJEURE In the event that Landlord or Tenant shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strike, lockouts, labor trouble, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, acts of terrorism, the failure of the prior occupant to vacate the Demised Premises or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of such delay. The provisions of this section shall not operate to excuse Tenant from the prompt payment of rent, Additional Rent, or any other payments required by the terms of this Lease, unless and to the extent that Tenant is prevented from gaining access to the Demised Premises by virtue of such Force Majeure.

2.03 RENT SCHEDULE (a) Tenant covenants and agrees to pay to Landlord during the term of this Lease the following annual Base Rent:

(i) For the first three years of this Lease, Tenant shall pay the sum of $134,762.25 per annum; in equal installments of $11,230.19 per month; and

(ii) For the fourth and fifth years of this Lease, Tenant shall pay the sum of $141,517.25 per annum; in equal installments of $11,793.10 per month.

(b) In the event that the Term of this Lease does not commence on the first day of the month, Tenant shall pay annual rent on a per diem basis until the first day of the month next succeeding such commencement date, and thereafter the fixed annual rent shall be payable as hereinabove provided. In addition, in such event, Base Rent and additional rent for the last month of the Lease Term shall be prorated for the actual number of calendar days of such month that are within the Lease Term.

(c) Tenant shall be granted free Base Rent and Additional Rent for 120 days from the earlier to occur of either (i) Commencement Date; or (ii) Tenant's occupancy of the Premises by at least 40 employees (Tenant's "Free Rent Period). Tenant shall be responsible for all utilities during Tenant's Free Rent Period.

2.04 PAYMENT The annual Base Rent shall be paid to Landlord at the address of Landlord as above set forth or at such other address as Landlord shall from time to time designate, in equal monthly installments in advance, on the first day of each month during the term hereof without notice or demand and without abatement, deduction or set-off of any amount whatsoever, except if hereinafter specifically provided otherwise. The rent for the first month of the term of the Lease shall be paid upon the execution of this Lease, and the next payment of Base Rent shall be paid as follows: (i) on the first day of the sixth month of the Lease Term if the Commencement Date (as defined in paragraph 2.01(a)) occurs on the first day of a calendar month; and (ii) if the Commencement Date occurs on a date other than the first day of a calendar month, then on the first day of the calendar month in which the sixth month of the Lease Term shall begin, Tenant shall pay a prorated amount based upon the number of actual calendar days from the Commencement Date through the last day of the calendar month in which the Commencement Date occurs (by way of example, and for illustration only, if the Commencement Date is September 16, Tenant shall pay on February 1 an amount equal to one-half of the monthly installment of Base Rent).

2.05 NO ATTORNMENT All checks tendered to Landlord as and for the rent of the Demised Premises shall be deemed payment for the account of Tenant. Acceptance by Landlord of rent from anyone other than Tenant shall not be deemed to operate as an attornment to Landlord by the payor of such rent, or as a consent by Landlord to an assignment or subletting by Tenant of the Demised Premises to such payor, or as a modification of the provisions of this Lease, except by written notation releasing said Tenant.

2.06 LATE CHARGES In the event that the Base Rent or Additional Rent (as herein defined) is not received by Landlord within ten (10) days after the due date, a late charge equal to 5% of the Base Rent and/or Additional Rent that is late, compounded monthly, shall accrue and become immediately due and payable to Landlord.

2.07 PAST DUE RENT If Tenant shall fail to pay within ten (10) days after the same is due and payable, any Base Rent or any Additional Rent, or amounts or charges of the character described in this Lease, such unpaid amounts shall bear interest from the original due date thereof to the date of payment at the rate of twelve (12%) percent per annum or maximum legal rate of interest, whichever is lower.

2.08 SECURITY Tenant has deposited with Landlord the sum of Thirty Three Thousand Six Hundred and Ninety and 00/100 (US$33,690.00) Dollars as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this Lease, to be deposited in an interest bearing account. In the event that Tenant defaults beyond any applicable cure period set forth in this Lease in respect to any of the material terms, provisions and conditions of this Lease, including, but not limited to, the payment of annual Base Rent and Additional Rent, Landlord may use, apply or retain the whole or any part of the security so deposited, to the extent required, for the payment of any annual Base Rent and Additional Rent or any other sum as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default with respect to any of the terms, covenants and conditions of the Lease.

2.09 RESTORATION OF SECURITY. Should the entire deposit, or any portion thereof, be appropriated and applied by Landlord for the payment of overdue rent or other sums due and payable to Landlord by Tenant hereunder in accordance with paragraph 2.08 of this Lease, then Tenant shall, upon the written demand of Landlord, forthwith remit to Landlord a sufficient amount in cash to restore said security to the original sum deposited within thirty (30) days after receipt of demand.

2.10 TRANSFER OF SECURITY In the event of a sale of the land and Building, termination of the Port Authority Lease or the City Lease or the sub-leasing of the Building of which the Demised Premises form a part, Landlord shall have the right to transfer the security to the vendee, over-landlord or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such security, and Tenant agrees to look solely to the new Landlord for the return of said security. It is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Landlord.

2.11 RETURN OF SECURITY In the event that Tenant shall fully and faithfully comply with all of the material terms, provisions, covenants and conditions of this Lease, the security shall be returned with all accrued interest to Tenant within not more than thirty (30) days after the date fixed at the end of the Lease and after delivery of possession of the entire Demised Premises to Landlord.

2.12 RIGHT OF FIRST REFUSAL In the event there is a *bona fide* term sheet to be issued by the Landlord to let approximately 3,204 rentable square feet immediately adjacent to the Demised Premises in the Building as set forth in Exhibit B annexed hereto (the "Additional Space") to a third party, then Landlord shall offer Tenant the same term sheet to lease said Additional Space in the Building upon the terms, conditions and rental amounts per square foot as set forth in the term sheet to said third party. Landlord shall notify Tenant in writing if, and when, any term sheet is to be offered and set forth in said notice the proposed terms, conditions and rental amount to Tenant. Tenant shall then have fifteen (15) calendar days to accept the terms of Landlord's offer upon the same terms and conditions set forth in this Lease, except: (i) the amount of Base Rent and Security shall be increased accordingly; and (ii) there shall be no Right of First Refusal for additional space. In the event Tenant fails to timely sign a lease for the Additional Space then the right of first refusal shall be deemed to be waived and be of no further force and effect and Landlord shall be free to take for itself or let to a third party the Additional Space in the Building.

ARTICLE III

3.01 ADDITIONAL RENT Additional Rent shall be defined as any sum of money that is required to be paid by Tenant pursuant to this Lease in addition to the Base Rent herein defined, and if said additional amount so to be paid is not designated as "Additional Rent", or provision is not made in the Article covering such payment for the collection of said amount as "Additional Rent", then said amount shall nevertheless, at the option of Landlord, if not paid when due, be deemed "Additional Rent" and collectible as such with any installment of rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any sum at the time the same became due and payable hereunder, or limit any other remedy of Landlord. Failure to pay such items set forth shall constitute a default pursuant to the terms of this Lease.

3.02 OPERATING EXPENSES a) Tenant shall pay to Landlord as Additional Rent a sum equal to Tenant's proportionate share (as defined below) of all of Landlord's Operating Costs in the ratio set forth in paragraph 3.03 of this Lease.

b) Landlord will provide Tenant with an estimated annual operating budget for the Building's operation. Tenant agrees to pay on the first day of each month, in equal monthly installments without notice or demand thereof, its proportionate share of this estimate. Landlord will provide an itemized accounting within 180 days of the end of the fiscal year, of all expenses incurred during the preceding period, at which time Tenant shall be either credited or assessed for the difference between the estimated and actual operating expense. All assessments due Landlord shall be paid within 30 days of demand. All credits due Tenant shall appear on the next regular monthly statement.

c) Landlord's Operating Costs' Defined

The term "Landlord's Operating Costs" shall mean all costs and expense incurred by Landlord in operating and maintaining the Building and Common Areas (which shall include the parking facilities and land surrounding the Building). Landlord's Operating Costs shall include,

but not be limited to, cost of uniforms, equipment and employment taxes; alarm systems; exterminating; striping, policing and security of the Common Areas; Common Teleport Operating and Managements Costs and or Percentage Rent under the Port Authority Lease; insurance, including, without limitation, liability insurance for personal injury, death and property damage, insurance against fire, extended coverage, theft of other casualties, workers' compensation insurance covering personnel, fidelity bonds for personnel, insurance against liability for assault and battery, defamation and claims of false arrest occurring on and about the Common Areas, plate glass insurance for glass exclusively serving the Common Areas; costs of maintaining heating, ventilation and air conditioning systems, maintenance of any sprinkler systems serving the Building or landscaping; removal of snow, ice, trash and debris from Common Areas, including any parking facilities and land surrounding the Building; regulation of traffic; surcharges levied upon or assessed against parking spaces or areas; payments toward mass transit or car pooling facilities or otherwise as required by Federal, State or local governmental authorities; costs and expense in connection with maintaining Federal, State or local governmental ambient air or environmental standards; the cost of all materials, supplies and services purchased or hired therefore; operation of public toilets; installing and renting of signs; fire protection; maintenance, repair and replacement of utility systems serving the Common Areas, including, but not limited to, water, sanitary sewer and storm water lines and other utility lines, pipes and conduits; costs and expense of maintaining and operating sewage treatment facilities, if any; costs and expenses of inspection of machinery and equipment used in the operation and maintenance of the Common Areas and personal property taxes and other charges (including, without limitation, reasonable leasing or rental costs) incurred in connection with such equipment; costs and expense of repair or replacement of paving, curbs, walkways, landscaping, drainage, pipes, ducts, conduits and similar items, and plate glass, lighting facilities and the roof; costs and expense of planting, replanting and replacing flowers, shrubbery and planters; costs and expense incurred in the rental of music program services and loudspeaker systems, including furnishing electricity therefore; costs of providing light and power to the Common Areas; costs of providing energy to heat, ventilate and air condition areas in which the Common Areas are located and the operation, maintenance and repair of such equipment, including, without limitation, the energy management system serving the Building; cost of water services, if any, furnished by Landlord for the non-exclusive use of all tenants; parcel pick-up and delivery services; and administrative costs attributable to the Common Areas for on-site personnel and administrative. Such costs and expenses shall not include depreciation.

d) In no event shall the Operating Costs payable as Additional Rent provided for under Article III of the Lease, whether denominated "operating expenses" or otherwise, include any of the following, in whole or in part:

i. Marketing and advertising expenses;

ii. Cost for special services provided to particular tenants in the Building;

iii. Brokerage and leasing commissions;

iv. Penalties incurred because Landlord fails to pay any tax or other charge on time;

v. Fees and interest charges related to Landlord's financing;

vi. Any charge or penalty paid by landlord because it is in default under any agreement to which it is a party;

vii. Legal fees incurred by Landlord in connection with new leases, the sale of the Building or arising from or in connection with a default or alleged default by another tenant;

viii. Depreciation or amortization;

x. Any expense which relates to a service which is not provided to all tenants of the Building;

xi. Cost of repair or replacement incurred by reason of any event to the extent which the Landlord is compensated through the proceeds of insurance or a condemnation award;

xii. Charitable contributions;

xiii. Capital improvements;

xiv. Salaries, benefits and payroll taxes of employees above level of property manager;

xv. Amounts paid to affiliates of Landlord in excess of commercially reasonable amounts; and

xvi. Management fees in excess of five (5%) percent of gross annual rent.

The exclusion of any of the expenses listed above from Operating Costs payable as Additional Rent provided for under Article III of the Lease shall in no way impair Landlord's rights to recover any cost to which it is entitled pursuant to Article VI of the Lease.

e) Landlord shall abide by the following in imposing or charging Additional Rent pursuant to Article III of the Lease:

i. No affiliate of the Landlord or its ownership will be a vendor to the operation of the building without competitive bidding;

ii. No expense charged as an operating cost will be charged through any other type of pass-through under this Lease;

iii. The administration fees will not be included in the operating expenses if the Landlord retains the services of a building or property manager;

iv. The Landlord will not charge as an operating cost or otherwise pass through the cost of repair or replacing any portion of the building or common areas where the need to make the repair or replacement is due to work or materials provided by the Landlord's contractors in the construction of the Building which Landlord claims is in violation of the standards set forth in the applicable construction contracts; and

v. The Landlord will act in good faith to operate the building in an efficient manner.

f) Audit Rights. Within 120 days after Landlord furnishes its statement of actual Operating Expenses for any calendar year (the "Audit Election Period"), Tenant may, at its expense, elect to audit Landlord's Operating Expenses for such calendar year only, subject to the following conditions: (1) the audit shall commence within 30 days after Landlord makes Landlord's books and records available to Tenant's auditor and shall conclude within ninety (90) days after commencement; (2) the audit shall be conducted during Landlord's normal business hours at the location where Landlord maintains its books and records and shall not unreasonably interfere with the conduct of Landlord's business; and (3) Tenant and its accounting firm shall treat any audit in a confidential manner. This paragraph shall not be construed to limit, suspend, or abate Tenant's obligation to pay Rent when due, including estimated Operating Expenses. Landlord shall credit any overpayment determined by the final audit report against the next Rent due and owing by Tenant or, if no further Rent is due, refund such overpayment directly to Tenant within 30 days of determination. Further, if the audit shall disclose an overstatement of Landlord's Operating Expenses of more than five (5%) percent, Tenant shall be reimbursed the costs and expenses of the audit in the same manner and at the same time as it is credited or refunded any overpayment. Likewise, Tenant shall pay Landlord any underpayment determined by the final approved audit report within 30 days of determination and Tenant shall reimburse Landlord the costs and expenses of the audit if the audit discloses and overstatement of Landlord's Operating Expenses of less than five (5%) percent. The foregoing obligations shall survive the expiration or termination of this Lease. If Tenant does not give written notice of its election to audit Landlord's Operating Expenses during the Audit Election Period, Landlord's Operating Expenses for the applicable calendar year shall be deemed approved for all purposes, and Tenant shall have no further right to review or contest the same.

(g) The Land and the Building are not currently subject to real estate taxes or payments in lieu of taxes ("PILOT") and the Landlord does not anticipate assessment of taxes against the Land or the Building during the Term. Notwithstanding the foregoing, in the event any governmental entity implements, assesses or otherwise requires payment of real estate taxes and/or PILOT, then in such event, said payments shall be included as part of Operating Expenses.

3.03 TENANT'S PROPORTIONATE SHARE (a) Commencing on January 1, 2011, Tenant shall pay to Landlord as Additional Rent for each calendar year during the Term, "Tenant's Proportionate Share", which shall be equal to four and 00/100^{ths} (4.0%) percent of the Landlord's Operating Costs for the applicable year that are in excess of the Landlord's Operating Costs actually incurred by the Landlord, adjusted to reflect 100% occupancy of the Building,

from January 1, 2010 through December 31, 2010 (the "Base Year") (hereinafter referred to as "Tenant's Additional Rent Payment"). Tenant's Additional Rent Payment shall be appropriately apportioned at the end of the Term of this Lease based on the portion of the calendar year which occurs prior to the date on which the Term expires or is otherwise termination as provided herein. Tenant's Proportionate Share shall equal a percentage calculated by dividing the rentable square footage of the Demised Premises by the total rentable square footage of the Building. Tenant's Proportionate Share shall be recalculated upon any addition to the space of the Demised Premises.

(b) Commencing January 1, 2011, Tenant shall pay to Landlord on the first day of each month, an amount equal to one-twelfth (1/12th) of Landlord's estimate of the Tenant's Additional Rent Payment for the applicable calendar year during the Term. If Landlord shall not furnish any such estimate for a particular year during the Term or if Landlord shall furnish any such estimate for a year during the Term subsequent to the commencement thereof, then: (i) until the first day of the month following the month in which such estimate is furnished to Tenant, Tenant shall pay to Landlord on the first day of each month an amount equal to the monthly sum payable by Tenant to Landlord under this clause (b)(i) in respect of the last month of the preceding year, if any; (ii) concurrently with or after such estimate is furnished to Tenant, Landlord shall notify Tenant whether the installments of Tenant's Additional Rent Payment previously made for such year were greater or less than the installments of Tenant's Additional Rent Payment to be made in accordance with such estimate; (iii) if there is a deficiency, Tenant shall pay the amount thereof within thirty (30) days after demand therefore; or (y) if there is an overpayment, Landlord shall either credit the amount thereof to Tenant's Additional Rent Payment(s) next coming due, or refund to Tenant the amount thereof within thirty (30) days after such notice; and (iv) on the first day of the month following the month in which such estimate is furnished to Tenant (provided that Tenant actually received such notice at least ten (10) business days prior to the first of the month) and monthly thereafter throughout such calendar year, and thereafter until such time as Landlord delivers a new estimate, Tenant shall pay to Landlord an amount equal to one-twelfth ($1/12^{th}$) of Tenant's Additional Rent Payment shown on such estimate. Landlord may, no more than one time during each calendar year during the Term from and after January 1 2011, furnish to Tenant a revised statement of Landlord's estimate of Tenant's Additional Rent Payment for such year during the Term, and in such case, Tenant's Additional Rent Payment for said year shall be adjusted and paid or refunded, as the case may be, substantially in the same manner as specified in the preceding sentence.

(c) After the end of each calendar year during the Term from and after December 31, 2011, Landlord shall furnish to Tenant a statement of Tenant's Additional Rent Payment for said preceding year ("Landlord's Operating Cost Statement") accompanied by the relevant spreadsheets generated by Landlord. If a Landlord's Operating Cost Statement shall show that the estimated sums paid by Tenant, if any, under this clause (i) exceeded Tenant's Additional Rent Payment to be paid by Tenant for the applicable year during the Term, Landlord shall, at its election, either credit such excess payment to Tenant's Additional Rent Payment(s) next coming due, or refund to Tenant the amount of such excess within thirty (30) days thereafter. If a Landlord's Operating Cost Statement shall show that the estimated payments by Tenant for such year were less than Tenant's Additional Rent Payment to be paid by Tenant for such year, Tenant shall pay the amount of such deficiency within thirty (30) days after demand therefore.

3.04 COMPLIANCE WITH LAWS a) Tenant agrees at its own cost and expense to keep the Demised Premises in such order and condition as shall conform to all the orders, rules and regulations of all municipal, state and federal departments, boards, commissions and governmental agencies now existing or hereafter created and at its own cost and expense, promptly execute and comply with all laws, rules, ordinances and regulations now in force or hereafter enacted which affect the Demised Premises.

b) Tenant further agrees to comply, at Tenant's cost and expense, with all orders, regulations, rules and recommendations, whenever issued, of the New York Board of Fire Underwriters or of any similar organization and also to comply with the recommendations and requirements of any insurance company which insures or participates in insuring the Demised Premises against loss by fire.

c) Landlord warrants and represents that the Demised Premises shall, as of the Commencement Date, comply with (1) all the orders, rules and regulations of all municipal, state and federal departments, boards, commissions and governmental agencies; (2) all laws, rules, ordinances and regulations then in force which affect the Demised Premises; (3) all orders, regulations, rules and recommendations of the New York Board of Fire Underwriters or of any similar organization; and (4) the recommendations and requirements of all insurance companies from which Landlord has secured a policy or policies insuring the Demised Premises against loss by fire.

Tenant's obligation to pay Gross Rent and Additional Rent shall not be abated, reduced, suspended or otherwise, due to Landlord's failure to comply with the foregoing.

3.05 TENANT'S UTILITIES Tenant agrees to pay for all utilities, including, but not limited to, electricity and gas (pursuant to paragraphs 3.11 and 3.12 herein) consumed by Tenant. Landlord reserves the absolute right to designate the supplier/utility company or companies providing service(s) to the Building. Tenant shall not be entitled to any rebate or incentive or any portion thereof which may be received by Landlord in connection with any agreement with any supplier or utility company except as and to the extent that any portion thereof represents a refund of monies that were previously collected by Landlord from Tenant as additional rent hereunder, in which event, Tenant shall be entitled to receive its proportionate share of such rebate or incentive. Landlord reserves the right to change suppliers and/or utility companies at its sole option.

3.06 LEASEHOLD TAXES Tenant shall be responsible for and shall pay before delinquency, all municipal, county or state taxes assessed during the term of this Lease against any Leasehold interest or personal property of any kind, owned by or placed in, upon or about the Demised Premises by Tenant.

3.07 RUBBISH Landlord agrees that it shall maintain for use by all Tenants of the Building, a trash dumpster and/or compactor at a location designated by Landlord.

3.08 OUTSIDE CLEANING SERVICE (a) Landlord shall provide cleaning services to the Demised Premises, commensurate with a first class office building, in accordance with the cleaning schedule attached hereto as Exhibit C and in a manner similar to those services provided by Landlord to other tenants in the Building on a non-discriminatory basis. In the event Landlord's cost of providing said cleaning services exceeds the cost of providing such services for the initial 12 months of this Lease, then Tenant shall reimburse Landlord from time to time but not more often than quarterly, within 10 business days of demand, for any such increased cost for such services; provided, however, that Landlord has submitted to Tenant, together with such demand, the relevant bills for cleaning services for the period of time for which any increase is claimed. Landlord reserves the right to engage an outside cleaning service or services in connection with its obligations hereunder. Tenant shall provide reasonable access to Demised Premises to Landlord or Landlord's designated cleaning service for the purpose of providing the cleaning services herein

(b) Tenant will not clean nor require, permit, suffer of allow any window in the Demised Premises to be cleaned from the outside in violation of Section 202 of the Labor Law or any other applicable law or of the Rules of the Board of Standards and Appeals or of any other Board or body having or asserting jurisdiction.

3.09 SECURITY SERVICE The Land and Building are currently monitored by the Port Authority. Tenant may engage an outside security/alarm service to monitor the Demised Premises, subject to the Landlord and the Port Authority approving the security service provider.

3.10 HVAC/HEATING/AIR CONDITIONING SYSTEMS/UTILITY METERS (a) Tenant shall pay for all gas and/or electricity used for the HVAC units exclusively servicing the Demised Premises, in accordance with Articles 3.11 and 3.12. Landlord will maintain the HVAC/heating/air conditioning units as well as all utility meters in good repair. Landlord will, at Tenant's cost and expense and provided that such expense does not exceed commercially reasonable charges of independent maintenance contractors retained at arms-length, maintain those portions of the HVAC/heating/air conditioning systems that are located in the Demised Premises. Tenant will provide Landlord with access upon reasonable demand (which shall be at least one business day, except in case of emergency) for the purpose of same. The heating, ventilation and air-conditioning system shall provide a working environment capable of maintaining 72 degrees Fahrenheit in all spaces when temperature is 15 degrees Fahrenheit outside in accordance with the American Society of Heating, Refrigeration and Air-conditioning Engineers ("ASHRAE") winter design conditions, and shall be capable of maintaining 78 degrees Fahrenheit when outside temperature is 89 degrees Fahrenheit with not more than 50 percent relative humidity in all spaces in accordance with ASHRAE summer design conditions.

(b) Subject to the Tenant's compliance with paragraph 4.03, Tenant Alterations, Tenant shall be permitted to install a supplemental HVAC system to service the Demised Premises after normal business hours exclusively, at its sole cost and expense.

3.11 ELECTRICITY SERVICE (a) The Port Authority provides electricity to the Premises. Tenant shall pay directly to The Port Authority the consumption charges for all electricity which it uses in the Demised Premises based on actual usage pursuant to an electrical

submeter to be installed by Landlord pursuant to Landlord's Work. Tenant shall be responsible for its electrical consumption and no other tenant's.

(b) Landlord shall ensure that the electrical capacity in the Demised Premises shall be no less than the greater of six (6) demand watts per rentable square foot of the Demised Premises, not including the power requirements of the HVAC, or as required by applicable laws and procedures. The rate to be paid by Tenant for submetered electrical energy shall include any and all taxes or other charges imposed by the Port Authority or the applicable public utility in connection therewith. If any tax shall be imposed on Landlord's receipts from the sale or resale of electricity energy to Tenant, the pro-rata share of such tax allocable to the electrical energy service received by Tenant shall be passed on to, included in the bill of, and paid by Tenant if and to the extent permitted by law.

(c) If, due to no fault of Landlord, either the quantity or character of electrical service is changed by the Port Authority or their successor serving the area in which the Building is located or is no longer available nor suitable for Tenant's requirements, no such change, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve the Tenant from any of its obligations under this lease, or impose any liability upon Landlord, or its Agents, by reason of inconvenience or annoyance to Tenant, or injury to, or interruption of Tenant's business, or otherwise.

(d) Any additional risers or feeders to be installed to supply Tenant's additional electrical requirements, and all other equipment proper and necessary in connection with such risers or feeders, shall be installed by Landlord upon Tenant's request at the sole cost and expense of Tenant at rates not to exceed the commercially reasonable charges of independent contractors retained at arms length, provided that, in Landlord's reasonable judgment, such additional risers or feeders are necessary and are permissible under applicable laws and insurance regulations and the installation of such risers or feeders will not cause permanent damage or injury to the Building or the Demised Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, interference with, or disturbance to other tenants or occupants of the Building. Tenant covenants that at no time shall the use of electrical energy in the Demised Premises exceed the capacity of the existing risers or feeders then servicing the Demised Premises. Tenant shall not make or perform, or permit the making of or performance of, any alterations to the wiring without the prior written consent of the Landlord in each instance. Any such alterations, additions, or consent by Landlord shall be subject to the provisions of this subsection, as well as to other provisions of the Lease, including, but not limited to, the provisions of Article IV hereof.

(e) If the Port Authority discontinues furnishing electricity to Tenant, Tenant shall arrange to obtain electricity directly from the public utility company serving the Building. Such electricity may be furnished to Tenant by means of the existing risers and feeders serving the Demised Premises to the extent that same are available, suitable, and safe for such purposes. All meters, meter panels, and all additional risers, feeders, panel boards, and equipment and other conductors which may be required to obtain electricity, of substantially the same character,

quantity, and quality, shall be installed by Landlord at Tenant's sole cost and expense. Landlord shall not cause the discontinuance of the furnishing of electricity to Tenant.

(f) Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of electrical service furnished to the Demised Premises by reason of any requirement, act or omission of the Port Authority, the Landlord or of the utility company serving the Building with electricity or for any other reason except Landlord's negligence or willful misconduct.

3.12 GAS SERVICE Landlord shall redistribute or furnish gas to the Demised Premises and Landlord shall cause to be installed a gas meter for use by the entire Building. Tenant shall pay to Landlord its Proportionate Share, as Additional Rent, on demand but not more frequently than monthly, as the charge for Tenant's consumption of gas, at the then current rate charged by the utility company furnishing same to the Building, including any applicable taxes and fees collected by the utility, plus Landlord's administrative charge of five percent (5%).

Landlord shall not be held liable to Tenant in any way for any interruption, curtailment, or failure, or defect in the supply or character of gas service furnished to the Demised Premises by reason of any requirement, act or omission of Landlord or of the utility company serving the Building with gas or for any other reason except Landlord's negligence or willful misconduct.

Tenant's gas charges will not take into consideration any other gas use in any part of the Building or any incentive or discount rates offered by utility company, and computation shall include all charges for energy, demand, rate adjustments, taxes and all other charges included in the Landlord's monthly billings from the utility company servicing the Building.

3.13 WATER Landlord shall provide water to the Demised Premises for ordinary purposes, but if Tenant uses or consumes water for any other purposes or in unusual quantities, Landlord may install a water meter, at Tenant's expense, which Tenant shall thereafter maintain at Tenant's expense in good working order and repair, to register such water consumption, and Tenant shall pay for water consumed as shown on said meter as Additional Rent as and when bills are rendered.

3.14 INTERFERENCE AND BUSINESS INTERRUPTION Landlord reserves the right to stop the service of the heating, air conditioning, ventilating, elevator, plumbing, electrical or other mechanical systems or facilities in the Building when necessary by reason of accident or emergency, or for scheduled maintenance, repairs, alterations, replacements or improvements, which, in the judgment of Landlord, are necessary or reasonably desirable, until said repairs, scheduled maintenance, alterations, replacements or improvements shall have been completed. The exercise of such right by Landlord shall not constitute an actual or constructive eviction, in whole or part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise. Landlord shall use commercially reasonable efforts to avoid interfering with Tenant's business in and use and occupancy of the Demised Premises.

3.15 HOURS OF OPERATION The Building shall operate Monday through Friday from 8:00 a.m. to 6:00 p.m. and Saturday from 9:00 a.m. to 1:00 p.m., except for legal holidays. Tenant shall have access to the Building and the Demised Premises twenty-four hours per day, seven days per week.

3.16 ELEVATOR SERVICE Landlord shall provide automatic elevator service twenty-four hours per day, seven days per week.

ARTICLE IV

4.01 LANDLORD'S OBLIGATIONS Landlord shall not be required to perform any work on the Demised Premises except as set forth herein in Exhibit B, "Landlord's Work Rider". Otherwise, any work which Tenant may require for the preparation of the Demised Premises for Tenant's use shall be performed by Tenant, at Tenant's own cost and expense. Any equipment or work over and above that set forth in Landlord's Work Rider which the Landlord installs or constructs in the Demised Premises on Tenant's behalf shall be paid for by Tenant within thirty (30) days after receipt of a bill therefore at cost, plus ten (10%) percent for Landlord's overhead and supervision.

4.02 CHANGES AND ADDITIONS TO BUILDINGS (a) Landlord hereby reserves the right at any time to make alterations or additions to or to build additional stories on the Building in which the Demised Premises are contained and to build adjoining same. Landlord also reserves the right to construct other Buildings or improvements on the land or parking fields of which the Demised Premises form a part, from time to time, and to make alterations thereof or additions thereto and to build additional stories on any such Buildings and to build adjoining same. Landlord reserves the right to relocate parking areas and other common areas.

b) In the event Landlord makes any alterations or changes to the rentable space in the Building, then Tenant's proportionate share, as stated in paragraph 3.03, shall be recalculated under the formula prescribed in paragraph 3.02. In no event, however, shall any such alteration or change increase Tenant's Proportionate Share set forth in paragraph 3.03.

4.03 TENANT ALTERATIONS (a) If Tenant is not at the time in default under this Lease beyond any applicable cure period set forth in this Lease, Tenant, at Tenant's expense, may make reasonable alterations to the Demised Premises, provided that any alteration shall not change the general character of the Demised Premises, or reduce the fair market value thereof below its value immediately before such alteration or addition, or impair the usefulness of the Demised Premises; is effected with due diligence, in a good and workmanlike manner and in compliance with all legal requirements pursuant to Section 3.04 and insurance requirements pursuant to Sections 4.04 and 5.01; is promptly and fully paid for by Tenant; and is made, in case the estimated cost of such alteration or addition exceeds $25,000.00, only after Tenant shall have obtained Landlord's and the Port Authority's prior written consent thereto and under the supervision of an architect or engineer satisfactory to Landlord and in accordance with plans and specifications approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Tenant covenants and agrees that no alteration, addition, improvement, change, or other work (collectively herein referred to as "Tenant's Alteration(s)") will be made except in compliance with, and Tenant hereby covenants that it will comply with, each and all of the following provisions:

(i) All Tenant's Alterations shall be made with reasonable diligence and dispatch (subject to Unavoidable Delays) in a good and workmanlike manner and in such a manner as will not unreasonably interfere with the operation of the Building or the business of any other occupant thereof, or unreasonably interfere with or delay the completion of any other construction in the Building. Tenant shall use only those contractors (including subcontractors) approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; provided, further, that if Landlord disapproves of any contractor suggested by Tenant, Landlord will provide Tenant with the names of at least two (2) contractors from the trade in question that it is prepared to approve.

(ii) Before any Tenant's Alterations are begun, Tenant shall procure, at its own sole cost and expense, all necessary licenses, permits, approvals and authorizations from all Governmental Authorities and shall, on demand, deliver photocopies thereof to Landlord. Upon Tenant's request, Landlord shall join in the application for such licenses, permits, approvals and authorizations whenever such action is necessary, and Tenant covenants that Landlord will not suffer, sustain or incur any cost, expense or liability by reason thereof. Any Tenant's Alteration requiring the filing of plans with the New York City Buildings Department (or similar Governmental Authority) shall be made under the supervision of a licensed professional architect or engineer selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

(iii) All Tenant's Alterations shall be made in compliance and conformity with all applicable laws and ordinances (including, but not limited to, all building and zoning laws and ordinances) and with all applicable licenses, permits, authorizations and approvals and with all applicable rules, regulations, orders and requirements of the Port Authority and all Governmental Authorities, as well as those of the National and Local Boards of Fire Underwriters or any other body or bodies exercising similar functions.

(iv) In making any Tenant's Alterations, Tenant shall not knowingly violate the terms or conditions of any insurance policy affecting or relating to the Demised Premises or Building or the terms of any covenants, restrictions or easements affecting the Demised Premises or Building.

(v) Promptly after the completion of any Tenant's Alterations, Tenant shall procure, at Tenant's sole cost and expense, all such approvals, sign-offs and close any permits as required by Governmental Authorities, if any, of the completed Tenant's Alterations as may be required by any applicable law or ordinance or any applicable rule or regulation of Governmental Authorities (including, without limitation, Certificates of

Occupancy), and all such insurance organizations' approvals, if any, as may be required or customary in connection therewith, and on written demand, shall promptly deliver photocopies thereof to Landlord.

(vi) Tenant shall pay all actual out of pocket costs, expenses and liabilities incurred and paid or payable by Landlord arising out of or in connection with or by reason of any Tenant's Alterations and shall keep the Building, land, parking fields and the Demised Premises free and clear of all liens, claims and encumbrances in any way arising out of or in connection with or by reason of any Tenant's Alterations, subject to the provisions of Article IV hereof.

(vii) No Tenant's Alterations shall create any encroachment upon any adjacent premises.

(viii) No Tenant's Alterations shall be made which would render title to the land or any part thereof unmarketable or which would reduce the value of the Building below the value thereof immediately prior to the making of such Tenant's Alterations or reduce the value of Landlord's leasehold interest in the Land and the Building.

(ix) If any work being done by Tenant or its contractors causes any labor disturbance or unrest, Tenant will, within 24 hours after written demand by Landlord, take commercially reasonable steps necessary to resolve such labor disturbance or unrest including, if necessary, discharging the contractor causing such disturbance or unrest (notwithstanding Landlord's prior approval of such contractor).

(x) At all times during the period of such Tenant's Alteration, Landlord shall be entitled to have a representative or representatives on the site to inspect such Tenant's Alteration; and such representative or representatives shall have free and unrestricted access at all reasonable times to any and every part of the Demised Premises, subject to applicable site safety laws and reasonable safety requirements. In addition, all hookups to the Building's electrical system, switch gears, submeters, gas, water, telephone equipment, HVAC, and any other central Building system shall be done by Landlord's contractors at Tenant's sole cost and expense plus an additional charge of ten (10%) percent payable to Landlord for its administrative and supervisory expense, all of which shall be paid to Landlord within thirty (30) days of demand, which shall itemize such costs and shall furnish all invoices and other documentation of the costs. Tenant shall deliver or cause to be delivered to Landlord such instrument or instruments in writing as Landlord may reasonably require or deem necessary to carry into effect the intended purpose of this Article.

(xi) Prior to commencing any Tenant's Alterations, In the event Tenant engages contractors to perform work on the leased premises during the course of its lease, Tenant shall cause such contractors to procure and evidence insurance coverages as follows:

(a) WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE affording coverage under the Workers Compensation laws of the State(s) of New York

and Employers Liability coverage subject to a limit of no less than Five Hundred Thousand Dollars ($500,000) each employee, Five Hundred Thousand Dollars ($500,000) each accident, Five Hundred Thousand Dollars ($500,000) policy limit.

(b) COMMERCIAL GENERAL LIABILITY INSURANCE written on an Occurrence basis and including Products liability/Completed Operations coverage, at a $1,000,000 per occurrence Combined Single Limit applying to Bodily Injury and Property Damage, subject to no deductible or Self-Insured Retention, and including all standard Broad Form Commercial General Liability extensions. If coverage is written on a form under which an aggregate limit such aggregate limit shall not be less than $2,000,000 and shall apply on a per project basis. The policy shall be endorsed to name Tenant and Landlord as Additional Insureds on a primary, non-contributory basis. The policy shall further be endorsed to waive the carrier's subrogation rights against Landlord.

(c) UMBRELLA LIABILITY INSURANCE WITH a limit of not less than $5,000,000 providing excess coverage over all limits and coverages noted in Paragraphs 2 above. This policy shall be written on an "occurrence" basis and include Tenant and Landlord as Additional Insureds.

The insurance policies noted above shall be written with insurance companies licensed to do business in the State of New York and rated no lower than A:VIII by the most recent edition of A.M. Best's Property-Casualty Rating Guide. All policies shall provide that in the event of cancellation, non-renewal or material modification, Landlord shall receive 30 days written notice thereof.

Tenant shall furnish Landlord with certificates of insurance evidencing Contractor's compliance with all of the above provisions before Contractor will be permitted to begin work.

Tenant shall also maintain such additional insurance as Landlord and/or the Port Authority shall request from time to time, provided such insurance or coverage is commonly carried by offices of similar size in similar buildings.

(xii) INTENTIONALLY OMITTED.

(xiii) If Tenant fails, upon completion of Tenant's Alterations and without any fault on the part of Landlord, to secure any required final certificate of approval/completion or sign off on the construction permits from the New York City Building Department (Certificate of Approval) and fails, within ten (10) days of written notice from Landlord to seek and thereafter diligently pursue the issuance of same, then Landlord shall be entitled to procure the Certificate of Approval at Tenant's cost and expense, including reasonable attorney's fees. Tenant shall be liable for any and all expenses incurred by Landlord in obtaining the Certificate of Approval.

(xiv) No structural alteration shall be made unless Tenant first obtains the written consent thereto of any Landlord's Mortgagee, if such consent is required under any

Landlord's Mortgage(s). Landlord agrees to cooperate with Tenant to attempt to obtain any such consent, if the proposed Tenant's Alteration is approved by Landlord.

(xv) In the event that Tenant does not provide its own garbage containers during construction, Tenant agrees to pay a charge of $1.75 per rentable square foot per month for the use of Landlord's containers.

(xvi) INENTIONALLY OMITTED.

4.04 LANDLORD'S RIGHT TO ENTER (a) Landlord or Landlord's agents shall have the right to enter the Demised Premises at reasonable times and upon reasonable notice (at least one business day, except in case of emergency) to examine the same, and to show them to prospective purchasers or lessees of the Building, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said Demised Premises that may be required therefore without the same constituting an eviction of Tenant, in whole or in part, and the rent reserved shall in no way abate while said repairs, alterations, improvements or additions are being made by reason of loss or interruption of business of Tenant or otherwise. During the six months prior to the expiration of the term of this Lease, or any renewal term, Landlord may exhibit the Demised Premises to prospective tenants or purchasers and place upon said Demised Premises the usual notices "To Let" or "For Sale", which notices shall be reasonable in size and appearance and which Tenant shall permit to remain thereon without molestation.

(b) If Tenant's principles, agents, employees and/or representatives shall not be personally present to open and permit any entry into said Demised Premises, at any time, when for any reason an entry therein for emergency purposes shall be necessary or permissible, Landlord or Landlord's agents may enter the same by a master key or may forcibly enter the same without rendering Landlord or such agents liable therefore and without in any manner affecting the obligations, responsibility or liability whatsoever for the care, maintenance or repair of the Building or any part thereof, except as otherwise herein specifically provided. If during the last month of the term Tenant shall vacate the Demised Premises, Landlord may immediately enter and alter, renovate and redecorate the Demised Premises without diminution or abatement of rent or incurring liability to Tenant for any compensation, and such acts shall have no effect upon this Lease.

(c) No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or mechanism thereof without the express written consent of Landlord. In the event that Landlord consents to the change in any locking mechanism, Tenant agrees that no such lock shall be of a nature and quality which cannot be accessed by Landlord's master key. Tenant agrees to pay the cost of re-keying the master key as well as any other costs associated with the addition or changing of any locking mechanism. Upon surrender or termination of the lease in the Demised Premises, Tenant shall restore to Landlord all keys to the Demised Premises, lavatories and Building either furnished to, or otherwise procured by Tenant. In the event of the loss of any keys so furnished

by Landlord, Tenant shall pay to Landlord the cost thereof as well as any other costs associated with the loss of said keys.

(d) If an excavation shall be made upon land adjacent to the Demised Premises or shall be authorized to be made, Tenant shall afford access to the person causing or authorized to cause such excavation and give a license to enter upon the Demised Premises for the purpose of doing such work as Landlord shall deem necessary to preserve the wall of the Building of which the Demised Premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnification against Landlord's or diminution or abatement of rent. In the event that any such work shall prevent the use by Tenant of all or any portion of the Demised Premises for a period of time, Landlord shall use commercially reasonable efforts to secure a fee payable by the person requiring the license to Tenant equal to the Base Rent for the portion of the Demised Premises that are so rendered unusable for the period for which it is rendered unusable to Tenant. Notwithstanding the generality of the foregoing, any party entering the Demised Premises for the purposes set forth in this sub-paragraph shall furnish insurance for Tenant's benefit, in commercially reasonable coverages, forms and amounts to be agreed upon with Tenant prior to such entry, and shall indemnify, defend and hold Tenant harmless from and against any claims, damages, losses, costs and expenses arising from any personal injury or damage to property allegedly suffered or incurred as a result of or in connection with the licensee's work within the Demised Premises.

4.05 LANDLORD'S LIABILITY Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, loss or damage to Tenant's business or damage to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence (unless caused by or resulting from the negligence of Landlord, its agents, servants or employees) in or upon the Demised Premises or the Building common areas or parking field, including but not limited to, claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair; (ii) injury done or occasioned by wind or rain; (iii) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, gas, water and steam pipes, stairs, porches, railings or walks; (iv) broken glass; (v) the backing up of any sewer pipe or downspout; (vi) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about such Building or Demised Premises; (vii) the escape of steam or hot water; (viii) water, snow or ice being upon or coming through the roof, floor, skylight, trapdoor, stairs, doorways, show windows, walks or any other place upon or near such Building or the Demised Premises or otherwise; (ix) the falling of any fixture, plaster, tile or stucco; and (x) any act, omission or negligence of other tenants, licensees or of any other persons or occupants of said Building or of adjoining or contiguous Buildings or of owners of adjacent or contiguous property, unless caused by or due to the negligence of Landlord, its agents, servants or employees.

4.06 MECHANIC'S LIENS If any mechanic's lien or other liens or orders for the payment of money or any notice of intention to file a lien shall be filed against the Demised Premises or the Building by reason or arising out of any labor or material furnished or alleged to have been furnished or to be furnished to the Demised Premises on behalf of Tenant or any occupant thereof, or for or by reason of any change, alteration or addition or the cost or expense thereof or

any contract relating thereto, or against the interest of Landlord, Tenant shall cause the same to be canceled and discharged of record by bond or otherwise as allowed by law at the expense of Tenant within thirty (30) days after Tenant shall have notice thereof; and Tenant shall also defend on behalf of Landlord, at Tenant's sole cost and expense, any action, suit or proceeding which may be brought thereon or for the enforcement of such liens or orders, and Tenant will pay any damages and satisfy and discharge any judgment entered thereon and save harmless Landlord from any claim or damage resulting there from. Failure to comply with the provisions of this paragraph 4.05 shall be a material default of this lease.

4.07 LIMITATION OF PERSONAL LIABILITY Notwithstanding anything contained herein to the contrary, Tenant agrees that neither Landlord, nor any of its agents or employees, nor (if Landlord is or becomes a corporation or a limited liability company) any of its members, managers, officers, directors or shareholders or partners, nor (if Landlord is or becomes a partnership) any of its general or limited partners, shall have any personal liability with respect to any of the provisions of this Lease and Tenant shall look solely to the estate and interest of Landlord in the property for the satisfaction of Tenant's remedies, including, without limitation, the collection of any judgment or the enforcement of any other judicial process requiring the payment or expenditure of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms and provisions of this Lease to be observed and/or performed by Landlord, subject, however, to the prior rights of any holder of any mortgage covering all or part of the Property, and no other assets of Landlord or any principal of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claim, and in the event Tenant obtains a judgment against Landlord, the judgment docket shall be so noted. This Section shall inure to the benefit of Landlord's successors and assigns and their respective principals.

4.08 TITLE TO IMPROVEMENTS AND RESTORATION OF DEMISED PREMISES

a) The title to all additions, repairs and replacements to any improvements made during the Lease Term and any renewal thereof shall forthwith vest in Landlord, and said improvements, additions, repairs and replacements shall be and become the sole and absolute property of Landlord without any obligation of payment by Landlord therefore.

b) All alterations, additions or improvements, except movable trade and other fixtures, made by either party shall become the property of Landlord upon installation unless Landlord shall elect otherwise, which election shall be made by giving notice not less than thirty (30) days prior to the expiration or other termination of this Lease or any renewal or extension thereof. In the event that Landlord shall elect otherwise, then such alterations, installations, additions or improvements made by Tenant upon the Demised Premises, as Landlord shall elect, shall be removed by Tenant and Tenant shall restore the Demised Premises to the condition as of the Commencement Date, ordinary wear and tear excepted, at its own cost and expense, prior to the expiration of the term. All damage or injury to the Demised Premises and to its fixtures, appurtenances and equipment caused by Tenant moving property in or out of the Building or by installation or removal of furniture, fixtures or other property shall be repaired by Tenant. There shall be no allowance to Tenant for a diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant, or others, making any repairs, alterations, additions, or improvements to any portion of

the Building or Demised Premises, or to fixtures, appurtenances, or equipment thereof, except that Landlord shall use commercially reasonable efforts to avoid interference with Tenant's use and occupancy of the Demised Premises, and/or by reason of failure of Landlord or others to make any repairs, alterations, additions or improvements in or to any portion of the Building or of Demised Premises, or to the fixtures, appurtenances or equipment thereof. Landlord reserves the right to stop the service of the heating, air conditioning, plumbing and electrical systems when repairs, alterations or improvements are necessary until such repairs, alterations or improvements shall have been completed. In the event any such service is so stopped, Landlord shall diligently prosecute the repairs, alterations or improvements until completed. Neither the reference in this Lease to repairs by Landlord or any services, nor the presence upon the Demised Premises of any service equipment owned by Landlord, shall impose any liability upon Landlord to furnish, repair, maintain or operate any services unless expressly and specifically provided for herein.

4.09 TENANT OBLIGATIONS a) Tenant covenants throughout the term hereof, at its sole cost and expense, to keep the Demised Premises, all fixtures and equipment therein, all utility systems, and all signs of Tenant whether in the Demised Premises or erected outside thereof, in good repair, order and condition, making all repairs thereto as may be required or necessary, ordinary as well as extraordinary, foreseen and unforeseen, all repairs to be of the same quality, design and class as the original work; but the provisions of this Lease shall not require Tenant to make repairs to the structural parts of the building, i.e. bearing walls, beams, or roof, it being agreed and understood that Landlord shall make all reasonably necessary structural repairs, unless the conditions necessitating such repairs to structural parts shall have been caused by Tenant, its agents, servants or invitees.

b) If Tenant refuses or neglects to repair property as required in this Lease agreement and to the reasonable satisfaction of Landlord as soon as reasonably possible, after written demand, Landlord may make such repairs, and Tenant shall in such event pay Landlord's cost for making such repairs plus ten (10%) percent for Landlord's administrative and supervisory expense, as Additional Rent, to be paid by Tenant within ten (10) business days of receipt of a statement from Landlord setting forth said charges and disbursements.

ARTICLE V

5.01 LIABILITY INSURANCE Tenant shall, during the entire term hereof, at Tenant's expense, keep in full force and effect policies of insurance as follows:

A. Glass – Tenant assumes the liability for, and shall remedy, the breakage of exterior and interior plate glass during the term of this Lease if breakage is caused by Tenant's acts.

B. Property Insurance; Indemnity for Damage to Tenant's Personal Property – Tenant assumes liability for any damage to the Demised Premises and all fixtures and appurtenances thereto unless caused by the negligence or willful misconduct of Landlord, its agents or employees. Except as otherwise provided herein, Tenant expressly releases Landlord from, and waives all claims against Landlord and agrees to hold Landlord harmless for, any loss resulting from damage to or loss of Tenant's goods, wares, merchandise and/or improvements and betterments

in, upon or about said premises unless caused by the negligence or willful misconduct of Landlord, its agents or employees. Tenant shall maintain at its own expense replacement cost insurance on Tenant's goods, wares, merchandise and improvements and betterments against damage caused by fire and all other perils covered by a standard All Risk insurance policy. Landlord and Tenant agree to waive their rights of subrogation against each other and shall each obtain a waiver from their respective insurance companies releasing carriers' subrogation rights against the other party.

C. Liability Insurance – Tenant shall maintain, at its own expense, Liability insurance as follows:

1. Commercial General Liability insurance, written on an occurrence basis and including products liability insurance at a $1,000,000 per occurrence Combined Single Limit, subject to no deductible or Self-Insured Retention, including all standard Broad Form Commercial General Liability coverages. Fire Legal Liability coverage shall be included and written in an amount equal to the replacement cost of the Demised Premises, such amount to be agreed upon between Landlord and Tenant. If coverage is written on a form under which an aggregate limit applies to the Premises hazard, such aggregate shall be in an amount of no less than $2,000,000 and shall apply separately to each location covered by Tenant's policy.

These policies shall name Landlord as an additional insured on a primary, non-contributory basis and shall permit Tenant to release its carrier's subrogation rights against Landlord. Tenant hereby agrees to the waiver of such rights.

D. The insurance policies noted in (A), (B) and (C) above shall all be written with insurance companies licensed to do business in the State in the State of New York and rated no lower that A:VII by the most recent edition of A.M. Best's Property-Casualty Rating Guide. All policies shall provide that in the event of cancellation, non-renewal or reduction below the policy limits or coverage required hereunder, Landlord shall receive 30 days written notice thereof.

E. Tenant shall furnish Landlord with certificates of insurance evidencing Tenant's compliance with all provisions of (A), (B), (C) and (D) above.

5.02 INDEMNIFICATION AND HOLD HARMLESS (a) Tenant shall defend, indemnify and hold Landlord, and Landlord's employees, agents and assigns, harmless from and against any and all loss, cost (including reasonable attorney's fees and costs), damages, expense and liability (including statutory liability) resulting from injury and/or death of any person or damage to any property arising out of the maintenance, use, care or control of the demised premises, except as and to the extent arising from the negligence or willful misconduct of Landlord, its agents or employees.

(b) In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, Tenant shall assume Landlord's defense protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation. Tenant shall also pay all actual reasonable costs, expenses and reasonable attorney's fees that may be incurred or paid by Landlord in enforcing the covenants and agreements of this Lease.

5.03 ACTS OF INVITEES Tenant shall be responsible for the acts of its customers, guests, invitees and/or anyone else on the Demised Premises at the invitation of Tenant or anyone in their employ or anyone occupying or using space in the Demised Premises. In this regard, should any of the enumerated parties commit acts which are in violation of any of the terms of this Lease, the Port Authority Lease or the City Lease, or are in any way detrimental to the person or property of Landlord or any of its staff on the Demised Premises of the Building, parking fields, plaza, or surrounding areas, or more specifically commit acts of vandalism or mischief on the Demised Premises of the Building or parking fields or surrounding areas, then, in that event, Tenant agrees that the cost of such violations, breaches, vandalism, etc. shall be immediately due and payable to Landlord and shall be considered as Additional Rent at the option of Landlord. Furthermore, the commission of any of the acts herein or the damage of the person or property of Landlord or Landlord's staff shall be a material breach of this Lease[1] and the Lease shall be subject to termination pursuant to paragraph 6.01 herein. In that regard, the first ten (10) days notice served pursuant to paragraph 6.01 shall contain a listing of the violations and the amount which Landlord has been damaged. The remedy or cure referred to in paragraph 6.01 shall, in this regard, be deemed to include not only the ceasing of said violations within the ten (10) day period, but also the full and complete payment of enumerated damages to Landlord. These charges, shall at the option of Landlord, be considered as Additional Rent.

ARTICLE VI

6.01 DEFAULT (a) If Tenant defaults in fulfilling any of the material covenants of this Lease other than the covenants for the payment of Base Rent or Additional Rent, or if the Demised Premises becomes vacant or deserted, then, upon the expiration of fifteen (15) days from Landlord's serving a written notice upon Tenant specifying the nature of such default, if Tenant shall have failed to comply with or remedy such default within such fifteen (15) day period, or if the said default or omission shall be of such a nature that the same cannot be completely cured within said fifteen (15) day period, and if Tenant shall not have diligently commenced curing such default within such period and shall not thereafter with reasonable diligence proceed to cure such default, Landlord may serve a written notice of cancellation of this Lease upon Tenant, and upon the expiration of five (5) business days from the service thereof, this Lease and the term hereunder shall end, and Tenant shall then quit and surrender the Demised Premises to Landlord; but Tenant shall remain liable as hereinafter provided.

(b) (i) If the notice provided for in (a) hereof shall have been given and the term shall expire as aforesaid; or (ii) if Tenant shall default in the payment of the rent reserved herein or any item of Additional Rent herein mentioned or any part of either, or in making any other payment herein provided and shall fail to cure such default within fifteen (15) days of notice thereof; or (iii) if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the Demised Premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant; then, and in any of such events, Landlord may dispossess Tenant or the legal representative of Tenant or other occupant of Demised Premises by summary proceedings and upon execution of a warrant of eviction remove their effects and hold the Demised Premises as if this Lease had not been made. If Tenant shall be in default hereunder prior to the date fixed as the commencement of any renewal or extension of this Lease, Landlord

Lease, Landlord may cancel and terminate such renewal or extension by written notice.

(c) INTENTIONALLY OMITTED.

(d) In the case of any dispossess by summary proceedings, (i) the rent shall become due thereupon and is to be paid upon the time of such reentry, dispossess and/or expiration, together with such expenses as Landlord may incur by reason thereof for legal expenses, attorneys' fees, and/or brokerage in putting the Demised Premises in good order and/or for preparing the same for re-rental; (ii) Landlord may rent the Demised Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease, and may grant concessions or free rent; and (iii) Tenant or the legal representative of Tenant shall also pay Landlord as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent and Additional Rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the Lease or Leases of the Demised Premises for each month of the period which would otherwise have constituted the balance of the term of this Lease. The failure or refusal of Landlord to re-let the Demised Premises or any part or parts thereof or to collect rent therefore shall not release or affect Tenant's liability for damages. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding. Landlord, at Landlord's option, may make such alterations, repairs, replacements and/or decorations in the Demised Premises as Landlord, in Landlord's sole judgment, considers advisable and necessary for the purpose of re-letting the Demised Premises, and the making of such alterations and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy, whether in law or in equity.

(e) In the event Tenant shall fail, after any notice and cure period set forth in this Lease, to comply with or perform any of the covenants, conditions or agreements herein contained on Tenant's part to be performed, Landlord shall have the right (but not be obligated) to perform any such covenants, conditions or agreements, and Tenant agrees to pay to Landlord on demand as Additional Rent hereunder, a sum equal to the amount expended by Landlord in the performance of such covenants, conditions or agreements. In the event Landlord shall perform any such covenants, conditions or agreements, Tenant agrees that Landlord, its agents or employees, may enter the Demised Premises for such purpose and that such entry and such performance shall not constitute an eviction of Tenant, in whole or in part, nor relieve Tenant from the continued performance of all covenants, conditions and agreements of the Lease, and further agrees that Landlord shall not be liable for any claim for loss or damage to Tenant or anyone through or under Tenant, except that Landlord shall in such event take commercially reasonable steps to avoid any such loss or damage.

6.02 NO WAIVER Except as otherwise required by applicable law, the receipt by Landlord of Base Rent or Additional Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount that the rent or Additional Rent then due shall be deemed to be other than on account of full payments, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord's right to recover the balance of such rent or pursue any other remedy provided for by this Lease and/or at law shall not be diminished.

6.03 TENANT'S WAIVER OF JURY TRIAL Landlord and Tenant each hereby waives its right of trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other, or with respect to any issue or defense raised therein, including the right to an advisory jury (except for personal injury or property damage), on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use and occupancy of said premises, including summary proceedings and possession actions, and any emergency statutory or other statutory remedy.

6.04 WAIVER OF REDEMPTION Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause or in the event of Landlord obtaining possession of the Demised Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease, or otherwise. No receipt of monies by Landlord from Tenant after the termination or cancellation of this Lease by summary proceedings or as otherwise provided in this Lease, shall reinstate, continue or extend the term of this Lease, or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of fixed or Additional Rent or rents then due, or thereafter falling due or operate as a waiver of the rights of Landlord to recover possession of the Demised Premises by proper suit, action, proceeding or remedy. It is agreed that, after the service of notice to terminate or cancel this Lease, or the commencement of suit, action or summary proceeding, or any other remedy, or after a final order or judgment for the possession of the Demised Premises, Landlord may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, order or judgment. Any and all such monies collected shall be deemed to be payments towards satisfying Tenant's obligations to Landlord.

6.05 VENUE In the event of any dispute under the terms of this Lease, the parties agree that the venue for settling the dispute will be placed in Richmond County, State of New York and none other.

6.06 REMEDIES CUMULATIVE All the rights and remedies herein given to Landlord for the recovery of the Demised Premises because of the default by Tenant in the payment of any sums which may be payable pursuant to the terms of this Lease, or upon the breach of any of the terms hereof, or the right to re-enter and take possession of the Demised Premises upon the happening of any of the defaults or breaches of any of the covenants, or the right to maintain any action for rent or Additional Rent, or damages and all other rights and remedies allowed at law or in equity, are hereby reserved and conferred upon Landlord as distinct, separate and cumulative remedies,

cumulative remedies, and no one of them, whether exercised by Landlord or not, all be deemed to be in exclusion of any of the others.

ARTICLE VII

7.01 ASSIGNMENT AND SUBLET (a) Tenant shall have the right to assign or sublet the Demised Premises, in whole or in part, with Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed and the consent of the Port Authority which may be withheld only as and to the extent set forth in the Port Authority Lease. Landlord shall respond to Tenant's request for consent within not more than thirty (30) calendar days, and the failure to respond within such time shall be deemed to be consent to the proposed assignment or sublease.

(b) In the event that Tenant shall seek Landlord's permission to assign this Lease or sublet the Demised Premises, Tenant shall provide to Landlord the name, address and financial statement of the proposed assignee or sublessee and such other information concerning such proposed assignee or sublessee as Landlord may require. It shall be a condition to any consent by Landlord to an assignment or subletting that Tenant shall accompany such request with a certified check in the amount of Two Thousand Five Hundred and 00/100 Dollars ($2,500.00) to reimburse Landlord for reasonable legal expenses for the review and preparation of legal documents if there are no changes in the primary lease. Landlord shall be the liaison to procure the consent, or denial, of the Port Authority using commercially reasonable efforts to facilitate the application for said consent to the appropriate administrative offices of the Port Authority.

(c) In the event that Tenant shall at any time during the term of this Lease sublet all or any part of the Demised Premises, either with the consent of Landlord or the Port Authority as herein provided or without the consent of Landlord or the Port Authority, then, and in such event, it is hereby mutually agreed that Tenant shall nevertheless remain fully liable under all the terms, covenants and conditions of this Lease including, but not limited to, the provisions for the payment of rent. Tenant's liability hereunder shall be continuing and shall in no way be affected, modified or diminished by reason of (i) any subsequent subletting, renewal, modification or extension of this Lease, or (ii) any modification or waiver of or change in any of the terms, conditions and covenants of this Lease, or (iii) any extension of time that may be granted by Landlord to any sublessee, its successors or assigns, or (iv) a changed or different use of the Demised Premises consented to in writing by Landlord, or (v) any dealings, transactions, or matters occurring between Landlord and said sublessee, its successors or assigns whether or not notice thereof is given to Tenant. If this Lease or any part thereof be subleased or occupied by anybody other than Tenant, Landlord may collect from the sublessee or occupant any rent or other charges payable by Tenant under this Lease and apply the amount collected to the rent and other charges herein reserved, but such collection by Landlord shall not be deemed an acceptance of the sublessee or occupant as a tenant nor a release of Tenant from performance by Tenant under this Lease.

(d) Landlord shall not unreasonably withhold, condition or delay its consent to an assignment or sublease of this Lease in connection with a bona fide sale of Tenant's business

(conducted at the Demised Premises), provided (i) the assignee assumes in writing the performance and observance of all the terms, covenants and conditions of this Lease on the part of Tenant to be performed and observed; (ii) the assignee shall conduct its business in accordance with the permitted uses or such other use as Landlord may approve; (iii) the assignee shall have a certified (by a certified public accountant) net worth equal to or greater than the net worth of Tenant at the time of the assignment; and (iv) a duplicate original of the assignment and assumption is delivered to Landlord within five (5) days after its execution.

(e) In the event of any sale, assignment, sublease or other transfer of this Lease either by consent, court or administrative proceeding, or otherwise, whereby the rent and/or additional rent provided for in said assignment, sublease or other transfer exceeds, after subtracting therefrom all costs and expenses incurred by Tenant in connection with or in furtherance of such sale, assignment, sublease or other transfer, the Base Rent and/or Additional Rent payable by Tenant to Landlord as provided in this Lease ("Excess Rent"), then one-half of the Excess Rent shall be due and payable to Landlord, at the times paid by the purchaser/assignee/sublessee/transferee, in addition to Base Rent and Additional Rents provided for in this Lease. This provision shall be binding upon Tenant, Tenant's representatives, and Tenant's transferees.

(f) Tenant shall not assign this Lease or sublease any portion of the Demised Premises to a then current Tenant of the Building, the Teleport or the Corporate Park of Staten Island.

ARTICLE VIII

8.01 LANDLORD'S INTEREST IN PREMISES; PORT AUTHORITY CONSENT

(a). Landlord represents and warrants that it is the holder of the entire ground leasehold interest in the Property, including the Land and Building, equipment, fixtures and all other personal property appertaining thereto, and including the Demised Premises, free and clear of all tenancies, occupancies, restrictions, covenants, easements, liens, encumbrances and any other exceptions, other than this City Lease (as defined below) and The Port Authority Lease (as defined below), existing leases or other occupancy agreements which are not inconsistent with and do not adversely affect any rights of Tenant under this Lease. This Lease is subject to and subordinate to the Port Authority Lease and the City Lease. For purposes of the foregoing, (i) the term **"The Port Authority Lease"** means that certain lease dated as of July 8, 1985 between Landlord's successor in interest Teleport Associates and The Port Authority of New York and New Jersey (the **"The Port Authority"**), a true and complete copy of which, together with all amendments thereto, has been previously delivered by Landlord to Tenant, and (ii) the term the **City Lease"** means that certain lease dated as of May 15, 1984, as amended, between The City of New York and The Port Authority. Landlord agrees that it will not exercise any power to amend The Port Authority Lease or permit any amendment to occur therein pursuant to any power of amendment reserved therein or otherwise which is inconsistent with or adversely affects any rights or obligations of Tenant under this Lease.

(b) This Lease is subject to the consent of The Port Authority pursuant to The Port Authority Lease. Landlord shall provide fully conformed copies of this Lease to the Port

Authority as expeditiously as possible and use its best efforts to promptly obtain The Port Authority's consent. The parties hereto agree to cooperate and use commercially reasonable efforts to obtain said consent.

(c) Tenant shall (i) observe, be bound by and comply with all of the terms, provisions, covenants and conditions of the Port Authority Lease affecting its operations in connection with this Lease and its occupancy of the Premises; (ii) use the space it occupies for the purpose set forth in this Lease and for no other purpose whatsoever; (iii) pay directly to the Port Authority on written demand any rental, fee, charge or other amount due to the Landlord under this Lease.

(d) This Lease shall: (i) be subject and subordinate to the terms covenants, conditions and provisions of the City Lease, the Port Authority Lease and the rights of the Port Authority thereunder; (ii) not be changed or modified, discharged or extended without the prior written approval of the Port Authority; and (iii) terminate and expire without notice to the Tenant on the day preceding the date of expiration of the City Lease or the Port Authority Lease or on such earlier date as the Landlord and Tenant may agree upon, or on the effective date of any revocation of the Port Authority consent.

8.02 TENANT'S ESTOPPEL Within ten (10) days after request therefore by Landlord, Tenant agrees to deliver in recordable form a certification to The City of New York, the Port Authority or any proposed mortgagee or purchaser, certifying (if such be the case) that this Lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Tenant. In the event that Tenant fails to comply with its obligation under this paragraph 8.02, Landlord is hereby appointed Tenant's attorney in fact for the limited purpose of executing the estoppel certificate requested by it.

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

8.04 NON-DISTURBANCE AGREEMENT. Landlord shall make reasonable efforts to secure a non-disturbance agreement, upon standard terms and conditions, in Tenant's favor from its existing mortgagee and any future mortgagee during the Term of this Lease.

ARTICLE IX

9.01 RESTORATION (a) Tenant must give Landlord prompt notice of fire, accident, damage or dangerous or defective condition. If the entire Demised Premises cannot be used because of fire or other casualty, Tenant is not required to pay rent for the time the Demised Premises are unusable. If part of the Demised Premises cannot be used, Tenant must pay rent for the usable part. If, however, the fire or other casualty is caused by any negligent act, omission or failure to comply with any covenant or condition of this Lease by Tenant, Tenant's employees or invitees, Tenant must pay the full rent with no adjustment. Should Landlord opt to rebuild as provided for in paragraph (b) of this section, Landlord need only repair the damaged structural parts of the Demised Premises. Landlord is not required to repair or replace any equipment, fixtures, furnishings or decorations. Landlord is not responsible for delays due to settling insurance claims, obtaining estimates, labor and supply problems or any other cause not fully under Landlord's control.

(b) Landlord has the right to demolish or rebuild the Building if it is substantially destroyed and cannot, in Landlord's reasonable opinion, be restored within 180 days of the date of the fire or other casualty. Landlord may cancel this Lease within thirty (30) days after the substantial fire or casualty by giving Tenant notice of Landlord's intention to demolish or rebuild.

It is expressly agreed between the parties that the decision as to whether or not repairs shall be made or this Lease be terminated shall be in the sole discretion and option of Landlord, and the parties agree that the decision of Landlord in regard to whether or not same should be repaired is not subject to review by any agency or court, and the decision of Landlord in this regard shall be final and binding upon the parties and is deemed a negotiated condition in this Lease.

The Lease will end thirty (30) days after Landlord's cancellation notice to Tenant. Tenant must deliver the Demised Premises to Landlord on or before the cancellation date in the notice and pay all rent due to the date of the fire or casualty. The cancellation does not release Tenant of liability in connection with the fire or casualty. This section is intended to replace the terms of New York Real Property Law Section 227.

(c) Tenant shall have no entitlement or right to any insurance proceeds payable to Landlord as a result of damage to the Building.

(d) Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease in the event of damage to the Building.

(e) Whether destruction is partial or total, Tenant shall, on demand of Landlord, remove its stock fixtures and equipment to facilitate Landlord's restoration or other use of the Demised Premises.

(f) If Landlord does not terminate this Lease in accordance with paragraph 9.01(b), then Landlord shall repair and restore the Demised Premises. If Landlord fails to complete such repairs to the Premises within 180 days from the date of damage, then Tenant shall have the right to terminate this Lease following 30 days written notice given after such 180 day period; provided, however, if Landlord completes such repairs prior to the expiration of the 30 day notice period, Tenant's right to terminate shall be null and void.

9.02 EMINENT DOMAIN (a) If the whole of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use or purpose, then, and in that event, the term of this Lease shall cease and terminate upon the date of title vesting in such proceeding.

(b) If part of the Demised Premises shall be acquired or condemned by Eminent Domain or otherwise for any public or quasi-public use, the minimum rental to be paid hereunder shall be apportioned on the basis of the floor area so taken. In the event such partial taking shall exceed fifty (50%) percent of said floor area, this Lease may be canceled by Tenant upon the giving of five (5) days notice within twenty (20) days from the date title shall vest in the condemning authority.

(c) In no event shall Tenant have a claim for or be entitled to the value of any unexpired term of this Lease nor otherwise be entitled to any part of the award paid for such condemnation, and Landlord is to receive the full amount of such award. Tenant hereby expressly waives any right or claim to any part thereof.

ARTICLE X

10.01 SIGNS a) Tenant acknowledges that it shall have no right to affix any sign to the Demised Premises or its windows or doors, or to any part of the common areas of the Building or to the Building Landlord shall have the right to remove any sign affixed to the Building or Demised Premises by Tenant. Tenant further covenants and agrees that no awnings or other projections shall be attached to the outside walls or windows of the Building and that no curtains, blinds, shades or screens shall be attached to or hung in any window or door except as approved by Landlord. Tenant shall have no right to affix any sign in the Demised Premises which may be visible through any of the windows located in or about the Demised Premises. Landlord shall provide signage at the entrance to the Demised Premised and in the Building Lobby at Landlord's sole cost and expense.

b) In the event Landlord or Landlord's representatives shall deem it necessary to remove any Tenant sign or signs in order to paint or to make any other repairs, alterations or improvements in or upon said Demised Premises, or the Building wherein same is situated, or any part thereof, the Landlord shall have the right to do so, provided the same shall be removed and replaced at Landlord's expense whenever the said repairs, alterations or improvements shall

have been completed. Landlord shall provide Building directory in lobby for Tenant and its subtenant's use.

ARTICLE XI

11.01 LANDLORD'S COVENANT OF QUIET ENJOYMENT Subject to the terms of the City Lease and the Port Authority Lease, Landlord covenants and agrees with Tenant that upon Tenant paying the Base Rent and Additional Rent and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Demised Premises hereby demised, subject, nevertheless, to the terms and conditions of this Lease and to any ground Leases underlying the Lease and mortgages herein mentioned or provided for. Landlord shall make reasonable efforts to secure a non-disturbance agreement, upon standard terms and conditions, in Tenant's favor from its existing ground lessor and any future ground lessor during the Term of this Lease.

11.02 NO WASTE Tenant shall not commit or suffer to be committed any waste upon the Demised Premises or any nuisance which may disturb the quiet enjoyment of any other Tenant in the Building, or anywhere within five hundred feet of the boundaries of the Building.

11.03 SURRENDER Anything herein to the contrary notwithstanding, upon the termination of this Lease and vacating of the Demised Premises, Tenant agrees to leave the Demised Premises broom clean and in good repair, excepting reasonable wear and tear. The failure of Tenant to remove any fixtures or other property that it is permitted to remove at the termination of the term of this Lease shall be deemed abandonment of such property, at the option of Landlord.

11.04 HOLDOVER Any holding over after the expiration of the term hereof or renewal term, with the consent of Landlord, shall be constructed to be a tenancy from month to month at a rate equal to 150% of the rent herein last specified, or in an amount specified by Landlord, provided notice of same is given by Landlord to Tenant at least thirty (30) days prior to the termination of the original, Lease term or thirty (30) days prior to the termination of any renewal term, and all obligations of Tenant contained herein shall apply during the holdover period. Nothing contained herein shall, be construed as authorization or consent for Tenant to hold over beyond the expiration of the term of this Lease.

11.05 BROKER Landlord and Tenant represents each to the other that no broker brought about this agreement and each agrees to indemnify and hold the other harmless from any claim for commission or compensation by any other broker in connection herewith and to defend any such claim at its sole cost and expense.

11.06 COVENANTS The provisions of this Lease are to be construed as covenants and all the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators and assigns.

11.07 NOTICES All notices, requests, demands, consents, approvals and other communications (hereinafter individually and collectively called "Notices") required or permitted to be served or

given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested or by a reputable national overnight courier service, postage prepaid, or by hand delivered addressed to the parties at their addresses set forth below:

Landlord:	The Corporate Commons of Staten Island, LLC 1110 South Avenue Staten Island, New York 10314
with a copy to:	Kudman Trachten Aloe LLP 350 Fifth Avenue, Suite 4400 New York, New York 10118
Tenant:	CBN Student Services, LLC 1200 South Avenue Staten Island, New York 10314 Attn.: Mr. Mario Lupia
with a copy to:	Zetlin & De Chiara LLP 900 Merchants Concourse, Suite 405 Westbury, New York 11590 Attn.: Lina G. Telese, Esq.

Notice shall be deemed given as follows: (a) in the case of notice given by registered or certified mail, three business days after mailing; (b) in the case of notice given by overnight courier, one business day after mailing; and (c) in the case of notice given by hand delivery, upon the receipt or refusal to accept same.

11.08 CAPTIONS The captions, article numbers, marginal notes and index appearing in this Lease are inserted only as a matter of convenience, and in no way define, limit, describe of affect the scope or intent of this Lease.

11.09 DEFINITIONS (a) The term "Landlord" as used in this Lease means only the owner or the mortgagee in possession for the time being of the land and Building (or the owner of the Lease of the Building or of the land and Building) of which the Demised Premises form a part, so that in the event of any sale or sales of said land and Building or of said Lease, or in the event of a Lease of said Building, or the land and Building, Landlord as named in this Lease shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder, provided that the successor landlord assumes this Lease and all of Landlord's obligations thereunder in writing and notice thereof furnished to Tenant. The words "re-enter" and "re-entry" as used in this Lease are not restricted to their technical legal meaning.

(b) The use of the neuter singular pronoun to refer to Landlord or Tenant shall, nevertheless, be deemed a proper reference even though Landlord and/or Tenant may be an individual, a corporation, a partnership or a group of two or more individuals or corporations.

11.10 RESOLUTION OF BOARD OF DIRECTORS In the event that Tenant, under this Lease, is a corporation, Tenant agrees to provide within thirty (30) days after execution of said Lease a resolution of the Board of Directors of Tenant corporation approving the execution of this Lease. In the event that Tenant fails to provide the aforementioned, Landlord shall, at its option, have the right to terminate this Lease on ten (10) days notice to Tenant provided Tenant does not cure same within 10 days after notice is rendered.

11.11 RECORDING Tenant covenants not to place this Lease or any memorandum of this Lease on record without the prior written consent of Landlord.

11.12 INVALIDITY OF PARTICULAR PROVISION If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

11.13 ENTIRE AGREEMENT This Lease contains the entire agreement between the parties with respect to the subject matter hereof, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

11.14 GOVERNING LAW This Lease, its provisions, or any dispute arising hereunder, shall be governed by the laws of the State of New York.

11.15 HAZARDOUS MATERIALS/ENVIRONMENTAL LAWS (a) "Hazardous Materials" include substances (I) which require remediation under any Environmental Laws; or (ii) which are or become defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any Environmental Laws; or (iii) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic or mutagenic; or (iv) which contain petroleum hydrocarbons, polychlorinated biphenyls, asbestos, asbestos containing materials or urea formaldehyde.

(b) "Environmental Laws" mean all applicable present and future statutes, regulations, rules, ordinances, codes, permits or odors of all governmental agencies, department, commission, boards, bureaus, instrumentalities of the United States, states and their political subdivisions and all applicable judicial, administrative and regulatory decrees and judgments relating to the protection of public health or safety or of the environment.

(c) "Environmental Damages" means all claims, judgments, losses, penalties, fines, liabilities, encumbrances, liens, costs and reasonable expenses of investigation, defense or good faith settlement resulting from violations of Environmental Laws, and including, without limitation: (i) damages for personal injury and injury to property or natural resources; (ii) reasonable fees and disbursements of attorneys, consultants, contractors, experts and laboratories; and (iii) reasonable costs of any cleanup, remediation, removal, response, abatement,

abatement, containment, closure, restoration or monitoring work required by any Environmental Law and other reasonable costs reasonably necessary to restore full economic use of the Demised Premises or the Building or the project.

(d) Tenant agrees to indemnify, defend and hold Landlord harmless against any Environmental Damages incurred by Landlord arising from Tenant's breach of paragraph (e) below. Landlord agrees to indemnify, defend and hold Tenant harmless against any Environmental Damages incurred by Tenant arising from Landlord's breach of paragraph (e) below. The obligations of both parties in this paragraph shall survive termination of this Lease and the discharge of all other obligations owed by the parties to each other under this Lease. Landlord warrants and represents that the Property, the Building and the Demised Premises (and any Expansion Space) do not and will not contain any Hazardous Materials, including but not limited to asbestos and/or PCBs. In the event that any Hazardous Materials are found in the Property, Building and/or Demised Premises, Landlord shall, at Landlord's sole cost and expense, remove same in compliance with all applicable laws, rules and/or ordinances concerning the removal and/or disposal of same. Landlord agrees to indemnify, defend and hold Tenant harmless from any and Environmental Damages arising from the presence of any Hazardous Materials in and around the Property, Building and/or Demised Premises, including but not limited to, Tenant's reasonable costs and attorney's fees.

(e) Landlord and Tenant shall (i) comply with all Environmental Laws; (ii) not cause or permit any Hazardous Materials to be treated, stored, disposed of, generated, or used in the Demised Premises, building or project; provided, however, that Landlord and Tenant may each store, use or dispose of products customarily found in offices and used in connection with operation and maintenance of property if each complies with all Environmental Laws and does not contaminate the Demised Premises, building, project, or environment; and (iii) promptly after receipt, deliver to the other party a copy of communication concerning any past or present, actual or potential violation of Environmental Laws or liability of either party for Environmental Damages.

11.16 AMERICANS WITH DISABILITES ACT: Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant agree that responsibility for compliance with the Americans With Disabilities Act of 1990 (the "ADA") shall be allocated as follows: (i) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for all Common Areas, including exterior and interior areas of the Building; (ii) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises if such construction, renovations, alterations or repairs are made by Landlord at Landlord's request and sole expense for the purpose of improving the Building generally, and (iii) Tenant shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises during the term of the Lease after the initial tenant improvement work.

11.17 CONFIDENTIALITY: Landlord and Tenant hereby agree that the terms of this agreement are confidential and may not be disclosed to any third party without the consent of the other.

ARTICLE XII

12.01 RULES AND REGULATIONS Tenant covenants and agrees with Landlord to obey, in all respects, the following rules and regulations, which Landlord hereby agrees to promulgate and apply equitably and without discrimination among the Tenant and all other tenants in the Building:

(1) Tenant agrees to comply with any reasonable rules and regulations to be promulgated by The Port Authority pertaining to security requirements regarding entry to the Corporate Commons.

(2) The delivery, shipping, loading or unloading of furniture, supplies and fixtures to and from the Demised Premises shall be subject to such rules and regulations as in the judgment of Landlord are necessary for the proper operation of the Building.

(3) No loudspeakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the Demised Premises without the prior written consent of Landlord;

(4) Freight, furniture, business equipment, merchandise or bulky matter of any description shall be delivered to and removed from the Demised Premises only before or after business hours and in a manner approved by Landlord, unless otherwise approved by Landlord in writing. Tenant shall not move any such freight, furniture, business equipment, merchandise or bulky matter of any description on any elevator without the use of elevator wall padding as well as protective floor coverings in the hall ways. The sidewalks, entrances, parking fields, driveways, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than for ingress or egress from the Demised Premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Landlord. There shall not be used in any space, or in the public hall of the Building, either by any Tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards. Landlord reserves the right to require Tenant to use all reasonable measures to protect the floors and walls of the Building during Tenants moving any equipment or furniture in and out of the Building.

(5) Tenant shall keep the Demised Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures;

(6) The plumbing facilities shall not be used for any other purposes than that for which they are constructed, and no foreign substance of any kind shall be thrown therein;

(7) No auction, fire, bankruptcy, selling-out sales, or sidewalk sales shall be conducted on or about the Demised Premises without prior written consent of Landlord;

(8) Tenant shall not permit any unlawful practice or business to be carried on or committed upon the Demised Premises;

(9) Tenant shall not use the Demised Premises for any purpose or in any manner whatsoever which creates a nuisance or injures the reputation of the Building;

(10) Tenant shall not bring or permit to be brought or kept in or on the Demised Premises, any inflammable, combustible or explosive fluid, material, chemical or substance, or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors to permeate in or emanate from the Demised Premises;

(11) Tenant shall not bring or permit to be brought in the Building or kept in or on the Demised Premises any pet, except for pets used for medical and or disability assistance purposes.

(12) Tenant shall provide access to the Demised Premises to Landlord or Landlord's designated exterminating service, at reasonable times and upon reasonable notice (at least one business day except in case of emergency) for the purpose of providing exterminating services in connection with the Demised Premises or the Building;

(13) Landlord reserves the right to refuse admission during or outside of ordinary business hours to the Building and the Demised Premises to any person not known to any watchman in charge or properly identified; to eject any person from the Building whose conduct may tend to be harmful to the safety and interests of Tenants and the property therein; to close any part of the Building during any riot or other commotion where person or property may be imperiled; all of the foregoing to be without liability to Landlord;

(14) Tenant shall comply with all further rules and regulations for the use and occupancy of the Building and Common Areas as Landlord from time to time promulgates for the best interests of the Corporate Commons, provided that if Tenant disputes the reasonableness of any future rule or regulation, Tenant shall so notify Landlord within ten (10) days after the promulgation thereof and the dispute shall be settled by arbitration by and in accordance with the rules then existing of the American Arbitration Association. Landlord shall have no liability for the violation of any other tenant of any rules or regulations nor shall such violation or the waiver thereof excuse Tenant from compliance.

IN WITNESS WHEREOF, Landlord and Tenant have duly signed and sealed this Lease as of the day and year first above written.

LANDLORD:

Witness for Landlord: The Corporate Commons of Staten Island, LLC

By_____
Richard Nicotra, Member

TENANT:
CBN Student Services, LLC

Witness for Tenant:

By_____
Luciano Rammairone

EXHIBIT A - DESCRIPTION OF DEMISED PREMISES

EXHIBIT B - LANDLORD'S WORK

Landlord shall deliver the Premises to Tenant for the beneficial occupancy of Tenant in broom clean condition with all building systems fully operations, demised and separate double door entry from the public corridor.

Landlord shall install a separate sub meter for utilities, gas and electric, with separate electrical service the Premises; provide independent HVAC controls; paint the entire Premises one color (standard white) and replace all carpeted areas with building standard new carpeting.

Landlord shall bring plumbing lines to the Premises to service one sink and will construct one closet/data room in a location to be determined by Landlord and Tenant.

Landlord shall remove all terminated, non-working cable within the Demised Premises.

EXHIBIT C

All flooring swept daily.
All carpeted areas and rugs carpet-swept daily and vacuumed weekly.
All private stairways swept daily.
Waste paper baskets, ashtrays, receptacles, etc. emptied and cleaned daily and damp dusted when necessary.
Cigarette urns cleaned daily and sand or water replaced when necessary.
All furniture, fixtures and window sills dusted and wiped clean daily.
All glass furniture tops cleaned daily.
All water fountains washed clean daily.
Slop sink rooms cleaned daily.
Remove waste paper and waste materials to a designated area or areas, ready for removal by rubbish contractor daily.
Do all high dusting quarterly, including the following:
Dust all pictures, frames, charts, graphs and panel wall hangings not reached in daily cleaning.
Dust all vertical surfaces such as walls, partitions, ventilating louvers and other surfaces not reached in daily cleaning.
Dust all lighting fixtures (exterior only).
Dust all overhead pipes, sprinklers, etc.
Dust all Venetian blinds and window frames.
Exterior window washing twice per year.

Second Modification and Amendment of Lease

This Second Modification and Amendment to Lease (the "Second Amendment") made by and between **THE CORPORATE COMMONS OF STATEN ISLAND, LLC** ("Landlord") having an office at 1110 South Avenue, Staten Island, New York 10314 and **CBN STUDENT SERVICES, LLC** ("Tenant"), having an office at 1200 South Avenue, Staten Island, New York 10314;

Whereas, Landlord and Tenant desire to modify and amend a certain Lease between them for the Premises known as Suite 202 at Corporate Commons Two, 2 Teleport Drive, South Avenue, Staten Island, New York (the "Premises" or "Suite 202"), dated July 31, 2009 as modified by a certain First Modification and Amendment to Lease dated September ___, 2009 (collectively the "Lease");

Whereas, the parties have agreed that the Tenant desires to let an additional 3,204 rentable square feet immediately adjacent to the Suite 202 and Landlord is willing to rent said additional space to Tenant pursuant to the terms of the Lease as amended by this Second Modification and Amendment to Lease.

Now Therefore, in consideration of the mutual covenants exchanged herein and other valuable consideration, the Landlord and Tenant agree as follows:

1. In the event of any inconsistency between the terms or provisions of this First Amendment and the terms of the Lease, the terms of this Second Amendment shall control.

2. Paragraph 1.01 of the Lease shall be modified and amended effective June 1, 2010 by increasing the rentable square footage of he Premises by adding Suite 201 consisting of approximately 3,204 rentable square feet a floor plan is annexed hereto as Exhibit A (hereinafter the "Additional Space") thereby bringing the total square footage of the Demised Premises to 9,599 rentable square feet. 9,959

3. Effective the earlier of (i) Tenant's opening for business or (ii) July 1, 2010 (the "Additional Space Commencement Date") Tenant shall pay Net Rent as follows

   (a) From the Additional Space Commencement Date through November 8, 2012, the Tenant shall pay the sum of $198,682.05 per annum; in equal installments of $16,556.84 per month, equivalent to $19.95 per rentable square foot; and

   (b) From November 9, 2012 through November 8, 2014 (the date that is co-terminus with the Lease Termination Date for Suite 202) then Tenant shall pay the sum of $208,641.05 per annum; in equal installments of $17,386.75 per month, equivalent to $20.95 per rentable square foot.

4. In the event the Additional Space Commencement Date is not on the first day of the month and when the Net Rent changes during November 2012 and at the end of the Lease, Tenant shall pay Net Rent on a per diem basis at the Net Rental amounts as set forth above.

5. Paragraph 3.03 of the Lease shall be modified and amended such Tenant's proportionate share shall be increased to six (6%) percent.

6. (a) Provided Tenant is not in default of this Lease beyond any period provided by this Lease for the curing of such default, Tenant shall have the right and option to terminate the Lease for the Additional Space only after the end of the first year (after June 1, 2011). Tenant may exercise its option to terminate the Lease as to the Additional Space only if Tenant gives Landlord written notice of its intention to terminate delivered by hand or by certified mail return receipt requested to Landlord at least six (6) months prior to said termination, but in no event prior to June 1, 2011.

   (b) Should Tenant exercises its option to terminate this Lease for the Additional Space only as set forth above, then the Net Rent and Proportionate Share shall revert back to the original numbers prior to the Additional Space Commencement Date, provided Tenant delivers the Additional Space to Landlord vacant and broom clean and otherwise in the condition required by the Lease. Moreover, Tenant shall allow Landlord access to Suite 202 to demise the pass through between the Additional Space and Suite 202 as anticipated by paragraph 8(d) below.

7. Landlord acknowledges and Tenant agrees to comply with all occupancy regulations and not allow more than 34 persons to occupy the Additional Space on a regular and customary basis.

8. Landlord agrees at to do the following work at its sole cost and expense:

   (a) Demise and secure the Premises in accordance with New York City Building Code
   (b) Paint the entire Additional Space building standard white to match the existing Suite 202
   (c) Replace existing carpeting in the Additional Space with carpeting that matches or is complimentary to the carpeting in Suite 202.
   (d) ~~Construct a pass through opening between the Additional Space and Suite 202.~~

9. All capitalized terms used herein but not otherwise defined shall have the meaning defined in the Lease. All other terms and provisions of the Lease shall remain in full force and effect.

This First Modification and Amendment of Lease is signed and effective as of the 25 day of May 2010.

THE CORPORATE COMMONS
OF STATEN ISLAND, LLC

By: _____
Richard Nicotra
Managing Member

CBN STUDENT SERVICES, LLC

By: _____
Mario Lupia
Chief Operating Officer