NEW ISSUE - Book-Entry-Only **Ratings:** See "RATINGS" herein

In the opinion of Winston & Strawn LLP, Bond Counsel, based on existing statutes, regulations, rulings and court decisions, interest on the Series 2012 Liberty Bonds is not includable in gross income for federal income tax purposes and is not includable in taxable income for purposes of personal income taxes imposed by the State of New York, The City of New York and the City of Yonkers, New York, assuming compliance with certain covenants and the accuracy of certain representations, except that no opinion is expressed as to the exclusion from such gross income and such taxable income of interest on any Series 2012 Liberty Bond during the period that such Series 2012 Liberty Bond is held by a "substantial user" of the facilities refinanced by the Series 2012 Liberty Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Series 2012 Liberty Bonds is not an "item of tax preference" for purposes of the federal alternative minimum tax on individuals and corporations; however, interest on the Series 2012 Liberty Bonds is includable in the calculation of adjusted current earnings for purposes of calculating the alternative minimum tax imposed on corporations (but not individuals). See "TAX MATTERS" herein.

NEW YORK LIBERTY DEVELOPMENT CORPORATION

$450,290,000
NEW YORK LIBERTY DEVELOPMENT CORPORATION
Liberty Revenue Refunding Bonds, Series 2012
(7 World Trade Center Project)

Dated: Date of Delivery **Due:** March 15 and September 15, as shown on inside facing cover page

New York Liberty Development Corporation (the "Issuer") is issuing its $450,290,000 Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project) (the "Series 2012 Liberty Bonds"), consisting of $313,100,000 Series 2012, Class 1 (the "Class 1, Series 2012 Liberty Bonds"), $108,000,000 Series 2012, Class 2 (the "Class 2, Series 2012 Liberty Bonds"), and $29,190,000 Series 2012, Class 3 (the "Class 3, Series 2012 Liberty Bonds"), under and pursuant to an Indenture of Trust, as supplemented by a First Supplemental Indenture of Trust (collectively, the "Indenture"), between the Issuer and The Bank of New York Mellon, as Indenture Trustee (the "Indenture Trustee"), for the purpose of providing a portion of the funds to refund in whole the Prior Bonds, as defined herein. The proceeds of the Prior Bonds were used to finance a portion of the development and construction of floors 10 through 52 (the "Facility") comprising 1,728,844 square feet of net rentable area of commercial office rental space of that certain 52-story building located at the World Trade Center site in New York City known as 7 World Trade Center (the "Building"). The Facility is owned by The Port Authority of New York and New Jersey (the "Port Authority"), and leased to 7 World Trade Center II, LLC, a Delaware limited liability company (the "Borrower"). The proceeds of the Series 2012 Liberty Bonds will be loaned by the Issuer to the Borrower (the "Liberty Bonds Loan") pursuant to a Liberty Bonds Loan Agreement between the Issuer and the Borrower (the "Liberty Bonds Loan Agreement"), and used, together with other funds provided by the Borrower, to refund in whole the Prior Bonds. The Borrower will be obligated under the Liberty Bonds Loan Agreement and the related Liberty Bonds Promissory Note of the Borrower (the "Liberty Bonds Note") to make loan payments in amounts with respect to the principal or Redemption Price of, Sinking Fund Installments for, and interest on the Series 2012 Liberty Bonds as the same become due.

Concurrently with the issuance of the Series 2012 Liberty Bonds, the Borrower will enter into a separate loan (the "CMBS Loan") in a principal amount equal to $125,000,000, having a final maturity of March, 2019, for the purposes, among others, of retiring certain mezzanine debt relating to the Facility. To secure the Borrower's obligations under each of the Liberty Bonds Loan Agreement and the Liberty Bonds Note, and under the CMBS Loan Agreement and the CMBS Note (as each are described herein), the Borrower will enter into a Collateral Agency Agreement (the "Collateral Agency Agreement") with Citibank, N.A., as Collateral Agent (the "Collateral Agent"), and Wells Fargo Bank, National Association, as Cash Management Bank (the "Cash Management Bank"), pursuant to which the Collateral Agent will hold the security granted by the Borrower to the Collateral Agent, including a mortgage on the Borrower's leasehold interest in the Facility and a pledge and security interest in all of the Borrower's personal property and all tenant leases and rental income relating to the Facility. Each of the Liberty Bonds Loan and the CMBS Loan will be administered and serviced pursuant to a Servicing Agreement (the "Servicing Agreement") among Citibank, N.A., as CMBS Trustee, the Indenture Trustee, the Collateral Agent (and also in the capacity as 17g-5 Information Provider), Pentalpha Surveillance LLC, as Operating Advisor, and Wells Fargo Bank, National Association, as Master Servicer and as Special Servicer.

Pursuant to the Servicing Agreement, the Liberty Bonds Loan will have a priority in payment over the CMBS Loan, but the rights of the Indenture Trustee and of the holders of the Series 2012 Liberty Bonds are limited in certain respects as set forth in the Servicing Agreement. As described herein, upon the satisfaction of certain conditions (including a No Downgrade Confirmation and compliance with certain financial tests), Permitted Mezzanine Financing can be incurred without the consent of the holders of the Series 2012 Liberty Bonds. See "PERMITTED MEZZANINE FINANCING AND REFUNDING LIBERTY BONDS" herein. The Indenture provides that among the three Classes of the Series 2012 Liberty Bonds, (y) the Class 1, Series 2012 Liberty Bonds will be senior in payment priority to the Class 2, Series 2012 Liberty Bonds and the Class 3, Series 2012 Liberty Bonds, and (z) the Class 2, Series 2012 Liberty Bonds will be senior in payment priority to the Class 3, Series 2012 Liberty Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS" herein. See also "PLAN OF FINANCE" and "DESCRIPTION OF THE SERVICING AGREEMENT".

The Series 2012 Liberty Bonds will bear interest from their dated date at the rates set forth on the inside facing cover page, payable semiannually on March 15 and September 15, commencing September 15, 2012. The Series 2012 Liberty Bonds are subject to redemption and mandatory tender for purchase as described herein. See "DESCRIPTION OF THE SERIES 2012 LIBERTY BONDS" herein.

The Series 2012 Liberty Bonds will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as "Securities Depository," as herein described, for the Series 2012 Liberty Bonds. Individual purchases of the Series 2012 Liberty Bonds will be made in book-entry-only form, in authorized denominations as described herein. Purchasers will not receive certificates representing their ownership interests in the Series 2012 Liberty Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

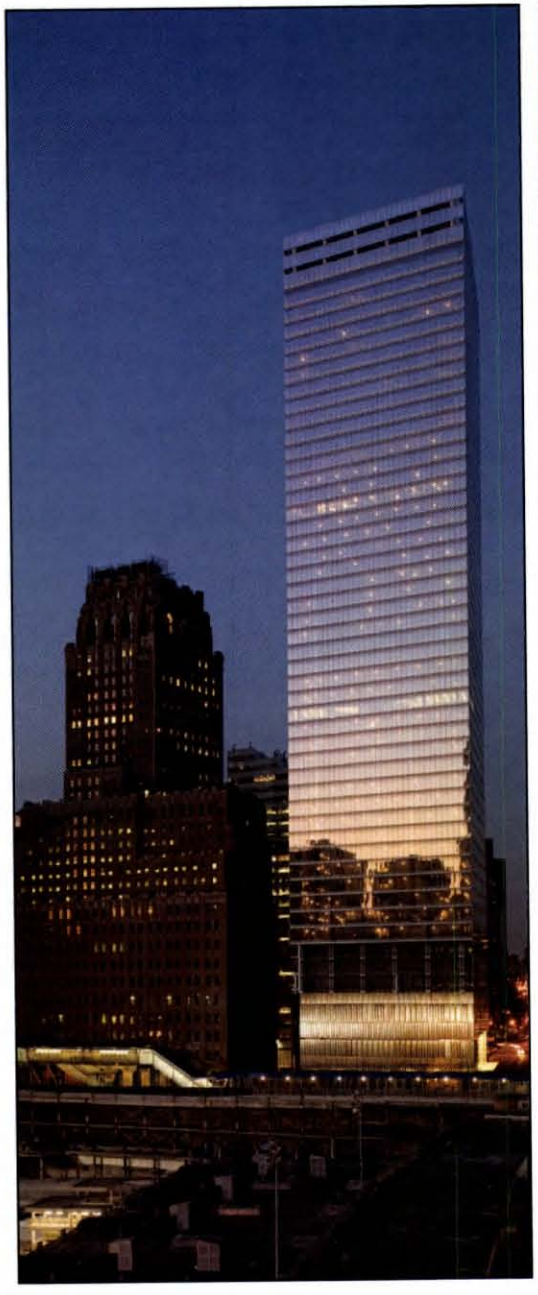
THE SERIES 2012 LIBERTY BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE INDENTURE TRUST ESTATE. THE SERIES 2012 LIBERTY BONDS ARE NOT A GENERAL OBLIGATION OF THE ISSUER. THE SERIES 2012 LIBERTY BONDS ARE NOT A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW YORK, THE NEW YORK JOB DEVELOPMENT AUTHORITY, THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT, OR ANY OTHER AUTHORITY, PUBLIC BENEFIT CORPORATION OR LOCAL DEVELOPMENT CORPORATION, OR ANY MUNICIPALITY OF THE STATE OF NEW YORK. THE ISSUER HAS NO TAXING POWER.

THIS COVER PAGE IS ONLY A BRIEF GENERAL SUMMARY. INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT, INCLUDING THE INFORMATION SET FORTH UNDER THE HEADING ENTITLED "CERTAIN RISK FACTORS," TO OBTAIN ESSENTIAL INFORMATION FOR MAKING AN INFORMED INVESTMENT DECISION.

The Series 2012 Liberty Bonds are offered when, as and if issued by the Issuer and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approving opinion of Winston & Strawn LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its Deputy General Counsel; for the Borrower by its general counsel, Jonathan Knipe, Esq., New York, New York, and its special counsel, Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York; for the Master Servicer and the Special Servicer by its counsel, Alston & Bird LLP, Charlotte, North Carolina; for the Collateral Agent and the 17g-5 Information Provider by its counsel, SNR Denton US LLP, New York, New York; for the Operating Advisor by its counsel, Cadwalader, Wickersham & Taft LLP, New York, New York; and for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, New York, New York. It is expected that the Series 2012 Liberty Bonds will be available for delivery in definitive form in New York, New York on or about April 5, 2012.

J.P. Morgan **B of A Merrill Lynch**
M.R. Beal & Company **Ramirez & Co. Inc.** **Siebert Brandford Shank & Co., L.L.C.**

Dated: March 22, 2012



West New York
Carnegie Hall
General Motors Bldg
Lever House
Seagram Building
Radio City
Rockefeller Center
Polyclinic Hospital
WEST SIDE
Times Square
Grand Central Terminal
EAST SIDE
United Nations
Chrysler Building
Port Authority
GARMENT DISTRICT
Macy's
Empire State Building
Madison Square Garden
NYU Medical Center
Bellevue Hospital
225 Fifth Avenue
CHELSEA
MURRAY HILL
GRAMERCY
MANHATTAN
Union Square
Stuyvesant Town
STUYVESANT TOWN
WEST VILLAGE
NEW YORK
GREENWICH VILLAGE
EAST VILLAGE
Hudson River
East River
LINCOLN TUNNEL
FDR DR
JFK Stadium
Stevens Institute Of Technology
Hoboken
Saint Mary Hospital
WILLIAMSBURG BRIDGE
SOHO
LITTLE ITALY
Tenement Museum
Historic Orchard Street Shopping
LOWER EAST SIDE
HOLLAND TUNNEL
CHINATOWN
TRIBECA
Newport Center
7 World Trade Center
350 Greenwich Street
New York, NY 10007
World Trade Center
New York Downtown Hospital
South Street Seaport
MANHATTAN BRIDGE
BROOKLYN BRIDGE
Brooklyn Support Activity
BROOKLYN QUEENS EXPY
Cumberland Hospital
BROOKLYN
Gallery at Fulton Street
42nd Street
Liberty State Park
MAP © 2012 CARTIFACT, INC., LOS ANGELES, CA

$450,290,000††
New York Liberty Development Corporation
Liberty Revenue Refunding Bonds, Series 2012
(7 World Trade Center Project)

Class	Maturity	Principal Amount	Interest Rate	Price	CUSIP Number†
Class 1	September 15, 2028	$ 18,475,000	5.00%	111.083%	649519CD5
	September 15, 2029	19,410,000	5.00	110.644	649519CE3
	September 15, 2030	20,390,000	5.00	110.206	649519CF0
	September 15, 2031	21,425,000	5.00	110.032	649519CG8
	September 15, 2032	22,510,000	5.00	109.858	649519CH6
	September 15, 2035	73,670,000	4.00	97.763	649519CJ2
	September 15, 2040	137,220,000	5.00	108.136	649519CK9
Class 2	September 15, 2043	$108,000,000	5.00%	103.970	649519CL7
Class 3	March 15, 2044	$29,190,000	5.00%	101.169	649519CM5

† Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are provided solely for the convenience of bondholders only at the time of issuance of the Series 2012 Liberty Bonds and the Issuer and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP numbers for the Series 2012 Liberty Bonds is subject to being changed after the issuance of the Series 2012 Liberty Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2012 Liberty Bonds.

†† See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS" for a discussion of circumstances related to the occurrence or foreseeability of a Mortgage Event of Default under which debt service payments on the Series 2012 Liberty Bonds may be modified.

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IMPORTANT INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Unlawful Offers. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of Series 2012 Liberty Bonds, by any person in any jurisdiction in which such an offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so, or to any person to whom it is unlawful to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the Borrower, the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor (as referred to herein), the Collateral Agent, the 17g-5 Information Provider (as referred to herein) or the Underwriters. ***The CMBS Certificates referred herein are not being offered by this Official Statement.***

Not a Contract; Not Investment Advice. This Official Statement is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this Official Statement and the Series 2012 Liberty Bonds being offered, and any other matter related to this bond issue.

No Guarantee of Information. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion set forth herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Borrower, the Master Servicer, the Special Servicer, the 17g-5 Information Provider, the Operating Advisor or the Collateral Agent, or in any other matter since the date of this Official Statement.

The information set forth herein, other than that set forth under the captions "INTRODUCTION — The Issuer," "THE ISSUER," "LIBERTY BOND PROGRAM" and "ABSENCE OF LITIGATION — The Issuer," has been provided by the Borrower, the Master Servicer, the Special Servicer, the Collateral Agent, the 17g-5 Information Provider or the Operating Advisor, and not by the Issuer. The Issuer has provided the information set forth under the captions "INTRODUCTION — The Issuer," "THE ISSUER", "LIBERTY BOND PROGRAM" and "ABSENCE OF LITIGATION — The Issuer," and makes no representation, warranty or certification as to the adequacy or accuracy of the information set forth elsewhere in this Official Statement.

The order and placement of material in this Official Statement, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Official Statement, including the appendices, must be considered in its entirety.

Reference To Documents. Where statutes, reports, agreements or other documents are referred to herein, reference should be made to such statutes, reports, agreements or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof, and all summaries of such statutes, reports or other documents are qualified in their entirety by reference to such statutes, reports or other documents.

Statements of Expectations. If and when included in this Official Statement, the words "expects," "forecasts", "projects", "intends", "anticipates", "estimates" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and

uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Borrower. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Issuer, the Underwriters and the Borrower disclaim any obligations or undertaking to release publicly any updates or revision to any forward-looking statement contained herein to reflect any change in the expectations of the Borrower with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No Registration. Upon issuance, the Series 2012 Liberty Bonds and related instruments will not be registered under the Securities Act of 1933, as amended, or under any state securities law, and neither the Indenture nor the Collateral Agency Agreement has been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon the exemptions contained in such Acts. The registration, qualification or exemption therefrom of the Series 2012 Liberty Bonds and related instruments in accordance with the applicable securities laws of the jurisdictions wherein the Series 2012 Liberty Bonds may be offered or sold shall not be construed as a recommendation of the Series 2012 Liberty Bonds by any person. The Series 2012 Liberty Bonds will not be listed on any stock or other securities exchange. The Series 2012 Liberty Bonds have not been recommended by any federal or state securities commission or regulatory authority, and neither the Securities and Exchange Commission nor any other federal, state or governmental entity or agency will have passed upon the accuracy or adequacy hereof. Any representation to the contrary may be a criminal offense.

Underwriters Transactions. In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Series 2012 Liberty Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing transactions, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2012 Liberty Bonds to certain dealers and dealer banks and others at prices lower than the public offering prices stated on the inside facing cover page hereof, and said public offering prices may be changed from time to time by the Underwriters.

Purchase of the Series 2012 Liberty Bonds involves risk. Prospective investors should read this entire Official Statement prior to making an investment decision. See "CERTAIN RISK FACTORS" for certain factors that prospective purchasers should consider prior to purchasing any of the Series 2012 Liberty Bonds.

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SUMMARY STATEMENT

The following summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this Official Statement, including the Appendices hereto, and to each of the documents referenced herein. **Purchase of the Series 2012 Liberty Bonds involves risk. See "CERTAIN RISK FACTORS" for certain factors that prospective purchasers should consider prior to purchasing any of the Series 2012 Liberty Bonds.**

Prospective investors should read this entire Official Statement prior to making an investment decision.

Summary of Terms Relating to the Series 2012 Liberty Bonds

This Summary of Terms has been prepared to describe the specific terms of the Series 2012 Liberty Bonds. The information in this Official Statement provides a more detailed description of matters relating to the Series 2012 Liberty Bonds. Capitalized terms used in this Summary of Terms shall have the respective meanings assigned to such terms in this Official Statement.

Issuer	New York Liberty Development Corporation, an instrumentality of the State of New York (the "State"), separate and apart from the State itself, constituting a local development corporation created under the New York Not-for-Profit Corporation Law.
Borrower	7 World Trade Center II, LLC, a Delaware limited liability company, whose sole member is 7 World Trade Center, LLC, a Delaware limited liability company, whose sole member is 7 World Trade Company, L.P., a Delaware limited partnership. The Borrower will not have any significant assets other than the Mortgaged Property while the Series 2012 Liberty Bonds are Outstanding.
Facility	The 10th through 52nd floors, comprising 1,728,844 square feet of net rentable area of commercial office rental space, of a 52-story building in New York City known as 7 World Trade Center (the "Building") on an approximate 58,256 square foot site, together with the Building lobby and a loading dock. The Building is located on the block bounded by Vesey Street, Washington Street, Barclay Street and West Broadway in Downtown Manhattan. The lower part of the Building representing the first 78 feet of elevation is used by Consolidated Edison Company of New York, Inc., a New York State power generation and supply company ("Con Edison"), as an electrical substation and is separately leased by the Port Authority (as hereinafter defined) to Con Edison.
Office Tower Ground Lease	The Facility is leased to the Borrower by its owner, The Port Authority of New York and New Jersey, a municipal corporate instrumentality and political subdivision of the states of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two states, and thereafter consented to by the Congress of the United States (the "Port Authority"), pursuant to a certain Restated and Amended Agreement of Lease between the Port Authority as landlord and the Borrower as tenant (the "Office Tower Ground Lease"). The Office Tower Ground Lease is for an initial term expiring December 31, 2026, which is prior to the final maturity of the Series 2012 Liberty Bonds, but is subject to extension at the option of the Borrower at fair market rentals for a total of three (3) additional 20-year terms for a total term expiring on December 31,

2086, exercisable during the first six months of the last year of each such term. Under the Office Tower Ground Lease and the Liberty Bonds Loan Agreement, the Collateral Agent shall have the right to exercise the extension option in the event the Borrower fails to exercise the option while the Series 2012 Liberty Bonds are Outstanding. See "DESCRIPTION OF THE FACILITY — The Office Tower Ground Lease" and "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE OFFICE TOWER GROUND LEASE" herein.

Reciprocal Easement Agreement

A Reciprocal Easement Agreement between Con Edison and the Borrower provides for the governance of the rights of Con Edison and the Borrower with respect to, among other things, the use, maintenance and insurance of their respective portions of the Building. See "DESCRIPTION OF THE FACILITY — The Reciprocal Easement Agreement" and "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE RECIPROCAL EASEMENT AGREEMENT" herein.

Facility Tenants

As of the date of issuance of the Series 2012 Liberty Bonds (the "Bond Issuance Date"), approximately 95.2% or 1,645,683 rentable square feet of the Facility has been leased by the Borrower to 28 tenants. See "DESCRIPTION OF THE FACILITY" herein.

Bonds Being Offered

Liberty Revenue Refunding Bonds, Series 2012
(7 World Trade Center Project)

Class	Maturity	Principal Amount
Class 1	September 15, 2028	$18,475,000
Class 1	September 15, 2029	19,410,000
Class 1	September 15, 2030	20,390,000
Class 1	September 15, 2031	21,425,000
Class 1	September 15, 2032	22,510,000
Class 1	September 15, 2035	73,670,000
Class 1	September 15, 2040	137,220,000
Class 2	September 15, 2043	108,000,000
Class 3	March 15, 2044	29,190,000

Purpose of Issue

The purpose of the issuance is to provide the Borrower with a portion of the funds to refund in whole the New York City Industrial Development Agency's $425,000,000 Liberty Revenue Bonds, Series A (7 World Trade Center, LLC Project) and its $50,000,000 Liberty Revenue Bonds, Series B (7 World Trade Center, LLC Project) (collectively, the "Prior Bonds"), the proceeds of which were used to finance a portion of the costs of the development and construction of the Facility.

Liberty Bonds Loan

The principal amount of the Series 2012 Liberty Bonds of $450,290,000 will be loaned by the Issuer to the Borrower pursuant to a Liberty Bonds Loan Agreement between the Issuer and the Borrower (the "Liberty Bonds Loan Agreement"), such loan to be further evidenced by a promissory note from the Borrower (the "Liberty Bonds Note"). The liability and obligations of the Borrower under the Liberty Bonds Loan Agreement and the Liberty Bonds Note are not enforceable by a money judgment against the Borrower, except that (y) the Liberty Bonds Note Principal Balance shall be fully recourse to the Borrower upon the occurrence of certain

events (the "Borrower's Full Recourse Events"), and (z) the Borrower shall be personally liable for any Losses arising out of or in connection with certain enumerated Borrower's Recourse Liabilities such as fraud or willful misconduct. Larry A. Silverstein (the "Guarantor"), a beneficial owner of the Borrower, will execute a Liberty Bonds Joinder (the "Liberty Bonds Joinder") to the Liberty Bonds Loan Agreement pursuant to which the Guarantor will agree to be jointly and severally liable with the Borrower (y) for the payment of the Liberty Bonds Note Principal Balance upon the occurrence of any of the Borrower's Full Recourse Events, and (z) for the payment of Losses arising out of or in connection with the Borrower's Recourse Liabilities and its related liabilities and obligations (the Liberty Bonds Joinder being a guaranty of full and complete payment and not of collectability). *No information is provided in this Official Statement with respect to the net worth, liquidity or financial condition of the Guarantor, and no representation, warranty or covenant is made with respect to the Guarantor by either the Issuer or the Underwriters. Further, the Guarantor will not be obligated pursuant to the Liberty Bonds Joinder to maintain any minimum net worth or liquidity.*

CMBS Loan

Concurrently with the issuance of the Series 2012 Liberty Bonds, a loan in a principal amount equal to $125,000,000 (the "CMBS Loan") will be made to the Borrower by 7 WTC CMBS Lender, LLC, a Delaware limited liability company affiliated with the Borrower (the "CMBS Lender") pursuant to a CMBS Loan Agreement between the CMBS Lender and the Borrower (the "CMBS Loan Agreement"), such loan to be further evidenced by a promissory note from the Borrower (the "CMBS Note"). The proceeds of the CMBS Loan will be used to fund a portion of the costs of refunding the Prior Bonds and making available funds to retire certain outstanding mezzanine debt related to the Building. The CMBS Loan will be fully amortizing commencing on the payment date in April, 2013, and maturing on the payment date in March, 2019. Certain characteristics of the CMBS Loan and the Mortgaged Property, in each case as of the Bond Issuance Date unless otherwise indicated, are set forth in the Annex (the "Annex") provided on the CD-ROM attached to this Official Statement.

Permitted Mezzanine Financing and Refunding Bonds

Upon satisfaction of the conditions (including the obtaining of a No Downgrade Confirmation and compliance with certain financial tests) set forth therefor in the Liberty Bonds Loan Agreement and the Indenture, as applicable, and without obtaining the consent of the holders of the Series 2012 Liberty Bonds:

(i) Permitted Mezzanine Financing may be incurred; and

(ii) Refunding Bonds may be issued under the Indenture to refund the Series 2012 Liberty Bonds in whole or in part.

See "PERMITTED MEZZANINE FINANCING AND REFUNDING LIBERTY BONDS" herein.

Cross Defaults

A default under the Liberty Bonds Loan will constitute a default under the CMBS Loan and vice versa.

Collateral Agency Agreement

The Borrower will enter into a Collateral Agency Agreement with Citibank, N.A., as collateral agent (the "Collateral Agent") and Wells Fargo Bank,

National Association, as Cash Management Bank (the "Cash Management Bank"), pursuant to which the Collateral Agent will authenticate the debt and payment obligations of the Borrower under the Liberty Bonds Loan Agreement (and the related Liberty Bonds Note) and under the CMBS Loan Agreement (and the related CMBS Note), and is entitled to the security granted by the Borrower to the Collateral Agent.

Source of Payment for the Series 2012 Liberty Bonds	The Series 2012 Liberty Bonds will be payable from loan payments made by the Borrower pursuant to the Liberty Bonds Loan Agreement and the Liberty Bonds Note, as and to the extent administered and serviced pursuant to the Servicing Agreement referred to below, such loan payments of the Borrower to be derived from rent payments made by tenants of the Facility.
Security for the Liberty Bonds Loan and the CMBS Loan	The Liberty Bonds Loan (together with the CMBS Loan) will be secured by (i) the mortgage lien granted by the Borrower to the Collateral Agent on the Borrower's leasehold interest in the Facility under the Office Tower Ground Lease, (ii) the pledge and assignment by the Borrower to the Collateral Agent of all tenant leases and rents from the Facility, (iii) a lien and security interest in favor of the Collateral Agent in all Personal Property of the Borrower, (iv) a pledge and assignment of the property management agreement with Silverstein Properties, Inc., a New York corporation affiliated with the Borrower and the Property Manager for the Facility, (v) the respective Joinder, and (vi) funds or assets from time to time on deposit in the Collateral Accounts established under the Collateral Agency Agreement including the various Reserve Accounts held pursuant to the Collateral Agency Agreement. **Neither the Liberty Bonds Loan nor the Series 2012 Liberty Bonds are secured by any debt service reserve fund or other liquidity facility.** However, the Master Servicer (or the Collateral Agent, upon the failure of the Master Servicer as set forth in the Servicing Agreement) will be obligated to make P&I Advances with respect to the Liberty Bonds Loan (and the CMBS Loan) upon the circumstances, and subject to the conditions, described in this Official Statement.
Payment Priority of Liberty Bonds Loan	**Pursuant to the Servicing Agreement, the loan payments from the Borrower with respect to the Liberty Bonds Loan and the CMBS Loan will be administered and applied to reflect a priority in payment of the Liberty Bonds Loan over the CMBS Loan. Prior to a Liquidation, generally, interest on both Loans is first paid prior to principal on the Loans, but after a Liquidation, generally, interest and principal under the Liberty Bonds Loan are paid prior to any such payment under the CMBS Loan. In addition, the rights of the Indenture Trustee and of the holders of the Series 2012 Liberty Bonds are further limited in certain respects as set forth in the Servicing Agreement.** See "PLAN OF FINANCE", "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS" and "DESCRIPTION OF THE SERVICING AGREEMENT".
Class Priority of the Series 2012 Liberty Bonds	**Under the Indenture, among the three Classes of Series 2012 Liberty Bonds, the Class 1, Series 2012 Liberty Bonds will have a prior claim of payment as to interest, principal and Sinking Fund Installments under the Indenture to that of the Class 2, Series 2012 Liberty Bonds and the Class 3, Series 2012 Liberty Bonds, and the Class 2, Series 2012 Liberty**

Bonds will have a prior claim of payment as to interest, principal and Sinking Fund Installments under the Indenture to that of the Class 3, Series 2012 Liberty Bonds.

Servicing of the Liberty Bonds Loan and the CMBS Loan	The Liberty Bonds Loan and the CMBS Loan (collectively, the "Loans"), will be administered and serviced pursuant to a Servicing Agreement (the "Servicing Agreement") among Citibank, N.A., as CMBS Trustee, the Indenture Trustee, the Collateral Agent, Citibank, N.A., as 17g-5 Information Provider (the "17g-5 Information Provider"), Pentalpha Surveillance LLC, as Operating Advisor (the "Operating Advisor"), and Wells Fargo Bank, National Association, as both the "Master Servicer" and the "Special Servicer". Payments under the Liberty Bonds Loan and the CMBS Loan (including amounts necessary to pay Taxes, Ground Rents, and Insurance Premiums) and other fees, costs and expenses will be paid from (y) the Collateral Accounts (including Reserve Accounts) established under the Collateral Agency Agreement, and (z) the Master Account established under the Servicing Agreement, and distributed from such Collateral Accounts in accordance with the Collateral Agency Agreement and the Servicing Agreement, respectively. The Servicing Agreement also establishes certain intercreditor arrangements between the Liberty Bonds Loan and the CMBS Loan.
Modifications to Series 2012 Liberty Bonds Debt Service Schedule	If a Mortgage Event of Default has occurred and is continuing or is reasonably foreseeable, and upon the satisfaction of certain conditions, the Servicing Agreement authorizes the Special Servicer to modify the payment terms regarding amounts due under the Liberty Bonds Loan. Upon any such modification, the Indenture Trustee is required to make the corresponding modifications to the amounts of principal (including Sinking Fund Installments) of and interest due on the Series 2012 Liberty Bonds on particular Bond Payment Dates. No such modification may extinguish the ultimate liability for payment of the full principal of and interest on the Series 2012 Liberty Bonds. See "DESCRIPTION OF THE SERVICING AGREEMENT" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS" herein.
Advances	The Master Servicer will be obligated under the Servicing Agreement to make an advance in respect of any scheduled payment of interest or principal (including Sinking Fund Installments in the case of the Liberty Bonds Loan) under the Liberty Bonds Loan (and the CMBS Loan) to the extent not received by the Master Servicer on the date due (a "P&I Advance"), subject to reduction as a result of the application of Appraisal Reduction Amounts, and further subject to a determination of whether such P&I Advance is recoverable, and the other limitations described in this Official Statement. The Master Servicer will also be obligated to make advances (again subject to certain limitations described in this Official Statement) to pay delinquent Taxes, Ground Rents, Insurance Premiums and administrative fees, among other items, to protect the Mortgaged Property and its operations ("Servicing Advances"), subject to a determination of whether such Servicing Advance is recoverable. In the event that the Master Servicer fails to make any P&I Advance or Servicing Advance (each, an "Advance") that it is so required to make under the Servicing Agreement, the Collateral Agent is required under the Servicing Agreement to make such Advance. However, under the Servicing Agreement, the Master Servicer (or the Collateral Agent upon the failure of the Master Servicer as provided in the Servicing Agreement) will not be

	obligated to make an Advance if the Master Servicer (or the Collateral Agent, as the case may be) has determined in accordance with the Servicing Standard that such Advance would not be recoverable from subsequent payments or collections (including Liquidation Proceeds) in respect of the Loans or the Mortgaged Property.
Bond Trustee, Bond Registrar and Paying Agent	The Bank of New York Mellon
Collateral Agent	Citibank, N.A.
17g-5 Information Provider	Citibank, N.A.
Master Servicer	Wells Fargo Bank, National Association
Special Servicer	Wells Fargo Bank, National Association
Operating Advisor	Pentalpha Surveillance LLC
Registration of the Series 2012 Liberty Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.
Maturity Dates	see the inside facing cover page of this Official Statement
Interest Rates	see the inside facing cover page of this Official Statement
Default Rate	Upon the occurrence and during the continuance of an Event of Default, the rate of interest on the Series 2012 Liberty Bonds and, to the extent permitted by law, overdue interest and other amounts due in respect of the Series 2012 Liberty Bonds shall accrue at three percent (3%) per annum in excess of the otherwise applicable interest rate commencing with the date of the occurrence of the Event of Default.
Interest Payment Dates and Calculation Period	March 15 and September 15 of each year, commencing September 15, 2012, computed on the basis of a 360-day year and twelve 30-day months
Record Date	March 1 and September 1 of each year
Denominations of Series 2012 Liberty Bonds	
Class 1	$5,000 or any integral multiple thereof
Class 2	$5,000 or any integral multiple thereof
Class 3	$100,000 or any integral multiple of $5,000 in excess thereof
Redemption	(a) General Optional Redemption. The Series 2012 Liberty Bonds are subject to optional redemption by the Issuer, exercised only at the direction of the Borrower, on or after March 15, 2022, in whole at any time or in part from time to time, from any source of funds, at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2012 Liberty Bonds to be redeemed, plus accrued interest, if any, to the Redemption Date.

(b) Extraordinary Optional Redemption. The Series 2012 Liberty Bonds are subject to redemption prior to maturity, from loan prepayments made by the Borrower under the Liberty Bonds Loan Agreement, to the extent funds are available therefor, as a whole or in part (such partial redemption shall be limited to the amount of the Net Insurance Proceeds or Net Condemnation Proceeds to the nearest Authorized Denomination), on any date, upon notice or waiver of notice as provided in the Indenture, at a Redemption Price equal to 100% of the unpaid principal amount thereof, plus accrued interest to the date of redemption, upon the occurrence of either of the following events: (i) the Facility or any part thereof shall have been damaged or destroyed; or (ii) title to, or the temporary use of, all or any part of the Facility shall have been taken or condemned by a competent authority; provided, however, either such redemption under this paragraph may be in part only if the Borrower delivers to the Issuer and the Indenture Trustee an opinion of Bond Counsel to the effect that such redemption will not cause interest on the Series 2012 Liberty Bonds remaining Outstanding to become includable in gross income for federal income tax purposes.

With respect to any general or extraordinary optional redemption, the Borrower may elect, in lieu of such redemption, to purchase the Series 2012 Liberty Bonds to be redeemed at a purchase price equal to the applicable Redemption Price.

If less than all of the Series 2012 Liberty Bonds are to be redeemed pursuant to either general or extraordinary optional redemption, or to be purchased by the Borrower in lieu of such a redemption, the Series 2012 Liberty Bonds so to be redeemed or purchased shall be selected as follows:

(i) the Series 2012 Liberty Bonds to be redeemed or so purchased shall be selected in order of Class priority commencing with Class 1; and

(ii) to the extent that the amount of Series 2012 Liberty Bonds of a Class with multiple maturities to be redeemed or purchased in lieu thereof is less than the aggregate principal amount of such Class of Series 2012 Liberty Bonds Outstanding, the Series 2012 Liberty Bonds of such Class to be redeemed or so purchased of such Class will be selected *pro rata* among maturities within such Class; and

(iii) the principal amount of such redemption or purchase in lieu thereof of a maturity of Series 2012 Liberty Bonds shall be credited against Sinking Fund Installments for each such maturity *pro rata*.

Selection of such Series 2012 Liberty Bonds on any other basis shall be accompanied by a No Downgrade Confirmation.

(c) Mandatory Redemption.

The Series 2012 Liberty Bonds of the respective Class and maturity set forth below are subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, subject to the credits provided therefor in the Indenture:

Class	Maturity	Sinking Fund Installment Payment Date	Sinking Fund Installment
1	September 15, 2028	March 15, 2028	$9,125,000
		September 15, 2028	9,350,000
1	September 15, 2029	March 15, 2029	$9,585,000
		September 15, 2029	9,825,000
1	September 15, 2030	March 15, 2030	$10,070,000
		September 15, 2030	10,320,000
1	September 15, 2031	March 15, 2031	$10,580,000
		September 15, 2031	10,845,000
1	September 15, 2032	March 15, 2032	$11,115,000
		September 15, 2032	11,395,000
1	September 15, 2035	March 15, 2033	$11,680,000
		September 15, 2033	11,910,000
		March 15, 2034	12,150,000
		September 15, 2034	12,395,000
		March 15, 2035	12,640,000
		September 15, 2035	12,895,000
1	September 15, 2040	March 15, 2036	$13,150,000
		September 15, 2036	13,480,000
		March 15, 2037	13,820,000
		September 15, 2037	14,165,000
		March 15, 2038	14,515,000
		September 15, 2038	14,880,000
		March 15, 2039	15,250,000
		September 15, 2039	15,635,000
		March 15, 2040	16,025,000
		September 15, 2040	6,300,000
2	September 15, 2043	September 15, 2040	$10,125,000
		March 15, 2041	16,835,000
		September 15, 2041	17,255,000
		March 15, 2042	17,690,000
		September 15, 2042	18,130,000
		March 15, 2043	18,585,000
		September 15, 2043	9,380,000
3	March 15, 2044	September 15, 2043	$9,665,000
		March 15, 2044	19,525,000

Mandatory Tender for Purchase	The Series 2012 Liberty Bonds are subject to mandatory tender for purchase, in whole but not in part, at a purchase price equal to one hundred percent (100%) of the Outstanding principal amount of the Series 2012 Liberty Bonds, together with accrued interest to the date of purchase: (i) at any time, if (A) the Collateral Agent provides notice to the Port Authority (or any successor Ground Lessor under the Office Tower Ground Lease) of a proposed foreclosure action with respect to the Mortgaged Property, and (B) the Port Authority (or any successor Ground Lessor under the Office Tower Ground Lease) exercises its option under the Office Tower Ground Lease to purchase the Liberty Bonds Loan at the Ground Lessor Purchase Price, such mandatory tender to occur within thirty (30) Business Days of the exercise of such option to purchase by the Port Authority (or any successor Ground Lessor under the Office Tower Ground Lease) under the Office Tower Ground Lease; and (ii) at any time on or after March 15, 2022, if (A) any Permitted Mezzanine Financing is Outstanding, (B) the Liberty Bonds Loan becomes a Defaulted Obligation, (C) the Permitted Mezzanine Lender under the Permitted Mezzanine Loan is permitted pursuant to a related intercreditor agreement to exercise its option under the Servicing Agreement to purchase all of the Series 2012 Liberty Bonds at a cash price equal to the Liberty Bonds Purchase Price, and the Permitted Mezzanine Lender under the Permitted Mezzanine Loan elects to exercise such option, and (D) the Port Authority (or any successor Ground Lessor under the Office Tower Ground Lease) does not have the right to exercise its option under the Office Tower Ground Lease to purchase the Liberty Bonds Loan, such mandatory tender to occur within thirty (30) Business Days of the exercise of such option to purchase by the Permitted Mezzanine Lender under the Permitted Mezzanine Loan.

See "DESCRIPTION OF THE SERIES 2012 LIBERTY BONDS" and "CERTAIN RISK FACTORS" herein.

Bond Counsel	Winston & Strawn LLP, New York, New York.		
Tax Status	See "TAX MATTERS" herein.		
Ratings	Moody's:	Class 1, Series 2012 Liberty Bonds -	Aaa(sf)
		Class 2, Series 2012 Liberty Bonds -	A2(sf)
		Class 3, Series 2012 Liberty Bonds -	Baa2(sf)
	Fitch:	Class 1, Series 2012 Liberty Bonds -	AAA(sf)
		Class 2, Series 2012 Liberty Bonds -	A(sf)
		Class 3, Series 2012 Liberty Bonds -	BBB(sf)

The ratings on the Series 2012 Liberty Bonds address the likelihood of the receipt by the owners of the Series 2012 Liberty Bonds of full and timely payment of interest on the Series 2012 Liberty Bonds on each Interest Payment Date and the ultimate payment of the full Outstanding principal amount of serial bonds and term bonds (including Sinking Fund Installments) of the Series 2012 Liberty Bonds on a date which is not later than the Rated Final Date for the Series 2012 Liberty Bonds (the Rated Final Date for the Series 2012 Liberty Bonds is the Distribution Date in March, 2051, approximately seven (7) years following the final stated maturity of the Series 2012 Liberty Bonds). ***Moody's, in addition to rating the Series 2012 Liberty Bonds, is the largest tenant of the Facility, occupying as of the date of this Official Statement approximately 38.7% of the net rentable area of the Facility.*** See "RATINGS" herein.

Underwriters

J.P. Morgan Securities LLC
B of A Merrill Lynch
M.R. Beal & Company
Ramirez & Co. Inc.
Siebert Brandford Shank & Co., L.L.C.

Official Statement

Relating To

$450,290,000

NEW YORK LIBERTY DEVELOPMENT CORPORATION
Liberty Revenue Refunding Bonds, Series 2012
(7 World Trade Center Project)
consisting of

$313,100,000 Series 2012, Class 1
$108,000,000 Series 2012, Class 2
$29,190,000 Series 2012, Class 3

INTRODUCTION

General

This Official Statement, including the cover page, Summary Statement and Appendices, is provided to furnish information regarding the offering by the New York Liberty Development Corporation (the "Issuer") of its $450,290,000 aggregate principal amount of Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project) (the "Series 2012 Liberty Bonds" or the "Liberty Bonds"), consisting of $313,100,000 Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project), Class 1 (the "Class 1, Series 2012 Liberty Bonds"), $108,000,000 Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project), Class 2 (the "Class 2, Series 2012 Liberty Bonds"), and $29,190,000 Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project), Class 3 (the "Class 3, Series 2012 Liberty Bonds"). See "DESCRIPTION OF THE SERIES 2012 LIBERTY BONDS". *The information contained herein is qualified in its entirety by, and should be read in conjunction with, the information appearing elsewhere set forth under "CERTAIN RISK FACTORS" and "SUITABILITY FOR INVESTMENT" herein prior to making an investment in the Series 2012 Liberty Bonds.* Reference is also made to the summaries of documents attached to this Official Statement, and certain other materials contained in CD-ROM form, each of which should be reviewed in its entirety by purchasers of the Series 2012 Liberty Bonds.

Capitalized terms used in this Official Statement and not otherwise defined in the body of this Official Statement shall have the meanings specified in "APPENDIX A — CERTAIN DEFINITIONS" attached hereto. Terms not otherwise defined in this Official Statement have the meanings provided in the pertinent documents.

The Issuer

The Issuer is an instrumentality of the State of New York (the "State"), separate and apart from the State itself, and constitutes a not-for-profit local development corporation created under the New York Not-for-Profit Law. See "THE ISSUER" herein.

The Series 2012 Liberty Bonds

The Series 2012 Liberty Bonds are authorized to be issued under and pursuant to a resolution of the Issuer adopted on February 21, 2012 (the "Bond Resolution") authorizing the Series 2012 Liberty Bonds, and an Indenture of Trust (the "Bond Indenture"), to be dated the date of issuance of the Series 2012 Liberty Bonds (the "Bond Issuance Date"), between the Issuer and The Bank of New York Mellon, as trustee (the "Indenture Trustee"), as supplemented by a First Supplemental Indenture of Trust, also to be dated the Bond Issuance Date (the "First Supplemental Indenture", and, collectively with the Bond Indenture, the "Indenture"), between the Issuer and the Indenture Trustee, authorizing the Series 2012 Liberty Bonds. The Indenture Trustee is also

acting as Paying Agent and Bond Registrar for the Series 2012 Liberty Bonds. The proceeds derived from the sale of the Series 2012 Liberty Bonds will be used to provide substantially all of the funds to refund in whole the $425,000,000 Liberty Revenue Bonds, Series A (7 World Trade Center, LLC Project) and the $50,000,000 Liberty Revenue Bonds, Series B (7 World Trade Center, LLC Project) (collectively, the "Prior Bonds") issued on March 21, 2005 and October 3, 2005, respectively, by the New York City Industrial Development Agency (the "NYCIDA").

The Facility

The proceeds of the Prior Bonds, together with insurance proceeds resulting from the destruction of the original 7 World Trade Center on September 11, 2001, equity contributions by the members of the Borrower and interest income, were used to finance the costs of developing and constructing the upper forty-two (42) floors, comprising 1,728,844 square feet of net rentable area of commercial office rental space (together with the Building lobby and a loading dock, the "Facility"), of a 52-story building at the World Trade Center site in New York City known as 7 World Trade Center (the "Building") on an approximate 58,256 square foot site. The Building is located on the block bounded by Vesey Street, Washington Street, Barclay Street and West Broadway in Downtown Manhattan and is otherwise known as 250 Greenwich Street. The lower part of the Building representing the first 78 feet of elevation is used by Consolidated Edison Company of New York, Inc., a New York State power generation and supply company ("Con Edison"), as an electrical substation, subject to the terms of the Reciprocal Easement Agreement referred to below.

As of the Bond Issuance Date, approximately 95.2% of the net rentable area of the Facility has been leased to twenty-eight (28) tenants. Moody's Corporation, a Delaware corporation ("Moody's") which is also providing a rating on the Series 2012 Liberty Bonds (see "RATINGS" herein), is the largest tenant, currently occupying approximately 38.7% of the net rentable area of the Facility under a Lease, dated September 7, 2006, as amended, by and between the Borrower, as landlord, and Moody's, as tenant (the "Moody's Tenant Lease"). The Moody's Tenant Lease, if not renewed or earlier terminated, expires on November 30, 2027. See "DESCRIPTION OF THE FACILITY — Tenants at the Facility" herein.

Pursuant to an Amended and Restated Management and Leasing Services Agreement, to be dated as of the Bond Issuance Date (the "Property Management Agreement"), between the Borrower and Silverstein Properties, Inc., a corporation organized and existing under the laws of the State of New York (the "Property Manager"), the Property Manager has agreed to serve as the Borrower's sole and exclusive leasing agent and to manage the operations of the Facility. See "DESCRIPTION OF THE PROPERTY MANAGEMENT AGREEMENT" herein. See also "DESCRIPTION OF THE FACILITY" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS" herein.

The Office Tower Ground Lease and the Reciprocal Easement Agreement

The approximately 58,256 square foot site for the Building, and the Building, are owned by The Port Authority of New York and New Jersey, a body corporate and politic, created and existing by virtue of the Compact of April 30, 1921 made by and between the states of New York and New Jersey, and thereafter consented to by the Congress of the United States (the "Port Authority"). The Building includes a Con Edison electrical substation and the office tower in the same building. The Con Edison electrical substation is situated within the lower space of the Building representing the first 78 feet of elevation and is separately ground leased by the Port Authority to Con Edison (the "Electrical Substation Ground Lease"). The 42 floors of commercial rental space above the Con Edison electrical substation space constitute the office tower which is separately ground leased by the Port Authority to the Borrower (the "Office Tower Ground Lease") and which is being re-financed through the Series 2012 Liberty Bonds and the CMBS Loan referred to below. The rights of Con Edison and the Borrower with respect to, among other things, the use, maintenance and insurance of their respective portions of the Building are governed by a Reciprocal Easement Agreement, dated as of March 15, 2005, between Con Edison and, as of the Bond Issuance Date, the Borrower (the "Reciprocal Easement Agreement"). Pursuant to a Subordination Agreement dated as of March 15, 2005 among the Port Authority,

7 World Trade Company, L.P., a Delaware limited partnership and a predecessor in interest to the Borrower under the Office Tower Ground Lease, and Con Edison (the "Subordination to Reciprocal Easement Agreement"), (y) each of the Office Tower Ground Lease and the Electrical Substation Ground Lease have been made subject and subordinate in all respects to the lien, terms, covenants, provisions and conditions of the Reciprocal Easement Agreement, and (z) to the extent that a conflict exists between the terms of the Reciprocal Easement Agreement and the terms of either the Office Tower Ground Lease or the Electrical Substation Ground Lease, the terms of the Reciprocal Easement Agreement shall control.

The original term of the Office Tower Ground Lease is stated to expire on December 31, 2026 (which is prior to the final maturity of the Series 2012 Liberty Bonds), subject to extension at the option of the Borrower at fair market rentals for three additional 20-year terms for a total term expiring December 31, 2086, exercisable during the first six months of the last year of each such term. On September 7, 2006, 7 World Trade Center, LLC, a Delaware limited liability company ("7 WTC LLC") and a predecessor in interest to the Borrower under the Office Tower Ground Lease, delivered notice to the Port Authority that, for so long as no default has occurred on the part of the Port Authority under the Office Tower Ground Lease and is continuing thereunder beyond the expiration of any applicable notice and cure periods, 7 WTC LLC agreed to timely exercise its right to renew the Office Tower Ground Lease for a single, additional twenty-year term expiring on December 31, 2046 (and to waive any rights under the Office Tower Ground Lease to fail or refuse to extend its term with respect to such first twenty-year renewal). The Office Tower Ground Lease provides that any leasehold mortgagee may exercise the extension option on behalf of the Borrower, and the Port Authority will acknowledge such right as exercisable by the Collateral Agent (as a leasehold mortgagee of the Office Tower Ground Lease) in an estoppel certificate to be delivered by the Port Authority on or prior to the Bond Issuance Date. Further, under the Liberty Bonds Loan Agreement referred to below, the Borrower will grant to the Collateral Agent the right to the extension options in the event the Borrower fails to exercise any option that would result in the Office Tower Ground Lease expiring prior to the final maturity of the Series 2012 Liberty Bonds. See "DESCRIPTION OF THE LIBERTY BONDS LOAN AGREEMENT AND THE CMBS LOAN AGREEMENT," and "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE OFFICE TOWER GROUND LEASE," and "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE RECIPROCAL EASEMENT AGREEMENT".

The Borrower

The Borrower is a limited liability company organized and existing under the laws of the State of Delaware and has as its sole member 7 World Trade Center, LLC, a Delaware limited liability company ("7 WTC LLC"), whose sole member is 7 World Trade Company, L.P., a Delaware limited partnership ("7 WTC LP"). 7 WTC LP is owned as of the date of this Official Statement (x) forty-nine percent (49%) by Silverstein Development Corporation, a New York corporation ("SDC"), (y) one percent (1%) by Silverstein — 7 World Trade Company, Inc., a Delaware corporation and the general partner of 7 WTC LP, and (z) fifty percent (50%) by Klara Silverstein, the wife of Larry A. Silverstein. Larry A. Silverstein is a beneficial owner of the Borrower and owns one hundred percent (100%) of SDC.

The Borrower is a single purpose entity, all of the assets of which (prior to any distribution of excess Facility revenues to the Borrower by the Master Servicer) are pledged or mortgaged to the Collateral Agent. The Borrower has no source of income other than its interest in the Facility and the rentals and other amounts received and to be received from tenants at the Facility. See "THE BORROWER" herein.

The Liberty Bonds Loan

Concurrently with the issuance by the Issuer of the Series 2012 Liberty Bonds pursuant to the Indenture, the Issuer will make a loan (the "Liberty Bonds Loan") of the proceeds of the Series 2012 Liberty Bonds in the principal amount of $450,290,000 to the Borrower pursuant to the Liberty Bonds Loan Agreement, to be dated the Bond Issuance Date, between the Issuer and the Borrower (the "Liberty Bonds Loan Agreement"). See "DESCRIPTION OF THE LIBERTY BONDS LOAN AGREEMENT AND THE CMBS LOAN AGREEMENT" herein. Pursuant to the Liberty Bonds Loan Agreement, the Borrower will be obligated to make monthly loan payments in amounts which are equal to the principal or Redemption Price of, Sinking Fund Installments for, and interest on, the Series 2012 Liberty Bonds. The obligation of the Borrower under the Liberty Bonds Loan Agreement to make such loan payments will be further evidenced by a Liberty Bonds Promissory Note from the Borrower to be dated the Bond Issuance Date payable to the order of the Issuer, the Indenture Trustee and the Collateral Agent, as pledged and assigned by the Issuer to the Indenture Trustee, and as further pledged and assigned by the Indenture Trustee to the Collateral Agent in trust for the benefit and on behalf of the Indenture Trustee and the holders of the Series 2012 Liberty Bonds (the "Liberty Bonds Note"). Recourse against the Borrower under the Liberty Bonds Loan Agreement and under the Liberty Bonds Note will generally be limited to the Mortgaged Property and the related collateral held under the Liberty Bonds Loan and Collateral Documents.

However, as provided in the Liberty Bonds Loan Agreement, the liability and obligations of the Borrower under the Liberty Bonds Loan Agreement and the Liberty Bonds Note is not enforceable by a money judgment against the Borrower, except that (y) the Liberty Bonds Note Principal Balance shall be fully recourse to the Borrower upon the occurrence of any of certain Borrower Full Recourse Events (as defined herein), and (z) the Borrower shall be personally liable for any Losses arising out of or in connection with any of the "Borrower's Recourse Liabilities". Further, Larry A. Silverstein, as the Guarantor (the "Guarantor"), will execute a Liberty Bonds Joinder to the Liberty Bonds Loan Agreement to be dated the Bond Issuance Date and in favor of the Issuer (the "Liberty Bonds Joinder"), pursuant to which the Guarantor will agree to be jointly and severally liable with the Borrower (i) for the payment of the Liberty Bonds Note Principal Balance upon the occurrence of a Borrower's Full Recourse Event, and (ii) for the payment of Losses arising out of or in connection with the Borrower's Recourse Liabilities and its related liabilities and obligations (the Liberty Bonds Joinder being a guarantee of full and complete payment, and not of collectability). See "DESCRIPTION OF THE LIBERTY BONDS LOAN AGREEMENT AND THE CMBS LOAN AGREEMENT – Release of Joinder" herein with respect to the ability of the Borrower to obtain a Replacement Liberty Bonds Joinder from a Replacement Guarantor.

The obligations of the Guarantor under the Liberty Bonds Joinder shall be primary, absolute and unconditional, and the Guarantor's obligations under the Liberty Bonds Joinder shall be unaffected by any rights or defenses.

No information is provided in this Official Statement with respect to the net worth, liquidity or financial condition of the Guarantor, and no representation, warranty or covenant is made with respect to the Guarantor by either the Issuer or the Underwriters. Further, the Guarantor will not be obligated pursuant to the Liberty Bonds Joinder to maintain any minimum net worth or liquidity.

Simultaneously with the original issuance of the Liberty Bonds Note, and pursuant to the Indenture, the Issuer will pledge and assign to the Indenture Trustee, as security for the Series 2012 Liberty Bonds, all of the Issuer's right, title and interest in and to (i) the Liberty Bonds Note, (ii) the Liberty Bonds Joinder, and (iii) the Liberty Bonds Loan Agreement, including all loan payments, revenues and receipts payable or receivable thereunder, excluding, however, the Reserved Rights which may be enforced by the Issuer or the Indenture Trustee (in consultation with the Master Servicer) jointly or severally through an action for specific performance. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS — The Liberty Bonds Loan Agreement" and "DESCRIPTION OF THE LIBERTY BONDS LOAN

AGREEMENT AND THE CMBS LOAN AGREEMENT" herein. See also "DESCRIPTION OF THE SERVICING AGREEMENT" herein.

The CMBS Loan

Concurrently with the issuance of the Series 2012 Liberty Bonds, a loan in the principal amount of $125,000,000 (the " CMBS Loan") will be made to the Borrower by 7 WTC CMBS Lender, LLC, a Delaware limited liability company and an Affiliate of the Borrower (the "CMBS Lender"), which CMBS Loan will be (i) effected pursuant to a CMBS Loan Agreement to be dated the Bond Issuance Date between the CMBS Lender and the Borrower (the "CMBS Loan Agreement"), (ii) evidenced by a promissory note by the Borrower to be dated the Bond Issuance Date for the benefit of the CMBS Lender (the "CMBS Note"), and (iii) used by the Borrower to, among other purposes, (a) pay certain costs in connection with the re-financing of the Mortgaged Property, (b) repay any existing loans related to the Mortgaged Property, and (c) repay Mezzanine Financing (as such term is defined in the Office Tower Ground Lease; see "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE OFFICE TOWER GROUND LEASE" herein) to the Guarantor or any of his Affiliates. As in the case of the Liberty Bonds Loan Agreement, the Guarantor will execute a CMBS Joinder to the CMBS Loan Agreement to be dated the Bond Issuance Date and in favor of the CMBS Lender (the "CMBS Joinder") pursuant to which the Guarantor will be similarly obligated as he is under the Liberty Bonds Joinder, but instead for the benefit of the owners of the CMBS Certificates. The CMBS Loan will be fully amortizing commencing on the payment date in April, 2013, in accordance with a monthly amortization schedule set forth in this Official Statement, and matures on the payment date in March, 2019 (the "CMBS Loan Maturity Date"). See "DEBT SERVICE REQUIREMENTS AND DEBT SERVICE PROJECTIONS" herein.

It is anticipated that, concurrently with the issuance of the Series 2012 Liberty Bonds, the CMBS Lender will securitize the CMBS Loan resulting in the issuance of pass-through certificates of a CMBS depositor in the aggregate principal amount of $125,000,000 (the "CMBS Certificates"). Certain characteristics of the Loans and the Mortgaged Property, in each case as of the Bond Issuance Date unless otherwise indicated, are set forth in the Annex provided on the CD-ROM attached to this Official Statement. **The CMBS Certificates are not being offered by this Official Statement.**

Permitted Mezzanine Financing and Refunding Liberty Bonds

Upon satisfaction of the conditions (including the obtaining of a No Downgrade Confirmation and compliance with certain financial tests) set forth therefor in the Liberty Bonds Loan Agreement and the Indenture, as applicable, and without obtaining the consent of the holders of the Series 2012 Liberty Bonds:

(i) Permitted Mezzanine Financing may be incurred; and

(ii) Refunding Bonds may be issued under the Indenture to refund the Series 2012 Liberty Bonds in whole or in part.

See "PERMITTED MEZZANINE FINANCING AND REFUNDING LIBERTY BONDS" herein for a discussion of underlying conditions to the issuance or incurrence of Permitted Mezzanine Financing or Refunding Bonds.

The Collateral Agency Agreement

In order to entitle the Liberty Bonds Loan Agreement (and the related Liberty Bonds Note) and the CMBS Loan Agreement (and the related CMBS Note) to share in the common collateral intended to be provided for such Loans, concurrently with the issuance of the Series 2012 Liberty Bonds, the Borrower, Citibank, N.A., as collateral agent (the "Collateral Agent"), and Wells Fargo Bank, National Association, as cash management bank (the "Cash Management Bank"), will enter into the Collateral Agency Agreement, to

be dated the Bond Issuance Date (the "Collateral Agency Agreement"), pursuant to which the Collateral Agent will authenticate the Liberty Bonds Loan Agreement (and the related Liberty Bonds Note) and the CMBS Loan Agreement (and the related CMBS Note) as "Obligations" entitled to the security granted by the Borrower to the Collateral Agent. For purposes of the Collateral Agency Agreement, the "Holder" of the Obligations of the Borrower evidenced by the authenticated Liberty Bonds Loan Agreement and the authenticated Liberty Bonds Note is the Indenture Trustee (and the "Holder" of the Obligations of the Borrower to be evidenced by the authenticated CMBS Loan Agreement and the CMBS Loan Note, is the CMBS Trustee).

The Collateral Agency Agreement governs the administration of a "Collection Account" (into which payments of Mortgaged Rent by Tenants under Leases at the Facility are to be deposited), and a "Holding Account", into which all funds in the Collection Account are to be transferred on at least a daily basis. Within the Holding Account, various sub-accounts referred to as "Reserve Accounts" are established for the payment of, among other items, Ground Rents under the Office Tower Ground Lease, Taxes in certain instances, Insurance Premiums, Borrower Reimbursable Expenses, Debt Service for the Liberty Bonds Loan, the CMBS Loan and any Permitted Mezzanine Financing Loan. See "DESCRIPTION OF THE COLLATERAL AGENCY AGREEMENT" and "PERMITTED MEZZANINE FINANCING AND REFUNDING LIBERTY BONDS" herein.

Servicing of the Loans

The servicing and administration of the Liberty Bonds Loan and the CMBS Loan, the enforcement of the Liberty Bonds Loan and Collateral Documents, and the exercise of remedies under the Indenture will be carried out, in conformance with the Servicing Standard, by Wells Fargo Bank, National Association, as Master Servicer (in such capacity, the "Master Servicer") and as Special Servicer (in such capacity, the "Special Servicer") pursuant to a Servicing Agreement to be dated the Bond Issuance Date (the "Servicing Agreement") among Citibank, N.A., as CMBS Trustee (the "CMBS Trustee"), the Indenture Trustee, the Master Servicer, the Special Servicer, the Collateral Agent, Pentalpha Surveillance LLC, as Operating Advisor (the "Operating Advisor"), and Citibank, N.A., as the 17g-5 Information Provider (the "17g-5 Information Provider"). The Servicing Agreement establishes that the Liberty Bonds Loan will have a priority in payment over the CMBS Loan. The Servicing Agreement also establishes the relative voting rights of the Holders of the Liberty Bonds Loan and of the CMBS Loan, and provides for the assignment by the Indenture Trustee and the CMBS Trustee to the Master Servicer and the Special Servicer of the sole and exclusive right to take enforcement actions (except with respect to the Issuer and the Issuer's Reserved Rights), to grant or withhold any approvals and to exercise rights and remedies under the Liberty Bonds Loan and Collateral Documents and the Liberty Bonds Financing Documents (with respect to the Liberty Bonds Loan), and under the CMBS Loan and Collateral Documents (with respect to the CMBS Loan). Under the Servicing Agreement, the Master Servicer (or upon its failure, the Collateral Agent) has certain obligations to make Servicing Advances and P&I Advances, except, in each instance, where it has determined in accordance with the Servicing Standard that such Advances would not be recoverable from subsequent payments or collections (including Liquidation Proceeds) in respect of the Loans or the Mortgaged Property. In addition, P&I Advances and voting rights may be reduced where Realized Losses or Appraisal Reduction Amounts have been determined.

As a general rule, (i) the Master Servicer is to service and administer the Obligations when they are Performing Obligations (*i.e.*, that no Servicing Transfer Event then exists), and (ii) the Special Servicer is to service and administer (x) each Specially Serviced Obligation (*i.e.*, an Obligation for which a Servicing Transfer Event does exist) and (y) each REO Property.

Pentalpha Surveillance LLC will act as the Operating Advisor under the Servicing Agreement, and will provide consultation services to each of the Master Servicer, the Special Servicer and the Collateral Agent upon the circumstances therefor set forth in the Servicing Agreement.

See "DESCRIPTION OF THE SERVICING AGREEMENT", "DESCRIPTION OF THE MASTER SERVICER AND THE SPECIAL SERVICER", "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS" and "DESCRIPTION OF THE OPERATING ADVISOR" herein.

Possibility of Modifications to Series 2012 Liberty Bonds

Under circumstances where a Mortgage Event of Default has occurred and is continuing or is reasonably foreseeable, the Special Servicer may act pursuant to and subject to the conditions of the Servicing Agreement to modify the payment terms of the Liberty Bonds Loan regarding amounts due for the payment of interest on and principal of the Liberty Bonds Loan. Upon any such modification, the Indenture Trustee is required to modify the amounts of principal (including Sinking Fund Installments) of and interest on the Series 2012 Liberty Bonds to the extent necessary to reflect the terms of the modified Liberty Bonds Loan. No such modification of the Series 2012 Liberty Bonds may extinguish the ultimate liability for payment of the full principal of, and interest on, the Series 2012 Liberty Bonds. See "DESCRIPTION OF THE SERVICING AGREEMENT", "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS" and "RATINGS" herein.

Security for the Liberty Bonds Loan and the CMBS Loan

The Liberty Bonds Loan and the CMBS Loan will be secured by a Consolidated, Amended and Restated Leasehold Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement, to be dated the Bond Issuance Date, from the Borrower as mortgagor, to the Collateral Agent as mortgagee (the "Mortgage"), pursuant to which the Borrower will grant to the Collateral Agent as security for the Obligations, the CMBS Note, the CMBS Loan Agreement, the Series 2012 Liberty Bonds, the Liberty Bonds Note, the Liberty Bonds Loan Agreement, the Collateral Agency Agreement and any and all other Loan Documents, to secure a principal indebtedness of $575,290,000, among other collateral, (i) a mortgage Lien on, and a security interest in, all of the Borrower's right, title and interest in and to the Office Tower Ground Lease, the Reciprocal Easement Agreement and the Facility, the Improvements, all Personal Property, Net Insurance Proceeds and Net Condemnation Proceeds (the application of Net Insurance Proceeds or Net Condemnation Proceeds being in each case subject to the terms of the Office Tower Ground Lease), and (ii) a pledge and assignment of all Leases and Mortgaged Rents from the Facility (the property, rights, proceeds and other collateral which are the subject of the Lien and security interest created by the Mortgage is referred to herein as the "Mortgaged Property"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS — The Mortgage" herein.

The Lien, pledge and security interest of the Mortgage in the Mortgaged Property shall constitute common security for each of the Liberty Bonds Loan Documents and the CMBS Loan Documents, and the Liberty Bonds Loan and the CMBS Loan are cross-defaulted. Pursuant to the Servicing Agreement, the loan payments from the Borrower with respect to the Liberty Bonds Loan and the CMBS Loan will be administered and applied to reflect a priority in payment of the Liberty Bonds Loan over the CMBS Loan. Prior to a Liquidation, generally, interest on the Liberty Bonds Loan and the CMBS Loan is first paid prior to principal on the Liberty Bonds Loan and the CMBS Loan, but after a Liquidation, generally, interest and principal under the Liberty Bonds Loan is paid prior to any such payment under the CMBS Loan. In addition, the rights of the Indenture Trustee and of the owners of the Series 2012 Liberty Bonds are further limited in certain respects as set forth in the Servicing Agreement.

Payments under the Liberty Bonds Loan and the CMBS Loan (including amounts necessary to pay Ground Rents, Taxes and Insurance Premiums, among other items) will be paid from amounts transferred from the Collection Account to the various Reserve Accounts under the Holding Account held under the Collateral Agency Agreement, for distribution and application in accordance with the Servicing Agreement and the Collateral Agency Agreement. The Servicing Agreement also establishes certain intercreditor arrangements between the Liberty Bonds Loan and the CMBS Loan. *Neither the Liberty Bonds Loan nor the Series 2012 Liberty Bonds are secured by any debt service reserve fund or other liquidity facility established under the*

Indenture. However, the Master Servicer will be obligated under the Servicing Agreement to make an advance in respect of any scheduled payment of interest or principal (including Sinking Fund Installments in the case of the Liberty Bonds Loan) under the Liberty Bonds Loan (and the CMBS Loan) to the extent not received by the Master Servicer on the date due (a "P&I Advance"), subject to reduction as a result of the application of Appraisal Reduction Amounts (as defined herein) and subject further to a determination of whether such P&I Advance is recoverable, and the other limitations described in this Official Statement. The Master Servicer will also be obligated to make advances (again subject to certain limitations described in this Official Statement) to pay delinquent Ground Rents, Taxes, Insurance Premiums and administrative fees, among other items, to protect the Mortgaged Property and its operations ("Servicing Advances"), subject to a determination of whether such Servicing Advance is recoverable. In the event that the Master Servicer fails to make any P&I Advance or Servicing Advance (each, an "Advance") that it is required to make under the Servicing Agreement, the Collateral Agent is required under the Servicing Agreement to make such Advance. However, under the Servicing Agreement, neither the Master Servicer nor the Collateral Agent shall be obligated to make an Advance if the Master Servicer or the Collateral Agent, as the case may be, has determined in accordance with the Servicing Standard that such Advance would not be recoverable from subsequent payments or collections (including Liquidation Proceeds) in respect of the Loans or the Mortgaged Property.

See "DESCRIPTION OF THE COLLATERAL AGENCY AGREEMENT" and "DESCRIPTION OF THE SERVICING AGREEMENT" herein.

Bondholder Risks

The purchase of the Series 2012 Liberty Bonds involves a degree of risk. Prospective purchasers should carefully consider all of the material contained herein, including the material contained under the headings "CERTAIN RISK FACTORS" and "SUITABILITY FOR INVESTMENT" herein.

Limited Obligations

THE SERIES 2012 LIBERTY BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER. THE SERIES 2012 LIBERTY BONDS ARE NOT A GENERAL OBLIGATION OF THE ISSUER. THE SERIES 2012 LIBERTY BONDS ARE NOT A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW YORK, THE NEW YORK JOB DEVELOPMENT AUTHORITY, THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT OR ANY OTHER AUTHORITY, PUBLIC BENEFIT CORPORATION OR LOCAL DEVELOPMENT CORPORATION, OR ANY MUNICIPALITY OF THE STATE OF NEW YORK. THE ISSUER HAS NO TAXING POWER.

Information in this Official Statement

Information in this Official Statement with respect to the Borrower, the Guarantor, the Facility, the Building, the Office Tower Ground Lease, the Reciprocal Easement Agreement, the Collateral Agency Agreement, the Servicing Agreement, the Mortgage, the Leases, the Property Management Agreement, the Assignment of Management Agreement, the Continuing Disclosure Agreement (as referred to herein), the Liberty Bonds Loan and Collateral Documents, the CMBS Loan and Collateral Documents, the Series 2012 Liberty Bonds and the CMBS Financing, including the information contained under the summary pages entitled "SUMMARY STATEMENT", and under the headings entitled "INTRODUCTION" (excluding the subheadings entitled "The Issuer" and "The Series 2012 Liberty Bonds"), "THE BORROWER," "DESCRIPTION OF THE FACILITY," "INSURANCE ON THE MORTGAGED PROPERTY," "PLAN OF FINANCE," "DEBT SERVICE REQUIREMENTS AND DEBT SERVICE COVERAGE PROJECTIONS," "APPRAISAL AND MARKET ANALYSIS," "PROPERTY CONDITION REPORT," "ENVIRONMENTAL ASSESSMENT," "DESCRIPTION OF THE SERVICING AGREEEMENT," "FEES AND EXPENSES," "DESCRIPTION OF THE PROPERTY MANAGEMENT AGREEMENT," "DESCRIPTION OF THE ASSIGNMENT OF MANAGEMENT AGREEMENT," "DESCRIPTION OF THE COLLATERAL

AGENCY AGREEEMENT," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS" (other than the subheadings entitled "The Class Priority of the Series 2012 Liberty Bonds," "Limitation on Rights of the Indenture Trustee and the Holders of the Series 2012 Liberty Bonds" and "Limited Obligations"), "DESCRIPTION OF THE LIBERTY BONDS LOAN AGREEMENT AND THE CMBS LOAN AGREEMENT," "PERMITTED MEZZANINE FINANCING AND REFUNDING LIBERTY BONDS," "CERTAIN RISK FACTORS," "FINANCIAL STATEMENTS," "CONTINUING DISCLOSURE" and "ABSENCE OF LITIGATION — The Borrower and the Guarantor", and Appendices A, B, C, E, F and G attached to this Official Statement, have been furnished by the Borrower, and neither the Issuer nor the Underwriters represent or warrant the accuracy or completeness of such information. Information in this Official Statement under the headings "INTRODUCTION — The Issuer," "LIBERTY BOND PROGRAM," "THE ISSUER" and "ABSENCE OF LITIGATION — The Issuer" has been furnished by the Issuer, and the Underwriters and the Borrower do not represent or warrant the accuracy or completeness of such information. Information with respect to the Guarantor, including the information contained under the heading entitled "ABSENCE OF LITIGATION — The Borrower and the Guarantor", has been furnished by the Borrower, and neither the Issuer nor the Underwriters represent or warrant the accuracy or completeness of such information. Information in this Official Statement with respect to the Master Servicer and the Special Servicer, including the information contained under the heading "DESCRIPTION OF THE MASTER SERVICER AND THE SPECIAL SERVICER," has been furnished by Wells Fargo Bank, National Association, and none of the Issuer, the Borrower or the Underwriters represent or warrant the accuracy or completeness of such information. Information in this Official Statement with respect to the Collateral Agent and the 17g-5 Information Provider, including the information contained under the heading "DESCRIPTION OF THE COLLATERAL AGENT AND OF THE 17g-5 INFORMATION PROVIDER," has been furnished by Citibank, N.A., and none of the Issuer, the Borrower or the Underwriters represent or warrant the accuracy or completeness of such information. Information in this Official Statement with respect to the Operating Advisor, including the information contained under the heading "DESCRIPTION OF THE OPERATING ADVISOR," has been furnished by Pentalpha Surveillance LLC, and none of the Issuer, the Borrower or the Underwriters represent or warrant the accuracy or completeness of such information. Information in this Official Statement under the headings "UNDERWRITING" and "MARKET-MAKING" has been furnished by the Underwriters, and the neither Issuer nor the Borrower represents or warrants the accuracy or completeness of such information.

All references herein to the Series 2012 Liberty Bonds, the Office Tower Ground Lease, the Reciprocal Easement Agreement, the Leases, the Indenture, the Liberty Bonds Loan Agreement, the Liberty Bonds Note, the Collateral Agency Agreement, the Mortgage, the Property Management Agreement, the Assignment of Management Agreement, the Continuing Disclosure Agreement, the Servicing Agreement, the CMBS Loan Agreement, the CMBS Note and the other documents referenced herein are qualified in their entirety by reference to such documents, and the description herein of the Series 2012 Liberty Bonds is qualified in its entirety by reference to the terms thereof and the information with respect thereto included in the Indenture and the Liberty Bonds Loan and Collateral Documents. All such descriptions are further qualified in their entirety by reference to laws relating to or affecting the enforcement of creditors' rights generally. All references to the "Lender" under the Liberty Bonds Loan Agreement or the Liberty Bonds Joinder shall mean the Issuer, whose right to enforce the obligations of the Borrower thereunder will be pledged and assigned to the Indenture Trustee pursuant to the Indenture (excluding, however, the Issuer's Reserved Rights, which Issuer's Reserved Rights may be enforced by the Issuer and the Indenture Trustee jointly or severally through an action for specific performance), which rights of enforcement by the Indenture Trustee will be delegated to the Master Servicer and the Special Servicer pursuant to the Servicing Agreement. The agreements of the Issuer with the holders of the Series 2012 Liberty Bonds are fully set forth in the Indenture, the Series 2012 Liberty Bonds and the other Liberty Bonds Loan and Collateral Documents to which the Issuer will be a party, and this Official Statement is not to be construed as constituting an agreement with the purchasers of the Series 2012 Liberty Bonds. All defined terms used in this Official Statement that are not otherwise defined herein will have the respective meanings set forth in "APPENDIX A — CERTAIN DEFINITIONS" herein. Copies of the Indenture and the Liberty Bonds Loan and the Collateral Documents may be obtained from the Underwriters prior to the sale and delivery of the Series 2012 Liberty Bonds and on

and after the date of issuance of the Series 2012 Liberty Bonds from the Indenture Trustee at its corporate trust office at 101 Barclay Street, New York, New York 10286, Attention: Corporate Trust Department.

THE ISSUER

The Issuer was created as the "New York Liberty Development Corporation" in 2002 by the New York Job Development Authority at the direction of the Governor of the State of New York, under the Not-for-Profit Corporation Law of the State of New York. Its address is c/o Empire State Development, 633 Third Avenue, New York, New York 10017 (Info. Tel. 212-803-3523). The Issuer is an instrumentality of the State, separate and apart from the State itself, the New York Job Development Authority and the New York State Urban Development Corporation doing business as Empire State Development ("ESD"). The Issuer has no taxing power.

The Issuer was formed in response to the terrorist attack of September 11, 2001, for the public purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities and lessening the burdens of government of the State of New York and the New York Job Development Authority ("JDA"). The Issuer undertakes its public purpose by issuing qualified "New York Liberty Bonds" (as defined in the heading below entitled "LIBERTY BOND PROGRAM") as may be designated by the Governor of the State of New York or the Mayor of The City of New York, or both, in accordance with the provisions of the Job Creation and Worker Assistance Act of 2002; by issuing "Recovery Zone Facility Bonds" as designated by the Issuer in accordance with the provisions of the American Reinvestment and Recovery Act of 2009; by issuing such other federally tax-exempt obligations and non-federally tax-exempt obligations as may be appropriate; and by exercising all or any part of such public functions and doing any work related to or in connection with the issuance of the Series 2012 Liberty Bonds or other Liberty Bonds or obligations.

The Issuer is governed by a board of directors, three of whom are elected and appointed by the Governor of the State of New York and three of whom are elected and appointed by the JDA. Currently, there are three directors eligible to serve (one elected and appointed by the Governor and two by the JDA), which is sufficient to constitute a quorum and take action under the Issuer's charter and by-laws and other applicable law. The three are Kenneth Adams, President and CEO of ESD, and Commissioner of the New York State Department of Economic Development, Frances A. Walton, Chief Financial and Administrative Officer of ESD (Ms. Walton also serves as the Issuer's Treasurer), and Kathleen Mize, Deputy Chief Financial Officer and Controller of ESD.

THE SERIES 2012 LIBERTY BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER. THE SERIES 2012 LIBERTY BONDS ARE NOT A GENERAL OBLIGATION OF THE ISSUER. THE SERIES 2012 LIBERTY BONDS ARE NOT A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW YORK, THE NEW YORK JOB DEVELOPMENT AUTHORITY, THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT OR ANY OTHER AUTHORITY, PUBLIC BENEFIT CORPORATION OR LOCAL DEVELOPMENT CORPORATION, OR ANY MUNICIPALITY OF THE STATE OF NEW YORK. THE ISSUER HAS NO TAXING POWER.

NEITHER THE MEMBERS, DIRECTORS, OFFICERS OR AGENTS OF THE ISSUER NOR ANY PERSON EXECUTING THE SERIES 2012 LIBERTY BONDS SHALL BE PERSONALLY LIABLE OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY WITH RESPECT TO THE SERIES 2012 LIBERTY BONDS. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER OR ITS MEMBERS, DIRECTORS OR OFFICERS HAS BEEN INCLUDED IN THIS OFFICIAL STATEMENT.

THE ISSUER HAS NOT VERIFIED, AND DOES NOT REPRESENT IN ANY WAY, THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT OTHER THAN INFORMATION SET FORTH UNDER THE HEADINGS "INTRODUCTION — The Issuer," "LIBERTY BOND PROGRAM," "THE ISSUER" AND "ABSENCE OF LITIGATION — The Issuer" HEREIN.

LIBERTY BOND PROGRAM

In response to the terrorist attack of September 11, 2001, Congress added to the Internal Revenue Code of 1986, as amended, a special law (the "Special Law") which, as amended, provides for the tax-exempt treatment of interest on "qualified New York Liberty Bonds" issued prior to January 1, 2010, and in the case of bonds issued after December 31, 2009, "qualified New York Liberty Bonds" issued prior to January 1, 2012. Following enactment of the Special Law, the State of New York and The City of New York have collaborated to implement the Liberty Bond Program. Pursuant to such program, the Issuer and the NYCIDA have issued "qualified New York Liberty Bonds" for commercial and utility projects; and the New York State Housing Finance Agency and New York City Housing Development Corporation have issued "qualified New York Liberty Bonds" for residential facilities.

The State of New York and The City of New York, in consultation with the Issuer, the NYCIDA and the Lower Manhattan Development Corporation, jointly formulated the Liberty Bond Program's goals and project approval criteria for commercial facilities and jointly administer such program. Once selected, a commercial project must be approved by the board of either the Issuer or the NYCIDA. In addition, the bonds to be issued for a project must, as required by the Special Law, be designated by the Governor or the Mayor, or both, as "qualified New York Liberty Bonds."

The Prior Bonds issued to finance the Project were designated as "qualified New York Liberty Bonds" by both the Governor and the Mayor. Under the Special Law, as interpreted by Bond Counsel, a series of refunding bonds, such as the Series 2012 Liberty Bonds, may be issued as "qualified New York Liberty Bonds," and such series of refunding bonds will not count against the Special Law's volume limit on "qualified New York Liberty Bonds", provided, as is the case with the Prior Bonds, that the original bonds were issued and designated prior to January 1, 2010 as "qualified New York Liberty Bonds," the original bonds are discharged within 90 days after the issuance of the bonds that refund such original bonds, and the amount of the refunding bonds does not exceed the amount of the original bonds, and provided further, as is the case with the Series 2012 Liberty Bonds, that the refunding bonds are designated as "qualified New York Liberty Bonds". The Series 2012 Liberty Bonds have been designated as "qualified New York Liberty Bonds" in part by the Governor and in remaining part by the Mayor. In addition to satisfying these requirements, other applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), must be satisfied in order for interest on the Series 2012 Liberty Bonds to qualify for tax-exempt treatment. See "TAX MATTERS" herein.

THE BORROWER

The Borrower is controlled by Larry A. Silverstein, the President and co-Chief Executive Officer of Silverstein Properties, Inc., a Manhattan-based real estate development and investment firm that has developed, owned and managed more than 35 million square feet of office, residential and retail space. While Mr. Silverstein is deeply involved in all aspects of the leasing and management of the Facility, Mr. Silverstein has taken significant actions to ensure continuity of success at the company, building an organization of employees with significant experience in the real estate industry. In particular, Mr. Silverstein appointed Martin S. Burger as co-Chief Executive Officer of Silverstein Properties, Inc., who is leading the company's efforts to expand domestically, as well as in China and Europe. Mr. Burger has extensive experience in the commercial real estate industry, having been the President of Related Las Vegas and Executive Vice President of The Related Companies, L.P., a Vice President at The Blackstone Group and at Goldman Sachs' Whitehall Real Estate funds. In addition, Mr. Silverstein hired Mickey Kupperman as Chief Operating Officer of Silverstein Properties, Inc., who assisted the company in appointing several additional experienced senior management personnel. Silverstein Properties, Inc. currently has $10 billion worth of development activity in the pipeline. Mr. Silverstein is 80 years old as of the date of this Official Statement.

In July 2001, Mr. Silverstein completed the largest real estate transaction in New York at that time when he signed a 99-year lease on the 10.6 million square feet World Trade Center for $3.25 billion, only to see it destroyed in terrorist attacks six weeks later on September 11, 2001. He is currently rebuilding the office component of the World Trade Center site. In the Spring of 2006, Mr. Silverstein completed the building of the Facility, and in the Fall of 2006, he re-negotiated his ground leases with the Port Authority assigning him responsibility for rebuilding Towers 2, 3 and 4 at the World Trade Center site, and relieving him of the obligation to rebuild Tower 1 at the World Trade Center site. As of the date of this Official Statement, Tower 4 is under construction (a sixty-four (64) floor building to contain approximately 1,800,000 gross square feet of office space on fifty-six (56) floors) and is expected to be completed by December, 2013, and the base for Tower 3 is nearing completion. The remainder of Tower 3 (which, upon completion, will have approximately sixty-two (62) stories and 2,100,000 square feet of office space), and the commencement of construction of Tower 2, will await the fulfillment of certain tenant leasing requirements.

In addition to the Facility, Mr. Silverstein has developed, owns and manages some of the most successful and high-profile commercial and residential properties in New York City, including: 120 Broadway (an approximately 1.8 million square foot, 40-story office building), 120 Wall Street (an approximately 600,000 square foot, 34-story office building serving as the center for New York City based not-for-profit entities), 529 Fifth Avenue (an approximately 260,000 square foot, 20-story office building), 570 Seventh Avenue (an approximately 155,000 square foot, 21-story office building), 11 West 42nd Street (an approximately 850,000 square foot, 32-story office building), 1177 Avenue of the Americas (an approximately 1,000,000 square foot, 47-story office building), 575 Lexington Avenue (an approximately 611,000 square foot, 35-story office building), One River Place (a 921-unit luxury apartment house), Silver Towers (a 1,347-unit luxury apartment building), The Ronald Reagan Building (a 3.1 million square foot office building in Washington D.C.), The Ridgeway Shopping Center (an approximately 350,000 square foot community shopping center in Stamford, Connecticut), Teleport I and II (an approximately 270,000 square foot office park development serving communication-oriented companies in two office buildings), Manhattan Mall (an approximately 1,100,000 square foot mixed-use building), Embassy Suites Times Square (an approximately 42-story, 460-suite hotel), The Summit (an approximately 567-unit, luxury condominium in Hollywood, Florida consisting of two 25-story towers), The Terraces at Turnberry (an approximately 28-story, 295-unit luxury condominium complex in North Miami Beach, Florida), Park Avenue Court (a 223-unit condominium) and Garden State Executive Center (an approximately 285,000 square foot office and research facility in Middletown, New Jersey, net leased to Lucent Technologies).

Further, Mr. Silverstein is currently developing the Four Seasons Orlando at Walt Disney World Resort, an approximately $360 million, 444-room luxury resort at Walt Disney World.

DESCRIPTION OF THE FACIILTY

General

The Loans will be secured by, among other things, the Borrower's ground lease interest in a portion of an office building located at 250 Greenwich Street, New York, New York, and a security interest in and assignment of all leases and rents associated therewith (the "Mortgaged Property"). The site is owned by the Port Authority.

The Facility includes 42 floors of a 52-story, Class A, multi-tenant office building which was completed in 2006 containing 1,728,844 square feet of net rentable area with office tenants on the 10th through 52nd floors. The Facility is located on land bounded by Vesey Street, Washington Street, Barclay Street and West Broadway in the World Financial Center office district of Downtown Manhattan, and otherwise known as 250 Greenwich Street.

The Building is a parallelogram in shape with 42 tenant floors averaging approximately 40,000 rentable square feet per floor over an approximately 78 foot high base incorporating the Con Edison electrical substation which is wrapped in a ventilated metal surface and not part of the Facility. The Building rises to a height of 741 feet, which contains approximately 1.7 million square feet of rentable area on a 58,256 square foot parcel of land. The Building incorporates state of the art life safety, security, environmental and communication enhancements.

7 World Trade Center is built of structural steel and concrete with a glass curtain wall. The ground floor has a secure 45-foot high stone and glass entry lobby for tenant and visitor access on the east side of the Facility facing West Broadway. The Building's cellar and base are separately ground leased by the Port Authority to Con Edison and utilized as an electrical substation; the Con Edison space is not part of the Facility. The 10th through 52nd floors are tenant office floors served by 5 banks of elevators and 3 service elevators. The floor plates of the Building range from 38,872± to 43,008± square feet. Typical office floors have 10-foot high floor to ceiling windows, 9-foot clear ceilings heights, 45-foot lease spans and are virtually column free.

The net rentable area of the Mortgaged Property is currently 95.2% leased to 28 tenants. The Mortgaged Property has vacant office space located on the 4th, 33rd, 37th and 46th floors totaling 83,161± square feet available for lease.

Building Safety Enhancements

The design for 7 World Trade Center contains enhancements to increase the efficiency and safety of the Building and exceed current minimum building code requirements. The Building was the first LEED (Leadership in Energy and Environmental Design) certified office building (achieving the gold standard) in New York City, as defined by the U.S. Green Building Council, which is a Washington, D.C. based non-profit organization committed to the promotion and development of cost efficient and energy saving green buildings. Following is a summary of the Building's safety enhancements:

- The Building is designed to increase structural redundancy by providing enhanced structural connections at the core and columns, alternate load paths, and hardened columns in the lobby and loading dock; the 78-foot base of the Building is designed with a reinforced concrete structure.

- Reinforced concrete walls protect the building core for the entire height of the Building, including exit stairs and elevators; the Building's core contains an internal corridor to facilitate occupant egress.

- Fireproofing on structural steel exceeds the code requirements for bond strength, its ability to adhere to the steel, and impact resistance.

- Fire reserve water tanks provide twice the required storage capacity and connect to two fire standpipes that serve alternating floors so that the Building will be protected by automatic sprinklers if any one of the standpipes is compromised; the automatic sprinkler system at each floor is designed at a higher capacity than required by code at the time of construction.

- Exit stairs are twenty percent (20%) wider than required at the time of construction to facilitate both the exiting of Building occupants and access of emergency responders; additionally, the stairs are oversized at the landing to accommodate the disabled or to stage emergency equipment as required; exit stairs are interconnected at a common transfer floor to allow occupants to exit the Building at any one of four locations and directly to the street; exit stairs and fire standpipes are physically separated and encased entirely within fire rated enclosures of reinforced concrete to provide a high level of protection for exiting occupants and fire suppression systems.

- Photo luminescent materials and paints are used to provide additional guidance along exit routes, at exit stairs, and for directional signs in the event that lighting is obscured; additional photo luminescent exit signs and egress path indicators are also installed just above the floor to assist occupants that may be impeded by smoke.

- Egress lighting system and exit signs are provided with a battery back up in addition to the code-required connection to emergency power; exit stairs are pressurized to mitigate smoke infiltration; an internal antennae and repeater system is provided within the stairways to enhance the communications capability for emergency personnel.

Building Construction Details

Basic Construction:	Structural steel and concrete with glass curtain wall.
Foundation:	Poured reinforced columns, beams and slabs.
Framing:	Structural steel with masonry and concrete encasement.
Ceiling Height:	Generally, ceiling heights are approximately 13'5", slab to slab, with finished ceiling heights of 9'0" in the office areas, similar to other office properties.
Floors:	Concrete poured over metal deck. Each floor is bridged by structural steel floor beams. The stairwells, bathrooms, equipment rooms and elevator shafts are center core.
Exterior Walls:	The exterior facade of the Building consists of a glass curtain wall.
Roof Cover:	Flat roofing system consisting of built-up assemblies with lightweight concrete deck protected by a waterproof membrane typical of other office properties in the area.
Windows:	Tinted reflective glass.
Pedestrian Doors:	Glass in aluminum frames.
Loading Doors:	Loading docks are available for the Building's use on the Washington Street side of the Building.
Emergency Power:	The Building has diesel-driven emergency generators to supply power to life safety related loads (stair and exit lighting, elevator, smoke exhaust, fire pump, fire alarm system, etc.) in the event of loss of normal power. Fuel oil tanks for the Building's emergency generators are located outside the footprint of the Building in the neighboring plaza. Base building emergency generators with their fresh air intakes are located at the top of the Building.

The Market

7 World Trade Center is located in the World Financial Center submarket of Downtown Manhattan. According to Cushman & Wakefield, the World Financial Center submarket contains 15.6 million rentable square feet of office space in 12 buildings. Of the 15.6 million rentable square feet, 11.9 million is classified as Class "A".

According to Cushman & Wakefield:

- The office vacancy rate in the New York City office market area decreased to 9.1% at the end of 2011 from 10.5% at the end of 2010;
- The office vacancy rate in the overall Downtown New York City market area decreased to 9.5% at the end of 2011 from 11.4% at the end of 2010; and
- The office vacancy rate in the Class "A" World Financial Center office submarket decreased to 2.8% at the end of 2011 from 6.4% at the end of 2010.

The tables below are based on information provided by Cushman & Wakefield as of the fourth quarter of 2011, and set forth certain information related to the New York Office Market.

Downtown Overall New York Office Market

Submarket	Number of Buildings	Inventory	Total Available Space	Total Vacancy Rate	Total Weighted Avg. Rental Rate
Financial East	57	35,642,055	4,867,423	13.7%	$41.13
World Financial	12	15,570,956	707,259	4.5%	$44.28
Insurance	45	14,818,985	1,004,911	6.8%	$35.31
City Hall	53	14,353,704	773,874	5.4%	$40.70
Financial West	15	5,986,809	886,984	14.8%	$34.29
Totals	**182**	**86,372,509**	**8,240,451**	**9.5%**	**$39.88**

Downtown Class "A" New York Office Market

Submarket	Number of Buildings	Inventory	Total Available Space	Total Vacancy Rate	Total Weighted Avg. Rental Rate
Financial East	21	23,074,388	3,324,984	14.4%	$44.29
World Financial	7	11,902,802	331,854	2.8%	$55.62
Insurance	9	5,202,929	303,390	5.8%	$36.93
City Hall	7	6,298,488	55,757	0.9%	$44.43
Financial West	2	663,315	104,535	15.8%	$35.53
Totals	**46**	**47,141,922**	**4,120,520**	**8.7%**	**$44.36**

"Available space" as used under this heading "—The Market" is the total amount of space that is currently marketed as available for lease or sale in a given time period, regardless of whether the space is vacant.

Collateral Overview

Property	7 World Trade Center
Initial Balance of Liberty Bonds Loan	$450,290,000
Initial Balance of CMBS Loan	$125,000,000
Aggregate Initial Balance of Loans	$575,290,000
Location	New York, New York
Property Type	Office
Net Rentable Square Feet	1,728,844
Appraised Value[1][2]	$940,000,000
Appraised Value PSF	$544
Aggregate Loan PSF[3]	$333
Loan to Value Ratio[4]	61.2%
Underwritten Net Operating Income[5]	$61,413,545
Underwritten Net Cash Flow[5]	$58,361,104
Underwritten Aggregate Debt Yield[6]	10.7%
Underwritten Aggregate DSCR[7]	2.15x

(1) Per Cushman & Wakefield "as-is" appraised value of the real estate only as of July 1, 2011.
(2) Appraised value inclusive of the incremental value of the interest savings attributed to a Liberty Bonds tax exempt financing is $990,000,000. See "APPENDIX H — THE APPRAISAL" and "APPRAISAL AND MARKET ANALYSIS" herein.
(3) Calculated by dividing the initial aggregate principal balances of the Loans by the net rentable square footage of 1,728,844.
(4) Calculated by dividing the initial aggregate principal balances of the Loans by the real estate only Appraised Value.
(5) As described under "Underwritten Assumptions" below, the underwritten net operating income and the underwritten cash flow are adjusted based on a number of assumptions made by the Borrower.
(6) Calculated by dividing Underwritten Net Operating Income by the initial aggregate principal balances of the Loans.
(7) The underwritten aggregate DSCR is calculated based on dividing Underwritten Net Cash Flow by the product of (i) the Aggregate Balance of Loans and (ii) an initial assumed annual weighted average interest rate of 4.71186 %. Such DSCR does not include principal due on either the CMBS Loan or the Liberty Bonds Loan. See "DEBT SERVICE REQUIREMENTS AND DEBT SERVICE COVERAGE PROJECTIONS" and "PERMITTED MEZZANINE FINANCING AND REFUNDING LIBERTY BONDS" herein.

Collateral Metrics by Liberty Bond Class

Liberty Bond Class	Ratings (Fitch / Moody's)	Initial Balance	Closing Date Class Loan-to-Value Ratio (%) [1]	Closing Date Class Debt Yield [2]	Closing Date Underwritten DSCR [3]	Class Loan / Square Foot [4]
Class 1	AAA(sf) / Aaa(sf)	$313,100,000	33.3%	19.6%	3.91x	$181
Class 2	A(sf) / A2(sf)	108,000,000	44.8%	14.6%	2.87x	$244
Class 3	BBB(sf) / Baa2(sf)	29,190,000	47.9%	13.6%	2.68x	$260

(1) Calculated by taking the sum of all debt senior or equal in priority to the relevant Class divided by the July 1, 2011 "as is" appraised value of $940,000,000 by Cushman & Wakefield, Inc., exclusive of the incremental value of the interest savings attributed to a Liberty Bonds tax exempt financing.
(2) Calculated by dividing the Underwritten Net Operating Income of $61,413,545 by the sum of all debt senior or equal in priority to the relevant Class. See "OPERATING HISTORY AND NET CASH FLOW" herein.
(3) Calculated by dividing the Underwritten Net Cash Flow of $58,361,104 by the cumulative debt service of all debt senior or equal in priority to the relevant Class. The average coupon for the Class 1 Bonds is 4.76471%, the coupon for the Class 2 Bonds is 5.00000%, and the coupon for the Class 3 Bonds is 5.00000%. See "DEBT SERVICE REQUIREMENTS AND DEBT SERVICE COVERAGE PROJECTIONS" herein.
(4) Calculated by dividing the sum of all debt senior or equal in priority to the relevant Class by 1,728,844 total rentable square feet.

Operating History and Underwritten Net Cash Flow

7 World Trade Center Analysis

	2008[3]		2009[3]		2010[3]		2011[3]		2013 Stabilized Budget[1]		Underwritten	
	Actual	PSF /% [2]	Actual	PSF /%[2]	Actual	PSF /% [2]	Actual[2]	PSF /%[2]	Budget	PSF /%[2]		PSF /%[2]
Income												
Rents In Place	$57,322,970	$33.16	$57,408,186	$33.21	$65,632,007	$37.96	$66,965,007	$38.73	$92,006,967	$53.22	$89,861,034	$51.98
Vacant Income	-	-	-	-	-	-	-	-	-	-	3,639,125	2.10
Gross Potential Income	**$57,322,970**	**$33.16**	**$57,408,186**	**$33.21**	**$65,632,007**	**$37.96**	**$66,965,007**	**$38.73**	**$92,006,967**	**$53.22**	**$93,500,159**	**$54.08**
Electric	$2,136,604	$1.24	$1,711,034	$0.99	$2,502,120	$1.45	$2,451,381	$1.42	$3,315,212	$1.92	$3,315,212	$1.92
Escalation Charges	505,095	0.29	3,216,588	1.86	2,877,238	1.66	2,109,383	1.22	4,330,602	2.50	4,330,602	2.50
HVAC and Service Charges	948,576	0.55	510,589	0.30	816,998	0.47	1,277,195	0.74	1,148,366	0.66	1,148,366	0.66
Miscellaneous	87,734	0.05	384,697	0.22	366,532	0.21	304,910	0.18	275,000	0.16	275,000	0.16
Net Rental Income	**$61,000,979**	**$35.28**	**$63,231,094**	**$36.57**	**$72,194,895**	**$41.76**	**$73,107,875**	**$42.29**	**$101,076,147**	**$58.46**	**$102,569,339**	**$59.33**
Vacancy/Credit Loss	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	(3,639,125)	3.5%
Effective Gross Income	**$61,000,979**	**$35.28**	**$63,231,094**	**$36.57**	**$72,194,895**	**$41.76**	**$73,107,875**	**$42.29**	**$101,076,147**	**$58.46**	**$98,930,214**	**$57.22**
Reimbursement Ratio		17.5%		23.7%		23.8%		21.9%		28.9%		30.4%
Expenses												
Real Estate Taxes-PILOT	$1,117,463	$0.65	$2,432,979	$1.41	$2,694,234	$1.56	$2,355,339	$1.36	$3,437,535	$1.99	$3,437,535	$1.99
Insurance	2,140,410	1.24	2,196,651	1.27	1,874,225	1.08	1,647,562	0.95	1,647,134	0.95	1,647,134	0.95
Ground Rent	6,198,825	3.59	6,679,001	3.86	6,572,410	3.80	6,858,447	3.97	8,631,482	4.99	8,631,482	4.99
Total Fixed Expenses	**$9,456,698**	**$5.47**	**$11,308,631**	**$6.54**	**$11,140,869**	**$6.44**	**$10,861,349**	**$6.28**	**$13,716,151**	**$7.93**	**$13,716,151**	**$7.93**
Management	$1,301,686	2.1%	$1,554,135	2.5%	$2,094,837	2.9%	$1,824,601	2.5%	$2,526,904	2.5%	$1,000,000	1.0%
Payroll / Cleaning / Other	6,312,215	$3.65	6,756,222	$3.91	7,440,737	$4.30	9,215,692	$5.33	9,536,810	$5.52	9,536,810	$5.52
Utilities	5,695,216	3.29	6,120,633	3.54	6,991,018	4.04	7,077,472	4.09	8,724,605	5.05	8,724,605	5.05
Maintenance & Repair	2,791,622	1.61	2,868,912	1.66	3,362,064	1.94	3,374,152	1.95	3,602,116	2.08	3,602,116	2.08
Marketing	157,266	0.09	65,967	0.04	40,167	0.02	14,481	0.01	-	-	-	-
Administrative	608,935	0.35	662,863	0.38	1,097,909	0.64	1,130,931	0.65	677,159	0.39	677,159	0.39
Other Non-Recoverable	399,143	0.23	317,440	0.18	417,217	0.24		-	259,828	0.15	259,828	0.15
Total Operating Expenses	**$26,722,781**	**$15.46**	**$29,654,803**	**$17.15**	**$32,584,818**	**$18.85**	**$33,498,678**	**$19.38**	**$39,043,573**	**$22.58**	**$37,516,669**	**$21.70**
Net Operating Income	**$34,278,198**	**$19.83**	**$33,576,291**	**$19.42**	**$39,610,077**	**$22.91**	**$39,609,197**	**$22.91**	**$62,032,574**	**$35.88**	**$61,413,545**	**$35.52**
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	259,327	0.15
Tenant Improvements	-	-	-	-	-	-	-	-	-	-	1,806,870	1.05
Leasing Commissions	-	-	-	-	-	-	-	-	-	-	986,244	0.57
Net Cash Flow	**$34,278,198**	**$19.83**	**$33,576,291**	**$19.42**	**$39,610,077**	**$22.91**	**$39,609,197**	**$22.91**	**$62,032,574**	**$35.88**	**$58,361,104**	**$33.76**

(1) The 2013 Stabilized Budget reflects the first full year that MSCI Inc. and WilmerHale LLP will be in occupancy and paying rent.

(2) Expressed as a $/PSF number for Vacancy, Credit Loss and Management Fees, which are expressed as a percentage of Net Rental Income and Effective Gross Income, respectively.

(3) Actual; unaudited.

Certain characteristics of the Loans and the Mortgaged Property, in each case, as of the Closing Date unless otherwise indicated, are set forth on the tables in this Official Statement and on the CD-ROM annexed to this Official Statement. For purposes of this Official Statement:

"Underwritten Effective Gross Income" are the anticipated revenues in respect of the Facility, generally determined by means of an estimate made at the origination of the Loans. Underwritten Effective Gross Income has generally been calculated (a) assuming that the occupancy rate for the Facility was consistent with the Facility's stabilized rate reflected in the most recent rent roll or operating statements, as the case may be, furnished by the Borrower, and (b) assuming a level of reimbursements from tenants consistent with the terms of the related leases or historical trends at the Facility. In addition, upward adjustments may have been made with respect to such revenues to account for all or a portion of the rents provided for under any new leases scheduled to take effect later in the year as well as future contractual rent steps.

"Underwritten Total Operating Expenses" are the anticipated expenses in respect of the Facility, generally determined by means of an estimate made at the origination of the Loans. Expenses were generally assumed to be equal to historical and/or budgeted annual expenses reflected in the operating statements and other information furnished by the Borrower, except that such expenses were generally modified by (a) if there was an above market management fee, assuming that a management fee was payable with respect to the Facility in an amount approximately equal to a percentage of assumed gross revenues for the year and (b) adjusting certain historical expense items upwards taking into consideration material changes in the operating position of the Facility (such as newly signed leases)

"Underwritten Net Operating Income" means, with respect to the Facility, the cash flow calculated as Underwritten Effective Gross Income net of Underwritten Total Operating Expenses.

"Underwritten Net Cash Flow" means, with respect to the Facility, the cash flow derived from the Facility that was underwritten as available for debt service, calculated as Underwritten Effective Gross Income net of Underwritten Total Operating Expenses, Capital Expenditures, Tenant Improvements and Leasing Commissions.

Actual conditions at the Facility will differ, and may differ substantially, from the assumed conditions used in calculating Underwritten Net Cash Flow. In particular, the assumptions regarding tenant vacancies, tenant improvements and leasing commissions, future rental rates, future expenses and other conditions if and to the extent used in calculating Underwritten Net Cash Flow for the Facility, may differ substantially from actual conditions with respect to the Facility. There can be no assurance that the actual costs of reletting and capital improvements will not exceed those estimated or assumed in connection with the origination of the Loans. In those cases where such "reserves" were so included, no cash is actually being escrowed.

No representation is made as to the future net cash flow of the properties, nor is Underwritten Net Cash Flow set forth in this Official Statement intended to represent such future net cash flow. In addition, Underwritten Net Cash Flow may reflect certain stabilized calculations, including amounts of future rent steps.

"Capital Expenditures, Tenant Improvements and Leasing Commissions" adjustments to the Underwritten Net Operating Income account for adjusting for non-recurring items (such as capital expenditures) and tenant improvements and leasing commissions have been made to account for tenant improvements and leasing commissions at costs consistent with prevailing market conditions.

Underwritten Assumptions

- **Rents in Place** are based on signed leases as detailed on the Borrower's rent roll dated February 1, 2012. Contractual rent increases through December 2012 were included.

- **Vacant Income** is based on market rents per the appraisal. The 83,161 square feet of vacant space is located on floors 4, 33, 37 and 46. Included in the total vacant space is 20,744 square feet of mechanical room storage, which has no underwritten rental income.

- **Electric** is underwritten to the 2013 budget which reflects each tenant's projected sub-metered share plus a 5% administration fee.

- **Escalation Charges** are based on tenants reimbursing their proportionate share of underwritten operating expenses over their respective base years. Operating expenses include management fees, payroll, cleaning, security, common area utilities, maintenance and repair, PILOT taxes and a portion of administrative expenses.

- **HVAC, Service Charges and Miscellaneous Income** is based on the Borrower's 2013 budget which reflects all tenants with executed leases in occupancy.

- **Vacancy** was underwritten to actual physical vacancy of 4.8% (economic vacancy of 3.5%). The Class A World Financial Center submarket reported a 2.8% vacancy rate as of the fourth quarter of 2011 per Cushman & Wakefield.

- **PILOT Taxes** are underwritten to the Borrower's 2013 stabilized budget which reflects all tenants with executed leases in occupancy.

- **Ground Rent** is underwritten to the Borrower's 2013 stabilized budget which reflects all tenants with executed leases in occupancy.

- **Management Fee** was underwritten to 1.0% of effective gross income.

- All other operating expenses were underwritten based on the Borrower's 2013 budget which reflects all tenants with executed leases in occupancy.

- **Replacement Reserves** were underwritten to $0.15 per square foot. The Property Condition Report as prepared by AEI Consultants, dated July 11, 2011, concluded inflated reserves of $0.10 per square foot over the next 12 years.

- **Tenant Improvements** were based on $50 per square foot for new leases and $25 per square foot for renewal leases with a 65% renewal probability for major tenants and $45 per square foot for new leases and $22.50 per square foot for renewal leases for minor tenants. Moody's Corporation, West LB AG and WilmerHale LLP were excluded from the calculation given the long-term nature of their leases and credit profile.

- **Leasing Commissions** were based on 4.0% for new leases and 2.0% for renewal leases, with a 65% renewal probability and average rents in-place rents. Moody's Corporation, West LB AG and WilmerHale LLP were excluded from the calculation given the long-term nature of their leases and credit profile.

TENANTS AT THE FACILITY [1][2]

Tenant	Rentable Square Feet	% of Total Square Feet	Current Annual Rent/SF	Underwritten Annual Rent/SF[3]	Underwritten Annual Rent	% of Total UW Rent	Lease Start Date	Lease End Date	Next Rent Bump
Moody's Corporation	668,513	38.7%	$43.44	$48.53	$32,445,081	34.7%	10/2006	11/2027	12/2012
WilmerHale LLP[4]	210,841	12.2%	53.00	53.00	11,174,573	12.0	8/2011	8/2032	8/2017
The Royal Bank of Scotland N.V.	138,829	8.0%	55.00	61.00	8,468,569	9.1	12/2006	11/2022	11/2012
West LB AG	129,024	7.5%	73.89	73.89	9,533,792	10.2	12/2008	5/2025	6/2015
MSCI Inc[5]	125,811	7.3%	58.00	58.00	7,297,038	7.8	2/2012	1/2033	2/2018
Cardinia Real Estate, LLC	39,913	2.3%	67.00	67.00	2,674,171	2.9	6/2008	10/2018	11/2013
Silverstein Properties, Inc.	39,912	2.3%	44.20	47.20	1,883,846	2.0	4/2006	6/2017	4/2012
NCR Corporation	39,900	2.3%	66.00	66.00	2,633,400	2.8	2/2008	2/2018	2/2013
Mansueto Ventures, LLC	39,809	2.3%	46.20	51.20	2,038,221	2.2	7/2006	5/2022	5/2012
New York Academy of Science	39,799	2.3%	48.00	52.50	2,089,430	2.2	12/2005	6/2022	6/2012
Ameriprise Financial	39,364	2.3%	51.01	56.01	2,204,872	2.4	1/2007	5/2017	6/2012
WTC Properties, LLC	36,110	2.1%	53.30	53.30	1,924,675	2.1	1/2007	12/2017	-
Scottsdale Insurance Company	31,463	1.8%	62.00	62.00	1,950,706	2.1	7/2011	9/2022	7/2016
Level 3 Communications	15,176	0.9%	2.35	2.35	35,664	0.0	8/2009	8/2014	-
Kostelantsz & Fink LLC	13,969	0.8%	64.00	68.00	949,892	1.0	7/2007	3/2015	11/2012
Volant Trading LLC	7,801	0.5%	75.00	82.50	643,583	0.7	12/2008	10/2015	7/2012
IVC America, L.P.	7,570	0.4%	62.00	62.00	469,340	0.5	5/2007	3/2015	9/2012
DRW Commodities, LLC	6,498	0.4%	62.00	68.00	441,864	0.5	7/2007	3/2015	9/2012
Scout Real Estate Capital, LLC	4,022	0.2%	62.00	68.00	273,496	0.3	5/2007	3/2015	9/2012
Whentech LLC	3,875	0.2%	62.00	68.00	263,500	0.3	5/2007	3/2015	9/2012
ALGO Engineering	3,823	0.2%	74.00	74.00	282,902	0.3	5/2008	3/2015	5/2013
Building Office	3,500	0.2%	-	-	-	0.0	-	-	-
Raman M Patel & Trusher Patel	150	0.0%	16.00	16.00	2,400	0.0	9/2011	12/2013	-
Cogent Communications, Inc.	9	0.0%	666.67	666.67	6,000	0.0	6/2008	5/2013	-
Abovenet Communications	1	0.0%	27,000.00	27,000.00	27,000	0.0	5/2008	4/2013	-
RCN Communications	1	0.0%	61,948.80	61,948.80	61,949	0.1	4/2009	4/2014	-
Cablevision Lightpath	-	0.0%	-	-	64,190	0.1	10/2011	9/2016	-
XO Communications	-	0.0%	-	-	20,880	0.0	11/2011	11/2014	-
Vacant[6]	83,161	4.8%	43.76	43.76	3,639,125	3.9	-	-	-
Total	**1,728,844**	**100.0%**	**$51.11**	**$54.08**	**$93,500,159**	**100.0%**			

[1] Totals may not add up due to rounding; information is as of February 1, 2012.

[2] The Borrower has entered into certain additional leases for space in the Facility since the date of the rent roll set forth above (February 1, 2012). In addition, prior to the Bond Issuance Date, the Borrower intends (i) to amend certain existing leases with affiliates of the Borrower to extend the terms thereof and, in one instance, expand the premises demised thereunder and (ii) to enter into a new lease with an affiliate of the Borrower for approximately 30,000 square feet.

[3] Includes contractual rent increases occurring in 2012.

[4] WilmerHale LLP is expected to take occupancy in July 2012 and begin paying rent in August 2012.

[4] MSCI Inc. is expected to take occupancy in October 2012 and begin paying rent in February 2013.

[6] Included in the total vacant space is 20,744 square feet of mechanical room storage, which has no underwritten rental income.

Lease Expiration Schedule

Year of Expiration	# of Leases	Square Feet	% of Total SF	Cumulative Total SF	Cumulative % of Total SF	Underwritten Base Rent Expiring	% of Underwritten Base Rent Expiring	Cumulative Underwritten Rent Expiring	Cumulative % of Underwritten Rent Expiring
2012	0	0	0.0 %	0	0.0%	0	0.0%	$0	0.0%
2013	3	160	0.0	160	0.0%	$35,400	0.0%	$35,400	0.0%
2014	3	15,177	0.9	15,337	0.9%	118,492	0.1%	$153,892	0.2%
2015	7	47,558	2.8	62,895	3.6%	3,324,577	3.7%	$3,478,469	3.9%
2016	1	0	0.0	62,895	3.6%	64,190	0.1%	$3,542,659	3.9%
2017	3	115,386	6.7	178,281	10.3%	6,013,393	6.7%	$9,556,053	10.6%
2018	2	79,813	4.6	258,094	14.9%	5,307,571	5.9%	$14,863,624	16.5%
2019	0	0	0.0	258,094	14.9%	0	0.0%	$14,863,624	16.5%
2020	0	0	0.0	258,094	14.9%	0	0.0%	$14,863,624	16.5%
2021	0	0	0.0	258,094	14.9%	0	0.0%	$14,863,624	16.5%
2022	4	249,900	14.5	507,994	29.4%	14,546,926	16.2%	$29,410,550	32.7%
2023	0	0	0.0	507,994	29.4%	0	0.0%	$29,410,550	32.7%
2024	0	0	0.0	507,994	29.4%	0	0.0%	$29,410,550	32.7%
2025	1	129,024	7.5	637,018	36.8%	9,533,792	10.6%	$38,944,342	43.3%
2026	0	0	0.0	637,018	36.8%	0	0.0%	$38,944,342	43.3%
2027	1	668,513	38.7	1,305,531	75.5%	32,445,081	36.1%	$71,389,423	79.4%
2028	0	0	0.0	1,305,531	75.5%	0	0.0%	$71,389,423	79.4%
2029	0	0	0.0	1,305,531	75.5%	0	0.0%	$71,389,423	79.4%
2030	0	0	0.0	1,305,531	75.5%	0	0.0%	$71,389,423	79.4%
2031	0	0	0.0	1,305,531	75.5%	0	0.0%	$71,389,423	79.4%
2032	1	210,841	12.2	1,516,372	87.7%	11,174,573	12.4%	$82,563,996	91.9%
2033	2	129,311	7.5	1,645,683	95.2%	7,297,038	8.1%	$89,861,034	100.0%
Vacant	NAP	83,161	4.8	1,728,844	100.0%	NAP	NAP	NAP	NAP
Total	**28**	**1,728,844**	**100.0%**			**$89,861,034**	**100.0%**		

Office Tower Ground Lease

Terms and Payments. Pursuant to the Office Tower Ground Lease, the leasehold estate is for an initial term expiring on December 31, 2026, with three (3) options on the part of the Borrower to extend the term of the Office Tower Ground Lease at fair market rental value for twenty (20) years each. Legal title to the Mortgaged Property, including improvements, appurtenances and fixtures, rests in the Port Authority. The basic annual rental (the "Base Rent") is equal to the greater of (i) $150,000.00 or (ii) $6.75 per occupied rentable square foot of the Facility to be paid in equal monthly installments in advance on the first day of each and every month. The amount of such monthly installments shall be the greater of (i) $12,500.00; or (ii) $0.5625 multiplied by the total number of occupied rentable square feet to be occupied or used by Space Tenants (as defined in the Office Tower Ground Lease to be the tenants, licensees or other third parties who, pursuant to agreement with the Borrower, shall occupy or use space in the Facility or provide services or sell merchandise in or from the Facility) during such month.

The Borrower is also required to pay the Port Authority an annual percentage rent equal to 40% of the excess Net Cash Flow (generally, the excess of Gross Revenues over Gross Expenses) arising during each annual period over an amount equal to the aggregate of (a) a matching payment to the Borrower equal to the Base Rent for each annual period (assuming the Facility is 100% leased, this amount equals approximately $9.0 million and (b) any and all interest and amortization paid by the Borrower, including voluntary prepayments of principal in such annual period. The amount of recognized debt for the purpose of clause (b) above (including mortgage debt, mezzanine loans and preferred equity) is estimated as of the Closing Date at approximately $578 million plus costs and expenses in connection with the issuance of the Series 2012 Liberty Bonds and the CMBS Certificates.

In the event that the Facility is sold or transferred by the Port Authority, then the Base Rent for each annual period shall be adjusted by decreasing the amount payable therefor by an amount equal to the lesser of (a) the amount of real estate taxes paid by the Borrower for such annual period, or (b) three dollars and seventy-five cents ($3.75) multiplied by the number of occupied rentable square feet in the Facility during such annual period.

The Borrower is required to pay all taxes and all other governmental charges which may be assessed, levied, or imposed on the Mortgaged Property, its operations or occupancy under the Office Tower Ground Lease or on the rental or income therefrom (including payments in lieu of real estate taxes or "PILOT").

PILOT payments as of 2012 are $5.06 per occupied square foot assuming a square footage of 1,327,245. However, $2.07 per square foot is included in the Base Rent. PILOT payments are subject to changes from time to time to reflect the percent changes in the tax rate (as determined by The City of New York) and assessed valuation of the Facility as determined by The City of New York (based on the percent change in assessed valuation (as determined by The City of New York) of ten (10) privately-owned office buildings assessed for $10 million or more located south of 14th Street in Manhattan from 1970/1971, the date on which the space in the Facility first became available for occupancy).

In the event the Port Authority were to sell or transfer its interest in the Facility, (A) and the Facility was no longer exempt from real estate taxes, the Borrower would become obligated to pay real estate taxes with respect to the Facility and the base rent payable by the Borrower under the Office Tower Ground Lease would be reduced by the lesser of (x) the amount of real estate taxes paid by the Borrower and (y) $3.75 per occupied square foot in the Facility, (B) the annual percentage rent payable by the Borrower to the new Ground Lessor would increase from 40% to 50% of excess Net Cash Flow, and (C) the share of Net Refinancing Proceeds that the Borrower is required to pay to the new Ground Lessor shall increase from 40% to 50%.

Sale, Assignment, Transfer or Subleasing. As a general rule, the Borrower may not assign, transfer, sublet, or sell the Office Tower Ground Lease without the prior written consent of the Port Authority.

The Port Authority may not withhold its consent to a proposed assignment of the Office Tower Ground Lease to a proposed assignee who meets the requirements and conditions set forth therefor in the Office Tower Ground Lease.

No assignment will be effective if (i) the Borrower is in default for nonpayment of Ground Rent; (ii) the Borrower shall have been served with a notice that it is in default under any of the terms of the Office Tower Ground Lease which default remains uncured; (iii) the Office Tower Ground Lease shall not be in full force and effect; or (iv) the Port Authority shall have served a notice of termination of the Office Tower Ground Lease.

Leasehold Mortgage. Subject to the conditions listed below, the Borrower may mortgage its leasehold interest under the Office Tower Ground Lease.

The Borrower shall have the right to make a single mortgage of its leasehold interest under the Office Tower Ground Lease in the Mortgage Amount (see "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE OFFICE TOWER GROUND LEASE" for the definition of this term and other capitalized terms appearing under this subheading) to an Institutional Lender approved by the Port Authority, which approval shall not be withheld unless there is a conflict of interest (as defined under the laws of the State of New York). The Borrower is required to submit for the Port Authority's approval (i) a copy of the proposed Leasehold Mortgage and of the note which the Leasehold Mortgage is given to secure and (ii) during the period that the Port Authority is the fee owner of the Facility, if the Mortgage Amount of such proposed Leasehold Mortgage, together with the unpaid principal balance of all other Leasehold Mortgages then encumbering the Borrower's leasehold interest which are not to be satisfied out of the proceeds of the proposed Leasehold Mortgage, would exceed the aggregate Mortgage Amount(s) of all Leasehold Mortgages

encumbering the Borrower's leasehold interest immediately prior to the consummation by the Borrower of the proposed Leasehold Mortgage, a certificate of an approved appraiser, certifying that the Mortgage Amount of such proposed Leasehold Mortgage, together with the unpaid principal balance of all other Leasehold Mortgages then encumbering the Borrower's leasehold interest and which are not to be satisfied out of the proceeds of the proposed Leasehold Mortgage, does not exceed the Maximum Mortgage Amount. The Borrower is required to deliver an executed copy of the Leasehold Mortgage and note to the Port Authority. The rights of the Leasehold Mortgagee shall be subject to the terms and conditions of the Office Tower Ground Lease. The Port Authority has agreed that if requested by an Institutional Lender to amend the Office Tower Ground Lease as a condition to the issuance by such Lender of a commitment for the Leasehold Mortgage to the Office Tower Ground Lease, the Port Authority will not unreasonably withhold consent to such request provided such amendment does not adversely affect the Port Authority's rights under the Office Tower Ground Lease.

The Leasehold Mortgagee has the right to receive notices of defaults under the Office Tower Ground Lease if it provides a notice to the Port Authority of its name and address, together with a copy of the Leasehold Mortgage and a request to receive such notices. The Port Authority is required to accept the curing of any default under the Office Tower Ground Lease (which if uncured would otherwise allow the Port Authority to terminate the Office Tower Ground Lease) by the Leasehold Mortgagee as if cured by the Borrower. *On or prior to the Bond Issuance Date, the Port Authority will deliver an estoppel certificate recognizing the Mortgage as a "Leasehold Mortgage" under the Office Tower Ground Lease and the Collateral Agent as a "Leasehold Mortgagee".*

If the Port Authority elects to terminate the letting under the Office Tower Ground Lease by reason of the Borrower's default, then the Port Authority is required to give written notice to the Leasehold Mortgagee specifying the default upon which the notice is predicated. The Leasehold Mortgagee would have 90 days, or whatever longer period reasonably necessary to cure the default, from the termination date stated in the notice to cure the default, provided it pays all arrears in the rental payable under the Office Tower Ground Lease. If the defaults specified in the notice of termination are cured, the notice of termination predicated upon such defaults will be null and void.

The Leasehold Mortgagee may foreclose its mortgage only if 60 days prior to commencing a foreclosure the Leasehold Mortgagee gives the Port Authority written notice of its intention, which notice shall state the principal balance of the Leasehold Mortgage, the amount of unpaid interest thereon, and the interest which will accrue after the giving of such notice. The Port Authority has the right following the giving of such notice, to purchase the Leasehold Mortgage for an amount equal to the total amount specified in such notice from the Leasehold Mortgagee. If the Port Authority fails to notify the Leasehold Mortgagee within the 60-day period specified in the notice 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.

No party other than an Institutional Lender may become the owner of the Office Tower Ground Lease pursuant to a judgment of foreclosure and sale except with the consent of the Port Authority which shall not be withheld if the assignee is a Qualified Assignee.

If at any time there is more than one Leasehold Mortgagee, the Port Authority is required to give notices of default to each Leasehold Mortgagee who so requests (in the manner above described). The holder of the junior Leasehold Mortgage shall have the right to exercise the cure rights of a Leasehold Mortgagee. If the holder of such junior Leasehold Mortgage fails to so cure, the Port Authority is required to notify the holders of the Leasehold Mortgages senior in lien of such failure. The holders of the Leasehold Mortgages in inverse order of seniority of lien to such junior Leasehold Mortgage shall have the right to exercise the cure rights of the Leasehold Mortgagee after receipt of notice from the Port Authority of the failure of the holder of the Leasehold Mortgage immediately junior in lien to so exercise.

If the Office Tower Ground Lease is terminated by reason of the occurrence of any Ground Lease Event of Default, and the Port Authority timely receives notice from the Leasehold Mortgagee requesting a new lease for the balance of the term, the Port Authority is required to timely deliver to the Leasehold Mortgagee a new lease for the balance of the term of the Office Tower Ground Lease including all rights of renewal, having the same priority as the Office Tower Ground Lease.

If the Borrower fails to exercise its option to renew any term of the Office Tower Ground Lease, the Port Authority is required to give prompt notice of that fact to the Leasehold Mortgagee and, provided the Office Tower Ground Lease is in full force and effect, such Leasehold Mortgagee may exercise said option to renew by requesting a new lease to be made either to itself or its nominee (provided the duration of the Leasehold Mortgage shall extend into the proposed renewal period.)

Refinancing of Leasehold Mortgage. The Borrower may effect a Refinancing of a Leasehold Mortgage, provided, that during the period that the Port Authority is the fee owner of the premises, the aggregate principal indebtedness to be secured by the Refinancing of a Leasehold Mortgage, together with the unpaid principal balance of all other Leasehold Mortgages and Mezzanine Financing then encumbering the Borrower's interest in the Office Tower Ground Lease and the premises and which are not satisfied out of such Refinancing, cannot exceed the Maximum Mortgage Amount. In the event of a Refinancing of a Leasehold Mortgage, all Net Refinancing Proceeds are required to be divided as follows: (a) if title to the World Trade Center (or the portion of title comprising the premises demised under the Office Tower Ground Lease) remains in the Port Authority, then 60% of the Net Refinancing Proceeds is required to go to the Borrower and 40% is required to go to the Port Authority, or (b) if title to the World Trade Center (or the portion of title comprising the premises demised under the Office Tower Ground Lease) has been transferred, then 50% of the Net Refinancing Proceeds is required to go to the Borrower and 50% is required to go to the transferee.

Space Leases. The Borrower may not enter into any space lease without the Port Authority's prior written consent, which consent shall not be withheld provided that each proposed space tenant shall be suitable, as determined by the Port Authority employing the same criteria as used for the World Trade Center prior to September 11, 2001. In addition to the above requirement, the Borrower may not enter into a space lease for the letting of a full floor or greater area unless the Borrower has obtained the prior written consent of the Port Authority, provided that the Port Authority may not arbitrarily withhold its consent.

The Borrower is required to provide the Port Authority with copies of all space leases entered into by the Borrower. Each space lease is required to contain provisions providing that the space tenant shall: (i) observe all of the terms of the Office Tower Ground Lease, and (ii) pay directly to the Port Authority on demand any rental, fee, charge or other amount due to the Borrower if the Borrower shall be under an uncured notice of default under the Office Tower Ground Lease.

Each space lease entered into by the Borrower is required to contain a clause whereby the lessee under the space lease agrees to attorn to the Port Authority in the event the Borrower's leasehold estate under the Office Tower Ground Lease is terminated.

In the event the Office Tower Ground Lease is terminated and subsequently the Leasehold Mortgagee requests a new lease from the Port Authority, then the Port Authority has agreed to assign to the new lessee all space leases which may have attorned to the Port Authority.

The Borrower has assigned to the Port Authority all rents due from any space tenant, provided that, so long as the Borrower is not in default, the Borrower has the right to collect such rents for its own uses. This assignment is subject to the rights of any Leasehold Mortgagee under a similar assignment of rents, provided that the Leasehold Mortgagee is exercising its cure rights and paying sums due in connection with such cure to the Port Authority.

Insurance. Pursuant to the Office Tower Ground Lease, the Borrower is required to secure and maintain in its own name and shall pay the premiums on, among other types of insurance, all risk property damage insurance, all risk boiler and machinery insurance, commercial general liability insurance, automobile liability insurance, rent insurance, and war risk insurance, all as specified in the Office Tower Ground Lease.

Loss under any of the policies (except Worker's Compensation, Rent Insurance and Comprehensive General and Automobile Liability Insurance) are required to be adjusted with the insurance company by the Borrower and the Port Authority (and the Leasehold Mortgagee required by the provisions of the Leasehold Mortgage) and payable to the Borrower (except under the circumstances described in the "Casualty" section of the Office Tower Ground Lease in which event the proceeds are required to be deposited in the Insurance Trustee's account).

See also "INSURANCE ON THE MORTGAGED PROPERTY" for a description of certain other of the insurance obligations imposed on the Borrower with respect to the Mortgaged Property.

Fire and Other Casualty. If the premises, the Facility or any structures or improvements are damaged or destroyed by fire or other casualty, the Borrower must, at its expense (whether or not such damage is covered by insurance proceeds sufficient for the purpose), promptly rebuild and restore each of the same in accordance with the plans and specifications as they existed prior to such damage. If such damage occurs during the last five (5) years of the term and the cost of rebuilding exceeds 10% of the then full insurable value of the Facility, the Borrower shall have the option of either (a) performing all rebuilding in accordance with the provisions of the Office Tower Ground Lease, or (b) terminating the letting in its entirety by written notice to the Port Authority, provided, there shall be in force insurance adequate to cover such damage and provided, further, that (i) the Borrower is not in default, and (ii) the Office Tower Ground Lease and the Facility are unencumbered by any mortgage or other liens and free from any pending matters that might develop into additional rent. If the Borrower so terminates, it is not entitled to any portion of the insurance proceeds realized on account of the damage.

Apart from the occurrence of the same in the final five years of the term as above described, no damage or destruction to the premises shall relieve the Borrower from its liability to make payment of any monies, fees or rentals payable under the Office Tower Ground Lease or from any of its other obligations thereunder.

If such damage or destruction is covered by insurance, such proceeds shall be made available for and applied to the cost of the rebuilding work required of the Borrower under the Office Tower Ground Lease.

If the proceeds of insurance are insufficient to pay the entire cost of rebuilding, the Borrower is required to pay the deficiency.

Upon receipt by the Insurance Trustee and the Port Authority of satisfactory evidence that the rebuilding has been completed and paid for in full and that there are no liens on the premises, any balance of the insurance money is required to be paid to the Borrower. Any such excess proceeds shall be considered as Net Cash Flow (as between the Borrower and the Port Authority only) and divided between the parties as elsewhere in the Office Tower Ground Lease provided.

Indemnity. The Borrower is required to indemnify the Port Authority from all claims and demands of third persons (including those for death, for personal injuries, or for property damages), arising out of (i) any default of the Borrower under the Office Tower Ground Lease, or (ii) the use or occupancy of the premises by the Borrower, or others with its consent (including space tenants), or (iii) the acts or omissions of the Borrower (and related parties) where such acts or omissions are on the premises.

Ground Lease Events of Default. Any one or more of the following events shall constitute an "event of default" under the Office Tower Ground Lease:

(a) The Borrower fails duly to pay the rentals or other monies payable under the Office Tower Ground Lease to the Port Authority and such default continues for 30 days after notice from the Port Authority; or

(b) The Borrower becomes insolvent, or fully take the benefit of various legal incidents of bankruptcy; or

(c) A petition under the federal bankruptcy laws is filed against the Borrower and is not dismissed or vacated within 120 days; or

(d) By order or decree of a court the Borrower is adjudged bankrupt; or

(e) By authority of any legislative acts or the like act of a governmental agency, a receiver, trustee or liquidator takes control of substantially all the property of the Borrower, and such control continues for 15 days; or

(f) The interest or estate of the Borrower under the Office Tower Ground Lease is sold, transferred, assigned, subleased, mortgaged or passes to any other person, firm or corporation, except as permitted by the Office Tower Ground Lease; or

(g) The failure of any purchaser of the Office Tower Ground Lease at a foreclosure sale or the Leasehold Mortgagee to deliver to the Port Authority an assumption agreement; or

(h) The Borrower, if a corporation, becomes a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution (except when the resulting corporation has a financial standing as of the date of the merger or consolidation at least as good as the financial standing of the Borrower); or

(i) The Borrower, if a partnership, is dissolved, provided, that the retirement, death, bankruptcy, insanity or other legal disability of any partner will not constitute a Ground Lease Event of Default, if the remaining partners continue the partnership; or

(j) Any lien is filed against the premises or the Mortgaged Property because of any act or omission of the Borrower and is not removed or discharged within 90 days; or

(k) The premises are voluntarily abandoned, or after exhausting any right of appeal, the Borrower is prevented for a period of 30 days by action of any governmental agency from conducting its operations in the premises due to the fault of the Borrower; or

(l) The Borrower fails to keep, perform and observe every promise, covenant and agreement set forth in the Office Tower Ground Lease within 30 days after receipt of notice of default from the Port Authority; or

(m) If the Office Tower Ground Lease shall require a guarantor of the Borrower's obligations and any of the events described in (b), (c), (d), (e), (h) or (i) above occurs with respect to the guarantor.

Upon the occurrence of any such event (a "Ground Lease Event of Default") and at any time thereafter during the continuance thereof, the Port Authority may on 20 days' notice to the Borrower terminate the letting, subject to the rights of the Leasehold Mortgagee (if any) to cure such default.

The Port Authority (subject to the express rights of a Leasehold Mortgagee) has, as an additional remedy upon the giving of a notice of termination, the right to re-enter the premises.

Survival of the Obligation of the Borrower. If the letting is terminated, or the Port Authority has re-entered or resumed possession of the premises, all the obligations of the Borrower under the Office Tower Ground Lease shall survive such termination, cancellation, re-entry, or resumption of possession and remain in effect for the full term of the Office Tower Ground Lease.

Immediately upon any termination or upon any re-entry or resumption of possession, the Borrower is required to pay, in addition to rental which accrued prior to the termination:

(a) the amount of all unfulfilled monetary obligations of the Borrower under the Office Tower Ground Lease, including all sums constituting additional rental and the cost to the Port Authority for fulfilling all other obligations of the Borrower which would have accrued during the balance of the term;

(b) an amount equal to the cost to the Port Authority related to the termination, regaining possession, restoring, reletting and maintenance of the premises;

(c) on account of the Borrower's basic rental obligations, the greater of:

  (i) the then present value of all basic rental payable under the Office Tower Ground Lease for the entire term following the termination; or

  (ii) $6.75 applied to the number of rentable square feet in the Mortgaged Property which would have been used or occupied during the balance of the term if there had been no termination;

(d) on account of the Borrower's percentage rental obligation, an amount equal to the total of the percentage stated to be paid to the Port Authority under the Office Tower Ground Lease applied to the amount of Net Cash Flow which would have arisen during the balance of the term if there had been no termination; and

(e) an amount equal to the cost to the Port Authority in performing the construction of the Facility in the event that the Borrower failed to so perform prior to the termination.

Condemnation. Upon condemnation or eminent domain of all or any part of the premises or the Facility (a "permanent taking") the Port Authority, the Borrower and a Leasehold Mortgagee shall have the right to participate in any condemnation proceeding.

In the event a permanent taking covers all of the Mortgaged Property improvements, the Office Tower Ground Lease shall terminate on the earlier of (i) the date the Borrower is deprived of physical possession of the improvements or (ii) the date of such taking.

In the event a permanent taking covers less than all of the Mortgaged Property improvements, the Office Tower Ground Lease shall be deemed terminated as to the part so taken as of the earlier of (i) the date the Borrower is deprived of physical possession of such part of the improvements, or (ii) the date of such taking; with respect to the part not taken, the letting shall continue in full force and the Borrower shall continue to pay all sums, including rental without any abatement.

If the Facility improvements are damaged by any permanent taking of less than all thereof, the Borrower is required to perform any necessary repair, at its own cost, so as to constitute such remaining part a complete economically viable unit. If the above situation occurs within the last five (5) years of the term, the Borrower has the right to cancel the Office Tower Ground Lease in its entirety.

In the event of a permanent taking of all of the premises and the Facility, the award upon any such taking shall be distributed between the Port Authority and the Borrower as described in the Office Tower Ground Lease.

See "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE OFFICE TOWER GROUND LEASE", including for definitions of certain of the capitalized terms used in this heading.

Reciprocal Easement Agreement

Overview

The Borrower (as successor in interest) and Con Edison are parties to a Reciprocal Easement Agreement dated as of March 15, 2005 (the "Reciprocal Easement Agreement"), setting forth certain rights, easements, appurtenances, interests and benefits with respect to the Building and the respective leasehold interests of each such party. Although the Reciprocal Easement Agreement makes reference to an amended and restated ground lease between Con Edison and the Port Authority, that instrument has not yet been executed by Con Edison and the Port Authority. However, Con Edison has been in possession of the site since completion of its space, is subject to a Subordination Agreement pursuant to which each of the Port Authority, Con Edison and 7 World Trade Company, L.P. (as predecessor-in-interest of the Borrower) subordinated the terms of the applicable ground leases to the terms of the Reciprocal Easement Agreement and is expected to deliver an estoppel certificate on or prior to the Bond Issuance Date containing acknowledgments consistent with ongoing performance by the parties in accordance with the Reciprocal Easement Agreement. Further, the Port Authority recognizes the Borrower's (and grants to the Borrower independent of the grant under the Reciprocal Easement Agreement) rights under the Reciprocal Easement Agreement in the Office Tower Ground Lease.

Easements

Pursuant to the terms of the Reciprocal Easement Agreement, Con Edison has granted the Borrower easements for ingress, egress and/or use over the portion of the Building ground leased by the Port Authority to Con Edison (the "Con Edison Premises") for (i) entry upon the mechanical room, (ii) entry for general maintenance of any fixtures, equipment, improvements or facilities in the Con Edison Premises which serve or benefit the Facility, (iii) entry to the fire stairs, fire safety installations and elevator shafts, (iv) access to the ducts and conduits for utility services, and (v) entry upon certain structural elements of the Con Edison Premises in connection with construction and support.

Pursuant to the terms of the Reciprocal Easement Agreement, the Borrower has granted Con Edison easements for ingress, egress and/or use over the Facility for (i) entry to the fire stairs and fire safety installations, (ii) entry upon the mechanical room, and (iii) entry upon the loading docks to obtain access to the parking area and the oil/water separating facility.

In addition, each of the Borrower and Con Edison have granted to the other party easements for ingress, egress and/or use over their respective premises for (i) use of all building systems serving or benefiting the other premises, (ii) structural support necessary for the support of the improvements or for any other facility for which an easement is granted, (iii) the continued existence of de minimis encroachments, to the extent they exist, (iv) general maintenance as required by the terms of the Reciprocal Easement Agreement, (v) the ability to comply with all applicable laws, (vi) installation of new building systems, if the buildings system cannot reasonably be installed within the premises of the party benefiting from the easement, and (vii) emergencies.

Liens

Each of the Borrower and Con Edison have agreed that within ninety (90) days after the filing thereof, they shall remove of record any mechanic's, materialman's or other lien affecting their respective premises, provided that each party may be given a reasonable extension of time if such lien cannot be removed within ninety (90) days. If a party fails to cause such lien to be so discharged, then the other party may, but shall not be obligated to, discharge the same and be reimbursed for all reasonable costs and expenses together with interest.

Maintenance Expenses

Pursuant to the terms of the Reciprocal Easement Agreement, both parties acknowledge that certain work is necessary in connection with the maintenance, inspection, testing, repair, replacement, restoration and/or cleaning of the premises (collectively, the "Maintenance"). The parties have set forth the responsibility of each of the respective parties with regard to the performance of the Maintenance and provided for the allocation of the cost of performing such Maintenance, as more particularly described in the Reciprocal Easement Agreement. With the exception of certain maintenance of the improvements located in the Con Edison Premises, all of the Maintenance is to be performed by the Borrower.

Term

The Reciprocal Easement Agreement states that it, and the easements granted thereby, shall remain in force and effect in perpetuity, unless an agreement in recordable form providing for the termination of the Reciprocal Easement Agreement shall be consented to and executed by the parties who shall then own the respective premises. However, the termination of the Reciprocal Easement Agreement shall not be deemed to terminate the rights and obligations of either party under their respective leases of their premises. It should be noted, however, that the easements encumber the leasehold interests of the Borrower and Con Edison, but not the fee interest of the Port Authority; provided, that pursuant to the terms of the Office Tower Ground Lease, the Port Authority has acknowledged the Borrower's right to the easements granted, and all the benefits accruing, to the Borrower under the Reciprocal Easement Agreement.

Subordination

Each of the Office Tower Ground Lease and the Electrical Substation Ground Lease are subject and subordinate to the terms and provisions of the Reciprocal Easement Agreement.

Description of Certain General Space Lease Terms

General

The following provisions briefly highlight certain of the standard provisions likely to be contained in the various Leases in effect at the Building, and in certain instances, further indicate where there are tenant specific provisions in certain of such Leases. The provisions referenced below in this subheading are not inclusive of all such common or tenant specific provisions.

Abatement of Rent

Under certain circumstances, including but not limited to the Borrower's failure to make certain repairs or other circumstances that materially interfere with a tenant's ability to occupy its space, tenants under the space leases may have the right to an abatement of rent.

In addition, if Moody's use of any portion of its leased space is disrupted due to an electro-magnetic field emanation from the Con Edison electrical substation, then fixed rent and other charges will abate until Moody's reoccupies the affected portion of its leased space or on the date in which the Borrower delivers to Moody's a notice indicating that remediation has been completed.

Default by Tenant

Subject to certain notice and cure rights, the Borrower will have the right to terminate the tenant's lease and to exercise certain other rights and remedies if such tenant defaults in the payment of rent or otherwise fails to comply with its lease obligations.

Certain Tenant Lease Cancellation Options

As a general matter, tenants are obligated to observe and perform the terms and conditions of their respective leases for their stated terms and do not have the right to elect to terminate their respective leases prior to the stated lease expiration date.

However, WilmerHale LLP, MSCI Inc., Ameriprise and Silverstein Properties, Inc. each has the right to terminate its lease prior to its stated expiration date upon the satisfaction of certain conditions.

In addition, as of November 15, 2017, Moody's will have the option to terminate its lease as to either one full floor or two full, contiguous floors of its leased space upon satisfaction of certain conditions, including the payment of a certain fixed amount. In addition, if any electro-magnetic field condition that disrupts Moody's use of any portion its leased premises cannot be cured within 120 days, Moody's has the option to terminate its lease as to the affected portion(s) of its leased space

Termination for Casualty and Condemnation

Under certain circumstances, either the Borrower or a tenant may terminate the respective leases in connection with a fire or other casualty resulting in substantial damage to the tenant's leased space or to the Building. If a lease is not terminated following a casualty then, until completion of the Borrower's restoration work, the tenant's rent obligation will abate (provided that such risk is mitigated by the business interruption/loss of rental insurance required under the Liberty Bonds Loan Agreement to be maintained by the Borrower).

Tenant leases are generally subject to termination, in whole or in part, following a condemnation of all or a portion of the Building. If only a portion of a tenant's leased space is condemned or taken, then, generally, the rent will be reduced and the lease will continue as to the portion not taken.

Assignment and Subletting; Lease Cancellation by the Borrower

Subject to certain exceptions, such as transfers or sublets to certain affiliates of the tenant, tenants are not permitted to assign (in whole or in part), mortgage, pledge, encumber or otherwise transfer their space leases, or sublet or permit their space to be used or occupied by others generally, without the Borrower's prior written consent. If a tenant intends to assign its space lease or proposes to sublet all or substantially all of its leased space for the entire or substantially the entire remaining term, the Borrower may, under certain circumstances, terminate the lease with respect to all or part of the leased premises.

Certain Leasing Restrictions

Provided that Moody's Corporation has satisfied certain conditions, the Borrower has agreed not to lease any space in the Facility to certain competitors of Moody's Corporation.

Additional Information Regarding the Loans and the Mortgaged Property

For further information regarding the Loans and the Mortgaged Property see the Annex and the CD-ROM included with this Official Statement.

INSURANCE ON THE MORTGAGED PROPERTY

The following provisions describe the insurance requirements imposed upon the Borrower under the Liberty Bonds Loan Agreement.

(a) The Borrower is obligated under the Liberty Bonds Loan Agreement to obtain and maintain, or cause to be maintained, at all times insurance for the Borrower, the Improvements and the Mortgaged Property providing at least the following coverages and any coverage otherwise required by the Office Tower Ground Lease or the Reciprocal Easement Agreement:

(i) comprehensive "All Risk" "Special Form" insurance, (A) in an amount equal to one hundred percent (100%) of the "Full Replacement Cost," which for purposes of the Liberty Bonds Loan Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation; (B) Demolition and Increased Cost of Construction which include enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures at an insured location with a sublimit of $50,000,000; (C) containing an agreed-amount endorsement with respect to the Improvements waiving all co-insurance provisions or to be written on a no co-insurance form; and (D) providing for no deductible in excess of $1,000,000 for all such insurance coverages (except for Named Storm coverage which deductible shall not exceed five percent (5%) of the total insurable value of the Improvements). In addition, the Borrower shall obtain: (1) if any portion of the Improvements is currently or at any time in the future located in a "special flood hazard area" designated by the Federal Emergency Management Agency, flood hazard insurance in an amount equal to the maximum amount of such insurance available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended, plus excess limits in amounts reasonably acceptable to the Lender but in no event to exceed $25,000,000; (2) earthquake insurance in amounts and in form and substance reasonably satisfactory to the Lender in the event the Mortgaged Property is located in an area with a high degree of seismic risk, provided that the insurance pursuant to clause (2) hereof shall be on terms consistent with the "All Risk" or "Special Form" insurance policy required under this subsection (a)(i); and (3) terrorism insurance as more fully described in subsection (a)(ix) below;

(ii) commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Mortgaged Property, with such insurance (A) to be on the so-called "occurrence" form with a general aggregate limit of not less than $2,000,000 and a per occurrence limit of not less than $1,000,000; and (B) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an "if any" basis; (3) independent contractors but only as respects coverage for the Borrower in connection with claims arising from the actions of such independent contractors; (4) contractual liability for all written contracts including the indemnities contained in the Mortgage to the extent the same is available, subject to the terms, conditions and exclusions contained in the standard ISO form number CG 0001 edition 12/07;

(iii) loss of rents insurance or business income insurance, as applicable, (A) covering all risks required to be covered by the insurance provided for in subsection (a)(i) above; (B) having a limit sufficient to provide coverage for loss of gross rents (less non-continuing expenses) that would have been earned in a twenty-four (24) month period; and (C) which contains an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and Personal

Property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the Casualty, or the expiration of twelve (12) months from the date that the Mortgaged Property is repaired or replaced and operations are resumed, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period. The amount of such loss of rents or business income insurance, as applicable, shall be determined prior to the Closing Date and at least once each year thereafter based on the Borrower's reasonable estimate of the gross income (less non-continuing expenses) from the Mortgaged Property for the succeeding twelve (12) month period. All proceeds payable pursuant to the Insurance Policies provided in this subsection (a)(iii) shall be held in accordance with the terms of the Office Tower Ground Lease, provided, however, that the Borrower shall not be deemed to be relieved of its obligations to pay the CMBS Debt or Liberty Bonds Debt on the respective dates of payment provided for in the CMBS Note, the Liberty Bonds Note or the Loan and Collateral Documents, except to the extent such amounts are actually paid out of the proceeds of such loss of rents or business income insurance, as applicable;

(iv) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements, and only if the property coverage form does not otherwise apply, the insurance provided for in subsection (a)(i) above shall include a so-called "Builder's Risk Completed Value" form or equivalent (1) on a non-reporting basis, (2) against all risks insured against pursuant to subsection (a)(i) above, (3) including permission to occupy the Mortgaged Property, and (4) with an agreed amount endorsement waiving co-insurance provisions;

(v) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements, and only if the commercial general liability coverage form does not otherwise apply, the Borrower shall require contractor(s) performing the work to maintain commercial general liability insurance covering liability arising out of such work and naming the Borrower as additional insured;

(vi) workers' compensation, subject to the statutory limits of the State, and employer's liability insurance in respect of any work or operations on or about the Mortgaged Property performed by the Borrower or the Property Manager;

(vii) comprehensive boiler and machinery insurance, if applicable, with a minimum limit of $50,000,000 on terms consistent with the commercial property insurance policy required under subsection (a)(i) above;

(viii) umbrella and excess liability insurance in an amount not less than $200,000,000 per occurrence and in the aggregate for the Improvements on terms consistent with the commercial general liability insurance required under subsection (a)(ii) above, including, but not limited to, supplemental coverage for employer liability coverage; and

(ix) the insurance required under this subsection (a) shall, to the extent available at commercially reasonable rates (but in no case exceeding the lesser of (A) two (2) times the cost of the "All Risk" policy under subsection (a)(i) above or (B) an amount equal to the product of $2.55 (increased by 3% per annum each year after the twentieth (20th) anniversary of the Closing Date) times the buildable square footage of the Facility), cover perils of terrorism and acts of terrorism except, however, such requirement shall be limited to Certified Acts of Terrorism as defined under the Terrorism Risk Insurance Act of 2002 and as amended by TRIPRA as respects Commercial General Liability (under subsection (a)(ii) above), Workers' Compensation and Employer's Liability (under subsection (a)(vi) above) and Umbrella/Excess Liability (under subsection (a)(viii) above), and the Borrower shall maintain insurance for loss resulting from perils and acts of terrorism as defined under TRIPRA on terms (including amounts) consistent with those required under subsection (a) above at all times during the term of the Liberty Bonds Loan.

(b) All insurance provided for in subsection (a) above shall be obtained under valid and enforceable Insurance Policies and, to the extent not specified above, shall be subject to the approval of the Lender as to loss payees and insureds. The Insurance Policies shall be issued by financially sound and responsible foreign or domestic insurance carriers allowed by the appropriate Governmental Authority to issue insurance policies in the State and having a rating of "A-VIII" or better by A.M. Best and a claims paying ability of "A2" (or its applicable equivalent) or better by at least two (2) of Moody's, S&P and Fitch; provided, that with respect to the Terrorism Policy (to the extent that the coverage against loss or damage by terrorist acts in an amount equal is not included in the all-risk special form policy required under subsection (a)(i)), a rating of "A-:VIII" or better by A.M. Best credit and a rating of "A2" (or its applicable equivalent) or better by at least two (2) of Moody's, S&P and Fitch for the Terrorism Policies which are not provided by the Captive Insurance Company. Notwithstanding the above, if the insurance provided above is issued pursuant to multi-layered policies, (A) if four (4) or less insurance companies issue the Insurance Policies, then at least 75% of the insurance coverage represented by the Insurance Policies must be provided by insurance companies with a claims paying ability rating of"A2" (or its applicable equivalent) or better by at least two (2) of Moody's, S&P and Fitch, with no carrier below "BBB" (and the equivalent by any other Rating Agency) or (B) if five (5) or more insurance companies issue the Insurance Policies, then at least 60% of the insurance coverage represented by the Insurance Policies must be provided by insurance companies with a claims paying ability rating of "A2" (or its applicable equivalent) or better by at least two (2) of Moody's, S&P and Fitch, with no carrier below "BBB" (and the equivalent by any other Rating Agency).

(c) The Lender acknowledges receipt of a certificate of insurance for each Insurance Policy currently in effect with respect to the Improvements and acknowledges and agrees that the same satisfy the requirements of the Liberty Bonds Loan Agreement. Not less than three (3) Business Days prior to the expiration dates of the Insurance Policies theretofore furnished to the Lender, the Borrower shall deliver to the Lender insurance certificates (or other reasonable evidence of such Insurance Policies being in effect) and prior to the expiration dates of the Insurance Policies theretofore furnished to the Lender, the Borrower shall deliver to the Lender binder(s) (or other reasonable evidence of such Insurance Policies being in effect, with the applicable binder to follow as soon thereafter as possible), each certificate and binder to be in a form reasonably acceptable to the Lender, evidencing that the insurance coverages required under the Liberty Bonds Loan Agreement for the ensuing twelve (12) month period are in full force and effect. Within thirty (30) days after the expiration of the Insurance Policies with respect to the previous twelve (12) month period, the Borrower shall deliver to the Lender evidence that the premiums (the "Insurance Premiums") for the insurance coverages required under the Liberty Bonds Loan Agreement for the ensuing twelve (12) month period have been paid as due and payable.

(d) Any insurance coverage required above may be provided under a blanket insurance policy without scheduled limits for the properties insured thereunder; provided, however, such blanket insurance policy provides for per occurrence limits sufficient to adequately cover said property and properties, if any, adjoining or immediately adjacent to the Mortgaged Property from a covered Casualty from a single occurrence.

(e) All Insurance Policies provided for or contemplated by this heading shall name the Borrower as the insured and, in the case of liability policies, except for the Insurance Policy referenced in subsection (a)(vi) above, shall name the Collateral Agent for the benefit of the Holders, as the additional insured, as its interests may appear, and in the case of property damage policies, including but not limited to terrorism, boiler and machinery, flood and earthquake insurance, shall contain a standard non-contributing mortgagee clause in favor of the Collateral Agent for the benefit of the Holders providing that the loss thereunder shall be payable to the Collateral Agent for the benefit of the Holders in accordance with the terms of the Liberty Bonds Loan Agreement.

(f) All Insurance Policies provided for in subsection (a) (i), (iii), (iv), (vii) and (ix) above (but only to the portion covering property damage with respect to subsection (a)(ix) above) shall, contain a clause or endorsement to the effect that no act or negligence of the Borrower, or failure to comply with the provisions of any Insurance Policy by the Borrower, which might otherwise result in a forfeiture of the insurance or any

part thereof, shall in any way affect the validity or enforceability of the insurance insofar as the Lender is concerned, as provided by a standard non-contributing mortgagee clause.

(g) All Insurance Policies provided for in subsection (a)(i), (iii), (iv), (vii) and (ix) above shall contain clauses or endorsements to the effect that:

(i) the Insurance Policies shall not be canceled without at least thirty (30) days' prior written notice to the Lender, the Collateral Agent and any other party requested by the Lender or the Collateral Agent having Additional Insured Status; and except for non-payment of premium whereby ten (10) days notice shall be given; and

(ii) neither the Lender nor the Collateral Agent, on behalf of the Holders, shall be liable for any Insurance Premiums thereon or subject to any assessments thereunder.

(h) In the event that the Lender is not in receipt of written evidence that all insurance required under the Liberty Bonds Loan Agreement is in full force and effect as provided in subsection (c) above, the Lender shall have the right, upon delivery of written notice to the Borrower, to take such action as the Lender deems necessary to protect its interest in the Mortgaged Property, including, without limitation, the obtaining of such insurance coverage required to be maintained under the Liberty Bonds Loan Agreement on the date upon which any such coverage would otherwise lapse (unless the Borrower provides evidence of the existence of such required insurance coverage not less than twenty four (24) hours prior to the current coverage's lapse). All premiums incurred by the Lender in obtaining such insurance and keeping it in effect shall be paid by the Borrower to the Collateral Agent for the benefit of the Holders upon demand, and, until paid, shall be secured by the Mortgage and shall bear interest at the Default Rate.

(i) The Borrower shall promptly notify the Lender of material changes to the Insurance Policies which would result in such Insurance Policies not satisfying the requirements of subsection (a) or (b) above.

(j) The Lender does not in any way represent that the insurance specified in the Liberty Bonds Loan Agreement, whether in scope or coverage or limits of coverage, is adequate or sufficient to protect the Mortgaged Property and/or the business or interest of the Borrower.

(k) The Terrorism Policy required pursuant to subsection (a)(i) and (a)(ix) above may be issued by a captive insurance company wholly-owned and Controlled by an Affiliate of the Borrower (a "Captive Insurance Company"), provided that:

(i) unless the Lender agrees otherwise in writing, TRIPRA shall be in full force and effect;

(ii) the Terrorism Policy issued by such Captive Insurance Company, together with any other Terrorism Policy then in effect which is issued by one or more insurance companies which satisfy the requirements of subsection (b) above, provides, to the extent commercially available with (A) no aggregate limit, (B) a per occurrence limit of not less than the sum of (1) Full Replacement Cost and (2) the rental loss and/or business interruption coverage required under subsection (a)(iii) above, and (C) a deductible no greater than the deductible permitted under subsection (a)(i) above);

(iii) except with respect to the deductible permitted under subsection (a)(i)(D) above, those covered losses which are not reinsured by the federal government under TRIPRA and paid to the Captive Insurance Company, other than such covered losses which are caused by nuclear, biological, chemical or radiological acts of terrorism, shall be reinsured by an insurance company which satisfies the requirements of subsection (b) above;

(iv) all re-insurance agreements between such Captive Insurance Company and all such re-insurance companies providing the referenced re-insurance shall be reasonably acceptable to the Lender, and the Borrower shall use commercially reasonable efforts to cause such re-insurance agreements to provide for direct access to such re-insurers by all named insureds, loss payees and mortgagees which such insurance benefits;

(v) such Captive Insurance Company shall not be subject to a bankruptcy or similar insolvency proceeding;

(vi) such Captive Insurance Company shall be prohibited from conducting other business unrelated to the operation of the captive (the operation of the captive being the issuance of policies and purchase of reinsurance and other like services for properties in which the Borrower or Affiliates of the Borrower have an ownership interest);

(vii) such Captive Insurance Company shall be licensed in the State of New York or other jurisdiction to the extent reasonably approved by the Lender (such approval not to be unreasonably withheld, conditioned or delayed) and qualified to issue the Terrorism Policy in accordance with all Applicable Laws;

(viii) such Captive Insurance Company shall qualify for the reinsurance and other benefits afforded insurance companies under TRIPRA in accordance with the regulations as currently constituted;

(ix) no law or regulation, or formal written opinion, statement, or decree binding on a Governmental Authority, shall have been issued by any Governmental Authority providing that any insurance company or program which is similar to such Captive Insurance Company or its program does not qualify for such benefits;

(x) the Lender shall have received each of the following, each of which shall be acceptable to the Lender:

(1) the organizational documents of such Captive Insurance Company;

(2) any regulatory agreements of such Captive Insurance Company;

(3) the application for licensing in the State of New York for such Captive Insurance Company;

(4) the form of the Insurance Policy to be used by such Captive Insurance Company to provide the insurance coverage described above;

(5) a description of the structure and amount of reserves and capitalization of such Captive Insurance Company;

(xi) the organizational documents of such Captive Insurance Company shall not be materially amended without the prior written consent of the Lender, which consent shall not be unreasonably withheld, conditioned or delayed; and

(xii) except as otherwise expressly set forth above, all such insurance provided by such Captive Insurance Company shall otherwise comply with all other terms and conditions of this heading.

(l) In the event that an official written Interpretive Letter or Interim Guidance (as such terms are used on the official website of the United States Treasury Department) is published by the United States Treasury Department with respect to the Terrorism Risk Insurance Act of 2002 binding on a Governmental Authority with respect to the Borrower and which provides that any insurance company or program which is similar to such Captive Insurance Company or its program does not qualify for the benefits under TRIPRA, then the Borrower shall be required to procure a Terrorism Policy otherwise complying with the above provisions. If any such Interpretive Letter or Interim Guidance referred to in this subheading (l) provides (i) for a period during which the Treasury Department will defer or suspend enforcement of the provisions of such Interpretive Letter or Interim Guidance, then the Borrower shall have the right to defer procurement of a replacement Terrorism Policy until the expiration of such deferral or suspension period or (ii) that existing programs would be exempt from the Interpretive Letter or Interim Guidance, then the Borrower shall not be required to procure a replacement Terrorism Policy.

(m) In the event that an official written Interpretive Letter or Interim Guidance (as such terms are used on the official website of the United States Treasury Department) is published by the United States Treasury Department with respect to the Terrorism Risk Insurance Act of 2002 which is not binding on a Governmental Authority with respect to the Borrower and which provides that any insurance company or program which is similar to such Captive Insurance Company or its program does not qualify for the benefits under TRIPRA, then the Borrower shall have the right to challenge such official written Interpretive Letter or Interim Guidance, as the case may be, by appropriate proceedings and in the event that such challenge is not successfully concluded within two hundred and seventy (270) days after the publication of such Interpretive Letter or Interim Guidance, then the Borrower shall have an additional period of ninety (90) days to procure a Terrorism Policy otherwise complying with the provisions of this subheading. In addition, if any Interpretive Letter or Interim Guidance provides that any insurance company or program which is similar to such Captive Insurance Company or its program does not qualify for the benefits under TRIPRA and provides, further, (i) for a period during which the Treasury Department will defer or suspend enforcement of the provisions of such Interpretive Letter or Interim Guidance which is greater than 270 days, then the Borrower shall have the right to defer procurement of a replacement Terrorism Policy until the expiration of such deferral or suspension period or (ii) that existing programs would be exempt from the Interpretive Letter or Interim Guidance, then the Borrower shall not be required to procure a replacement Terrorism Policy.

(n) The Lender accepts SPI Insurance Captive Company Inc. as a Captive Insurance Company to provide terrorism insurance. The Borrower shall provide written notice to the Rating Agencies no later than thirty (30) days prior to changing the Captive Insurance Company to an entity other than SPI Insurance Captive Company Inc.

The Borrower is further obligated to maintain that insurance required of it under the Office Tower Ground Lease and the Reciprocal Easement Agreement.

PLAN OF FINANCE

Estimated Sources and Uses of Funds

The following describes the estimated sources and uses of the proceeds of the Liberty Bonds Loan, the CMBS Loan and certain Borrower funds:

Sources of Funds		
Principal amount of Series 2012 Liberty Bonds		$450,290,000.00
Proceeds of CMBS Loan		124,999,936.36
Net Original Issue Premium of the Series 2012 Liberty Bonds		24,708,032.25
Borrower Funds		30,357,463.00
	Total	$630,355,431.61
Uses of Funds		
Redemption of Prior Bonds (principal)		$475,000,000.00
Accrued interest on the Prior Bonds**		2,862,847.22
Stub Interest on Liberty Bonds from Closing Date to April 15, 2012**		604,938.89
Stub Interest on CMBS Loan from Closing Date to April 9, 2012**		59,211.89
Fees and Costs†		18,654,544.70
Repayment of a portion of Existing Mezzanine Indebtedness to the Guarantor and his Affiliates		106,343,423.91
Deposits into Reserve Accounts**		
Ground Lease Reserve Account		571,992.00
Tax Reserve Account		245,576.00
Leasing Reserve Account		17,727,668.00
Free Rent Reserve Account		8,285,229.00
	Total	$630,355,431.61

† Includes the fee to the Underwriters; the fee to the Issuer; the fee to the placement agent of the CMBS Certificates; legal, financial advisory and rating agency fees; fees of the Servicers, the Operating Advisor, the Collateral Agent, the Indenture Trustee and the CMBS Trustee; and other fees, costs and expenses related to the Series 2012 Liberty Bonds and the CMBS Loan. The amount of Fees and Costs is an estimate and is subject to adjustment to reflect final Fees and Costs as of the Bond Issuance Date. To the extent the amount of Fees and Costs are adjusted, the amount of Existing Mezzanine Indebtedness being repaid on the Bond Issuance Date may be increased or decreased.

** To be funded by Borrower out of its own funds.

General

The Liberty Bonds Loan and the CMBS Loan are intended to be made concurrently with both of such Loans to be (i) made to the Borrower, (ii) secured by common Collateral Documents in favor of the Collateral Agent, and (iii) serviced by the Master Servicer and the Special Servicer pursuant to the Servicing Agreement. Pursuant to the Servicing Agreement, the loan payments from the Borrower with respect to the CMBS Loan and the Liberty Bonds Loan will be administered and applied to reflect a priority in payment of the Liberty Bonds Loan over the CMBS Loan. Prior to a Liquidation, generally, interest on the Loans is first paid prior to principal on the Loans, but after a Liquidation, generally, interest and principal under the Liberty Bonds Loan is paid prior to any such payment under the CMBS Loan. In addition, the rights of the Indenture Trustee and of the holders of the Series 2012 Liberty Bonds are further limited in certain respects as described in the Servicing Agreement. The Servicing Agreement also establishes the relative voting rights of the Holders of the Liberty Bonds Loan and of the CMBS Loan, and provides for the assignment by the Indenture Trustee and the CMBS Trustee to the Master Servicer and the Special Servicer of the sole and exclusive right to take enforcement actions (except on behalf of the Issuer with respect to the Issuer's Reserved Rights), to grant or withhold any approvals and to exercise rights and remedies under the Liberty Bonds Loan and Collateral Documents and the Liberty Bonds Financing Documents (with respect to the Liberty Bonds Loan), and under the CMBS Loan Documents (with respect to the CMBS Loan).

The Liberty Bonds Loan

The Liberty Bonds Loan will be made pursuant to the Liberty Bonds Loan Agreement (and further evidenced by the Liberty Bonds Note) pursuant to which the Issuer will loan the proceeds of the Series 2012 Liberty Bonds to the Borrower in the principal amount of $450,290,000. The Borrower will use the proceeds of the Liberty Bonds Loan and net original issue premium on the Series 2012 Liberty Bonds, together with other funds of the Borrower as necessary, to effect the refunding in whole of the Prior Bonds. It is intended that the Prior Bonds will be redeemed in whole and will no longer be outstanding on the Bond Issuance Date.

The CMBS Loan

Concurrently with the issuance of the Series 2012 Liberty Bonds, the CMBS Lender will make the CMBS Loan to the Borrower in the principal amount of $125,000,000, which CMBS Loan will be effected pursuant to the CMBS Loan Agreement, evidenced by the CMBS Note, and used by the Borrower to, among other purposes, (a) pay certain costs in connection with the refinancing of the Mortgaged Property (including the costs of issuing the Series 2012 Liberty Bonds), (b) repay any existing loans related to the Mortgaged Property, and (c) make funds available to the Guarantor and certain of his Affiliates to pay existing Mezzanine Indebtedness (as defined in the Office Tower Ground Lease) with respect to the Facility.

For purposes of computing and accruing interest, applying principal payments and certain other computations set forth in the CMBS Loan Agreement, the CMBS Loan shall be deemed to consist of two components (each, a "Component"); Component A in the amount of $114,485,000 ("Component A") and Component B in the amount of $10,515,000 ("Component B"). Component A shall bear interest at a fixed rate per annum equal to 4.10490% per annum (the "Component A Rate") or as otherwise set forth in the CMBS Loan Agreement from (and including) the Closing Date to (but excluding) the payment date in March, 2019 (the "CMBS Loan Maturity Date"). Component B shall bear interest at a fixed rate per annum equal to 5.98740%) per annum (the "Component B Rate") or as otherwise set forth in the CMBS Loan Agreement from (and including) the Closing Date to (but excluding) the CMBS Loan Maturity Date. Interest on the outstanding principal balance of each Component shall be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months, except that interest due and payable for a period of less than a full month shall be calculated by multiplying the actual number of days elapsed in such period by a daily rate based on a three hundred and sixty (360) day year. Except as otherwise set forth in the CMBS Loan Agreement, interest shall be paid in arrears.

The Borrower agrees to pay sums due under the CMBS Loan as follows: (i) on the Closing Date, an initial payment of $59,211.89 for interest due for the first Interest Period (which will have been deemed as paid on April 9, 2012), (ii) on the ninth (9th) calendar day of each month commencing on May 9, 2012 and ending on the CMBS Loan Maturity Date (together with the first scheduled payment date occurring on April 9, 2012, each a "Scheduled CMBS Loan Payment Date"), monthly installments of interest accrued during the immediately preceding Interest Period on each Component at the applicable Component Rate (collectively for the CMBS Loan, the "Monthly CMBS Loan Interest Payment Amount"); and (iii) on each Scheduled CMBS Loan Payment Date beginning on the payment date in April, 2013, the monthly installments set forth by schedule to the CMBS Loan Agreement (the "Monthly CMBS Loan Amortization Payment Amount", and, together with the Monthly CMBS Loan Interest Payment Amount, the "Monthly CMBS Loan Payment Amount").

Each Monthly CMBS Loan Interest Payment Amount under the CMBS Loan Agreement and the CMBS Note shall be applied to the payment of interest, in the following order and priority: first to Component A and second to Component B; and each Monthly CMBS Loan Amortization Payment Amount shall be applied toward the reduction of the principal amount of the CMBS Note, in the following order and priority: first to Component A until reduced to zero and second to Component B until reduced to zero; provided, however, that any remaining principal on the CMBS Loan, if not sooner paid, together with all accrued and unpaid interest thereon, shall be due and payable on the CMBS Loan Maturity Date.

For purposes of making payments under the CMBS Loan Agreement and the CMBS Note, but not for purposes of calculating Interest Periods, if the day on which such payment is due is not a Business Day, then amounts due on such date shall be due on the immediately preceding Business Day and with respect to payments of interest due on the CMBS Loan Maturity Date, interest on each Component shall be payable at the applicable Component Rate or the Default Rate, as the case may be, through and including the day immediately preceding such CMBS Loan Maturity Date (but excluding the CMBS Loan Maturity Date). All amounts due under the CMBS Loan Agreement and the other CMBS Loan and Collateral Documents shall be payable without setoff, counterclaim, defense or any other deduction whatsoever.

In the event of a principal prepayment (whether voluntary or involuntary) allocated to the CMBS Loan and so long as no Event of Default under the CMBS Loan Agreement has occurred and is continuing, such principal prepayments shall be applied toward the reduction of the principal amount of the CMBS Note, first to Component A, to reduce the outstanding principal balance of such Component A until reduced to zero, and second to Component B, to reduce the outstanding principal balance of such Component B until reduced to zero. Following the occurrence and during the continuance of an Event of Default, any payment made on the CMBS Loan shall be applied to accrued but unpaid interest, late charges, if any, accrued fees, the unpaid principal amount of the CMBS Note, and any other sums due and unpaid to the CMBS Lender in connection with the CMBS Loan, in such manner and order as the CMBS Lender may elect in its sole and absolute discretion.

If any principal, interest or any other sums due under the CMBS Loan and Collateral Documents (including the amounts due on the CMBS Loan Maturity Date) are not paid by the Borrower on or prior to the date which is seven (7) days after the date on which such sums are due, the Borrower shall pay to the CMBS Lender upon demand an amount equal to the lesser of four percent (4%) of such unpaid sum or the Maximum Legal Rate in order to defray the expense incurred by the CMBS Lender in handling and processing such delinquent payment and to compensate the CMBS Lender for the loss of the use of such delinquent payment. Any such amount shall be secured by the Mortgage and the other CMBS Loan and Collateral Documents to the extent permitted by Applicable Law.

On the second anniversary of the first Scheduled CMBS Loan Payment Date (the "Permitted Prepayment Date"), and on any Business Day thereafter through the CMBS Loan Maturity Date, the Borrower may, at its option, prepay the CMBS Note Principal Balance in whole or part (and together with any other amounts outstanding and then due under the CMBS Loan and Collateral Documents).

Upon the occurrence and during the continuance of an Event of Default under the CMBS Loan Agreement, interest on the CMBS Note Principal Balance and, to the extent permitted by law, overdue interest and other amounts due in respect of the CMBS Loan will accrue at the Default Rate from the date such payment was due (subject to any grace or cure periods contained in the CMBS Loan Agreement or in any of the CMBS Loan and Collateral Documents). To the extent permitted by Applicable Law, interest at the Default Rate shall itself accrue interest at the same rate as the CMBS Loan and shall be secured by the Mortgage.

It is anticipated that, concurrently with the issuance of the Series 2012 Liberty Bonds, the CMBS Lender will securitize the CMBS Loan resulting in the issuance of the CMBS Certificates in the aggregate principal amount of $125,000,000. **The CMBS Certificates are not being offered by this Official Statement.**

DEBT SERVICE REQUIREMENTS AND DEBT SERVICE COVERAGE PROJECTIONS[1]

Payment Period Ending March 15	Underwritten Net Cash Flow[2]	Class 1 Series 2012 Liberty Bonds		Class 2 Series 2012 Liberty Bonds		Class 3 Series 2012 Liberty Bonds		CMBS Loan		Total Debt Service	Projected Debt Service Coverage[4]
		Debt Service[3]	Debt Service Coverage[4]	Debt Service[3]	Debt Service Coverage[4]	Debt Service[3]	Debt Service Coverage[4]	Debt Service[3]	Debt Service Coverage[4]		
2013	$58,361,104	$14,089,506	4.14x	$5,100,000	3.04x	$1,378,417	2.84x	$4,944,193	2.29x	$25,512,115	2.29x
2014	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	25,770,442	1.23x	47,548,242	1.23x
2015	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	24,915,255	1.25x	46,693,055	1.25x
2016	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	24,060,067	1.27x	45,837,867	1.27x
2017	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	23,204,880	1.30x	44,982,680	1.30x
2018	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	22,349,692	1.32x	44,127,492	1.32x
2019	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	21,452,726	1.35x	43,230,526	1.35x
2020	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	-	-	21,777,800	2.68x
2021	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	-	-	21,777,800	2.68x
2022	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	-	-	21,777,800	2.68x
2023	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	-	-	21,777,800	2.68x
2024	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	-	-	21,777,800	2.68x
2025	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	-	-	21,777,800	2.68x
2026	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	-	-	21,777,800	2.68x
2027	58,361,104	14,918,300	3.91x	5,400,000	2.87x	1,459,500	2.68x	-	-	21,777,800	2.68x
2028	58,361,104	24,043,300	2.43x	5,400,000	1.98x	1,459,500	1.89x	-	-	30,902,800	1.89x
2029	58,361,104	33,163,300	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,022,800	1.46x
2030	58,361,104	33,164,675	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,024,175	1.46x
2031	58,361,104	33,162,550	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,022,050	1.46x
2032	58,361,104	33,164,425	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,023,925	1.46x
2033	58,361,104	33,167,675	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,027,175	1.46x
2034	58,361,104	33,162,400	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,021,900	1.46x
2035	58,361,104	33,165,300	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,024,800	1.46x
2036	58,361,104	33,163,900	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,023,400	1.46x
2037	58,361,104	33,166,500	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,026,000	1.46x
2038	58,361,104	33,164,375	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,023,875	1.46x
2039	58,361,104	33,162,500	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,022,000	1.46x
2040	58,361,104	33,167,125	1.76x	5,400,000	1.51x	1,459,500	1.46x	-	-	40,026,625	1.46x
2041	58,361,104	6,457,500	9.04x	32,106,875	1.51x	1,459,500	1.46x	-	-	40,023,875	1.46x
2042	58,361,104	-	-	38,565,625	1.51x	1,459,500	1.46x	-	-	40,025,125	1.46x
2043	58,361,104	-	-	38,566,500	1.51x	1,459,500	1.46x	-	-	40,026,000	1.46x
2044	58,361,104	-	-	9,614,500	6.07x	30,407,875	1.46x	-	-	40,022,375	1.46x

(1) This table is projected and subject to change based on performance of Underwritten Net Cash Flow and the repayment of the CMBS Loan. The Liberty Bond Master Servicing Fee, the Collateral Agent Fee, the Indenture Trustee Fee, the CMBS Trustee and the Operating Advisor Fee, which aggregate $80,882 annually, have not been included.

(2) As described in the Annex to this Official Statement, Underwritten Net Cash Flow means cash flow as adjusted based on a number of assumptions made by the Borrower.

(3) The assumed coupon for the CMBS Loan is 4.26326%, the average coupon for the Class 1 Bonds is 4.76471%, the coupon for the Class 2 Bonds is 5.00000%, and the coupon for the Class 3 Bonds is 5.00000%. Includes Sinking Fund Installments for the Series 2012 Liberty Bonds. See "DESCRIPTION OF THE SERIES 2012 LIBERTY BONDS — Mandatory Redemption" herein.

(4) Debt Service Coverage is calculated by dividing Underwritten Net Cash Flow by the sum of scheduled debt service on the respective Class and all scheduled debt service due with a priority over the respective Class for the applicable payment period.

APPRAISAL AND MARKET ANALYSIS

At the request of the Borrower, an appraisal prepared by Cushman & Wakefield, Inc. dated as of July 1, 2011 (with a valuation date of July 1, 2011) (the "Appraisal") included as APPENDIX H, was obtained with respect to the Facility in connection with the offering of the Series 2012 Liberty Bonds. The Appraisal determined an "as is" value for the Facility of $940,000,000, and a value inclusive of the incremental value of the interest savings attributed to the Series 2012 Liberty Bonds tax-exempt financing of $990,000,000. In general, appraisals represent the analysis and opinion of qualified appraisers and are not guarantees of present or future value. One appraiser may reach a different conclusion than the conclusion that would be reached if a different appraiser were appraising the same property. Moreover, appraisals seek to establish the amount a typically motivated buyer would pay a typically motivated seller and, in certain cases, may have taken into consideration the purchase price paid by the owner. Such amount could be significantly higher than the amount obtained from the sale of the Facility under a distress or liquidation sale.

The Appraisal appended hereto contains various conclusions that are based on multiple methods of measuring property valuation and that are subject to numerous material qualifications and assumptions. Potential investors in the Series 2012 Liberty Bonds should review in detail the entirety of the Appraisal before evaluating the conclusions reached in the Appraisal. See "CERTAIN RISK FACTORS" herein.

PROPERTY CONDITION REPORT

At the request of the Borrower, a property condition report prepared by AEI Consultants, Inc., dated July 11, 2011, included as APPENDIX J (the "Property Condition Report"), was obtained with respect to the Facility in connection with the offering of the Series 2012 Liberty Bonds. Potential investors in the Series 2012 Liberty Bonds should review in detail the entirety of the Property Condition Report before evaluating the conclusions reached in the Property Condition Report. See "CERTAIN RISK FACTORS" herein.

ENVIRONMENTAL ASSESSMENT

At the request of the Borrower, a Phase I environmental assessment prepared by AEI Consultants, Inc., dated July 8, 2011, included as APPENDIX I (the "Environmental Assessment"), was obtained with respect to the Facility in connection with the offering of the Series 2012 Liberty Bonds. Potential investors in the Series 2012 Liberty Bonds should review in detail the entirety of the Environmental Assessment before evaluating the conclusions reached in the Environmental Assessment. See "CERTAIN RISK FACTORS" herein.

DESCRIPTION OF THE SERIES 2012 LIBERTY BONDS

General Description

The Series 2012 Liberty Bonds consist of $313,100,000 Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project), Class 1 (the "Class 1, Series 2012 Liberty Bonds"), $108,000,000 Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project), Class 2 (the "Class 2, Series 2012 Liberty Bonds"), and $29,190,000 Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project), Class 3 (the "Class 3, Series 2012 Liberty Bonds"). Each Class of the Series 2012 Liberty Bonds is dated their date of original issuance and delivery (except as otherwise provided in the Bond Indenture or the First Supplemental Indenture authorizing each respective Class of the Series 2012 Liberty Bonds) and will mature on the respective dates and in the respective principal amounts, and bear interest at the respective rates set forth on the inside facing cover page of this Official Statement.

The Series 2012 Liberty Bonds are issuable as fully registered bonds without coupons in book-entry-only form and will be registered in the name of Cede & Co. as described below. The Series 2012 Liberty Bonds will bear interest, payable semiannually on March 15 and September 15 of each year commencing September 15, 2012, computed on the basis of a 360-day year and twelve 30-day months and, for a portion of any month, the actual days elapsed in a 360-day year. The Class 1, Series 2012 Liberty Bonds and the Class 2, Series 2012 Liberty Bonds will be in the minimum denomination of $5,000 or any integral multiple thereof, and the Class 3, Series 2012 Liberty Bonds will be in the minimum denomination of $100,000 or any integral multiple of $5,000 in excess thereof. Interest on the Series 2012 Liberty Bonds shall be payable on each Interest Payment Date to the Holders of record on the Record Date relating thereto. Upon the occurrence and during the continuance of an Event of Default under the Indenture with respect to payments due under the Series 2012 Liberty Bonds, interest on the Liberty Bonds Note Principal Balance (and on the Series 2012 Liberty Bonds) and, to the extent permitted by law, overdue interest and other amounts due in respect of the Liberty Bonds Loan (and in respect of the Series 2012 Liberty Bonds), shall accrue at the Default Rate (*i.e.*, three percent (3%) in excess of the otherwise applicable interest rate) from the date of such default and shall be secured by the Mortgage.

The principal, Tender Price, if any, or Redemption Price, if any, of, and Sinking Fund Installments for, the Series 2012 Liberty Bonds shall be payable at the designated corporate trust office of the Indenture Trustee in New York, New York, as Paying Agent, or at the designated corporate trust office of any successor Paying Agent. Interest on the Series 2012 Liberty Bonds shall be payable to the Holders of record on the Record Date (1) by check or draft mailed on the Interest Payment Date to the registered owner or (2) by wire transfer on the Interest Payment Date to any owner of at least $1,000,000 in aggregate principal amount of Series 2012 Liberty Bonds upon written notice provided by such Person to the Indenture Trustee not later than the Record Date for such interest payment. Interest payments made by check or draft shall be mailed to each owner at his address as it appears on the registration books of the Indenture Trustee on the applicable Record Date or at such other address as he may have filed with the Indenture Trustee for that purpose. Wire transfer payments of interest shall be made at such wire transfer address in the United States of America as the owner shall specify in his notice requesting payment by wire transfer.

While the Series 2012 Liberty Bonds are held through The Depository Trust Company ("DTC"), payment of principal, Tender Price, if any, or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Series 2012 Liberty Bonds will be made through the facilities of DTC. See "BOOK-ENTRY ONLY SYSTEM" below.

Class Priority

The payment of the principal, Sinking Fund Installments, and interest on the Class 1, Series 2012 Liberty Bonds, on the Class 2, Series 2012 Liberty Bonds and on the Class 3, Series 2012 Liberty Bonds are subject to a priority of payment under the Indenture (the "Class Priority") such that the Class 1, Series 2012 Liberty Bonds will be senior in payment priority to the Class 2, Series 2012 Liberty Bonds and the Class 3, Series 2012 Liberty Bonds, and the Class 2, Series 2012 Liberty Bonds will be senior in payment priority to the Class 3, Series 2012 Liberty Bonds.

Optional Redemption

The Series 2012 Liberty Bonds are subject to optional redemption by the Issuer, exercised only at the direction of the Borrower, on or after March 15, 2022, in whole at any time or in part from time to time, from any source of funds, at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2012 Liberty Bonds to be redeemed, plus accrued interest, if any, to the Redemption Date.

Extraordinary Optional Redemption

The Series 2012 Liberty Bonds are subject to redemption prior to maturity, from loan prepayments made by the Borrower under the Liberty Bonds Loan Agreement, to the extent funds are available therefor, as a whole or in part (such partial redemption shall be limited to the amount of the Net Insurance Proceeds or Net Condemnation Proceeds and to the nearest Authorized Denomination), on any date, upon notice or waiver of notice as provided in the Indenture, at a Redemption Price equal to 100% of the unpaid principal amount thereof, plus accrued interest to the date of redemption, upon the occurrence of either of the following events: (i) the Facility or any part thereof shall have been damaged or destroyed; or (ii) title to, or the temporary use of, all or any part of the Facility shall have been taken or condemned by a competent authority; provided, however, that either such redemption under this paragraph may be in part only if the Borrower delivers to the Issuer and the Indenture Trustee an opinion of Bond Counsel to the effect that such redemption will not cause interest on the Series 2012 Liberty Bonds remaining Outstanding to become includable in gross income for federal income tax purposes.

Mandatory Redemption

Mandatory Sinking Fund Installment Redemption

The Series 2012 Liberty Bonds of the respective Class and maturity set forth below are subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, subject to the credits provided therefor in the Indenture:

Class	Maturity	Sinking Fund Installment Payment Date	Sinking Fund Installment
1	September 15, 2028	March 15, 2028 September 15, 2028	$9,125,000 9,350,000
1	September 15, 2029	March 15, 2029 September 15, 2029	$9,585,000 9,825,000
1	September 15, 2030	March 15, 2030 September 15, 2030	$10,070,000 10,320,000
1	September 15, 2031	March 15, 2031 September 15, 2031	$10,580,000 10,845,000
1	September 15, 2032	March 15, 2032 September 15, 2032	$11,115,000 11,395,000
1	September 15, 2035	March 15, 2033 September 15, 2033 March 15, 2034 September 15, 2034 March 15, 2035 September 15, 2035	$11,680,000 11,910,000 12,150,000 12,395,000 12,640,000 12,895,000

Class	Maturity	Sinking Fund Installment Payment Date	Sinking Fund Installment
1	September 15, 2040	March 15, 2036	$13,150,000
		September 15, 2036	13,480,000
		March 15, 2037	13,820,000
		September 15, 2037	14,165,000
		March 15, 2038	14,515,000
		September 15, 2038	14,880,000
		March 15, 2039	15,250,000
		September 15, 2039	15,635,000
		March 15, 2040	16,025,000
		September 15, 2040	6,300,000
2	September 15, 2043	September 15, 2040	$10,125,000
		March 15, 2041	16,835,000
		September 15, 2041	17,255,000
		March 15, 2042	17,690,000
		September 15, 2042	18,130,000
		March 15, 2043	18,585,000
		September 15, 2043	9,380,000
3	March 15, 2044	September 15, 2043	$ 9,665,000
		March 15, 2044	19,525,000

Redemption of Class 1 term Bonds, Class 2 term Bonds or Class 3 term Bonds (other than by operation of Sinking Fund Installments) shall be credited against the related Sinking Fund Installments *pro rata.*

Pursuant to the Indenture, the Borrower has the option, to be exercised on or before the 45th day next preceding any mandatory Sinking Fund Installment Redemption Date, to deliver to the Indenture Trustee for cancellation Series 2012 Liberty Bonds of the appropriate Class and maturity in any aggregate principal amount which have been purchased by the Borrower in the open market. Each Series 2012 Liberty Bond so delivered shall be credited by the Indenture Trustee at 100% of the principal amount thereof against the scheduled Sinking Fund Installment redemption requirement for the Series 2012 Liberty Bonds of such Class and maturity on such Sinking Fund Installment Redemption Date in such chronological order as shall be directed in writing by the Borrower; and any excess of such amount shall be credited against future Sinking Fund Installments not otherwise directed by the Borrower in chronological order.

Purchase in Lieu of Optional Redemption

In lieu of calling Series 2012 Liberty Bonds for optional redemption, the Series 2012 Liberty Bonds shall be subject to mandatory tender for purchase at the direction of the Issuer, upon request of the Borrower, in whole or in part (and, if in part, in such manner as determined by the Borrower) on any date on or after March 15, 2022, at a Tender Price equal to the then applicable Redemption Price for any optional redemption of Series 2012 Liberty Bonds as provided above, plus accrued interest to the purchase date. Series 2012 Liberty Bonds so purchased are not required to be cancelled, and if not so cancelled, shall, prior to any resale by the Borrower, not be deemed Outstanding in connection with any subsequent partial optional redemption solely for purposes of those provisions of the Indenture relating to the selection of Series 2012 Liberty Bonds in a partial redemption.

Purchases in lieu of an optional redemption shall be permitted, with the consent of the Issuer, upon the delivery to the Issuer and the Indenture Trustee of (i) an opinion of Bond Counsel addressed to the Issuer and

the Indenture Trustee substantially to the effect that (a) such purchases in lieu of optional redemption comply with the provisions of the Indenture and (b) neither such purchases in lieu of an optional redemption nor any transaction directly related thereto will adversely affect the exclusion from gross income of interest on the Series 2012 Liberty Bonds for purposes of federal income taxation, and (ii) such other opinions, certificates or documentation as the Issuer may require. The Series 2012 Liberty Bonds to be purchased in lieu of redemption shall be selected as provided in the next paragraph.

Selection of Series 2012 Liberty Bonds for Optional and Extraordinary Optional Redemption or Purchase in Lieu of Redemption

Unless otherwise accompanied by a No Downgrade Confirmation (i) the Series 2012 Liberty Bonds that are to be subject to optional or extraordinary optional redemption, or purchase in lieu of such redemption, shall be selected in order of Class priority commencing with Class 1, (ii) to the extent that the amount of Series 2012 Liberty Bonds of a Class with multiple maturities to be redeemed or purchased in lieu thereof is less than the aggregate principal amount of such Class of Series 2012 Liberty Bonds Outstanding, the Series 2012 Liberty Bonds of such Class to be so redeemed or purchased in lieu thereof will be selected *pro rata* among maturities within such Class, and (iii) the principal amount of such redemption or purchase in lieu thereof of a maturity of Series 2012 Liberty Bonds shall be credited against Sinking Fund Installments for each such maturity *pro rata*. Selection of such Series 2012 Liberty Bonds on any other basis must be accompanied by a No Downgrade Confirmation.

Notice of Redemption

When redemption of any Series 2012 Liberty Bonds is requested or required pursuant to the Indenture, the Indenture Trustee shall give notice of such redemption in the name of the Issuer, specifying the Class, CUSIP number, Bond numbers, the date of original issue, the date of mailing of the notice of redemption, maturities, interest rates and principal amounts of the Series 2012 Liberty Bonds or portions thereof to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Indenture Trustee) and specifying the principal amounts of the Series 2012 Liberty Bonds of such Class or portions thereof to be payable and, if less than all of the Series 2012 Liberty Bonds of a Class of any maturity are to be redeemed, the numbers of such Series 2012 Liberty Bonds or portions thereof of such Class to be so redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2012 Liberty Bond of such Class or portion thereof to be redeemed the Redemption Price thereof together with interest accrued to but not including the Redemption Date, and that from and after such Redemption Date interest thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Indenture Trustee, in the name and on behalf of the Issuer, (i) shall mail a copy of such notice by first class mail, postage prepaid, not more than 30 nor less than 20 days prior to the date fixed for redemption to the registered owners of any Series 2012 Liberty Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of Series 2012 Liberty Bonds with respect to which proper mailing was effected; (ii) cause notice of such redemption to be submitted to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board; and (iii) mail a copy of such notice by first class mail, postage prepaid, to the Collateral Agent, the Master Servicer and the Special Servicer at the same time notice is sent to the Bondholders. Notwithstanding the above, the Borrower pursuant to an Officer's Certificate may rescind the notice of redemption by giving written notice of such rescission to the Special Servicer, the Master Servicer, the Operating Advisor, the Collateral Trustee and the Indenture Trustee at least six (6) days prior to the date on which redemption is to occur. In the event any notice of redemption is rescinded, the Issuer shall not be required to redeem the Series 2012 Liberty Bonds previously called for redemption.

Interchangeability, Transfer and Registry

Each Series 2012 Liberty Bond shall be transferable only upon compliance with the restrictions on transfer set forth on such Series 2012 Liberty Bond and only upon the books of the Issuer, which shall be kept for the purpose at the designated corporate trust office of the Indenture Trustee, by the registered owner thereof in person or by his duly authorized attorney-in-fact with signature guaranteed, upon presentation thereof together with a written instrument of transfer in the form appearing on such Series 2012 Liberty Bond, duly executed by the registered owner or his duly authorized attorney-in-fact with signature guaranteed. Upon the transfer of any Series 2012 Liberty Bond, the Indenture Trustee shall prepare and issue in the name of the transferee one or more new Series 2012 Liberty Bonds of the same aggregate principal amount, Class and maturity as the surrendered Series 2012 Liberty Bond.

Any Series 2012 Liberty Bond, upon surrender thereof at the designated corporate trust office of the Indenture Trustee with a written instrument of transfer in the form appearing on such Series 2012 Liberty Bond, duly executed by the registered owner or his duly authorized attorney-in-fact with signature guaranteed, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Series 2012 Liberty Bonds of the same Class and maturity of any other authorized denominations. However, the Indenture Trustee will not be required to transfer or exchange any such Series 2012 Liberty Bonds called for redemption on and after the date notice of redemption is sent to the owners thereof.

The Issuer, the Borrower, the Bond Registrar, the Indenture Trustee, the Collateral Agent, the Master Servicer, the Special Servicer, the Operating Advisor and any Paying Agent may deem and treat the person in whose name any Series 2012 Liberty Bond shall be registered as the absolute owner of such Series 2012 Liberty Bond, whether such Series 2012 Liberty Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, Sinking Fund Installments for, and interest on such Series 2012 Liberty Bond and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2012 Liberty Bond to the extent of the sum or sums so paid, and neither the Issuer, the Borrower, the Bond Registrar, the Indenture Trustee, the Collateral Agent, the Master Servicer, the Special Servicer, the Operating Advisor nor any Paying Agent shall be affected by any notice to the contrary.

Mandatory Tender for Purchase

The Series 2012 Liberty Bonds are subject to mandatory tender for purchase, in whole but not in part, at a purchase price equal to one hundred percent (100%) of the Outstanding principal amount of the Series 2012 Liberty Bonds, together with accrued interest to the date of purchase:

(i) at any time, if (A) the Collateral Agent provides notice to the Port Authority (or any successor Ground Lessor under the Office Tower Ground Lease) of a proposed foreclosure action with respect to the Mortgaged Property, and (B) the Port Authority (or any successor Ground Lessor under the Office Tower Ground Lease) exercises its option under the Office Tower Ground Lease to purchase the Liberty Bonds Loan at the Ground Lessor Purchase Price, such mandatory tender to occur within thirty (30) Business Days of the exercise of such option to purchase by the Port Authority (or any successor Ground Lessor under the Office Tower Ground Lease) under the Office Tower Ground Lease; and

(ii) at any time on or after March 15, 2022, if (A) any Permitted Mezzanine Financing is Outstanding, (B) the Liberty Bonds Loan becomes a Defaulted Obligation, (C) the Permitted Mezzanine Lender under the Permitted Mezzanine Loan is permitted pursuant to a related intercreditor agreement to exercise its option under the Servicing Agreement to purchase all of the Series 2012 Liberty Bonds at a cash price equal to the Liberty Bonds Purchase Price, and the Permitted Mezzanine Lender under the Permitted Mezzanine Loan elects to exercise such option, and (D) the Port Authority (or any successor Ground Lessor under the Office Tower Ground Lease) does not have the right to

exercise its option under the Office Tower Ground Lease to purchase all Obligations (including the Liberty Bonds Loan), such mandatory tender to occur within thirty (30) Business Days of the exercise of such option to purchase by the Permitted Mezzanine Lender under the Permitted Mezzanine Loan.

Notice of Mandatory Tender for Purchase

The Indenture Trustee shall give notice of mandatory tender for purchase by mail to the owners of the Series 2012 Liberty Bonds no more than thirty (30) calendar days and no less than twenty (20) calendar days prior to the date selected for mandatory tender for purchase. Any notice shall state the date of mandatory tender for purchase, the Tender Price, and the numbers of the Series 2012 Liberty Bonds to be purchased if less than all of the Series 2012 Liberty Bonds owned by such Owner are to be purchased. The failure to mail any such notice of mandatory tender with respect to any Series 2012 Liberty Bond shall not affect the validity of the mandatory purchase of any other Series 2012 Liberty Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any owner or beneficial owner. The Indenture Trustee shall also give a copy of such notice to the Rating Agencies. Subsequent to the Indenture Trustee's delivery of a notice of mandatory tender for purchase, but at least six (6) days prior to the mandatory tender date, the Issuer may deliver a notice to the Indenture Trustee directing the Indenture Trustee to deliver a subsequent notice to the owners rescinding the prior notice and stating that the Series 2012 Liberty Bonds will not be subject to mandatory tender for purchase. The Indenture Trustee shall deliver such notice to the owners of the Series 2012 Liberty Bonds on or prior to the next Business Day. *Any Series 2012 Liberty Bonds not tendered on the date of mandatory tender will be deemed tendered upon payment of the Tender Price.*

BOOK-ENTRY-ONLY SYSTEM

DTC, as an automated clearing house for securities transactions, will act as securities depository for the Series 2012 Liberty Bonds. Purchasers of beneficial ownership interests in the Series 2012 Liberty Bonds will not receive certificates representing their interests in the Series 2012 Liberty Bonds purchased. The Series 2012 Liberty Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each Class of the Series 2012 Liberty Bonds, each in the aggregate principal amount of such maturity and Class, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchasers of the Series 2012 Liberty Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012 Liberty Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2012 Liberty Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2012 Liberty Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will be receive bond certificates representing their ownership interests in the Series 2012 Liberty Bonds, except in the event that use of the book-entry system for the Series 2012 Liberty Bonds is discontinued.

To facilitate subsequent transfers, all Series 2012 Liberty Bonds deposited by Direct Participants with DTC are registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2012 Liberty Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012 Liberty Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012 Liberty Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Series 2012 Liberty Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2012 Liberty Bonds, such as redemptions, defaults, and proposed amendments to the documents relating to the Series 2012 Liberty Bonds. For example, Beneficial Owners of Series 2012 Liberty Bonds may wish to ascertain that the nominee holding the Series 2012 Liberty Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to Cede & Co. If less than all of the Series 2012 Liberty Bonds within a maturity and Class are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity and Class to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2012 Liberty Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2012 Liberty Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments, Sinking Fund Installments and Redemption Price on the Series 2012 Liberty Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Indenture Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Indenture Trustee or the Issuer, subject to any statutory or regulatory

requirements as may be in effect from time to time. Payment of principal and interest, Sinking Fund Installments and Redemption Price to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Indenture Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The Issuer and the Indenture Trustee may treat DTC (or its nominee) as the sole and exclusive registered owners of the Series 2012 Liberty Bonds registered in its name for the purpose of payment of the principal of, Sinking Fund Installments for, or interest on the Series 2012 Liberty Bonds, giving any notice permitted or required to be given to registered owners under the Indenture, registering the transfer of the Series 2012 Liberty Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Issuer and the Indenture Trustee do not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2012 Liberty Bonds under or through DTC or any Participant or any other person which is not shown on the registration books of the Issuer (kept by the Indenture Trustee) as being a registered owner, with respect to: the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal of, Sinking Fund Installments for, or interest on the Series 2012 Liberty Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges set forth in the Indenture; or other action taken by DTC as a registered owner. Interest, principal and Sinking Fund Installments will be paid by the Indenture Trustee to DTC, or its nominee. Disbursement of such payments to the Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants or the Indirect Participants.

No assurance can be given by the Issuer that DTC will make prompt transfer of payments to the Participants or that Participants will make prompt transfer or payments to Beneficial Owners. The Issuer is not responsible or liable for payment by DTC or Participants, or for sending transaction statements, or for maintaining, supervising or reviewing records maintained by DTC or Participants.

For every transfer and exchange of beneficial ownership of the Series 2012 Liberty Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may discontinue providing its service with respect to the Series 2012 Liberty Bonds at any time by giving reasonable notice to the Issuer or the Indenture Trustee and discharging its responsibilities with respect thereto under applicable law, or the Issuer may terminate its participation in the system of book-entry transfer through DTC at any time by giving notice to DTC. In either event, the Issuer may retain another securities depository for the Series 2012 Liberty Bonds as appropriate or may direct the Indenture Trustee to deliver bond certificates in accordance with instructions from DTC or its successor. If the Issuer directs the Indenture Trustee to deliver such bond certificates, such Series 2012 Liberty Bonds may thereafter be exchanged for denominations and of the same maturity and Class as set forth in the Indenture, upon surrender thereof at the principal corporate trust office of the Indenture Trustee.

The foregoing information concerning DTC and DTC's book-entry system has been provided by DTC for informational purposes only and is not intended to serve as a representation, warranty, or contractual modification of any kind, and neither the Issuer, the Borrower nor the Underwriters take responsibility for the accuracy or completeness thereof, or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement.

So long as Cede & Co. is the registered owner of the Series 2012 Liberty Bonds, as nominee for DTC, references herein to Bond owners or registered owners of the Series 2012 Liberty Bonds (other than under the heading "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2012 Liberty Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Indenture Trustee to DTC only.

NONE OF THE ISSUER, THE BORROWER OR THE INDENTURE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY OTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, SINKING FUND INSTALLMENT, REDEMPTION PRICE, IF APPLICABLE, OR INTEREST ON THE SERIES 2012 LIBERTY BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO HOLDERS UNDER THE TERMS OF THE INDENTURE; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2012 LIBERTY BONDS.

The Issuer and the Indenture Trustee cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the Series 2012 Liberty Bonds (i) payments of principal, Sinking Fund Installments, Redemption Price, if applicable, of, or interest on the Series 2012 Liberty Bonds, (ii) confirmations of their ownership interests in the Series 2012 Liberty Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Series 2012 Liberty Bonds, or that they will do so on a timely basis, or that DTC, the Direct Participants or the Indirect Participants will serve and act in the manner described in this Official Statement.

DESCRIPTION OF THE SERVICING AGREEMENT

The servicing and administration of the Liberty Bonds Loan and the CMBS Loan will be carried out by the Master Servicer and the Special Servicer pursuant to the Servicing Agreement. The Servicing Agreement establishes that the Liberty Bonds Loan will have a priority in payment over the CMBS Loan. The Servicing Agreement also establishes the relative voting rights of the Holders of the Liberty Bonds Loan and of the CMBS Loan, and provides initially for the assignment by the Indenture Trustee and the CMBS Trustee to the Master Servicer and the Special Servicer of the sole and exclusive right to take enforcement actions (except on behalf of the Issuer with respect to the Issuer's Reserved Rights), to grant or withhold any approvals and to exercise rights and remedies under the Liberty Bonds Loan Documents and the Liberty Bonds Financing Documents (with respect to the Liberty Bonds Loan), and under the CMBS Loan Documents (with respect to the CMBS Loan). Under the Servicing Agreement, the Master Servicer (or upon its failure, the Collateral Agent) has certain obligations to make Servicing Advances and P&I Advances, except, in each instance, where it has determined in its reasonable and good faith judgment exercised in accordance with the Servicing Agreement that such advances would not be recoverable from subsequent payments or collections (including Liquidation Proceeds) in respect of the Loans or the Mortgaged Property. In addition, P&I Advances and voting rights may be reduced where Realized Losses or Appraisal Reduction Amounts have been determined.

As a general rule, (i) the Master Servicer is to service and administer the Obligations when they are Performing Obligations (i.e., that no Servicing Transfer Event then exists), and (ii) the Special Servicer shall service and administer (x) each Specially Serviced Obligation (i.e., an Obligation for which a Servicing Transfer Event does exist) and (y) each REO Property.

The following is a summary of certain provisions of the Servicing Agreement. This summary does not purport to be complete and reference is made to the entire Servicing Agreement for the detailed provisions thereof. This summary is qualified in its entirety by such reference.

Appointment of Servicers and Administration of Obligations

The Secured Parties appoint the Master Servicer to service the Obligations pursuant to, and subject to the terms and conditions of, the Servicing Agreement, and the Special Servicer to service the Specially Serviced Obligations and any REO Obligations pursuant to, and subject to the terms and conditions of, the Servicing Agreement.

Each Secured Party and each other party to the Servicing Agreement agrees that for so long as any of the Taxable Securities or Bonds are Outstanding, the Obligations shall be administered and serviced subject to and in accordance with the Servicing Agreement.

The Master Servicer shall service and administer the Performing Obligations (*i.e.,* as of any date of determination, any Obligation to which no Servicing Transfer Event then exists, including any Obligation, referred to herein as a "Corrected Obligation", that had been Specially Serviced Obligation but as to which all Servicing Transfer Events have ceased to exist, other than in connection with a sale pursuant to the Servicing Agreement) and the Special Servicer shall service and administer any Specially Serviced Obligations (*i.e.,* any Obligation as to which there then exists a Servicing Transfer Event), REO Obligations or REO Property that each is obligated to service and administer pursuant to the Servicing Agreement in the best interests and for the benefit of the Holders of the Obligations in accordance with the Servicing Standard (as defined below). The Master Servicer shall service and administer the Obligations when they are Performing Obligations, and the Special Servicer shall service and administer each Specially Serviced Obligation and each REO Property. The Master Servicer shall not, on behalf of the Secured Parties, obtain title to the Mortgaged Property.

"Servicing Standard" means, with respect to each of the Master Servicer and the Special Servicer, subject to Applicable Law and the express terms of the Obligations and Loan Documents, to service and administer the Obligations and any REO Property for which such Person is responsible under the Servicing Agreement:

(i) with the same care, skill, prudence and diligence with which the Master Servicer or Special Servicer, as applicable, performs its general mortgage servicing and REO Property management activities on behalf of third parties or on behalf of itself, whichever is higher, and giving due consideration to the customary and usual standards of practice of prudent institutional commercial mortgage Lenders servicing their own loans;

(ii) with a view to the timely collection of all scheduled payments of principal (including Sinking Fund Installments) and interest under the Obligations and all Borrower Reimbursable Expenses, and, in the case of the Special Servicer, if an Obligation comes into and continues in default and if, in the good faith and reasonable judgment of the Special Servicer, no satisfactory arrangements can be made for the collection of the delinquent payments (including payments of Yield Maintenance Premiums), the maximization of the recovery on all of the outstanding Obligations (as if they were one Obligation) on a net present value basis for the benefit of the Secured Parties (as if they were one Lender); and

(iii) without regard to:

(1) any known relationship that the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be, may have with the Borrower (or any Affiliate thereof) or with any other party to the Servicing Agreement;

(2) the ownership of any Obligation, CMBS Certificate or Bond by the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be;

(3) the ownership of any indebtedness with respect to the Mortgaged Property or any related mezzanine debt by the Master Servicer or the Special Servicer, as the case may be;

(4) the obligation of the Master Servicer or the Special Servicer to make Advances;

(5) the obligation of the Special Servicer to make, or direct the Master Servicer to make, Advances;

(6) the right of the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be, to receive reimbursement of costs, or the sufficiency of any compensation payable to it, under the Servicing Agreement or with respect to any particular transaction; or

(7) any ownership, servicing and/or management by the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be, of any other mortgage loans or real property.

Subject to the terms of any intercreditor agreement entered into in connection with a Permitted Mezzanine Financing, the Master Servicer and the Special Servicer shall each have full power and authority to do or cause to be done any and all things in connection with such servicing and administration that it may deem necessary or desirable. Each of the Master Servicer (with respect to Performing Obligations) and the Special Servicer (with respect to Specially Serviced Obligations and REO Obligations), in its own name or in the name of the Collateral Agent or the applicable Holder of the Obligation, is authorized and empowered by each Secured Party to execute and deliver, on behalf of such Secured Party: (i) any and all financing statements, control agreements, continuation statements and other documents or instruments necessary to perfect or maintain the Lien created by the Mortgage or other Loan Document in the Mortgage File on the Mortgaged Property and other related collateral; (ii) any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments; and (iii) subject to the terms and conditions of the Servicing Agreement, any and all assumptions, modifications, waivers, substitutions, extensions, amendments and consents.

The Master Servicer (with respect to Performing Obligations) and the Special Servicer (with respect to Specially Serviced Obligations and REO Obligations) shall undertake reasonable efforts to collect all payments called for under the terms and provisions of the Obligations, and shall follow such collection procedures as are consistent with the Servicing Standard. The Special Servicer (as to Specially Serviced Obligations) and the Master Servicer (as to Performing Obligations) may waive any Default Charges (*i.e.,* any Default Interest and/or late payment charges that are paid or payable in respect of any Obligation or REO Obligation) in connection with any specific delinquent payment on an Obligation it is obligated to service under the Servicing Agreement.

Exercise of Remedies by Servicers

Each Secured Party agrees that the Servicers, to the extent consistent with the terms of the Servicing Agreement and the Servicing Standard, shall have the sole and exclusive authority with respect to the administration of, and exercise of rights and remedies with respect to the Obligations, including, without limitation, the sole authority (consistent with the Servicing Standard) (a) with respect to the voting of all claims with respect to each Obligation in any bankruptcy, insolvency or other similar proceedings, whether voluntary or involuntary, including the right to approve or reject any plan of reorganization and (b) to declare or waive any Mortgage Event of Default, accelerate the Obligations or institute any foreclosure action, and no Secured Party (except as and to the extent expressly provided for in the Servicing Agreement) shall have any voting, consent or other rights whatsoever with respect to the administration by the Servicers of, or exercise of

the rights and remedies of the Secured Parties with respect to the Obligations, and each Secured Party irrevocably assigns to the Servicers all such rights. However, the above shall not be construed to alter the terms of, or the standard for, approval or consent to any Borrower action provided in the Loan Documents.

Enforcement of Loan Documents

Each Secured Party agrees that the Master Servicer and/or the Special Servicer, acting in accordance with the terms of the Servicing Agreement and by directing the Collateral Agent to act in accordance with the terms of the Servicing Agreement, the Collateral Agency Agreement and the Loan Documents, shall have the sole and exclusive authority to take any actions under the terms of the Obligations, including, without limitation, under any Insurance Policies relating to the Obligations (to the extent it has the legal right to do so and the same is not prohibited under the Office Tower Ground Lease), but excluding the Reserved Rights, and to enforce the terms of, and to exercise any and all approval and enforcement rights of the CMBS Trustee and the Indenture Trustee (other than the Reserved Rights, which Reserved Rights may also be enforced by the Issuer or the Indenture Trustee (in consultation with the Master Servicer) jointly or severally through an action for specific performance) under the Loan Documents, and no Secured Party shall take any actions (other than with respect to the Issuer to the extent provided above) with respect to any such policies or Loan Documents. The Collateral Agent agrees to act in accordance with the directions of the Master Servicer and/or the Special Servicer given pursuant to the Servicing Agreement and the Collateral Agency Agreement; provided, however that the Collateral Agent shall not be required to take any action in contravention of the Servicing Agreement, the Collateral Agency Agreement or any other Loan Document or in contravention of Applicable Law. Nothing contained in the above shall be deemed to alter the terms of, or the standard for, approved or consent to any Borrower action provided in the Loan Documents.

No Trustee Action

Unless directed to do so by the Special Servicer, neither the Indenture Trustee, on behalf of the Bondholders, nor the CMBS Trustee, on behalf of the Certificateholders, shall institute, file, commence, acquiesce, petition (either by itself or in conjunction with any other Person) under Bankruptcy Code Section 303 or otherwise (or join any Person other than the Master Servicer, the Special Servicer or the Collateral Agent in any such petition) or otherwise invoke or cause any other Person to invoke an Insolvency Proceeding with respect to or against the Borrower or seek to appoint a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official with respect to the Borrower or all or any part of its property or assets or ordering the winding up or liquidation of the affairs of the Borrower. Each of the Indenture Trustee and the CMBS Trustee agrees, upon not more than five (5) Business Days of receipt of written request from the Special Servicer, to execute, verify, deliver and file in a timely manner any proofs of claim, consents, assignments or other action necessary or appropriate to enforce the obligations of the Borrower to the Indenture Trustee or to the CMBS Trustee, as applicable, and to vote any claims at any meeting of creditors or for any plan or with respect to any matter as the Special Servicer shall direct, all in order to preserve and maintain all claims against the Borrower for sums due with respect to the Bonds and the CMBS Certificates so that the Secured Parties will have the benefit of such claims. Upon failure of the Indenture Trustee or the CMBS Trustee to do so, the Special Servicer, acting alone, shall be deemed to be irrevocably appointed the agent and attorney in fact of the Indenture Trustee and/or the CMBS Trustee, as applicable, to execute, verify, deliver and file any such proofs of claim, consents, assignments or other instruments, to vote any such claims in any Insolvency Proceeding, and to receive and collect any and all payments or other disbursements made thereon in whatever form the same may be paid or issued and to apply the same in the manner provided in the heading below entitled *"Application of Payments on or After a Liquidation"*. Further, each of the Indenture Trustee and the CMBS Trustee agrees that it (i) shall not make any election, give any consent, file any motion or take any other action under any Insolvency Proceeding without the prior written consent of the Special Servicer, (ii) will not assert or in any way utilize any Obligation as the basis for any set off, offset or recoupment in respect of the Bonds or the Taxable Securities, as applicable, in any action or proceeding brought by the Borrower against it, or (iii) will execute, acknowledge and deliver to the Special Servicer or the

Collateral Agent all and every such further deeds, conveyances and instruments as the Special Servicer may reasonably request for the better assuring and evidencing of the foregoing appointment and grant.

Borrower-Owned Bonds or CMBS Certificates

For purposes of any required vote or determination by a specified percentage of the Bondholders or the Certificateholders in respect of any action contemplated by the Servicing Agreement, any Bonds or CMBS Certificates held by the Borrower or Borrower Related Parties shall be disregarded. In addition, any Bonds or CMBS Certificates that are held by a Person that is not the Borrower or a Borrower Related Party will be disregarded if both of the following are true: (i) a Borrower Related Party has provided financing to such Person that is secured by such Bonds or CMBS Certificates, and (ii) such Bonds or CMBS Certificates have come under the control of such Borrower Related Party by reason of a foreclosure or other exercise of remedies against such Person with respect to such financing. Bonds or CMBS Certificates held by the Borrower or Borrower Related Parties shall not be counted in determining whether to replace the Special Servicer or otherwise take any action contemplated by the Servicing Agreement. For the avoidance of doubt, "not be counted" as used above means that Bonds or CMBS Certificates owned by the Borrower or Borrower Related Parties shall not be included in either the numerator or the denominator of any percentage (expressed as a fraction) calculated for purposes of determining whether such percentage equals or exceeds the required percentage.

Application of Payments Prior to a Liquidation

On each Secured Party Distribution Date prior to a Liquidation, the Master Servicer shall distribute the Available Secured Party Distribution Amount (and, where specifically referred to in the distribution priorities set forth below, P&I Advances) in the following order of priority, to the extent available:

first, to the Indenture Trustee, and including the portion of any P&I Advance made with respect to such Secured Party Distribution Date in respect of interest on the Liberty Bonds Loan, in an amount equal to all accrued and unpaid interest on the Liberty Bonds Note Principal Balance (being the interest accrued on each Component at the applicable Net Mortgage Rate through the end of the related Interest Period); provided, however, that for purposes of this clause "first", accrued and unpaid interest shall exclude Deferred Interest on the Liberty Bonds Note;

second, to the CMBS Trustee, and including the portion of any P&I Advance made with respect to such Secured Party Distribution Date in respect of interest on the CMBS Loan, in an amount equal to all accrued and unpaid interest on the CMBS Note Principal Balance (being the interest accrued at the applicable Net Mortgage Rate through the end of the related Interest Period), provided, however, that for purposes of this clause "second", accrued and unpaid interest shall exclude Deferred Interest on the CMBS Note;

third, to the Indenture Trustee, and including the portion of any P&I Advance made with respect to such Secured Party Distribution Date in respect of principal on the Liberty Bonds Loan, the Liberty Bonds Principal Distribution Amount, if any;

fourth, to the Indenture Trustee, in an amount equal to accrued and unpaid Deferred Interest, if any, on the Liberty Bonds Note Principal Balance;

fifth, to the CMBS Trustee, and including the portion of the P&I Advance made with respect to such Secured Party Distribution Date in respect of principal on the CMBS Loan, the CMBS Principal Distribution Amount, if any;

sixth, to the CMBS Trustee, in an amount equal to accrued and unpaid Deferred Interest, if any, on the CMBS Note Principal Balance;

seventh, to the Indenture Trustee, until all other amounts then due and payable (including Default Interest) under the Liberty Bonds Loan have been paid in full;

eighth, to the CMBS Trustee, in an amount equal to any Yield Maintenance Premiums, to the extent actually paid by the Borrower, due on the CMBS Loan, until such amounts have been paid in full;

ninth, to the CMBS Trustee, until all other amounts then due and payable under the CMBS Loan have been paid in full; provided, however, that amounts distributed pursuant to this clause "ninth" shall exclude Default Interest;

tenth, if a Mortgage Event of Default has occurred and is continuing, any excess to the Cash Collateral Account;

eleventh, to the Default Curing Party in an amount equal to any unreimbursed Cure Payments made by any Default Curing Party that is or was acting on behalf of any Permitted Mezzanine Financing; and

twelfth, if no Mortgage Event of Default has occurred and is continuing, any excess to the Borrower.

Application of Payments on or After a Liquidation

On each Secured Party Distribution Date, on or after the occurrence of a Liquidation, the Master Servicer shall distribute the Available Secured Party Distribution Amount in the following order of priority, to the extent available:

first, to the Indenture Trustee, in an amount equal to accrued and unpaid interest on the Liberty Bonds Note Principal Balance (being the interest accrued on each Component at the applicable Net Mortgage Rate through the end of the related Interest Period); provided, however, that for purposes of this clause "first", accrued and unpaid interest shall exclude Deferred Interest;

second, to the Indenture Trustee, in an amount equal to the Liberty Bonds Note Principal Balance until the Liberty Bonds Note Principal Balance is paid in full;

third, to the Indenture Trustee, in an amount equal to accrued and unpaid Deferred Interest on the Liberty Bonds Note Principal Balance;

fourth, to the CMBS Trustee, in an amount equal to all accrued and unpaid interest on the CMBS Note Principal Balance (being the interest accrued at the applicable Net Mortgage Rate through the end of the related Interest Period); provided, however, that for purposes of this clause "fourth", accrued and unpaid interest shall exclude Deferred Interest;

fifth, to the CMBS Trustee, in an amount equal to the CMBS Note Principal Balance until the CMBS Note Principal Balance is paid in full;

sixth, to the CMBS Trustee, in an amount equal to accrued and unpaid Deferred Interest, if any, on the CMBS Note Principal Balance;

seventh, to the Indenture Trustee, until all other amounts due under the Liberty Bonds Loan (including Default Interest) have been paid in full;

eighth, to the CMBS Trustee, in an amount equal to the amount of any Yield Maintenance Premiums due under the CMBS Loan, until such amount has been paid in full;

ninth, to the CMBS Trustee, until all other amounts due under the CMBS Loan have been paid in full; provided, however, that amounts distributed pursuant to this clause "ninth" shall exclude Default Interest;

tenth, to the Default Curing Party in an amount equal to any unreimbursed Cure Payments made by any Default Curing Party that is or was acting on behalf of any Permitted Mezzanine Financing; and

eleventh, any excess to be deposited into the Holding Account and applied in accordance with the payment priorities set forth in the Collateral Agency Agreement providing for the application of amounts on deposit in the Collateral Accounts.

Disgorged Payments

Subject to the heading below entitled *"No Obligation to Return Distributed Funds"*, if a court of competent jurisdiction orders, at any time, that any amount received or collected in respect of the CMBS Loan or the Liberty Bonds Loan must, pursuant to any insolvency, bankruptcy, fraudulent conveyance or transfer, preference or similar law, be returned to the Borrower or paid to the CMBS Trustee, the Indenture Trustee or to any other Person, then, the Master Servicer shall not be required to distribute any portion thereof to the CMBS Trustee or the Indenture Trustee, as applicable, and each Secured Party will promptly on demand by the Master Servicer repay to the Master Servicer any portion thereof that the Master Servicer shall have theretofore distributed to the CMBS Trustee or the Indenture Trustee. Any funds required to be returned to the Borrower by the Master Servicer pursuant to the preceding sentence shall be treated as paid, first, in respect of the CMBS Loan, and second, in respect of the Liberty Bonds Loan, respectively, up to the amount of such funds actually distributed in respect of the CMBS Loan and the Liberty Bonds Loan, as the case may be.

Disproportionate Payments

Each Holder of an Obligation agrees that if at any time it shall receive from any sources whatsoever any payment on account of the related Obligation in excess of its distributable share thereof, it will promptly remit such excess to the Master Servicer. The Master Servicer shall have the right to offset any amounts due under the Servicing Agreement from any Holder of an Obligation with respect to the Obligation against any future payments due to such Holder under the Servicing Agreement.

Manner of Payment

Any and all amounts required to be paid by any Person pursuant to the preceding three headings or otherwise under the Servicing Agreement, shall be in immediate funds and shall be made without any offset, abatement, withholding or reduction of any kind whatsoever. If any such amounts paid by any Holder of an Obligation are subsequently recovered (whether from the Borrower, as part of Net Liquidation Proceeds or otherwise), the Master Servicer shall promptly distribute in immediately available funds, each such Holder's share of such amounts (based on the CMBS Note Principal Balance and/or the Liberty Bonds Note Principal Balance, as applicable), pursuant to the above headings entitled *"Application of Payments Prior to a Liquidation"* or *"Application of Payments on or After a Liquidation"*, as applicable.

No Obligation to Return Distributed Funds

There is no obligation under the Servicing Agreement to return any amount that has been distributed to the Bondholders or the Certificateholders; however, the Master Servicer shall have the right to receive amounts that would have been due from a Holder of an Obligation by deducting them from any future payments due to such Holder under the Servicing Agreement.

Collection of Taxes, Assessment and Similar Items; Servicing and Advances; Loan Reserve Accounts; Cash Collateral Account

As to all of the Obligations, the Collateral Agent delegates to the Master Servicer all of its rights and obligations with respect to the establishment, holding and maintenance of the Collateral Accounts under the Collateral Agency Agreement, and the Master Servicer shall (i) establish, hold and administer the Collateral Accounts pursuant to the Collateral Agency Agreement, and (ii) take such actions, or direct the Collateral Agent to take such actions, consistent with the Servicing Standard and the Servicing Agreement, as may be required or permitted to be taken by the Collateral Agent under the Collateral Agency Agreement.

The Master Servicer shall, as to each Obligation, including each Specially Serviced Obligation (other than any REO Obligation) and the Special Servicer shall, as to each REO Obligation, (i) maintain accurate records with respect to the Mortgaged Property reflecting the status of Taxes and other similar items that are or may become a Lien thereon and the status of Insurance Premiums and Ground Rents payable in respect thereof and (ii) use reasonable efforts consistent with the Servicing Standard to obtain, from time to time, all bills for the payment of such items (including renewal premiums) and effect payment thereof prior to the applicable penalty or termination date. Each of the Master Servicer and the Special Servicer shall, as to those Obligations it is obligated to service under the Servicing Agreement, apply Reserve Amounts as allowed or required under the terms of the related Loan Documents and the Collateral Agency Agreement; provided, however, if the Collateral Agency Agreement does not require the funding of Reserve Accounts for any such payments, each of the Master Servicer and the Special Servicer shall use reasonable efforts, as to those Obligations it is obligated to service under the Servicing Agreement, and subject to and in accordance with the Servicing Standard, to enforce the requirement of any Obligation that the Borrower make payments in respect of such items at the time they first become due.

In accordance with the Servicing Standard and for all Obligations, but subject to determinations as to whether a Servicing Advance would constitute a Nonrecoverable Advance, the Master Servicer shall make a Servicing Advance with respect to the Mortgaged Property (whether or not an Obligation is a Specially Serviced Obligation) of all such funds as are necessary for the purpose of effecting the timely payment of (i) Taxes and other similar items, (ii) Ground Rents and amounts payable under the Office Tower Ground Lease or the Reciprocal Easement Agreement, (iii) Insurance Premiums, and (iv) such other costs and expenses that fall within the definition of "Servicing Advances"; in each instance prior to the applicable penalty or termination date if and to the extent that (x) Reserve Amounts collected from the Borrower or amounts on deposit in the Reserve Accounts are insufficient to pay such item when due, and (y) the Borrower has failed to pay such item on a timely basis; provided that in the case of amounts described in the preceding clause "(i)", the Master Servicer shall not make a Servicing Advance of any such amount until the Master Servicer (in accordance with the Servicing Standard) has actual knowledge that the Borrower has not made such payments and reasonably anticipates that such amounts will not be paid by the Borrower on or before the applicable penalty date. All such Servicing Advances shall be reimbursable pursuant to the Servicing Agreement. No costs incurred by the Master Servicer in effecting the payment of the amounts described in clauses (i), (ii) and (iii) above shall, for purposes of, among other things, including calculating monthly distributions to Holders of the Obligations, be added to the respective unpaid principal balances or Stated Principal Balances of the related Obligations, notwithstanding that the terms of such Obligations so permit. If the Special Servicer requests that the Master Servicer make a Servicing Advance, the Master Servicer may conclusively rely on such request as evidence that such Servicing Advance is not a Nonrecoverable Advance. If the Master Servicer fails to make any Servicing Advance that it is required to make under the Servicing Agreement, and such Servicing Advance has not been determined to be a Non-Recoverable Advance, the Collateral Agent shall make such Servicing Advance in accordance with the Servicing Agreement.

To the extent the Borrower has failed to pay any such amounts or any Borrower Reimbursable Expenses on a timely basis, the Master Servicer shall advance amounts that would otherwise have been withdrawn from the relevant Reserve Account or the Master Account, as applicable, but for the withdrawal limitations set forth under the heading below entitled *"Permitted Withdrawals from the Master Account"*

(each, an "Administrative Advance") to the extent it determines that such amounts are recoverable. If the Master Servicer fails to make any Administrative Advance that it is required to make and such Administrative Advance has not been determined to be a Nonrecoverable Advance, the Collateral Agent shall make such Administrative Advance. Neither the Master Servicer nor the Collateral Agent shall be obligated to make any Administrative Advance that it determines, together with Advance Interest, will constitute a Nonrecoverable Advance if made.

Interest on each Servicing Advance and Administrative Advance made by the Master Servicer or the Collateral Agent shall accrue for each day that such Servicing Advance or Administrative Advance is outstanding at a rate of interest equal to the Reimbursement Rate for each such day on the basis of a year of 360 days and the actual number of days elapsed in a month. Interest on Advances shall compound annually.

During the continuation of a Servicing Transfer Event, the Special Servicer shall give the Master Servicer, the Indenture Trustee, the CMBS Trustee and the Collateral Agent not less than five (5) Business Days' written notice before the date on which the Master Servicer is requested to make any Servicing Advance with respect to the Loans or any REO Property; provided, however, that only three (3) Business Days' written notice shall be required in respect of Servicing Advances required to be made on an urgent or emergency basis (which may include, without limitation, Servicing Advances required to make tax or insurance payments). In addition, the Special Servicer shall provide the Master Servicer with such information in its possession as the Master Servicer may reasonably request to enable the Master Servicer to determine whether a requested Servicing Advance would constitute a Nonrecoverable Advance.

The Master Servicer shall not be required to make, at the Special Servicer's direction, any Servicing Advance, if the Master Servicer determines in its reasonable, good faith judgment that the Servicing Advance that the Special Servicer is directing the Master Servicer to make under the Servicing Agreement, although not characterized by the Special Servicer as a Nonrecoverable Advance, is or would be, if made, a Nonrecoverable Advance.

Upon the occurrence of a Mortgage Event of Default, the Master Servicer shall, as to all the Obligations, establish and maintain a Cash Collateral Account (which shall be an Eligible Account) into which all amounts received by it with respect to the Obligations after the occurrence and during the continuation of a Mortgage Event of Default shall be deposited to the extent required by and pursuant to the above headings entitled *"Application of Payments Prior to a Liquidation"* or *"Application of Payments on or After a Liquidation"*. On each Due Date, the Master Servicer shall withdraw all amounts on deposit in the Cash Collateral Account and deposit such amounts in the Master Account. Funds in the Cash Collateral Account may be invested only in Permitted Investments. Any funds remaining in the Cash Collateral Account after all of the Obligations have been paid in full, or if the Mortgage Event of Default is no longer continuing, shall be deposited into the Holding Account and applied by the Master Servicer in accordance with those provisions of the Collateral Agency Agreement providing for the application of amounts on deposit in the Collateral Accounts.

Master Account

If and to the extent required by the Collateral Agency Agreement, amounts held in the Collection Account shall be remitted to the Master Servicer at the times set forth in and in accordance with the Collateral Agency Agreement for deposit in the Master Account.

The Master Servicer shall establish and maintain the Master Account which shall be an Eligible Account and which may be invested only in Permitted Investments. The Master Servicer shall deposit or cause to be deposited into the Master Account, within one (1) Business Day of receipt (in the case of payments by the Borrower or other collections on or in respect of the Obligations) or as otherwise required under the Servicing Agreement, the following payments and collections received or made by or on behalf of it:

(i) all payments, from whatever source, or transfers from any applicable reserve account, if any, on account of principal, including Principal Prepayments and Sinking Fund Installments, on the Obligations;

(ii) all payments, from whatever source, or transfers from any applicable reserve account, on account of interest on the Obligations including Default Interest and Deferred Interest;

(iii) all Yield Maintenance Premiums received in respect of the Obligations;

(iv) all payments, Net Proceeds, Net Liquidation Proceeds, Purchase Price, Ground Lessor Purchase Price or any amount received in connection with a purchase by the holder of any Permitted Mezzanine Financing pursuant to the Servicing Agreement and the related intercreditor agreement received in respect of the Obligations;

(v) any amounts required to be deposited by the Master Servicer into the Master Account in connection with losses incurred with respect to Permitted Investments of funds held in the Master Account and the Cash Collateral Account;

(vi) any amounts required to be deposited by the Master Servicer or the Special Servicer in connection with losses resulting from a deductible clause in a blanket or master single insurance policy;

(vii) any amounts required to be transferred to the Master Account from the REO Account;

(viii) any amounts representing payments made by the Borrower that are allocable to cover items in respect of which Servicing Advances have been made;

(ix) any amounts paid by the Borrower specifically to cover items for which a Servicing Advance has been made or that represent a recovery of property protection expenses from the Borrower; and

(x) P&I Advances required to be deposited in the Master Account pursuant to the Servicing Agreement.

Actual payments from the Borrower in the nature of late payment charges, assumption fees, assumption application fees, earnout fees, extension fees, Modification Fees, charges for beneficiary statements or demands and amounts collected for checks returned for insufficient funds, need not be deposited by the Master Servicer in the Master Account, but only to the extent that the Master Servicer or the Special Servicer, as applicable, is entitled to receive such fees and charges pursuant to the Servicing Agreement. The Master Servicer shall promptly deliver to the Special Servicer any of the foregoing items received by it, if and to the extent that such items constitute Additional Special Servicing Compensation payable to the Special Servicer. If the Master Servicer shall deposit into the Master Account any amount not required to be deposited therein, it may at any time withdraw such amount from the Master Account.

Permitted Withdrawals from the Master Account

The Master Servicer may, from time to time, make withdrawals from the Master Account for any of the following purposes (the order set forth below not constituting an order of priority for such withdrawals):

(i) to pay the Available Secured Party Distribution Amount to the Persons set forth in and in accordance with the terms of the above headings entitled *"Application of Payments Prior to a Liquidation"* or *"Application of Payments on or After a Liquidation"* on each Secured Party Distribution Date;

(ii) to reimburse the Master Servicer or the Collateral Agent for unreimbursed P&I Advances made, such rights to reimbursement with respect to any P&I Advance (other than Nonrecoverable Advances, which are reimbursable pursuant to clause "(vii)" below) being limited to amounts that represent Late Collections received in respect of the particular Obligation or REO Obligation as to which such P&I Advance was made;

(iii) to pay to the Master Servicer earned and unpaid Master Servicing Fees in respect of the Obligations and any related REO Obligation, the Master Servicer's right to payment pursuant to this clause "(iii)" with respect to the Obligations or any related REO Obligation being payable from, and limited to, amounts received on or in respect of the Obligations (whether in the form of payments, Net Liquidation Proceeds or Net Proceeds) or any related REO Obligation (whether in the form of REO Revenues, Net Liquidation Proceeds or Net Proceeds) that are allocable as a recovery of interest thereon with respect to the CMBS Loan or as payment by the Borrower of the Master Servicing Fee with respect to the Liberty Bonds Loan;

(iv) to pay to the Special Servicer, earned and unpaid Special Servicing Fees in respect of each Specially Serviced Obligation and REO Obligation;

(v) to pay to the Special Servicer earned and unpaid Workout Fees and Liquidation Fees to which it is entitled;

(vi) to reimburse itself or the Collateral Agent, as applicable, for any unreimbursed Servicing Advances or Administrative Advances and related Advance Interest made thereby (in each case, with its own funds), the Master Servicer's or the Collateral Agent's, as the case may be, respective rights to reimbursement pursuant to this clause "(vi)" with respect to any Servicing Advance or Administrative Advance (other than Nonrecoverable Advances, which are reimbursable pursuant to clause "(vii)" below) being limited to (A) payments made by the Borrower that are allocable to cover the item in respect of which such Servicing Advance or Administrative Advance was made, and (B) Net Proceeds, Net Liquidation Proceeds, Default Charges and, if applicable, REO Revenues received in respect of the particular Obligation or REO Property as to which such Servicing Advance or Administrative Advance was made;

(vii) to reimburse the Master Servicer or the Collateral Agent, as applicable, for any unreimbursed Advances and the related Advance Interest made thereby that have been determined to be Nonrecoverable Advances;

(viii) to pay the Master Servicer or the Collateral Agent, as applicable, any Advance Interest with respect to Advances that have not been declared Nonrecoverable Advances due and owing thereto;

(ix) to pay itself any items of Additional Master Servicing Compensation to which the Master Servicer is entitled, and to pay to the Special Servicer any items of Additional Special Servicing Compensation to which the Special Servicer is entitled;

(x) to pay any unpaid Liquidation Expenses incurred with respect to any Obligation or REO Property;

(xi) to pay certain servicing expenses that would, if advanced, constitute Nonrecoverable Advances;

(xii) to pay costs and expenses incurred on behalf of the Secured Parties (other than the costs of environmental testing, which are to be covered by, and reimbursable as, a Servicing Advance);

(xiii) to pay itself, the Special Servicer, the Secured Parties or any of their respective directors, officers, members, managers, employees and agents, as the case may be, any amounts payable to any such Person;

(xiv) to pay to the Master Servicer, the Special Servicer or the Collateral Agent, as the case may be, any amount specifically required to be paid to such Person under any provision of the Servicing Agreement or the Collateral Agency Agreement (to which reference is not made in any other clause of this heading), it being acknowledged that this clause "(xiv)" shall not be construed to modify any limitation otherwise set forth in the Servicing Agreement or the Collateral Agency Agreement on the time at which any Person is entitled to payment or reimbursement of any amount or the funds from which any such payment or reimbursement is permitted to be made;

(xv) to pay to the Indenture Trustee, the CMBS Trustee, the Collateral Agent and the Operating Advisor, the Indenture Trustee Fee, the CMBS Trustee Fee, the Collateral Agent Fee and the Operating Advisor Fee, respectively;

(xvi) to pay all other amounts payable and reimbursable to (1) the CMBS Trustee and/or the CMBS Trust pursuant to the CMBS Trust Agreement, (2) the Indenture Trustee pursuant to the terms of the Indenture (and any supplements thereto), or (3) the Operating Advisor pursuant to the Servicing Agreement;

(xvii) to withdraw any amounts deposited in error; and

(xviii) to remit P&I Advances in accordance with the heading above entitled *"Application of Payments Prior to a Liquidation"*.

However, with respect to any Determination Date, in no event shall the Master Servicer be permitted to make a withdrawal pursuant to clauses (iii), (iv), (v), (vi), (viii), (x), (xii), (xiii), (xiv), (xv) or (xvi) above if, as a result of such withdrawal, the amount on deposit in the Master Account after giving effect to such withdrawal would be less than the Required Distribution Amount; provided that the foregoing withdrawal limitations shall not apply upon (1) a Liquidation of the Loans or the Mortgaged Property, (2) the determination that any Advance that would increase the currently unreimbursed Advances in the aggregate would be a Nonrecoverable Advance or (3) the final payment of the Loans and release of the Mortgage.

The Master Servicer shall pay to the Special Servicer (or to third party contractors at the direction of the Special Servicer) from the Master Account, amounts permitted to be paid to it (or to such third party contractors) therefrom promptly upon receipt of a certificate of a Servicing Officer of the Special Servicer describing the item and amount to which the Special Servicer (or such third party contractor) is entitled. The Master Servicer may rely conclusively on any such certificate and shall have no duty to recalculate amounts set forth therein.

The Master Servicer, the Special Servicer, the Indenture Trustee, the CMBS Trustee and the Collateral Agent shall in all cases have a right prior to the Holders of the Obligations to any particular funds on deposit in the Master Account from time to time for the reimbursement or payment of compensation, Advances (with interest thereon at the Reimbursement Rate) and their respective expenses under the Servicing Agreement, but only if and to the extent such compensation, Advances (with interest thereon at the Reimbursement Rate) and expenses are to be reimbursed or paid from such particular funds on deposit in the Master Account or the Distribution Account (but not from any Reserve Account) pursuant to the express terms of the Servicing Agreement.

Investment of Funds in the Master Account, the Cash Collateral Account and the REO Account

The Master Servicer may direct any depository institution maintaining the Master Account and the Cash Collateral Account, and the Special Servicer may direct any depository institution maintaining each REO Account, or if it is such depository institution, may itself invest, the funds held therein (each such account, an "Investment Account") only in one or more Permitted Investments maturing, unless payable on demand, no later than the Business Day immediately preceding the next succeeding date on which such funds are required to be withdrawn from such Investment Account pursuant to the Servicing Agreement. All such Permitted Investments shall be held to maturity, unless payable on demand, in which case such investments may be sold at any time. Any investment of such funds in an Investment Account shall be made in the name of the Collateral Agent for the benefit of the Holders of the Obligations. If amounts on deposit in an Investment Account are at any time invested in a Permitted Investment payable on demand, the Master Servicer (in the case of the Master Account and the Cash Collateral Account) or the Special Servicer (in the case of each REO Account) shall:

(i) consistent with any notice required to be given thereunder, demand that payment thereon be made on the last day such Permitted Investment may otherwise mature under the Servicing Agreement in an amount equal to the lesser of (1) all amounts then payable thereunder and (2) the amount required to be withdrawn on such date; and

(ii) demand payment of all amounts due thereunder promptly upon determination by the Master Servicer or the Special Servicer, as the case may be, that such Permitted Investment would not constitute a Permitted Investment in respect of funds thereafter on deposit in the Investment Account.

Whether or not the Master Servicer directs the investment of funds in the Master Account or the Cash Collateral Account, the Net Investment Earnings, if any, for each such Investment Account for each Collection Period, shall be for the sole and exclusive benefit of the Master Servicer and shall be subject to its withdrawal as provided in the preceding heading. Whether or not the Special Servicer directs the investment of funds in each REO Account, interest and investment income realized on funds deposited therein, to the extent of the Net Investment Earnings, if any, for such Investment Account for each Collection Period, shall be for the sole and exclusive benefit of the Special Servicer and shall be subject to its withdrawal. If any loss shall be incurred in respect of any Permitted Investment on deposit in any Investment Account, the Master Servicer (in the case of the Master Account and the Cash Collateral Account (with respect to funds invested by the Master Servicer for its own account) to, and the Special Servicer (in the case of the REO Account (with respect to funds invested by the Special Servicer for its own account)) shall promptly deposit therein from its own funds, without right of reimbursement, no later than the end of the Collection Period during which such loss was incurred, the amount of the Net Investment Loss, if any, for such Collection Period; provided that neither the Master Servicer nor the Special Servicer shall be required to deposit any loss on an investment of such funds in an Investment Account if such loss is incurred solely as a result of the insolvency of the federal or state chartered depository institution or trust company that holds such Investment Account so long as such depository institution or trust company satisfied the qualifications set forth in the definition of "Eligible Account" at the time such investment was made.

Maintenance of Insurance Policies; Errors and Omissions and Fidelity Coverage

The Master Servicer, consistent with the Servicing Standard, shall cause to be maintained (by the Borrower, or if the Borrower fails to maintain such insurance, by the Master Servicer to the extent such insurance is available at commercially reasonable rates or is available at any stated premium that is an obligation of the Borrower set forth in the Loan Documents, and to the extent the Collateral Agent on behalf of the Secured Parties, as mortgagee, has an insurable interest) insurance with respect to the Mortgaged Property of the types and in the amounts required to be maintained under the Loan Documents. The cost of any such insurance maintained by the Master Servicer shall be advanced by the Master Servicer as a Servicing Advance unless it would be a Nonrecoverable Advance. If and only if the Special Servicer has determined, on an annual basis, that terrorism insurance is not required pursuant to the terms of the Loan Documents as in effect on the date of such determination, the Master Servicer and the Special Servicer will not (i) be in default under the Servicing Agreement for not obtaining or (ii) cause the Borrower to be in default for not obtaining, terrorism insurance. Neither the Master Servicer nor the Special Servicer shall be required to obtain terrorism insurance pursuant to the Servicing Agreement to the extent the Borrower would not be obligated to maintain terrorism insurance under the Loan Documents as in effect on the date thereof.

The Special Servicer, consistent with the Servicing Standard and the Loan Documents, shall cause to be maintained such insurance with respect to any REO Property as the Borrower is required to maintain with respect to the Mortgaged Property. With regard to any REO Property, the Special Servicer will maintain such other insurance as is provided in the Loan Documents. The cost of any such insurance with respect to an REO Property shall be payable out of amounts on deposit in the REO Account or shall be advanced by the Master Servicer as a Servicing Advance unless it would be a Nonrecoverable Advance. Any such insurance (other than terrorism insurance, which shall be maintained to the extent required under the immediately preceding paragraph) that is required to be maintained with respect to an REO Property shall only be so required to the extent such insurance is available at commercially reasonable rates. If the Special Servicer requests the Master Servicer to make a Servicing Advance in respect of the premiums due in respect of such insurance, the Master Servicer shall, as soon as practicable after receipt of such request, make such Servicing Advance unless it would be a Nonrecoverable Advance.

Each of the Master Servicer and the Special Servicer shall each obtain and maintain at its own expense, and keep in full force and effect throughout the term of the Servicing Agreement, a blanket fidelity bond and an errors and omissions insurance policy from an insurer having a financial strength rating of "A2" or better by Moody's (if rated by Moody's, and if not, its ratings equivalent by Standard and Poor's Ratings Services) and "A" or better by Fitch (if rated by Fitch, and if not, its ratings equivalent by Standard and Poor's Ratings Services) covering its directors, officers, employees and other Persons acting on behalf of the Master Servicer or the Special Servicer, as applicable, in connection with its activities under the Servicing Agreement. Each shall also use reasonable effort to cause each and every sub-servicer, if any, to maintain a blanket fidelity bond and an errors and omissions insurance policy meeting the requirements as described above. In lieu of the foregoing, the Master Servicer and Special Servicer shall be entitled to self-insure with respect to such risks so long as it is rated at least "A2" or its equivalent by Moody's and "A" or its equivalent by Fitch.

Appraisal Reductions and Realized Losses

Within 60 days after the occurrence of an Appraisal Event, the Special Servicer shall (i) notify the Collateral Agent and the Master Servicer of such occurrence of an Appraisal Event, (ii) obtain an Appraisal of the Mortgaged Property (provided that the Special Servicer will not be required to obtain an Appraisal of the Mortgaged Property if there exists an Appraisal which is less than nine months old, unless it has actual knowledge of a material adverse change in the market, condition or value of the Mortgaged Property) and (iii) determine on the basis of such Appraisal whether there exists any Appraisal Reduction Amount. Promptly following the receipt of, and based upon, such Appraisal, the Special Servicer shall determine and report to the Collateral Agent and the Master Servicer the then applicable Appraisal Reduction Amount, if any. Annual updates of such Appraisals shall be obtained by the Master Servicer or the Special Servicer, as applicable, for

so long as an Appraisal Event exists, and promptly following the receipt of, and based upon, such update, the Special Servicer shall redetermine and report to the Collateral Agent and the Master Servicer, the then applicable Appraisal Reduction Amount, if any. The cost of obtaining such Appraisals shall be paid by the Master Servicer as a Servicing Advance unless it would be a Nonrecoverable Advance, in which case such cost shall be paid from the Master Account.

While an Appraisal Reduction Amount exists, (i) the amount of any P&I Advance shall be reduced as provided in the heading below entitled *"P&I Advances"*, and (ii) the existence thereof will be taken into account for purposes of determining Voting Rights, and will be allocated solely for determining Voting Rights first, to the Class B Certificates to reduce their Certificate Balance until such balance is reduced to zero, second, to the Class A Certificates to reduce their Certificate Balance until such balance is reduced to zero, and third, to the Liberty Bonds Principal Balance to reduce the Liberty Bonds Principal Balance until such balance is reduced to zero.

Realized Losses shall be allocated on each Secured Party Distribution Date (immediately following the distributions to the Holders of the Obligations on such Secured Party Distribution Date), first, to the Class B Certificates to reduce their Certificate Balance until such balance is reduced to zero, second, to the Class A Certificates to reduce their Certificate Balance until such balance is reduced to zero, and third, to the Liberty Bonds Principal Balance to reduce the Liberty Bonds Principal Balance until such balance is reduced to zero. The Indenture Trustee agrees to cause any such applicable reduction to be made to the Liberty Bonds Principal Balance pursuant to the Indenture, and the CMBS Trustee agrees to cause any such applicable reduction to be made to the Certificate Balance pursuant to the CMBS Trust Agreement.

Realization Upon Defaulted Obligations

The Special Servicer shall exercise reasonable efforts, consistent with the Servicing Standard, to foreclose upon or otherwise comparably convert, or cause such foreclosure or comparable conversion of, the ownership of the Mortgaged Property if a Mortgage Event of Default has occurred and is continuing, and no arrangement satisfactory to the Special Servicer can be made for collection of delinquent payments. All costs and expenses incurred in any foreclosure sale or similar proceeding shall be paid by, and reimbursable to, the Master Servicer as a Servicing Advance. The Special Servicer is not required to make a bid on the Mortgaged Property at a foreclosure sale or similar proceeding that is in excess of the fair market value of such property, as determined by the Special Servicer taking into account, among other factors, the results of any Appraisal obtained pursuant to the following sentence or otherwise, all such cash bids to be made in a manner consistent with the Servicing Standard. If and when the Special Servicer deems it necessary in accordance with the Servicing Standard for purposes of establishing the fair market value of the Mortgaged Property securing a Defaulted Obligation, whether for purposes of bidding at foreclosure or otherwise, the Special Servicer is authorized to have an Appraisal completed with respect to such property (the cost of which Appraisal shall be covered by, and be reimbursable as, a Servicing Advance or paid as an expense out of the Master Account).

However, the Mortgaged Property shall not be acquired by the Special Servicer on behalf of the Secured Parties under such circumstances, in such manner or pursuant to such terms as would cause any Adverse Liberty Bonds Event. In addition, the Special Servicer shall not acquire any personal property on behalf of the Secured Parties for a period longer than necessary for the proper liquidation of such property, unless the Special Servicer shall have requested and received an Opinion of Bond Counsel (the cost of which shall be covered by, and reimbursable as, a Servicing Advance by the Master Servicer) to the effect that the holding of such personal property on behalf of the Secured Parties will not cause an Adverse Liberty Bonds Event.

Further, neither the Master Servicer nor the Special Servicer shall, on behalf of the Secured Parties, obtain title to the Mortgaged Property by foreclosure, deed-in-lieu of foreclosure or otherwise, or take any other action with respect to the Mortgaged Property, if, as a result of any such action, any Secured Party could, in the reasonable, good faith judgment of the Special Servicer, exercised in accordance with the Servicing

Standard, be considered to hold title to, to be a "mortgagee-in-possession" of, or to be an "owner" or "operator" of the Mortgaged Property within the meaning of CERCLA or any comparable law, unless:

(i) the Special Servicer has previously determined in accordance with the Servicing Standard that the Mortgaged Property is in compliance with applicable environmental laws and regulations and there are no circumstances or conditions present at the Mortgaged Property relating to the use, management or disposal of Hazardous Materials for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any applicable environmental laws and regulations; or

(ii) in the event that the determination described in the immediately preceding paragraph "(i)" cannot be made, the Special Servicer has previously determined in accordance with the Servicing Standard that it would maximize the recovery to the Holders of the Obligations, on a net present value basis (the relevant discounting of anticipated collections that will be distributable to the Holders of the Obligations to be performed at the related Mortgage Rate) to acquire title to or possession of the Mortgaged Property and to take such remedial, corrective and/or other further actions as are necessary to bring the Mortgaged Property into compliance with applicable environmental laws and regulations and to appropriately address any of the circumstances and conditions referred to in the immediately preceding paragraph "(i)".

If neither of the conditions set forth in paragraphs "(i)" and "(ii)" has been satisfied with respect to the Mortgaged Property securing a Defaulted Obligation, the Special Servicer shall take such action as is in accordance with the Servicing Standard (other than proceeding against the Mortgaged Property) and, at such time as it deems appropriate, may, on behalf of the Secured Parties, *release all or a portion of the Mortgaged Property from the Lien of the Mortgage.*

The Special Servicer shall have the right to determine, in accordance with the Servicing Standard, the advisability of seeking to obtain a deficiency judgment if the terms of the subject Obligation permit such an action and shall, in accordance with the Servicing Standard, seek such deficiency judgment if it deems advisable.

Collateral Agent to Cooperate; Release of Mortgage Files

Upon the payment in full of all the Obligations, or the receipt by the Master Servicer or the Special Servicer, as applicable, of a notification that payment in full shall be escrowed in the manner required under the related Loan Documents, the Master Servicer or Special Servicer, as applicable, shall promptly notify the Collateral Agent and request delivery of the Mortgage File.

Within five Business Days of the Special Servicer's request therefor (or, if the Special Servicer notifies the Secured Parties of an exigency, within such shorter period as is reasonable under the circumstances), the Collateral Agent and/or the other applicable Secured Parties shall execute and deliver to the Special Servicer, any court pleadings, requests for trustee's sale or other documents reasonably necessary to the foreclosure or trustee's sale in respect of the Mortgaged Property or to any legal action brought to obtain judgment against the Borrower on the Obligations or to obtain a deficiency judgment, or to enforce any other remedies or rights provided by the Obligations or otherwise available at law or in equity or to defend any legal action or counterclaim filed against any Secured Party, the Master Servicer or the Special Servicer.

Each of the Master Servicer and the Special Servicer, as applicable, is authorized for the benefit of the Secured Parties to direct, manage, prosecute and/or defend any and all claims and litigation relating to (i) the enforcement of the obligations of the Borrower or any guarantor under any Loan Documents and (ii) any action brought by the Borrower against any Secured Party. Such enforcement shall be carried out in accordance with the terms of the Servicing Agreement, including, without limitation, the Servicing Standard; it

being expressly understood that (i) the Master Servicer shall not be liable for such enforcement by the Special Servicer and (ii) the Special Servicer shall not be liable for such enforcement by the Master Servicer.

Servicing Compensation; Interest on Servicing Advances; Payment of Certain Expenses; Obligations of the Collateral Agent Regarding Back-Up Servicing Advances

Master Servicing Fee. As compensation for its activities under the Servicing Agreement with respect to the Obligations, the Master Servicer will be entitled to receive (i) the Master Servicing Fee, (ii) interest or other income earned on funds in respect of the Obligations on deposit from time to time in the Master Account and in the Cash Collateral Account, and (iii) any other Additional Master Servicing Compensation with respect to the Obligations. As used in the preceding sentence, "Obligations" refers to each such Obligation, whether or not a Specially Serviced Obligation, and any related REO Obligation. As to the Obligations and any related REO Obligation, for each calendar month or any applicable portion thereof, the Master Servicing Fee shall accrue at the related Master Servicing Fee Rate on the same principal amount, as interest accrues from time to time during such calendar month (or portion thereof) on such Obligation or is deemed to accrue from time to time during such calendar month (or portion thereof) on such REO Obligation, as the case may be, and shall be calculated on the same interest accrual basis as is applicable for such Obligation or REO Obligation, as the case may be. The Master Servicing Fee with respect to the Obligations and any related REO Obligation shall cease to accrue if a Final Liquidation Event occurs in respect thereof. Master Servicing Fees earned with respect to any such Obligation or REO Obligation shall be payable monthly from payments on such Obligation (except that the Master Servicing Fees shall be paid by the Borrower pursuant to a separate obligation under the Liberty Bonds Loan Agreement and not paid from the stated interest on the Liberty Bonds Loan) or REO Revenues allocable as interest on such REO Obligation, as the case may be. The Master Servicer shall be entitled to recover unpaid Master Servicing Fees in respect of the Obligations and any related REO Obligation out of the portion of any related Net Proceeds or Net Liquidation Proceeds allocable as interest on such Obligation or REO Obligation, as the case may be.

Additional Master Servicing Compensation. The Master Servicer shall be entitled to receive the following items as additional servicing compensation (the following items, collectively, "Additional Master Servicing Compensation"):

(i) subject to the last paragraph under the heading below entitled *"P&I Advances"*, any and all Default Charges (to the extent collected with respect to the CMBS Loan, but only to the extent all other amounts due and payable by the Borrower on the CMBS Loan with respect to the related Due Date have been paid and without regard to any expenses related solely to the Liberty Bonds Loan), assumption application fees, modification application fees and earnout fees actually paid by the Borrower with respect to a Performing Obligation;

(ii) 50% of any and all assumption fees actually paid by the Borrower with respect to a Performing Obligation;

(iii) 50% of any and all Modification Fees, extension fees, consent fees and waiver fees actually paid by the Borrower with respect to a Performing Obligation for which Special Servicer approval is required;

(iv) any and all charges for beneficiary statements or demands, amounts collected for checks returned for insufficient funds and other Obligation processing fees actually paid by the Borrower with respect to a Performing Obligation and, in the case of checks returned for insufficient funds, with respect to a Specially Serviced Obligation; and

(v) interest or other income earned on deposits in the Investment Accounts maintained by the Master Servicer (but only to the extent of the Net Investment Earnings, if any, with respect to any such Investment Account for each Collection Period and, further, in the case of a Reserve

Account, only to the extent such interest or other income is not required to be paid to the Borrower under Applicable Law or under a Loan Document.

Notwithstanding the foregoing with respect to any 50% sharing of fees, the Master Servicer shall be entitled to all such fees if, with respect to the activity related to any such fee, the Master Servicer is not required to seek the consent and/or approval of the Special Servicer pursuant to the Servicing Agreement. To the extent that any of the amounts described in the preceding paragraph are collected by the Special Servicer, the Special Servicer shall promptly pay such amounts to the Master Servicer.

Special Servicing Fee. As compensation for its activities under the Servicing Agreement, the Special Servicer shall be entitled to receive monthly the Special Servicing Fee with respect to each Specially Serviced Obligation and each REO Obligation for which it is responsible. As to each Specially Serviced Obligation and REO Obligation, for any particular calendar month or applicable portion thereof, the Special Servicing Fee shall accrue at the Special Servicing Fee Rate on the same principal amount as interest accrues from time to time during such calendar month (or portion thereof) on such Specially Serviced Obligation or is deemed to accrue from time to time during such calendar month (or portion thereof) on such REO Obligation, as the case may be, and shall be calculated on the same interest accrual basis as is applicable for such Specially Serviced Obligation or REO Obligation, as the case may be. The Special Servicing Fee with respect to any Specially Serviced Obligation or REO Obligation shall cease to accrue as of the date a Final Liquidation Event occurs in respect thereof or, in the case of a Specially Serviced Obligation, as of the date it becomes a Corrected Obligation. Earned but unpaid Special Servicing Fees with respect to Specially Serviced Obligations and REO Obligations shall be payable monthly out of general collections on the Obligations and any REO Property on deposit in the Master Account.

Workout Fee. As additional compensation, the Special Servicer shall be entitled to receive the Workout Fee with respect to each Corrected Obligation (except for certain limited Special Servicer Transfer Events). As to each Corrected Obligation, the Workout Fee shall be payable out of, and shall be calculated by application of the Workout Fee Rate to, each payment of interest (meaning each payment of interest in the case of the CMBS Loan and the Liberty Bonds Loan), other than Default Interest, and principal received from the Borrower on such Obligation for so long as it remains a Corrected Obligation. The Workout Fee with respect to any such Corrected Obligation will cease to be payable if a new Servicing Transfer Event occurs with respect thereto or if the Mortgaged Property becomes an REO Property; provided that a new Workout Fee would become payable if and when the subject Obligation again became a Corrected Obligation.

Liquidation Fee. As further compensation, the Special Servicer shall also be entitled to receive a Liquidation Fee with respect to each Specially Serviced Obligation or REO Obligation as to which it receives any full, partial or discounted payoff from the Borrower or any Net Proceeds or Net Liquidation Proceeds. However, no Liquidation Fee shall be payable in connection with the purchase of the Outstanding Obligations by the Ground Lessor as set forth in the heading below entitled *"Defaulted Obligation Ground Lessor Purchase Option"* (if such purchase occurs within ninety (90) days of notice to the Ground Lessor unless such fee is chargeable to the Ground Lessor pursuant to the terms of the Ground Lease) or the purchase of the Liberty Bonds by the holder of any Permitted Mezzanine Financing pursuant to the Servicing Agreement and the related intercreditor agreement (if such purchase occurs within 90 days of the receipt of notice of the Mezzanine Option Notice). As to each such Specially Serviced Obligation or REO Obligation, the Liquidation Fee shall be payable out of, and shall be calculated by application of the Liquidation Fee Rate to, any such full, partial or discounted payoff, Net Proceeds and/or Net Liquidation Proceeds received or collected in respect thereof (other than any portion of such payment or proceeds that represents Default Charges or a Yield Maintenance Premium). The Liquidation Fee with respect to any such Specially Serviced Obligation will not be payable if such Obligation becomes a Corrected Obligation.

Additional Special Servicing Compensation. The Special Servicer shall be entitled to receive the following items as additional special servicing compensation (the following items, collectively, the "Additional Special Servicing Compensation"):

(i) subject to the last paragraph under the heading below entitled *"P&I Advances"*, any and all Default Charges collected with respect to the CMBS Loan if and to the extent it is a Specially Serviced Obligation or an REO Obligation, but only to the extent all other amounts due and payable by the Borrower with respect to the related Due Date have been paid;

(ii) any and all assumption fees, assumption application fees, Modification Fees, modification application fees, extension fees, consent fees, waiver fees, earnout fees, substitution fees, late payment charges and charges for beneficiary statements or demands that are actually received on or with respect to a Specially Serviced Obligation or an REO Obligation;

(iii) 50% of any and all assumption fees, Modification Fees, extension fees, consent fees and waiver fees that are actually received on or with respect to a Performing Obligation (however, the Special Servicer shall not be entitled to such fees unless the Master Servicer was required to seek the approval or consent of the Special Servicer pursuant to the Servicing Agreement with respect to any consent, extension, modification or waiver related to any such fee); and

(iv) interest or other income earned on deposits in the Special Servicer's applicable REO Account (but only to the extent of the Net Investment Earnings, if any, with respect to such REO Account for each Collection Period).

To the extent that any of the amounts described in the preceding paragraph are collected by the Master Servicer with respect to a Specially Serviced Obligation, the Master Servicer shall promptly pay such amounts to the Special Servicer and shall not be required to deposit such amounts in the Master Account.

Expenses of Servicers. The Master Servicer and the Special Servicer shall each be required to pay out of its own funds all expenses incurred by it in connection with its servicing activities under the Servicing Agreement (including payment of any amounts due and owing to any sub-servicers retained by it (including any termination fees) and the premiums for any blanket policy or the standby fee or similar premium, if any, for any master force placed policy obtained by it insuring against hazard losses), if and to the extent such expenses are not payable directly out of the Master Account, any Reserve Account or an REO Account, and neither the Master Servicer nor the Special Servicer shall be entitled to reimbursement for any such expense incurred by it except as expressly provided in the Servicing Agreement.

Collateral Agent to Make a Servicing Advance or Administrative Advance. If the Master Servicer is required under the Servicing Agreement to make a Servicing Advance or Administrative Advance, but does not do so within ten days after such Servicing Advance or Administrative Advance is required to be made, the Collateral Agent shall, if a Responsible Officer of the Collateral Agent has actual knowledge of such failure on the part of the Master Servicer, give notice of such failure to the Master Servicer. If such Servicing Advance or Administrative Advance is not made by the Master Servicer within three (3) Business Days after such notice, then the Collateral Agent shall make such Servicing Advance or Administrative Advance. Any failure by the Master Servicer to make a Servicing Advance or Administrative Advance it is required to make under the Servicing Agreement shall constitute a Servicer Termination Event by the Master Servicer.

Interest at the Reimbursement Rate. The Master Servicer, the Special Servicer and the Collateral Agent shall each be entitled to receive interest at the Reimbursement Rate in effect from time to time, accrued on the amount of each Advance made thereby (with its own funds), for so long as such Advance is outstanding. The Master Servicer shall reimburse itself, the Special Servicer or the Collateral Agent, as appropriate, for any Advance made by any such Person as soon as practicable after funds available for such

purpose are deposited into the Master Account. Interest shall cease to accrue on any P&I Advance to the extent such amount has been reimbursed.

Recoverable Advances. However, neither the Master Servicer nor the Collateral Agent shall be required to make any Servicing Advance that it determines in its reasonable, good faith judgment would constitute a Nonrecoverable Advance; provided, however, the Special Servicer may, at its option, make a determination in accordance with the Servicing Standard, that any Servicing Advance previously made or proposed to be made is a Nonrecoverable Advance and shall deliver to the Master Servicer and the Collateral Agent notice of such determination. Any such determination shall be conclusive and binding on the Master Servicer, the Special Servicer and the Collateral Agent. The expenses of any Appraisals, reports or surveys and other information requested by the Master Servicer or the Collateral Agent establishing an Advance as a Nonrecoverable Advance shall be an expense payable from the Master Account. The Collateral Agent shall be entitled to conclusively rely on any determination of nonrecoverability that may have been made by the Master Servicer or the Special Servicer, as applicable, with respect to a particular Servicing Advance, and the Master Servicer and the Special Servicer shall each be entitled to conclusively rely on any determination of nonrecoverability that may have been made by the other such party with respect to a particular Servicing Advance.

The Master Servicer may (but is not obligated to) pay directly out of the Master Account any servicing expense that would constitute a permissible Servicing Advance but the Master Servicer has otherwise determined would constitute a Nonrecoverable Advance; provided that the Master Servicer (or the Special Servicer, if a Specially Serviced Obligation or an REO Property is involved) has determined in accordance with the Servicing Standard that making such payment is in the best interests of the Secured Parties (as a collective whole).

Inspection

The Special Servicer shall perform or cause to be performed a physical inspection of the Mortgaged Property as soon as practicable (but in any event not later than 60 days) after the related Obligation becomes a Specially Serviced Obligation (and, in cases where the related Obligation has become a Specially Serviced Obligation, the Special Servicer shall continue to perform or cause to be performed a physical inspection of the subject Mortgaged Property at least once per calendar year thereafter for so long as the related Obligation remains a Specially Serviced Obligation or if the Mortgaged Property becomes an REO Property); provided that the Special Servicer shall be entitled to reimbursement of the reasonable and direct out-of-pocket expenses incurred by it in connection with each such inspection as Servicing Advances. All reasonable and direct out-of-pocket expenses incurred by the Special Servicer with respect to such inspections shall constitute a Servicing Advance. Beginning in 2013, the Master Servicer shall perform or cause to be performed an inspection of the Mortgaged Property at least once per calendar year, if the Special Servicer has not already done so during that period pursuant to the preceding sentence. The costs and expenses incurred by the Master Servicer with respect to such inspections will be borne by the Master Servicer.

CREFC Reports; Collection of Financial Statements

Commencing with respect to the calendar quarter ended June 30, 2012, the Special Servicer, in the case of any Specially Serviced Obligation, and the Master Servicer, in the case of each Performing Obligation, shall make reasonable efforts to collect promptly (and, in any event, shall attempt to collect within 45 days following the end of the subject quarter or 60 days following the end of the subject year) from the Borrower quarterly and annual operating statements, budgets and rent rolls of the Mortgaged Property, and quarterly and annual financial statements of the Borrower, to the extent required pursuant to the terms of the Loan Documents. In addition, the Special Servicer shall cause quarterly and annual operating statements, budgets and rent rolls to be regularly prepared in respect of each REO Property and shall collect all such items promptly following their preparation. The Special Servicer shall deliver copies (or images in suitable

electronic media) of all of the foregoing items so collected or obtained by it to the Master Servicer within 30 days of its receipt thereof.

Within 30 days after receipt by the Master Servicer from the Borrower or otherwise, as to Performing Obligations, and within 30 days after receipt by the Special Servicer or otherwise, as to Specially Serviced Obligations and REO Property, of any annual operating statements or rent rolls with respect to the Mortgaged Property or REO Property, the Master Servicer (or the Special Servicer, with respect to any Specially Serviced Obligation or REO Property) shall, based upon such operating statements or rent rolls, prepare (or, if previously prepared, update) the related CREFC Operating Statement Analysis Report commencing with the year ending December 31, 2012. All CREFC Operating Statement Analysis Reports relating to Performing Obligations shall be maintained by the Master Servicer, and all CREFC Operating Statement Analysis Reports relating to any Specially Serviced Obligation and REO Property shall be maintained by the Special Servicer.

Within 30 days (including in the case of items received from the Special Servicer with respect to Specially Serviced Obligations and REO Property) after receipt by the Master Servicer of any quarterly or annual operating statements with respect to the Mortgaged Property or REO Property, the Master Servicer (or the Special Servicer, with respect to any Specially Serviced Obligation or REO Property) shall prepare or update and forward to the Collateral Agent (upon request), the Master Servicer (with respect to CREFC NOI Adjustment Worksheets prepared by the Special Servicer), the Special Servicer (with respect to CREFC NOI Adjustment Worksheets prepared by the Master Servicer), a CREFC NOI Adjustment Worksheet for the Mortgaged Property or REO Property, together with, if so requested, the related operating statements (in an electronic format reasonably acceptable to the Collateral Agent and the Special Servicer) commencing with the quarter ended June 30, 2012 and the year ending December 31, 2012.

Annual Statement as to Compliance

On or before April 1 of each year, commencing in 2013, the Master Servicer and the Special Servicer, each at its own expense, shall furnish to the Collateral Agent, the Indenture Trustee, the CMBS Trustee, the CMBS Depositor and the 17g-5 Information Provider (who shall post it to the 17g-5 Information Provider's Website), and promptly but not earlier than two Business Days following delivery to the 17g-5 Information Provider, to the Rating Agencies, a report on an assessment of compliance with the Applicable Servicing Criteria that contains (A) a statement by such Reporting Servicer of its responsibility for assessing compliance with the Applicable Servicing Criteria, (B) a statement that such Reporting Servicer used the Servicing Criteria to assess compliance with the Applicable Servicing Criteria, (C) such Reporting Servicer's assessment of compliance with the Applicable Servicing Criteria as of and for the period ending the end of the most recent fiscal year, including, if there has been any material instance of noncompliance with the Applicable Servicing Criteria, a discussion of each such failure and the nature and status thereof, and (D) a statement that a registered public accounting firm has issued an attestation report on such Reporting Servicer's assessment of compliance with the Applicable Servicing Criteria as of and for such period. Copies of all compliance reports delivered pursuant to this heading shall be provided or made available to any Certificateholder or Bondholder pursuant to the CMBS Trust Agreement or the Indenture, as applicable.

On or before April 1 of each year, commencing in 2013, the Master Servicer and the Special Servicer, each at its own expense, shall furnish to the Collateral Agent, the CMBS Trustee, the Indenture Trustee, the CMBS Depositor and the 17g-5 Information Provider (who shall post it to the 17g-5 Information Provider's Website), and promptly but not earlier than two Business Days following delivery to the 17g-5 Information Provider, to the Rating Agencies, an Officer's Certificate stating, as to the signer thereof, that (A) a review of such Person's activities during the preceding calendar year or portion thereof and of such Person's performance under the Servicing Agreement, or the applicable sub-servicing agreement, has been made under such officer's supervision, (B) to the best of such officer's knowledge, based on such review, such Person has fulfilled all of its obligations under the Servicing Agreement, or the applicable sub-servicing agreement, in all material respects throughout such year or portion thereof, or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status

thereof, and (C) with respect to the Special Servicer, a statement that the Special Servicer has at all times complied with the Servicing Agreement. Copies of all Officers' Certificates delivered pursuant to this paragraph shall be provided or made available to any Certificateholder or Bondholder pursuant to the CMBS Trust Agreement or the Indenture, as applicable.

Annual Independent Public Accountants' Servicing Report

On or before April 1 of each year, commencing in 2013, the Master Servicer and the Special Servicer, each at its own expense, shall cause a registered public accounting firm and that is a member of the American Institute of Certified Public Accountants, to furnish a report to the Collateral Agent, the CMBS Trustee, the Indenture Trustee, the CMBS Depositor and the 17g-5 Information Provider (who shall post it to the 17g-5 Information Provider's Website) and promptly but not earlier than two (2) Business Days following delivery to the 17g-5 Information Provider, to the Rating Agencies, to the effect that (i) it has obtained a representation regarding certain matters from the management of such Reporting Servicer, which includes an assessment from such Reporting Servicer of its compliance with the Applicable Servicing Criteria, and (ii) on the basis of an examination conducted by such firm in accordance with standards for attestation engagements issued or adopted by the Public Company Accounting Oversight Board, it is expressing an opinion as to whether such Reporting Servicer's assessment of compliance with the Servicing Criteria was fairly stated in all material respects, or it cannot express an overall opinion regarding such party's assessment of compliance with the relevant Servicing Criteria. In the event that an overall opinion cannot be expressed, such registered public accounting firm shall state in such report why it was unable to express such an opinion. Copies of all attestation reports so delivered shall be provided or made available to any Certificateholder or Bondholder pursuant to the CMBS Trust Agreement or the Indenture, as applicable.

Title to REO Property; REO Account

If title to any REO Property is acquired, the deed or certificate of sale shall be issued to the Collateral Agent, its agent or its nominee, on behalf of the Secured Parties; provided, however, no such acquisition shall occur until such time as an Opinion of Bond Counsel (the cost of which shall be paid by the Special Servicer as a Servicing Advance) to the effect that such action will not cause an Adverse Liberty Bonds Event is delivered to the Collateral Agent, the Master Servicer and the Indenture Trustee. The Special Servicer, on behalf of the Secured Parties, shall use efforts in accordance with the Servicing Standard to sell the REO Property as expeditiously as possible with a view to the preservation of the capital of the Holders of the Obligations and not for the maximization of profit and in any event prior to the Rated Final Date for the Bonds. The Special Servicer, on behalf of the Secured Parties, shall dispose of any REO Property held by the Collateral Agent prior to the date by which such REO Property is required to be disposed of pursuant to the Servicing Agreement.

If an REO Acquisition shall occur, the Special Servicer shall establish and maintain an REO Account (which shall be an Eligible Account) which shall only be invested in Permitted Investments, to be held on behalf of the Collateral Agent in trust for the benefit of the Holders of the Obligations, for the retention of revenues and other proceeds derived from the REO Property. The Special Servicer shall deposit, or cause to be deposited, into the REO Account, within two (2) Business Days of receipt, all REO Revenues, Net Liquidation Proceeds and Net Proceeds received in respect of an REO Property. The Special Servicer is authorized to pay out of related Liquidation Proceeds any Liquidation Expenses incurred in respect of an REO Property and outstanding at the time such proceeds are received. The Special Servicer shall be entitled to make withdrawals from the REO Account to pay itself, as Additional Special Servicing Compensation, interest and investment income earned in respect of amounts held in such REO Account (but only to the extent of the Net Investment Earnings with respect to the REO Account for any Collection Period). Alternately, the Special Servicer may direct that any such REO Revenues, Net Liquidation Proceeds and Net Proceeds be deposited directly with the Master Servicer to be held with respect to such REO Obligation.

The Special Servicer shall withdraw from the REO Account funds necessary for the proper operation, management, maintenance and disposition of any REO Property, but only to the extent of amounts on deposit in the applicable REO Account relating to such REO Property. By 2:00 p.m., New York City time, on the Business Day following the end of each Collection Period, the Special Servicer shall withdraw from the REO Account and deposit into the Master Account or deliver to the Master Servicer (which shall deposit such amounts into the Master Account), the aggregate of all amounts received in respect of each such REO Property during such Collection Period, net of any withdrawals made out of such amounts pursuant to the preceding sentence; provided that the Special Servicer may retain in the applicable REO Account such portion of such proceeds and collections as may be necessary to maintain a reserve of sufficient funds for the proper operation, management, leasing, maintenance and disposition of any such REO Property (including the creation of a reasonable reserve for repairs, replacements, necessary capital improvements and other related expenses), such reserve not to exceed an amount sufficient to cover such items reasonably expected to be incurred during the following 12-month period.

Management of REO Property

The Special Servicer shall have full power and authority, subject to the Servicing Standard and the specific requirements and prohibitions of the Servicing Agreement, to do any and all things in connection with the REO Property for the benefit of the Secured Parties on such terms as are appropriate and necessary for the efficient liquidation of such REO Property, so long as the Special Servicer deems such actions to be consistent with the Servicing Standard.

The Special Servicer shall deposit or cause to be deposited on a daily basis in the related REO Account all revenues received with respect to the REO Property, and the Special Servicer shall cause to be withdrawn therefrom funds necessary for the proper operation, management and maintenance of such REO Property and for other expenses related to the preservation and protection of such REO Property, including, but not limited to: (i) all insurance premiums due and payable in respect of such REO Property; (ii) all taxes, assessments, charges or other similar items in respect of such REO Property that could result or have resulted in the imposition of a Lien thereon; (iii) any ground rents in respect of such REO Property; and (iv) all costs and expenses necessary to maintain, lease and dispose of such REO Property. To the extent that amounts on deposit in the REO Account are insufficient for the purposes set forth in clauses "(i)" through "(iv)" of the preceding sentence, the Special Servicer shall direct the Master Servicer to, and the Master Servicer shall make, a Servicing Advance (unless the Master Servicer determines that such Servicing Advance would constitute a Nonrecoverable Advance).

Resolution of Defaulted Obligations and REO Property

The Master Servicer, the Special Servicer or the Collateral Agent may sell or purchase, or permit the sale or purchase of, Defaulted Obligations and the REO Property only on the terms and subject to the conditions set forth in this heading, and the headings below entitled *"Defaulted Liberty Bonds Loan Purchase Option"* and *"Defaulted Obligation Ground Lessor Purchase"* and further subject to any purchase right in favor of any Permitted Mezzanine Financing pursuant to the related intercreditor agreement. Other than a sale pursuant to *"Defaulted Liberty Bonds Loan Purchase Option"* and *"Defaulted Obligation Ground Lessor Purchase"*, if more than one Obligation is Outstanding, the Special Servicer shall be required to sell all Defaulted Obligations within the same Collection Period.

The Special Servicer may purchase any Defaulted Obligation at the Purchase Price therefor. The Special Servicer may also offer to sell to any Person any Defaulted Obligation, if and when the Special Servicer determines, consistent with the Servicing Standard, that such a sale would be in the best interests of the Holders of the Obligations in accordance with the Servicing Standard. The Special Servicer shall give the other parties to the Servicing Agreement not less than ten (10) days' prior written notice of its intention to sell any such Defaulted Obligation, in which case the Special Servicer shall accept the highest offer received from any Person for any such Defaulted Obligation in an amount at least equal to the Purchase Price therefor.

In the absence of any such offer, the Special Servicer shall accept the highest offer received from any Person that is determined by the Special Servicer to be a fair price for such Defaulted Obligation (if the highest offeror is a Person other than the Special Servicer, or any of its Affiliates) or if such price is determined to be a fair price for such Defaulted Obligation by the Collateral Agent (if the highest offeror is the Special Servicer or any of its Affiliates, if and when the Special Servicer determines, consistent with the Servicing Standard, that such a sale would be in the best interests of the Holders of the Obligations in accordance with the Servicing Standard). None of the Collateral Agent, the Indenture Trustee or the CMBS Trustee, each in its individual capacity, nor any of their respective Affiliates, may make an offer for or purchase any such Defaulted Obligation.

The Special Servicer may purchase any REO Property at the Purchase Price therefor. The Special Servicer may also offer to sell to any Person any REO Property, if and when the Special Servicer determines, consistent with the Servicing Standard, that such a sale would be in the best interests of the Holders of the Obligations. The Special Servicer shall give the Collateral Agent and the Master Servicer not less than ten (10) days' prior written notice of its intention to sell any such REO Property, in which case the Special Servicer shall accept the highest offer received from any Person for any such REO Property in an amount at least equal to the Purchase Price therefor.

In the absence of any such offer, the Special Servicer shall accept the highest offer received from any Person that is determined by the Special Servicer to be a fair price for such REO Property (if the highest offeror is a Person other than the Special Servicer or any of its Affiliates) or if such price is determined to be a fair price for such REO Property by the Collateral Agent (if the highest offeror is the Special Servicer or any of its Affiliates). None of the Collateral Agent, the Indenture Trustee or the CMBS Trustee, each in its individual capacity, nor any of their respective Affiliates, may make an offer for or purchase any such REO Property.

The Special Servicer shall not be obligated to accept the highest offer pursuant to either of the above if the Special Servicer determines, in accordance with the Servicing Standard, that rejection of such offer would be in the best interests of the Holders of the Obligations. In addition, the Special Servicer may accept a lower offer if it determines, in accordance with the Servicing Standard, that acceptance of such offer would be in the best interests of the Holders of the Obligations (for example, if the prospective buyer making the lower offer is more likely to perform its obligations, or the terms offered by the prospective buyer making the lower offer are more favorable).

In determining whether any offer received from the Special Servicer or any of its Affiliates represents a fair price for any such Defaulted Obligation or REO Property, the Collateral Agent shall obtain and may conclusively rely on an Appraisal, paid for by the Master Servicer (or in certain circumstances, by the Collateral Agent) as a Servicing Advance. In determining whether any offer constitutes a fair price for any such Defaulted Obligation or REO Property, the Collateral Agent (or, if applicable, such Independent Appraiser) shall take into account, and any appraiser shall be instructed to take into account, as applicable, among other factors, the physical condition of the Mortgaged Property or REO Property (as applicable), the state of the local economy and the obligation to comply with the Tax Exempt Provisions.

Subject to the Servicing Standard and the Tax Exempt Provisions, the Special Servicer shall act on behalf of the Secured Parties in negotiating and taking any other action necessary or appropriate in connection with the sale of any such Defaulted Obligation or REO Property, including the collection of all amounts payable in connection therewith. A sale of any such Defaulted Obligation or REO Property shall be without recourse to, or representation or warranty by, any Servicer, the Collateral Agent or any other Secured Parties and, if consummated in accordance with the terms of the Servicing Agreement, none of the Master Servicer, the Special Servicer or the Collateral Agent shall have any liability to the Holders of the Obligations, any Bondholder or any Certificateholder with respect to the price therefor accepted by the Special Servicer or the Collateral Agent.

The Special Servicer shall, within two (2) Business Days following its receipt of available funds, remit to the Master Servicer the proceeds of any sale after deduction of the expenses of such sale incurred in connection therewith for deposit into the Master Account. The Collateral Agent, upon receipt of an Officer's Certificate from the Master Servicer to the effect that such deposit has been made, shall release or cause to be released to the party or parties effecting such purchase (or any designee thereof) the Mortgage File, and shall execute and deliver such instruments of transfer or assignment, in each case without recourse, as shall be provided to it and are reasonably necessary to vest in the purchaser of such Defaulted Obligation or REO Property effecting such purchase (or any designee thereof) ownership of such Defaulted Obligation or REO Property. In connection with any such purchase, the Special Servicer shall deliver the Servicing File to the purchaser of such Defaulted Obligation with the cooperation of the Master Servicer effecting such purchase (or any designee thereof).

The Special Servicer shall act on behalf of the Secured Parties in negotiating and taking any other action necessary or appropriate in connection with the sale of any Defaulted Obligation or REO Property, and the collection of all amounts payable in connection therewith. In connection therewith, the Special Servicer may charge prospective offerors, and may retain, fees that approximate the Special Servicer's actual costs in the preparation and delivery of information pertaining to such sales or evaluating offers without obligation to deposit such amounts into the Master Account. Any sale of a Defaulted Obligation or any REO Property shall be final and without recourse to any Servicer, the Collateral Agent or any other Secured Party, and if such sale is consummated in accordance with the terms of the Servicing Agreement, none of the Special Servicer, the Master Servicer or the Collateral Agent shall have any liability to Holders of the Obligations, any Bondholder or any Certificateholder with respect to the purchase price therefor accepted by the Special Servicer or the Collateral Agent.

Additional Obligations of the Master Servicer and the Special Servicer

The Master Servicer shall maintain at its primary servicing office and shall, upon reasonable advance written notice, make available for review by any Bondholder or Certificateholder, or prospective Bondholder or Certificateholder, that has provided an Investor Certification to the Master Servicer, and each Secured Party, the Operating Advisor, the OTS, the FTC and any other banking or insurance regulatory authority that may exercise authority over any Bondholder or Certificateholder, copies of the Servicing Files; provided, however, if the Master Servicer in its reasonable, good faith determination believes that any item of information contained in such Servicing Files is of a nature that it should be conveyed to all Bondholders and Certificateholders at the same time, it shall, as soon as reasonably possible following its receipt of any such item of information, disclose such item of information to the Secured Parties as part of the reports to be delivered to the Collateral Agent by the Master Servicer, and until the Secured Parties have disclosed such information to all such Bondholders and Certificateholders, the Master Servicer shall be entitled to withhold such item of information from any Bondholder, Certificateholder or prospective transferee of a Bond or CMBS Certificate or an interest therein; and provided, further, however, the Master Servicer shall not be required to make particular items of information contained in the Servicing File for any Obligation available to any Person if the disclosure of such particular items of information is expressly prohibited by Applicable Law or the provisions of any related Loan Documents. Except as set forth above, copies of all or any portion of any Servicing File are to be made available by the Master Servicer upon request. The Special Servicer shall, as to each Specially Serviced Obligation and REO Property, promptly deliver to the Master Servicer a copy of each document or instrument added to the Servicing File. To the extent such reports, information and documentation are required to be provided to a Rating Agency, the 17g-5 Information Provider shall first post such information to the 17g-5 Information Provider's Website in accordance with the procedures set forth in the Servicing Agreement.

In connection with providing access to or copies of the items described in the preceding paragraph to a Bondholder or a Certificateholder or to a prospective Bondholder or Certificateholder, the Master Servicer may require an Investor Certification, except to the extent that such information is public information.

The Master Servicer and the Special Servicer shall each deliver to the other parties to the Servicing Agreement and the Operating Advisor copies of all Appraisals, environmental reports and engineering reports (or, in each case, updates thereof) obtained with respect to the Mortgaged Property or REO Property. The 17g-5 Information Provider shall promptly post such information to the 17g-5 Information Provider's Website, and the Master Servicer or the Special Servicer, as applicable, shall promptly, but not earlier than two (2) Business Days after such posting, forward such information to the Rating Agencies.

Upon the determination that a previously made Advance is a Nonrecoverable Advance, to the extent that the reimbursement thereof would exceed the amount of the principal portion of general collections on the Loans (other than amounts that would be distributable as principal to the Class 1 and Class 2 Liberty Bonds on the related Distribution Date) deposited in the Master Account and available for distribution on the next Distribution Date, the Master Servicer or the Collateral Agent, each at its own option and in its sole discretion, as applicable, instead of obtaining reimbursement for the remaining amount of such Nonrecoverable Advance immediately, as an accommodation may elect to refrain from obtaining such reimbursement for such portion of the Nonrecoverable Advance during the one month Collection Period ending on the then current Determination Date, for successive one month periods for a total period not to exceed 24 months, and any election to so defer or not to defer shall be deemed to be in accordance with the Servicing Standard. If the Master Servicer or the Collateral Agent makes such an election at its sole option and in its sole discretion to defer reimbursement with respect to all or a portion of a Nonrecoverable Advance (together with interest thereon), then such Nonrecoverable Advance (together with interest thereon) or portion thereof shall continue to be fully reimbursable in the subsequent Collection Period (subject, again, to the same sole option to defer; it is acknowledged that, in such a subsequent period, such Nonrecoverable Advance shall again be payable *first* from principal collections (other than amounts that would be distributable as principal to the Class 1 and Class 2 Liberty Bonds on the related Distribution Date) as described above prior to payment from other collections). In connection with a potential election by the Master Servicer or the Collateral Agent to refrain from the reimbursement of a particular Nonrecoverable Advance or portion thereof during the one month collection period ending on the related Determination Date for any Distribution Date, the Master Servicer or the Collateral Agent shall further be authorized to wait for principal collections on the Loans to be received until the end of such collection period before making its determination of whether to refrain from the reimbursement of a particular Nonrecoverable Advance or portion thereof); *provided, however*, that if, at any time the Master Servicer or the Collateral Agent, as applicable, elects, in its sole discretion, not to refrain from obtaining such reimbursement or otherwise determines that the reimbursement of a Nonrecoverable Advance during a one month collection period will exceed the full amount of the principal portion (other than amounts that would be distributable as principal to the Class 1 and Class 2 Liberty Bonds on the related Distribution Date) of general collections deposited in the Master Account for such Distribution Date, then the Master Servicer or the Collateral Agent, as applicable, shall use its reasonable efforts to give the 17g-5 Information Provider fifteen (15) days' notice of such determination for posting on the 17g-5 Information Provider's Website, unless extraordinary circumstances make such notice impractical, and thereafter shall deliver copies of such notice to the Rating Agencies. Notwithstanding the foregoing, failure to give notice as required by the preceding sentence shall in no way affect the Master Servicer's or the Collateral Agent's election whether to refrain from obtaining such reimbursement. Nothing herein shall give the Master Servicer or the Collateral Agent the right to defer reimbursement of a Nonrecoverable Advance to the extent of any principal collections (other than amounts that would be distributable as principal to the Class 1 and Class 2 Liberty Bonds on the related Distribution Date) then available in the Master Account.

The foregoing shall not, however, be construed to limit any liability that may otherwise be imposed on such Person for any failure by such Person to comply with the conditions to making such an election under this subheading or to comply with the terms of this subheading and the other provisions of the Servicing Agreement that apply once such an election, if any, has been made; *provided, however*, that the fact that a decision to recover such Nonrecoverable Advances over time, or not to do so, benefits some Classes of Bondholders and/or Certificateholders to the detriment of other Classes shall not, with respect to the Master Servicer, constitute a violation of the Servicing Standard and/or with respect to the Collateral Agent (solely in its capacity as Collateral Agent), constitute a violation of any fiduciary duty to Holders or any contractual

obligation under the Servicing Agreement. If the Master Servicer or the Collateral Agent, as applicable, determines, in its sole discretion, that its ability to fully recover the Nonrecoverable Advances has been compromised, then the Master Servicer or the Collateral Agent, as applicable, shall be entitled to immediate reimbursement of Nonrecoverable Advances with interest thereon at the Reimbursement Rate from all amounts in the Master Account for such Distribution Date (deemed *first* from principal and *then* interest). Any such election by any such party to refrain from reimbursing itself or obtaining reimbursement for any Nonrecoverable Advance or portion thereof with respect to any one or more collection periods shall not limit the accrual of interest at the Reimbursement Rate on such Nonrecoverable Advance for the period prior to the actual reimbursement of such Nonrecoverable Advance. The Master Servicer's or the Collateral Agent's, as applicable, agreement to defer reimbursement of such Nonrecoverable Advances as set forth above is an accommodation to the Holders and shall not be construed as an obligation on the part of the Master Servicer or the Collateral Agent, as applicable, or a right of the Holders. Nothing herein shall be deemed to create in the Holders a right to prior payment of distributions over the Master Servicer's or the Collateral Agent's, as applicable, right to reimbursement for Advances (deferred or otherwise) and accrued interest thereon. In all events, the decision to defer reimbursement or to seek immediate reimbursement of Nonrecoverable Advances shall be deemed to be in accordance with the Servicing Standard and none of the Master Servicer, the Collateral Agent or the other parties to the Servicing Agreement shall have any liability to one another or to any of the Holders for any such election that such party makes as contemplated by this section or for any losses, damages or other adverse economic or other effects that may arise from such an election.

In connection with each prepayment of principal received under the Servicing Agreement, the Master Servicer shall calculate any applicable Yield Maintenance Premium under the terms of the related Obligation.

For so long as any Obligation is Outstanding, the Master Servicer will take all actions necessary or appropriate under the Office Tower Ground Lease to exercise all rights granted to the Secured Parties by the Borrower to exercise any rights of the Borrower under the Office Tower Ground Lease to extend the term of the Office Tower Ground Lease to the extent necessary.

Modifications, Waivers, Amendments and Consents

The Master Servicer, if the Obligations are Performing Obligations and the subject modification, waiver or amendment does not constitute a Major Decision, or the Special Servicer, if the subject modification, waiver or amendment constitutes a Major Decision (whether or not the Obligations are Performing Obligations) and at all times when the Obligations are Specially Serviced Obligations, may modify, waive or amend any term of an Obligation if such modification, waiver or amendment:

(A) does not constitute a significant modification of an Obligation under Treasury Regulations Section 1.1001-3, or modify the amount or timing of any payment of principal of, or interest on, any Obligations, unless (x) a Mortgage Event of Default has occurred and is continuing or is reasonably foreseeable or (y) in the case of the CMBS Loan, under then-applicable federal income tax law, the modification would not cause an Adverse Grantor Trust Event;

(B) does not cause an Adverse Liberty Bonds Event (unless this requirement is waived by the Indenture Trustee), as evidenced by an Opinion of Bond Counsel (the cost of which shall be covered by, and reimbursable as, a Servicing Advance);

(C) would not have the effect of permanently extinguishing principal or interest (other than Default Interest) (other than as a result of Net Liquidation Proceeds being insufficient to pay any of such amounts) on any Obligation; and

(D) is consistent with the Servicing Standard.

However, in no event may the Master Servicer or the Special Servicer permit (i) an extension of the Stated Maturity Date of any Obligation beyond a date that is five (5) years prior to the Rated Final Date for such Obligation (and in the case of the Liberty Bonds Loan, no other extension of the Stated Maturity Date of the Liberty Bonds Loan may be made without the consent of 75% of the Voting Rights of the Voting Eligible Liberty Bonds), or (ii) with regard to the Liberty Bonds Loan, an extension of any Debt Service Payment beyond a date that is more than five (5) years after the originally scheduled Due Date of the first Debt Service Payment that is extended, unless such extension will not cause an Adverse Liberty Bonds Event (provided that this requirement may be waived by the Indenture Trustee), as evidenced by an Opinion of Bond Counsel (the cost of which will be covered by, and reimbursable as, a Servicing Advance).

If the Special Servicer determines that an extension of the Liberty Bonds Loan is in accordance with the Servicing Standard, the Special Servicer may direct the Collateral Agent to request a vote for such extension (an "Extension Request"). Upon receipt of an Extension Request, the Collateral Agent shall promptly provide written notice thereof to all Bondholders by (i) posting such notice on the portion of its website relating to the Bonds and by posting in the Bond Payment Date Statement, which shall contain a statement that such request was received, and (ii) by mail at their addresses appearing in the Bond Register, and the Collateral Agent shall compile and process the results of such vote and inform the Special Servicer of such results in writing.

To the extent any such waiver, modification or workout permitted above modifies any of the economic terms of any Obligation, the full adverse economic effect of such waiver, modification or workout shall be borne by, and modify the terms of, the CMBS Loan before being borne by, and modifying the terms of, the Liberty Bonds Loan. In the event of a modification or waiver of any Obligation that results in the deferral of any payment of accrued and unpaid interest on such Obligation, such deferral will be allocated first to the CMBS Loan up to the amount of interest accruing on the CMBS Loan and then to the Liberty Bonds Loan up to the amount of interest accruing on the Liberty Bonds Loan. However, this paragraph shall not be construed to alter or affect in any manner the obligation of any Servicer to act in accordance with the Servicing Standard.

To the extent any such waiver, modification or workout permitted pursuant to this subheading modifies any of the terms of payment of the Liberty Bonds Loan, such waiver, modification or workout shall be structured to modify the terms of the Liberty Bonds Components as follows: (1) if any modification or waiver of the Liberty Bonds Loan results in the deferral of any payment of accrued and unpaid interest on such Loan, such deferral will be allocated <u>first</u>, to Liberty Bonds Component 3, <u>second</u>, to Liberty Bonds Component 2, and third, on a *pro rata* basis, to each maturity of Liberty Bonds Component 1; (2) if any modification or waiver of the Liberty Bonds Loan results in the reduction in the debt service payment for the Liberty Bonds Loan, the reduction shall be allocated <u>first</u>, to Liberty Bonds Component 3 until the debt service payment on such Component is reduced to zero, second, to Liberty Bonds Component 2 until the debt service payment on such Component is reduced to zero, and <u>third</u>, on a *pro rata* basis, to each maturity of Liberty Bonds Component 1; and (3) if any modification of the Liberty Bonds Loan provides that at any time debt service payments on the Liberty Bonds Loan would increase (or return to their original levels), the increase (or return, as applicable) shall be allocated <u>first</u>, (a) to each maturity of Liberty Bonds Component 1, *pro rata*, until the debt service payment on each maturity of such Component is restored to its original amount and (b) to reimburse each maturity of such Component 1 for any amounts previously deferred on such Component, <u>second</u>, (a) to Liberty Bonds Component 2, until the debt service payment on such Component is restored to its original amount and (b) to reimburse such Component 2 for any amounts previously deferred on such Component, and <u>third</u>, (a) to Liberty Bonds Component 3 until the debt service payment on such Component is restored to its original amount and (b) to reimburse such Component 3 for any amounts previously deferred on such Component. For avoidance of doubt, this paragraph shall not be construed to alter or affect in any manner the obligation of any Servicer to act in accordance with the Servicing Standard. The applicable Servicer shall, upon effectuation of such modification of the Liberty Bonds Loan, provide to the Indenture Trustee a written report reflecting the modification and its allocation to the Liberty Bonds Components (and maturities within the Liberty Bonds Components) as stated above.

In the event the Borrower requests any consent, modification, waiver, amendment or other action and such action would constitute a Major Decision, the Master Servicer shall forward that request to the Special Servicer and the Special Servicer shall handle that request. Any such Major Decision shall be subject to consultation with the Operating Advisor.

Notwithstanding the above:

(A) the CMBS Loan Documents and Collateral Documents may be corrected at the request of the CMBS Trustee to correct any mistake, cure any ambiguities or to make such tax changes as may be requested or required unless such modification or waiver would (i) cause an Adverse Grantor Trust Event, (ii) cause an Adverse Liberty Bonds Event or (iii) have a material adverse effect on the Liberty Bonds Loan; provided, that, subject to the heading below entitled *"No Downgrade Confirmation"*, in each case a No Downgrade Confirmation is obtained; and

(B) the Liberty Bonds Loan Documents and Collateral Documents may be corrected at the request of the Indenture Trustee to correct any mistake, cure any ambiguities or to make such tax changes as may be requested or required unless such modification or waiver would (i) cause an Adverse Grantor Trust Event, (ii) cause an Adverse Liberty Bonds Event or (iii) have a material adverse effect on the CMBS Loan; provided, that, subject to the heading below entitled *"No Downgrade Confirmation"*, in each case a No Downgrade Confirmation is obtained.

For purposes of this heading, a modification, waiver or amendment of the Liberty Bonds Loan shall not be considered an Adverse Liberty Bonds Event, if, prior to the modification, waiver or amendment, (i) there is obtained an Opinion of Bond Counsel that such action will not constitute an Adverse Liberty Bonds Event, and (ii) any conditions required by Bond Counsel for the delivery of such opinion are satisfied, which may include (a) execution by the Issuer and the Borrower of a new Tax Certificate dated the date of the modification, waiver or amendment, (b) filing with the IRS of a Form 8038 (or such other information return as is then required by the Internal Revenue Code) with respect to the Bonds, (c) computation and payment of any payment required by Section 148(f) of the Internal Revenue Code (relating to rebate payments to the IRS) within sixty (60) days following such modification, waiver or amendment, (d) designation of the Series 2012 Liberty Bonds as "qualified New York Liberty Bonds" (within the meaning of Section 1400L(d) of the Internal Revenue Code), by the Governor of the State of New York and/or The Mayor of The City of New York, (e) approval of the Series 2012 Liberty Bonds by the Governor of New York after a public hearing, pursuant to Section 147(f) of the Internal Revenue Code, and (f) compliance with such other conditions as Bond Counsel determines are reasonably necessary for the modification, waiver or amendment to not constitute an Adverse Liberty Bonds Event.

All modifications, waivers or amendments of any Obligation shall be in writing and shall be effected in a manner consistent with the Servicing Standard. The Master Servicer or the Special Servicer, as applicable, shall notify the other parties to the Servicing Agreement, in writing, of any modification, waiver or amendment of any term of an Obligation and the date thereof, and shall deliver to the Collateral Agent an original recorded counterpart of the agreement relating to such modification, waiver or amendment within ten (10) Business Days following the execution and recordation thereof. In addition, to the extent any such modification, waiver or amendment involves a change in the payment terms of the Liberty Bonds Loan, the Special Servicer shall notify the Indenture Trustee of such changes and the Indenture Trustee shall take such actions as may be necessary or appropriate to implement such corresponding changes to the Liberty Bonds. The Special Servicer will reasonably cooperate with the Indenture Trustee regarding the implementation of such changes. Upon implementing such changes, the Indenture Trustee shall notify the other parties to the Servicing Agreement, and will provide copies to such parties of the notices delivered to the Bondholders.

Any modification of the Loan Documents that requires delivery of a No Downgrade Confirmation pursuant to the Loan Documents, or any modification that would eliminate, modify or alter the requirement of obtaining the satisfaction of such No Downgrade Confirmation in the Loan Documents, shall not be made

without the Collateral Agent's receipt, subject to the heading below entitled *"No Downgrade Confirmation"*, of a No Downgrade Confirmation.

Prior to implementing any Rating Agency Condition Modification, the Master Servicer or the Special Servicer, as applicable, shall obtain, subject to the heading below entitled *"No Downgrade Confirmation"*, a No Downgrade Confirmation with respect thereto.

"Major Decision" means, collectively:

(a) any modification of, or waiver with respect to, an Obligation that would result in the extension of its Stated Maturity Date, a reduction in the interest rate borne thereby or the monthly debt service payment or a deferral or a forgiveness of interest on or principal (including Sinking Fund Installments) of an Obligation or a modification or waiver of any other term of an Obligation relating to the amount or timing of any payment of principal (including Sinking Fund Installments) or interest or any other sums due and/or payable under the Loan Documents or a modification or waiver of any material term of an Obligation, including but not limited to provisions that restrict the Borrower or its equity owners from incurring additional indebtedness, or incurring any Lien on any of the Mortgaged Property or the personal property related thereto (other than Liens permitted pursuant to the Obligations);

(b) any foreclosure upon or comparable conversion (which may include acquisition of an REO Property) of the ownership of the Mortgaged Property or any acquisition of the Mortgaged Property by deed-in-lieu of foreclosure or any other exercise of remedies following a Mortgage Event of Default;

(c) any sale of all or any portion of the Mortgaged Property or REO Property except in each case as expressly permitted by the Loan Documents;

(d) any action to bring the Mortgaged Property or REO Property into compliance with any laws relating to Hazardous Materials;

(e) any substitution or release of collateral for an Obligation, except in each case as expressly permitted by the Loan Documents;

(f) any release of the Borrower or Guarantor from liability with respect to an Obligation including, without limitation, by acceptance of an assumption of an Obligation by a successor Borrower or Replacement Guarantor (other than in connection with a defeasance permitted under the Liberty Bonds Loan Documents or as otherwise expressly permitted under the Loan Documents);

(g) any determination not to enforce a "due-on-sale" or "due-on-encumbrance" clause;

(h) any transfer of the Mortgaged Property or any portion thereof, or any transfer of any direct or indirect ownership interest in the Borrower, except in each case as expressly permitted by the Loan Documents;

(i) any consent to incurrence of additional debt by the Borrower, including modification of the terms of any document evidencing or securing any such additional debt and of any separate intercreditor or subordination agreement executed in connection therewith and any waiver of or amendment or modification to the terms of any such document or agreement;

(j) consenting to any modification or waiver of any material provision of any Loan Document governing the types, nature or amounts of insurance coverage required to be obtained and maintained by the Borrower;

(k) the execution, termination, renewal or material modification of any Major Lease, to the extent the Holders' approval is required by the Loan Documents (and notwithstanding anything to the contrary set forth herein, subject to the same standard of approval as is set forth in the applicable Loan Documents);

(l) approval of the termination or replacement of a Property Manager or of the execution, termination, renewal or material modification of any management agreement, to the extent the Holders' approval is required by the Loan Documents or determination to waive any provision in the Loan Documents requiring the replacement or termination of the Property Manager;

(m) any waiver of amounts required to be deposited into any Reserve Account, or any amendment to any of the Loan Documents that would modify the amount required to be deposited into any Reserve Account (other than changes in the ordinary course of business of the amounts required to be deposited into any Reserve Account for Taxes, Insurance Premiums or Ground Rents);

(n) the approval or adoption of any annual budget for, or material alteration at, the Mortgaged Property (to the extent the Holder's approval is required by the Loan Documents and, if so, notwithstanding anything to the contrary set forth herein, subject to the same standard of approval as is set forth in the applicable Loan Documents);

(o) (A) the release to the Borrower of any escrow to which the Borrower is not entitled under the Loan Documents or under Applicable Law; and (B) other than in connection with a Casualty or Condemnation, the approval of significant repair or renovation projects (determined as a percentage of the value of the individual project) that are intended to be funded through the disbursement of any funds from any reserve accounts established in accordance with the Loan Documents (in the case of any action under this clause "(o)", only to the extent permitted under the Loan Documents, and subject in each instance to the Holders' consent, to the extent such consent is required by the Loan Documents);

(p) the approval of any ground lease at or related to the Mortgaged Property or any proposed amendment of, modification to or waiver of, any of the terms and conditions thereof, or any surrender or cancellation thereof, to the extent the Holders' approval shall be provided for in the Loan Documents;

(q) the waiver or modification of any documentation relating to any guarantor's obligations under any guaranty that is a Loan Document;

(r) the voting on any plan of reorganization, restructuring or similar plan in the bankruptcy of the Borrower; and

(s) any waiver of any of the covenants or restrictions regarding special purpose entities set forth in the Loan Documents and/or the organizational documents of the Borrower.

Transfer of Servicing Between Master Servicer and Special Servicer

Upon determining that a Servicing Transfer Event has occurred with respect to any Obligation, the Master Servicer shall promptly give notice thereof to the Special Servicer, the Operating Advisor, the Collateral Agent, the 17g-5 Information Provider and the Borrower and deliver the Servicing File to the Special Servicer, and shall use its best efforts to provide the Special Servicer with all information, documents and records relating to the Obligation and reasonably requested by the Special Servicer to enable it to assume its functions under the Servicing Agreement with respect thereto. The 17g-5 Information Provider shall promptly post such notice to the 17g-5 Provider's Website, and the Master Servicer shall promptly, but not earlier than two (2) Business Days following delivery to the 17g-5 Information Provider, deliver such notice to the Rating Agencies. The Master Servicer, in any event, shall continue to act as Master Servicer and administrator of the Obligations until the Special Servicer has commenced the servicing of the Obligations upon the occurrence and during the continuation of a Servicing Transfer Event, which shall occur upon the

receipt by the Special Servicer of the information, documents and records referred to in this paragraph, at which point the Obligations shall be "Specially Serviced Obligations". The Master Servicer shall instruct the Borrower to continue to remit all payments in respect of the Specially Serviced Obligations to the Master Servicer.

Upon determining that a Specially Serviced Obligation has become a Corrected Obligation, the Special Servicer shall promptly give notice thereof to the Master Servicer and the Collateral Agent and return the Servicing File to the Master Servicer within five (5) Business Days and upon giving such notice and returning such Servicing File to the Master Servicer, the Special Servicer's obligation to service such Obligation, and the Special Servicer's right to receive the Special Servicing Fee with respect to such Obligation, shall terminate, and the obligations of the Master Servicer to service and administer such Obligation shall resume.

The Master Servicer shall remain responsible for the accounting, data collection, reporting and other basic Master Servicer administrative functions with respect to the Specially Serviced Obligations; provided that the Master Servicer shall establish reasonable procedures as to the application of Special Servicer receipts and tendered payments, and the Special Servicer shall have the exclusive responsibility for and authority over all contacts (including collection, which information shall be provided by the Master Servicer) with and notices to the Borrower and similar matters relating to each Specially Serviced Obligation and the Mortgaged Property.

The Obligations are each secured by the Mortgaged Property and cross-defaulted, and that as such, in connection with the transfer to the Special Servicer of the servicing of one of the Obligations as a result of a Servicing Transfer Event or the reassumption of servicing responsibilities by the Master Servicer with respect to any such Obligation upon its becoming a Corrected Obligation, the Master Servicer and the Special Servicer shall each transfer to the other, as and when applicable, the servicing of all the other Obligations; provided that no Obligation may become a Corrected Obligation at any time that a continuing Servicing Transfer Event exists with respect to another Obligation.

Asset Status Report; Major Decision; Consent of Directing Holder; Consultation with Operating Advisor

No later than sixty (60) days after a Servicing Transfer Event, the Special Servicer shall deliver to the Collateral Agent, the CMBS Trustee, the Indenture Trustee, the Operating Advisor, the 17g-5 Information Provider and the Collateral Agent, and the 17g-5 Information Provider shall make such information available pursuant to the Servicing Agreement, a report (the "Asset Status Report") with respect to such Obligations and the Mortgaged Property. The 17g-5 Information Provider shall promptly post such Asset Status Report to the 17g-5 Information Provider's website, and the Special Servicer shall promptly, but not earlier than two (2) Business Days following delivery to the 17g-5 Information Provider, deliver such Asset Status Report to the Rating Agencies. Such Asset Status Report shall set forth the following information to the extent reasonably determinable:

(i) a summary of the status of such Specially Serviced Obligations and any negotiations with the Borrower;

(ii) a discussion of the legal and environmental considerations reasonably known at such time to the Special Servicer, consistent with the Servicing Standard, that are applicable to the exercise of remedies as aforesaid and to the enforcement of any related guaranties or other collateral for the Specially Serviced Obligation and whether outside legal counsel has been retained;

(iii) the most current rent roll and income or operating statement available for the Mortgaged Property;

(iv) the Special Servicer's recommendations on how the Specially Serviced Obligation might be returned to performing status or otherwise realized upon;

(v) the appraised value of the Mortgaged Property together with the assumptions used in the calculation thereof;

(vi) the status of any foreclosure actions or other proceedings undertaken with respect thereto, any proposed workouts with respect thereto and the status of any negotiations with respect to such workouts, and an assessment of the likelihood of additional Mortgage Events of Default;

(vii) a description of any amendment, modification or waiver of a material term of the Office Tower Ground Lease or the Reciprocal Easement Agreement;

(viii) a description of any such proposed actions;

(ix) the alternative courses of action that were or are being considered by the Special Servicer in connection with the proposed actions;

(x) the decision that the Special Servicer intends or proposes to make including a narrative analysis setting forth the Special Servicer's rationale for its proposed decision, including its rejection of the alternatives;

(xi) an analysis of whether or not taking such action is reasonably likely to produce a greater recovery on a present value basis than not taking such action, setting forth (x) the basis on which the Special Servicer made such determination and (y) the net present value calculation (including the applicable discount rate used) and all related assumptions;

(xii) a summary of the status of any action that was described in the most recent prior Asset Status Report and subsequently effected by the Special Servicer; and

(xiii) such other information as the Special Servicer deems relevant in light of the proposed or taken action and the Servicing Standard.

The Special Servicer shall consult with the Operating Advisor before implementing any actions proposed in the Asset Status Report. In addition, if any consent, modification, amendment or waiver under or other action in respect of an Obligation that would constitute a Major Decision has been requested or proposed, the Special Servicer shall consult with the Operating Advisor before implementing a decision with respect to such Major Decision.

If the Special Servicer has not received a response from the Operating Advisor with respect to such Asset Status Report or Major Decision within seven (7) Business Days after delivery of the related Asset Status Report or delivery of the request related to the Major Decision, the Operating Advisor shall have no further consultation rights with respect to such action.

After such consultation with the Operating Advisor regarding the implementation of a decision with respect to any Asset Status Report or Major Decision, the Special Servicer shall, in its good faith discretion in accordance with the Servicing Standard, (x) either revise the Asset Status Report to reflect the outcome of the consultation with the Operating Advisor or not so revise the Asset Status Report, (y) deliver to the Operating Advisor, the Collateral Agent, the 17g-5 Information Provider, the Indenture Trustee and the CMBS Trustee the Asset Status Report and a proposed notice to each Bondholder and Certificateholder that will include a summary of the current Asset Status Report, and the Collateral Agent shall post such notice and summary (but not the Asset Status Report) on its website and (z) implement the Asset Status Report in the form delivered to the Collateral Agent, the Indenture Trustee and the CMBS Trustee. The 17g-5 Information Provider shall

promptly post such notices to the 17g-5 Information Provider's Website, and the Operating Advisor shall promptly, but not earlier than two (2) Business Days following delivery to the 17g-5 Information Provider, deliver such notices to the Rating Agencies. Under no circumstance shall the Special Servicer be bound or obligated (and the Special Servicer shall have no liability for any failure) to act in accordance with any suggestion or recommendation of the Operating Advisor, and the Operating Advisor shall not be held liable for any failure of the Special Servicer to follow the advice of the Operating Advisor. The Special Servicer may, from time to time, modify any Asset Status Report it has previously delivered and implement such report.

Following the occurrence of an extraordinary event with respect to the Mortgaged Property, or if a failure to take any such action at such time would be inconsistent with the Servicing Standard, the Special Servicer may take actions with respect to the Mortgaged Property before consulting with the Operating Advisor (or prior to finishing such consultation) if the Special Servicer reasonably determines in accordance with the Servicing Standard that failure to take such actions prior to such consultation (or completion of such consultation) would materially and adversely affect the interests of the Holders as a collective whole and the Special Servicer has made a reasonable effort to contact the Operating Advisor. The foregoing shall not relieve the Special Servicer of its duties to comply with the Servicing Standard.

Upon request of any Bondholder or Certificateholder that shall have provided the Collateral Agent with an Investor Certification, the Collateral Agent shall mail, without charge, to the address specified in such request, a copy of the most current Asset Status Report.

Sub-Servicing Agreement

The Special Servicer shall not engage any sub-servicer or enter into any sub-servicing agreement. The Master Servicer, at its own expense without a right of reimbursement under the Servicing Agreement or otherwise, may enter into sub-servicing agreements with sub-servicers for the servicing and administration of the Obligations; provided that (i) any such sub-servicing agreement shall be upon such terms and conditions as are not inconsistent with the Servicing Agreement and as the Master Servicer and the sub-servicer have agreed, and (ii) no sub-servicer retained by the Master Servicer shall grant any modification, waiver, or amendment to the Obligations or Loan Documents without the approval of the Master Servicer. References in the Servicing Agreement to actions taken or to be taken, and limitations on actions permitted to be taken, by the Master Servicer in servicing the Obligations include actions taken or to be taken by a sub-servicer on behalf of the Master Servicer.

Notwithstanding any sub-servicing agreement, the Master Servicer shall remain obligated and liable to the Collateral Agent, the Indenture Trustee, the CMBS Trustee, the Bondholders and the Certificateholders for the servicing and administering of the Obligations in accordance with the provisions of the Servicing Agreement without diminution of such obligation or liability by virtue of such sub-servicing agreement, or by virtue of indemnification from a sub-servicer, and to the same extent and under the same terms and conditions as if the Master Servicer alone were servicing and administering the Obligations.

Any sub-servicing agreement entered into by the Master Servicer shall provide that it may be assumed or terminated by (i) the Collateral Agent, if the Collateral Agent has assumed the duties of the Master Servicer or if the Master Servicer is otherwise terminated pursuant to the terms of the Servicing Agreement, or (ii) a successor Master Servicer, if such successor Master Servicer has assumed the duties of the Master Servicer, without cost or obligation to the Collateral Agent, the Indenture Trustee, the CMBS Trustee, the successor Master Servicer, the Bondholders or the Certificateholders.

No Violation of Applicable Tax Restrictions

In no event shall the Master Servicer or the Special Servicer take any action or refrain from taking any action if the taking of such action or the refraining from taking such action would result in an Adverse Liberty Bonds Event or an Adverse Grantor Trust Event, unless, in the case of any Adverse Liberty Bonds Event, such

requirement with respect to an Adverse Liberty Bonds Event is waived by the Indenture Trustee. Wherever in the Servicing Agreement reference is made to compliance with the grantor trust provisions or the Tax-Exempt Provisions or to a requirement pertaining to the avoidance of an Adverse Liberty Bonds Event or Adverse Grantor Trust Event (or words of similar import), the Master Servicer or the Special Servicer may obtain (at the expense of the person requesting such Servicer take or refrain from taking such action), and conclusively rely on an Opinion of Counsel or Opinion of Bond Counsel, as applicable, concluding that no Adverse Liberty Bonds Event or Adverse Grantor Trust Event would result from such action or inaction, as applicable; provided, however, that with respect to any proposed modification of payment terms (including without limitation prepayment restrictions) of the Liberty Bonds Loan, the Master Servicer or the Special Servicer, as applicable, must obtain an Opinion of Bond Counsel concluding that no Adverse Liberty Bonds Event would result from such modification (which may be waived by the Indenture Trustee). To the extent the Master Servicer or the Special Servicer obtains any Opinion of Counsel or Opinion of Bond Counsel other than in connection with an action proposed by particular persons, the cost of such opinion shall be paid by such Servicer and treated as a Servicing Advance reimbursable as provided in the Servicing Agreement.

Certain Matters with Respect to Obligations Permitting Defeasance

To the extent that the terms of the related Loan Documents permit defeasance, the Master Servicer shall not approve the form and substance of any required legal documents in connection with such defeasance unless (i) it shall have obtained, subject to the provisions of the heading below entitled *"No Downgrade Confirmation"*, a No Downgrade Confirmation, (ii) it shall have obtained an Opinion of Counsel that the defeasance would not cause an Adverse Grantor Trust Event or Adverse Liberty Bonds Event, and (iii) it shall have obtained an accountant's certification that the defeasance collateral is sufficient to make payments under the related Obligation for the remainder of its term or earlier redemption date.

With respect to each Obligation, to the extent permitted by the terms of the Loan Documents, or if so requested by the Rating Agencies, the Master Servicer shall cause the Borrower to (i) with respect to a defeasance of any Obligation, designate a Single-Purpose-Entity to assume such Obligation and own the defeasance collateral, and (ii) provide an opinion from counsel that the applicable Secured Party has a perfected security interest in the new defeasance collateral.

In the event any Obligation becomes a Defeased Obligation, such Defeased Obligation shall no longer be considered an Obligation, shall no longer be subject to the terms of the Collateral Agency Agreement and shall instead be administered by the Master Servicer as a separate loan secured by separate defeasance collateral held on behalf of the applicable Secured Party. No Bondholder or Certificateholder, as applicable, will have any rights in any such defeasance collateral for the Obligation for which it is a Holder, and amounts received by the Master Servicer in respect of such defeasance collateral shall not be deposited into the Master Account, and shall instead be remitted directly to the applicable Secured Party. The monthly payment from the defeasance collateral shall be paid to the Master Servicer on or prior to the Due Date, and the Master Servicer shall be entitled to all interest accrued on such amounts from the date of receipt to the Secured Party Distribution Date.

P&I Advances

In the event that a Debt Service Payment (or an Assumed Debt Service Payment, as applicable) or any portion of a Debt Service Payment (or an Assumed Debt Service Payment, as applicable) representing principal and/or interest on an Obligation has not been received by the close of business on the Determination Date immediately prior to the Secured Party Distribution Date, the Master Servicer, subject to its determination that such amounts are not Nonrecoverable Advances, shall make an advance from its own funds (except as permitted below) on such Secured Party Distribution Date to the Master Account, in an amount equal to the Debt Service Payment (or an Assumed Debt Service Payment, as applicable) or any such portion of the Debt Service Payment (or an Assumed Debt Service Payment, as applicable) on such Loan that was delinquent as of the close of business on such Determination Date. Any amounts held in the Master Account on the Secured

Party Distribution Date and included in the Available Secured Party Distribution Amount may be used by the Master Servicer to make P&I Advances and shall be appropriately reflected in the Master Servicer's records and replaced by the Master Servicer by deposit into the Master Account, on or before the next succeeding Determination Date (to the extent not previously replaced through the deposit of Late Collections of the delinquent principal and/or interest in respect of which such P&I Advances were made). If, as of 1:00 p.m., New York City time, on any Secured Party Distribution Date, the Master Servicer shall not have made any P&I Advance required to be made on such date pursuant to this heading (and shall not have delivered to the Collateral Agent the requisite Officer's Certificate and documentation related to a determination of nonrecoverability of a P&I Advance), then the Collateral Agent shall provide notice of such failure to a Servicing Officer of the Master Servicer by 2:00 p.m., New York City time, on such Secured Party Distribution Date. If, after such notice, the full amount of such P&I Advances is not made by the Master Servicer by 3:00 p.m. (New York City time) on such Secured Party Distribution Date, then, unless the Collateral Agent determines that such Advance would be a Nonrecoverable Advance if made, the Collateral Agent shall make, by 3:30 p.m., New York City time, on the Secured Party Distribution Date or in any event by such time as shall be required to make the required distribution on such Secured Party Distribution Date, the portion of such P&I Advances that was required to be, but was not, made by the Master Servicer on such Secured Party Distribution Date, such failure shall constitute a Servicer Termination Event on the part of the Master Servicer.

The aggregate amount of P&I Advances to be made pursuant to the paragraph above in respect of each Obligation and any REO Obligation on any Secured Party Distribution Date shall equal, subject to the next following paragraph, the aggregate of all Debt Service Payments and any Assumed Debt Service Payments (in the case of the CMBS Loan, net of related Master Servicing Fees that were due or deemed due, as the case may be) in respect thereof on their respective Due Dates during the related Collection Period and that were not paid by or on behalf of the Borrower or otherwise collected as of the close of business on the Business Day before the Secured Party Distribution Date; provided that if an Appraisal Reduction Amount exists with respect to any Required Appraisal Financing, then, in the event of subsequent delinquencies thereon, the amount of the P&I Advance in respect of such Required Appraisal Financing for the related Secured Party Distribution Date shall be reduced to equal the product of (i) the amount of such P&I Advance for such Required Appraisal Financing for such Secured Party Distribution Date without regard to this proviso, multiplied by (ii) a fraction, expressed as a percentage, the numerator of which is equal to the Stated Principal Balance of such Required Appraisal Financing immediately prior to such Secured Party Distribution Date, net of the related Appraisal Reduction Amount, if any, and the denominator of which is equal to the Stated Principal Balance of such Required Appraisal Financing immediately prior to such Secured Party Distribution Date; provided, further, the Master Servicer shall not advance any Yield Maintenance Premium or any Balloon Payment.

Notwithstanding the above, no P&I Advance shall be required to be made if such P&I Advance would, if made, constitute a Nonrecoverable Advance. In addition, with respect to each Obligation, Nonrecoverable Advances shall be reimbursable out of general collections on deposit in the Master Account. The determination by the Master Servicer or the Collateral Agent (or a determination by the Special Servicer with respect to the Master Servicer) that it has made a Nonrecoverable Advance or that any proposed P&I Advance, if made, would constitute a Nonrecoverable Advance, shall be evidenced by an Officer's Certificate delivered promptly to the 17g-5 Information Provider, the Indenture Trustee and the CMBS Trustee, detailing the reasons for such determination with supporting documents attached. The 17g-5 Information Provider shall promptly post the Officer's Certificate to the 17g-5 Information Provider's Website, and the applicable party shall promptly, but not earlier than two (2) Business Days after delivery to the 17g-5 Information Provider, deliver such Officer's Certificate to the Rating Agencies. The costs of any Appraisals, reports or surveys and other information requested by the Master Servicer or the Collateral Agent establishing an Advance as a Nonrecoverable Advance shall be an expense payable from the Master Account. If such an Appraisal shall not have been required and performed pursuant to the terms of the Servicing Agreement, the Master Servicer may, subject to its reasonable and good faith determination that such Appraisal will demonstrate the nonrecoverability of the related Advance, obtain an Appraisal for such purpose to be paid for as a Servicing Advance. The Collateral Agent shall be entitled to rely on any determination of nonrecoverability that may

have been made by the Master Servicer with respect to a particular P&I Advance, and the Master Servicer and the Collateral Agent shall be entitled to rely on any determination of nonrecoverability that may have been made by the Special Servicer with respect to a particular P&I Advance in the case of Specially Serviced Obligations.

The Master Servicer and the Collateral Agent shall be entitled to receive interest at the Reimbursement Rate in effect from time to time, accrued on the amount of each P&I Advance made thereby (out of its own funds) for so long as such P&I Advance is outstanding (or, in the case of Advance Interest payable to the Master Servicer, if earlier, until the Late Collection of the delinquent principal and/or interest in respect of which such P&I Advance was made has been received by the Master Servicer). The Master Servicer shall reimburse itself or the Collateral Agent, as appropriate, for any P&I Advance made thereby as soon as practicable after funds available for such purpose are deposited into the Master Account and in no event shall interest accrue on any P&I Advance as to which the corresponding Late Collection had been received as of the related date on which such P&I Advance was made.

With respect to Default Charges on the CMBS Loan, on any Distribution Date, the aggregate Default Charges collected on the CMBS Loan since the prior Distribution Date shall be applied (in such order) to reimburse (i) the Collateral Agent, the Master Servicer or the Special Servicer (in that order of priority) for interest on Advances on the CMBS Loan due on such Distribution Date, (ii) the CMBS Trust Fund for all interest on Advances previously paid to the Master Servicer, Special Servicer or Collateral Agent with respect to the CMBS Loan and (iii) the CMBS Trust Fund for costs of all additional expenses of the CMBS Trust Fund (other than Special Servicing Fees, Workout Fees and Liquidation Fees), including without limitation, inspections by the Special Servicer and all unpaid Advances incurred since the Closing Date with respect to the CMBS Loan; Default Charges remaining thereafter shall be distributed to the Master Servicer as Additional Master Servicing Compensation, if and to the extent collected while the CMBS Loan was a Performing Obligation and to the Special Servicer as Additional Special Servicing Compensation if and to the extent collected on the CMBS Loan during the period the CMBS Loan was a Specially Serviced Obligation. Default Charges with respect to the Liberty Bonds Loan shall be applied pursuant to the Indenture.

No Downgrade Confirmation

Notwithstanding the terms of any related Loan Documents or the Servicing Agreement (other than as set forth in this subheading), if any action under any Loan Documents or the Servicing Agreement requires a No Downgrade Confirmation as a condition precedent to such action, if the party (the "Requesting Party") seeking to obtain such No Downgrade Confirmation has made a request to any Rating Agency for such No Downgrade Confirmation and, within ten (10) Business Days of the Rating Agency request being sent to the applicable Rating Agency, such Rating Agency has not replied to such request or has responded in a manner that indicates that such Rating Agency is neither reviewing such request nor waiving the requirement for No Downgrade Confirmation, then such Requesting Party shall be required to (i) confirm that the applicable Rating Agency has received the No Downgrade Confirmation request, and, if it has, promptly request the related No Downgrade Confirmation again, (ii) if there is no response to either such No Downgrade Confirmation request within five (5) Business Days of such second request, confirm that the applicable Rating Agency has received the second No Downgrade Confirmation request, and then (x) with respect to any condition in any Loan Document requiring such No Downgrade Confirmation or any other matter under the Servicing Agreement relating solely to the servicing of the Obligations (other than as set forth in clause (y) below), the requirement to obtain a No Downgrade Confirmation will be considered not to apply with respect to such Rating Agency (as if such requirement did not exist) (provided the taking of the action for which the No Downgrade Confirmation is requested is in accordance with the Servicing Standard, and provided further that this clause shall not apply to the No Downgrade Confirmation required in connection with the incurrence of Permitted Mezzanine Financing), and (y) with respect to a replacement of the Master Servicer or the Special Servicer, such condition shall be deemed to be satisfied with respect to (I) Fitch, if the replacement Master Servicer or Special Servicer is rated at least "CMS3" in the case of the Master Servicer or "CSS3" in the case of the Special Servicer, as applicable, and (II) with respect to Moody's, if the applicable replacement Master

Servicer or Special Servicer is currently acting as a master servicer or special servicer, as applicable, on a "deal-level" or "transaction-level" basis for all or a significant portion of the mortgage loans in other CMBS transactions and the Responsible Officer of the CMBS Trustee or the Indenture Trustee does not have actual knowledge that Moody's has, and the applicable replacement Master Servicer or Special Servicer certifies that Moody's has not, with respect to any such other commercial mortgage-backed securities transaction, (1) qualified, downgraded, suspended or withdrawn its rating or ratings of one or more classes of the commercial mortgage-backed securities, or (2) placed one or more classes of commercial mortgage-backed securities on "watch status" in contemplation of a ratings downgrade or withdrawal (and such placement shall not have been withdrawn at the time of the suggested replacement) and, in the case of clauses (1) or (2), cited servicing concerns with the Master Servicer or Special Servicer, as the case may be, as the sole or material factor in such rating action.

Defaulted Liberty Bonds Loan Purchase Option

At any time on or subsequent to March 15, 2022, if so provided in the intercreditor agreement related to the Permitted Mezzanine Financing, within five (5) Business Days after the Liberty Bonds Loan becomes a Defaulted Obligation, the Master Servicer (if the Liberty Bonds Loan is not a Specially Serviced Obligation) or the Special Servicer (if the Liberty Bonds Loan is a Specially Serviced Obligation) shall promptly furnish a notice with respect thereto (a "Mezzanine Option Notice") in writing to the Master Servicer (if the Special Servicer is so notifying), the Special Servicer (if the Master Servicer is so notifying), the Collateral Agent, the Operating Advisor, the Indenture Trustee and the holder of the Permitted Mezzanine Financing (a "Mezzanine Option Notice"). The holder of the Permitted Mezzanine Financing shall have the right, at its option, to purchase all, but not less than all, of the Outstanding Bonds at a cash price equal to the Liberty Bonds Purchase Price, which Liberty Bonds Purchase Price (other than the portion thereof consisting of Borrower Reimbursable Expenses, which shall be paid into the Master Account) shall be remitted to the Indenture Trustee for deposit into the Purchase Fund held under the Indenture (the "Mezzanine Option"). The Mezzanine Option is exercisable from the date of receipt of the Mezzanine Option Notice until terminated pursuant to the following paragraph or the terms of the intercreditor agreement and during that period the Mezzanine Option shall be exercisable in any month only during the period from the Determination Date of such month through the Business Day prior to the Determination Date in the next calendar month. The Mezzanine Option will not be exercisable so long as the Ground Lessor has the right to exercise the Ground Lessor Option. Any holder of the Permitted Mezzanine Financing shall be required to purchase all of the Outstanding Bonds within thirty (30) Business Days of exercise of the Mezzanine Option.

The Mezzanine Option shall terminate, and shall not be exercisable as set forth in the paragraph above (or if exercised, but the purchase of the Bonds has not yet occurred, shall terminate and be of no further force or effect), if the Liberty Bonds Loan is no longer a Defaulted Obligation because (i) the default has been cured, (ii) the Liberty Bonds Loan has become a Corrected Obligation, (iii) the Liberty Bonds Loan has been foreclosed upon, or otherwise resolved (including by a full or discounted pay off or acceptance of a deed-in-lieu of foreclosure) or (iv) the Liberty Bonds Loan has been sold pursuant to the heading above entitled *"Resolution of Defaulted Obligations and REO Property"* or the heading below entitled *"Defaulted Obligation Ground Lessor Purchase Option"*.

Defaulted Obligation Ground Lessor Purchase Option

Pursuant to the terms of the Office Tower Ground Lease, the Special Servicer shall provide notice to the Ground Lessor of any foreclosure action proposed to be taken with respect to the Mortgaged Property. In the event the Ground Lessor exercises the Ground Lessor Option to purchase the Outstanding Obligations, the Collateral Agent (at the direction of the Special Servicer) on behalf of the Secured Parties shall be obligated to sell the Obligations and the Special Servicer shall cause the Ground Lessor Purchase Price to be deposited in the Master Account.

Cure Rights

If any Permitted Mezzanine Financing is outstanding, and if the related intercreditor agreement so provides, in the event any monetary default beyond applicable notice and grace periods or non monetary default which is susceptible of cure beyond applicable notice and grace periods (of which the Master Servicer has knowledge) shall exist with respect to the Liberty Bonds Loan, then, the Master Servicer for Performing Obligations, or the Special Servicer for Specially Serviced Obligations, promptly upon its receipt of knowledge thereof, shall give notice to the Permitted Mezzanine Lender, the Indenture Trustee, the Operating Advisor, the CMBS Trustee and the Collateral Agent of the occurrence of such default (such notice, a "Cure Option Notice"). The Holder of any Permitted Mezzanine Financing (the "Default Cure Group") shall have the right to cure such default. Such cure shall be made by any such Holder or Holders or, if specified by the Default Cure Group in a notice given to the Master Servicer, shall be made by another Person designated by the Default Cure Group (the Holder, Holders or other such designee, the "Default Curing Party"). In the event that a Default Cure Group elects to cure a default that can be cured by the payment of money (each such payment, a "Cure Payment"), then, during the cure period provided above, the Default Curing Party shall make such Cure Payment as directed by the Master Servicer and each such Cure Payment shall include all unreimbursed Advances (without regard to whether such Advances would be a Nonrecoverable Advance) and Advance Interest thereon, Borrower Reimbursable Expenses and any unpaid Master Servicing Fees, Special Servicing Fees, Collateral Agent Fees and CMBS Trustee Fees (each to the extent not already included in Borrower Reimbursable Expenses) with respect to the Obligation.

Servicer Termination Events

"Servicer Termination Event" means any one of the following events:

(i) any failure by the Master Servicer (A) to deposit into the Master Account any amount required to be so deposited under the Servicing Agreement that continues unremedied for two (2) Business Days following the date on which such deposit was first required to be made, but in no event later than the Secured Party Distribution Date, or (B) to remit to the applicable Persons on any Secured Party Distribution Date, the full amount of any Available Secured Party Distribution Amount required to be so remitted under the Servicing Agreement on such date; or

(ii) any failure by the Special Servicer to deposit into, or to remit to the Master Servicer for deposit into, the Master Account or the applicable REO Account, any amount required to be so deposited or remitted under the Servicing Agreement that continues unremedied for two (2) Business Days following the date on which such deposit or remittance was first required to be made, but in no event later than two (2) Business Days before the related Secured Party Distribution Date; or

(iii) any failure by the Master Servicer to timely make any Advance required to be made by it pursuant to the Servicing Agreement, which failure continues unremedied for a period of three (3) Business Days following the date on which notice shall have been given to the Master Servicer by any Secured Party or by any other party to the Servicing Agreement; or

(iv) any failure by the Special Servicer to timely direct the Master Servicer to make any Advance required to be made by the Master Servicer at its direction pursuant to the Servicing Agreement, which failure is not remedied by providing direction to the Master Servicer within three (3) Business Days following the date on which notice has been given to the Special Servicer by the Collateral Agent or any Secured Party; or

(v) any failure on the part of the Master Servicer or the Special Servicer to observe or perform in any material respect any other of the covenants or agreements thereof contained in the Servicing Agreement, which failure continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given

to the Master Servicer or the Special Servicer, as the case may be, by any other party to the Servicing Agreement, with a copy to each other party to the Servicing Agreement; provided, however, that with respect to any such failure which is not curable within such thirty (30) day period, the Master Servicer or the Special Servicer, as applicable, shall have an additional cure period of thirty (30) days to effect such cure so long as it has commenced to cure such failure within the initial thirty (30)-day period, and has provided the Collateral Agent with an Officer's Certificate certifying that it has diligently pursued, and thereafter continues to pursue, such cure; or

(vi) any breach on the part of the Master Servicer or the Special Servicer of any representation or warranty thereof contained in the Servicing Agreement that materially and adversely affects the interests of the Bondholders or the Certificateholders and that continues unremedied for a period of thirty (30) days after the date on which notice of such breach, requiring the same to be remedied, shall have been given to the Master Servicer or the Special Servicer, as the case may be, by any Secured Party or any other party to the Servicing Agreement; provided, however, that with respect to any such failure which is not curable within such thirty (30) day period, the Master Servicer or the Special Servicer, as applicable, shall have an additional cure period of thirty (30) days to effect such cure so long as it has commenced to cure such failure with the initial thirty (30) day period, and has provided the Collateral Agent with an Officer's Certificate certifying that it has diligently pursued, and thereafter continues to pursue, such cure; or

(vii) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law for the appointment of a conservator, receiver, liquidator, trustee or similar official in any bankruptcy, insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of its affairs, shall have been entered against the Master Servicer or the Special Servicer and such decree or order shall have remained in force undischarged or unstayed for a period of sixty (60) days; or

(viii) the Master Servicer or the Special Servicer shall consent to the appointment of a conservator, receiver, liquidator, trustee or similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to it or of or relating to all or substantially all of its property; or

(ix) the Master Servicer or the Special Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable bankruptcy, insolvency or reorganization statute, make an assignment for the benefit of its creditors, voluntarily suspend payment of its obligations, or take any corporate action in furtherance of the foregoing; or

(x) the Master Servicer is downgraded below "CMS3" or the Special Servicer is downgraded below "CSS3" by Fitch, as applicable, and the ratings are not restored within sixty (60) days of such downgrade; or

(xi) Moody's (y) has qualified, downgraded, suspended or withdrawn its ratings of any Class of the CMBS Certificates or the Bonds, or (z) has placed any Class of the CMBS Certificates or any Class of Bonds on "watch status" in contemplation of a rating downgrade or withdrawal (and such "watch status" placement shall not have been withdrawn by Moody's within sixty (60) days) and, in the case of either of clauses (y) or (z), cited servicing concerns with the Master Servicer or the Special Servicer, as the case may be, as the sole or material factor in such action.

Each Servicer Termination Event listed as subdivisions "(v)" through "(xi)" above shall constitute a Servicer Termination Event only with respect to the relevant party; provided that if a single entity acts or any two or more Affiliates act as Master Servicer and Special Servicer, or in any two or more of the foregoing capacities,

a Servicer Termination Event in one capacity (other than an event described in subdivisions "(x)" and "(xi)" above) will constitute a Servicer Termination Event in each such capacity.

If any Servicer Termination Event with respect to the Master Servicer or the Special Servicer (in either case, the "Defaulting Party") shall occur and be continuing, then, and in each and every such case, so long as the Servicer Termination Event shall not have been remedied, the Collateral Agent may, and (other than an event described in subdivisions "(vii)", "(viii)" and "(ix)" above) at the written direction of Bondholders and/or Certificateholders representing not less than 25% of the Aggregate Voting Rights (*i.e.*, the aggregate Voting Rights of the Bonds and the CMBS Certificates, taken as a whole), or if the relevant Servicer Termination Event is the one described in subdivisions "(vii)", "(viii)" or "(ix)" above, the Collateral Agent shall terminate, by notice in writing to the Defaulting Party (with a copy of such notice to each other party hereto), all of the rights and obligations accruing from and after such notice of the Defaulting Party under the Servicing Agreement and in and to the Obligations and the proceeds thereof (other than as a Secured Party or as a Bondholder or Certificateholder). With respect to each of the Servicer Termination Events listed as subdivisions "(x)" and "(xi)" above, the Collateral Agent shall provide written notice of such Servicer Termination Event to the appropriate Secured Party and request written direction of such Secured Party as to whether it desires to terminate the Defaulting Party; if no such direction is received from such Secured Party within ten (10) Business Days after delivery of such notice by the Collateral Agent, and the Collateral Agent has not elected or not been directed to elect, pursuant to the preceding sentence, to terminate the Defaulting Party, the Defaulting Party will not be terminated by reason of such Servicer Termination Event. For the avoidance of doubt, the "appropriate Secured Party" for purposes of the preceding sentence is the Secured Party related to the Obligations that have ratings that will be affected by the downgrade, withdrawal, watchlist status or qualification giving rise to such default, and, if there is more than one Secured Party affected, any one of such affected Secured Parties may give such direction and such direction by either one shall be sufficient to cause such termination. From and after the receipt by the Defaulting Party of such written notice, all authority and power of the Defaulting Party under the Servicing Agreement shall pass to and be vested in the Collateral Agent, and the Collateral Agent is authorized and empowered to execute and deliver, on behalf of and at the expense of the Defaulting Party, as attorney in fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination, whether to complete the transfer and endorsement or assignment of the Obligations and related documents, or otherwise. The Master Servicer and the Special Servicer each agree that, if it is terminated pursuant to this heading, it shall promptly (and in any event no later than ten (10) Business Days subsequent to its receipt of the notice of termination) provide the Collateral Agent with all documents and records reasonably requested thereby to enable the Collateral Agent to assume the Master Servicer's or Special Servicer's, as the case may be, functions under the Servicing Agreement, and shall cooperate with the Collateral Agent in effecting the termination of the Master Servicer's or Special Servicer's, as the case may be, responsibilities and rights under the Servicing Agreement, including, without limitation, the transfer within two (2) Business Days to the Collateral Agent for administration by it of all cash amounts that shall at the time be or should have been credited by the Master Servicer to the Master Account, the Distribution Account or any Reserve Account or by the Special Servicer to the REO Account or the Master Account, or thereafter be received with respect to the Obligations and any REO Property. All costs and expenses of the Collateral Agent in connection with the termination of the Master Servicer or Special Servicer, as applicable, under this heading (including, without limitation, the requisite transfer of servicing) shall be paid for, as incurred, by the Defaulting Party.

Whether or not a Servicer Termination Event shall have occurred, upon (i) the written direction of Bondholders and/or Certificateholders representing not less than 25% of the Voting Eligible CMBS Certificates and the Voting Eligible Bonds (taken as a whole) requesting a vote to replace the Special Servicer with a new special servicer designated in such written direction, (ii) payment by such Bondholders and/or Certificateholders to the Collateral Agent of the reasonable fees and expenses to be incurred by the Collateral Agent in connection with administering such vote and (iii) subject to the heading above entitled *"No Downgrade Confirmation"*, delivery by such Bondholders and/or Certificateholders to the Collateral Agent of a No Downgrade Confirmation (which confirmation shall be obtained at the expense of such Bondholders and/or Certificateholders), the Collateral Agent shall promptly provide written notice to the CMBS Trustee, the

Indenture Trustee, the Bondholders and the Certificateholders of such request by posting such notice on its internet website and providing to the CMBS Trustee and the Indenture Trustee to be included in the next distribution date statement or similar document to be distributed to Certificateholders or Bondholders, a statement that such request was received, and by mail, and conduct the solicitation of votes of all Bondholders and Certificateholders in such regard. Upon the written direction of Bondholders and/or Certificateholders evidencing at least 75% of the Aggregate Voting Eligible Quorum (*i.e.,* Bondholders and/or Certificateholders representing not less than 66 2/3% of the Aggregate Voting Rights of the Voting Eligible Bonds and the Voting Eligible CMBS Certificates, taken as a whole), the Collateral Agent shall terminate all of the rights and obligations of the Special Servicer under the Servicing Agreement and appoint the successor Special Servicer designated by such Bondholders and/or Certificateholders. The Collateral Agent shall give prompt written notice thereof to the other parties to the Servicing Agreement, the CMBS Depositor, the Issuer and the Borrower. The 17g-5 Information Provider shall promptly post such notice to the 17g-5 Information Provider's Website, and the Collateral Agent shall promptly, but not earlier than two (2) Business Days after such posting, forward notice of such resignation to the Rating Agencies.

Notwithstanding the preceding, if the Master Servicer receives a notice of termination solely due to a Servicer Termination Event under subdivisions "(x)" or "(xi)" above, and if the Master Servicer provides the Collateral Agent with the appropriate "request for proposal" materials within the five (5) Business Days after such termination, then such Master Servicer shall continue to serve as Master Servicer, if requested to do so by the Collateral Agent, and the Collateral Agent shall promptly thereafter (using such "request for proposal" materials provided by the terminated Master Servicer) solicit good faith bids for the rights to master service the Obligations under the Servicing Agreement from at least three (3) Persons qualified to act as Master Servicer under the Servicing Agreement for which the Collateral Agent has received, subject to the heading above entitled *"No Downgrade Confirmation"*, a No Downgrade Confirmation (any such Person so qualified, a "Qualified Bidder") or, if three (3) Qualified Bidders cannot be located, then from as many Persons as the Collateral Agent can determine are Qualified Bidders; provided, that at the Collateral Agent's request, the terminated Master Servicer shall supply the Collateral Agent with the names of Persons from whom to solicit such bids; and provided, further, the Collateral Agent shall not be responsible if less than three (3) or no Qualified Bidders submit bids for the right to master service the Obligations under the Servicing Agreement. The bid proposal shall require any Successful Bidder (as defined below), as a condition of such bid, to enter into the Servicing Agreement as successor Master Servicer, and to agree to be bound by the terms thereof, within 45 days after the termination of the prior Master Servicer. The Master Servicer shall continue to serve in such capacity under the Servicing Agreement until a successor thereto is selected in accordance with the Servicing Agreement or the expiration of 45 days after the Master Servicer's receipt of notice of termination, whichever occurs first. The Collateral Agent shall select the Qualified Bidder with the highest bid (the "Successful Bidder") to act as successor Master Servicer under the Servicing Agreement. The Collateral Agent shall direct the Successful Bidder to enter into the Servicing Agreement as successor Master Servicer no later than 45 days after the termination of the Master Servicer.

Upon the assignment and acceptance of the master servicing rights under the Servicing Agreement to and by the Successful Bidder, the Collateral Agent shall remit or cause to be remitted (i) if the successful bid was a Servicing Retained Bid, to the terminated Master Servicer the amount of such cash bid received from the Successful Bidder (net of "out of pocket" expenses incurred in connection with obtaining such bid and transferring servicing), and (ii) if the successful bid was a Servicing Released Bid, to the Master Servicer and each terminated sub-servicer its respective bid allocation.

If the Successful Bidder has not entered into the Servicing Agreement as successor Master Servicer within 45 days after the Collateral Agent was appointed as successor Master Servicer or no Successful Bidder was identified within such 45 day period, the terminated Master Servicer shall reimburse the Collateral Agent for all reasonable "out of pocket" expenses incurred by the Collateral Agent in connection with such bid process and the Collateral Agent shall have no further obligations under this heading. The Collateral Agent thereafter may act or may select a successor to act as Master Servicer under the Servicing Agreement in accordance with this heading.

Collateral Agent to Act; Appointment of Successor

On and after the time the Master Servicer or the Special Servicer resigns or receives a notice of termination, the Collateral Agent shall be the successor in all respects to the Master Servicer or the Special Servicer and shall be subject to all the responsibilities, duties and liabilities relating thereto and arising thereafter placed on the Master Servicer or the Special Servicer, as the case may be, by the terms and provisions of the Servicing Agreement, including, without limitation, if the Master Servicer is the resigning or terminated party, the Master Servicer's obligation to make P&I Advances; provided that any failure to perform such duties or responsibilities caused by the Master Servicer's or the Special Servicer's, as the case may be, failure to cooperate or to provide information or monies required by the Servicing Agreement shall not be considered a default by the Collateral Agent thereunder. As compensation therefor, the Collateral Agent shall be entitled to all fees and other compensation that the resigning or terminated party would have been entitled to for future services rendered if the resigning or terminated party had continued to act under the Servicing Agreement. Notwithstanding the above, the Collateral Agent may, if it shall be unwilling to so act, or shall, if it is unable to so act, or is not approved by each and every Rating Agency as an acceptable master servicer or special servicer, as the case may be, of commercial mortgage loans, or if Bondholders and Certificateholders representing 25% of the Aggregate Voting Rights so request in writing to the Collateral Agent, promptly appoint, or petition a court of competent jurisdiction to appoint, any established and qualified institution as the successor to the Master Servicer or the Special Servicer, as the case may be, in the assumption of all or any part of the responsibilities, duties or liabilities of the Master Servicer or the Special Servicer, as the case may be, under the Servicing Agreement; provided that in the case of a successor Master Servicer, such successor has been approved by the CMBS Trustee and the Indenture Trustee, which consents with respect to the Master Servicer shall not be unreasonably withheld or delayed; and provided further that the Collateral Agent has received, subject to the heading above entitled *"No Downgrade Confirmation"*, a No Downgrade Confirmation with respect to such appointment. No appointment of a successor to the Master Servicer or the Special Servicer under the Servicing Agreement shall be effective until the assumption of the successor to such party of all its responsibilities, duties and liabilities under the Servicing Agreement. Pending appointment of a successor to the Master Servicer or the Special Servicer, the Collateral Agent shall act in such capacity as above provided. If the Master Servicer is the resigning or terminated party and the Collateral Agent is prohibited by law or regulation from making P&I Advances, the Collateral Agent shall promptly appoint any established mortgage loan servicing institution that has a net worth of not less than $15,000,000 and is otherwise acceptable to each Rating Agency (as evidenced by receipt, subject to the heading above entitled *"No Downgrade Confirmation"*, of a No Downgrade Confirmation therefrom), as the successor to the Master Servicer in the assumption of all or any part of the responsibilities, duties or liabilities of the Master Servicer under the Servicing Agreement (including, without limitation, the obligation to make P&I Advances), which appointment will become effective immediately. Any costs and expenses associated with the transfer of the foregoing functions under the Servicing Agreement (other than the set up costs of the successor) shall be borne by the predecessor Master Servicer or Special Servicer, as applicable, and, if not paid by such predecessor Master Servicer or Special Servicer within 30 days of its receipt of an invoice therefor, shall be paid as a Servicing Advance; provided that such predecessor Master Servicer or Special Servicer shall reimburse any such expense so incurred as a Servicing Advance.

Waiver of Servicer Termination Events

Bondholders and/or Certificateholders representing a majority of the Aggregate Voting Rights may waive such Servicer Termination Event. Upon any such waiver of a Servicer Termination Event, such Servicer Termination Event shall cease to exist and shall be deemed to have been remedied for every purpose under the Servicing Agreement. No such waiver shall extend to any subsequent or other Servicer Termination Event or impair any right consequent thereon except to the extent expressly so waived.

Additional Remedies of Collateral Agent Upon Servicer Termination Event

During the continuance of any Servicer Termination Event, so long as such Servicer Termination Event shall not have been remedied, the Collateral Agent, in addition to the rights specified above, shall also have the right, in its own name and as the Collateral Agent under the Servicing Agreement, to take all actions now or hereafter existing at law, in equity or by statute to enforce its rights and remedies and to protect the interests, and enforce the rights and remedies, of the other Secured Parties (including the institution and prosecution of all judicial, administrative and other proceedings and the filings of proofs of claim and debt in connection therewith). Except as otherwise expressly provided in the Servicing Agreement, no remedy provided for by the Servicing Agreement shall be exclusive of any other remedy, and each and every remedy shall be cumulative and in addition to any other remedy, and no delay or omission to exercise any right or remedy shall impair any such right or remedy or shall be deemed to be a waiver of any Servicer Termination Event.

Master Servicer and Special Servicer not to Resign

Neither the Master Servicer nor the Special Servicer shall be permitted to resign from the obligations and duties imposed on it by the Servicing Agreement, except (i) upon the appointment of, and the acceptance of such appointment by, a successor thereto that is reasonably acceptable to the Collateral Agent, the Indenture Trustee and the CMBS Trustee and the receipt, subject to the provisions of the heading below entitled *"No Downgrade Confirmation"*, by the Collateral Agent of a No Downgrade Confirmation, or (ii) upon determination that such obligations and duties thereunder are no longer permissible under Applicable Law. Any such determination of the nature described in clause (ii) of the preceding sentence permitting the resignation of the Master Servicer or the Special Servicer, as the case may be, shall be evidenced by an Opinion of Counsel to such effect, which shall be rendered by Independent counsel, be addressed and delivered to the Collateral Agent and the Rating Agencies and be paid for by the resigning party. No such resignation for either reason shall become effective until the Collateral Agent or other successor shall have assumed the responsibilities and obligations of the resigning party under the Servicing Agreement. All costs and expenses of the Secured Parties and obtaining the No Downgrade Confirmation in connection with any such resignation (including, without limitation, any requisite transfer of servicing) shall be paid for, as incurred, by the resigning party.

Consistent with the foregoing, neither the Master Servicer nor the Special Servicer shall be permitted, except as expressly provided in the Servicing Agreement, to assign or transfer any of its rights, benefits or privileges thereunder to any other Person.

Rights of the Collateral Agent in Respect of the Master Servicer, the Special Servicer and the Operating Advisor

The Master Servicer and the Special Servicer each shall afford any Secured Party and the Operating Advisor, upon reasonable notice, during normal business hours, access to all records maintained by the Master Servicer or the Special Servicer, as the case may be, in respect of its rights and obligations under the Servicing Agreement and access to such of its officers as are responsible for such obligations. Upon reasonable request, the Master Servicer and the Special Servicer each shall furnish each Secured Party and the Operating Advisor with its most recent publicly available financial statements and such other publicly available information directly related to the servicing of the Obligations or to its ability to perform its obligations under the Servicing Agreement as it possesses, and that it is not prohibited by law or, to the extent applicable, binding obligations to third parties with respect to confidentiality from disclosing, regarding its business, affairs, property and condition, financial or otherwise; provided that none of any such Secured Party or the Operating Advisor may disclose the contents of any information that is not available publicly to non-affiliated third parties (other than their duly authorized representatives, which include, without limitation, attorneys and/or accountants) unless such Person is required to do so under applicable securities law or is compelled to do so as a matter of law. The Collateral Agent may, but is not obligated to, enforce the obligations of the Master Servicer and the

Special Servicer under the Servicing Agreement and may, but is not obligated to, perform, or cause a designee to perform, any defaulted obligation of the Master Servicer or the Special Servicer thereunder or, in connection with a default thereby, exercise the rights of the Master Servicer or the Special Servicer thereunder; provided, however, none of the Master Servicer or the Special Servicer shall be relieved of any of its obligations thereunder by virtue of such performance by the Collateral Agent or its designee. The Collateral Agent shall not have any responsibility or liability for any action or failure to act by the Master Servicer or the Special Servicer and is not obligated to supervise the performance of the Master Servicer or the Special Servicer under the Servicing Agreement or otherwise.

The CMBS Trustee, the Indenture Trustee, the Master Servicer, the Special Servicer and the Holders, by their acceptance of their respective Obligations, agree that (i) all rights and obligations of the Collateral Agent under the Collateral Agency Agreement with respect to the establishment, holding and administration of the Collateral Accounts have been delegated to the Master Servicer pursuant to the terms of the Servicing Agreement, and the Collateral Agent shall have no obligation to take any action upon a Mortgage Event of Default with respect to the Collateral Accounts unless the Collateral Agent is directed to do so by the Special Servicer as long as the Servicing Agreement is in effect and (ii) notwithstanding anything in the Collateral Agency Agreement to the contrary, to the extent that the Master Servicer is already in possession of documents constituting part of the Mortgage File and insurance policies or certificates issued by insurers, the Collateral Agent shall have no obligation to deliver copies of such documents, insurance policies or certificates. To the extent the Loan Agreements or the Collateral Agency Agreement indicate (x) that the Collateral Agent is to take or refrain from taking any action, (y) that the Collateral Agent seeks instruction or direction with respect to any action or inaction thereunder or (z) that the waiver or consent of the Collateral Agent is required thereunder, the Collateral Agent shall provide written notice thereof to the Master Servicer if the Obligations are Performing Obligations or the Special Servicer if the Obligations are Specially Serviced Obligations. The Master Servicer or the Special Servicer, as the case may be, shall thereupon, and in accordance with the Servicing Standard, direct the Collateral Agent in writing with respect to taking any such actions or refraining from taking such actions. The Indenture Trustee, the CMBS Trustee, the Certificateholders and the Bondholders shall not have any right to direct the Collateral Agent to take or refrain from taking any action under the Loan Agreements and the Collateral Agency Agreement (unless expressly provided for therein), and the Collateral Agent shall in no way be liable for any action or inaction taken at the direction of the Master Servicer or the Special Servicer, as the case may be, or any such parties, and the Master Servicer and the Special Servicer shall not be liable for any direction with respect to any action or inaction given in accordance with the Servicing Standard.

Certain Matters Affecting the Collateral Agent

The Collateral Agent shall act in accordance with the instructions of the Master Servicer and the Special Servicer under the Servicing Agreement.

Access to Certain Information

The Collateral Agent shall provide or cause to be provided to the Master Servicer, the Special Servicer, the Indenture Trustee, the CMBS Trustee, the Operating Advisor, the OTS, the FDIC, and any other federal or state banking or insurance regulatory authority that may exercise authority over any Secured Party, access to the Mortgage Files and any other documentation regarding the Obligations, that is within its control. Such access shall be afforded without charge but only upon reasonable prior written request and during normal business hours at the offices of the Collateral Agent designated by it.

The Collateral Agent's internet website shall initially be located at "www.sf.citidirect.com". Assistance in using the website can be obtained by calling the Collateral Agent's customer service desk at (800) 422-2066. Parties that are unable to use the above distribution option are entitled to have a paper copy mailed to them via first class mail by calling the customer service desk and indicating such. The Collateral Agent shall have the right to change the way such statements are distributed in order to make such distribution

more convenient and/or more accessible to the above parties, and the Collateral Agent shall provide timely and adequate notification to all above parties regarding any such changes.

Investor Q&A Forum; Rating Agency Q&A Forum

The Collateral Agent shall make available to Privileged Persons only, the Investor Q&A Forum. The "Investor Q&A Forum" shall be a service available on the Collateral Agent's Website where Bondholders, Certificateholders and Beneficial Owners of Bonds or CMBS Certificates may (i) submit questions to the CMBS Trustee, the Indenture Trustee or the Operating Advisor relating to the Distribution Date Statement or Bond Payment Date Statement, or submit questions to the Master Servicer or the Special Servicer, as applicable, relating to the reports being made available pursuant to the Servicing Agreement, the Loans or the Mortgaged Property (each an "Investor Inquiry"), and (ii) Privileged Persons may view Investor Inquiries that have been previously submitted and answered, together with the answers thereto. If the Collateral Agent, the CMBS Trustee, the Indenture Trustee, the Operating Advisor, the Master Servicer or the Special Servicer determines, in its respective sole discretion, that (i) any Investor Inquiry is beyond the scope of the topics described above, (ii) answering any Investor Inquiry would not be in the best interests of the Holders, (iii) answering any Investor Inquiry would be in violation of Applicable Law, the Servicing Standard, the applicable Loan Documents or the Servicing Agreement, (iv) answering any Investor Inquiry would materially increase the duties of, or result in significant additional cost or expense to, the Collateral Agent, the CMBS Trustee, the Indenture Trustee, the Operating Advisor, the Master Servicer or the Special Servicer, as applicable, (v) answering any Investor Inquiry would require the disclosure of privileged information (including for this purpose any proprietary information of the Borrower, such as the rent roll), or (vi) answering any Investor Inquiry is otherwise, for any reason, not advisable to answer, it shall not be required to answer such Investor Inquiry and, shall promptly notify the Collateral Agent of such determination. The Collateral Agent shall notify the Person who submitted such Investor Inquiry in the event that the Investor Inquiry will not be answered. The Collateral Agent shall not be required to post to its Website any Investor Inquiry or answer thereto that the Collateral Agent determines, in its sole discretion, is administrative or ministerial in nature. The Investor Q&A Forum will not reflect questions, answers and other communications that are not submitted via the Collateral Agent's Website.

The 17g-5 Information Provider shall make available, only to NRSROs, the Rating Agency Q&A Forum and Servicer Document Request Tool. The "Rating Agency Q&A Forum and Servicer Document Request Tool" shall be a service available on the 17g-5 Information Provider's Website, where NRSROs may (i) submit inquiries to the CMBS Trustee relating to the Distribution Date Statement or to the Indenture Trustee relating to the Bond Payment Date Statement, (ii) submit inquiries to the Master Servicer or the Special Servicer, as applicable, relating to the reports prepared by such parties, (iii) submit requests for loan-level reports and information (each such submission, a "Rating Agency Inquiry") or (iv) view Rating Agency Inquiries that have been previously submitted and answered, together with the responses thereto. Following receipt of a Rating Agency Inquiry from the 17g-5 Information Provider, the CMBS Trustee, the Indenture Trustee, the Master Servicer or the Special Servicer, as applicable, unless it determines not to answer such Rating Agency Inquiry as provided below, shall reply by email to the 17g-5 Information Provider. The 17g-5 Information Provider shall post (within a commercially reasonable period of time following receipt of such response) such Rating Agency Inquiry and the related response (or such reports, as applicable) to the Rating Agency Q&A Forum and Servicer Document Request Tool. If the CMBS Trustee, the Indenture Trustee, the Master Servicer, the Collateral Agent or the Special Servicer determines, in its respective sole discretion, that (i) answering any Rating Agency Inquiry would be in violation of Applicable Law, the Servicing Standard, the Servicing Agreement or the applicable Loan Documents, (ii) answering any Rating Agency Inquiry would or is reasonably expected to result in a waiver of an attorney-client privilege with, or the disclosure of attorney work product of, any counsel engaged by the CMBS Trustee, the Indenture Trustee, the Master Servicer, the Collateral Agent or the Special Servicer, as applicable, or (iii)(A) answering any Rating Agency Inquiry would materially increase the duties of, or result in significant additional cost or expense to, the CMBS Trustee, the Indenture Trustee, the Master Servicer, the Special Servicer or the Collateral Agent, as applicable, and (B) the CMBS Trustee, the Indenture Trustee, the Master Servicer, the Special Servicer or the Collateral Agent, as

applicable, determines in accordance with the Servicing Standard (or in good faith, in the case of the CMBS Trustee or the Indenture Trustee) that the performance of such duties or the payment of such costs and expenses is beyond the scope of its duties in its capacity as CMBS Trustee, Indenture Trustee, Master Servicer, Collateral Agent or Special Servicer, as applicable, under the Servicing Agreement, it shall not be required to answer such Rating Agency Inquiry and shall promptly notify the 17g-5 Information Provider by email of such determination. The 17g-5 Information Provider shall promptly thereafter post the Rating Agency Inquiry with the reason it was not answered to the Rating Agency Q&A Forum and Servicer Document Request Tool. The 17g-5 Information Provider will not be liable for the failure by any other such Person to so answer. Questions posted on the Rating Agency Q&A Forum and Servicer Document Request Tool shall not be attributed to the submitting NRSRO.

Statements to Bondholders

On each date upon which interest or principal (including Sinking Fund Installments) is due on the Liberty Bonds (a "Bond Payment Date"), the Collateral Agent shall forward or make available through its internet website, which is located at www.sf.citidirect.com to any Privileged Person, the Master Servicer, the Special Servicer, the Indenture Trustee and each Person who delivers to the Collateral Agent an Investor Certification, a statement, prepared by the Collateral Agent, in respect of the payments on such Bond Payment Date (a "Bond Payment Date Statement") setting forth:

(i) the amount of the payments made on such Bond Payment Date allocable to interest and allocable to principal on each Class of Liberty Bonds;

(ii) if the payment to any Class of Liberty Bondholders is less than the full amount then due to such Class of Liberty Bondholders on such Bond Payment Date, the amount of such shortfall, stating separately amounts allocable to principal and interest on each Class of Liberty Bonds; and

(iii) the principal balance of each Class of Bonds prior to and after giving effect to any payments on such Bond Payment Date.

Further, on each Liberty Bonds Scheduled Payment Date, the Collateral Agent shall forward or make available through its internet website to any Privileged Person, a statement in respect of the payments on such Liberty Bonds Scheduled Payment Date (a "Liberty Bonds Loan Payment Date Statement") setting forth:

(i) (A) the amount of payments made on such Liberty Bonds Scheduled Payment Date allocable to interest and to principal on each Component of the Liberty Bonds Loan, and (B) the amount of any shortfalls in such payments allocable to interest on and to principal of each Component of the Liberty Bonds Loan;

(ii) (A) the amount of any P&I Advance on the Liberty Bonds Loan for such Liberty Bonds Scheduled Payment Date, and (B) the amount of Advance Interest paid on P&I Advances on the Liberty Bonds Loan;

(iii) the principal balance of the Liberty Bonds Loan and the Taxable Loan as of the Determination Date immediately preceding such Liberty Bonds Scheduled Payment Date;

(iv) the aggregate amount of payments of principal on each Component of the Liberty Bonds Loan (and the source of such payments) made since the Determination Date immediately preceding the prior Liberty Bonds Scheduled Payment Date, or since the Closing Date in the case of the first Liberty Bonds Scheduled Payment Date;

(v) identification of any Mortgage Event of Default, any Servicing Transfer Event or any Servicer Termination Event under the Servicing Agreement or the Loan Documents that in either case

has been declared as of the Determination Date immediately preceding such Liberty Bonds Scheduled Payment Date;

(vi) the amount of the compensation paid with respect to the Liberty Bonds Loan to the Master Servicer (other than the Master Servicing Fee), the Special Servicer, the Operating Advisor, the Collateral Agent and the Indenture Trustee as of such Liberty Bonds Scheduled Payment Date with respect to the Liberty Bonds Loan, separately listing such compensation and any Liquidation Fees or Work-out Fees and any other Borrower charges retained by the Master Servicer or the Special Servicer;

(vii) the number of days the Borrower is delinquent in the event that the Borrower is delinquent at least thirty (30) days and the date upon which any foreclosure proceedings have been commenced;

(viii) if the Mortgaged Property, as of the close of business on such Scheduled Payment Date, had become an REO Property;

(ix) information with respect to any bankruptcy of the Borrower;

(x) as to the Liberty Bonds Loan or any portion of the Mortgaged Property released, liquidated or disposed of during the preceding Collection Period, the identity of such item and the amount of proceeds of any liquidation or other amounts, if any, received therefrom since the Determination Date immediately preceding the prior Liberty Bonds Scheduled Payment Date, or since the Closing Date in the case of the first Liberty Bonds Scheduled Payment Date;

(xi) the aggregate amount of all Advances, if any, not yet reimbursed on the CMBS Loan and the Liberty Bonds Loan;

(xii) the amount of any reimbursement of Nonrecoverable Advances on the CMBS Loan and the Liberty Bonds Loan paid to the Master Servicer or the Collateral Agent;

(xiii) an itemized report identifying any Appraisal Reduction Amounts and the Classes of Liberty Bonds and/or Classes of CMBS Certificates to which such Appraisal Reduction Amounts have been allocated; and

(xiv) the aggregate amount of Borrower Reimbursable Expenses reimbursable by the Borrower as of the immediately preceding Determination Date.

Each Loan Payment Date Statement may be obtained from the Collateral Agent through the above-referenced internet website maintained by the Collateral Agent. As a condition to access to the Collateral Agent's internet website, the Collateral Agent may require registration and the acceptance of a disclaimer, as well as an Investor Certification.

The Operating Advisor

The Operating Advisor shall exercise such of the rights and powers vested in it by the Servicing Agreement, and use the same degree of care, skill, prudence and diligence with which the Operating Advisor administers its duties on similar commercial financings, giving due consideration to customary and usual standards of practice for similar institutional services. Each provision of the Servicing Agreement requiring or otherwise providing for action by the Operating Advisor shall be subject to the Operating Advisor's professional judgment, exercised in a commercially reasonable manner.

The Operating Advisor shall not be accountable for the use or application by the Secured Parties or the Borrower of any of the Bonds and/or CMBS Certificates or of the proceeds of such Bonds and/or CMBS Certificates, or for use or application of any moneys received by any Paying Agent. The Operating Advisor, in its individual or any other capacity, may not become the owner or pledgee of Bonds or CMBS Certificates.

Resignation, Removal and Succession of Operating Advisor

The Operating Advisor may resign at any time without cause by giving at least thirty (30) days' prior written notice by mail to the parties to the Servicing Agreement, such resignation to be effective upon the acceptance of the duties of the Operating Advisor by a successor. In the case of the resignation of the Operating Advisor, a successor Operating Advisor may, with notice to the CMBS Trustee, the Indenture Trustee, the Master Servicer, the Special Servicer and the Borrower, be appointed by a majority of the Aggregate Voting Rights of the Voting Eligible CMBS Certificates and the Voting Eligible Bonds. If a successor Operating Advisor shall not have been appointed within thirty (30) days after such notice of resignation or removal, the Collateral Agent may apply to any court of competent jurisdiction to appoint a successor to act as Operating Advisor until such time, if any, as a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided.

The Operating Advisor may also be removed upon (i) the written direction of not less than 25% of the Aggregate Voting Rights of the Voting Eligible CMBS Certificates and the Voting Eligible Bonds (taken as a whole) requesting a vote to replace the Operating Advisor with a replacement Operating Advisor selected by such requesting Certificateholders and/or Bondholders (provided that the proposed replacement Operating Advisor meets the criteria set forth in the heading below entitled *"Qualifications of Successor Operating Advisor"*), (ii) payment by the requesting Certificateholders and/or Bondholders to the Collateral Agent of all reasonable fees and expenses to be incurred by the Collateral Agent in connection with administering such vote, and (iii) receipt by the Collateral Agent, subject to the provisions of the subheading above entitled *"No Downgrade Confirmation"*, of a No Downgrade Confirmation from each Rating Agency (which confirmations will be obtained at the expense of such requesting Certificateholders and/or Bondholders). The Collateral Agent shall promptly provide written notice to the Holders, the Bondholders and the Certificateholders of such request by posting such notice on its internet website and providing to the CMBS Trustee and the Indenture Trustee to be included in the next Bond Payment Date Statement or Distribution Date Statement or similar document to be distributed to Bondholders or Certificateholders, as applicable, a statement that such request was received, and by mail, and conduct the solicitation of votes of all Bondholders and Certificateholders in such regard. Upon the written direction of Bondholders and/or Certificateholders evidencing at least 75% of the Aggregate Voting Eligible Quorum, the Collateral Agent shall terminate all of the rights and obligations of the Operating Advisor under the Servicing Agreement and appoint the successor Operating Advisor designated by such Bondholders and/or Certificateholders.

In the event that the Operating Advisor fails to duly observe or perform in any material respect any of its duties, covenants or obligations under the Servicing Agreement, then the CMBS Trustee and/or the Indenture Trustee may, and upon the written direction of Holders representing a majority of the Aggregate Voting Rights of the Voting Eligible Bonds and the Voting Eligible CMBS Certificates (taken as a whole), the CMBS Trustee and/or Indenture Trustee shall terminate the Operating Advisor for cause. In the event (i) (A) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law for the appointment of a conservator, receiver, liquidator, trustee or similar official in any bankruptcy, insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of its affairs, shall have been entered against the Operating Advisor and such decree or order shall have remained in force, undischarged, undismissed or unstayed for a period of sixty (60) days, (B) the Operating Advisor shall consent to the appointment of a conservator, receiver, liquidator, trustee or similar official in any bankruptcy, insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to the Operating Advisor or of or relating to all or substantially all of its property, or

(C) the Operating Advisor shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable bankruptcy, insolvency or reorganization statute, make an assignment for the benefit of its creditors, voluntarily suspend payment of its obligations or take any corporate action in furtherance of the foregoing, or (ii) the Operating Advisor acknowledges in writing that such party's duties under the Servicing Agreement are no longer permissible under Applicable Law and provides an Opinion of Counsel to such effect, then the Taxable Securities Trustee and/or the Indenture Trustee shall terminate the Operating Advisor for cause. Upon the termination of the Operating Advisor, a replacement Operating Advisor satisfying the conditions for such replacement in the heading below shall be selected by the CMBS Trustee (acting at the direction of the holders of 66 ⅔% of the Voting Eligible CMBS Certificates) and/or the Indenture Trustee.

The Collateral Agent shall give prompt written notice of the resignation or removal, and the appointment of a successor Operating Advisor, to the other parties to the Servicing Agreement, the CMBS Depositor and the Issuer. The 17g-5 Information Provider shall promptly post such notice to the 17g-5 Information Provider's Website, and promptly, but not earlier than two (2) Business Days after such posting, shall forward notice of such resignation or removal and succession to the Rating Agencies.

Qualifications of Successor Operating Advisor

Any successor Operating Advisor, however appointed, shall be an institution (i) that is the transaction level special servicer or operating advisor on a transaction rated by any of Moody's or Fitch (or if neither Moody's or Fitch remains in business, in any public or private commercial mortgage securitization) but has not been special servicer or operating advisor on a transaction for which Moody's or Fitch has qualified, suspended, downgraded or withdrawn its rating or ratings of, one or more classes of commercial mortgage-backed securities for such transaction citing servicing concerns with the special servicer or operating advisor as the sole or material factor in such rating action, (ii) that can and will make the representations and warranties required of it under the Servicing Agreement, and (iii) that is not the Special Servicer or an Affiliate of the Special Servicer.

Rating Agency Confirmation Fees

Any Rating Agency fees incurred in connection with any No Downgrade Confirmation shall be paid by the Holder with respect to the Obligation as to which the action or event requiring such No Downgrade Confirmation is occurring, unless such action or event is occurring solely because of the occurrence of an action or event requiring a No Downgrade Confirmation under another Obligation, in which case the Secured Party with respect to such other Obligation shall pay such Rating Agency fees in addition to any it may have to pay with respect to such other Obligation itself.

Term

The Servicing Agreement shall terminate (except for such rights as are expressly provided to survive any termination of the Servicing Agreement) upon (i) the full and final payment of all amounts due under the CMBS Loan and the Liberty Bonds Loan or (ii) the final Liquidation of the Obligations or the REO Property.

Modification; Waiver in Writing

The Servicing Agreement shall not be modified, cancelled or terminated except by an instrument in writing signed by the parties thereto. In addition, the parties shall not amend or modify the Servicing Agreement without first receiving (A) a No Downgrade Confirmation, (B) an Opinion of Counsel in form and substance reasonably acceptable to the Master Servicer or the Special Servicer, as the case may be, and issued by counsel experienced in grantor trust matters that such amendment or modification would not cause an Adverse Grantor Trust Event and (C) an Opinion of Bond Counsel in form and substance reasonably acceptable to the Indenture Trustee that such amendment or modification will not result in an Adverse Liberty

Bonds Event. The party seeking modification of the Servicing Agreement shall be solely responsible for any and all expenses that may arise in order to modify the Servicing Agreement. None of the Collateral Agent, the Indenture Trustee or the CMBS Trustee will be required to consent to any amendment to the Servicing Agreement unless it has first been furnished with an opinion of counsel to the effect that such amendment is authorized or permitted under the Servicing Agreement.

Notwithstanding clause (A) of the preceding paragraph and the heading above entitled "*Modifications, Waivers, Amendments and Consents*", a No Downgrade Confirmation shall not be required with respect to any amendment or modification to the Servicing Agreement or the Collateral Agency Agreement to cure any ambiguity or to correct or supplement any provision therein that may be defective or inconsistent with any other provisions in the Servicing Agreement or with the CMBS Trust Agreement or the Indenture.

No amendment of the provisions of the Servicing Agreement described under the headings above entitled *"Application of Payments Prior to Liquidation"* or *"Application of Payments on or After a Liquidation"* shall be made that would materially and adversely affect the rights or obligations of the Borrower without its prior written consent. In addition, no amendment, replacement or other modification which increases the Master Servicing Fee, the Special Servicing Fee, the Workout Fee, the Liquidation Fee, or the Collateral Agent Fee in any respect without the Borrower's prior written consent.

Successors and Assigns; Third Party Beneficiaries

The Servicing Agreement shall inure to the benefit of and be binding upon the parties thereto and their respective successors and assigns. Except as provided in the next following paragraph with respect to the Borrower, none of the provisions of the Servicing Agreement shall be for the benefit of or enforceable by any Person not a party thereto. Each of the CMBS Trustee or the Indenture Trustee (or successor thereto as permitted under the CMBS Trust Agreement or the Indenture, as applicable) may assign or delegate its rights or obligations under the Servicing Agreement only as permitted in the Servicing Agreement. Upon any such permitted assignment, the assignee shall be entitled to all rights and benefits of the CMBS Trustee or Indenture Trustee thereunder, including, without limitation, the right to make further assignments.

The Borrower is an intended third party beneficiary to the Servicing Agreement solely with respect to each of the Master Servicer's and Special Servicer's (i) obligations to deliver any notices specified in the Servicing Agreement to the Borrower, and (ii) the restrictions set forth in the immediately preceding subheading, and may enforce such obligations, and only such obligations, as if it were a party to the Servicing Agreement.

Regulation AB

The Regulation AB provisions within the Servicing Agreement shall be construed as if the Obligations were publicly registered and reporting was required at all times, while not otherwise conceding that the Bonds should in fact be so construed.

DESCRIPTION OF THE MASTER SERVICER AND THE SPECIAL SERVICER

The information set forth in this Official Statement regarding Wells Fargo Bank, National Association ("Wells Fargo") or under this heading entitled *"Description of the Master Servicer and the Special Servicer"* has been provided by Wells Fargo. None of the Issuer, the Borrower or the Underwriters, nor any other person other than Wells Fargo, makes any representation or warranty as to the accuracy or completeness of such information.

Wells Fargo Bank, National Association ("Wells Fargo") will act as the master servicer (in such capacity, the "Master Servicer") and as the special servicer (in such capacity, the "Special Servicer") under the Servicing Agreement. Wells Fargo is a national banking association organized under the laws of the United

States of America, and is a wholly-owned direct and indirect subsidiary of Wells Fargo & Company. On December 31, 2008, Wells Fargo & Company acquired Wachovia Corporation, the owner of Wachovia Bank, National Association ("Wachovia"), and Wachovia Corporation merged with and into Wells Fargo & Company. On March 20, 2010, Wachovia merged with and into Wells Fargo. Like Wells Fargo, Wachovia acted as master servicer and special servicer of securitized commercial and multifamily mortgage loans and, following the merger of the holding companies, Wells Fargo and Wachovia began to integrate their two servicing platforms under a senior management team that is a combination of both legacy Wells Fargo managers and legacy Wachovia managers. That integration is continuing.

The principal west coast commercial mortgage master servicing and special servicing offices of Wells Fargo are located at MAC A0227-020, 1901 Harrison Street, Oakland, California 94612. The principal east coast commercial mortgage master servicing and special servicing offices of Wells Fargo are located at MAC D1086, 550 South Tryon Street, Charlotte, North Carolina 28202.

Wells Fargo has been master servicing securitized commercial and multifamily mortgage loans in excess of ten years. Wells Fargo's primary servicing system runs on McCracken Financial Solutions software, Strategy CS. Wells Fargo reports to trustees and certificate administrators in the CREFC format. The following table sets forth information about Wells Fargo's portfolio of master or primary serviced commercial and multifamily mortgage loans (including loans in securitization transactions and loans owned by other investors) as of the dates indicated:

Commercial and Multifamily Mortgage Loans	As of 12/31/2008	As of 12/31/2009	As of 12/31/2010	As of 12/31/2011
By Approximate Number:	43,720	41,703	39,125	38,132
By Approximate Aggregate Unpaid Principal Balance (in billions):	$491.4	$473.4	$451.09	$437.68

Within this portfolio, as of December 31, 2011, are approximately 26,728 commercial and multifamily mortgage loans with an unpaid principal balance of approximately $358.6 billion related to commercial mortgage-backed securities or commercial real estate collateralized debt obligation securities. In addition to servicing loans related to commercial mortgage-backed securities and commercial real estate collateralized debt obligation securities, Wells Fargo also services whole loans for itself and a variety of investors. The properties securing loans in Wells Fargo's servicing portfolio, as of December 31, 2011, were located in all 50 states, the District of Columbia, Guam, Mexico, the Bahamas, the Virgin Islands and Puerto Rico and include retail, office, multifamily, industrial, hotel and other types of income-producing properties.

In its master servicing and primary servicing activities, Wells Fargo utilizes a mortgage-servicing technology platform with multiple capabilities and reporting functions. This platform allows Wells Fargo to process mortgage servicing activities including, but not limited to: (i) performing account maintenance; (ii) tracking borrower communications; (iii) tracking real estate tax escrows and payments, insurance escrows and payments, replacement reserve escrows and operating statement data and rent rolls; (iv) entering and updating transaction data; and (v) generating various reports.

The following table sets forth information regarding principal and interest advances and servicing advances made by Wells Fargo, as master servicer, on commercial and multifamily mortgage loans included in commercial mortgage-backed securitizations. The information set forth below is the average amount of such advances outstanding over the periods indicated (expressed as a dollar amount and as a percentage of Wells Fargo's portfolio, as of the end of each such period, of master serviced commercial and multifamily mortgage loans included in commercial mortgage-backed securitizations).

Period	Approximate Securitized Master-Serviced Portfolio (UPB)†	Approximate Outstanding Advances (P&I and PPA)†	Approximate Outstanding Advances as % of UPB
Calendar Year 2008	$ 384,974,195,963	$ 152,404,687	0.04%
Calendar Year 2009	$ 370,868,977,095	$ 492,576,563	0.13%
Calendar Year 2010	$ 350,208,413,696	$ 1,560,768,558	0.45%
Calendar Year 2011	$ 340,805,885,266	$ 1,880,456,070	0.55%

† "UPB" means unpaid principal balance, "P&I" means principal and interest advances and "PPA" means property protection advances.

Wells Fargo has acted as a special servicer of securitized commercial and multifamily mortgage loans in excess of five years. Wells Fargo's special servicing system includes McCracken Financial Solutions Corp.'s Strategy CS software.

The table below sets forth information about Wells Fargo's portfolio of specially serviced commercial and multifamily mortgage loans as of the dates indicated:

CMBS Pools	As of 12/31/2008	As of 12/31/2009	As of 12/31/2010	As of 12/31/2011
By Approximate Number	61	52	56	59
Named Specially Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance (in billions)[1]	$26.0	$18.5	$22.6	$31.6
Actively Specially Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance [2]	$675,096.189	$913,424,748	$1,081,410,457	$2,971,462,061

(1) Includes all loans in Wells Fargo's portfolio for which Wells Fargo is the named special servicer, regardless of whether such loans are, as of the specified date, specially-serviced loans.

(2) Includes only those loans in the portfolio that, as of the specified date, are specially-serviced loans.

The properties securing loans in Wells Fargo's special servicing portfolio may include retail, office, multifamily, industrial, hospitality and other types of income-producing property. As a result, such properties, depending on their location and/or other specific circumstances, may compete with the Mortgaged Property for tenants, purchasers, financing and so forth.

Wells Fargo has developed strategies and procedures as special servicer for working with borrowers on problem loans (caused by delinquencies, bankruptcies or other breaches of the underlying loan documents) to maximize the value from the assets for the benefit of holders of any related securities. Wells Fargo's strategies and procedures vary on a case by case basis, and include, but are not limited to, liquidation of the underlying collateral, note sales, discounted payoffs, and borrower negotiation or workout in accordance with the applicable servicing standard, the underlying loan documents and applicable law, rule and regulation.

Wells Fargo is rated by Fitch, S&P and Morningstar as a primary servicer, a master servicer and a special servicer of commercial mortgage loans. Wells Fargo's servicer ratings by each of these agencies are outlined below:

	Fitch	S&P	Morningstar
Primary Servicer:.....	CPS2+	Above Average	MOR CS2
Master Servicer:.....	CMS2	Above Average	MOR CS2
Special Servicer	CSS2-	Above Average	MOR CS2

The long-term deposits of Wells Fargo are rated "AA-" by S&P, "Aa3" by Moody's and "AA-" by Fitch. The short-term deposits of Wells Fargo are rated "A-1+" by S&P, "P-1" by Moody's and "F1+" by Fitch.

Wells Fargo, as a master servicer and a special servicer, has developed policies, procedures and controls relating to its servicing functions to maintain compliance with applicable servicing agreements and servicing standards, including procedures for handling delinquent loans during the period prior to the occurrence of a special servicing transfer event. Wells Fargo's master servicing and special servicing policies and procedures are updated periodically to keep pace with the changes in the commercial mortgage-backed securities industry and have been generally consistent for the last three years in all material respects. The only significant changes in Wells Fargo's policies and procedures have come in response to changes in federal or state law or investor requirements, such as updates issued by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation.

Wells Fargo may perform any of its obligations under the Servicing Agreement through one or more third-party vendors, affiliates or subsidiaries. Notwithstanding the foregoing, the Master Servicer or Special Servicer under the Servicing Agreement will remain responsible for its duties thereunder. Wells Fargo may engage third-party vendors to provide technology or process efficiencies. Wells Fargo monitors its third-party vendors in compliance with its internal procedures and applicable law. Wells Fargo has entered into contracts with third-party vendors for the following functions:

- provision of Strategy and Strategy CS software;
- tracking and reporting of flood zone changes;
- abstracting of leasing consent requirements contained in loan documents;
- legal representation;
- assembly of data regarding buyer and seller (borrower) with respect to proposed loan assumptions and preparation of loan assumption package for review by Wells Fargo;
- entry of new loan data;
- performance of property inspections;
- performance of tax parcel searches based on property legal description, monitoring and reporting of delinquent taxes, and collection and payment of taxes; and
- Uniform Commercial Code searches and filings.

Wells Fargo may also enter into agreements with certain firms to act as a primary servicer and to provide cashiering or non-cashiering sub-servicing on the Loans. Wells Fargo monitors and reviews the performance of sub-servicers appointed by it. Generally, all amounts received by Wells Fargo on the Loans will initially be deposited into a common clearing account with collections on other mortgage loans serviced by Wells Fargo and will then be allocated and transferred to the appropriate account as described in this Official Statement. On the day any amount is to be disbursed by Wells Fargo, that amount is transferred to a common disbursement account prior to disbursement.

Wells Fargo (in its capacity as the Master Servicer) will not have primary responsibility for custody services of original documents evidencing the Loans. On occasion, Wells Fargo may have custody of certain of such documents as are necessary for enforcement actions involving the Loans or otherwise. To the extent Wells Fargo performs custodial functions as a servicer, documents will be maintained in a manner consistent with the Servicing Standard.

A Wells Fargo proprietary website (www.wellsfargo.com/com/comintro) provides investors with access to investor reports for commercial mortgage-backed securitization transactions for which Wells Fargo is master servicer or special servicer, and also provides borrowers with access to current and historical loan and property information for these transactions.

Wells Fargo & Company files reports with the Securities and Exchange Commission as required under the Securities Exchange Act of 1934, as amended. Such reports include information regarding Wells Fargo and may be obtained at the website maintained by the Securities and Exchange Commission at www.sec.gov.

There are no legal proceedings pending against Wells Fargo, or to which any property of Wells Fargo is subject, that are material to the purchasers of the Series 2012 Liberty Bonds, nor does Wells Fargo have actual knowledge of any proceedings of this type contemplated by governmental authorities.

DESCRIPTION OF THE COLLATERAL AGENT AND OF THE 17g-5 INFORMATION PROVIDER

The information set forth in this Official Statement regarding Citibank, N.A. or under this heading "*Description of the Collateral Agent and of the 17g-5 Information Provider*" has been provided by Citibank, N.A. None of the Issuer, the Borrower or the Underwriters, nor any other person other than Citibank, N.A., makes any representation or warranty as to the accuracy or completeness of such information.

Citibank, N.A. ("Citibank"), a national banking association, will act as the Collateral Agent and the 17g-5 Information Provider pursuant to the Collateral Agency Agreement and the Servicing Agreement. The corporate trust office of Citibank responsible for administration of the Collateral Agency Agreement and the Servicing Agreement is located at 388 Greenwich Street, 14th Floor, New York, New York 10013, Attention: Global Transaction Services—7 World Trade.

Citibank is a wholly owned subsidiary of Citigroup Inc., a Delaware corporation. Citibank, N.A. performs as Collateral Agent through the Agency and Trust line of business, which is part of the Global Transaction Services division. Citibank, N.A. has primary corporate trust offices located in both New York and London. Citibank, N.A. is a leading provider of corporate trust services offering a full range of agency, fiduciary, tender and exchange, depositary and escrow services. As of the end of the fourth quarter of 2011, Citibank's Agency and Trust group manages in excess of $4.8 trillion in fixed income and equity investments on behalf of approximately 2,500 corporations worldwide.

Citibank Agency and Trust has provided trustee services since 1987 for asset-backed securities containing pool assets consisting of airplane leases, auto loans and leases, boat loans, commercial loans, commodities, credit cards, durable goods, equipment leases, foreign securities, funding agreement backed note programs, truck loans, utilities, student loans and commercial and residential mortgages. As of the end of the

fourth quarter of 2011, Citibank acted as trustee, certificate administrator and/or paying agent for approximately eighteen transactions backed by commercial mortgages with an aggregate principal balance of approximately $22.1 billion. In its capacity as trustee on commercial mortgage securitizations, Citibank is generally required to make an advance if the related master servicer or special servicer fails to make a required advance. Citibank has not been required to make an advance on a commercial mortgage-backed securities transaction for which it acts as trustee.

Citibank, N.A. is the custodian of the loan file pursuant to the Collateral Agency Agreement. The Collateral Agent is responsible to hold and safeguard the promissory notes and other contents of the loan file on behalf of the Indenture Trustee and the CMBS Trustee, on behalf of the holders of the Series 2012 Liberty Bonds and the CMBS Certificates. Each loan file is maintained in a separate file folder marked with a unique bar code to assure loan level file integrity and to assist in inventory management. Files are segregated by transaction and/or issuer. Citibank, N.A. through its affiliates and third-party vendors has been engaged in the mortgage document custody business for more than nine years. Citibank, N.A. through its affiliates and third-party vendors maintains its commercial document custody facilities in Chicago, Illinois and St. Paul, Minnesota.

There have been no material changes to Citibank's policies or procedures with respect to its commercial mortgage-backed securities administration function other than changes required by applicable laws.

In the past three years, Citibank has not materially defaulted in its securities administration obligations under any pooling and servicing agreement or caused an early amortization or other performance triggering event because of servicing by Citibank with respect to commercial mortgage-backed securities.

There are no material pending legal or other proceedings involving Citibank that would have a material adverse impact for the purchasers of the Series 2012 Liberty Bonds.

DESCRIPTION OF THE OPERATING ADVISOR

The information set forth in this Official Statement regarding Pentalpha Surveillance LLC ("Pentalpha") or under this heading entitled *"Description of the Operating Advisor"* has been provided by Pentalpha. None of the Issuer, the Borrower or the Underwriters, nor any other person other than Pentalpha, makes any representation or warranty as to the accuracy or completeness of such information.

Pentalpha Surveillance, located at 375 N. French Road, Amherst, New York, is privately held and exclusively dedicated to providing independent oversight of loan securitization trusts' ongoing operations.

Pentalpha Surveillance is an affiliate of the privately-owned Pentalpha group of companies, which is headquartered at One Greenwich Office Park North, Greenwich, Connecticut. The Pentalpha group of companies was founded in 1995 and is managed by James Callahan. Mr. Callahan has historically focused on subordinate debt trading of collateralized mortgage-backed securities ("CMBS") and residential mortgage-backed securities, as well as securities backed by consumer and corporate loans.

Pentalpha Surveillance maintains proprietary software and a team of industry operations veterans dedicated to investigating and resolving securitization matters including, but not limited to, collections optimization, representation and warranty settlements, derivative contract errors and transaction party disputes. Loans collateralized by commercial and residential real estate debt represent the majority of its focus. Some of the company's oversight assignments utilize "after the action" compliance reviews while others are more proactive and include delegated authority that requires Pentalpha Surveillance to provide "loan-level preapprovals" before a vendor takes an action. More than $0.5 trillion of residential, commercial and other income producing loans have been boarded to the Pentalpha Surveillance system in connection with the services provided by the Pentalpha group of companies.

Pentalpha Surveillance and its affiliates have been engaged by individual securitization trusts, financial institutions, institutional investors as well as agencies of the US Government. Recent assignments include that of operating advisor or trust advisor for over $9 billion of CMBS securitizations.

From time to time Pentalpha Surveillance may be a party to lawsuits and other legal proceedings arising in the ordinary course of business. However, there are currently no legal proceedings pending, and no legal proceedings known to be contemplated by governmental authorities, against Pentalpha Surveillance or of which any of its property is the subject, that would have a material adverse effect on Pentalpha Surveillance's business or its ability to serve as Operating Advisor pursuant to the Servicing Agreement or that is material to the holders of the Series 2012 Liberty Bonds.

FEES AND EXPENSES

It is provided in the Servicing Agreement that the Master Servicer, the Special Servicer and the Collateral Agent will in all cases have a right prior to the Holders of the Obligations to any particular funds on deposit in the Master Account from time to time for the reimbursement or payment of compensation, Advances (with interest thereon at the Reimbursement Rate) and their respective expenses under the Servicing Agreement. With regard to this priority in payment, as compensation for the services to be provided under the Servicing Agreement, the Collateral Agency Agreement, the Liberty Bonds Loan and Collateral Documents, the Indenture, the CMBS Loan and Collateral Documents, the CMBS Trust Agreement and the Servicing Agreement provide that:

(a) the principal compensation to be paid to the Master Servicer in respect of its servicing activities will be the Servicing Fee. The "Master Servicing Fee" payable with respect to the Loans will be payable monthly and will accrue at a rate of 0.0025% per annum on the outstanding principal balance of the Loans, calculated assuming each month has 30 days and each year has 360 days (pro rated for partial periods). The Master Servicing Fee will be payable from payments allocable to interest on the CMBS Loan and as a separate fee on the Liberty Bonds Loan. For a description of certain additional compensation payable to the Master Servicer, see "DESCRIPTION OF THE SERVICING AGREEMENT — Servicing Compensation; Interest on Servicing Advances; Payment of Certain Expenses; Obligations of the Collateral Agency Regarding Back-Up Servicing Advances" herein;

(b) the compensation to be paid to the Special Servicer in respect of its servicing activities will include a Special Servicing Fee and may include a Liquidation Fee or Workout Fee under certain circumstances, as described in the Servicing Agreement. The "Special Servicing Fee" with respect to the Loans will be payable monthly from payments on the Loans (to the extent that the Loans are Specially Serviced Loans), and will accrue at a rate of 0.25% per annum on the outstanding principal balance of the Loans, computed assuming each month has 30 days and each year has 360 days (prorated for partial periods). For a description of certain additional compensation payable to the Special Servicer, see "DESCRIPTION OF THE SERVICING AGREEMENT — Servicing Compensation; Interest on Servicing Advances; Payment of Certain Expenses; Obligations of the Collateral Agency Regarding Back-Up Servicing Advances" herein;

(c) the principal compensation to be paid to the CMBS Trustee in respect of its services under the CMBS Trust Agreement will be the CMBS Trustee Fee. The "CMBS Trustee Fee" will be payable monthly from interest payable on the CMBS Loan and will accrue at a rate of 0.02% per annum on the outstanding principal balance of the CMBS Loan, calculated assuming each month has 30 days and each year has 360 days (pro rated for partial periods);

(d) the principal compensation to be paid to the Collateral Agent in respect of its services under the Collateral Agency Agreement and the Servicing Agreement as Collateral Agent and as

17g-5 Information Provider will be the Collateral Agent Fee. The "Collateral Agent Fee" will be an annual fee of $18,000 payable on the Bond Issuance Date and annually on the Due Date in April of each year commencing in 2013. The Borrower will be obligated to remit the Collateral Agent Fee with its loan payments each April;

(e) the principal compensation to be paid to the Indenture Trustee in respect of its services under the Indenture will be the Indenture Trustee Fee. The "Indenture Trustee Fee" will be an annual fee of $6,000 payable in advance on the Bond Issuance Date with respect to the first such payment, and annually on the Due Date in April, commencing 2013; and

(f) the principal compensation to be paid to the Operating Advisor in respect of its services will be an annual fee of $17,500 per year, payable in advance on the Bond Issuance Date with respect to the first such payment, and annually on each Due Date in April, commencing in 2013.

DESCRIPTION OF THE PROPERTY MANAGEMENT AGREEMENT

Property Manager

Silverstein Properties, Inc. (the "Property Manager"), a New York corporation, is the leasing agent and manager with respect to the Facility. The Property Manager is an affiliate of the Borrower engaged in the business of managing, operating and maintaining commercial real estate, and is a licensed real estate broker in the State of New York.

Property Management Agreement

The Borrower will enter into an Amended and Restated Management and Leasing Services Agreement, to be dated as of the Bond Issuance Date (the "Property Management Agreement"), between the Borrower and the Property Manager, with respect to the Facility. Pursuant to the Property Management Agreement, the Property Manager has been appointed as the Borrower's exclusive agent to (i) effect leases with respect to the Facility, and (ii) manage, coordinate, supervise, operate and maintain the ordinary and usual day-to-day management of the Facility.

Management of the Facility

The Borrower has appointed the Property Manager as the sole agent for the management of the Facility, and the Property Manager agrees to use its best efforts in the management of the Facility, and due diligence in collecting the rents and other income therefrom. The Property Manager further agrees to supervise the work of, and to hire and discharge employees of, the Facility, and agrees to use reasonable care in the hiring of such employees. All employees will be the employees of the Borrower and not the employees of the Property Manager, and the Property Manager will not be liable for payment of their wages or other compensation if the funds therefor are not provided by the Borrower. All building employees shall be solely under the control and supervision of the Property Manager. All wages, salaries and other compensation paid to such employees shall be considered as operating expenses of the Facility.

The Property Manager is authorized, at the expense of the Borrower, to (a) cause to be made such ordinary repairs to the Facility, (b) purchase such supplies therefor, and (c) make such service contracts, as the Property Manager shall deem advisable or necessary with respect to the Facility. If the expense to be incurred for any one such item shall exceed the sum of $50,000.00, the Property Manager must obtain the written authorization of the Borrower, unless the expenditure is in accord with a budget or a lease agreement previously approved by the Borrower or where the same is immediately required by law or emergency.

Each of the Borrower and the Property Manager shall promptly notify the other of any violation, order, rule or determination of any Federal, State or municipal authority affecting the Facility.

The Property Manager is authorized in the name of the Borrower to collect all rents and other income from the Facility and, when necessary, as directed by the Borrower, institute any and all legal actions or proceedings to effect such collections or the ousting or dispossessing of tenants or other persons therefrom, and for any of the aforesaid purposes, the Property Manager shall employ counsel as directed by and at the expense of the Borrower (or use counsel as designated by the Borrower).

All monies received by the Property Manager for or on behalf of the Borrower shall be and remain the property of the Borrower, and shall be deposited in a bank designated by the Borrower in accounts in the Borrower's name. However, the Borrower and the Property Manager acknowledge that, in connection with certain financing made available to the Borrower by certain lenders on the date of the Property Management Agreement, the Borrower has agreed that (i) so long as such financing remains outstanding, all rents and other income from the Facility shall be remitted by the tenants of the Facility directly to one or more financial institutions acceptable to such lenders for deposit in an account designated and established by such lenders (or any such designee) and (ii) any and all funds on deposit in said account shall be subject to certain cash management procedures as more fully stated in the Collateral Agency Agreement.

The Property Manager is authorized to make all necessary disbursements for expenses incurred by the Property Manager pursuant to the Property Management Agreement, and, subject to preceding paragraph, to deduct the same from the collections made for the Borrower. In the event that at any time there are insufficient funds available in the custody of the Property Manager from the current collections to pay such expenses, the Borrower will supply the Property Manager immediately with funds required to make such payments. The Borrower agrees to reimburse the Property Manager promptly for any such disbursements which the Property Manager may elect to advance for the account of the Borrower, but the Property Manager has no obligation to make any such advances.

The Property Manager is required to keep books and records reflecting all revenues and expenses incurred in connection with the management and operation of the Facility, and shall make such books and records available to the Borrower during regular business hours. If requested, the Property Manager shall prepare an annual budget which shall be reflected on the monthly statements for comparison to actual income and expenses.

On or before the twentieth (20th) day of each month during the term of the Property Management Agreement, the Property Manager shall furnish the Borrower with a detailed statement of all revenues and expenditures for each preceding month, including originals of all invoices, statements, purchase orders and bills received and paid during such preceding month, and all other information relating to the operation and management of the Facility that, in the opinion of the Property Manager, requires the attention of the Borrower.

If it becomes advisable or necessary to make extraordinary repairs or engage in extensive reconstruction or rehabilitation of the Facility or any part thereof, or if the Property Manager is called upon by the Borrower to perform any extraordinary services not customarily a part of the usual services performed by a managing agent, the Property Manager shall receive an additional fee therefor in an amount to be agreed upon between the parties.

The Borrower agrees to pay to the Property Manager for management of the Facility each month two and one-half percent (2-1/2%) of the gross amounts collected from the operation of the Facility, including, without limitation, rents, electric service, additional rents of all kinds and nature, and business interruption insurance received by the Borrower.

Leasing Commissions

The Borrower appoints the Property Manager, as its sole and exclusive leasing agent and gives to it the exclusive right, subject to the provisions of the Property Management Agreement to lease space in the Facility. The Borrower also agrees to refer to the Property Manager all offers and inquiries by prospective tenants for the Facility, and the Property Manager agrees diligently to investigate and develop such offers or inquiries and to canvass, solicit and otherwise employ its services to endeavor at all times to keep the Facility fully rented.

Subject to the below provisions of the Property Management Agreement, the Borrower agrees to pay the Property Manager full compensation for its services in connection with each new lease, a full commission to be computed on the aggregate rental payable to the Borrower under the following Fee Schedule:

On the first (1st) year or any fraction thereof	5%
On the second (2nd) year or any fraction thereof	4%
On the third (3rd) year up to and including the fifth (5th) year	3½%
On the sixth (6th) year up to and including the tenth (10th) year	2½%
On the eleventh (11th) year up to and including the twenty-first (21st) year	2%

Commissions shall be based on the actual fixed rent payable by the tenant. If the lease provides for an option to cancel solely by the tenant, then such commission shall be payable only for the term of the lease unaffected by such option. If the tenant shall have failed to exercise its option to cancel within the time permitted, then the commissions shall be payable for the then balance of the term as if no option to cancel had existed, and the commission shall be recomputed as of the commencement of the term of the lease giving credit to payments previously made by the Borrower.

In computing the actual fixed rent payable under a lease, the following shall be excluded:

(i) charges for utilities or utility service (including, but not limited to, electric energy);

(ii) any payments to be made by the tenant on account of increases in real estate taxes or payments in lieu of taxes, wages or labor or other costs of maintaining and operating the Facility, whether such payments are provided for separately in the lease or included as fixed increases in the base rent in lieu of variable escalations (except in cases of "net leases" which obligate the tenant to pay real estate taxes, operating expenses or other charges, such items shall be considered as rent in which commissions are payable, but the amount of such items for the first year of the lease term shall be deemed the amount thereof for all subsequent years, and no subsequent increases in such items shall be subject to commissions);

(iii) any payments to be made by the tenant on account of work, labor or materials furnished by the landlord; and

(iv) any payments based on percentage of income.

Commissions on all leases shall be earned upon the execution and delivery of the lease by the landlord and tenant and shall be paid on the tenant taking possession of its premises.

If, for any reason whatsoever, a lease is not executed and delivered by both parties thereto, then the Property Manager shall not be entitled to any commissions or compensation thereon. If a lease is executed, but the tenant does not take possession of its premises, then the Property Manager shall not be entitled to any commissions or compensation thereon.

For any lease executed during the term of the Property Management Agreement containing an option to renew or extend, if the tenant shall exercise such option to renew or extend the original term of the lease, the Borrower shall pay to the Property Manager a commission on the aggregate rental payable to the Borrower during the renewal or extension period in accordance with the above schedule, and computed as if such renewal or extension term were part of the initial term of the lease.

If the original term of a lease is renewed or extended during the term of the Property Management Agreement but not pursuant to an option or right therein contained, the Borrower shall pay to the Property Manager one-half of a commission on the aggregate rental payable to the Borrower during the renewal or extension period, which shall be paid upon the commencement of the extension period.

If a tenant leases additional space during the term of the Property Management Agreement, whether pursuant to an option contained in its lease or not, the Borrower shall pay to the Property Manager a commission in accordance with the above schedule, the same as though an entirely new lease had been made even though the lease for the additional space does not conform to the option.

If a licensed real estate broker other than the Property Manager is entitled to a commission on any renewal or additional space lease described in the preceding three paragraphs, the Property Manager's commission shall be computed in accordance with the next paragraph.

If a licensed real estate broker other than the Property Manager is the effective procuring cause of any lease, the Property Manager is required to endeavor to have such other broker agree to accept its commission in accordance with the above schedule of rates and the terms of the Property Management Agreement, and if such other broker so agrees, the Borrower will pay the Property Manager one and one-half full commissions out of which the Property Manager will pay to such other broker one full commission and retain the other one-half commission as its compensation. If the outside broker will not accept a commission in accordance with the Property Management Agreement, then the Borrower's approval will be necessary if the proposal is to be further negotiated.

Repairs

Except in cases provided above under the subheading *"Management of the Facility"*, or where the law imposes a legal duty or penalty upon the Property Manager, or upon the Property Manager and the Borrower (as distinguished from the Borrower alone), the Property Manager is not permitted to make repairs, additions or alterations or comply with orders of public authority without the consent of the Borrower.

Insurance and Indemnity

The Borrower agrees to carry comprehensive general liability insurance and such other insurance as may be necessary for the protection of the interests of the Borrower and the Property Manager. In each such policy of insurance, the Borrower agrees to designate the Property Manager as an additional insured.

The Borrower agrees (1) to hold and save the Property Manager, its officers, directors and employees free and harmless from any claim for damages or injuries to persons or property by reason of any cause whatsoever, either in and about the Facility or elsewhere when the Property Manager is carrying out the provisions of the Property Management Agreement or acting under the express directions of the Borrower; or due to the Borrower's failure or refusal to comply with or abide by any rule, order, determination, ordinance or law of any Federal, State or municipal authority, (2) to reimburse the Property Manager upon demand for any

monies which the Property Manager is required to actually pay out for any reason whatsoever, under the Property Management Agreement or in connection with, or as an expense in defense of, any claim or civil action, proceeding, charge or prosecution made, instituted or maintained against the Property Manager, its officers, directors and employees (or the Borrower and the Property Manager, its officers, directors and employees jointly or severally), affecting or due to the conditions or use of the Facility, or acts or omissions, of the Borrower or its officers, directors, employees or agents, and (3) to defend promptly and diligently, at the Borrower's sole expense, any claim, action or proceeding bought against the Property Manager, its officers, directors and employees, and the Property Manager and the Borrower, jointly or severally, arising out or connected with any of the foregoing, and to hold harmless and fully indemnify the Property Manager, and its officers, directors and employees, from any judgment, loss or settlement on account thereof. However, the Property Manager shall remain responsible to the Borrower for all fraud, willful misconduct or gross negligence.

The Borrower shall pay the premiums on any insurance provided under the Property Management Agreement and covering the Property Manager's interest. All dividends or return premiums in connection with such insurance shall be paid to the Borrower.

Bankruptcy

In the event a petition in bankruptcy is filed by or against either the Borrower or the Property Manager, or in the event that either shall make an assignment for the benefit of' creditors or take advantage of any insolvency act, the other party may at any time thereafter terminate the Property Management Agreement upon ten (10) days notice in writing.

Term

The appointment under the Property Management Agreement of the Property Manager as the Borrower's manager and supervising agent for the renting of the Facility shall terminate on March 15, 2022, unless earlier terminated in accordance with the terms of the Property Management Agreement.

Termination by the Borrower

In the event the Property Manager fails to perform any of its material obligations to the Borrower, or intentionally interferes unreasonably with the conduct and operation of the Borrower's business, or fails to discharge any duties and/or provide any services required of the Borrower in leases (to the extent the Borrower has authorized same, in writing) between the Borrower and the tenants of the Facility, or engages in any action or conduct which is materially detrimental or injurious to the Borrower or tenants of the Facility, the Borrower shall have the right to terminate the Property Management Agreement on twenty (20) days notice, and the Property Manager shall be responsible for any and all damages sustained by the Borrower as a result of the Property Manager's gross negligence or willful misconduct or other breach of the Property Management Agreement. The foregoing list of instances of the Property Manager's conduct is set forth by way of example and not by way of limitation.

The Borrower shall provide the Property Manager with written notice specifying any of the defaults or actions set forth above, and the Property Management Agreement shall terminate twenty (20) days from the date of said notice, unless the Property Manager cures the default within said twenty (20) day period or commences curing any default in those instances where it cannot be cured within said twenty (20) day period, but in no event more than sixty (60) days from the date of such notice, but the Property Manager shall nevertheless be liable to the Borrower for all damages that have accrued as a result of any such default.

Leasing Commissions After Termination of the Property Management Agreement

If, within one (1) year after the termination of the Property Management Agreement, a lease is consummated with the Property Manager with an entity or with any affiliate of any such entity to whom the Property Manager showed space in the Facility, exchanged written term sheets or letters of intent, the Borrower will nevertheless pay the Property Manager its commission(s) with respect to such transaction as if the Property Management Agreement had not been terminated; and, in addition, if by the end of such one (1) year period, final, fully negotiated leases are out for signature, the Property Management Agreement (and the compensation provided for therein) shall govern such transaction, if, as, and when consummated, provided such transaction is consummated within fifteen (15) months from the termination of the Property Management Agreement. Within thirty (30) days after the termination of the Property Management Agreement, the Property Manager shall deliver to the Borrower a list of any such entities to whom the Property Manager has shown space in the Facility and exchanged written term sheets or letters of intent.

Sale of Facility

The Borrower shall have the right to terminate the Property Management Agreement in the event of a sale of the Facility to an unrelated party upon not less than sixty (60) days prior written notice. In the event of a sale or other conveyance of the Facility (other than through the device of a sale accompanied by a "leaseback" to the Borrower), the Borrower shall continue to be liable for all commissions then earned by, but not yet paid to, the Property Manager, unless the Borrower shall deliver to the Property Manager an agreement by the grantee acceptable to the Property Manager, assuming payment of such commissions, in which event the Borrower shall have no further liability for such payment.

Limitation of Liability of the Borrower

The liability of the Borrower (and any principals, partners and employees of the Borrower) for the Borrower's obligations under the Property Management Agreement shall be limited to the Borrower's interest in the Facility and the proceeds of sale thereof, and the Property Manager shall not look to any other assets of the Borrower (or its principals, partner or employees) for the enforcement of any rights under the Property Management Agreement, and no other assets or property shall be subject to levy, execution or other enforcement procedure for satisfaction of any claims or judgments.

DESCRIPTION OF THE ASSIGNMENT OF MANAGEMENT AGREEMENT

In connection with the making of the Liberty Bonds Loan and the CMBS Loan, the Borrower will enter into an Assignment and Subordination of Management Agreement and Consent of Property Manager, to be dated the Bond Issuance Date (the "Assignment of Management Agreement"), between the Borrower and the Collateral Agent, for the benefit of the Taxable Lender and the Indenture Trustee, and consented and agreed to by the Property Manager. Pursuant to the Assignment of Management Agreement, (i) the Borrower will assign its right, title and interest in and to the Property Management Agreement to the Collateral Agent as described below, and (ii) the Property Manager will subordinate its right, title and interest in and to the Facility and the Management Fee to, among other things, the Mortgage as described below. The following is a summary of certain of the principal provisions of the Assignment of Management Agreement.

Assignment

As additional collateral security for the Obligations, the Borrower conditionally transfers, sets over and assigns, and grants to the Collateral Agent a security interest in, all of the Borrower's right, title and interest in and to the Management Agreement, said transfer and assignment to automatically become a present, unconditional assignment, at the option of the Collateral Agent, following the occurrence and continuance of an "Event of Default" under any of the Loan and Collateral Documents and the failure of the Borrower to cure such default within any applicable notice and cure periods. At all times during the term of the Obligations, all

portions of the Mortgaged Rent, security deposits, issues, proceeds, profits and other revenues of the Mortgaged Property collected by the Property Manager is required to be handled and applied in accordance with the Collateral Agency Agreement. The Property Manager agrees that nothing in the Assignment of Management Agreement shall impose upon the Secured Parties or the Collateral Agent, and the Secured Parties and the Collateral Agent shall not have, any obligation for payment or performance of the Borrower's obligations under the Management Agreement occurring prior to the Collateral Agent assuming Control over the Mortgaged Property.

Subordination of Property Management Agreement; Non-Disturbance; Attainment

The Property Management Agreement and all of the Property Manager's right, title and interest in and to the Mortgaged Property are, and all rights and privileges of Property Manager to the Management Fees paid thereunder, subject and subordinate to (i) the Mortgage and the lien thereof, (ii) the terms, conditions and provisions of the Mortgage, (iii) each and every advance made under the Mortgage, (iv) all renewals, modifications, consolidations, replacements, substitutions and extensions of the Mortgage, (v) the Liberty Bonds Loan and the Taxable Loan and all Loan Documents, and (vi) the rights, privileges and powers of the lenders under such agreements, so that at all times the Mortgage shall be and remain a lien on the Mortgaged Property prior and superior to the Property Management Agreement for all purposes. The Property Manager shall not be obligated to return or refund to the Secured Parties or the Collateral Agent any Management Fees or fee, commission or other amount received by the Property Manager under the Property Management Agreement prior to the occurrence of any Event of Default to which the Property Manager was entitled under the Property Management Agreement.

Subject to the following sentence, if the Borrower's interest in the Mortgaged Property is conveyed to a successor owner in connection with the Collateral Agent's exercise of remedies other than to the Collateral Agent, the Property Manager will attorn to such successor owner and continue to perform all of the Property Manager's obligations under the terms of the Property Management Agreement. The Property Manager will not be obligated to attorn unless the successor owner assumes, pursuant to a written assumption agreement delivered to the Property Manager, all of the obligations of the Borrower under the Property Management Agreement that arise from and after the date of such conveyance, within twenty (20) days of the date of such conveyance; provided, however, that at the Collateral Agent's option, the Property Manager and such successor owner will terminate the then-existing Property Management Agreement and enter into a new management agreement on the same terms and conditions (without extending the term thereof) as the then-existing Property Management Agreement, which will be effective as of the date that the successor owner obtains the Borrower's leasehold interest in the Mortgaged Property.

Security Agreement

The Assignment of Management Agreement is a "security agreement" within the meaning of the UCC, and the Borrower grants to the Collateral Agent for the benefit of the Holders, as security for the Obligations, a security interest in the Borrower's rights in the Property Management Agreement to the full extent that such rights can be subject to the UCC.

Notice of Default

In the event of a default by the Borrower in the performance or observance of any of the terms and conditions of the Property Management Agreement beyond any applicable notice and grace periods, the Property Manager shall give to the Collateral Agent a duplicate copy of any default notice to be delivered to the Borrower pursuant to the terms of the Property Management Agreement.

Collateral Agent's Right to Terminate

The Collateral Agent, or the Borrower at the Collateral Agent's direction pursuant to the Loan and Collateral Documents, shall have the right to terminate the Property Management Agreement upon, or at any time after, (i) the Property Manager shall become insolvent or a debtor in a bankruptcy proceeding, (ii) an Event of Default has occurred and is continuing under the Taxable Loan and Collateral Documents or Liberty Bonds Loan and Collateral Documents and the Taxable Debt or Liberty Bonds Debt has been accelerated, or (iii) a default has occurred beyond the applicable notice and cure periods and is continuing under the Property Management Agreement. The Collateral Agent shall exercise its termination right by giving the Property Manager thirty (30) days' prior written notice of such termination, in which event the Property Manager shall resign as manager of the Mortgaged Property effective upon the end of such thirty (30) day period. The Property Manager agrees not to look to the Collateral Agent or any Secured Party for payment of any accrued but unpaid fees relating to the Mortgaged Property accruing from and after the effective date of such termination.

If the Collateral Agent forecloses on the Mortgaged Property pursuant to the Loan and Collateral Documents, upon completion of the foreclosure, the Property Manager will enter into a new management agreement with the Collateral Agent, the Collateral Agent's nominee, or any other successor owner, at such entity's request, on the same terms and conditions of the then-existing Property Management Agreement, but in no event will the Property Manager be obligated to extend the term thereof.

Assignment of Proceeds

The Property Manager acknowledges that, as further security for the Obligations, the Borrower has executed and delivered to the Collateral Agent an assignment of leases and rents which is contained within the granting clause of the Mortgage, assigning to the Collateral Agent, among other things, all of the Borrower's right, title and interest in and to all of the revenues of the Mortgaged Property. The Property Manager acknowledges disclosure of the aforesaid assignment. The Property Manager further acknowledges and agrees that, to the extent it receives any revenues of the Mortgaged Property, it will cause the same to be deposited in the Collection Account and, prior thereto, will hold such revenues solely as agent for the Borrower, such monies being the sole property of the Borrower, encumbered by the lien of the Mortgage and other Loan and Collateral Documents in favor of the Collateral Agent for the benefit of the Secured Parties, and the Property Manager has no right to, or title in, such monies except as provided in the Property Management Agreement, or at law or equity. Subject to this subheading and the subheading below entitled "*Property Manager Not Entitled to Mortgaged Rents*", so long as the Collateral Agent has not terminated the Property Management Agreement in accordance with the Assignment of Management Agreement, the Property Manager shall be entitled to continue to receive payment of all fees in accordance with the Property Management Agreement.

Further Assurances

The Property Manager agrees to (i) execute such affidavits and certificates as the Collateral Agent shall reasonably require to further evidence the agreements contained in the Assignment of Management Agreement, (ii) on written request from the Collateral Agent, furnish the Collateral Agent with copies of such information as the Borrower is reasonably entitled to under the Management Agreement, and (iii) reasonably cooperate with the Collateral Agent's representative in any inspection of all or any portion of the Mortgaged Property upon reasonable notice, at reasonable times, subject to the rights of tenants.

Property Manager Not Entitled to Mortgaged Rents

The Property Manager acknowledges and agrees that to the extent it receives any Mortgaged Rent, it will cause the same to be deposited in the Collection Account and, prior thereto, will hold such Mortgaged Rents solely as the agent for the Borrower, such monies being the sole property of the Borrower, encumbered by the lien of the Mortgage and other Loan and Collateral Documents in favor of the Collateral Agent for the

benefit of the Secured Parties, and the Property Manager has no right to, or title in, such monies except as provided in the Property Management Agreement, or at law or equity. In any bankruptcy, insolvency or similar proceeding, the Property Manager, or any trustee acting on behalf of the Property Manager, waives any claim to such monies other than pursuant to the terms and conditions of the Property Management Agreement or at law or equity.

DESCRIPTION OF THE COLLATERAL AGENCY AGREEMENT

General

The Borrower, Citibank, N.A., as collateral agent (the "Collateral Agent"), and Wells Fargo Bank, National Association, as cash management bank (the "Cash Management Bank"), will enter into the Collateral Agency Agreement whereunder collateral will be held by the Collateral Agent on behalf of the registered owners (the "Holders") of the Loans.

Additional Obligations Under the Collateral Agency Agreement

The Borrower is also authorized under the Collateral Agency Agreement, upon the terms and conditions set forth below, to issue additional Obligations to be authenticated under the Collateral Agency Agreement by the Collateral Agent, and to thereby be secured by the Collateral Documents. It is provided in the Collateral Agency Agreement that the principal amount of the Indebtedness to constitute Obligations subject to the terms and conditions, and entitled to the benefits of, the Collateral Agency Agreement is limited by the provisions of the Loan Documents. In connection with the incurrence of any Indebtedness by the Borrower to be deemed an Obligation under the Collateral Agency Agreement, the Borrower is required under the Collateral Agency Agreement, at least seven (7) days prior to the date of the incurrence of such Indebtedness, to give to the Collateral Agent and the Servicer written notice of the Borrower's intention to incur such Indebtedness, including in such notice the amount of Indebtedness to be incurred and evidence reflecting compliance with each Loan Document, and together with such notice provide a copy of the action of the Borrower's Governing Body authorizing the incurrence of such Indebtedness.

With respect to Indebtedness to constitute an Obligation to be entitled to the benefits of the Collateral Agency Agreement, simultaneously with or prior to the execution and delivery of a Loan Document evidencing such Indebtedness, and the authentication thereof by the Collateral Agent as an Obligation under the Collateral Agency Agreement, the Borrower shall deliver to the Collateral Agent:

(i) an Officer's Certificate of the Borrower certifying:

(1) that all requirements and conditions to the incurrence of such Indebtedness, if any, set forth in the applicable Loan Documents shall have been complied with and satisfied;

(2) that the representations and warranties of the Borrower set forth in the Collateral Agency Agreement are true and correct in all material respects as of the date of such execution and delivery;

(3) that the covenants and agreements of the Borrower set forth in the Collateral Agency Agreement required to be observed and complied with on or prior to such execution and delivery have been observed and complied with as of the date of such execution and delivery; and

(4) that a true and correct copy or copies of such Loan Documents have been delivered to the Collateral Agent and the Servicer; and

(ii) reliance letters, reasonably acceptable to the Collateral Agent and the Servicer, with respect to each Opinion of Counsel delivered in connection with such Loan Documents.

For purposes of the Collateral Agency Agreement, the Obligations represented by the CMBS Loan Agreement, the CMBS Note, the Liberty Bonds Loan Agreement and the Liberty Bonds Note are deemed to be Obligations entitled to the benefits, and subject to the terms, of the Collateral Agency Agreement and the other Collateral Documents, to be administered pursuant to the terms and conditions of the Servicing Agreement. For the purposes of the Collateral Agency Agreement, the Holder of (y) the CMBS Loan Agreement and the CMBS Note is the CMBS Trustee, and (z) the Liberty Bonds Loan Agreement and the Liberty Bonds Note is the Indenture Trustee.

Grant of Security Interest

The Borrower grants to the Collateral Agent, for the benefit of the other Secured Parties, a security interest in and continuing Lien on all of the Borrower's interest in the Account Collateral and the Personal Property (including, in any event, all of the Borrower's right, title and interest in and to, whether now owned or hereafter acquired, all equipment, fixtures, general intangibles and inventory and all proceeds of any and/or all of the foregoing) whether now owned or existing or hereafter acquired or arising and wherever located, together with the deposit account and securities account described by exhibits to the Collateral Agency Agreement (the "Scheduled Accounts"). The Account Collateral and the Personal Property are collateral security for the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, including the payment of amounts that would become due but for the operation of any automatic stay under the Bankruptcy Code, of all the Obligations on a parity basis unless otherwise provided in the Loan Documents, but subject to the relative rights of the Obligations as set forth in the Servicing Agreement. However, unless there is a continuing Mortgage Event of Default, the Borrower is granted the right and license to deal with the Personal Property in the ordinary course of business, subject to and in accordance with the applicable Loan Documents.

The Borrower agrees that from time to time, at its own expense, it will promptly authenticate, execute and deliver all further agreements, instruments, certificates and documents to create or maintain the validity, perfection or priority of and protect any Lien and security interest granted or purported to be granted pursuant to the Collateral Agency Agreement and the other Collateral Documents or to enable the Collateral Agent to exercise and enforce its rights and remedies thereunder with respect to any Account Collateral, Personal Property or Mortgaged Property.

The Borrower shall be entitled to obtain a release of the Liens on any Account Collateral, Personal Property or Mortgaged Property pursuant to the Collateral Documents securing an Obligation upon the full or partial payment or defeasance of such Obligation in accordance with the applicable Loan Documents.

Permitted Mezzanine Financing

In the event that a Permitted Mezzanine Borrower enters into a Permitted Mezzanine Financing pursuant to the terms of the Loan Documents, upon prior receipt of the applicable No Downgrade Confirmation, the Collateral Agent is directed to enter into an intercreditor agreement with the related mezzanine Lender, the Indenture Trustee and the CMBS Trustee reflecting those terms set forth by schedule attached to the Collateral Agency Agreement (see "PERMITTED MEZZANINE FINANCING AND REFUNDING LIBERTY BONDS — Permitted Mezzanine Financing — Permitted Mezzanine Financing Intercreditor Terms") and such other terms customary for the commercial mortgage backed securities market at the time of the making of the Permitted Mezzanine Financing and otherwise acceptable to the Servicer.

Establishment of Accounts

The Borrower, pursuant to the Deposit Account Control Agreement, has established with the Cash Management Bank, in the name of the Borrower for the benefit of the Collateral Agent on behalf of the Secured Parties, the collection account (the "Collection Account"), which has been established as an interest-bearing deposit account, and the holding account (the "Holding Account"), which has been established as a securities account, and the following sub-accounts of the Holding Account (such sub-accounts being referred to herein collectively as the "Sub-Accounts"; the Holding Account and the Sub-Accounts being sometimes referred to herein collectively as the "Reserve Accounts", and together with the Collection Account, the "Collateral Accounts"), which (i) may be ledger or book entry accounts and need not be actual accounts, (ii) shall be linked to the Holding Account and (iii) shall each be an Eligible Account to which certain funds shall be allocated and from which disbursements shall be made pursuant to the terms of the Collateral Agency Agreement. The separate sub-accounts are established for the retention of: (1) Ground Lease Rent (the "Ground Lease Reserve Account"); (2) Tax payments (the "Tax Reserve Account"); (3) Insurance Premiums (the "Insurance Reserve Account"); (4) (y) Borrower Reimbursable Expenses, and (z) the Master Servicer Fee and the CMBS Trustee Fee payable with respect to the next Secured Party Distribution Date in connection with the CMBS Loan (such fees, collectively, the "CMBS Fees Amount") (the "Borrower Reimbursable Expenses Reserve Account"); (5) Debt Service in respect of the Liberty Bonds Loan (the "Liberty Bonds Loan Reserve Account"); (6) Debt Service in respect of the CMBS Loan, minus the CMBS Fees Amount (the "CMBS Loan Reserve Account"); (7) Leasing Commissions and TI Allowances (the "Leasing Reserve Account"); (8) Free Rent (the "Free Rent Reserve Account"); (9) Operating Expenses (the "Operating Expenses Reserve Account"); (10) Bond Issuer Judgment Amounts (the "Bond Issuer Judgment Reserve Account"); and (11) Debt Service in respect of any Permitted Mezzanine Financing (the "Permitted Mezzanine Financing Reserve Account").

Except for any funds credited to the Collection Account, all property delivered to the Cash Management Bank pursuant to the Collateral Agency Agreement and all Permitted Investments shall be credited to the Holding Account or one of the Sub-Accounts

Each item of property (whether investment property, financial asset, security, instrument, cash or otherwise) credited to a Reserve Account shall be treated as a "financial asset" within the meaning of the New York Uniform Commercial Code. All securities or other property underlying any such "financial assets" shall be registered in the name of the Cash Management Bank, indorsed to the Cash Management Bank or indorsed in blank or credited to a Reserve Account in the name of the Cash Management Bank. In no case shall any financial asset credited to the Collateral Accounts be registered in the name of the Borrower, payable to the order of the Borrower or specially indorsed to the Borrower except to the extent the foregoing have been specially indorsed to the Cash Management Bank or in blank.

Security Interest in Collateral Accounts

Both the Collection Account and the Holding Account and each Sub-Account of either such account and the funds deposited therein and securities and other assets credited thereto shall serve as additional security for the Obligations. Pursuant to the Deposit Account Control Agreement, the Borrower irrevocably instructs and authorizes the Cash Management Bank to disregard any and all orders for withdrawal from the Collateral Accounts made by, or at the direction of, the Borrower other than to transfer all amounts on deposit in the Collection Account on a daily basis to the Holding Account and the distributions contemplated under the Collateral Agency Agreement. The Cash Management Bank on a daily basis shall transfer all collected and available funds as determined by the Cash Management Bank's then current funds availability schedule received in the Collection Account to the Holding Account. The Borrower agrees that, prior to the payment in full of the Obligations, the terms and conditions of the Deposit Account Control Agreement shall not be amended or modified without the prior written consent of the Collateral Agent (acting at the direction of the Servicer and which shall not be unreasonably withheld, conditioned, or delayed). In recognition of the Collateral Agent's security interest in the funds deposited into the Collection Account and the Holding

Account, the Borrower shall identify both the Collection Account and the Holding Account with the name of the Collateral Agent, as secured party. The Collection Account shall be named as follows: "7 World Trade Center II, LLC f/b/o Citibank, N.A., as Collateral Agent—Collection Account". The Holding Account shall be named as follows: "7 World Trade Center II, LLC f/b/o Citibank, N.A., as Collateral Agent—Holding Account".

"Account Collateral" means collectively, the following property of the Borrower:

(i) the Collateral Accounts and all cash, checks, drafts, security entitlements, certificates, instruments and other property, including, without limitation, all deposits and/or wire transfers from time to time deposited or held in, credited to or made to the Collateral Accounts;

(ii) any and all amounts invested in Permitted Investments;

(iii) all interest, dividends, cash, instruments, security entitlements and other property from time to time received, receivable or otherwise payable in respect of, or in exchange for, any or all of the foregoing or purchased with funds from the Collateral Accounts; and

(iv) to the extent not covered by clauses (i), (ii) or (iii) above, all proceeds (as defined under the New York Uniform Commercial Code) of any or all of the foregoing.

The Collateral Agent shall have all of the rights and remedies with respect to the Account Collateral available to a secured party at law or in equity, including, without limitation, the rights of a secured party under the New York Uniform Commercial Code.

The Borrower irrevocably authorizes the Collateral Agent to exercise any and all rights of the Borrower in respect of the Collateral Accounts and to give the Cash Management Bank instructions, directions and entitlement orders in respect of the Collateral Accounts as the Collateral Agent shall deem necessary or desirable in order to effectuate the provisions of the Collateral Agency Agreement and the Loan Documents. The Borrower irrevocably authorizes and instructs the Cash Management Bank to execute any such instructions, directions or entitlement orders the Cash Management Bank receives from the Collateral Agent. The Cash Management Bank shall, subject to the terms of the Collateral Agency Agreement, treat the Collateral Agent as entitled to exercise the rights that comprise any financial asset credited to the Collateral Accounts.

The Cash Management Bank shall comply with all instructions issued by the Collateral Agent in accordance with the Collateral Agency Agreement directing the disposition of funds in such accounts without further consent by the Borrower or any other Person. Except for the Borrower's right to select Permitted Investments to the extent specified in the Collateral Agency Agreement, the Cash Management Bank shall not honor any request of the Borrower for the withdrawal, transfer or other disposition of any funds, investment property or other assets on deposit or credited to any Collateral Account without the express prior written consent of the Collateral Agent. The Cash Management Bank has not and will not without Collateral Agent's prior express written consent enter into any agreement or understanding with any other Person relating to the Collateral Accounts. For purposes of perfecting the Collateral Agent's security interest, the Cash Management Bank confirms that any property (including, without limitation, Permitted Investments) held by it is held as agent for the Collateral Agent.

In no event shall the Cash Management Bank obtain, whether by agreement, operation of law or otherwise, a security interest in any of the Collateral Accounts or any security entitlement or funds credited thereto, and to the extent permitted by applicable law, the Cash Management Bank agrees that such security interest shall be null and void. To the extent any such security interest arises by operation of law and cannot be

waived, the Cash Management Bank shall subordinate such security interest to the security interest of the Collateral Agent. The Cash Management Bank waives all existing and future claims, rights of set-off and liens, including, without limitation, banker's liens, against the Collateral Accounts and all items and proceeds thereof that come into the Cash Management Bank's possession in connection with the Collateral Accounts and all securities entitlements or funds credited thereto; provided, that the Cash Management Bank shall have the right to charge the Collateral Accounts for (i) all items deposited in, and credited to, the Collateral Accounts and subsequently returned to the Cash Management Bank unpaid; (ii) overdrafts in the Collateral Accounts; (iii) interest on overdrafts in the Collateral Accounts; (iv) interest and fees on any items deposited in the Collateral Accounts and returned unpaid; and (v) charges, fees and expenses incurred pursuant to the Deposit Account Control Agreement among the Borrower, the Collateral Agent and the Cash Management Bank.

On the Closing Date, the Borrower shall (i) deliver written instructions irrevocable by the Borrower and in form reasonably satisfactory to the Collateral Agent and the Servicer (a "Direction Letter") and notify and direct each Tenant to deposit all payments of Mortgaged Rent (excluding security deposits, if any, payable by any such Tenants, which shall not be deposited in the Collection Account) directly into the Collection Account, and (ii) deliver a Direction Letter to any Tenants under Leases entered into after the Closing Date, to deliver all Mortgaged Rent directly to the Collection Account. If the Borrower fails to provide any such notice, the Collateral Agent shall have the right, on behalf of the Holders of the Obligations, and the Borrower grants to the Collateral Agent, for the benefit of the Holders of the Obligations, a power of attorney (which power of attorney shall be coupled with an interest and irrevocable so long as any portion of the Obligations remains outstanding), to sign and deliver a Direction Letter.

Without the prior written consent of the Collateral Agent, the Borrower shall not terminate, amend, revoke or modify any Direction Letter in any manner whenever or direct or cause any Tenant to pay any amount in any manner other than as provided in the related Direction Letter.

The Cash Management Bank shall receive and process, on a daily basis, any deposits presented or sent to the Cash Management Bank for deposit in the Collection Account. The Cash Management Bank shall (i) send to the Borrower any other advices or reports typically furnished by the Cash Management Bank in connection with accounts similar to the Collateral Accounts, (ii) maintain a record of all transfers to and from the Collateral Accounts, and (iii) make available to the Borrower, the Collateral Agent and the Servicer a monthly statement of the Collateral Accounts. The Collateral Accounts are subject to applicable laws, and such applicable regulations of the Board of Governors of the Federal Reserve System and of any other banking or governmental authority as may now or hereafter be in effect.

The Collateral Accounts shall be Eligible Accounts. Income and interest accruing on the Collateral Accounts or any investments held in such accounts shall be periodically added to the principal amount of such account and shall be held, disbursed and applied in accordance with the provisions of the Collateral Agency Agreement. The Borrower shall be the beneficial owner of the Collateral Accounts for federal income tax purposes and shall report all income on the Collateral Accounts.

In the event that the Borrower deposits an amount in the Collection Account designated for use relating to the prepayment of the then outstanding principal amount of an Obligation, so long as no Mortgage Event of Default has occurred and is continuing and all Reserve Accounts are fully funded in the amounts then required pursuant to the Collateral Agency Agreement, the Collateral Agent, pursuant to directions from the Borrower, shall deposit such amount in the Reserve Account relating to such Obligation for application to the then outstanding principal amount of and accrued and unpaid interest on such Obligation.

So long as any portion of the Obligations remains Outstanding, neither the Borrower nor any other Person related to the Borrower shall open or maintain any accounts other than the Collection Account into which Mortgaged Rent is deposited directly by a Tenant. The foregoing shall not prohibit the Borrower from utilizing one or more separate accounts for the disbursement or retention of funds that have been transferred to the Borrower pursuant to the express terms of the Collateral Agency Agreement and the Loan Documents.

The Collateral Agent shall have the right at the Borrower's sole cost and expense to replace the Cash Management Bank upon thirty (30) days' prior written notice to the Borrower, the Cash Management Bank and the Servicer with a financial institution reasonably satisfactory to the Borrower in the event that (i) the Cash Management Bank fails, in any material respect, to comply with the Deposit Account Control Agreement or the Collateral Agency Agreement (as reasonably determined by the Collateral Agent), (ii) the Cash Management Bank named on the Closing Date is no longer the Servicer or (iii) the Cash Management Bank is no longer an Eligible Institution.

So long as no Mortgage Event of Default shall have occurred and be continuing, the Borrower shall have the right upon thirty (30) days' prior written notice to the Borrower, the Cash Management Bank and the Servicer at its sole cost and expense to replace the Cash Management Bank upon thirty (30) days' prior written notice to the Borrower, the Cash Management Bank and the Servicer with a financial institution that is an Eligible Institution provided that such financial institution and the Borrower shall execute and deliver to the Collateral Agent a joinder to the Collateral Agency Agreement and a Deposit Account Control Agreement substantially similar to the Deposit Account Control Agreement executed as of the Closing Date.

The Cash Management Bank shall have the right to resign as Cash Management Bank under the Collateral Agency Agreement upon thirty (30) days' prior written notice to the Borrower and the Collateral Agent, and in the event of such resignation, the Borrower shall appoint a successor Cash Management Bank which must be an Eligible Institution. No such resignation by the Cash Management Bank shall become effective until a successor Cash Management Bank shall have accepted such appointment and executed an instrument by which it shall have assumed all of the rights and obligations of the Cash Management Bank under the Collateral Agency Agreement. If no such successor Cash Management Bank is appointed within sixty (60) days after receipt of the resigning Cash Management Bank's notice of resignation, the resigning Cash Management Bank may petition a court for the appointment of a successor Cash Management Bank.

In connection with any resignation, termination, or replacement of the Cash Management Bank, (i) the resigning Cash Management Bank shall, at the sole cost of the Borrower (A) duly assign, transfer and deliver to the successor Cash Management Bank the Collateral Agency Agreement and all cash and Permitted Investments held by it under the Collateral Agency Agreement, (B) execute such instruments as may be necessary to give effect to such succession and (C) take such other actions as may be reasonably required by the Borrower or the successor Cash Management Bank in connection with the foregoing, and (ii) the successor Cash Management Bank shall open new cash collateral accounts with the Borrower, which shall become the Collateral Accounts for purposes of the Collateral Agency Agreement upon the succession of such Cash Management Bank.

Funding of Reserve Accounts

So long as no Mortgage Event of Default has occurred and is continuing, the Collateral Agent shall instruct the Cash Management Bank to transfer from the Holding Account, by 11:00 a.m. New York time on each Business Day, or as soon thereafter as sufficient funds are in the Holding Account to make the applicable transfers, commencing on the Business Day following the Bond Issuance Date, funds in the following amounts and in the following order of priority:

(i) all funds into the Ground Lease Reserve Account until such time as an amount equal to the next installment of Ground Rent has accumulated in the Ground Lease Reserve Account;

(ii) all funds into the Tax Reserve Account until such time as an amount equal to the Monthly Tax Reserve Amount has accumulated in the Tax Reserve Account;

(iii) all funds into the Insurance Reserve Account until such time as an amount equal to the Insurance Reserve Amount has accumulated in the Insurance Reserve Account;

(iv) all funds into the Borrower Reimbursable Expenses Reserve Account until such time as an amount equal to the sum of the Borrower Reimbursable Expenses Reserve Amount and the CMBS Fees Amount has accumulated in the Borrower Reimbursable Expenses Reserve Account;

(v) all funds into the Liberty Bonds Loan Reserve Account until such time as an amount equal to the Monthly Liberty Bonds Loan Payment Amount for the next Liberty Bonds Scheduled Payment Date has accumulated in the Liberty Bonds Loan Reserve Account;

(vi) all funds into the CMBS Loan Reserve Account until such time as an amount equal to the excess of the Monthly CMBS Payment Amount over the CMBS Fees Amount for the next CMBS Scheduled Payment Date has accumulated in the CMBS Loan Reserve Account;

(vii) all funds into the Operating Expenses Reserve Account until such time as an amount equal to the Operating Expenses Reserve Amount has accumulated in the Operating Expenses Reserve Account;

(viii) following the occurrence of a Bond Issuer Judgment Event, all funds into the Bond Issuer Judgment Reserve Account until such time as an amount equal to 110% of the Bond Judgment Amount (or such higher amount as may be required pursuant to the related final, non-appealable judgment as provided in a notice from the Issuer to the Collateral Agent and the Borrower) has accumulated in the Bond Issuer Judgment Reserve Account;

(ix) to the extent the Collateral Agent receives a Permitted Mezzanine Financing Monthly Debt Service Notice, all funds into the Mezzanine Financing Reserve Account until such time as an amount equal to the Monthly Mezzanine Financing Payment Amount for the next Mezzanine Financing Scheduled Payment Date has accumulated in the Permitted Mezzanine Financing Reserve Account;

(x) to the extent the Lender under a Permitted Mezzanine Financing has delivered to the Collateral Agent notice of the occurrence and continuance of an event of default under the terms of such Permitted Mezzanine Financing (upon which the Collateral Agent may conclusively rely without any inquiry into the validity thereof), which has not been subsequently rescinded, all funds to the Lender under the Permitted Mezzanine Financing; and

(xi) all funds to an account designated by the Borrower from time to time (it being understood that any such distributions shall be free of the security interest granted under the Collateral Agency Agreement and such account(s) are not pledged under the Collateral Agency Agreement).

Upon the Collateral Agent's notice to the Cash Management Bank of the occurrence and continuation of a Mortgage Event of Default, the Cash Management Bank must transfer from the Holding Account, by 11:00 a.m. New York time on each Business Day, all amounts deposited in the Holding Account as follows: first, to such Reserve Accounts, if any, and in such amounts, if any, as directed by the Servicer, and second, all remaining amounts to the Master Account for application as provided in accordance with the terms and conditions of the Servicing Agreement. The Collateral Agent acknowledges that the Loan Documents provide that the failure of the Borrower to make any payments of Ground Rent, Taxes, or Debt Service when due shall not constitute a Mortgage Event of Default if (x) adequate funds are on deposit in the Collateral Accounts for such payments and the failure to make any such payment from the Collateral Accounts is not due to inaccurate information provided by the Borrower to the Collateral Agent or the Servicer, and (y) no other Mortgage Event of Default has occurred and is continuing under the Loan Documents.

Application of Amounts on Deposit in the Collateral Accounts

Provided no Mortgage Event of Default shall have occurred and be continuing, the Collateral Agent shall instruct the Cash Management Bank to make the following payments from the Reserve Accounts to the extent of the monies on deposit therefor:

(a) Amounts held in the Ground Lease Reserve Account to the payment of Ground Rent required to be made by the Borrower pursuant to the Office Tower Ground Lease. If at any time the amount on deposit in the Ground Lease Reserve Account shall exceed the amounts due for the Ground Rent under the Office Tower Ground Lease for the immediately succeeding month as reasonably determined by the Collateral Agent, which such determination may be requested by the Borrower, the Collateral Agent shall, unless a Mortgage Event of Default has occurred and is continuing, and upon the direction of the Servicer, return, or cause the Cash Management Bank to return, any excess to the Borrower or retain such excess in the Ground Rent Account and credit such excess against future deposits to be made into the Ground Lease Reserve Account. Any amounts remaining in the Ground Lease Reserve Account after the CMBS Loan and the Liberty Bonds Loan have been paid in full shall be returned to the Borrower. If at any time the Collateral Agent or the Servicer reasonably determines that amounts on deposit in the Ground Lease Reserve Account are not or will not be sufficient to pay the Ground Rent for the succeeding calendar month, the Collateral Agent shall, or shall cause the Cash Management Bank to, notify the Borrower of such determination and the Borrower shall make up the deficiency at least ten (10) days prior to the due date of the Ground Rent;

(b) Amounts in the Tax Reserve Account to the payment of Taxes required to be made by the Borrower pursuant to the Loan Documents (subject to any right of the Borrower to contest such payments as provided therein). In making any disbursement from the Tax Reserve Account, the Collateral Agent may do so according to any bill, statement or estimate procured from the appropriate public office or tax lien service or provided by the Borrower, without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof. If the amount in the Tax Reserve Account shall exceed the amounts due for Taxes under the Loan Documents, the Collateral Agent shall, unless a Mortgage Event of Default has occurred and is continuing, cause the Cash Management Bank to return any excess to the Borrower or retain such excess in the Tax Reserve Account and credit such excess against future deposits to be made into the Tax Reserve Account. Any amount remaining in the Tax Reserve Account after the CMBS Loan and the Liberty Bonds Loan have been paid in full, shall be promptly returned to the Borrower and no other party shall have any right or claim thereto. If at any time the Collateral Agent or the Servicer reasonably determines that the amounts on deposit in the Tax Reserve Account are not or will not be sufficient to pay Taxes when due, the Borrower shall pay to the Collateral Agent for the benefit of the Holders any amount necessary to make up the deficiency within fifteen (15) days after such notice from the Collateral Agent to the Borrower requesting payment thereof but no later than ten (10) days prior to the date on which such Taxes are due;

(c) Amounts in the Insurance Reserve Account to the payment of Insurance Premiums required to be paid by the Borrower pursuant to the Loan Documents. In making any disbursement from the Insurance Reserve Account, the Collateral Agent may do so according to any bill, statement or estimate procured from the applicable insurer or provided by the Borrower, without inquiry into the accuracy of such bill, statement or estimate. If the amount in the Insurance Reserve Account shall exceed the amounts due for Insurance Premiums under the Loan Documents, the Collateral Agent shall, unless a Mortgage Event of Default has occurred and is continuing, cause the Cash Management Bank to return any excess to the Borrower or retain such excess in the Insurance Reserve Account and credit such excess against future payments to be made to the Insurance Reserve Account. Any amount remaining in the Insurance Reserve Account after the CMBS Loan and Liberty Bonds Loan have been paid in full shall be promptly returned to the Borrower and no other party shall have any right or claim thereto. If at any time the Collateral Agent reasonably determines that the amounts on deposit in the Insurance Reserve Account are not or will not be sufficient to pay Insurance Premiums when due, the Borrower shall pay to the Collateral Agent for the benefit of the Holders any amount necessary to make up the deficiency within fifteen (15) days after such notice from the Collateral Agent to the

Borrower requesting payment thereof but no later than ten (10) days prior to the date on which such Insurance Premiums are due;

(d) On each Determination Date, apply all amounts in the Borrower Reimbursable Expenses Reserve Account to the Borrower Reimbursable Expenses Reserve Amount and the CMBS Fees Amount by depositing such amount in the Master Account;

(e) On each Liberty Bonds Scheduled Payment Date, apply all amounts in the Liberty Bonds Loan Reserve Account to the Monthly Liberty Bonds Loan Payment Amount and, if applicable, as a prepayment of the Liberty Bonds Loan if funds for such purpose have been deposited in the Liberty Bonds Loan Reserve Account, by depositing such amount in the Master Account;

(f) On each CMBS Scheduled Payment Date, apply all amounts in the CMBS Loan Reserve Account to the Monthly CMBS Payment Amount, excluding the Taxable Securities Fees Amount, and, if applicable, as a prepayment of the CMBS Loan if funds for such purpose have been deposited in the CMBS Loan Reserve Account, by depositing such amount in the Master Account;

(g) Amounts in the Operating Expenses Reserve Account to the Borrower for the payment of Operating Expenses required to be paid by the Borrower (other than Operating Expenses excluded from the definition of "Operating Expenses Reserve Amount"). If the amount in the Operating Expenses Reserve Account shall exceed the amounts due for such Operating Expenses for such period under the Annual Budget, the Collateral Agent shall, unless a Mortgage Event of Default has occurred and is continuing, cause the Cash Management Bank to return any excess to the Borrower. Any amount remaining in the Operating Expenses Reserve Account after the CMBS Loan and the Liberty Bonds Loan have been paid in full, shall be promptly returned to the Borrower and no other party shall have any right or claim thereto;

(h) Upon the earlier of (i) the occurrence of the date upon which the Borrower is required to assume the defense in the applicable proceedings pursuant to the Liberty Bonds Loan Agreement and (ii) the presentation to the Collateral Agent and the Servicer of a final non-appealable order by a Governmental Authority regarding any Bond Issuer Judgment Event, release to the prevailing party the Bond Issuer Judgment Amount being held in the Bond Issuer Judgment Reserve Account, and, to the extent the Issuer is the prevailing party, return any excess amount to the Borrower;

(i) On each Permitted Mezzanine Financing Scheduled Payment Date, apply all amounts in the Mezzanine Financing Reserve Account to the Monthly Mezzanine Financing Payment Amount;

(j) Upon written request from the Borrower and satisfaction of the requirements set forth in the Collateral Agency Agreement, disburse to the Borrower amounts from the Leasing Reserve Account to the extent necessary to reimburse the Borrower for TI Allowances and/or Leasing Commissions incurred in connection with Leases (including, but not limited to, Leasing Commissions paid to Affiliates of the Borrower);

(k) Disbursements from the Free Rent Reserve Account each month in the amounts as set forth by Schedule to the Collateral Agency Agreement; and

(l) Under the terms of the Office Tower Ground Lease and the Loan Documents, taken together, any Net Proceeds will be applied either to the repair or restoration of all or part of the Mortgaged Property or deposited into the Collection Account (for further deposit into an account specified by the Servicer for the retention of such Net Proceeds for further application pursuant to this clause (l) and the Loan Documents), with the Collateral Agent having the right, subject to the Collateral Agent's or a Lender's compliance with applicable provisions of the Office Tower Ground Lease, to hold and disburse such Net Proceeds, in accordance with the terms of the Office Tower Ground Lease, on behalf of a Lender as the repair or restoration progresses to the extent a Restoration is being undertaken.

All of the above disbursements required to be made by the Collateral Agent shall be deposited on the first of each month into the Collection Account as if such sums were received by the Borrower as Mortgaged Rent and shall be applied as provided above.

Investment of Amounts in Collateral Accounts

Earnings or interest on amounts in the Reserve Accounts shall accrue to each such Reserve Account for the benefit of the Borrower to the extent no Mortgage Event of Default has occurred and is continuing.

Funds deposited in the Reserve Accounts shall be invested in Permitted Investments selected by the Borrower and interest shall be credited to the applicable Collateral Account within one (1) Business Day after their receipt. All such interest shall be and become part of the Reserve Accounts and shall be disbursed as provided above; provided, however, that the Collateral Agent may retain any such interest for the benefit of the Secured Parties during the occurrence and continuance of a Mortgage Event of Default. The Borrower shall be the owner of the amounts in the Reserve Accounts for federal and applicable state and local tax purposes, except to the extent that the Collateral Agent retains any interest for the benefit of the Secured Parties during the occurrence and continuance of a Mortgage Event of Default.

The Collateral Accounts and any and all amounts in the Collateral Accounts now or hereafter deposited in the Collateral Accounts shall be subject to the exclusive dominion and control of the Collateral Agent for the benefit of the Secured Parties, which shall hold the Collateral Accounts and any or all amounts in the Collateral Accounts now or hereafter deposited in the Collateral Accounts subject to the terms and conditions of the Collateral Agency Agreement. The Borrower shall have no right of withdrawal from the Collateral Accounts or any other right or power with respect to the Collateral Accounts or any or all of the amounts in the Collateral Accounts now or hereafter deposited in the Collateral Accounts, except as expressly provided in the Collateral Agency Agreement.

As long as no Mortgage Event of Default has occurred and is continuing, the Collateral Agent shall instruct the Cash Management Bank to make disbursements from the Reserve Accounts in accordance with the Collateral Agency Agreement.

If any Mortgage Event of Default occurs, the Borrower shall immediately lose all of its rights to receive disbursements from the Reserve Accounts, including, without limitation, investment earnings, until the earlier to occur of (i) the date on which such Mortgage Event of Default is cured to the Collateral Agent's reasonable satisfaction, or (ii) the payment in full of the Obligations. Upon the occurrence of any Mortgage Event of Default, the Collateral Agent may exercise any or all of its rights and remedies as a secured party, pledgee and lienholder for the benefit of the Secured Parties with respect to the Collateral Accounts. During the continuance of any Mortgage Event of Default, the Collateral Agent may deposit, use and disburse the amounts in the Collateral Accounts (or any portion thereof) on behalf of the Secured Parties for any of the following purposes: (A) repayment of the Obligations, including, but not limited to, principal prepayments and the prepayment premium applicable to such full or partial prepayment (as applicable); (B) reimbursement of any Secured Party for all losses, fees, costs and expenses (including, without limitation, reasonable legal fees) suffered or incurred by any Secured Party as a result of such Mortgage Event of Default; (C) payment of any amount expended in exercising any or all rights and remedies available to the Collateral Agent at law or in equity or under the Collateral Agency Agreement or under any of the other Loan and Collateral Documents; (D) payment of any item from any of the Collateral Accounts as required or permitted under the Collateral Agency Agreement; or (E) any other purpose permitted by Applicable Law; provided, however, that any such application of funds shall not cure or be deemed to cure any Mortgage Event of Default. Nothing in the Collateral Agency Agreement shall obligate the Collateral Agent or the Servicer to apply all or any portion of the amounts in the Collateral Accounts on behalf of the Secured Parties to effect a cure of any Mortgage Event of Default, or to pay the Obligations, or in any specific order of priority. The exercise of any or all of the Collateral Agent's rights and remedies for the benefit of the Secured Parties under the Collateral Agency Agreement or under any of the Loan Documents and/or the other Collateral Documents shall not in any way

prejudice or affect the Collateral Agent's or the Servicer's right to initiate and complete a foreclosure under the Mortgage.

If, at any time, the funds in any Reserve Account should exceed the amount required as reasonably determined by the Collateral Agent and the Servicer, which such determination may be requested by the Borrower, for the purposes of such Account, the Collateral Agent shall, unless a Mortgage Event of Default has occurred and is continuing, instruct the Cash Management Bank to return such excess to the Borrower.

If any loss shall be incurred in respect of any Permitted Investment on deposit in any Collateral Account (to the extent the Borrower has the right to direct investments in the applicable Account), the Borrower shall promptly deposit therein from its own funds, without right of reimbursement, no later than the end of the Collection Period during which such loss was incurred, the amount of the Net Investment Loss, if any, for such Collection Period.

Servicer Role; Servicer Acknowledgement

The Borrower acknowledges that the Collateral Agent, pursuant to the Servicing Agreement, has delegated to the Servicer all of its rights and obligations with respect to the servicing of the Collateral Accounts under the Collateral Agency Agreement and the Servicing Agreement, and the Servicer will take such actions, or direct the Collateral Agent to take such actions, consistent with the Servicing Standard and the Servicing Agreement as may be required or permitted to be taken by the Collateral Agent under the Collateral Agency Agreement. The Collateral Agent shall in no way be liable or responsible for any actions taken at the direction of the Servicer or for the failure to take any actions in the absence of such direction if such direction is required.

The Servicer acknowledges that the Collateral Agent, pursuant to the Servicing Agreement, has delegated to the Servicer all of its rights and obligations with respect to the servicing of the Collateral Accounts under the Collateral Agency Agreement and the Servicing Agreement, and the Servicer shall take such actions, or direct the Collateral Agent to take such actions, consistent with the Servicing Standard and the Servicing Agreement, as may be required or permitted to be taken by the Collateral Agent under the Collateral Agency Agreement. The Servicer acknowledges and agrees that the Borrower shall have the right to enforce the terms of the Collateral Agency Agreement with respect to the Collateral Accounts, and the Servicer shall be liable to the Borrower for the Servicer's obligations under the Collateral Agency Agreement.

Eligibility Requirements for the Collateral Agent; Errors and Omissions Insurance

The Collateral Agent shall at all times be a Qualified Trustee that is not, or not an Affiliate of, the Servicer. If such corporation, trust company, bank or banking association publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then, for purposes of the paragraph, the combined capital and surplus of such corporation, trust company, bank or banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. No Person shall become a successor Collateral Agent if the succession of such Person would result in a downgrade, qualification (if applicable) or withdrawal of any of the then current ratings then assigned by the Rating Agencies to the Taxable Securities or any Class of Liberty Bonds. In case at any time the Collateral Agent shall cease to be eligible in accordance with this paragraph, the Collateral Agent shall resign immediately in the manner and with the effect specified below. However, if the Collateral Agent meets the requirements of clauses (i) through (iv) above, but does not meet the requirements of clause (v) above, the Collateral Agent shall be deemed to meet the requirements of such clause (v) if (a) it appoints a fiscal agent as a back up advancer that satisfies the requirements of such clause (v), and (b) such fiscal agent shall have assumed in writing all obligations of the Collateral Agent to make Advances under the Collateral Agency Agreement and the Servicing Agreement as and when required of the Collateral Agent. The corporation, trust company, bank or banking association serving as Collateral Agent may have normal banking and trust relationships with the Servicer and its respective Affiliates.

The Collateral Agent shall obtain and maintain at its own expense, and keep in full force and effect throughout the term of the Collateral Agency Agreement, a blanket fidelity bond and an errors and omissions insurance policy covering the Collateral Agent's directors, officers and employees acting on behalf of the Collateral Agent in connection with its activities under the Collateral Agency Agreement and the Servicing Agreement; provided that if the Collateral Agent is not rated at least "A2" and "A" by Moody's and Fitch, respectively, the provider of such error and omissions insurance policy must be rated at least "A2" and "A" by Moody's and Fitch, respectively. Such insurance policy shall protect the Collateral Agent against losses, forgery, theft, embezzlement, fraud, errors and omissions of such covered persons. The amount of coverage shall be at least equal to the coverage that is required by applicable governmental authorities having regulatory power over the Collateral Agent. In the event that any such bond or policy ceases to be in effect, the Collateral Agent shall obtain a comparable replacement bond or policy. In lieu of the foregoing, the Collateral Agent shall be entitled to self-insure with respect to such risks so long as the Collateral Agent is rated at least "A2" and "A" by Moody's and Fitch, respectively.

Resignation and Removal of the Collateral Agent

The Collateral Agent may at any time resign and be discharged from the trusts created by the Collateral Agency Agreement by (i) giving written notice of resignation to the CMBS Trustee, the Indenture Trustee, the Collateral Agent, the Placement Agents, the Servicer, the Operating Advisor and the Rating Agencies, and (ii) acceptance by a successor Collateral Agent appointed by the Taxable Securities Depositor and in accordance with the heading below entitled *"Successor Collateral Agent"* meeting the qualifications set forth in the heading above entitled *"Eligibility Requirements for the Collateral Agent; Errors and Omissions Insurance"*. Upon such notice of resignation, the CMBS Trustee, or if no CMBS Trustee exists or if the Collateral Agent is the CMBS Trustee, the Indenture Trustee, shall promptly appoint a successor Collateral Agent, the appointment of which would not, in and of itself, result in a downgrade, qualification or withdrawal by the Rating Agencies of the then-current ratings assigned to the CMBS Certificates or any Class of Liberty Bonds, as evidenced by a No Downgrade Confirmation, which No Downgrade Confirmation shall be delivered to the resigning Collateral Agent, and the successor Collateral Agent. If no successor Collateral Agent shall have been so appointed and shall have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Collateral Agent may petition any court of competent jurisdiction for the appointment of a successor Collateral Agent.

If at any time any of the following occur: (x) the Collateral Agent shall cease to be eligible in accordance with the provisions of the heading above entitled *"Eligibility Requirements for the Collateral Agent; Errors and Omissions Insurance"* and shall fail to resign after written request for the Collateral Agent's resignation by the CMBS Trustee, the Indenture Trustee or the Servicer, as applicable; (y) the Collateral Agent shall materially default in the performance of its obligations under the Collateral Agency Agreement or the Servicing Agreement; or (z) if at any time the Collateral Agent shall become incapable of action, or shall be adjudged a bankrupt or insolvent, or a receiver of the Collateral Agent or of its property shall be appointed, or any public officer shall take charge or control of the Collateral Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation then, in any such case, (1) the CMBS Trustee, or if no CMBS Trustee exists or if the Collateral Agent is the CMBS Trustee, the Indenture Trustee, may remove the Collateral Agent and appoint a successor Collateral Agent by written instrument, in duplicate, executed by an authorized officer of the Collateral Agent, one copy of which instrument shall be delivered to the Collateral Agent so removed and one copy to the successor Collateral Agent, or (2) any Certificateholder or Bondholder that has been a bona fide Certificateholder or Bondholder as applicable for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Collateral Agent and the appointment of a successor Collateral Agent. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Collateral Agent, which removal and appointment shall become effective upon acceptance of appointment by the successor Collateral Agent as provided in the heading below entitled *"Successor Collateral Agent"*. Notice of any removal of the Collateral Agent and acceptance of appointment by the successor Collateral Agent shall be given to the CMBS Trustee, the Indenture Trustee, the Servicer, the Operating Advisor, the Borrower, the Rating Agencies, the Placement

Agents and the Underwriters by the successor Collateral Agent. No removal of the Collateral Agent shall be effective until all reasonable fees, costs and expenses have been paid to the Collateral Agent in full.

Any resignation or removal of the Collateral Agent shall not become effective until acceptance of the appointment by the successor Collateral Agent as provided in the heading below entitled *"Successor Collateral Agent"*.

Successor Collateral Agent

Any successor Collateral Agent appointed as provided in the heading above entitled *"Resignation and Removal of the Collateral Agent"* shall execute, acknowledge and deliver to the Borrower, the Indenture Trustee, the CMBS Trustee, the Operating Advisor, the Servicer and to its predecessor collateral agent an instrument (i) accepting such appointment under the Collateral Agency Agreement and under the Servicing Agreement, and (ii) making the representations and warranties of the Collateral Agent substantially as set forth in the Servicing Agreement and under the Collateral Agency Agreement and thereupon the resignation or removal of the predecessor Collateral Agent shall become effective and such successor Collateral Agent without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor under the Collateral Agency Agreement, with the like effect as if originally named as collateral agent therein. The predecessor Collateral Agent shall execute and deliver such instruments and do such other things as may reasonably be required for more fully and certainly vesting and confirming in the successor Collateral Agent all such rights, powers, duties and obligations.

No successor Collateral Agent shall accept appointment unless at the time of such acceptance such successor Collateral Agent shall be eligible under the heading above entitled *"Eligibility Requirements for the Collateral Agent; Errors and Omissions"* and shall have received a No Downgrade Confirmation with respect to its appointment as successor Collateral Agent.

Upon acceptance of appointment by a successor Collateral Agent as provided above, the successor Collateral Agent shall mail notice of such succession to the CMBS Trustee, the Indenture Trustee, the Operating Advisor, the Servicer, the Borrower, the Rating Agencies, the Placement Agents and the Underwriters.

Appointment of Custodian

The Collateral Agent may, at its own expense, appoint one or more custodians (each, a "Custodian") to hold all or a portion of the Mortgage File as agent for the Collateral Agent. Each Custodian shall be a Qualified Trustee that is not the Borrower or an Affiliate thereof. Each Custodian shall be subject to the same obligations and standard of care as would be imposed on the Collateral Agent under the Collateral Agency Agreement in connection with the retention of the Mortgage Files directly by the Collateral Agent. The appointment of one or more Custodians shall not relieve the Collateral Agent from any of its duties, liabilities or obligations under the Collateral Agency Agreement, and the Collateral Agent shall remain responsible for all acts and omissions of any Custodian. Promptly upon the appointment (or termination) of any Custodian, the Collateral Agent shall notify the Servicer, the CMBS Trustee and the Indenture Trustee of such appointment (or termination).

Modifications

The Borrower may, and the Collateral Agent (at the direction of the Servicer subject and pursuant to those provisions of the Servicing Agreement relating to modifications, waivers, amendments and consents) shall, enter into one or more supplements, amendments, modifications, waivers or consents relating to any provision of the Collateral Agency Agreement or any other Collateral Document (each, a "Modification"); provided that the Collateral Agent shall not enter into any such Modification unless a No Downgrade Confirmation with respect to such Modification has been delivered.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS

Pledge under the Indenture

In order to secure the payment of the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on the Series 2012 Liberty Bonds, the Issuer, pursuant to the Indenture, has pledged and assigned to the Indenture Trustee, among other things, (i) all right, title and interest of the Issuer in and to, the Liberty Bonds Joinder, the Liberty Bonds Note and the Liberty Bonds Loan Agreement, including all loan payments, revenues and receipts payable or receivable thereunder, excluding, however, the Reserved Rights, which Reserved Rights may be enforced by the Issuer and the Indenture Trustee (in consultation with the Master Servicer) jointly or severally subject to the limitations contained in the Liberty Bonds Loan Agreement, and (ii) all moneys and securities from time to time held by the Indenture Trustee under the terms of the Indenture including amounts set apart and transferred to the Bond Fund, the Purchase Fund or any special fund, and all investment earnings of any of the foregoing, subject to disbursements (a) of investment earnings to the Borrower in accordance with the provisions of the Indenture, and (b) from the Bond Fund or such special funds created for the benefit of the Bondholders under the related Supplemental Indenture in accordance with the provisions of the Liberty Bonds Loan Agreement and the Indenture; provided, however, there is expressly excluded from any assignment, pledge, lien or security interest granted to the Indenture Trustee, any amounts set apart and transferred to the Rebate Fund, and amounts in the Purchase Fund shall be held solely for the benefit of the Bondholders entitled to receive the Tender Price therefrom, and (iii) any and all other property of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture by the Issuer or by any other Person, with or without the consent of the Issuer, to the Indenture Trustee.

The Series 2012 Liberty Bonds Outstanding from time to time are special limited revenue obligations of the Issuer and the principal or Redemption Price of, if applicable, Sinking Fund Installments for, and interest on which are payable by the Issuer solely from the amounts to be paid under the Liberty Bonds Note and the Liberty Bonds Loan Agreement and otherwise as provided in the Indenture and in the Liberty Bonds Loan Agreement, which amounts are specifically pledged under the Indenture to the payment thereof in the manner and to the extent therein specified.

The Series 2012 Liberty Bonds are not a general obligation of the Issuer. The Series 2012 Liberty Bonds are not a debt or pledge of the faith and credit of the State of New York, the New York Job Development Authority, the New York State Urban Development Corporation or any other authority, public benefit corporation or local development corporation, or any municipality of the State of New York. The Issuer has no taxing power.

The Liberty Bonds Loan Agreement and the Liberty Bonds Note

Concurrently with the issuance by the Issuer of the Series 2012 Liberty Bonds pursuant to the Indenture, the Issuer will make the Liberty Bonds Loan to the Borrower from the proceeds of the Series 2012 Liberty Bonds in the principal amount of $450,290,000 pursuant to the Liberty Bonds Loan Agreement. See "DESCRIPTION OF THE LIBERTY BONDS LOAN AGREEMENT AND THE CMBS LOAN AGREEMENT" herein. Pursuant to the Liberty Bonds Loan Agreement, the Borrower will be obligated to make monthly loan payments in amounts with respect to the principal or Redemption Price of, Sinking Fund Installments for, and interest on, the Series 2012 Liberty Bonds, as the same become due (*i.e.,* monthly payments with respect to (y) interest on the Series 2012 Liberty Bonds in the amount of one-sixth (1/6) of the amount of interest coming due on the next following Interest Payment Date, and (z) principal or Sinking Fund Installments of the Series 2012 Liberty Bonds in the amount of one-sixth (1/6) of the amount of principal or Sinking Fund Installment coming due on the next following principal payment date or Sinking Fund Installment payment date, as the case may be). The obligation of the Borrower under the Liberty Bonds Loan Agreement to make such loan payments will be further evidenced by the Liberty Bonds Note payable to the order of the Issuer, the Indenture Trustee and the Collateral Agent. Recourse against the Borrower under the

Liberty Bonds Loan Agreement and under the Liberty Bonds Note will generally be limited to the Mortgaged Property and the related collateral held under the Collateral Documents.

Simultaneously with the original issuance of the Liberty Bonds Note, and pursuant to the Indenture, the Issuer will pledge and assign to the Indenture Trustee, as security for the Series 2012 Liberty Bonds, all of the Issuer's right, title and interest in and to (i) the Liberty Bonds Note, (ii) the Liberty Bonds Joinder, and (iii) the Liberty Bonds Loan Agreement, including all loan payments, revenues and receipts payable or receivable thereunder, excluding, however, the Reserved Rights which may be enforced by the Issuer or the Indenture Trustee (in consultation with the Master Servicer) jointly or severally through an action for specific performance. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS — The Liberty Bonds Loan Agreement" and "DESCRIPTION OF THE LIBERTY BONDS LOAN AGREEMENT AND THE CMBS LOAN AGREEMENT" herein. See also "DESCRIPTION OF THE SERVICING AGREEMENT" herein.

The liability and obligations of the Borrower under the Liberty Bonds Loan Agreement and the Liberty Bonds Note is not enforceable by a money judgment against the Borrower, except that (y) the Liberty Bonds Note Principal Balance shall be fully recourse to the Borrower upon the occurrence of a Borrower Full Recourse Event (as defined below), and (z) the Borrower shall be personally liable for any Losses arising out of or in connection with any of the "Borrower's Recourse Liabilities".

The Liberty Bonds Joinder

Larry A. Silverstein (the "Guarantor") will execute the Liberty Bonds Joinder to the Liberty Bonds Loan Agreement in favor of the Issuer, pursuant to which the Guarantor will agree to be jointly and severally liable with the Borrower (i) for the payment of the Liberty Bonds Note Principal Balance upon the occurrence of a Borrower Full Recourse Event, and (ii) for the payment of Losses arising out of or in connection with the Borrower's Recourse Liabilities and its related liabilities and obligations (the Liberty Bonds Joinder being a guarantee of full and complete payment and not of collectability). Subject to the ability of the Borrower or the Guarantor to obtain a Replacement Joinder by a Replacement Guarantor, it is provided in the Liberty Bonds Joinder that the Liberty Bonds Joinder, and the obligations of the Guarantor thereunder, may not be revoked by the Guarantor, and shall continue to be effective with respect to any Borrower Recourse Liabilities arising or created after any attempted revocation by the Guarantor or arising or created after (if the Guarantor under the Liberty Bonds Joinder is a natural person) the death of the Guarantor (in which event the Liberty Bonds Joinder will be binding upon the estate of the Guarantor and the Guarantor's legal representatives and heirs).

For purposes of the above paragraph the following terms shall have the respective meanings set forth below:

"Borrower Full Recourse Event" means:

(i) the Borrower files, or joins in the filing of, a petition against the Borrower under any Creditors Rights Laws, or solicits or causes to be solicited petitioning creditors for any involuntary petition against the Borrower from any Person;

(ii) the Borrower or any Restricted Party Controlling the Borrower acquiescing in or joining in any involuntary petition filed against it, by any other Person under any Creditors Rights Laws, or solicits or causes to be solicited petitioning creditors for any involuntary petition from any Person;

(iii) the Borrower enters into or otherwise agrees to any amendment or termination of the Office Tower Ground Lease (unless consented to by the Lender) which has a material adverse impact on the Lender's interest in the Mortgaged Property, it being acknowledged that the Lender has consented to the amendment of the Officer Tower Ground Lease to the extent such amendment

(A) memorializes the resetting of the rent pursuant to the terms of the Office Tower Ground Lease in connection with an extension of the term thereof, or (B) provides for the Borrower's buyout of the Ground Lessor's right to percentage rent under the Office Tower Ground Lease, each as set forth in the Liberty Bonds Loan Agreement; or

(iv) a breach of any of the special purpose entity covenants set forth in the Liberty Bonds Loan Agreement (but only to the extent the same results in a consolidation of the Borrower with any Borrower Related Party).

"Losses" means any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, fines, penalties, charges, fees, judgments, awards, and amounts paid in settlement of whatever kind or nature (including but not limited to reasonable legal fees and other costs of defense reasonably incurred).

"Borrower's Recourse Liabilities" means:

(i) fraud or intentional misrepresentation by the Borrower, its Affiliates or the Guarantor in connection with the Liberty Bonds Loan;

(ii) willful misconduct or any illegal act by the Borrower or the Guarantor, which, in either case, results in physical damage to the Mortgaged Property;

(iii) the misapplication or conversion by the Borrower of (A) any Net Insurance Proceeds paid by reason of any Casualty, (B) any Net Condemnation Proceeds received in connection with a Condemnation, (C) any Mortgaged Rents following an Event of Default, or (D) any Mortgaged Rents paid more than one (1) month in advance;

(iv) any security deposits, advance deposits or any other deposits collected with respect to the Mortgaged Property which are not delivered to the Lender upon a foreclosure of the Mortgaged Property or action in lieu thereof, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the Leases prior to the occurrence of the Event of Default that gave rise to such foreclosure or action in lieu thereof;

(v) the breach of any representation, warranty or covenant within the Liberty Bonds Loan Agreement concerning Environmental Laws or Hazardous Materials;

(vi) the Borrower fails to obtain the Lender's prior consent to any subordinate financing or other voluntary Lien (other than Permitted Encumbrances) encumbering the Mortgaged Property as required by the Liberty Loan Agreement; or

(vii) a breach of any of the covenants set forth in the Liberty Bonds Loan Agreement regarding Prohibited Transfers, Permitted Transfers and Assumptions.

The obligations of the Guarantor under the Liberty Bonds Joinder shall be primary, absolute and unconditional, and shall be unaffected by any rights or defenses, including:

(a) the unenforceability of the Liberty Bonds Loan and Collateral Documents against the Borrower and/or any guarantor;

(b) any release or other action or inaction taken by the Lender with respect to the collateral, the Liberty Bonds Loan, the Borrower or any guarantor, whether or not the same may impair or destroy any subrogation rights of the Guarantor, or constitute a legal or equitable discharge of any surety or indemnitor;

(c) the existence of any collateral or other security for the Liberty Bonds Loan, and any requirement that the Lender pursue any of such collateral or other security, or pursue any remedies it may have against the Borrower or any guarantor;

(d) any requirement that the Lender provide notice to or obtain the Guarantor's consent to any modification, increase, extension or other amendment of the Liberty Bonds Loan, including the guaranteed obligations;

(e) any right of subrogation (until payment in full of the Liberty Bonds Loan, including the guaranteed obligations, and the expiration of any applicable preference period and statute of limitations for fraudulent conveyance claims);

(f) any payment by the Borrower to the Lender if such payment is held to be a preference or fraudulent conveyance under the Bankruptcy Code or the Lender is otherwise required to refund such payment to the Borrower or any other party; and

(g) any voluntary or involuntary bankruptcy, receivership, insolvency, reorganization or similar proceeding affecting the Borrower or any of its assets.

Pursuant to the Liberty Bonds Joinder, the Guarantor agrees, among other things, that the Liberty Bonds Joinder is for the benefit of the Lender and its successors and assigns, and the Lender shall have the right to (i) renew, modify, extend or accelerate the Liberty Bonds Loan, (ii) pursue some or all of its remedies against the Borrower, any guarantor or the Guarantor, (iii) add, release or substitute any collateral for the Liberty Bonds Loan or party obligated thereunder, and (iv) release the Borrower, any guarantor or the Guarantor from liability, all without notice to or consent of the Guarantor and without affecting the obligations of the Guarantor under the Liberty Bonds Joinder.

In the event that all or any portion of the Mortgaged Property is transferred to a third party that is not an Affiliate of the Borrower or the Guarantor pursuant to a foreclosure of the Mortgaged Property, a deed-in-lieu of foreclosure, or any similar transaction, then the Liberty Bonds Joinder provides that the Guarantor shall be automatically released (without any further action required to be taken or documents executed to evidence the same) from its obligations under the Liberty Bonds Joinder arising out of or in connection with actions, conditions or events arising after the date the Mortgaged Property is transferred to such third party.

The Guarantor further agrees pursuant to the Liberty Bonds Joinder, for itself and its successors and assigns, to waive all rights to a marshalling of the assets of the Borrower and of the Mortgaged Property, and not to assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of the Lender under the Liberty Bonds Loan and Collateral Documents to a sale of the Mortgaged Property for the collection of the Liberty Bonds Note Principal Balance without any prior or different resort for collection or the right of the Lender to the payment of the Liberty Bonds Note Principal Balance out of the net proceeds of the Mortgaged Property in preference to every other claimant whatsoever. The Guarantor further waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by the Lender or its agents.

The Guarantor has no right to assign or transfer its rights or obligations under the Liberty Bonds Joinder without the prior written consent of the Lender. However, upon the written request of either the Borrower or the Guarantor, the Guarantor shall be fully released from its obligations under the Liberty Bonds Joinder if a replacement Liberty Bonds Joinder in form and substance substantially similar to the then existing Liberty Bonds Joinder (the "Replacement Liberty Bonds Joinder") is delivered by a Replacement Guarantor. Upon the delivery to the Lender of such Replacement Liberty Bonds Joinder (along with an opinion of counsel to such Replacement Guarantor regarding the enforceability of such Replacement Liberty Bonds Joinder), the prior Guarantor will have no further liability with respect to any liabilities and obligations under the Liberty

Bonds Joinder (other than those existing prior to the delivery of such Replacement Liberty Bonds Joinder, unless the same are assumed by the Replacement Guarantor) or under the Liberty Bonds Loan and Collateral Documents, including, without limitations, the Borrower's Recourse Liabilities and the Borrower's Recourse Bankruptcy Events.

No information is provided in this Official Statement with respect to the net worth, liquidity or financial condition of the Guarantor, and no representation, warranty or covenant is made with respect to the Guarantor by either the Issuer or the Underwriters. Further, the Guarantor will not be obligated pursuant to the Liberty Bonds Joinder to maintain any minimum net worth or liquidity.

The Mortgage

Pursuant to the Mortgage, the Borrower will grant to the Collateral Agent as mortgagee, as security for the Obligations under the CMBS Note, the CMBS Loan Agreement, the Series 2012 Liberty Bonds, the Liberty Bonds Note, the Liberty Bonds Loan Documents, the Collateral Agency Agreement and any and all other Loan and Collateral Documents to secure a principal indebtedness of $575,290,000, a mortgage Lien on, pledge and security interest in, among other collateral comprising the Mortgaged Property (as defined in the Mortgage), the Borrower's interest in, the leasehold interest in the Land, the Office Tower Ground Lease, the Improvements, the Leases, the Mortgaged Rents, all Net Insurance Proceeds (subject to the applicable provisions of the Office Tower Ground Lease), all Net Condemnation Proceeds (subject to the applicable provisions of the Office Tower Ground Lease), all Collateral Accounts established pursuant to the Collateral Agency Agreement and the Reciprocal Easement Agreement.

Assignment of Mortgaged Rents

The Borrower absolutely and unconditionally assigns to the Collateral Agent all of the Borrower's right, title and interest in and to all current and future Leases and Mortgaged Rents; it being intended by the Borrower that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of the Loan and Collateral Documents and the Mortgage, the Collateral Agent grants to the Borrower a revocable license to collect, receive, use and enjoy the Mortgaged Rents, and the Borrower shall hold the Mortgaged Rents, or a portion thereof sufficient to discharge all current sums due on the Obligations, for use in the payment of such sums; provided, however, the Borrower acknowledges that the Mortgaged Rents will be collected and distributed for cash management purposes as provided in the Collateral Agency Agreement.

Mortgage Obligations

The Mortgage secures both of the Obligations as well as the performance of the following (the "Other Obligations"): (a) all other obligations of the Borrower contained in the Mortgage; (b) each obligation of the Borrower contained in each Loan and Collateral Document; and (c) each obligation of the Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of each evidence of the Obligations and each Loan and Collateral Document. The Borrower's obligations for the payment of the Obligations, and the performance of the Other Obligations, are referred to collectively herein as the "Mortgage Obligations".

No Merger of Fee and Leasehold Estates

So long as any portion of the Obligations shall remain unpaid, unless the Collateral Agent shall otherwise consent, the fee title to the real property comprising the Mortgaged Property and the leasehold estate therein created pursuant to the provisions of the Office Tower Ground Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in the Borrower, any Secured Party, or in any other person by purchase, operation of law or otherwise. The Collateral Agent reserves the right, at any time, to release portions of the Mortgaged Property, including, but not limited to, the leasehold estate created

by the Office Tower Ground Lease, with or without consideration, at the Collateral Agent's election, without waiving or affecting any of its rights under the Mortgage or under any evidence of Obligations or any other Loan and Collateral Documents, and any such release shall not affect the Collateral Agent's rights in connection with the portion of the Mortgaged Property not so released.

The Borrower's Acquisition of Fee Estate

Subject to the provisions of the preceding paragraph, in the event that the Borrower, so long as any portion of the Obligations remains unpaid, shall be the owner and holder of the fee title to any leasehold portion of the Mortgaged Property, the lien of the Mortgage shall be spread to cover the Borrower's fee title to such Mortgaged Property and said fee title shall be deemed to be included in the Mortgaged Property without any further action. If the Office Tower Ground Lease is for any reason terminated prior to the natural expiration of its term, and if, pursuant to any provisions of the Office Tower Ground Lease or otherwise, the Collateral Agent or its designee shall acquire from the landlord under the Office Tower Ground Lease another lease of the Mortgaged Property, the Borrower shall have no right, title or interest in or to such other lease or the leasehold estate created thereby.

Rejection of the Office Tower Ground Lease

The Borrower assigns to the Collateral Agent for the benefit of the Secured Parties all of the Borrower's rights, privileges and prerogatives as lessee under the Office Tower Ground Lease to terminate, cancel, modify, change, supplement, alter or amend the Office Tower Ground Lease and, except as set forth in the Loan and Collateral Documents (including, but not limited to, those provisions of the Liberty Bonds Loan Agreement and the CMBS Loan Agreement limiting the Borrower from amending or terminating the Office Tower Ground Lease), any such termination, cancellation, modification, change, supplement, alteration or amendment of the Office Tower Ground Lease, without the prior written consent thereto by the Collateral Agent, shall be void and of no force and effect. The Borrower will not reject the Office Tower Ground Lease pursuant to Section 365(a) of the Bankruptcy Code or any successor law, or allow the Office Tower Ground Lease to be deemed rejected by inaction and lapse of time, and will not elect to treat the Office Tower Ground Lease as terminated by the landlord's rejection of the Office Tower Ground Lease pursuant to Section 365(h)(1) of the Bankruptcy Code or any successor law, and as further security for the repayment of the Indebtedness secured by the Mortgage and for the performance of the covenants, agreements, obligations and conditions contained therein and in the Office Tower Ground Lease, the Borrower assigns to the Collateral Agent for the benefit of the respective Secured Parties, all of its rights, privileges and prerogatives in, to and under the Office Tower Ground Lease, which right may arise as a result of the commencement of a proceeding under the federal bankruptcy laws by or against the Borrower or the landlord under the Office Tower Ground Lease, including, without limitation, the right to assume or reject, or to compel the assumption or rejection of the Office Tower Ground Lease pursuant to Section 365(a) of the Bankruptcy Code or any successor law, the right to seek and obtain extensions of time to assume or reject the Office Tower Ground Lease, the right to elect whether to treat the Office Tower Ground Lease as terminated by the landlord's rejection of the Office Tower Ground Lease or to remain in possession of the Mortgaged Property and offset damages pursuant to Section 365(b)(1) of the Bankruptcy Code or any successor law; and any exercise of such rights, privileges or prerogatives by the Borrower without the prior written consent thereto by the Collateral Agent shall be void and of no force and effect. No release or forbearance of any of the Borrower's obligations as tenant under the Office Tower Ground Lease, whether pursuant to the Office Tower Ground Lease or otherwise, shall release the Borrower from any of its obligations under the Mortgage, including, but not limited to, the Borrower's obligations with respect to the payment of Mortgaged Rent and the observance and performance of all of the covenants, agreements, obligations and conditions contained in the Office Tower Ground Lease to be observed and performed by the Borrower thereunder.

No Sale/Encumbrance

The Borrower shall not cause or permit a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, grant of any options with respect to, or any other transfer or disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a legal or beneficial interest in the Mortgaged Property or any part thereof, the Borrower or any Restricted Party, other than in accordance with the applicable provisions of the CMBS Loan Agreement and the Liberty Bonds Loan Agreement, without the prior written consent of the Collateral Agent.

Mortgage Event of Default

The term "Mortgage Event of Default" as used in the Mortgage shall have the meaning assigned to the term "Event of Default" in the CMBS Loan Agreement and the Liberty Bonds Loan Agreement.

Remedies

Upon the occurrence and during the continuance of any Mortgage Event of Default, the Borrower agrees that the Collateral Agent may take such action, without notice or demand other than as required by any of the Loan and Collateral Documents, the Office Tower Ground Lease or by Applicable Law, as it deems advisable to protect and enforce its rights against the Borrower and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Collateral Agent may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Collateral Agent, but in all cases, subject to the terms of the Office Tower Ground Lease:

(a) declare the entire unpaid Obligations to be immediately due and payable;

(b) institute proceedings, judicial or otherwise, for the complete foreclosure of the Mortgage under any applicable provision of law, in which case the Mortgaged Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(c) with or without entry, to the extent permitted and pursuant to the procedures provided by Applicable Law, institute proceedings for the partial foreclosure of the Mortgage for the portion of the Obligations then due and payable, subject to the continuing lien and security interest of the Mortgage for the balance of the Obligations not then due, unimpaired and without loss of priority;

(d) sell for cash or upon credit the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Borrower therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained in the Mortgage;

(f) recover judgment on the Obligations either before, during or after any proceedings for the enforcement of the Mortgage or the other Loan and Collateral Documents;

(g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Mortgaged Property, without notice of regard for the adequacy of the security for the Obligations and without regard for the solvency of the Borrower, the Guarantor or any other Person liable for the payment of the Obligations;

(h) the license granted to the Borrower under the Mortgage shall automatically be revoked and the Collateral Agent may enter into or upon the Mortgaged Property, either personally or by its agents, nominees or attorneys and dispossess the Borrower and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude the Borrower and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating to the Mortgaged Property and the Borrower agrees to surrender possession of the Mortgaged Property and of such books, records and accounts to the Collateral Agent upon demand, and thereupon the Collateral Agent may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct the business thereat; (ii) complete any construction on the Mortgaged Property in such manner and form as the Collateral Agent deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property; (iv) exercise all rights and powers of the Borrower with respect to the Mortgaged Property, whether in the name of the Borrower or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Mortgaged Rents of the Mortgaged Property and every part thereof; (v) require the Borrower to pay monthly in advance to the Collateral Agent, or any receiver appointed to collect the Mortgaged Rents, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be occupied by the Borrower; (vi) require the Borrower to vacate and surrender possession of the Mortgaged Property to the Collateral Agent or to such receiver and, in default thereof, the Borrower may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Mortgaged Property to the payment of the Obligations in accordance with the Loan and Collateral Documents and the Servicing Agreement, after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, insurance and other expenses in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of the Collateral Agent and the Secured Parties, and their respective, counsel, agents and employees;

(i) exercise any and all rights and remedies granted to a secured party upon default under the UCC, including, without limiting the generality of the foregoing: (i) the right to take possession of the Personal Property or any part thereof, and to take such other measures as the Collateral Agent may deem necessary for the care, protection and preservation of the Personal Property, and (ii) request the Borrower at its expense to assemble the Personal Property and make it available to the Collateral Agent at a convenient place acceptable to the Collateral Agent. Any notice of sale, disposition or other intended action by the Collateral Agent with respect to the Personal Property sent to the Borrower in accordance with the provisions of the Mortgage at least five (5) Business Days prior to such action shall constitute commercially reasonable notice to the Borrower;

(j) apply any sums then deposited or held in escrow or otherwise by or on behalf of the Collateral Agent in accordance with the terms of the Servicing Agreement, the Mortgage or any other Loan and Collateral Document to the payment of the following items in any order in its uncontrolled discretion: (i) rent payable under the Office Tower Ground Lease; (ii) Taxes and Other Charges; (iii) Insurance Premiums; (iv) interest on the unpaid principal balance of the Obligations; (v) amortization of the unpaid principal balance of the Obligations; (vi) all other sums payable pursuant to the Obligations, the Mortgage and the other Loan and Collateral Documents, including without limitation advances made by the Collateral Agent or any Secured Party pursuant to the terms of the Mortgage;

(k) apply the undisbursed balance of any Net Proceeds deposited with the Collateral Agent, to the extent such Net Proceeds were insufficient to pay the full balance of cost estimated to be incurred in connection with the Restoration, together with interest thereon, to the payment of the Obligations in such order, priority and proportions as the Collateral Agent shall deem to be appropriate in its discretion; or

(l) subject to any exculpation provisions set forth in the Loan and Collateral Documents, pursue such other remedies as the Collateral Agent may have under Applicable Law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Mortgaged Property, the Mortgage shall continue as a lien and security interest on the remaining portion of the Mortgaged Property unimpaired and without loss of priority.

Application of Proceeds

The purchase money, proceeds and avails of any disposition of the Mortgaged Property, and or any part thereof, or any other sums collected by the Collateral Agent pursuant to the Obligations, the Mortgage or the other Loan and Collateral Documents, may be applied by the Collateral Agent upon the occurrence and during the continuance of a Mortgage Event of Default to the payment of the Obligations in such priority and proportions as the Collateral Agent in its discretion shall deem proper, subject, however, to the terms of the Collateral Agency Agreement.

Right to Cure Defaults

Subject to the terms of the Office Tower Ground Lease, upon the occurrence and during the continuance of any Mortgage Event of Default, the Collateral Agent may, but without any obligation to do so and with not less than ten (10) Business Days' prior written notice (except if in the reasonable judgment of the Collateral Agent, an emergency condition exists requiring more prompt action) and without releasing of the Borrower from any obligation under the Mortgage, make any payment or do any act required of the Borrower under the Mortgage in such manner and to such extent as the Collateral Agent may deem necessary to protect the security of the Mortgage. The Collateral Agent is authorized to enter upon the Mortgaged Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose the Mortgage or collect the Obligations, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided above shall constitute a portion of the Obligations and shall be due and payable to the Collateral Agent upon demand. All such costs and expenses incurred by the Collateral Agent in remedying such Mortgage Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the default rate set forth in the CMBS Loan Agreement or Liberty Bonds Loan Agreement, as applicable (the "Default Rate") for the period after notice from the Collateral Agent that such cost or expense was incurred to the date of payment to the Collateral Agent. All such costs and expenses incurred by the Collateral Agent together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Obligations and be secured by the Mortgage and the other Loan and Collateral Documents and shall be immediately due and payable upon demand by the Collateral Agent therefor.

Actions and Proceedings

The Collateral Agent has the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on behalf of the Borrower, which the Collateral Agent, in its reasonable discretion, decides should be brought to protect its interest in the Mortgaged Property.

Recovery of Sums Required To Be Paid

The Collateral Agent, on behalf of the Secured Parties, shall have the right from time to time to take action to recover any sum or sums which constitute a part of the related Mortgage Obligations as the same become due, without regard to whether or not the balance of the Mortgage Obligations shall be due, and without prejudice to the right of the Collateral Agent thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Borrower existing at the time such earlier action was commenced.

Other Rights of the Collateral Agent

The failure of the Collateral Agent to insist upon strict performance of any term of the Mortgage shall not be deemed to be a waiver of any term of the Mortgage. The Borrower shall not be relieved of the Borrower's obligations under the Mortgage by reason of (i) the failure of the Collateral Agent to comply with any request of the Borrower or any guarantor or indemnitor with respect to any Obligations to take any action to foreclose the Mortgage or otherwise enforce any of the provisions of the Mortgage or of any evidence of Obligations or the related Loan and Collateral Documents, (ii) the release, regardless of consideration, of the whole or any part of the Mortgaged Property, or of any Person liable for the Obligations or any portion thereof, or (iii) any agreement or stipulation by the Collateral Agent extending the time of payment or otherwise modifying or supplementing the terms of any evidence of Obligations, the Mortgage or the other related Loan and Collateral Documents.

The risk of loss or damage to the Mortgaged Property is on the Borrower, and the Collateral Agent and the Secured Parties shall have no liability whatsoever for decline in the value of the Mortgaged Property, for failure to maintain the Insurance Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by the Collateral Agent shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Mortgaged Property or collateral not in the Collateral Agent's possession.

The Collateral Agent may resort for the payment of the related Obligations to any other security held by such Secured Party in such order and manner as the Collateral Agent, in its discretion, may elect in accordance with the Loan and Collateral Documents. The Collateral Agent may take action to recover the related Obligations, or any portion thereof, or to enforce any covenant thereof without prejudice to the right of the Collateral Agent thereafter to foreclose the Mortgage. The rights of the Collateral Agent under the Mortgage shall be separate, distinct and cumulative, and none shall be given effect to the exclusion of the others. No act of the Collateral Agent shall be construed as an election to proceed under any one provision in the Mortgage to the exclusion of any other provision. The Collateral Agent shall not be limited exclusively to the rights and remedies stated in the Mortgage but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Right to Release Any Portion of the Mortgaged Property

The Collateral Agent may release any portion of the Mortgaged Property for such consideration as the Collateral Agent may require without, as to the remainder of the Mortgaged Property, in any way impairing or affecting the lien or priority of the Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations under the Mortgage shall have been reduced by the actual monetary consideration, if any, received by the Collateral Agent for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as the Collateral Agent may require without being accountable for so doing to any other lienholder. The Mortgage shall continue as a lien and security interest in the remaining portion of the Mortgaged Property.

Bankruptcy

Upon or at any time after the occurrence of a Mortgage Event of Default, the Collateral Agent shall have the right to proceed in its own name or in the name of the Borrower in respect of any claim, suit, action or proceeding relating to the rejection of any Lease, including, without limitation, the right to file and prosecute, to the exclusion of the Borrower, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the lessee under such Lease under the Bankruptcy Code.

If there shall be filed by or against the Borrower a petition under the Bankruptcy Code, and the Borrower, as lessor under any Lease, shall determine to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then the Borrower shall give the Collateral Agent not less than ten (10) days' prior notice of

the date on which the Borrower shall apply to the bankruptcy court for authority to reject the Lease. The Collateral Agent shall have the right, but not the obligation, to serve upon the Borrower within such ten (10) day period a notice stating that (i) the Collateral Agent demands that the Borrower assume and assign the Lease to the Collateral Agent pursuant to Section 365 of the Bankruptcy Code and (ii) the Collateral Agent covenants to cure or provide adequate assurance of future performance under the Lease. If the Collateral Agent serves upon the Borrower the notice described in the preceding sentence, the Borrower shall not seek to reject the Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by the Collateral Agent of the covenant provided for in clause (ii) of the preceding sentence.

Subrogation

If any or all of the proceeds of any of the Obligations have been used to extinguish, extend or renew any indebtedness heretofore existing against the Mortgaged Property, then, to the extent of the funds so used, the Collateral Agent shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Mortgaged Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of the Collateral Agent and are merged with the lien and security interest created in the Mortgage as cumulative security for the repayment of the Obligations, the performance and discharge of the Borrower's obligations under the Mortgage, under each evidence of Obligations and the other Loan and Collateral Documents and the performance and discharge of the Other Obligations.

Usury Laws

All agreements and communications between the Borrower, the Collateral Agent and each Secured Party are automatically limited so that, after taking into account all amounts deemed interest, the interest contracted for, charged or received by either Secured Party shall never exceed the Maximum Legal Rate. In calculating whether any interest exceeds the Maximum Legal Rate, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of the Borrower to the Collateral Agent and each Secured Party. If through any contingency or event, the Collateral Agent or any Secured Party receives or is deemed to receive interest in excess of the Maximum Legal Rate, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of the Borrower to the Collateral Agent and each Secured Party, or if there is no such indebtedness, shall immediately be returned to the Borrower.

Collateral Agent

The Borrower acknowledges that the Collateral Agent shall execute, deliver and perform its obligations under the Mortgage solely in its capacity as the Collateral Agent on behalf of the Secured Parties pursuant to the terms of the Collateral Agency Agreement and not in its individual capacity. Furthermore, the Borrower acknowledges that the Collateral Agent shall have no obligation to take any action pursuant to the Mortgage or to exercise any rights thereunder unless the Collateral Agent is directed to do so by the Master Servicer or the Special Servicer.

Office Tower Ground Lease; Office Tower Ground Lease Rights Following Bankruptcy

The Borrower shall, at its sole cost and expense, promptly and timely pay, perform and observe all the payments, terms, covenants and conditions required to be paid, performed and observed by the Borrower as lessee under the Office Tower Ground Lease, and shall not cause, permit or suffer to occur any breach or default by the Borrower under the Office Tower Ground Lease. In addition, the Borrower shall timely exercise its right to renew the term of the Office Tower Ground Lease so that the term of the Office Tower Ground Lease does not expire prior to the Maturity Date of the Liberty Bonds Loan. The Borrower will furnish the Collateral Agent, upon reasonable request, proof of payment of all items which are required to be paid by the

Borrower pursuant to the Office Tower Ground Lease and proof of payment of which is required to be given to the Ground Lessor.

The Borrower shall notify the Collateral Agent promptly of any request made by either party to the Office Tower Ground Lease for arbitration proceedings pursuant to the Office Tower Ground Lease and of the institution or commencement of arbitration proceedings thereunder. If any action or proceeding shall be instituted to evict the Borrower or to recover possession of the Mortgaged Property or any portion thereof or for any other purpose affecting the Office Tower Ground Lease or the Mortgage, the Borrower shall, immediately upon service thereof on or to the Borrower, deliver to the Collateral Agent a true and complete copy of each petition, summons, complaint, notice of motion, order to show cause and of all other provisions, pleadings, and papers, however designated, served in any such action or proceeding.

Upon the filing of any petition by or against the Borrower under the Bankruptcy Code, the Borrower shall immediately provide copies of all pleadings and notices related thereto to the Collateral Agent. The Borrower unconditionally assigns to the Collateral Agent all of the Borrower's rights to remain in possession of the Mortgaged Property following the filing of any bankruptcy petition by or against the Borrower, other than an involuntary petition to the extent it is dismissed within ninety (90) days of the filing thereof, and acknowledges that the Collateral Agent may file any pleading in furtherance thereof. This assignment constitutes a present, irrevocable, and unconditional assignment of the foregoing claims, rights, and remedies of the Borrower, and shall continue in effect until all of the Obligations shall have been satisfied and discharged in full. Furthermore, the Borrower irrevocably constitutes and appoints the Collateral Agent as the Borrower's attorney-in-fact for the purpose of filing any pleading in the court in which the initial petition was filed or any court to which the action thereon may be removed, transferred, or assigned that the Collateral Agent determines in its sole discretion to protect the Collateral Agent interests in and to the Mortgaged Property, including but not limited to a motion to extend any applicable time period for the filing of any motion related to the assumption of the Office Tower Ground Lease.

The Borrower shall not, without the prior written consent of the Collateral Agent, file any motion or other pleading to reject or otherwise elect to treat the Office Tower Ground Lease as terminated under Section 365 of the Bankruptcy Code. Any such motion, pleading, or election made without such prior written consent shall be void *ab initio*, and the Mortgage may be pled in bar thereof or, at the election of the Collateral Agent, as an assignment of the Office Tower Ground Lease to the Collateral Agent or its nominee or designee. If the Borrower, as tenant under the Office Tower Ground Lease and as debtor under the Bankruptcy Code, shall desire to reject the Office Tower Ground Lease pursuant to Section 365 of the Bankruptcy Code, the Borrower shall give the Collateral Agent not less than thirty (30) days' prior written notice of the date on which the Borrower intends to file a motion in or otherwise apply to the Bankruptcy Court for authority to reject the Office Tower Ground Lease. In such event, the Collateral Agent shall have the right, but not the obligation, to serve upon the Borrower within such thirty (30) day period a notice stating that the Collateral Agent demands that the Borrower assume the Office Tower Ground Lease and assign the Office Tower Ground Lease to the Collateral Agent or the Collateral Agent's designee pursuant to Section 365 of the Bankruptcy Code. If the Collateral Agent shall serve upon the Borrower the notice described in the preceding sentence, the Borrower shall not seek to reject the Office Tower Ground Lease and shall comply with the demand provided for in the preceding sentence.

If the Borrower shall desire to assume the Office Tower Ground Lease, then the Borrower shall give the Collateral Agent not less than fifteen (15) days' prior written notice of the date on which the Borrower intends to file a motion in, or otherwise apply to, the Bankruptcy Court for authority to assume the Office Tower Ground Lease. The Borrower shall inform the Collateral Agent as a part of such notice whether or not the Borrower intends to assign the Office Tower Ground Lease following assumption thereof. The Collateral Agent shall have the right, but not the obligation, to serve upon the Borrower within such fifteen (15) day period a notice stating that the Collateral Agent demands that the Borrower assume the Office Tower Ground Lease and assign the Office Tower Ground Lease to the Collateral Agent or the Collateral Agent's designee pursuant to Section 365 of the Bankruptcy Code, and such election by the Collateral Agent shall be binding

upon the Borrower. Should the Borrower file a motion to assume the Office Tower Ground Lease, the Collateral Agent shall have the sole right to determine what terms and conditions will provide the Collateral Agent with "adequate assurance of future performance", within the meaning of Section 365 of the Bankruptcy Code.

If there shall be filed by or against the landlord or any fee owner of the Mortgaged Property a petition under the Bankruptcy Code, the Borrower shall, after obtaining knowledge thereof, promptly notify the Collateral Agent thereof in writing. The Borrower shall promptly deliver to the Collateral Agent, following receipt, complete and correct copies of any and all notices, motions, summonses, pleadings, claim forms, applications, and other documents received by the Borrower in connection with any such petition and any proceedings relating thereto. The Borrower shall not commence any action, suit, proceeding, or case, or file any application or make any motion in respect of the Office Tower Ground Lease in any such case under the Bankruptcy Code without the prior written consent of the Collateral Agent (not to be unreasonably withheld, conditioned or delayed). The Borrower unconditionally assigns, transfers, and sets over to the Collateral Agent all of the Borrower's claims and rights to the payment of damages or any claim arising from any rejection of the Office Tower Ground Lease by the lessor or any other fee owner of the Mortgaged Property, or the payment of any amount or claim associated with the Office Tower Ground Lease in any proceeding under the Bankruptcy Code. The Collateral Agent shall have the right to proceed in its own name and/or in the name of the Borrower in respect of any claim, suit, action, or proceeding relating to the assumption or rejection of the Office Tower Ground Lease by the landlord, including, without limitation, the right to file and prosecute, to the exclusion and in the name of the Borrower, any proofs of claim, complaints, motions, applications, notices and other documents, or to defend against any objection thereto, in any case in respect to the lessor or any fee owner of the Mortgaged Property. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until all of the Obligations shall have been satisfied and discharged in full. Any amounts aforesaid shall be applied to pay down the principal balance of the Obligations. The Borrower shall promptly make, execute, acknowledge and deliver, in form and substance reasonably satisfactory to the Collateral Agent, all such instruments, agreements and other documents, as may at any time hereafter be required by the Collateral Agent to effectuate and carry out this assignment.

If the Borrower shall seek to offset against the Ground Rent the amount of any damages caused by the nonperformance by the landlord or any fee owner of the Mortgaged Property of any of its obligations under the Office Tower Ground Lease after the rejection of the Office Tower Ground Lease by the lessor or any fee owner of the Mortgaged Property under the Bankruptcy Code, the Borrower shall, prior to effecting such offset, notify the Collateral Agent of its intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. The Collateral Agent shall have the right to object to all or any part of such offset that, in the reasonable judgment of the Collateral Agent, would constitute a breach of the Office Tower Ground Lease, and in the event of such objection, the Borrower shall not effect any offset of the amounts so objected to by the Collateral Agent.

If the Borrower shall be in default under the Office Tower Ground Lease, then, subject to the terms of the Office Tower Ground Lease, the Collateral Agent, for the benefit of the Holders, or the Collateral Agent, shall have the right (but not the obligation) to cause the default or defaults under the Office Tower Ground Lease to be remedied and otherwise exercise any and all rights of the Borrower under the Office Tower Ground Lease, as may be necessary to prevent or cure any default, and shall have the right to enter all or any portion of the Mortgaged Property at such times and in such manner as the Collateral Agent deems necessary, to prevent or to cure any such default.

Maximum Debt Secured

The maximum amount of principal indebtedness secured by the Mortgage at execution or which under any contingency may become secured at any time hereafter is $575,290,000 plus all amounts expended by the Collateral Agent and Secured Parties, after default by the Borrower under the Mortgage, to enforce, defend and/or maintain the lien of the Mortgage or to protect the Mortgaged Property encumbered by the Mortgage, or the value thereof, including, without limitation, all amounts in respect of insurance premiums and all real estate taxes, PILOT, charges or assessments imposed by law upon the Mortgaged Property, or any other amount, cost or charge to which the Borrower may become subrogated upon payment as a result of the Borrower's failure to pay as required by the terms of the Mortgage or any Loan and Collateral Document plus all accrued but unpaid interest on the Mortgage Obligations secured by the Mortgage and any Yield Maintenance Premium prepayment fee or other amount payable in connection with any prepayment of the Obligations prior to the applicable Stated Maturity Date.

Insurance Proceeds

In the event of any conflict, inconsistency or ambiguity between the provisions of the Loan and Collateral Documents and the provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire, the provisions of the Loan and Collateral Documents shall control; but as between the Loan and Collateral Documents and the Office Tower Ground Lease, the provisions of the Office Tower Ground Lease shall control as to the disposition of insurance proceeds.

Limitation on the Foreclosure of the Mortgage under the Office Tower Ground Lease

The Office Tower Ground Lease contains detailed provisions regarding procedures that must be followed by the Leasehold Mortgagee thereunder in order for rights regarding events of default or termination of the Office Tower Ground Lease to be exercised. Failure of the party entitled to such rights to exercise such rights in accordance with the provisions of the Office Tower Ground Lease may result in an inability to foreclose on the security afforded by the Mortgage or result in a failure to forestall a termination of the Office Tower Ground Lease (which will eliminate the benefits afforded by the Mortgage).

Recognition by the Port Authority; Right to Receive Notice of Default

The Collateral Agent has been recognized by the Port Authority as a "Leasehold Mortgagee" under the Office Tower Ground Lease and as such, is entitled to receive a copy of each notice of default given under the Office Tower Ground Lease. In addition, the Port Authority has agreed to accept the curing of any default by the Collateral Agent with the same force and effect as though cured by the Borrower.

Right to Cure Defaults

If the Port Authority elects to terminate the Office Tower Ground Lease due to the Borrower's default thereunder, the Collateral Agent will be permitted to extend the effective date of such termination for up to ninety (90) days in order to cure such defaults and such ninety (90) day period may be further extended so long as the Collateral Agent is diligently pursuing such cure including initiating an action to foreclose the Mortgage. If the Collateral Agent has extended such period in order to foreclose the Mortgage, such extension shall be on the condition that (a) the Collateral Agent guarantees that it will cure all defaults which are susceptible of cure without obtaining possession of the premises (other than the bankruptcy, insolvency, or dissolution of the Borrower), (b) the Collateral Agent pays any arrears in the rental payable under the Office Tower Ground Lease, (c) after the termination of the Office Tower Ground Lease and until the Collateral Agent shall take possession of the premises, the Collateral Agent pays to the Port Authority in addition to the payment of any rental arrears, a minimum rental equal to the average basic rental rate per annum paid during the preceding two years (or portion thereof) which minimum rental shall be payable, and (d) the Collateral

Agent shall proceed with due diligence to institute foreclosure proceedings and diligently and expeditiously prosecute the same to completion.

Right to Foreclose Mortgage

The Collateral Agent shall not be entitled to foreclose on the Mortgage or to have the Borrower's interest under the Office Tower Ground Lease assigned to itself in lieu of such foreclosure prior to giving the Port Authority a sixty (60) day period during which to purchase the Mortgage for the total amount secured thereby, including all accrued but unpaid interest, default charges and interest, fees and penalties, if any. Failure by the Port Authority to elect to acquire the Mortgage shall be deemed to constitute a waiver of such purchase right. No party other than an Institutional Lender (as defined in "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE OFFICE TOWER GROUND LEASE" herein) shall be entitled to become the owner of, or acquire any interest in, the Office Tower Ground Lease pursuant to a judgment of foreclosure and sale or as a result of an assignment in lieu of foreclosure, except with the prior consent of the Port Authority, which consent shall not be withheld provided the proposed purchaser shall meet all of 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 multiple-occupancy office buildings containing not less than 500,000 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 Facility as a first-class office building in accordance with all the terms and conditions of the Office Tower Ground Lease;

(ii) the financial standing of the proposed party as of the date of the acquisition of the leasehold is sufficient to assure the operation of the Facility in accordance with the standards and requirements of the Office Tower Ground Lease;

(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 a defendant in major civil anti-trust or fraud litigation;

(iv) 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; and

(v) if the proposed party shall desire to use a managing agent for the operation of the Facility, 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.

In addition, the successor to the Borrower's interest under the Office Tower Ground Lease shall only be permitted to assign, sell or transfer the Office Tower Ground Lease to a person who shall qualify as a successor party as defined above. In the event of a proposed sale by any successor to the Borrower of its interest under the Office Tower Ground Lease, so long as the Port Authority is the holder of the Office Tower Ground Lease, the Port Authority shall have a sixty (60) day period to purchase or acquire the leasehold

interest under the Office Tower Ground Lease on terms and conditions which viewed in their entirety are as favorable to the seller, transferor or assignor as those proposed by such successor.

Right to a New Lease

If the Office Tower Ground Lease is terminated by reason of a default, the Collateral Agent may, within thirty (30) days after the effective date of such termination, request a new lease for the balance of the term of the letting under the Office Tower Ground Lease, which such new lease shall be on the same terms and conditions as the Office Tower Ground Lease.

Right to Exercise Renewal Options

If the Borrower fails to renew the term of the Office Tower Ground Lease within the period prescribed above, the Port Authority shall give prompt written notice of such failure to the Collateral Agent who shall have the right to exercise such option to renew by requesting a new lease on the same terms as the Office Tower Ground Lease.

The Assignment of the Property Management Agreement

As stated above in this Official Statement, pursuant to the Property Management Agreement between the Borrower and Silverstein Properties Inc. as Property Manager, the Property Manager has agreed to serve as the Borrower's sole and exclusive leasing agent and to manage the operations of the Facility. As security for the Loans, the Borrower will, pursuant to the Assignment of Management Agreement, assign and pledge its interest in the Property Management Agreement to the Collateral Agent. The Property Manager subordinates its rights, including rights to its management fees under the Property Management Agreement, to the lien of the Mortgage. See "DESCRIPTION OF THE ASSIGNMENT OF MANAGEMENT AGREEMENT" above.

The Class Priority of the Series 2012 Liberty Bonds

It is provided in the Indenture that the Series 2012 Liberty Bonds are subject to a Class Priority such that the payment of the principal of, Sinking Fund Installments for, and interest on the Class 1, Series 2012 Liberty Bonds will be prior in payment to that of the Class 2, Series 2012 Liberty Bonds and that of the Class 3, Series 2012 Liberty Bonds, and that the payment of the principal of, Sinking Fund Installments for, and interest on the Class 2, Series 2012 Liberty Bonds will be prior in payment to that of the Class 3, Series 2012 Liberty Bonds.

Payment Priority of the Liberty Bonds Loan is Prior to the Payment of the CMBS Loan

It is provided in the Servicing Agreement that, whether prior to a Liquidation, or on or after a Liquidation, distributions by the Master Servicer of the Available Secured Party Distribution Amount on each Secured Party Distribution Date reflect a payment priority in favor of the amounts payable to the Indenture Trustee relative to the Liberty Bonds Loan Note, over the amounts payable to the CMBS Trustee relative to the CMBS Loan. See "DESCRIPTION OF THE SERVICING AGREEMENT — *Application of Payments Prior to a Liquidation*" and — *Application of Payments on or After a Liquidation*".

Limitation on Rights of the Indenture Trustee and the Holders of the Series 2012 Liberty Bonds

Servicing Agreement Controls Conflicting Documents. It is provided in the Servicing Agreement that in the event of any conflict with respect to:

(i) the application of payments or proceeds or otherwise as regards the relationship of the Secured Parties to one another and the Mortgaged Property between the Servicing Agreement, on the one hand, and the Collateral Documents, any Liberty Bonds Loan Document or any CMBS Loan

Document, on the other hand, the Servicing Agreement governs (except that the Collateral Agency Agreement governs the funding of, and disbursements from funds in, the Reserve Accounts); and

(ii) the administration of the Obligations between the Servicing Agreement, on the one hand, and the Collateral Agency Agreement, any Liberty Bonds Loan Document or any CMBS Loan Document, on the other hand, the Servicing Agreement governs.

Disgorgement of Payments. It is provided in the Servicing Agreement that if a court of competent jurisdiction orders, at any time, that any amount received or collected in respect of the CMBS Loan or the Liberty Bonds Loan must, pursuant to any insolvency, bankruptcy, fraudulent conveyance, preference or similar law, be returned to the Borrower or paid to the CMBS Trustee, the Indenture Trustee or to any other Person, then, the Master Servicer will not be required to distribute any portion thereof to the CMBS Trustee or the Indenture Trustee, as applicable, and each Secured Party will promptly on demand by the Master Servicer repay to the Master Servicer any portion thereof that the Master Servicer has distributed to the CMBS Trustee or the Indenture Trustee. *However, any funds so required to be returned to the Borrower by the Master Servicer will be treated as paid first, by the CMBS Trustee in respect of the CMBS Loan, and second, by the Indenture Trustee in respect of the Liberty Bonds Loan, respectively, up to the amount of such funds actually distributed in respect of the CMBS Loan and the Liberty Bonds Loan, as the case may be.*

Enforcement of Liberty Bonds Loan Documents by Servicers. The Indenture Trustee agrees in the Servicing Agreement that the Master Servicer and/or the Special Servicer, acting in accordance with the terms of the Servicing Agreement and by directing the Collateral Agent to act in accordance with the terms of the Servicing Agreement, the Collateral Agency Agreement and the Liberty Bonds Loan Documents, will have *the sole and exclusive authority to take any actions* under the terms of the Liberty Bonds Loan and any insurance policies relating to the Liberty Bonds Loan (but excluding the Issuer's Reserved Rights) and to enforce the terms of, and *to exercise any and all approval and enforcement rights* of the Indenture Trustee (other than the Reserved Rights, which Reserved Rights may also be enforced by the Issuer or the Indenture Trustee (in consultation with the Master Servicer) jointly or severally through an action for specific performance) under the Liberty Bonds Loan Documents, *and the Indenture Trustee will take no actions* with respect to any such policies or Liberty Bonds Loan Documents.

Exercise of Remedies by Servicers. The Indenture Trustee agrees in the Servicing Agreement that the Servicers, to the extent consistent with the terms of the Servicing Agreement and the Servicing Standard, *will have the sole and exclusive authority* with respect to the administration of, and exercise of rights and remedies with respect to the Liberty Bonds Loan, including, without limitation, the sole authority (consistent with the Servicing Standard) (a) with respect to the voting of all claims with respect to the Liberty Bonds Loan in any bankruptcy, insolvency or other similar proceedings, whether voluntary or involuntary, including the right to approve or reject any plan of reorganization and (b) to declare or waive any Mortgage Event of Default with respect to the Liberty Bonds Loan, accelerate the Liberty Bonds Loan or institute any foreclosure action, and the Indenture Trustee (except as and to the extent expressly provided for in the Servicing Agreement) will have *no* voting, consent or other rights whatsoever with respect to the administration by the Servicers of, or exercise of the rights and remedies of the Secured Parties with respect to, the Liberty Bonds Loan, and irrevocably assigns to the Servicers all such rights.

Further each of the Master Servicer (with respect to Performing Obligations and Corrected Obligations) and the Special Servicer (with respect to Specially Serviced Obligations and REO Obligations), in its own name or in the name of the Collateral Agent or the Indenture Trustee, is authorized and empowered under the Servicing Agreement to execute and deliver, on behalf of the Indenture Trustee: (i) any and all financing statements, control agreements, continuation statements and other documents or instruments necessary to perfect or maintain the Lien created by the Mortgage or other Liberty Bonds Loan Document in the Mortgage File on the Mortgaged Property and other related collateral; (ii) any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments; and (iii) subject to the provisions of the Servicing Agreement relating to modifications, waivers, amendments, and

consents relative to Obligations, any and all assumptions, modifications, waivers, substitutions, extensions, amendments and consents. At the written request of a Servicing Officer of the Master Servicer or the Special Servicer, the Indenture Trustee will furnish, or cause to be furnished, to the Master Servicer or the Special Servicer, as appropriate, any limited powers of attorney and other documents necessary or appropriate to enable it to carry out its servicing and administrative duties under the Servicing Agreement.

No Action Permitted by Indenture Trustee Relative to Borrower Insolvency Proceedings. Unless directed to do so by the Special Servicer, it is provided in the Servicing Agreement that the Indenture Trustee will not institute, file, commence, acquiesce, petition (either by itself or in conjunction with any other Person) under Bankruptcy Code Section 303 or otherwise (or join any Person other than the Master Servicer, the Special Servicer or the Collateral Agent in any such petition) or otherwise invoke or cause any other Person to invoke an Insolvency Proceeding with respect to or against the Borrower or seek to appoint a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official with respect to the Borrower or all or any part of its property or assets or ordering the winding up or liquidation of the affairs of the Borrower. Upon not more than five Business Days receipt of written request from the Special Servicer, the Indenture Trustee will execute, verify, deliver and file in a timely manner any proofs of claim, consents, assignments or other action necessary or appropriate to enforce the obligations of the Borrower to the Indenture Trustee, and vote any claims at any meeting of creditors or for any plan or with respect to any matter as the Special Servicer directs, all in order to preserve and maintain all claims against the Borrower for sums due with respect to the Series 2012 Liberty Bonds so that the Indenture Trustee will have the benefit of such claims. Upon failure of the Indenture Trustee to do so, the Special Servicer, acting alone, will be deemed to be irrevocably appointed the agent and attorney in fact of the Indenture Trustee to execute, verify, deliver and file any such proofs of claim, consents, assignments or other instruments, to vote any such claims in any Insolvency Proceeding, and to receive and collect any and all payments or other disbursements made thereon in whatever form the same may be paid or issued and to apply the same in the manner provided in the Servicing Agreement. Further, the Indenture Trustee agrees under the Servicing Agreement (i) that it will not make any election, give any consent, file any motion or take any other action under any Insolvency Proceeding without the prior written consent of the Special Servicer, and (ii) that it will not assert or in any way utilize any Liberty Bond Obligation as the basis for any set off, offset or recoupment in respect of the Series 2012 Liberty Bonds in any action or proceeding brought by the Borrower against it.

Appraisal Reductions, Generally. It is provided in the Servicing Agreement that within sixty (60) days after the occurrence of an Appraisal Event, the Special Servicer will (i) notify the Collateral Agent and the Master Servicer of such occurrence of an Appraisal Event, (ii) obtain an Appraisal of the Mortgaged Property (provided that the Special Servicer will not be required to obtain an Appraisal of the Mortgaged Property if there exists an Appraisal which is less than nine months old, unless it has actual knowledge of a material adverse change in the market or condition or value of the Mortgaged Property) and (iii) determine on the basis of such Appraisal whether there exists any Appraisal Reduction Amount. Promptly following the receipt of, and based upon, such Appraisal, the Special Servicer will determine and report to the Collateral Agent and the Master Servicer the then applicable Appraisal Reduction Amount, if any. Annual updates of such Appraisals will be obtained by the Master Servicer or the Special Servicer, as applicable, for so long as an Appraisal Event exists, and promptly following the receipt of, and based upon, such update, the Special Servicer will redetermine and report to the Collateral Agent and the Master Servicer, the then applicable Appraisal Reduction Amount, if any.

Reductions of P&I Advances. If an Appraisal Reduction Amount exists with respect to the Required Appraisal Financing for the Liberty Bonds Loan, *then*, in the event of subsequent delinquencies thereon, the amount of the P&I Advance in respect of the Liberty Bonds Loan for the related Secured Party Distribution Date will be reduced to equal the product of (i) the amount of such P&I Advance for such Required Appraisal Financing for such Secured Party Distribution Date, multiplied by (ii) a fraction, expressed as a percentage, the numerator of which is equal to the Stated Principal Balance of such Required Appraisal Financing immediately prior to such Secured Party Distribution Date, net of the related Appraisal Reduction Amount, if any, and the

denominator of which is equal to the Stated Principal Balance of such Required Appraisal Financing immediately prior to such Secured Party Distribution Date.

Reduction of Voting Rights. Pursuant to the Servicing Agreement, while an Appraisal Reduction Amount exists, the existence thereof will be taken into account for purposes of determining Voting Rights, and will be allocated solely for determining Voting Rights first, to the Class B Certificates to reduce their Certificate Balance until such balance is reduced to zero, second, to the Class A Certificates to reduce their Certificate Balance until such balance is reduced to zero, and third, to the Liberty Bonds Principal Balance to reduce the Liberty Bonds Principal Balance until such balance is reduced to zero. To similar application as provided in the immediately following paragraph, for the purposes of calculating "Voting Eligible" Voting Rights, Realized Losses will be applied first, to the Class B Certificates to reduce the Certificate Balance until such balance is reduced to zero, and second, to reduce the Class A Certificates to reduce their Certificate Balance until such balance is reduced to zero, prior to the application of Realized Losses to the Liberty Bonds Principal Balance. For purposes of calculating the Voting Rights of the Bondholders, the "Voting Eligible" Voting Rights of the Bondholders in certain instances under the Servicing Agreement, will be calculated assuming that all Realized Losses and Appraisal Reductions have been applied to reduce the outstanding principal balance of the Series 2012 Liberty Bonds, which application will be applied first to the Class B Certificates to reduce their Certificate Balance until such balance is reduced to zero, second, to the Class A Certificates to reduce their Certificate Balance until such balance is reduced to zero, and third, to the Liberty Bonds Principal Balance to reduce the Liberty Bonds Principal Balance until such balance is reduced to zero.

"Voting Eligible" Voting Rights has application to that provision of the Servicing Agreement relating to the Voting Rights of the Bondholders and the Certificateholders to initiate action, and subsequently vote, to replace the Special Servicer. To this effect, it is provided in the Servicing Agreement that, whether or not a Servicer Termination Event has occurred, upon (i) the written direction of Bondholders and/or Certificateholders representing not less than 25% of the Voting Eligible CMBS Certificates and the Voting Eligible Bonds (taken as a whole) requesting a vote to replace the Special Servicer with a new special servicer designated in such written direction, (ii) payment by such Bondholders and/or Certificateholders to the Collateral Agent of the reasonable fees and expenses to be incurred by the Collateral Agent in connection with administering such vote, and (iii) delivery by such Bondholders and/or Certificateholders to the Collateral Agent of a No Downgrade Confirmation (which No Downgrade Confirmation shall be obtained at the expense of the Bondholders and/or Certificateholders), the Collateral Agent will promptly provide written notice to the CMBS Trustee, the Indenture Trustee, the Bondholders and the Certificateholders of such request and conduct the solicitation of votes of all Bondholders and Certificateholders in such regard. Upon the written direction of Bondholders and/or Certificateholders evidencing at least 75% of the Aggregate Voting Eligible Quorum (*i.e.*, Bondholders and/or Certificateholders representing not less than 66-2/3% of the Aggregate Voting Rights of the Voting Eligible Bonds and the Voting Eligible CMBS Certificates (taken as a whole)), the Collateral Agent shall terminate all of the rights and obligations of the Special Servicer under the Servicing Agreement and appoint the successor Special Servicer designated by such Bondholders and/or Certificateholders.

Allocation of Realized Losses. Realized Losses (as defined below) will be allocated pursuant to the Servicing Agreement on each Secured Party Distribution Date (immediately following the distributions to the Holders of the Obligations on such Secured Party Distribution Date), first, to the Class B Certificates to reduce their Certificate Balance until such balance is reduced to zero, second, to the Class A Certificates to reduce their Certificate Balance until such balance is reduced to zero, and third, to the Liberty Bonds Principal Balance to reduce the Liberty Bonds Principal Balance until such balance is reduced to zero. The Indenture Trustee agrees under the Servicing Agreement to cause any such applicable reduction to be made to the Liberty Bonds Principal Balance pursuant to the Indenture. "Realized Losses" are defined to mean, with respect to any Secured Party Distribution Date, the aggregate reductions of the principal balance of an Obligation which have been permanently made as a result of a bankruptcy proceeding, modification or otherwise, but other than as a result of principal payments or other collections in respect of principal of such Obligation.

Application of Amounts on Deposit in the Master Account. The Available Secured Party Distribution Amount is paid by the Master Servicer from withdrawals made from the Master Account. It is provided in the Servicing Agreement that the Master Servicer, the Special Servicer, the Indenture Trustee, the CMBS Trustee and the Collateral Agent will in all cases have a right prior to the Holders of the Obligations to any particular funds on deposit in the Master Account from time to time for the reimbursement or payment of compensation, Advances (with interest thereon at the Reimbursement Rate) and their respective expenses under the Servicing Agreement, but only if and to the extent such compensation, Advances (with interest) and expenses are to be reimbursed or paid from such particular funds on deposit in the Master Account or the Distribution Account (but not from any Reserve Account) pursuant to the express terms of the Servicing Agreement. Moreover, the disbursement of amounts from the Master Account by the Master Servicer as provided above under "DESCRIPTION OF THE SERVICING AGREEMENT — Permitted Withdrawals from the Master Account" is not subject to any stated order of priority for such withdrawals.

Modifications, Waivers, Amendments and Consents Relative to the Obligations. Pursuant to the Servicing Agreement, the Master Servicer, if the Obligations are Performing Obligations and the subject modification, waiver or amendment does not constitute a Major Decision, or the Special Servicer, if the subject modification, waiver or amendment constitutes a Major Decision (whether or not the Obligations are Performing Obligations) and at all times when the Obligations are Specially Serviced Obligations, may modify, waive or amend any term of an Obligation if such modification, waiver or amendment:

(i) does not constitute a significant modification of an Obligation under Treasury Regulations Section 1.1001-3, or modify the amount or timing of any payment of principal of, or interest on, any Obligations, unless (x) a Mortgage Event of Default has occurred and is continuing or is reasonably foreseeable or (y) in the case of the CMBS Loan, under then-applicable federal income tax law, the modification would not cause an Adverse Grantor Trust Event;

(ii) does not cause an Adverse Liberty Bonds Event (unless this requirement is waived by the Indenture Trustee), as evidenced by an Opinion of Bond Counsel (the cost of which will be covered by, and reimbursable as, a Servicing Advance);

(iii) would not have the effect of permanently extinguishing principal or interest (other than Default Interest) (other than as a result of Net Liquidation Proceeds being insufficient to pay any of such amounts) on any Obligation; and

(iv) is consistent with the Servicing Standard.

However, in no event may the Master Servicer or the Special Servicer permit (i) an extension of the Stated Maturity Date of any Obligation beyond a date that is five (5) years prior to the Rated Final Date for such Obligation (and in the case of the Liberty Bonds Loan, no other extension of the Stated Maturity Date of the Liberty Bonds Loan may be made without the consent of 75% of the Voting Rights of the Voting Eligible Liberty Bonds), or (ii) with regard to the Liberty Bonds Loan, an extension of any Debt Service Payment beyond a date that is more than five (5) years after the originally scheduled Due Date of the first Debt Service Payment that is extended, unless such extension will not cause an Adverse Liberty Bonds Event (provided that this requirement may be waived by the Indenture Trustee), as evidenced by an Opinion of Bond Counsel (the cost of which will be covered by, and reimbursable as, a Servicing Advance).

To the extent any such waiver, modification or workout permitted pursuant to this heading modifies any of the terms of payment of the Liberty Bonds Loan, such waiver, modification or workout shall be structured to modify the terms of the Liberty Bonds Components as follows: (1) if any modification or waiver of the Liberty Bonds Loan results in the deferral of any payment of accrued and unpaid interest on such Loan, such deferral will be allocated first, to Liberty Bonds Component 3, second, to Liberty Bonds Component 2, and third, on a *pro rata* basis, to each maturity of Liberty Bonds Component 1; (2) if any modification or waiver of the Liberty Bonds Loan results in the reduction in the debt service payment for the Liberty Bonds

Loan, the reduction shall be allocated first, to Liberty Bonds Component 3 until the debt service payment on such Component is reduced to zero, second, to Liberty Bonds Component 2 until the debt service payment on such Component is reduced to zero, and third, on a *pro rata* basis, to each maturity of Liberty Bonds Component 1; and (3) if any modification of the Liberty Bonds Loan provides that at any time debt service payments on the Liberty Bonds Loan would increase (or return to their original levels), the increase (or return, as applicable) shall be allocated first, (a) to each maturity of Liberty Bonds Component 1, *pro rata*, until the debt service payment on each maturity of such Component is restored to its original amount and (b) to reimburse each maturity of such Component 1 for any amounts previously deferred on such Component, second, (a) to Liberty Bonds Component 2, until the debt service payment on such Component is restored to its original amount and (b) to reimburse such Component 2 for any amounts previously deferred on such Component, and third, (a) to Liberty Bonds Component 3 until the debt service payment on such Component is restored to its original amount and (b) to reimburse such Component 3 for any amounts previously deferred on such Component. For avoidance of doubt, this paragraph shall not be construed to alter or affect in any manner the obligation of any Servicer to act in accordance with the Servicing Standard. The applicable Servicer shall, upon effectuation of such modification of the Liberty Bonds Loan, provide to the Indenture Trustee a written report reflecting the modification and its allocation to the Liberty Bonds Components (and maturities within the Liberty Bonds Components) as stated above.

If the Special Servicer determines that an extension of the Liberty Bonds Loan is in accordance with the Servicing Standard, the Special Servicer may direct the Collateral Agent to request a vote for such extension.

To the extent any such waiver, modification or workout permitted above modifies any of the economic terms of any Obligation, *the full adverse economic effect of such waiver, modification or workout will be borne by, and modify the terms of, the CMBS Loan before being borne by, and modifying the terms of, the Liberty Bonds Loan.* In the event of a modification or waiver of any Obligation that results in the deferral of any payment of accrued and unpaid interest on such Obligation, such deferral will be allocated <u>first</u> to the CMBS Loan up to the amount of interest accruing on the CMBS Loan and <u>then</u> to the Liberty Bonds up to the amount of interest accruing on the Liberty Bonds Loan.

In accordance with the Servicing Agreement:

(a) the CMBS Loan Documents and Collateral Documents may be corrected at the request of the CMBS Trustee to correct any mistake, cure any ambiguities or to make such tax changes as may be requested or required unless such modification or waiver would (i) cause an Adverse Grantor Trust Event, (ii) cause an Adverse Liberty Bonds Event or (iii) have a material adverse effect on the Liberty Bonds Loan; provided that in each case a No Downgrade Confirmation is obtained (see "DESCRIPTION OF THE SERVICING AGREEMENT — No Downgrade Confirmation" above); and

(b) the Liberty Bonds Loan Documents and Collateral Documents may be corrected at the request of the Indenture Trustee to correct any mistake, cure any ambiguities or to make such tax changes as may be requested or required unless such modification or waiver would (i) cause an Adverse Grantor Trust Event, (ii) cause an Adverse Liberty Bonds Event or (iii) have a material adverse effect on the CMBS Loan; provided that in each case a No Downgrade Confirmation is obtained (see "DESCRIPTION OF THE SERVICING AGREEMENT — No Downgrade Confirmation" above).

For purposes of the above provisions of the Servicing Agreement, a modification, waiver or amendment of the Liberty Bonds Loan shall not be considered an Adverse Liberty Bonds Event, if, prior to the modification, waiver or amendment (i) there is obtained an Opinion of Bond Counsel that such action will not constitute an Adverse Liberty Bonds Event and (ii) any conditions required by Bond Counsel for the delivery of such opinion are satisfied, which may include (a) the execution by the Issuer and the Borrower of a new Tax Certificate dated the date of the modification, waiver or amendment, (b) the filing with the IRS of a Form 8038 (or such other information return as is then required by the Internal Revenue Code) with respect to the Series

2012 Liberty Bonds, (c) the computation and payment of any payment required by Section 148(f) of the Internal Revenue Code (relating to rebate payments to the IRS) within sixty (60) days following such modification, waiver or amendment, (d) the designation of the Series 2012 Liberty Bonds as "qualified New York Liberty Bonds" (within the meaning of Section 1400L(d) of the Internal Revenue Code), by the Governor of the State of New York and/or The Mayor of The City of New York, (e) the approval of the Series 2012 Liberty Bonds by the Governor of the State of New York after a public hearing, pursuant to Section 147(f) of the Internal Revenue Code and (f) the compliance with such other conditions as Bond Counsel determines are reasonably necessary for the modification, waiver or amendment to not constitute an Adverse Liberty Bonds Event.

All modifications, waivers or amendments of any Obligation must be in writing and must be effected in a manner consistent with the Servicing Standard. Any modification of the Liberty Bonds Loan Documents that requires delivery of a No Downgrade Confirmation pursuant to the Liberty Bonds Loan Documents, or any modification that would eliminate, modify or alter the requirement of obtaining the satisfaction of such No Downgrade Confirmation in the Liberty Bonds Loan Documents, will not be made without the Collateral Agent's receipt (subject to the provisions under the subheading "DESCRIPTION OF THE SERVICING AGREEMENT — No Downgrade Confirmation" above) of a No Downgrade Confirmation.

Prior to implementing any Rating Agency Condition Modification, the Master Servicer or the Special Servicer, as applicable, will obtain a No Downgrade Confirmation (subject to the provisions under the subheading "DESCRIPTION OF THE SERVICING AGREEMENT —No Downgrade Confirmation" above) with respect thereto.

As provided above, although neither the Master Servicer nor the Special Servicer can effect a modification, waiver or amendment to the Liberty Bonds Obligation which would cause an Adverse Liberty Bonds Event or permanently extinguish principal or interest on the Liberty Bonds Loan, the Master Servicer or the Special Servicer, as applicable, can, within such limitations, defer the payment of interest under the Liberty Bonds Obligation and such deferral, if effected in accordance with the Servicing Agreement, will not constitute a Mortgage Event of Default with respect to the Liberty Bonds Obligation.

Limitations on Remedies of Indenture Trustee and Owners of Series 2012 Liberty Bonds Upon the Occurrence of an Event of Default under the Indenture. If there occurs an "Event of Default" under the Indenture:

(i) by reason of the failure to pay principal, Sinking Fund Installments or Redemption Price of, or interest on, any Series 2012 Liberty Bonds and a Liquidation shall have occurred, the Indenture Trustee will declare the principal or Redemption Price, if any, of all Series 2012 Liberty Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately (which acceleration may be rescinded by the Indenture Trustee at the direction of the Special Servicer);

(ii) by reason of either (a) the failure of the Issuer to observe or perform any covenant, condition or agreement in the Series 2012 Liberty Bonds or under the Indenture on its part to be performed (except as set forth in paragraph (i) above), or, (b) the occurrence of an "Event of Default" under the Liberty Bonds Loan Agreement, such default under clause (a) or (b) above will <u>only</u> constitute an "Event of Default" under the Indenture if the Special Servicer by written notice to the Indenture Trustee consents thereto, and no acceleration of the Series 2012 Liberty Bonds will result therefrom without the further prior written consent of the Special Servicer; and

(iii) the Indenture Trustee will proceed to protect the rights of the Bondholders under the Series 2012 Liberty Bonds, the Liberty Bonds Loan Agreement, the Liberty Bonds Note, the Indenture and any other Liberty Bonds Financing Document, <u>if and to the extent</u> directed by the Special Servicer in accordance with the Servicing Agreement.

Amendments to the Indenture. It is provided in the Indenture that if any Supplemental Indenture is believed by the Indenture Trustee, the Servicer or the Collateral Agent to adversely affect its rights, immunities and duties under the Indenture, such Supplemental Indenture will not be effective without the written consent thereto of the Indenture Trustee, the Servicer or the Collateral Agent, as applicable.

Waivers of Default. It is provided in the Indenture that the Indenture Trustee shall, at the direction of the Special Servicer, waive any Event of Default under the Indenture and its consequences and rescind any declaration of acceleration.

Cure Payment

If any Permitted Mezzanine Financing is outstanding, and if the related intercreditor agreement so provides, in the event any monetary default beyond applicable notice and grace periods or non-monetary default which is susceptible of cure beyond applicable notice and grace periods (of which the Master Servicer has knowledge) shall exist with respect to the Liberty Bonds Loan, then, the Master Servicer for Performing Obligations, or the Special Servicer for Specially Serviced Obligations, promptly upon its receipt of knowledge thereof, shall give the Cure Option Notice to the Permitted Mezzanine Lender, the Indenture Trustee, the Operating Advisor, the CMBS Trustee and the Collateral Agent of the occurrence of such default. The Default Cure Group shall have the right to cure such default. Such cure shall be made by any such Holder or Holders or, if specified by the Default Cure Group in a notice given to the Master Servicer, shall be made by another Person designated by the Default Cure Group (the Holder, Holders or other such designee, the "Default Curing Party"). In the event that a Default Cure Group elects to cure a default that can be cured by the payment of money (each such payment, a "Cure Payment"), then, during the cure period provided above, the Default Curing Party shall make such Cure Payment as directed by the Master Servicer and each such Cure Payment shall include all unreimbursed Advances (without regard to whether such Advances would be a Nonrecoverable Advance) and Advance Interest thereon, Borrower Reimbursable Expenses and any unpaid Master Servicing Fees, Special Servicing Fees, Collateral Agent Fees and CMBS Trustee Fees (each to the extent not already included in Borrower Reimbursable Expenses) with respect to the Obligation.

Defaulted Liberty Bonds Loan Purchase Option

At any time on or subsequent to March 15, 2022, if so provided in the intercreditor agreement related to the Permitted Mezzanine Financing, within five (5) Business Days after the Liberty Bonds Loan becomes a Defaulted Obligation, upon receipt of the Mezzanine Option Notice, the holder of the Permitted Mezzanine Financing shall have the right, at its option, to purchase all, but not less than all, of the Outstanding Series 2012 Liberty Bonds at a cash price equal to the Liberty Bonds Purchase Price, which Liberty Bonds Purchase Price (other than the portion thereof consisting of Borrower Reimbursable Expenses, which shall be paid into the Master Account) shall be remitted to the Indenture Trustee for deposit into the Purchase Fund held under the Indenture (the "Mezzanine Option"). The Mezzanine Option is exercisable from the date of receipt of the Mezzanine Option Notice until terminated pursuant to the next paragraph or the terms of the intercreditor agreement, and during that period the Mezzanine Option shall be exercisable in any month only during the period from the Determination Date of such month through the Business Day prior to the Determination Date in the next calendar month. The Mezzanine Option will not be exercisable so long as the Ground Lessor has the right to exercise the Ground Lessor Option. Any holder of the Permitted Mezzanine Financing shall be required to purchase all of the Outstanding Series 2012 Liberty Bonds within thirty (30) Business Days of such exercise.

The Mezzanine Option shall terminate, and shall not be exercisable as set forth in the paragraph above (or if exercised, but the purchase of the Series 2012 Liberty Bonds has not yet occurred, shall terminate and be of no further force or effect) if the Liberty Bonds Loan is no longer a Defaulted Obligation because (i) the default has been cured, (ii) the Liberty Bonds Loan has become a Corrected Obligation, (iii) the Liberty Bonds Loan has been foreclosed upon, or otherwise resolved (including by a full or discounted pay off or acceptance of a deed-in-lieu of foreclosure) or (iv) the Liberty Bonds Loan has been sold pursuant to those provisions of

the Servicing Agreement under the headings above entitled *"Resolution of Defaulted Obligations and REO Property"* or *"Defaulted Obligation Ground Lessor Purchase Option."*

Defaulted Obligation Ground Lessor Purchase Option

Pursuant to the terms of the Office Tower Ground Lease, the Special Servicer shall provide notice to the Ground Lessor of any foreclosure action proposed to be taken with respect to the Mortgaged Property. In the event the Ground Lessor exercises the Ground Lessor Option to purchase the Outstanding Obligations, the Collateral Agent (at the direction of the Special Servicer) on behalf of the Secured Parties shall be obligated to sell the Obligations and the Special Servicer shall cause the Ground Lessor Purchase Price to be deposited in the Master Account.

Limited Obligations

THE SERIES 2012 LIBERTY BONDS ARE NOT A GENERAL OBLIGATION OF THE ISSUER. THE SERIES 2012 LIBERTY BONDS ARE NOT A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW YORK, THE NEW YORK JOB DEVELOPMENT AUTHORITY, THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION OR ANY OTHER AUTHORITY, PUBLIC BENEFIT CORPORATION OR LOCAL DEVELOPMENT CORPORATION, OR ANY MUNICIPALITY OF THE STATE OF NEW YORK. THE ISSUER HAS NO TAXING POWER.

DESCRIPTION OF THE LIBERTY BONDS LOAN AGREEMENT AND THE CMBS LOAN AGREEMENT

The following is a summary of the principal provisions of the Liberty Bonds Loan Agreement and the CMBS Loan Agreement. The Liberty Bonds Loan Agreement and the CMBS Loan Agreement are substantially identical, except as noted below; in most instances below, defined terms that are identical in the Liberty Bonds Loan Agreement and the CMBS Loan Agreement are used without further definition to distinguish between their use under the Liberty Bonds Loan Agreement or the CMBS Loan Agreement. Except to the extent defined below, certain defined terms are used as defined in Appendix A to this Official Statement. References to the "Lender" in the case of each Loan Agreement shall be deemed to refer to the Master Servicer or Special Servicer, as their respective roles require under the Servicing Agreement. This summary does not purport to be complete, and is qualified in its entirety, by reference to the Liberty Bonds Loan Agreement, the CMBS Loan Agreement, the Liberty Bonds Note and the CMBS Note, and the other Loan Documents.

General

Liberty Bonds Loan

The Liberty Bonds Loan from the Issuer to the Borrower will be originated on the Closing Date pursuant to the Liberty Bonds Loan Agreement and will be evidenced by the Liberty Bonds Note. The principal balance of the Liberty Bonds Loan as of the Closing Date is $450,290,000. The Liberty Bonds Loan and the Liberty Bonds Note will be secured by the Mortgage and the other Liberty Bonds Loan Documents.

The Issuer will transfer the Liberty Bonds Loan pursuant to the Indenture to the Indenture Trustee. The Series 2012 Liberty Bonds will be issued pursuant to the Indenture.

CMBS Loan

The principal asset of the CMBS Trust will be the CMBS Loan from the CMBS Lender to the Borrower, which will be originated on the Closing Date pursuant to the CMBS Loan Agreement and will be evidenced by the CMBS Note (together, with the Liberty Bonds Note, the "Notes"). The CMBS Depositor will purchase the CMBS Loan from the CMBS Lender and transfer the CMBS Loan to the CMBS Trustee who

will then transfer the same to the Collateral Agent in trust for the CMBS Trust on the Closing Date, including the right to all payments of interest and principal due after the Closing Date. The principal balance of the CMBS Loan as of the Closing Date is $125,000,000. The CMBS Loan and the CMBS Note will be secured by the Mortgage and the other collateral under the CMBS Loan Documents.

Principal and Interest

Liberty Bonds Loan

Payments of interest on the Liberty Bonds Loan will be due on the 9th day of each calendar month, beginning in April, 2012 (or if such day is not a Business Day, the immediately preceding Business Day) (each, a "Liberty Bonds Scheduled Payment Date") until the payment date in March, 2044 (the "Liberty Bonds Loan Maturity Date"). An initial payment of interest will be deposited in the Master Account on the Closing Date for that portion of the interest that is accrued from the Bond Issuance Date through, but not including, April 15, 2012, and required to pay the Series 2012 Liberty Bonds on September 15, 2012, the first interest payment of the Series 2012 Liberty Bonds.

For purposes of accruing interest and applying principal payments on the Liberty Bonds Loan, it will be deemed to consist of 3 components (each, a "Component") having the respective original principal balances set forth in the table below. Interest will accrue on the outstanding principal balance of the Liberty Bonds Loan at a per annum rate equal to the weighted average of the Component Interest Rates set forth in the table below during the related Interest Period (such weighted average rate for the related Interest Period, the "Liberty Bonds Note Rate").

Liberty Bonds Loan Components	Component Principal Balance	Maturity	Component Interest Rate
Component 1	$18,475,000	September 15, 2028	5.00%
	19,410,000	September 15, 2029	5.00
	20,390,000	September 15, 2030	5.00
	21,425,000	September 15, 2031	5.00
	22,510,000	September 15, 2032	5.00
	73,670,000	September 15, 2035	4.00
	137,220,000	September 15, 2040	5.00
Component 2	$108,000,000	September 15, 2043	5.00
Component 3	$29,190,000	March 15, 2044	5.00

The initial weighted average interest rate on the Liberty Bonds Loan is 4.83639% per annum. Interest on the Liberty Bonds Loan will be calculated assuming each month has 30 days and a 360-day year, except that interest due and payable for a period of less than a full month will be calculated by multiplying the actual number of days elapsed in such period by a daily rate based on a 360-day year. The Interest Period with respect to the Liberty Bonds Loan and any Liberty Bonds Scheduled Payment Date will commence on the 15th day of the immediately preceding calendar month and end on (and include) the 14th day of the calendar month in which such Liberty Bonds Scheduled Payment Date occurs. The initial payment of interest due in April, 2012, in the amount of $604,938.89, will be put in escrow at origination, in an amount calculated as equal to accrued interest from the Bond Issuance Dates through but not including April 15, 2012. On each Liberty Bonds Scheduled Payment Date, beginning in May, 2012, interest will be payable in an amount equal to the interest accrued on the Liberty Bonds Loan at the Liberty Bonds Note Rate (with respect to the Liberty Bonds Loan, the "Monthly Interest Payment Amount"). Upon the occurrence and during the continuance of a Bond Payment Default under the Indenture, the applicable interest rates on the Liberty Bonds Note Principal Balance

(and in respect of the Series 2012 Liberty Bonds) will increase by three percent (3%) per annum (the "Default Rate").

No principal payments will be scheduled on the Liberty Bonds Loan prior to the Liberty Bonds Scheduled Payment Date in October, 2027. On each Liberty Bonds Scheduled Payment Date on or after the Liberty Bonds Scheduled Payment Date in October, 2027 (the "Amortization Commencement Date"), the Borrower will be required to pay monthly installments of principal in an amount sufficient to fully amortize the Liberty Bonds Loan by its Maturity Date according to a schedule attached to the Liberty Bonds Loan Agreement (with respect to the Liberty Bonds Loan, the "Monthly Amortization Payment Amount"). In the event that a shortfall exists due to investment losses on funds invested by the Indenture Trustee at the direction of the Borrower, the Borrower agrees to pay, upon demand by the Lender, an amount equal to such investment losses. Each Monthly Payment Amount under the Liberty Bonds Loan Agreement and the Liberty Bonds Note will be required to be applied:

- With respect to the Monthly Interest Payment Amount, to the payment of interest, applied first to Component 1, second to Component 2, and third to Component 3;

- With respect to the Monthly Principal Payment Amount, toward the reduction of the principal amount of the Liberty Bonds Note, applied first to Component 1, second to Component 2, and third to Component 3.

Principal on the Liberty Bonds Loan, if not sooner paid, together with all accrued and unpaid interest thereon, will be due and payable on the Liberty Bonds Loan Maturity Date.

If the Borrower fails to pay any principal or interest payment on or before the seventh (7th) day after the applicable Liberty Bonds Scheduled Payment Date, a late fee equal to the lesser of (i) 4% of the unpaid amount, or (ii) the maximum amount permitted by Applicable Law will be payable by the Borrower.

The Borrower also agrees that it shall promptly pay to the Liberty Bonds Lender the amount of any Rebate Requirement, as defined in the Tax Certificate, that the Bond Issuer is obligated to pay to the United States Department of the Treasury.

All payments made by the Borrower under the Liberty Bonds Note or the Liberty Bonds Loan Agreement will be required to be made irrespective of, and without any deduction for, any setoff (other than as described in the Collateral Agency Agreement), defense or counterclaims; provided, that that Borrower's payment obligations shall be deemed satisfied to the extent amounts held in the Collection Account are available for the payment thereof.

CMBS Loan

Payments of interest on the CMBS Loan will be due on each Scheduled Payment Date until March, 2019 (the "CMBS Loan Maturity Date" and, together with the Liberty Bonds Loan Maturity Date, each a "Maturity Date" as the context requires). An initial payment of interest will be deposited in the Master Account for all Scheduled Payment Dates prior to May 9, 2012.

For purposes of computing and accruing interest, applying principal payments and certain other computations set forth in the CMBS Loan Agreement, the CMBS Loan shall be deemed to consist of two components (each, a "Component"); Component A in the amount of $114,485,000 ("Component A") and Component B in the amount of $10,515,000 ("Component B"). Component A shall bear interest at a fixed rate per annum equal to 4.10490% per annum (the "Component A Rate") or as otherwise set forth in the CMBS Loan Agreement from (and including) the Closing Date to (but excluding) the payment date on March, 2019 (the "CMBS Loan Maturity Date"). Component B shall bear interest at a fixed rate per annum equal to 5.98740% per annum (the "Component B Rate") or as otherwise set forth in the CMBS Loan Agreement from

(and including) the Closing Date to (but excluding) the CMBS Loan Maturity Date. Interest on the outstanding principal balance of each Component shall be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months except that interest due and payable for a period of less than a full month shall be calculated by multiplying the actual number of days elapsed in such period by a daily rate based on a three hundred and sixty (360) day year. Except as otherwise set forth in the CMBS Loan Agreement, interest shall be paid in arrears.

The Borrower agrees to pay sums due under the CMBS Loan as follows: (i) on the Closing Date, an initial payment of $59,211.89 for interest due on the Due Date (the 9th calendar day of each month) in April 2012 (which will be deemed paid on April 9, 2012), (ii) on each Due Date commencing with the Due Date in May, 2012 and ending on the CMBS Loan Maturity Date (together with the first scheduled payment date occurring on April 9, 2012, each a "Scheduled CMBS Loan Payment Date"), monthly installments of interest accrued during the immediately preceding Interest Period on each Component at the applicable Component Rate (collectively for the CMBS Loan, the "Monthly CMBS Loan Interest Payment Amount"); and (iii) on each Due Date commencing with the Due Date in April, 2013, the monthly installments by schedule to the CMBS Loan Agreement (the "Monthly CMBS Loan Amortization Payment Amount", and, together with the Monthly CMBS Loan Interest Payment Amount, the "Monthly CMBS Loan Payment Amount").

Each Monthly CMBS Loan Interest Payment Amount under the CMBS Loan Agreement and the CMBS Note shall be applied to the payment of interest, in the following order and priority: first to Component A and second to Component B; and each Monthly CMBS Loan Amortization Payment Amount shall be applied toward the reduction of the principal amount of the CMBS Note, in the following order and priority: first to Component A until reduced to zero and second to Component B until reduced to zero; provided, however, that any remaining principal on the CMBS Loan, if not sooner paid, together with all accrued and unpaid interest thereon, shall be due and payable on the CMBS Loan Maturity Date.

In the event of a principal prepayment (whether voluntary or involuntary) allocated to the CMBS Loan and so long as no Event of Default under the CMBS Loan Agreement has occurred and is continuing, such principal prepayments shall be applied toward the reduction of the principal amount of the CMBS Note, first to Component A, to reduce the outstanding principal balance of such Component A until reduced to zero, and second to Component B, to reduce the outstanding principal balance of such Component B until reduced to zero.

If any principal, interest or any other sums due under the CMBS Loan and Collateral Documents (including the amounts due on the CMBS Loan Maturity Date) are not paid by the Borrower on or prior to the date which is seven (7) days after the date on which such sums are due, the Borrower shall pay to the CMBS Lender upon demand an amount equal to the lesser of four percent (4%) of such unpaid sum or the Maximum Legal Rate in order to defray the expense incurred by the CMBS Lender in handling and processing such delinquent payment and to compensate the CMBS Lender for the loss of the use of such delinquent payment. Any such amount shall be secured by the Mortgage and the other CMBS Loan and Collateral Documents to the extent permitted by Applicable Law.

Upon the occurrence and during the continuance of a Mortgage Event of Default under the CMBS Loan Agreement, interest on the CMBS Note Principal Balance and, to the extent permitted by law, overdue interest and other amounts due in respect of the CMBS Loan will accrue at a rate equal to the lesser of (i) the CMBS Component Interest Rate with respect to each CMBS Component plus 4% per annum above the applicable CMBS Component Interest Rate, and (ii) the maximum rate permitted by law, from the date such payment was due (subject to any grace or cure periods contained in any of the CMBS Loan and Collateral Documents). To the extent permitted by Applicable Law, interest at the Default Rate will itself accrue interest at the same rate as the applicable Component of the CMBS Loan and will be secured by the Mortgage.

All payments made by the Borrower under the CMBS Bonds Note or the CMBS Loan Agreement will be required to be made irrespective of, and without any deduction for, any setoff (other than as described in the Collateral Agency Agreement), defense or counterclaims; provided, that the Borrower's payment obligations shall be deemed satisfied to the extent amounts held in the Collection Account are available for the payer thereof.

Prepayment

Liberty Bonds Loan

The Borrower is not permitted to voluntarily prepay the Liberty Bonds Loan until after the expiration of the period beginning on the Closing Date and ending on (and including) March 14, 2022 (the "Lockout Period"). After the Lockout Period, and upon giving the Liberty Bonds Lender at least 30 (but not more than 90) days prior written notice, the Borrower may voluntarily prepay the Liberty Bonds Note in whole or in part in accordance with the Liberty Bonds Loan Agreement and the Indenture without payment of any prepayment premium or yield maintenance charge. In connection with any voluntary prepayment of the Liberty Bonds Loan after the Lockout Period, the Borrower shall pay, in addition to any portion of the principal balance of the Liberty Bonds Loan being prepaid, all accrued and unpaid interest on the portion of the Liberty Bonds Loan being prepaid and, if the prepayment is made on a date other than a Due Date, any additional amounts required to pay interest on the related Series 2012 Liberty Bonds through and including the redemption or prepayment date.

In connection with any involuntary prepayment of the Liberty Bonds Loan prior to the expiration of the Lockout Period, the Borrower will be required to pay, in addition to any portion of the principal balance of the Liberty Bonds Loan being prepaid, all accrued and unpaid interest on the portion of the Liberty Bonds Loan being prepaid and, if the prepayment is made on a date other than a Liberty Bonds Scheduled Payment Date, a sum equal to the amount of interest which would have accrued under the Liberty Bonds Note on the amount of such prepayment if such prepayment had occurred on the next Liberty Bonds Scheduled Payment Date.

No voluntary or involuntary Prepayment of the Liberty Bonds Loan shall be made unless the principal component of the prepayment is sufficient to redeem or defease, pursuant to the Indenture, a like principal amount of Series 2012 Liberty Bonds selected by the Borrower and the interest component of the prepayment is sufficient to pay interest on such Series 2012 Liberty Bonds until their redemption or payment date.

In the event of a principal prepayment allocated to the Liberty Bonds Loan, and so long as no Event of Default under the Liberty Bonds Loan Agreement has occurred and is continuing, such principal prepayments, unless otherwise instructed by the Borrower following obtaining a No Downgrade Confirmation, will be applied toward the reduction of the principal amount of the Liberty Bonds Note, first to Component 1, to reduce the outstanding principal balance of such Component until reduced to zero, second to Component 2, to reduce the outstanding principal balance of such Component until reduced to zero, and third to Component 3, to reduce the outstanding principal balance of such Component until reduced to zero. Following the occurrence and during the continuance of an Event of Default, any payment made on the Liberty Bonds Loan shall be applied, sequentially to each Component in accordance with the Indenture.

CMBS Loan

The Borrower is not permitted to voluntarily prepay the CMBS Loan prior to the Due Date in April, 2014 (the "Permitted Prepayment Date"). On the Permitted Prepayment Date, and on any Business Day thereafter through the CMBS Loan Maturity Date, the Borrower may, at its option, prepay the CMBS Note Principal Balance in whole or part (and together with any other amounts outstanding and then due under the CMBS Loan and Collateral Documents), provided that:

(A) the Borrower submits a notice to the CMBS Lender setting forth the amount being prepaid and the projected date of prepayment, which date shall be no less than ten (10) days (but in no event more than ninety (90) days) from the date of such notice (provided that the Borrower may rescind such prepayment notice on not less than three (3) Business Days' notice prior to the scheduled prepayment date); and

(B) the Borrower pays to the CMBS Lender (1) all accrued and unpaid interest (to and including the date of prepayment) on the CMBS Note Principal Balance being prepaid, (2) all other sums then due under the CMBS Note, the CMBS Loan Agreement and the other CMBS Loan and Collateral Documents, (3) if such voluntary prepayment occurs prior to the date which is three (3) months prior to the CMBS Maturity Date (the "Permitted Par Prepayment Date") with respect to the applicable CMBS Component, the Yield Maintenance Premium, and (4) if such prepayment is not paid on a regularly Scheduled CMBS Loan Payment Date, interest for the full Interest Period (or to, but not including the CMBS Loan Maturity Date if such prepayment is during the last Interest Period) during which the prepayment occurs.

"Yield Maintenance Premium" shall mean (A) with respect to each CMBS Component, an amount equal to the greater of (a) one percent (1%) of the principal amount of such CMBS Component to be prepaid or satisfied and (b) the excess, if any, of (i) the sum of the present values of all then scheduled payments of principal and interest (calculated based on the applicable Pass-Through Rates for the Classes of CMBS Certificates and corresponding to the CMBS Components assuming that all remaining scheduled principal payments are made timely and that the CMBS Loan is paid in full on the Permitted Par Prepayment Date), with each such payment and assumed payment discounted to its present value at the date of prepayment at the rate which, when compounded monthly, is equivalent to the Prepayment Rate when compounded semi-annually and deducting from the sum of such present values any short-term interest paid from the date of prepayment to the next succeeding Scheduled Payment Date in the event such payment is not made on a Scheduled Payment Date, over (ii) the principal amount of such CMBS Component being prepaid and (B) with respect to the Liberty Bonds Loan, that amount stated within the Indenture as the applicable redemption premium, if any.

If there is an involuntary repayment of the CMBS Loan prior to the Permitted Prepayment Date, whether in whole or in part, in connection with or following the CMBS Lender's acceleration of the CMBS Note or otherwise, the Borrower shall, in addition to any portion of the CMBS Note Principal Balance prepaid (together with all interest accrued and unpaid thereon and in the even the prepayment is made on a date other than a Scheduled CMBS Loan Payment Date, a sum equal to the amount of interest which would have accrued under the CMBS Note on the amount of such prepayment if such prepayment had occurred on the next Scheduled CMBS Loan Payment Date), pay to the CMBS Lender the Yield Maintenance Premium.

Defeasance of Liberty Bonds Loan

Total Defeasance

Notwithstanding any provisions of the Liberty Bonds Loan Agreement to the contrary, at any time during the Lockout Period the Borrower may cause a reduction of the amount of the Indebtedness secured by the Lien of the Mortgage and the other Liberty Bonds Loan and Collateral Documents by an amount equal to the outstanding principal balance of the Liberty Bonds Loan, upon the satisfaction of the following conditions:

(i) no Event of Default shall exist under any of the Liberty Bonds Loan and Collateral Documents;

(ii) not less than thirty (30) (but not more than ninety (90)) days' written notice shall be given to the Liberty Bonds Lender specifying a date on which the Total Defeasance Collateral is to be delivered (the "Total Defeasance Release Date"); and

(iii) all accrued and unpaid interest and all other sums due under the Liberty Bonds Note, the Liberty Bonds Loan Agreement and under the other Liberty Bonds Loan and Collateral Documents up to the Total Defeasance Release Date.

In connection with any such total defeasance:

(A) the Borrower shall deliver to the Liberty Bonds Lender on or prior to the Total Defeasance Release Date:

(a) a pledge and security agreement, in form and substance reasonably satisfactory to a prudent lender, creating a first priority security interest in favor of the Liberty Bonds Lender in the Total Defeasance Collateral, as defined below (the "Total Defeasance Security Agreement"), which shall provide, among other things, that any excess amounts received by the Liberty Bonds Lender from the Total Defeasance Collateral over the amounts payable by the Borrower on a future Liberty Bonds Scheduled Payment Date, which excess amounts are not required to cover all or any portion of amounts payable on a future Liberty Bonds Scheduled Payment Date, shall be refunded to the Borrower promptly after such future Liberty Bonds Scheduled Payment Date;

(b) direct non-callable obligations of the United States of America or other obligations which are "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, including without limitation, (i) United States Treasury Bonds or bonds of agencies of the United States Government, (ii) debt obligations issued by the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation and/or joint and several obligations of the Federal Home Loan Banks, and (iii) debentures issued by the Federal Housing Administration that provide for payments on a Business Day that is prior and as close as possible to (but in no event later than) each successive Liberty Bonds Scheduled Payment Date occurring after the Total Defeasance Release Date and through and including the Redemption Date selected by the Borrower in accordance with the Indenture, with each such payment being equal to or greater than the amount of the corresponding Monthly Debt Service Payment Amount required to be paid under the Liberty Bonds Loan Agreement and the Liberty Bonds Note and assuming the outstanding principal balance of the Liberty Bonds Loan is paid in full on the Redemption Date selected by the Borrower in accordance with the Indenture (the "Total Defeasance Collateral"), as to each of which a first priority security interest therein shall be created in favor of the Liberty Bonds Lender in conformity with all applicable state and federal laws governing granting of such security interests, and a defeasance account agreement to be signed by the Borrower, the Liberty Bonds Lender, and the securities intermediary or custodian regarding the account in which such Total Defeasance Collateral will be held (the "Defeasance Account Agreement");

(c) one or more opinions of counsel for the Borrower, or at the Borrower's and the Liberty Bonds Lender's election, counsel for the Liberty Bonds Lender, that is standard and customary in commercial mortgage backed securities lending transactions in form and substance and delivered by counsel which would be reasonably satisfactory to a prudent lender stating, among other things, that (i) the Liberty Bonds Lender has a perfected first priority security interest in the Total Defeasance Collateral and that the Total Defeasance Security Agreement is enforceable against the Borrower in accordance with its terms, (ii) in the event of a bankruptcy proceeding or similar occurrence with respect to the Borrower, none of the Total Defeasance Collateral nor any proceeds thereof will be property of the Borrower's estate under Section 541 of the U.S. Bankruptcy Code or any similar statute and the grant of security interest therein to the Liberty Bonds Lender shall not constitute an avoidable preference under Section 547 of the U.S. Bankruptcy Code or applicable state law and (iii) the defeasance does not cause a tax to be imposed on a Securitization Vehicle; and

(d) a certificate in form and scope which would be acceptable to a prudent lender in its sole discretion from an Acceptable Accountant certifying that the Total Defeasance Collateral will

generate amounts sufficient to make all payments of principal and interest due under the Liberty Bonds Loan Agreement and the Liberty Bonds Note (including the scheduled outstanding principal balance of the Liberty Bonds Loan) through the Redemption Date selected by the Borrower in accordance with the Indenture;

(B) the Liberty Bonds Lender shall receive a No Downgrade Confirmation with respect to the substitution of the Total Defeasance Collateral;

(C) the Liberty Bonds Lender shall receive an Opinion of Bond Counsel that: (A) such defeasance shall not constitute an Adverse Liberty Bonds Event, (B) payments of principal of and interest on the Series 2012 Liberty Bonds from the proceeds of any such deposits to effectuate such defeasance shall not constitute voidable preferences in a case commenced under the United States Bankruptcy Code by or against the Borrower or any Affiliate thereof;

(D) the Borrower shall pay the Servicer, concurrently with the Total Defeasance Release Date, a non-refundable fee in an amount equal to all reasonable and actual out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees and Rating Agency fees (without duplication of any other fees due in connection therewith), incurred by the Liberty Bonds Lender in connection with the substitution of the Total Defeasance Collateral;

(E) at the option of the Servicer in its sole discretion, the Borrower (i) pays the net present value (as reasonably determined by the Servicer) to satisfy all successive Master Servicing Fees which would otherwise be payable to the Servicer on each Determination Date had the contemplated defeasance not occurred, or (ii) enters into another fee arrangement with the Servicer which shall be acceptable to the Servicer in its sole discretion; and

(F) the Borrower shall provide, at the Servicer's option and in the Servicer's sole discretion, either (A) a Person to guarantee the indemnity obligations under the Servicing Agreement which Person and guarantee must be acceptable to the Servicer in its sole discretion, or (B) a letter of credit to the Servicer from an issuer acceptable to the Servicer in its sole discretion, in an amount acceptable to the Servicer in its sole discretion and in form and substance acceptable to the Servicer in its sole discretion; and the Servicer shall be entitled to draw on the letter of credit immediately and without notice to any party upon the occurrence and during the continuance of any legal action or other claims arising under the Servicing Agreement, or to reimburse for any losses, penalties, fines, foreclosures, judgments or liabilities arising from indemnified liabilities under the Servicing Agreement.

Upon compliance with the foregoing requirements, (A) for so long as the CMBS Loan and Collateral Documents and the obligations thereunder remain outstanding, (1) the amount of Indebtedness secured by the Lien of the Mortgage and the other Collateral Documents shall be reduced by an amount equal to the outstanding balance of the Liberty Bonds Loan and the Borrower shall be released from its obligations to the Liberty Bonds Lender under the Liberty Bonds Loan and Collateral Documents, (2) the Total Defeasance Collateral shall constitute collateral which shall secure the Liberty Bonds Note under the Liberty Bonds Loan and Collateral Documents and (3) the Lien created by the Mortgage and the other Collateral Documents shall remain outstanding in favor of the Collateral Agent for the benefit of each Holder other than the Liberty Bonds Lender or (B) if the CMBS Loan is no longer outstanding under the CMBS Loan Documents at the time of the defeasance and all obligations thereunder have been indefeasibly paid in full prior to compliance with the requirements stated above, the Mortgaged Property shall be released from the Lien of the Mortgage and other Collateral Documents. The Liberty Bonds Lender will, at the Borrower's expense, execute and deliver any agreements reasonably requested by the Borrower to release the Lien of the Mortgage, if applicable, and the other Collateral Documents.

Upon the reduction of the amount of the Indebtedness secured by the Lien of the Mortgage and the other Collateral Documents, the Borrower shall assign all its obligations and rights under the Liberty Bonds Note, together with the pledged Total Defeasance Collateral, to a successor entity which entity shall be a single purpose, bankruptcy remote entity designated by the Borrower and reasonably acceptable to the Liberty Bonds Lender (the "Total Defeasance Successor Borrower"). The Total Defeasance Successor Borrower shall execute an assignment and assumption agreement in form and substance satisfactory to the Liberty Bonds Lender in its sole and absolute discretion, pursuant to which it shall assume the Borrower's obligations under the Liberty Bonds Loan and the Total Defeasance Security Agreement. Upon such assignment and assumption, the Borrower shall be relieved of its obligations under the Liberty Bonds Loan Agreement, under the Liberty Bonds Note, under the other Liberty Bonds Loan and Collateral Documents and under the Total Defeasance Security Agreement, except as expressly set forth in the assignment and assumption agreement.

Partial Defeasance

Notwithstanding any provisions of the Liberty Bonds Loan Agreement to the contrary, the Borrower may cause the reduction of the amount of Indebtedness related to the Liberty Bonds Loan which is secured by the Lien of the Mortgage and the other Collateral Documents by an amount less than the outstanding principal balance of the Liberty Bonds Loan (such amount, the "Partial Defeasance Release Amount"), upon the satisfaction of the following conditions:

(A) no Event of Default shall exist under any of the Liberty Bonds Loan and Collateral Documents;

(B) not less than thirty (30) (but not more than ninety (90)) days' written notice (or shorter period of time as permitted by the Liberty Bonds Lender) shall be given to the Liberty Bonds Lender specifying a date on which the Partial Defeasance Collateral is to be delivered (the "Partial Defeasance Release Date"); and

(C) all accrued and unpaid interest and all other sums due under the Liberty Bonds Note, the Liberty Bonds Loan Agreement and under the other Liberty Bonds Loan and Collateral Documents up to the Partial Defeasance Release and shall be paid in full on or prior to the Partial Defeasance Release Date.

In connection with any such partial defeasance:

(A) the Borrower shall deliver to the Liberty Bonds Lender on or prior to the Partial Defeasance Release Date:

(a) a pledge and security agreement, in form and substance reasonably satisfactory to a prudent lender, creating a first priority security interest in favor of the Liberty Bonds Lender in the Partial Defeasance Collateral, as defined below (the "Partial Defeasance Security Agreement"), which shall provide, among other things, that any excess amounts received by the Liberty Bonds Lender from the Partial Defeasance Collateral together with any payment from the Borrower for a Liberty Bonds Scheduled Payment over the amounts payable by the Borrower on a given Scheduled Payment Date, which excess amounts are not required to cover all or any portion of amounts payable on a given Liberty Bonds Scheduled Payment Date, shall be refunded to the Borrower promptly after such future Liberty Bonds Scheduled Payment Date;

(b) direct non-callable obligations of the United States of America or other obligations which are "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, including without limitation, (i) United States Treasury Bonds or bonds of agencies of the United States Government, (ii) debt obligations issued by the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation and/or joint and several obligations of the Federal Home Loan Banks, and (iii) debentures issued by the Federal Housing Administration, in each case, to the extent the applicable Rating Agencies rating the CMBS Certificates and the

Series 2012 Liberty Bonds have provided a No Downgrade Confirmation, that provide for payments on a Business Day that are prior and as close as possible to (but in no event later than) all successive Liberty Bonds Scheduled Payment Dates with respect to the Defeased Note occurring after the Partial Defeasance Release Date, with each such payment being equal to or greater than the amount of the corresponding Monthly Debt Service Payment Amount required to be paid under the Liberty Bonds Loan Agreement and Defeased Note through the Redemption Date selected by the Borrower in accordance with the Indenture (the "Partial Defeasance Collateral"), as to each of which a first priority security interest therein shall be created in favor of the Liberty Bonds Lender in conformity with all applicable state and federal laws governing granting of such security interests, and a defeasance account agreement to be signed by the Borrower, the Liberty Bonds Lender, and the securities intermediary or custodian regarding the account in which such Partial Defeasance Collateral will be held (the "Partial Defeasance Account Agreement");

(c) one or more opinions of counsel for the Borrower that is standard and customary in commercial mortgage backed securities lending transactions in form and substance and delivered by counsel which would be reasonably satisfactory to a prudent lender stating, among other things, that (i) the Liberty Bonds Lender has a perfected first priority security interest in the Partial Defeasance Collateral and that the Partial Defeasance Security Agreement and any related amendments to the Liberty Bonds Loan and Collateral Documents executed in connection with the same are enforceable against the Borrower in accordance with its terms, (ii) in the event of a bankruptcy proceeding or similar occurrence with respect to the Borrower, none of the Partial Defeasance Collateral nor any proceeds thereof will be property of the Borrower's estate under Section 541 of the U.S. Bankruptcy Code or any similar statute and the grant of security interest therein to the Liberty Bonds Lender shall not constitute an avoidable preference under Section 547 of the U.S. Bankruptcy Code or applicable state law; and (iii) the defeasance does not cause a tax to be imposed on a Securitization Vehicle;

(d) a certificate in form and scope acceptable to the Liberty Bonds Lender in its sole discretion from an Acceptable Accountant certifying that the Partial Defeasance Collateral will generate amounts sufficient to make all payments of principal and interest due under the Defeased Note (as defined below) through the Redemption Date selected by the Borrower in accordance with the Indenture;

(e) the Defeased Note and the Undefeased Note (as defined below); and

(f) an endorsement to the Title Insurance Policy, to the extent available, or a Title Insurance Policy non-impairment letter with respect to any amendment to the Mortgage or any other Liberty Bonds Loan and Collateral Documents in connection with the reduction of the portion of the Liberty Bonds Loan secured by the Lien of the Mortgage by the Partial Defeasance Release Amount;

(B) the Borrower shall prepare all necessary documents to modify the Liberty Bonds Loan Agreement and to amend and restate the Liberty Bonds Note (or the Undefeased Note if a partial defeasance has previously occurred) and issue two substitute notes, one note having a principal balance equal to the Partial Defeasance Release Amount (the "Defeased Note"), and the other note having a principal balance equal to the excess of (y) the outstanding principal amount of the Liberty Bonds Loan (or the Undefeased Note if a partial defeasance has previously occurred), over (z) the amount of the Defeased Note (the "Undefeased Note"). The Defeased Note and Undefeased Note shall have identical terms as the Liberty Bonds Note except for the principal balance and payment terms; and, in connection therewith, the Monthly Debt Service Payment Amount thereafter shall be divided between the Defeased Note and the Undefeased Note in the same proportion as the unpaid principal balance (in each case immediately after the Partial Defeasance Release Date) of the Defeased Note and the Undefeased Note, as the case may be, bears to the aggregate principal balance due under the Defeased Note and the Undefeased Note immediately after the Partial Defeasance Release Date. A Defeased Note may not be the subject of any further defeasance;

(C) the Liberty Bonds Lender shall receive a No Downgrade Confirmation with respect to the substitution of the Partial Defeasance Collateral;

(D) the Borrower shall pay to the Servicer, concurrently with the Partial Defeasance Release Date, a non-refundable fee in an amount equal to all reasonable and actual out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees and Rating Agency fees (without duplication of any other fees), incurred by the Liberty Bonds Lender in connection with the substitution of the Partial Defeasance Collateral; and

(E) the Liberty Bonds Lender shall receive (i) an Opinion of Bond Counsel that: (A) such defeasance shall not constitute an Adverse Liberty Bonds Event, (B) payments of principal of and interest on the Series 2012 Liberty Bonds from the proceeds of any such deposits to effectuate such partial defeasance shall not constitute voidable preferences in a case commenced under the United States Bankruptcy Code by or against the Borrower or any Affiliate thereof and (ii) all reasonable and actual out-of-pocket costs and expenses, including, without limitation, reasonable attorneys fees incurred by the Liberty Bonds Lender and its Bond Counsel in connection with such substitution of the Partial Collateral.

Upon compliance with the foregoing requirements, the portion of the Liberty Bonds Loan secured by the Lien of the Mortgage shall be reduced by the Partial Defeasance Release Amount, and the Partial Defeasance Collateral shall constitute collateral which shall secure the Defeased Note and all other obligations under the Partial Defeasance Security Agreement. Upon the reduction of the portion of the Liberty Bonds Loan secured by the Lien of the Mortgage by the Partial Defeasance Release Amount, the Borrower shall (at the Liberty Bonds Lender's sole and absolute discretion) assign all its obligations and rights under the Defeased Note, together with the pledged Partial Defeasance Collateral, to a successor entity which entity shall be a single purpose, bankruptcy remote entity designated by the Borrower and reasonably acceptable to the Liberty Bonds Lender (the "Partial Defeasance Successor Borrower"). The Partial Defeasance Successor Borrower shall execute an assignment and assumption agreement pursuant to which it shall assume the Borrower's obligations under the Defeased Note and the Partial Defeasance Security Agreement.

Payments under the Collateral Agency Agreement

No failure of the Borrower to pay any amount required to be paid by Borrower under the Loan Agreement or in any other Loan and Collateral Document shall result in an Event of Default to the extent adequate funds are on deposit in the Collateral Accounts and available for such payments and Borrower is not otherwise in Default under any of the Loan Documents.

Payments after Default Under the Series 2012 Liberty Bonds

Upon the occurrence and during the continuance of an Event of Default under the Indenture with respect to the payment of the principal, Sinking Fund Installments, Redemption Price or interest on the Series 2012 Liberty Bonds (a "Bond Payment Default"), interest on the outstanding principal balance of each Component of the Liberty Bonds Loan and, to the extent permitted by law, overdue interest and other amounts due in respect of the Liberty Bonds Loan, shall accrue at the applicable Default Rate for such Component from the date of such default and shall be secured by the Mortgage. This paragraph shall not be construed as an agreement or privilege to extend the date of the payment of the Liberty Bonds Loan, nor as a waiver of any other right or remedy accruing to the Liberty Bonds Lender by reason of the occurrence of any Bond Payment Default; the acceptance of any payment from the Borrower shall not be deemed to cure or constitute a waiver of any Bond Payment Default or any Event of Default under the Liberty Bonds Loan Agreement, and the Liberty Bonds Lender retains its right under the Liberty Bonds Loan Agreement to accelerate and to continue to demand payment of the Liberty Bonds Loan upon the happening of and during the continuance of any Bond Payment Default, despite any payment by the Borrower to the Liberty Bonds Lender.

Existence; Compliance with Applicable Laws

The Borrower shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence, rights, licenses, permits and franchises and comply with all Applicable Laws applicable to it and the Mortgaged Property, including, without limitation, building and zoning codes and certificates of occupancy. The Borrower agrees not to commit, permit or suffer to exist any act or omission in violation of Applicable Laws the effect of which will afford any Governmental Authority the right of forfeiture as against the Mortgaged Property or any part thereof or any monies paid in performance of Borrower's obligations under any of the Loan and Collateral Documents.

However, after prior written notice to the Lender, the Borrower, at its own expense, may suspend such compliance and contest by appropriate legal proceeding, conducted in good faith and with due diligence, the validity or applicability of the Applicable Laws to the Borrower and/or the Mortgaged Property, provided that (i) no Default or Event of Default has occurred and remains uncured; (ii) neither the Mortgaged Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost; (iii) such contest will not result in a breach of the Office Tower Ground Lease; (iv) the Borrower shall promptly upon final determination thereof comply with any such Applicable Law determined to be valid or applicable or cure any violation of any Applicable Law; (v) such proceeding shall suspend the enforcement of the contested Applicable Law against the Borrower or the Mortgaged Property; and (vi) the Borrower shall furnish such security as may be required in the proceeding, or as may be reasonably requested by the Lender, to insure compliance with such Applicable Law, together with all interest and penalties payable in connection therewith. The Lender may apply any such security as necessary to cause compliance with such Applicable Law at any time when, in the reasonable judgment of the Lender, the validity, applicability or violation of such Applicable Law is finally established or the Mortgaged Property (or any part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost.

Taxes and Other Charges

The Borrower shall pay all Taxes and Other Charges levied or assessed or imposed against the Mortgaged Property or any part thereof as the same become due and payable. The Borrower shall deliver to the Lender receipts for payment or other evidence satisfactory to the Lender that the Taxes and Other Charges have been so paid or are not then delinquent no later than ten (10) days prior to the date on which the Taxes and/or Other Charges would otherwise be delinquent if not paid; provided, however, the Borrower shall not be required to furnish such receipts for payment of Taxes in the event that such Taxes have been paid by the Lender pursuant to the Collateral Agency Agreement.

After prior written notice to the Lender, the Borrower, at the Borrower's own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any Taxes or Other Charges, provided that (i) no Default or Event of Default has occurred and remains uncured; (ii) such proceeding shall be conducted in accordance with the Office Tower Ground Lease and all applicable statutes, laws and ordinances; (iii) such contest will not result in a breach of the Office Tower Ground Lease; (iv) neither the Mortgaged Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost; (v) the Borrower shall promptly upon final determination thereof pay the amount of any such Taxes or Other Charges, together with all costs, interest and penalties which may be payable in connection therewith; (vi) such proceeding shall suspend the collection of such contested Taxes or Other Charges from the Mortgaged Property; and (vii) the Borrower shall furnish such security as may be required in the proceeding, or as may be reasonably requested by the Lender, to insure the payment of any such Taxes or Other Charges, together with all interest and penalties thereon. The Lender may pay over any such cash deposit or part thereof held by the Lender to the claimant entitled thereto at any time when, in the judgment of the Lender, the entitlement of such claimant is established or the Mortgaged Property (or part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost or there shall be any danger of the Lien of the Mortgage

being primed by any related Lien (which could not subsequently be removed by payments of the amounts then being held by the Lender).

Financial Reporting

(a) The Borrower will keep and maintain or will cause to be kept and maintained on a Fiscal Year basis, in accordance with the requirements for a Special Purpose Entity and in accordance with GAAP (or such other accounting basis which is reasonably acceptable to the Lender), proper and accurate books, records and accounts reflecting all of the financial affairs of the Borrower and all items of income and expense in connection with the operation of the Mortgaged Property. The Lender shall have the right from time to time at all times during normal business hours upon reasonable notice to examine such books, records and accounts at the office of the Borrower or any other Person maintaining such books, records and accounts and to make such copies or extracts thereof as the Lender shall desire.

(b) The Borrower will furnish to the Lender annually, within one hundred and twenty (120) days following the end of each Fiscal Year of the Borrower, a complete copy of the Borrower's annual financial statements audited by an Acceptable Accountant in accordance with GAAP (or such other accounting basis which is reasonably acceptable to the Lender) covering the Mortgaged Property for such Fiscal Year and containing statements of profit and loss for the Borrower and the Mortgaged Property and a balance sheet for the Borrower. Such statements shall set forth the financial condition and the results of operations for the Mortgaged Property for such Fiscal Year, and shall include, but not be limited to, gross income, and operating expenses.

(c) The Borrower will furnish, or cause to be furnished, to the Lender on or before the forty-fifth (45th) day after the end of each calendar quarter, the following items, accompanied by an Officer's Certificate stating that such items are true, correct, accurate, and complete and fairly present the financial condition and results of the operations of the Borrower and the Mortgaged Property (subject to normal year-end adjustments) as applicable: (i) a rent roll for the subject quarter; and (ii) quarterly (comprised of three (3) monthly) and year-to-date operating statements (including capital expenditures) prepared for each calendar quarter, noting net operating income, gross income, and operating expenses, and other information necessary and sufficient to fairly represent the financial position and results of operation of the Mortgaged Property during such calendar quarter, and containing a comparison of budgeted income and expenses and the actual income and expenses.

(d) No later than thirty (30) days prior to the commencement of any Fiscal Year, the Borrower shall submit to the Lender an Annual Budget. Following the occurrence and continuance of an Event of Default, any subsequent Annual Budget shall be subject to the Lender's prior written approval. In the event that the Lender objects to a proposed Annual Budget submitted by the Borrower following the occurrence and during the continuance of an Event of Default, the Lender shall advise the Borrower of such objections within fifteen (15) days after receipt thereof (and deliver to the Borrower a reasonably detailed description of such objections) and the Borrower shall promptly revise such Annual Budget and resubmit the same to the Lender. The Lender shall advise the Borrower of any objections to such revised Annual Budget within ten (10) days after receipt thereof (and deliver to the Borrower a reasonably detailed description of such objections) and the Borrower shall promptly revise the same in accordance with the process described in this heading until the Lender approves the Annual Budget. Until such time that the Lender approves a proposed Annual Budget, which approval shall not be unreasonably withheld, conditioned or delayed, the most recent Annual Budget approved by the Lender shall apply; provided that, such approved Annual Budget shall be adjusted to reflect actual increases in Taxes, Other Charges, Insurance Premiums, labor expenses, utilities expenses and third-party expenses under the Property Management Agreement. During the continuance of an Event of Default, in the event that the Borrower incurs an extraordinary operating expense not set forth in the approved Annual Budget (each an "Extraordinary Operating Expense"), then the Borrower shall promptly deliver to the Lender a reasonably detailed explanation of such proposed Extraordinary Operating Expense for the Lender's approval. Any Extraordinary Operating Expense approved by the Lender is referred to herein as an "Approved Extraordinary Operating Expense".

(e) Upon request from the Lender, the Borrower shall promptly furnish to the Lender:

(i) an accounting of all security deposits held in connection with any Lease of any part of the Mortgaged Property, including the name and identification number of the accounts in which such security deposits are held, the name and address of the financial institutions in which such security deposits are held and the name of the Person to contact at such financial institution, along with any authority or release necessary for the Lender to obtain information regarding such accounts directly from such financial institutions; and

(ii) a report of all letters of credit provided by any Tenant in connection with any Lease of any part of the Mortgaged Property, including the account numbers of such letters of credit, the names and addresses of the financial institutions that issued such letters of credit, along with any authority or release necessary for the Lender to obtain information regarding such letters of credit directly from such financial institutions.

(f) The Borrower shall furnish to the Lender, within ten (10) Business Days after request (or as soon thereafter as may be reasonably possible), such further detailed information with respect to the operation of the Mortgaged Property and the financial affairs of the Borrower as may be reasonably requested by the Lender.

(g) All items requiring the certification of the Borrower shall require an Officer's Certificate.

(h) The Lender acknowledges that the Borrower's financial statements may be consolidated with certain Affiliates of the Borrower and that such consolidated financial statements shall be acceptable to the Lender provided they comply as to the Borrower with all other terms and requirements of this heading of the Loan Agreement.

Title to the Mortgaged Property

The Borrower will warrant and defend (a) the title to the Mortgaged Property and every part thereof, subject only to Liens permitted under the Loan Agreement (including Permitted Encumbrances) and (b) the validity and priority of the Lien of the Mortgage on the Mortgaged Property, subject to the Liens permitted under the Loan Agreement (including Permitted Encumbrances), in each case against the claims of all Persons whomsoever. The Borrower shall reimburse the Lender for any losses, costs, damages or expenses (including reasonable attorneys fees and expenses) incurred by the Lender if an interest in the Mortgaged Property, other than as permitted under the Loan Agreement, is claimed by another Person (except to the extent the same is insured against under the Title Insurance Policy).

Costs of Enforcement

In the event (a) that the Mortgage is foreclosed in whole or in part or the Mortgage is put into the hands of an attorney for collection, suit, action or foreclosure, (b) of the foreclosure of any mortgage encumbering the Mortgaged Property prior to or subsequent to the Mortgage in which proceeding the Lender is made a party, or (c) of the bankruptcy, insolvency, rehabilitation or other similar proceeding in respect of the Borrower or any of its constituent Persons (to the extent the Borrower is consolidated into such proceeding) or an assignment by the Borrower or any of its constituent Persons (to the extent the Borrower is consolidated into such proceeding) for the benefit of its creditors, the Borrower, its successors or assigns, shall be chargeable with and agrees to pay all costs of collection and defense, including reasonable attorneys' fees and expenses, incurred by the Lender or the Borrower in connection therewith and in connection with any appellate proceeding or post judgment action involved therein, together with all required service or use taxes.

Leasing Matters

(a) All Leases and all renewals of Leases executed after the Closing Date shall (i) provide for rental rates comparable to existing local market rates for similar properties and otherwise be on commercially reasonably terms; (ii) provide that they are subordinate to the Mortgage and that the Tenant agrees to attorn to Collateral Agent for the benefit of the Holders or any purchaser at a sale by foreclosure or power of sale; and (iii) not contain any terms which would materially adversely affect the Lender's rights under the Loan and Collateral Documents. In addition, the Borrower is not permitted under the Liberty Bonds Loan Agreement to enter into any lease with a Prohibited Person.

(b) All Major Leases and all renewals (other than those provided for in the applicable Lease), material amendments, and material modifications thereof executed after the Closing Date shall be subject to the prior written approval of the Lender, which approval shall not be unreasonably withheld, conditioned or delayed. The Lender shall approve any Major Lease that, in the Lender's judgment, reasonably exercised, contains terms and conditions, including its financial provisions and the qualifications (financial and otherwise) of the Tenant thereunder that are comparable to leases being entered into for premises in office buildings located in Manhattan similar to the Mortgaged Property and of comparable size and nature as determined by the Lender in its reasonable discretion, under then prevailing market conditions.

(c) Upon request, the Borrower shall furnish the Lender with executed copies of all Leases (not previously delivered to the Lender).

(d) At all times during the term of the Loans, the Borrower shall:

(i) observe and perform the obligations imposed upon the lessor under the Leases in a commercially reasonable manner;

(ii) enforce and may amend or terminate the terms, covenants and conditions contained in the Leases upon the part of the lessee thereunder to be observed or performed in a commercially reasonable manner and in a manner not to impair the value of the Mortgaged Property, except that no termination by the Borrower or acceptance of surrender by a Tenant of any Lease shall be permitted unless by reason of a tenant default and then only in a commercially reasonable manner to preserve and protect the Mortgaged Property;

(iii) not collect any of the rents more than one (1) month in advance (other than security deposits) unless such advance rents are deposited with the Collateral Agent or the Lender in a separate Eligible Account with each month's advance rent deposited in the Collection Account on the first Business Day of the applicable month;

(iv) not execute any other assignment of the Borrower's interest in the Leases or the Mortgaged Rents (except as contemplated by the Loan and Collateral Documents);

(v) not alter, modify or change the terms of the Leases in a manner inconsistent with the provisions of the Loan and Collateral Documents; and

(vi) execute and deliver at the request of the Lender or the Collateral Agent all such further assurances, confirmations and assignments in connection with the Leases as the Lender or the Collateral Agent shall from time to time reasonably require and are consistent with the terms of the Loan Agreement. All new Leases and all amendments, modifications, extensions, and renewals of existing Leases with Tenants that are Affiliates of the Borrower shall be subject to the prior written consent of the Lender, not to be unreasonably withheld, conditioned, or delayed.

(e) The Borrower shall not, without the prior written consent of the Lender, such consent not to be unreasonably withheld, delayed or conditioned, amend, modify, waive any provisions of, terminate, reduce Mortgaged Rents under, accept a surrender of space under, or shorten the term of any Major Lease. However, no consent will be required for any modifications, waivers or amendments to (i) a Lease which is not a Major Lease, or (ii) a Major Lease which (I) memorialize actions contemplated by the terms of such Major Lease at the time such Major Lease was consented to by the Lender, or (II) reflects the Borrower's settlement of any dispute as to any additional rent owed under such Major Lease so long as the same does not have a material adverse effect on the Borrower's or the Mortgaged Property's financial condition.

(f) The Lender shall direct the Collateral Agent to execute and deliver a Subordination Non-Disturbance and Attornment Agreement to Tenants promptly upon request of such Tenant and with such commercially reasonable changes as may be requested by Tenants from time to time and which are reasonably acceptable to the Lender.

(g) Notwithstanding the above, and provided no Event of Default is continuing, whenever the Lender's approval or consent is required pursuant to this heading, the Lender's consent shall be deemed given if:

(i) the first correspondence from the Borrower to the Lender requesting such approval or consent is in an envelope marked "PRIORITY" and contains a bold-faced, conspicuous legend at the top of the first page thereof to the effect that the Lender's consent is requested, and the failure to respond within ten (10) Business Days may result in the request being deemed granted, and such correspondence is accompanied by (A) a term sheet setting forth the material terms of the proposed Lease, (B) information sufficient to determine the identity, business of the proposed Tenant and any proposed guarantor, and (C) the proposed form of Lease, including any exhibits; and provided further that any other information reasonably requested by the Lender in writing prior to the expiration of such ten (10) Business Day period in order to adequately review the same has been promptly delivered; and

(ii) if the Lender fails to respond or to deny such request for approval in writing within the first five (5) Business Days of such ten (10) Business Day period, a second notice requesting approval is delivered to the Lender from the Borrower to similar effect but reciting that the failure to respond within five (5) Business Days shall be deemed the giving of consent, and the Lender fails to provide a substantive response to such request for approval within such second five (5) Business Day period.

Mortgaged Property Management Agreement

(a) The Borrower shall (i) promptly perform and observe all of the covenants required to be performed and observed by it under the Property Management Agreement and do all things necessary to preserve and to keep unimpaired its material rights thereunder; (ii) promptly notify the Lender of any material default under the Property Management Agreement of which it is aware; (iii) promptly deliver to the Lender a copy of any notice of material default or other material notice received by the Borrower under the Property Management Agreement; (iv) promptly give notice to Lender of any notice or information that the Borrower receives which indicates that the Property Manager is terminating the Property Management Agreement or that the Property Manager is otherwise discontinuing its management of the Mortgaged Property; and (v) promptly enforce the performance and observance of all of the covenants required to be performed and observed by the Property Manager under the Property Management Agreement. The Borrower shall not agree to an amendment, modification or supplementation of the Property Management Agreement which results in an increase in the management fee under the Property Management Agreement above a market rate for arm's-length transactions (as reasonably determined by the Borrower) unless the Borrower has delivered a No Downgrade Confirmation with respect to such amendment, modification or supplementation.

(b) If at any time, (i) the Property Manager shall become insolvent or a debtor in a bankruptcy proceeding; or (ii) the Property Manager is in default under the Property Management Agreement beyond applicable notice and cure periods, the Borrower shall, at the request of the Lender, terminate the Property Management Agreement upon thirty (30) days prior notice to the Property Manager and replace the Property Manager with a Qualified Manager, it being understood and agreed that the management fee for such replacement manager shall not exceed then prevailing market rates.

(c) The Borrower shall not, without the prior written consent of the Lender, which shall not be unreasonably withheld, conditioned or delayed: (i) surrender, terminate or cancel the Property Management Agreement or otherwise replace the Property Manager (other than with an Affiliated Property Manager so long as the management agreement with such Affiliated Property Manager is substantially the same in form and substance as the Property Management Agreement), or enter into any other management agreement with respect to the Mortgaged Property; (ii) reduce or consent to the reduction of the term of the Property Management Agreement; or (iii) otherwise modify, change, supplement, alter or amend, or waive or release any of its rights and remedies under, the Property Management Agreement in any material respect. In the event that the Borrower replaces the Property Manager at any time during the term of the Loan pursuant to this heading, such Property Manager shall be a Qualified Manager. The Borrower shall deliver a No Downgrade Confirmation with respect to any replacement Property Manager that is not otherwise permitted by the terms of the Loan Agreement.

(d) At any time that an Event of Default has occurred and is continuing, and the Lender has accelerated the Note, the Borrower shall, at the request of the Lender, terminate the Property Management Agreement upon thirty (30) days prior written notice and replace the Property Manager with a Qualified Manager approved by the Lender in its reasonable discretion on terms and conditions reasonably satisfactory to the Lender.

Liens

Except as expressly permitted pursuant to the Loan Agreement, the Borrower shall not, without the prior written consent of the Lender, create, incur, assume or suffer to exist any Lien (other than Permitted Encumbrances) on any portion of the Mortgaged Property. Notwithstanding the above, after prior notice to the Lender, the Borrower, at its own expense, may contest by appropriate legal proceeding, conducted in good faith and with due diligence, the amount or validity of any Liens, provided that (a) no Event of Default has occurred and remains uncured; (b) such proceeding shall be permitted under and be conducted in accordance with the Office Tower Ground Lease and all applicable statutes, laws and ordinances; (c) neither the Mortgaged Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost; (d) the Borrower shall promptly upon final determination thereof pay the amount of any such Liens, together with all costs, interest and penalties which may be payable in connection therewith; and (e) to insure the payment of such Liens, upon request by the Lender, the Borrower shall deliver to the Lender either (i) cash, Letters of Credit, or other security as may be approved by the Lender, in an amount equal to one hundred twenty-five percent (125%) of the contested amount or (ii) a payment and performance bond in an amount equal to one hundred percent (100%) of the contested amount from a surety acceptable to the Lender in its reasonable discretion. The Lender may pay over any such cash or other security held by the Lender to the claimant entitled thereto at any time when, in the reasonable judgment of the Lender, the entitlement of such claimant is established or the Mortgaged Property (or any part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost or there shall be any danger of the Lien of the Mortgage being primed by any related Lien.

Alterations

The Borrower may, without the Lender's consent, perform alterations to the Improvements and Equipment which (a) do not constitute a Material Alteration, (b) do not adversely affect the Borrower's financial condition or the value of the Mortgaged Property or Net Operating Income and (c) are in the ordinary

course of the Borrower's business. The Borrower shall not perform any Material Alteration without the Lender's prior written consent, not to be unreasonably withheld, conditioned or delayed. The Lender may, as a condition to giving its consent to a Material Alteration, require that the Borrower deliver to the Lender security for payment of the cost of such Material Alteration, which security may be any of the following: (i) cash, (ii) Permitted Investments, (iii) other securities having a rating acceptable to the Lender, that at the Lender's option, shall be accompanied by a No Downgrade Confirmation from the Rating Agencies, or (iv) a Letter of Credit. Such security shall be in an amount equal to the excess of the total unpaid amounts incurred and to be incurred with respect to such alterations to the Improvements (other than such amounts to be paid or reimbursed by the Tenants under the Leases) over the Alteration Threshold, and the Lender may apply such security from time to time at the option of the Lender to pay for such alterations. Upon substantial completion of any Material Alteration, the Borrower shall provide evidence satisfactory to the Lender that (I) the Material Alteration was constructed in accordance with Applicable Law, (II) all contractors, subcontractors, materialmen and professionals who provided work, materials or services in connection with the Material Alteration have been paid in full and have delivered unconditional releases of Liens, and (III) all material licenses and permits necessary for the use, operation and occupancy of the Material Alteration (other than those which depend on the performance of tenant improvement work) have been issued. If the Borrower has provided cash security or a Letter of Credit, as provided above, such cash shall be released by the Lender or amounts drawn under the Letter of Credit to fund such Material Alterations, and if the Borrower has provided non-cash security, as provided above, except to the extent applied to fund such Material Alterations, the Lender shall release and return such security upon the Borrower's satisfaction of the requirements of the preceding sentence.

Office Tower Ground Lease

(a) The Borrower shall, at its sole cost and expense, promptly and timely pay, perform and observe all the payments, terms, covenants and conditions required to be paid, performed and observed by the Borrower as lessee under the Officer Tower Ground Lease, and shall not cause, permit or suffer to occur any breach or default by the Borrower under the Office Tower Ground Lease. In addition, the Borrower shall timely exercise its right to renew the term of the Office Tower Ground Lease so that the term of the Office Tower Ground Lease does not expire prior to the Maturity Date of the Loan. The Borrower will furnish the Lender, upon reasonable request, proof of payment of all items which are required to be paid by the Borrower pursuant to the Office Tower Ground Lease and proof of payment of which is required to be given to the Ground Lessor.

(b) The Borrower shall notify the Lender promptly of any request made by either party to the Office Tower Ground Lease for arbitration proceedings pursuant to the Office Tower Ground Lease and of the institution or commencement of arbitration proceedings thereunder. If any action or proceeding shall be instituted to evict the Borrower or to recover possession of the Mortgaged Property or any portion thereof or for any other purpose affecting the Office Tower Ground Lease or the Mortgage, the Borrower shall, immediately upon service thereof on or to the Borrower, deliver to the Lender a true and complete copy of each petition, summons, complaint, notice of motion, order to show cause and of all other provisions, pleadings, and papers, however designated, served in any such action or proceeding.

(c) If the Borrower shall be in default under the Office Tower Ground Lease, then, subject to the terms of the Office Tower Ground Lease, the Collateral Agent, for the benefit of the Holders, or the Lender, shall have the right (but not the obligation) to cause the default or defaults under the Office Tower Ground Lease to be remedied and otherwise exercise any and all rights of the Borrower under the Office Tower Ground Lease, as may be necessary to prevent or cure any default, and shall have the right to enter all or any portion of the Mortgaged Property at such times and in such manner as the Collateral Agent or the Lender, as applicable, deems necessary, to prevent or to cure any such default.

(d) The actions or payments of the Collateral Agent on behalf of the Holders or the Lender, to cure any default by the Borrower under the Office Tower Ground Lease shall not remove or waive, as between

the Borrower and the Lender, the default that occurred under the Loan Agreement by virtue of the default by the Borrower under the Office Tower Ground Lease. All sums expended by the Collateral Agent or the Lender to cure any such default shall be paid by the Borrower to the Collateral Agent, for the benefit of the Holders or the Lender, upon demand, with interest on such sum at the Default Rate from the date such sum is expended to and including the date the reimbursement payment is made to the Collateral Agent or the Lender. All such Indebtedness shall be deemed to be secured by the Mortgage.

(e) The Borrower shall notify the Collateral Agent and the Lender, promptly in writing of the occurrence of any default by the Ground Lessor under the Office Tower Ground Lease or the occurrence of any event that, with the passage of time or service of notice, or both, would constitute a default by the Ground Lessor and the receipt by the Borrower of any notice from the Ground Lessor under the Office Tower Ground Lease noting or claiming the occurrence of any default by the Borrower under the Office Tower Ground Lease or the occurrence of any event that, with the passage of time or service of notice, or both, would constitute a default by the Borrower under the Office Tower Ground Lease. The Borrower shall promptly deliver to the Collateral Agent and the Lender a copy of any such written notice.

(f) Upon the written demand by the Lender, the Borrower shall request an estoppel from the Ground Lessor (and use commercially reasonable efforts to cause the Ground Lessor to so deliver) in the form and substance required under the Office Tower Ground Lease and shall deliver to the Collateral Agent and the Lender a duly executed estoppel certificate from the Ground Lessor upon receipt.

(g) The Borrower shall promptly execute, acknowledge and deliver to the Lender such instruments as may reasonably be required to permit the Collateral Agent (acting at the direction of the Servicer), on behalf of the Holders, to cure any default under the Office Tower Ground Lease or permit the Lender to take such other action required to enable the Lender to cure or remedy the matter in default and preserve the security interest of the Lender under the Loan and Collateral Documents with respect to the Mortgaged Property. The Borrower irrevocably appoints the Collateral Agent, on behalf of the Holders and the Lender, as its true and lawful attorney-in-fact to do, in its name or otherwise, any and all acts and to execute any and all documents that are necessary to preserve any rights of the Borrower under or with respect to the Office Tower Ground Lease, including, without limitation, the right to effectuate any extension or renewal of the Office Tower Ground Lease, or to preserve any rights of the Borrower whatsoever in respect of any part of the Office Tower Ground Lease (and the above powers granted to the Lender are coupled with an interest and shall be irrevocable), provided that the foregoing appointment of the Collateral Agent as the Borrower's attorney-in-fact shall not relieve the Borrower of its corresponding obligations under the Loan Agreement with respect to the Office Tower Ground Lease.

(h) The Borrower shall not, without the Lender's prior written consent and delivery to the Lender of a No Downgrade Confirmation, surrender, terminate, forfeit, or suffer or permit the surrender, termination or forfeiture of the Office Tower Ground Lease, or change, modify or amend the Office Tower Ground Lease in a manner which would have a material adverse impact on the Lender's interest in the Mortgaged Property (it being acknowledged that the Office Tower Ground Lease prohibits the Borrower from alienating its right to amend the Office Tower Ground Lease unless the same would have a material adverse impact on the Lender's interest in the Mortgaged Property), provided that the Borrower shall furnish to the Lender a copy of all proposed amendments (whether or not the Lender's consent is required) to the Office Tower Ground Lease not less than fifteen (15) Business Days prior to entering into any such amendment. Notwithstanding the above (but subject to the Borrower delivering notice of such amendment not less than fifteen (15) Business Days prior to entering into any such amendment), the Lender consents to the amendment of the Office Tower Ground Lease to the extent such amendment (i) memorializes the resetting of the rent thereunder in connection with an extension of the term of the Office Tower Ground Lease, or (ii) provides for the Borrower's buyout of the Ground Lessor's right to percentage rent under the Office Tower Ground Lease. Consent to one amendment, change, agreement or modification shall not be deemed to be a waiver of the right to require consent to other, future or successive amendments, changes, agreements or modifications.

(i) Any acquisition of the Ground Lessor's interest in the Office Tower Ground Lease by the Borrower shall be accomplished by the Borrower in such a manner so as to avoid a merger of the interests or estates of the Ground Lessor and the ground lessee under the Ground Lease, unless prior written consent to such merger is granted by the Lender. In the event that the Borrower, so long as any portion of the Liberty Bonds Debt or CMBS Debt remains unpaid, shall be the owner and holder of the fee title to any leasehold portion of the Mortgaged Property, the lien of the Mortgage shall be spread to cover the Borrower's fee title to such Mortgaged Property and said fee title shall be deemed to be included in the Mortgaged Property without any further action. The Borrower agrees, at its sole cost and expense, including without limitation reasonable attorneys' fees of the Collateral Agent and the Holders, to execute any and all documents or instruments necessary to subject its fee title to the Mortgaged Property to the lien of the Mortgage.

Office Tower Ground Lease Bankruptcy Covenants

(i) The lien of the Mortgage attaches to all of the Borrower's rights and remedies at any time arising under or pursuant to Subsection 365(h) of the Bankruptcy Code, 11 U.S.C. Sections 101 et seq., including, without limitation, all of the Borrower's rights, as debtor, to remain in possession of the Mortgaged Property.

(ii) The Borrower shall not, without the Collateral Agent's prior written consent, acting at the direction of the Lender, elect to treat the Office Tower Ground Lease as terminated under Subsection 365(h)(l) of the Bankruptcy Code. Any such election made without such prior written consent shall be void, or, at the Collateral Agent's election, as an assignment of the Borrower's rights under Section 365(h)(1)(ii) of the Bankruptcy Code to the Collateral Agent or its nominee or designee.

(iii) As security for the payment of the CMBS Debt and the Liberty Bonds Debt, the Borrower unconditionally assigns, transfers and sets over to the Lender, for the benefit of the Holders, all of the Borrower's claims and rights to the payment of damages arising from any rejection by the Ground Lessor under the Office Tower Ground Lease under the Bankruptcy Code. The Collateral Agent and the Borrower shall proceed jointly or in the name of the Borrower in respect of any claim, suit, action or proceeding relating to the rejection of the Office Tower Ground Lease, including, without limitation, the right to file and prosecute any proofs of claim, complaints, motions, applications, notices and other documents in any case in respect of the Ground Lessor under the Bankruptcy Code.

(iv) If, pursuant to Subsection 365(h) of the Bankruptcy Code, the Borrower seeks to offset, against the rent reserved in the Office Tower Ground Lease, the amount of any damages caused by the nonperformance by the Ground Lessor of any of its obligations thereunder after the rejection by the Ground Lessor of the Office Tower Ground Lease under the Bankruptcy Code, then the Borrower shall not effect any offset of the amounts so objected to by the Collateral Agent on behalf of the Holders. If the Collateral Agent has failed to object as aforesaid within ten (10) days after notice, the Borrower may proceed to offset the amounts set forth in the Borrower's notice.

(v) If any action, proceeding, motion or notice shall be commenced or filed in respect of the Ground Lessor of all or any part of the Mortgaged Property in connection with any case under the Bankruptcy Code, the Collateral Agent (for the benefit of the Holders) and the Borrower shall cooperatively conduct and control any such litigation with counsel agreed upon between the Borrower and the Collateral Agent in connection with such litigation at the Borrower's sole cost and expense.

(vi) The Borrower shall promptly, after obtaining knowledge of such filing, notify the Collateral Agent and the Lender orally of any filing, by or against the Ground Lessor under the Officer Tower Ground Lease of a petition under the Bankruptcy Code. The Borrower shall thereafter promptly give written notice of such filing to the Collateral Agent and the Lender, setting forth any information available to the Borrower as to the date of such filing, the court in which such petition

was filed, and the relief sought in such filing. The Borrower shall promptly deliver to the Collateral Agent, for the benefit of the Holders and the Lender, any and all notices, summonses, pleadings, applications and other documents received by the Borrower in connection with any such petition and any proceedings relating to such petition.

(vii) Upon the filing of any petition by or against the Borrower under the Bankruptcy Code, the Borrower shall immediately provide copies of all pleadings and notices related thereto to the Lender. The Borrower unconditionally assigns to the Lender all of the Borrower's rights to remain in possession of the Mortgaged Property following the filing of any bankruptcy petition by or against the Borrower, other than an involuntary petition to the extent it is dismissed within ninety (90) days of the filing thereof, and acknowledges that the Lender may file any pleading in furtherance thereof.

(viii) The Borrower shall not, without the prior written consent of the Lender, file any motion or other pleading to reject or otherwise elect to treat the Office Tower Ground Lease as terminated under Section 365 of the Bankruptcy Code. Any such motion, pleading, or election made without such prior written consent shall be void and the Mortgage may be pled in bar thereof or, at the election of the Lender, as an assignment of the Office Tower Ground Lease to the Lender or its nominee or designee. If the Borrower, as tenant under the Office Tower Ground Lease and as debtor under the Bankruptcy Code, shall desire to reject the Office Tower Ground Lease pursuant to Section 365 of the Bankruptcy Code, the Borrower shall give the Lender not less than thirty (30) days' prior written notice of the date on which the Borrower intends to file a motion in or otherwise apply to the Bankruptcy Court for authority to reject the Office Tower Ground Lease. In such event, the Lender shall have the right, but not the obligation, to serve upon the Borrower within such thirty (30) day period a notice stating that the Lender demands that the Borrower assume the Office Tower Ground Lease and assign the Office Tower Ground Lease to the Lender or the Lender's designee pursuant to Section 365 of the Bankruptcy Code. If the Lender shall serve upon the Borrower the notice described in the preceding sentence, the Borrower shall not seek to reject the Office Tower Ground Lease and shall comply with the demand provided for in the preceding sentence.

(ix) If the Borrower shall desire to assume the Office Tower Ground Lease, then the Borrower shall give the Lender not less than fifteen (15) days' prior written notice of the date on which the Borrower intends to file a motion in, or otherwise apply to, the Bankruptcy Court for authority to assume the Office Tower Ground Lease. The Borrower shall inform the Lender as a part of such notice whether or not the Borrower intends to assign the Office Tower Ground Lease following assumption thereof. The Lender shall have the right, but not the obligation, to serve upon the Borrower within such fifteen (15) day period a notice stating that the Lender demands that the Borrower assume the Office Tower Ground Lease and assign the Office Tower Ground Lease to the Lender or the Lender's designee pursuant to Section 365 of the Bankruptcy Code, and such election by the Lender shall be binding upon the Borrower. Should the Borrower file a motion to assume the Office Tower Ground Lease, the Lender shall have the sole right to determine what terms and conditions will provide the Lender with "adequate assurance of future performance," within the meaning of Section 365 of the Bankruptcy Code.

(x) If there shall be filed by or against the landlord or any fee owner of the Mortgaged Property a petition under the Bankruptcy Code, the Borrower shall, after obtaining knowledge thereof, promptly notify the Lender thereof in writing. The Borrower shall promptly deliver to the Lender, following receipt, complete and correct copies of any and all notices, motions, summonses, pleadings, claim forms, applications, and other documents received by the Borrower in connection with any such petition and any proceedings relating thereto. The Borrower shall not commence any action, suit, proceeding, or case, or file any application or make any motion in respect of the Office Tower Ground Lease in any such case under the Bankruptcy Code without the prior written consent of the Lender (not to be unreasonably withheld, conditioned or delayed). The Borrower unconditionally assigns to the Lender all of the Borrower's claims and rights to the payment of damages or any claim arising

from any rejection of the Office Tower Ground Lease by the lessor or any other fee owner of the Mortgaged Property, or the payment of any amount or claim associated with the Office Tower Ground Lease in any proceeding under the Bankruptcy Code. The Lender shall have the right to proceed in its own name and/or in the name of the Borrower in respect of any claim, suit, action, or proceeding relating to the assumption or rejection of the Office Tower Ground Lease by the landlord, including, without limitation, the right to file and prosecute, to the exclusion and in the name of the Borrower, any proofs of claim, complaints, motions, applications, notices and other documents, or to defend against any objection thereto, in any case in respect to the lessor or any fee owner of the Mortgaged Property. This assignment shall continue in effect until all of the Liberty Bonds Debt and CMBS Debt shall have been satisfied and discharged in full. Any amounts aforesaid shall be applied to pay down the principal balance of the Obligations.

(xi) If the Borrower shall seek to offset against the Ground Rent the amount of any damages caused by the nonperformance by the landlord or any fee owner of the Mortgaged Property of any of its obligations under the Office Tower Ground Lease after the rejection by the lessor or any fee owner of the Mortgaged Property under the Bankruptcy Code, the Borrower shall, prior to effecting such offset, notify the Lender of its intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. The Lender shall have the right to object to all or any part of such offset that, in the reasonable judgment of the Lender, would constitute a breach of the Office Tower Ground Lease, and in the event of such objection, the Borrower shall not effect any offset of the amounts so objected to by the Lender.

Reciprocal Easement Agreement

The Borrower covenants and agrees with respect to the Reciprocal Easement Agreement as follows:

(a) the Borrower shall not, modify, amend or supplement the Reciprocal Easement Agreement in a material and adverse manner without the Lender's prior written consent; provided that the Borrower shall furnish to the Lender a copy of all proposed amendments (whether or not consent is required) to the Reciprocal Easement Agreement not less than fifteen (15) Business Days prior to entering into any such amendment. The Lender shall not unreasonably withhold its consent to any amendment or modification which will not have a material and adverse effect on the value of the Mortgaged Property or the Borrower's ability to pay the Monthly Payment Amount including the payment due on the Maturity Date;

(b) the Borrower shall pay all charges and other sums to be paid by the Borrower, if any, pursuant to the terms of the Reciprocal Easement Agreement as the same shall become due and payable and prior to the expiration of any applicable notice and cure period therein provided. After prior written notice to the Collateral Agent and the Lender, the Borrower, at its own expense, may contest by appropriate legal proceedings, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any charges required to be paid by the Borrower pursuant to the Reciprocal Easement Agreement, provided that (i) no Event of Default under the CMBS Loan and Collateral Documents or under the Liberty Bonds Loan and Collateral Documents has occurred and remains uncured; (ii) such proceeding shall be permitted under and be conducted in accordance with the provisions of the Reciprocal Easement Agreement and shall not constitute a default thereunder and such proceeding shall be conducted in accordance with all Applicable Laws; (iii) the Mortgaged Property and no part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost; (iv) the Reciprocal Easement Agreement will not be in danger of being terminated; (v) the Borrower shall promptly upon final determination thereof pay the amount of any such charges, together with all costs, interest and penalties which may be payable in connection therewith; and (vi) the Borrower shall furnish such security as may be required in the proceeding to insure the payment of any such charges, together with all interest and penalties thereon;

(c) the Borrower shall comply, in all material respects, with all of the terms, covenants and conditions on the Borrower's part to be complied with pursuant to the terms of the Reciprocal Easement Agreement;

(d) the Borrower shall not, without the prior written consent of the Lender, determined in its sole discretion, take (and assigns to the Lender, any right it may have to take) any action to terminate, surrender, or accept any termination or surrender of the Reciprocal Easement Agreement;

(e) the Borrower shall enforce, in a commercially reasonable manner, the obligations, if any, to be performed by the parties to the Reciprocal Easement Agreement (other than the Borrower);

(f) the Borrower shall promptly furnish to the Collateral Agent and the Lender any notice of default or other communication delivered in connection with the Reciprocal Easement Agreement by any party to the Reciprocal Easement Agreement;

(g) the Borrower shall not assign or encumber its rights under the Reciprocal Easement Agreement (other than as permitted under the Loan and Collateral Documents); and

(h) if the Collateral Agent, its nominee, designee, successor, or assignee acquires the rights of the Borrower under the Reciprocal Easement Agreement by reason of foreclosure of the Mortgage, deed-in-lieu of foreclosure or otherwise, such party shall, subject to the terms of the Reciprocal Easement Agreement, (x) succeed to all of the rights of and benefits accruing to the Borrower under the Reciprocal Easement Agreement, and (y) be entitled to exercise all of the rights and benefits accruing to the Borrower under the Reciprocal Easement Agreement. At such time as the Lender shall request, the Borrower agrees to execute and deliver to the Collateral Agent for the benefit of the Holders, such documents as the Lender or its counsel may reasonably require in order to insure that the provisions of the Liberty Bonds Loan Agreement and the CMBS Loan Agreement will be validly and legally enforceable and effective against the Borrower and all parties claiming by, through, under or against the Borrower.

Tax Covenants

The Borrower covenants under the Liberty Bonds Loan Agreement, (i) to comply with each requirement of the Internal Revenue Code necessary to maintain the exclusion of interest on the Series 2012 Liberty Bonds from gross income for federal income tax purposes, (ii) to comply with the provisions of the Tax Certificate as a source of guidance for complying with the Internal Revenue Code, and (iii) not to take any action or fail to take any action with respect to the Series 2012 Liberty Bonds which would cause such Bonds to be "arbitrage bonds", within the meaning of such term as used in Section 148 of the Internal Revenue Code and the regulations promulgated thereunder, as amended from time to time.

Special Purpose Entity Covenants

(a) Until the Liberty Bonds Debt and CMBS Debt have been paid in full, the Borrower represents, covenants and warrants that it is and shall be and shall continue to be a Special Purpose Entity.

(b) The above representation, warranty and covenant shall survive for so long as any amount remains payable to the Lender under the Liberty Bonds Loan Agreement, the CMBS Loan Agreement, or any other Liberty Loan Document, CMBS Loan Document or Collateral Document.

(c) Any and all of the stated facts and assumptions made in any Insolvency Opinion, including, but not limited to, any exhibits attached thereto, will have been and shall be true and correct in all respects, and the Borrower will have complied and will comply with all of the stated facts and assumptions made with respect to it in any Insolvency Opinion. Each entity other than the Borrower with respect to which an assumption is made or a fact stated in any Insolvency Opinion will have complied and will comply with all of

the assumptions made and facts stated with respect to it in any such Insolvency Opinion. The Borrower covenants that in connection with any Additional Insolvency Opinion delivered in connection with the Loan Agreement it shall provide an updated certification regarding compliance with the facts and assumptions made therein.

Independent Managers

(a) The organizational documents of the Borrower shall provide that at all times there shall be, and the Borrower shall cause there to be, at least two (2) duly appointed non-members who are each an Independent Manager.

(b) The organizational documents of the Borrower shall provide that the members or managers of the Borrower shall not and the Borrower will not, without the unanimous written consent of its members and Independent Managers, (i) file any insolvency, or reorganization case or proceeding, institute proceedings to have itself or be adjudicated bankrupt or insolvent, institute proceedings under any applicable insolvency law, seek any relief under any law relating to relief from debts or the protection of debtors, (ii) consent to the filing or institution of bankruptcy or insolvency proceedings against itself, (iii) file a petition seeking, or consent to, reorganization or relief with respect to itself under any applicable federal or state law relating to bankruptcy or insolvency, (iv) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official of or for itself or a substantial part of its property, (v) make any assignment for the benefit of creditors of itself, (vi) admit in writing the Borrower's inability to pay its debts generally as they become due, or (vii) take action in furtherance of any of the foregoing.

(c) No Independent Manager may be removed or replaced unless the Lender receives three (3) Business Days' prior written notice of (i) any proposed removal of an Independent Manager together with a statement as to the reasons for such removal and (ii) the identity of the proposed replacement Independent Manager, together with a certification from the Borrower that such replacement satisfies the requirements set forth in the organizational documents of the Borrower for an Independent Manager.

Prohibited Transfers

(a) The Borrower acknowledges that the Lender has examined and relied on the experience of the Borrower and its stockholders, general partners, members and principals in owning and operating properties such as the Mortgaged Property in agreeing to make the Liberty Bonds Loan and the CMBS Loan, and will continue to rely on the Borrower's ownership of the Mortgaged Property as a means of maintaining the value of the Mortgaged Property as security for repayment of the Liberty Bonds Debt and the CMBS Debt and the performance of the Other Obligations. The Borrower acknowledges that the Lender has a valid interest in maintaining the value of the Mortgaged Property so as to ensure that, should the Borrower default in the repayment of the CMBS Debt or the Liberty Bonds Debt or the performance of the Other Obligations, the Lender can recover the Liberty Bonds Note Principal Balance and the CMBS Note Principal Balance by a sale of the Mortgaged Property.

(b) Without the prior written consent of the Lender, and except to the extent otherwise set forth in the Liberty Bonds Loan Agreement or the CMBS Loan Agreement, the Borrower shall not, and shall not permit any Restricted Party, to sell, convey, mortgage, grant, bargain, encumber, pledge, assign, grant options with respect to, or otherwise transfer or dispose of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) (collectively, a "Transfer"): (i) the Mortgaged Property or any part thereof and (ii) any interest in a Restricted Party.

(c) A Transfer shall include, but not be limited to:

(i) an installment sales agreement wherein the Borrower agrees to sell the Mortgaged Property or any part thereof for a price to be paid in installments;

(ii) an agreement by the Borrower leasing all or a substantial part of the Mortgaged Property for other than actual occupancy by a space Tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, the Borrower's right, title and interest in and to any Leases or any Mortgaged Rents;

(iii) if a Restricted Party is a corporation, any merger, consolidation or Transfer of such corporation's stock or the creation or issuance of new stock;

(iv) if a Restricted Party is a limited or general partnership or joint venture, any merger or consolidation or the change, removal, resignation or addition of a general partner or the Transfer of the partnership interest of any general partner or any profits or proceeds relating to such partnership interest, or the Transfer of limited partnership interests or any profits or proceeds relating to such limited partnership interest or the creation or issuance of new limited partnership interests;

(v) if a Restricted Party is a limited liability company, any merger or consolidation or the change, removal, resignation or addition of a managing member or non-member manager (or if no managing member, any member) or the Transfer of the membership interest of a managing member (or if no managing member, any member) or any profits or proceeds relating to such membership interest, or the Transfer of non-managing membership interests or the creation or issuance of new non-managing membership interests; or

(vi) if a Restricted Party is a trust or nominee trust, any merger, consolidation or the Transfer of the legal or beneficial interest in a Restricted Party or the creation or issuance of new legal or beneficial interests.

Permitted Transfers

Notwithstanding anything to the contrary contained in the Loan Agreement, the following Transfers shall be permitted without the requirement of the Lender's consent or payment of any fee, expense, cost or other consideration (each, a "Permitted Transfer"):

(a) a Lease entered into in accordance with the Loan Agreement and the Office Tower Ground Lease;

(b) a Transfer under "Assumption" below;

(c) a Transfer of all the equity interests of the Borrower to a wholly-owned subsidiary of the Borrower's sole member in connection with a Permitted Mezzanine Financing;

(d) any Transfer of interests in a Restricted Party (other than a direct interest in the Borrower) to the extent the same are publicly traded on any nationally or internationally recognized stock exchange;

(e) a Transfer resulting from the exercise of remedies (including, but not limited to, a deed-in-lieu of foreclosure) under any of the Loan and Collateral Documents;

(f) a Transfer resulting from the exercise of remedies (including, but not limited to, a deed-in-lieu of foreclosure) under any Permitted Mezzanine Financing;

(g) a Transfer in connection with any Permitted Mezzanine Financing;

(h) any Permitted Encumbrances;

(i) a Silverstein REIT Transaction;

(j) any immaterial Transfers of portions of the Mortgaged Property to Governmental Authorities for dedication or public use (subject to the provisions of the Office Tower Ground Lease regarding Restoration of Improvements), or portions of the Mortgaged Property to third parties for the purpose of erecting and operating additional structures whose use is integrated with the use of the Mortgaged Property, and grant easements, restrictions, covenants, reservations and rights of way in the ordinary course of business for access, water and sewer lines, telephone and telegraph lines, electric lines or other utilities or for other similar purposes, provided that no such Transfer, conveyance or encumbrance set forth in the foregoing shall materially impair the utility and operation of the Mortgaged Property or have a material adverse effect on the value of the Mortgaged Property taken as a whole. In connection with any Transfer permitted pursuant to this heading, the Lender shall execute and deliver any instrument reasonably necessary or appropriate to release the portion of the Mortgaged Property affected by such Transfer from the Lien of the Mortgage or to subordinate the Lien of the Mortgage to such easements, restrictions, covenants, reservations and rights of way or other similar grants upon receipt by the Lender of:

(i) thirty (30) days prior written notice thereof;

(ii) a copy of the instrument or instruments of Transfer;

(iii) an Officer's Certificate stating (x) with respect to any Transfer, the consideration, if any, being paid for the Transfer and (y) that such Transfer does not materially impair the utility and operation of the Mortgaged Property, materially reduce the value of the Mortgaged Property or have a material adverse effect on the Mortgaged Property; and

(iv) reimbursement of all of the Lender's reasonable costs and expenses incurred in connection with such Transfer;

(k) a Transfer of any interest in a Restricted Party related to or in connection with the estate planning of such transferor to: (1) an immediate family member of such interest holder (or to partnerships or limited liability companies Controlled solely by one or more of such immediate family members) or (2) a trust established for the benefit of such immediate family member(s), provided that:

(i) no Event of Default shall then exist;

(ii) the Borrower shall provide to the Lender written notice thereof (which may be provided following such Transfer);

(iii) such Transfer shall not otherwise result in a change of Control of the Borrower or change of the day to day management and operations of the Mortgaged Property;

(iv) the Borrower shall continue to be a Special Purpose Entity;

(v) if such Transfer would cause the transferee, together with its Affiliates, to increase its direct or indirect interest in the Borrower to an amount which equals or exceeds twenty five percent (25%), such transferee shall be a Qualified Transferee; and

(vi) if such Transfer shall cause the transferee together with its Affiliates to acquire or to increase its direct or indirect interest in the Borrower to an

amount which equals or exceeds forty-nine percent (49%), then, (x) to the extent that Lender determines that the pairings in the most recently delivered non-consolidation opinion with respect to the Liberty Bonds Loan and CMBS Loan no longer apply, the Borrower shall deliver to the Lender an Additional Insolvency Opinion, and (y) the Borrower shall cause to be delivered to the Lender an Opinion of Bond Counsel that such Transfer will not result in an Adverse Liberty Bonds Event;

(l) a Transfer of an interest in a Restricted Party that occurs by devise or bequest or by operation of law upon the death of a natural person that was the holder of such interest, provided that:

(i) the Borrower shall give the Lender notice of such Transfer together with copies of all instruments effecting such Transfer not less than thirty (30) days after the date of such Transfer;

(ii) the Borrower shall continue to be a Special Purpose Entity;

(iii) the Mortgaged Property shall continue to be managed by a Qualified Manager or by a property manager reasonably acceptable to the Lender and acceptable to the applicable Rating Agencies;

(iv) in the event of a Transfer resulting by devise or bequest only, not more than forty-nine percent (49%) of the direct or indirect interests in the Borrower may be Transferred to Persons who are not Silverstein Family Members, unless (A) a Qualified Asset Manager is put in place and maintained, or (B) a No Downgrade Confirmation is delivered; and

(v) if such Transfer shall cause (x) a change of Control of the Borrower or (y) the transferee (other than a transferee that is a Silverstein Party) together with its Affiliates to acquire or to increase its direct or indirect interest in the Borrower to an amount which equals or exceeds forty-nine percent (49%), then, to the extent that the Lender determines that the pairings in the most recently delivered non-consolidation opinion with respect to the Loan no longer apply, the Borrower shall deliver to the Lender an Additional Insolvency Opinion;

(m) any other Transfer of an interest in a Restricted Party provided that:

(i) no Event of Default shall then exist;

(ii) unless there has been obtained a No Downgrade Confirmation and an Opinion of Bond Counsel that the Transfer will not result in an Adverse Liberty Bonds Event, such Transfer shall not (x) result, when aggregated with all other Transfers, in any Person who is not a Silverstein Party owning in excess of forty-nine percent (49%) of the beneficial interests in a Restricted Party, or (y) result in a change in Control of the Borrower;

(iii) if such Transfer would cause the transferee, together with its Affiliates, to increase its direct or indirect interest in the Borrower to an amount which equals or exceeds twenty five percent (25%), (x) such transferee is a Qualified Transferee and (y) the Borrower shall provide to the Lender thirty (30) days prior written notice thereof;

(iv) if such Transfer shall cause the transferee (other than a transferee that is a Silverstein Party) together with its Affiliates to acquire or to increase its direct or indirect interest in the Borrower to an amount which equals or exceeds forty-nine percent (49%), then, to the extent that the Lender determines that the pairings in the most recently delivered non-consolidation opinion with respect to the Loan no longer apply, the Borrower shall deliver to the Lender an Additional Insolvency Opinion; and

(vi) the Mortgaged Property shall continue to be managed by a Qualified Manager or by a property manager reasonably acceptable to the Lender and acceptable to the applicable Rating Agencies.

Assumption

Notwithstanding the foregoing provisions regarding Prohibited Transfers and Permitted Transfers, following the date which is six (6) months from the Closing Date, the Lender shall not unreasonably withhold delay or condition its consent to a Transfer of the Mortgaged Property in its entirety to, and the related assumption of the Loan and Collateral Documents by, any Person (a "Transferee") provided that each of the following terms and conditions are satisfied:

(a) no Event of Default has occurred and is continuing;

(b) the Borrower shall have delivered written notice to the Lender of the terms of such prospective transfer not less than thirty (30) days before the date on which such transfer is scheduled to close and, concurrently therewith, all such information concerning the proposed Transferee as the Lender shall reasonably require. The Lender shall have the right to approve or disapprove the proposed transfer based on its then current underwriting and credit requirements for similar loans secured by similar properties which loans are sold in the secondary market, such approval not to be unreasonably withheld, delayed or conditioned. In determining whether to give or withhold its approval of the proposed transfer, the Lender shall consider the experience and track record of the Transferee and its principals in owning and operating facilities similar to the Mortgaged Property, the financial strength of the Transferee and its principals, the general business standing of the Transferee and its principals and the Transferee's and its principals' relationships and experience with contractors, vendors, tenants, lenders and other business entities; provided, however, that, notwithstanding the Lender's agreement to consider the foregoing factors in determining whether to give or withhold such approval, such approval shall be given or withheld based on what the Lender determines to be commercially reasonable and, if given, may be given subject to such conditions as the Lender may deem reasonably appropriate;

(c) the Borrower shall have paid to the Lender, concurrently with the closing of such transfer, (i) a non-refundable assumption fee in an amount equal to $150,000 (provided such fee shall be waived for the first transfer), and (ii) all reasonable actual out-of-pocket costs and expenses, including reasonable attorneys' fees, incurred by the Lender in connection with the transfer;

(d) the Transferee assumes and agrees to pay the Liberty Bonds Debt and CMBS Debt as and when due and, prior to or concurrently with the closing of such transfer, the Transferee and its constituent partners, members or shareholders as the Lender may require, shall execute, without any cost or expense to the Lender, such documents and agreements as the Lender shall reasonably require to evidence and effectuate said assumption, which will include a new joinder to the Loan Agreement by a Replacement Guarantor and a release of the Guarantor from all its obligations with respect to the Liberty Bonds Loan and the CMBS Loan;

(e) the Borrower and the Transferee, without any out-of-pocket cost to the Lender, shall furnish any information requested by the Lender for the preparation of, and shall authorize the Lender to file, new

financing statements and financing statement amendments and other documents to the fullest extent permitted by Applicable Law, and shall execute any additional documents reasonably requested by the Lender;

(f) the Borrower shall have delivered to the Lender, without any out-of-pocket cost or expense to the Lender, such endorsements to the Lender's Title Insurance Policy insuring that fee simple or leasehold title to the Mortgaged Property, as applicable, is vested in the Transferee (subject to Permitted Encumbrances) and other documentation as the Lender may deem necessary at the time of the transfer, all in form and substance reasonably satisfactory to the Lender;

(g) the Transferee shall have furnished to the Lender, if the Transferee is a corporation, partnership, limited liability company or other entity, all appropriate papers evidencing the Transferee's organization and good standing, and the qualification of the signers to execute the assumption of the CMBS Loan and the Liberty Bonds Loan and all obligations of the Borrower under the Loan and Collateral Documents, which papers shall include certified copies of all documents relating to the organization and formation of the Transferee and of the entities, if any, which are partners or members of the Transferee. The Transferee and such constituent partners, members or shareholders of the Transferee (as the case may be), as the Lender shall reasonably require in order for the Borrower to comply with then current Rating Agency criteria for single purpose entities, shall comply with the Special Purpose Entity covenants set forth in the Loan Agreement;

(h) the Transferee shall assume the obligations of the Borrower under any Property Management Agreement or provide a new management agreement with a new manager which meets with the requirements of the Loan Agreement and assign to the Collateral Agent for the benefit of the Holders, as additional security, such new management agreement;

(i) the Transferee shall furnish (i) an Opinion of Counsel reasonably satisfactory to the Lender and its counsel (A) that the Transferee's formation documents provide for the matters described in subparagraph (g) above, (B) that the assumption of the CMBS Loan and the Liberty Bonds Loan has been duly authorized, executed and delivered, and that the Liberty Bonds Note, the Mortgage, the Loan Agreement, the assumption agreement, and the other Loan and Collateral Documents to which the Borrower is a party, are valid, binding and enforceable against the Transferee in accordance with their terms, (C) that the Transferee and any entity which is a controlling stockholder, member or general partner of the Transferee, have been duly organized, and are in existence and good standing, and (D) with respect to such other matters as the Lender may reasonably request and (ii) an Opinion of Bond Counsel that such Transfer will not result in an Adverse Liberty Bonds Event;

(j) the Lender shall have received a No Downgrade Confirmation with respect to the CMBS Certificates and the Series 2012 Liberty Bonds;

(k) the Borrower's obligations under the contract of sale pursuant to which the transfer is proposed to occur shall expressly be subject to the satisfaction of the terms and conditions of the Liberty Bonds Loan Agreement and the CMBS Loan Agreement;

(l) the Transferee shall, prior to such transfer, deliver a substantive non-consolidation opinion to the Lender;

(m) the Borrower shall satisfy all conditions and requirements relating to a transfer of the Mortgaged Property and an assumption of the Liberty Bonds Loan and Collateral Documents and the CMBS Loan and Collateral Documents;

(n) the Lender shall have received an estoppel relating to the Office Tower Ground Lease and the Reciprocal Easement Agreement recognizing such assignment and confirming that all necessary consents, if any, have been obtained; and

(o) neither the Transferee, nor any of its principals, shall be an Embargoed Person.

A consent by the Lender with respect to a transfer of the Mortgaged Property in its entirety to, and the related assumption of the Loan by, a Transferee pursuant to this heading, shall not be construed to be a waiver of the right of the Lender to consent to any subsequent transfer of the Mortgaged Property.

Insurance

See "INSURANCE ON THE MORTGAGED PROPERTY" herein.

Collateral Agency Agreement; Servicing Agreement

On or prior to the Closing Date, the Collateral Agency Agreement shall be in effect for the operation of the Collateral Accounts (as defined in the Collateral Agency Agreement), which Collateral Agency Agreement, shall, among other things, provide that the Borrower shall deposit or cause to be deposited into the Collection Account all Mortgaged Rent. The Collateral Agent shall direct the Eligible Institution holding such Collection Account to transfer all immediately available funds then on deposit in the Collection Account on each Business Day as set forth in the Collateral Agency Agreement. The Lender and the Collateral Agent acknowledge and agree that the Borrower's obligation to pay Ground Rent, Taxes, Debt Service or any other amounts pursuant to the Loan Agreement or any other Liberty Bonds Loan and Collateral Documents or CMBS Loan and Collateral Documents shall be deemed satisfied, and failure to pay the same shall not constitute an Event of Default (x) to the extent adequate funds are on deposit in the Collateral Accounts for such payments and any failure to make such payment from the Collateral Accounts is not caused by inaccurate information provided by the Borrower to the Collateral Agent or the Master Servicer, and (y) no other Event of Default has occurred and is continuing under the Loan Documents.

Appointment of Collateral Agent

The Lender irrevocably designates and appoints the Collateral Agent as the Collateral Agent with respect to the Liberty Bonds Loan and Collateral Documents and the CMBS Loan and Collateral Documents, and the Lender irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of the Loan Agreement and the Liberty Bonds Loan and Collateral Documents and the CMBS Loan and Collateral Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of the Loan Agreement, the other Liberty Bonds Loan and Collateral Documents and CMBS Loan and Collateral Documents and the Collateral Agency Agreement. Notwithstanding any provision to the contrary elsewhere in the Loan Agreement, the Collateral Agent shall not have any duties or responsibilities except those expressly set forth therein, or in the Liberty Bonds Loan and Collateral Documents to which it is a party or the CMBS Loan and Collateral Documents to which it is a party or to any fiduciary relationship with the Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Loan Agreement or any other Liberty Bonds Loan and Collateral Document or CMBS Loan and Collateral Document or otherwise exist against the Collateral Agent.

Events of Default

The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) if any portion of the Liberty Bonds Debt (as stated in the Liberty Bonds Loan Agreement) or CMBS Debt (as stated in the CMBS Loan Agreement) is not paid when due or if the entire Liberty Bonds Debt or CMBS Debt (as stated in the applicable Loan Agreement) is not paid on or before the Maturity Date;

(b) if any of the Taxes or Other Charges are not paid when the same are due and payable (unless the funds necessary to satisfy such obligation are available in the Tax Reserve Account on the date the same are due);

(c) if the Insurance Policies are not kept in full force and effect, or if certified copies (or other reasonable evidence of such Insurance Policies being in effect) are not delivered to the Lender;

(d) the breaches of any Special Purpose Entity covenants contained in the Loan Agreement or any Prohibited Transfers, Permitted Transfers and Assumption covenants contained in the Loan Agreement;

(e) if any representation or warranty of, or with respect to, the Borrower, or any member, general partner, principal or beneficial owner of any of the foregoing, made in the Loan Agreement, in any other Liberty Bonds Loan and Collateral Document (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Document (as stated in the CMBS Loan Agreement), or in any certificate, report, financial statement or other instrument or document furnished to the Lender at the time of the closing of the Liberty Bonds Loan (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan (as stated in the CMBS Loan Agreement) or during the term of the Liberty Bonds Loan (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan (as stated in the CMBS Loan Agreement), shall have been false or misleading in any material respect as of the date the representation or warranty was made;

(f) if the Borrower shall make an assignment for the benefit of creditors;

(g) if a receiver, liquidator or trustee shall be appointed for the Borrower or if the Borrower shall be adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to any Creditor's Rights Law, shall be filed by or against, consented to, or acquiesced in by, the Borrower, or if any proceeding for the dissolution or liquidation of the Borrower shall be instituted; (other than the filing of an involuntary proceeding which was not consented to by the Borrower, and which is discharged, stayed or dismissed within thirty (30) days);

(h) if the Borrower attempts to assign its rights under the Loan Agreement or any of the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) or any interest therein in contravention of the Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement);

(i) if the Guarantor shall make an assignment for the benefit of creditors or if a receiver, liquidator or trustee shall be appointed for the Guarantor or if the Guarantor shall be adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, the Guarantor, or if any proceeding for the dissolution or liquidation of the Guarantor shall be instituted (other than the filing of an involuntary proceeding which was not consented to by the Guarantor and which is discharged, stayed or dismissed within ninety (90) days; provided, further, however, it shall be at the Lender's option to determine whether any of the foregoing shall be an Event of Default);

(j) the breach of certain other Borrower covenants contained in the Loan Agreement;

(k) if any of the assumptions contained in the Insolvency Opinion delivered to the Lender in connection with the Liberty Bonds Loan (as stated in the Liberty Bonds Loan Agreement) or the CMBS Loan (as stated in the CMBS Loan Agreement), or in any Additional Insolvency Opinion delivered subsequent to the closing of the Liberty Bonds Loan (as stated in the Liberty Bonds Loan Agreement) or the CMBS Loan (as stated in the CMBS Loan Agreement), is or shall become untrue in any material respect;

(l) if (i) the Borrower shall fail in the payment of any rent, additional rent or other charge mentioned in or made payable by the Office Tower Ground Lease as and when such rent or other charge is payable (unless waived by the Ground Lessor or to the extent funds necessary to satisfy such obligation are on deposit in the Ground Lease Reserve Account), subject to any notice and/or grace periods provided therein, (ii) there shall occur any default by the Borrower, as tenant under the Office Tower Ground Lease, in the

observance or performance of any term, covenant or condition of the Office Tower Ground Lease on the part of the Borrower, to be observed or performed (unless waived by the Ground Lessor, as applicable), subject to any notice and/or grace periods provided therein, (iii) if any one or more of the events referred to in the Office Tower Ground Lease shall occur which would cause the Office Tower Ground Lease to terminate without notice or action by the landlord under the Office Tower Ground Lease or which would entitle the landlord to terminate the Office Tower Ground Lease and the term thereof by giving notice to the Borrower, as tenant thereunder (unless waived by the landlord under the Office Tower Ground Lease), (iv) if the leasehold estate created by the Office Tower Ground Lease shall be surrendered or the Office Tower Ground Lease shall be terminated or canceled for any reason or under any circumstances whatsoever, or (v) if any of the terms, covenants or conditions of the Office Tower Ground Lease shall in any manner be modified, changed, supplemented, altered, or amended in any material respect in violation of the terms of the Loan Agreement;

(m) if any material breach or default by the Borrower of any obligation contained in the Reciprocal Easement Agreement is not cured or if any of the terms, covenants or conditions of the Reciprocal Easement Agreement shall in any manner be modified, changed, supplemented, altered, or amended without the prior written consent of the Lender;

(n) if the Borrower shall continue to be in Default under any other term, covenant or condition of the Loan Agreement or any of the Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or the CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement); or

(o) upon the occurrence and during the continuance of an "Event of Default" under the CMBS Loan and Collateral Documents (cross-default stated in the Liberty Bonds Loan Agreement) or the Liberty Bonds Loan and Collateral Documents (cross-default stated in the CMBS Loan Agreement).

Cure Rights

Other than Events of Default under clauses (a), (d), (f), (g), (i), and (l) under "Events of Default" above, unless a specific cure and grace period has been provided with respect to any of the Borrower's obligations under the Loan Agreement or any of the other Liberty Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or the CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement), then the Borrower shall have ten (10) days after notice from the Lender in the case of any Default which can be cured by the payment of a sum of money or for thirty (30) days after notice from the Lender in the case of any other Default, provided that if such Default cannot reasonably be cured within such thirty (30) day period and the Borrower shall have commenced to cure such Default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require the Borrower in the exercise of due diligence to cure such Default, it being agreed that no such extension shall be for a period in excess of sixty (60) days for any individual Default.

Upon the occurrence of an Event of Default (other than an Event of Default described in clause (f), (g) or (i) under "Events of Default" above) and at any time thereafter, in addition to any other rights or remedies available to it pursuant to the Loan Agreement and the other Liberty Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or the CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) or at law or in equity, the Lender may take such action, without notice or demand, that the Lender deems advisable to protect and enforce its rights against the Borrower and in and to the Mortgaged Property, including, without limitation, declaring the Liberty Bonds Debt (as stated in the Liberty Bonds Loan Agreement) or CMBS Debt (as stated in the CMBS Loan Agreement) to be immediately due and payable, and the Lender may enforce or avail itself of any or all rights or remedies provided in the Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or the CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) against the Borrower and the Mortgaged Property, including, without limitation, all rights or remedies available at law or in equity; and upon any Event of

Default described in clause (f), (g) or (i) under "Events of Default" above, the Liberty Bonds Debt (as stated in the Liberty Bonds Loan Agreement) or the CMBS Debt (as stated in the CMBS Loan Agreement) and all other obligations of the Borrower thereunder and under the other Liberty Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) shall immediately and automatically become due and payable, without notice or demand, and the Borrower expressly waives any such notice or demand, anything contained in the Loan Agreement or in any other Liberty Bonds Loan and Collateral Document (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Document (as stated in the CMBS Loan Agreement) to the contrary notwithstanding.

Remedies

(a) Subject to the "Cure Rights" described above, upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to the Lender against the Borrower under the Loan Agreement or under any of the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) executed and delivered by, or applicable to, the Borrower or at law or in equity may be exercised by the Lender at any time and from time to time, whether or not all or any of the Liberty Bonds Note Principal Balance (as stated in the Liberty Bonds Loan Agreement) or CMBS Note Principal Balance (as stated in the CMBS Loan Agreement) shall be declared due and payable, and whether or not the Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) with respect to all or any part of the Mortgaged Property. Any such actions taken by the Lender shall be cumulative and concurrent and may be pursued independently, singularly, successively, together or otherwise, at such time and in such order as the Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of the Lender permitted by law, equity or contract or as set forth in the Loan Agreement or in the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement). Without limiting the generality of the foregoing, the Borrower agrees that if an Event of Default is continuing (i) the Lender is not subject to any "one action" or "election of remedies" law or rule, and (ii) all liens and other rights, remedies or privileges provided to the Lender shall remain in full force and effect until the Lender has exhausted all of its remedies against the Mortgaged Property and the Mortgage has been foreclosed, sold and/or otherwise realized upon.

(b) With respect to the Borrower and the Mortgaged Property, nothing contained in the Loan Agreement or in any other Liberty Bonds Loan and Collateral Document (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Document (as stated in the CMBS Loan Agreement) shall be construed as requiring the Lender to resort to the Mortgaged Property for the satisfaction of any of the Liberty Bonds Debt (as stated in the Liberty Bonds Loan Agreement) or CMBS Debt (as stated in the CMBS Loan Agreement) in any preference or priority, and the Lender may seek satisfaction out of the Mortgaged Property, or any part thereof, in its absolute discretion in respect of the Liberty Bonds Debt (as stated in the Liberty Bonds Loan Agreement) or CMBS Debt (as stated in the CMBS Loan Agreement). In addition, the Lender shall have the right from time to time to partially foreclose the Mortgage in any manner and for any amounts secured by the Mortgage then due and payable as determined by the Lender in its sole discretion including, without limitation, the following circumstances: (i) in the event the Borrower defaults beyond any applicable grace period in the payment of one or more scheduled payments of principal and interest, the Lender may foreclose the Mortgage to recover such delinquent payments or (ii) in the event the Lender elects to accelerate less than the entire Liberty Bonds Note Principal Balance (as stated in the Liberty Bonds Loan Agreement) or CMBS Note Principal Balance (as stated in the CMBS Loan Agreement), the Lender may foreclose the Mortgage to recover so much of the principal balance of the Liberty Bonds Loan (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan (as stated in the CMBS Loan Agreement) as the Lender may accelerate and such other sums secured by the Mortgage as the Lender may elect. Notwithstanding one or

more partial foreclosures, the Mortgaged Property shall remain subject to the Mortgage to secure payment of sums secured by the Mortgage and not previously recovered.

(c) As used in this Section, a "foreclosure" shall include, without limitation, any sale by power of sale.

(d) The Bond Issuer's Reserved Rights may only be enforced by the Liberty Bonds Lender and/or the Indenture Trustee through an action for specific performance. Any Bond Issuer Judgment Amount shall only be realized by the Bond Issuer in accordance with the Servicing Agreement.

Environmental Covenants

The Borrower covenants and agrees that so long as the Borrower owns, manages, is in possession of, or otherwise controls the operation of the Mortgaged Property (excluding any portion operated or in possession of Con Ed or any of its Affiliates under the Reciprocal Easement Agreement): (a) all uses and operations on or of the Mortgaged Property by the Borrower shall be in compliance with all Environmental Laws and permits issued pursuant thereto; (b) there shall be no Releases of Hazardous Materials in, on, under or from the Mortgaged Property by the Borrower; (c) there shall be no Hazardous Materials in, on, or under the Mortgaged Property, except those that are both (i) in compliance with all Environmental Laws and with permits issued pursuant thereto, if and to the extent required, and (ii) (A) in amounts not in excess of that necessary to operate the Mortgaged Property for the purposes set forth in the Loan Agreement or (B) fully disclosed to and approved by the Lender in writing; (d) the Borrower shall keep the Mortgaged Property free and clear of all Environmental Liens; (e) the Borrower shall, at its sole cost and expense, perform any environmental site assessment or other investigation of environmental conditions in connection with the Mortgaged Property, pursuant to any reasonable written request of the Lender, upon the Lender's reasonable belief that the Mortgaged Property is not in full compliance with all Environmental Laws, and share with the Lender the reports and other results thereof, and the Lender and other Indemnified Parties shall be entitled to rely on such reports and other results thereof; (f) the Borrower shall, at its sole cost and expense, comply with all reasonable written requests of the Lender to (i) reasonably effectuate remediation of any Hazardous Materials in, on, under or from the Mortgaged Property; and (ii) comply with any Environmental Law; (g) the Borrower shall not allow any Tenant or other user of the Mortgaged Property to violate any Environmental Law; and (h) the Borrower shall notify the Lender in writing as soon as reasonably practical after it has become aware of (A) any presence or Release or threatened Release of Hazardous Materials in, on, under, from or migrating towards the Mortgaged Property; (B) any non-compliance with any Environmental Laws related in any way to the Mortgaged Property; (C) any actual or potential Environmental Lien against the Mortgaged Property; (D) any required or proposed remediation of environmental conditions relating to the Mortgaged Property; and (E) any written or oral notice or other communication of which the Borrower becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to Hazardous Materials.

Indemnification

The Borrower covenants and agrees at its sole cost and expense, to protect, defend, indemnify, release and hold Indemnified Parties harmless from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (i) any presence of any Hazardous Materials in, on, above, or under the Mortgaged Property; (ii) any past, present or threatened Release of Hazardous Materials in, on, above, under or from the Mortgaged Property; (iii) any activity by the Borrower, any Person affiliated with the Borrower, and any Tenant or other user of the Mortgaged Property in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Mortgaged Property of any Hazardous Materials at any time located in, under, on or above the Mortgaged Property or any actual or proposed remediation of any Hazardous Materials at any time located in, under, on or

above the Mortgaged Property, whether or not such remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (iv) any past, present or threatened material non-compliance or violations of any Environmental Laws (or permits issued pursuant to any Environmental Law) in connection with the Mortgaged Property or operations thereon, including but not limited to any failure by the Borrower, any person or entity affiliated with the Borrower, and any Tenant or other user of the Mortgaged Property to comply with any order of any Governmental Authority in connection with any Environmental Laws; (v) the imposition, recording or filing or the threatened imposition, recording or filing of any Environmental Lien encumbering the Mortgaged Property; (vi) any acts of the Borrower, any person or entity affiliated with the Borrower, and any Tenant or other user of the Mortgaged Property in (A) arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of Hazardous Materials at any facility or incineration vessel containing such or similar Hazardous Materials or (B) accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Substance which causes the incurrence of costs for remediation; and (vii) any material misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to the Loan Agreement relating to environmental matters.

Upon written request by any Indemnified Party, the Borrower shall defend same (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals reasonably approved by such Indemnified Party. Notwithstanding the foregoing, any Indemnified Party may, in its reasonable discretion, to the extent that such Indemnified Party makes a good faith determination that such Indemnified Party's interests are not being adequately represented, engage its own attorneys and other professionals to defend or assist it, and, at the option of such Indemnified Party, their attorneys shall control the resolution of any claim or proceeding. Upon demand, the Borrower shall pay or, in the sole discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

The Borrower shall have no liability for any Losses imposed upon or incurred by or asserted against any Indemnified Party solely by actions, conditions or events that occurred after (i) the foreclosure of the Mortgage, (ii) the delivery by the Borrower to the Collateral Agent or its designee of a deed-in-lieu of foreclosure with respect to the Mortgaged Property, or (ii) the Lender's or its designee's taking possession and control of the Mortgaged Property after the occurrence of an Event of Default under the Loan Agreement; provided that in any case such Losses were not caused by the direct or indirect actions of the Borrower or any partner, member, principal, officer, director, trustee or manager of the Borrower or any employee, agent, contractor or Affiliate of the Borrower. The obligations and liabilities of the Borrower under this subheading shall fully survive indefinitely notwithstanding any termination, satisfaction, assignment, entry of a judgment of foreclosure, exercise of any power of sale, or delivery of a deed in lieu of foreclosure of the Mortgage.

Exculpation

(a) Except as otherwise provided in the Loan Agreement or in the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement), the Lender shall not enforce the liability and obligation of the Borrower to perform and observe the Liberty Bonds Debt (as stated in the Liberty Bonds Loan Agreement) or CMBS Debt (as stated in the CMBS Loan Agreement) contained in the Loan Agreement or in the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) by any action or proceeding wherein a money judgment shall be sought against the Borrower, except that the Lender may bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable the Lender or the Collateral Agent to enforce and realize upon the Loan Agreement, the Liberty Bonds Note (as stated in the Liberty Bonds Loan Agreement) or the CMBS Note (as stated in the CMBS Loan Agreement), the Mortgage and the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan

Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement), and the interest in the Mortgaged Property, the Liberty Bonds Note (as stated in the Liberty Bonds Loan Agreement) or the CMBS Note (as stated in the CMBS Loan Agreement), the Mortgage and the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement); provided, however, that any judgment in any such action or proceeding shall be enforceable against the Borrower only to the extent of the Borrower's interest in the Mortgaged Property, in the Mortgaged Rents and in any other collateral given to the Lender or the Collateral Agent on behalf of the Holders. The Lender, by accepting the Loan Agreement, the Liberty Bonds Note (as stated in the Liberty Bonds Loan Agreement) or the CMBS Note (as stated in the CMBS Loan Agreement), the Mortgage and the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement), agrees that it shall not, except as stated below, sue for, seek or demand any deficiency judgment against the Borrower in any such action or proceeding, under or by reason of or under or in connection with the Loan Agreement, the Liberty Bonds Note (as stated in the Liberty Bonds Loan Agreement) or the CMBS Note (as stated in the CMBS Loan Agreement), the Mortgage or the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement). These provisions shall not, however, (i) constitute a waiver, release or impairment of any Liberty Bonds Debt (as stated in the Liberty Bonds Loan Agreement) or CMBS Debt (as stated in the CMBS Loan Agreement) evidenced or secured by the Loan Agreement, the Liberty Bonds Note (as stated in the Liberty Bonds Loan Agreement) or the CMBS Note (as stated in the CMBS Loan Agreement), the Mortgage or the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement); (ii) impair the right of the Lender or the Collateral Agent to name the Borrower as a party defendant in any action or suit for judicial foreclosure and sale under the Loan Agreement and the Mortgage; (iii) affect the validity or enforceability of any indemnity, guaranty, master lease (if any) or similar instrument made in connection with the Loan Agreement, the Liberty Bonds Note (as stated in the Liberty Bonds Loan Agreement) or the CMBS Note (as stated in the CMBS Loan Agreement), the Mortgage and the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement); (iv) impair the right of the Lender or the Collateral Agent to obtain the appointment of a receiver; (v) impair the enforcement of the assignment of leases provisions contained in the Mortgage; or (vi) impair the right of the Lender or the Collateral Agent to obtain a deficiency judgment or other judgment on the Liberty Bonds Note (as stated in the Liberty Bonds Loan Agreement) or CMBS Note (as stated in the CMBS Loan Agreement) against the Borrower if necessary to obtain Net Insurance Proceeds or Net Condemnation Proceeds to which the Lender or the Collateral Agent would otherwise be entitled under the Loan Agreement; provided, however, the Lender or the Collateral Agent on behalf of the Holders shall only enforce such judgment to the extent of the Net Insurance Proceeds and/or Net Condemnation Proceeds.

(b) Notwithstanding the provisions of this heading to the contrary, the Borrower shall be personally liable to the Lender for Losses arising out of or in connection with the Borrower's Recourse Liabilities. See "SECURITY AND SOURCES FOR PAYMENT OF THE SERIES 2012 LIBERTY BONDS — The Liberty Bonds Joinder" in this Official Statement.

(c) Notwithstanding the foregoing, the agreement of the Lender not to pursue recourse liability as set forth in subsection (a) above SHALL BECOME NULL AND VOID and shall be of no further force and effect and the Liberty Bonds Note Principal Balance (as stated in the Liberty Bonds Loan Agreement) or CMBS Note Principal Balance (as stated in the CMBS Loan Agreement) shall be fully recourse to the Borrower upon the occurrence of a Borrower Full Recourse Event. See "SECURITY AND SOURCES FOR PAYMENT OF THE SERIES 2012 LIBERTY BONDS — The Liberty Bonds Joinder" in this Official Statement.

(d) Nothing in the Loan Agreement shall be deemed to be a waiver of any right which Collateral Agent for the benefit of the Holders or the Lender may have under Section 506(a), 506(b), 1111(b) or any other provision of the Bankruptcy Code to file a claim for the full amount of the Indebtedness secured by the

Mortgage or to require that all collateral shall continue to secure all of the Indebtedness owing to the Lender in accordance with the Loan Agreement, the Liberty Bonds Note (as stated in the Liberty Bonds Loan Agreement) or the CMBS Note (as stated in the CMBS Loan Agreement), the Mortgage or the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement).

Expenses

The Borrower covenants and agrees to pay or, if the Borrower fails to pay, to reimburse, the Lender, upon receipt of written notice from the Lender for:

(1) all Borrower Reimbursable Expenses; and

(2) all reasonable actual, out-of-pocket costs and expenses (including reasonable, actual attorneys' fees and disbursements) reasonably incurred by the Lender in accordance with the Loan Agreement in connection with (A) the preparation, negotiation, execution and delivery of the Loan Agreement and the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) and the consummation of the transactions contemplated by the Loan Agreement and thereby and all the costs of furnishing all opinions by counsel for the Borrower (including without limitation any opinions requested by the Lender as to any legal matters arising under the Loan Agreement or the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) with respect to the Mortgaged Property); (B) the negotiation, preparation, execution, delivery and administration of any consents, amendments, waivers or other modifications to the Loan Agreement and the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) and any other documents or matters reasonably requested by the Lender; (C) securing the Borrower's compliance with any requests made pursuant to the provisions of the Loan Agreement; (D) the filing and recording fees and expenses, title insurance and reasonable fees and expenses of counsel to the Lender, and other similar expenses incurred in creating and perfecting the Lien in favor of the Lender pursuant to the Loan Agreement and the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement); (E) enforcing or preserving any rights, in response to third party claims or the prosecuting or defending of any action or proceeding or other litigation, in each case against, under or affecting the Borrower, the Loan Agreement, the other Liberty Bonds Loan and Collateral Document (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement), the Mortgaged Property, or any other security given for the Liberty Bonds Loan (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan (as stated in the CMBS Loan Agreement); and (F) enforcing any obligations of or collecting any payments due from the Borrower under the Loan Agreement, the other Liberty Bonds Loan and Collateral Documents (as stated in the Liberty Bonds Loan Agreement) or CMBS Loan and Collateral Documents (as stated in the CMBS Loan Agreement) or with respect to the Mortgaged Property or in connection with any refinancing or restructuring of the credit arrangements provided under the Loan Agreement in the nature of a "work-out" or of any insolvency or bankruptcy proceedings.

Permitted Mezzanine Financing

The Loan Agreement permits the incurrence of Permitted Mezzanine Financing in accordance with terms summarized in this Official Statement under "PERMITTED MEZZANINE FINANCING AND REFUNDING LIBERTY BONDS—Permitted Mezzanine Financing".

Release of Joinder

Upon the written request of either the Borrower or the Guarantor, the Guarantor shall be fully released from its obligations under the Joinder if a replacement Joinder is delivered by a Replacement Guarantor. Upon the delivery to the Lender of such replacement Joinder (along with an opinion of counsel to such Replacement Guarantor regarding the enforceability of the replacement Joinder), the Guarantor shall have no further liability with respect to any liabilities and obligations under the Joinder (other than those existing prior to the delivery of such replacement Joinder, unless the same are assumed by the applicable Replacement Guarantor) or under the Loan and Collateral Documents, including, without limitation the Borrower's Recourse Liabilities and the liabilities and obligations with respect to the Borrower's Recourse Bankruptcy Events.

PERMITTED MEZZANINE FINANCING AND REFUNDING LIBERTY BONDS

Permitted Mezzanine Financing

At any time and from time to time, provided no Event of Default has occurred and is continuing, upon not less than thirty (30) days' prior written notice to the Lender which notice shall be revocable, any Permitted Mezzanine Borrower may incur Indebtedness in the form of one or more mezzanine loans (collectively, the "Permitted Mezzanine Financing") and the organizational documents and membership structure of the Borrower may be amended to modify the Borrower's structure in connection with the Permitted Mezzanine Financing, provided:

(a) the collateral for the Permitted Mezzanine Financing shall include only pledges of the Borrower under any Permitted Mezzanine Financing of direct or indirect equity interests in the Borrower and any accounts established under a separate mezzanine cash management arrangement which the Permitted Mezzanine Borrower funds (which shall not include the Accounts and shall not include any portion of the Mortgaged Property or any portion of the collateral securing the Liberty Bonds Loan or the CMBS Loan);

(b) the mezzanine lender shall be a Qualified Lender;

(c) the mezzanine lender shall enter into an intercreditor agreement which includes the terms set forth below under *"Permitted Mezzanine Financing Intercreditor Terms"* and is otherwise substantially in the form that is customary for the commercial mortgage backed securities market at the time of the making of the Permitted Mezzanine Financing with the Collateral Agent, the Servicer, the Indenture Trustee and the CMBS Trustee;

(d) if the Permitted Mezzanine Financing bears interest at a floating rate, the Permitted Mezzanine Financing Documents shall require an interest rate cap to be maintained during the term of the Permitted Mezzanine Financing at a fixed strike price such that the Debt Service Coverage Ratio meets the criteria of subsection (g) below;

(e) the Permitted Mezzanine Borrower pays all reasonable costs and expenses incurred by the Lender in connection therewith and delivers such other documents, agreements, certificates and legal opinions (including, but not limited to, a revised substantive non-consolidation opinion with respect to the Liberty Bonds Loan and the CMBS Loan and a non-consolidation opinion with respect to the Permitted Mezzanine Financing, in each case which shall be in form, scope and substance reasonably acceptable in all respects to the Lender and acceptable to the Rating Agencies) as the Lender shall reasonably request;

(f) the Loan to Value Ratio immediately following the closing of the Permitted Mezzanine Financing based on the aggregate principal balance of the CMBS Loan, the Liberty Bonds Loan and the Permitted Mezzanine Financing is not greater than sixty-one and five-tenths percent (61.5%);

(g) the Debt Service Coverage Ratio immediately following the closing of the Permitted Mezzanine Financing is not less than 1.65 to 1.00 (for purposes of this heading only, the Debt Service Coverage Ratio shall be calculated based upon the trailing last four (4) quarters and adjusted in accordance with the definitions in the Loan Agreement);

(h) the Debt Yield immediately following the closing of the Permitted Mezzanine Financing based on the aggregate principal balance of the CMBS Loan, the Liberty Bonds Loan and the Permitted Mezzanine Financing is not less than ten and six-tenths percent (10.6%);

(i) the Borrower shall deliver a No Downgrade Confirmation as to the effect of such Permitted Mezzanine Financing on the Liberty Bonds or CMBS Certificates (it being understood that there shall be no deemed satisfaction of the requirement to deliver a No Downgrade Confirmation);

(j) the Permitted Mezzanine Borrower shall be structured into the organizational structure of the Borrower in a manner such as not to adversely affect the bankruptcy remote nature of the Borrower and shall not be contrary to Rating Agency criteria, all in the reasonable opinion of the Lender, and all organizational documents of the Borrower shall be revised to the reasonable satisfaction of the Lender; and

(k) to the extent any Permitted Mezzanine Financing permits the lender thereunder to purchase a defaulted senior loan and/or the Series 2012 Liberty Bonds, the exercise of such option shall not be permitted prior to March 15, 2022 (and such option shall otherwise satisfy the requirements described under "DESCRIPTION OF THE SERVICING AGREEMENT — Defaulted Liberty Bonds Loan Purchase Option" above.

Permitted Mezzanine Financing Intercreditor Terms. Any intercreditor agreement entered into with the lender for the Permanent Mezzanine Financing shall include the following provisions:

(1) the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent and the Servicer shall agree and confirm that they have reviewed and approved the Permitted Mezzanine Financing Documents; and the Permitted Mezzanine Lender shall agree and confirm that it has reviewed and approved the Loan and Collateral Documents;

(2) the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent and the Servicer shall have the right to amend the Loan and Collateral Documents without the consent of the Permitted Mezzanine Lender, provided that such amendments do not: (i) increase the interest rate or principal amount of the CMBS Loan or the Liberty Bonds Loan, (ii) increase in any other material respect any monetary obligations of the Borrower under the Loan and Collateral Documents, (iii) shorten the scheduled maturity date of the CMBS Loan or the Liberty Bonds Loan or extend the scheduled maturity date by more than three (3) months (other than an extension option scheduled pursuant to the terms of the Loan and Collateral Documents on the Closing Date), (iv) convert or exchange the CMBS Loan or the Liberty Bonds Loan into or for any other Indebtedness or subordinate any of the CMBS Loan or the Liberty Bonds Loan to any Indebtedness of the Borrower, (v) amend or modify the provisions limiting transfers of interests in the Borrower or the Mortgaged Property, (vi) modify or amend the terms and provisions of the Loan and Collateral Documents or the Servicing Agreement with respect to the manner, timing, priority, amounts or method of the application of payments under the Loan and Collateral Documents or the Permitted Mezzanine Financing Documents, (vii) cross default the CMBS Loan or the Liberty Bonds Loan with, or subordinate the CMBS Loan or the Liberty Bonds Loan to, any other Indebtedness, (viii) modify or amend the significant financial test definitions as is customary in intercreditor agreements, including

"Debt Service Coverage Ratio", "Debt Yield", "Gross Income From Operations", "Net Cash Flow", "Net Operating Income", "Operating Expenses" and "Yield Maintenance Premium" and any of the terms used within such definitions or the covenants relating thereto, in effect at the time the intercreditor agreement is executed, (ix) extend the period during which defeasance or voluntary prepayments are prohibited or during which prepayments require the payment of a prepayment fee or premium or yield maintenance charge or increase the amount of any such prepayment fee, premium or yield maintenance charge or impose any new prepayment fee, premium or yield maintenance charge, (x) release its lien on any portion of the Mortgaged Property, the Leases and Mortgaged Rents or any other material portion of the collateral originally granted under the Loan and Collateral Documents (except as may be required or permitted in accordance with the terms of the Loan and Collateral Documents existing at the time the intercreditor agreement is executed, in connection with a defeasance of the Liberty Bonds Loan or a portion thereof or in exchange for prepayment in full in cash of the CMBS Loan or the Liberty Bonds Loan), (xi) provide for any contingent interest, additional interest or so-called "kicker" measured on the basis of the cash flow or appreciation of the Mortgaged Property (or other similar equity participation), (xii) impose any financial covenants on the Borrower (or if such covenants exist, impose more restrictive financial covenants on the Borrower), (xiii) modify or amend any default provision, (xiv) modify or amend in any material respect any insurance requirements (including any deductibles, limits, qualifications of insurers or terrorism insurance requirements), (xv) impose any new or additional fees not provided for in the Loan and Collateral Documents existing at the time the intercreditor agreement is executed, or (xvi) release any guarantor or indemnitor under the CMBS Joinder, the Liberty Bonds Joinder, or any other guaranty or indemnity delivered with respect to the CMBS Loan or the Liberty Bonds Loan except (A) in connection with an assumption of the CMBS Loan or the Liberty Bonds Loan pursuant to the terms of the Loan and Collateral Documents and acceptance of a replacement guarantor and/or a replacement indemnitor, as applicable, in accordance therewith, or (B) as otherwise expressly required in accordance with the terms of the Loan and Collateral Documents, provided, however, that after the later of (I) the expiration of the applicable monetary cure period or non-monetary cure period and (II) the date that is thirty (30) days after the Permitted Mezzanine Lender has been given notice of a purchase option event under the intercreditor agreement, none of the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent or the Servicer shall be obligated to obtain the consent of the Permitted Mezzanine Lender to a modification of the CMBS Loan or the Liberty Bonds Loan in the case of a work-out or other surrender, extension, compromise, release, renewal or indulgence relating to the CMBS Loan or the Liberty Bonds Loan or during the existence of a Mortgage Event of Default, except that under no circumstance shall modifications as described in clause (i) (with respect to increase in principal amount only), clause (v) (to the extent such modification would cause the exercise of remedies and realization upon the equity collateral by the Permitted Mezzanine Lender or a loan pledgee in accordance with the terms of the intercreditor agreement to constitute a Mortgage Event of Default), or clause (ix) be made without the written consent of the Permitted Mezzanine Lender; and provided further, that notwithstanding anything to the contrary above, during the continuance of a Mortgage Event of Default that is caused by an Act of Bankruptcy of the Borrower, none of the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent or the Servicer shall be obligated to obtain the consent of the Permitted Mezzanine Lender to a modification of the CMBS Loan or the Liberty Bonds Loan in the case of any proposed plan of reorganization including the Borrower under such Act of Bankruptcy. In addition and notwithstanding the foregoing, any amounts funded by the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent or the Servicer shall be obligated pursuant to the Loan and Collateral Documents in effect on the Closing Date as a result of (A) the making of any protective advances or other advances by the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent or the Servicer or (B) interest accruals or accretions and any compounding thereof (including default interest) shall be permitted;

(3) the Permitted Mezzanine Lender shall have the right to amend the Permitted Mezzanine Financing Documents without the consent of the Indenture Trustee, the CMBS Lender, the

CMBS Trustee, the Collateral Agent or the Servicer, provided that such amendments do not: (i) increase the interest rate or principal amount of the Permitted Mezzanine Financing except for accrual and deferral of interest for any period in which amounts on deposit in the Cash Collateral Account or the Master Account, as applicable, are insufficient to pay interest in accordance with the Permitted Mezzanine Financing Documents, (ii) increase in any other material respect any monetary obligations of the Permitted Mezzanine Borrower under the Permitted Mezzanine Financing Documents, (iii) shorten the scheduled maturity date of the Permitted Mezzanine Financing or extend the scheduled maturity date by more than three (3) months, (iv) convert or exchange the Permitted Mezzanine Financing into or for unsecured Indebtedness or preferred Indebtedness or subordinate any of the Permitted Mezzanine Financing to any Indebtedness (other than the Obligations), (v) provide for any additional contingent interest, additional interest or so-called "kicker" measured on the basis of the cash flow or appreciation of the Mortgaged Property (or other similar equity participation), (vi) amend or modify the provisions limiting transfers of interest in the Permitted Mezzanine Borrower, (vii) modify or amend the terms and provisions of the Permitted Mezzanine Financing Documents with respect to the manner, timing, amounts or method of the application of payments under the Permitted Mezzanine Financing Documents, (viii) cross-default the Permitted Mezzanine Financing with any other Indebtedness or otherwise modify any default provisions, (ix) extend the period during which voluntary prepayments are prohibited or during which prepayments require the payment of a prepayment fee or premium or yield maintenance charge or increase the amount of any such prepayment fee, premium or yield maintenance charge or impose any new prepayment fee, premium or yield maintenance charge, (x) impose any financial covenants on the Permitted Mezzanine Borrower (or if such covenants exist, impose more restrictive financial covenants on the Permitted Mezzanine Borrower), or (xi) impose any new or additional fees not provided for in the Permitted Mezzanine Financing Documents; provided, however, the Permitted Mezzanine Lender shall not be obligated to obtain the consent of the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent or the Servicer to a modification of the Permitted Mezzanine Financing in the case of a work-out or other surrender, extension, compromise, release, renewal or indulgence relating to the Permitted Mezzanine Financing during the existence of a Mortgage Event of Default, except that under no circumstance shall modifications as described in clause (i) (with respect to increases in principal amounts only (which is not deemed to include accrued and deferred interest permitted pursuant to clause (i) above)), clause (ii), clause (iii), clause (iv), clause (v), or clause (ix) be made without the written consent of the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent and the Servicer unless, with respect to clause (iv), certain conditions as set forth in the intercreditor agreement have been satisfied;

(4) any amounts due under a Permitted Mezzanine Financing shall be subordinate to payment of the Obligations and all rights, remedies, terms, covenants, liens and security interests created under the Loan and Collateral Documents as provided in the Collateral Agency Agreement;

(5) if an Act of Bankruptcy shall have occurred and has not been dismissed or there shall have occurred and be continuing a Mortgage Event of Default (provided, however, that if the Permitted Mezzanine Lender is diligently exercising its cure rights, payments may be made under the Permitted Mezzanine Financing as if the Mortgage Event of Default had not occurred), the Indenture Trustee or the CMBS Lender, as applicable, shall be entitled to receive payment and performance in full of all amounts due or to become due under the Loan and Collateral Documents before the Permitted Mezzanine Lender is entitled to receive any payment on account of the Permitted Mezzanine Financing (other than payments with respect to the separate collateral). All payments or distributions upon or with respect to the Permitted Mezzanine Financing which are received by the Permitted Mezzanine Lender contrary to the provisions of the intercreditor agreement shall be received in trust for the benefit of the Indenture Trustee or the CMBS Lender, as applicable, and shall be paid over to the Indenture Trustee or the CMBS Lender, as applicable, in the same form as so received (with any necessary endorsement) to be applied (in the case of cash) to, or held as collateral

(in the case of non-cash property or securities) for, the payment or performance of the CMBS Loan and the Liberty Bonds Loan in accordance with the terms of the Loan and Collateral Documents;

(6) if after giving effect to the Permitted Mezzanine Lender's cure rights, no Mortgage Event of Default then exists under the Loan and Collateral Documents, the Permitted Mezzanine Lender may accept payments of any amounts due and payable from time to time which the Permitted Mezzanine Borrower is obligated to pay the Permitted Mezzanine Lender in accordance with the terms and conditions of the Permitted Mezzanine Financing Documents, and the Permitted Mezzanine Lender shall have no obligation to pay any such amounts over to the Indenture Trustee or the CMBS Lender. So long as after giving effect to the Permitted Mezzanine Lender's cure rights, no Mortgage Event of Default shall then exist under the applicable Loan and Collateral Documents, the Permitted Mezzanine Borrower shall not be prohibited from making payments from its own funds and from funds of any Affiliate (other than the Borrower) contributed to the Permitted Mezzanine Borrower (and not revenue derived from the Mortgaged Property, insurance, condemnation proceeds, reserve/escrow amounts or the other collateral for the CMBS Loan or the Liberty Bonds Loan) to cure an event of default under the Permitted Mezzanine Financing notwithstanding the existence of a Mortgage Event of Default at such time. Notwithstanding the foregoing, any guarantor of the Permitted Mezzanine Financing may make payments from its own funds to cure an event of default or otherwise make payments under the Permitted Mezzanine Financing, and the Permitted Mezzanine Lender may receive and retain any such payments notwithstanding the existence of any Mortgage Event of Default, provided however, that no such payments be made by such guarantor from funds distributed in violation of the Loan and Collateral Documents;

(7) the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent and the Servicer shall provide copies of all material notices sent, statements given and other communications with the Borrower to the Permitted Mezzanine Lender;

(8) the Permitted Mezzanine Lender shall provide copies of all material notices sent, statements given and other communications with the Permitted Mezzanine Borrower to the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent and the Servicer;

(9) the Obligations will not be cross defaulted to the Permitted Mezzanine Financing;

(10) the Permitted Mezzanine Lender shall have the right to cure Mortgage Events of Default as well as the right to a reasonable standstill of the exercise of any remedy under the Loan and Collateral Documents so long as such Permitted Mezzanine Lender is pursuing a cure or proceeding diligently to assume control of the Borrower. In the event the Permitted Mezzanine Lender elects to cure any monetary Mortgage Event of Default, the Permitted Mezzanine Lender shall (x) reimburse the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent or the Servicer, as applicable, for any interest charged on any required advances for the CMBS Loan or the Liberty Bonds Loan (including protective advances) for amounts which the Borrower would be obligated to pay under the Loan and Collateral Documents, together with payment of all other amounts then due under the Loan and Collateral Documents (excluding any late charges or fees or default interest), and (y) with respect to any liquidated sum of money first due and payable pursuant to the Loan and Collateral Documents after the delivery of a default notice, the Permitted Mezzanine Lender shall pay such amount on the due date with respect to such amount pursuant to the Loan and Collateral Documents, subject only to any grace period with respect to such amount provided in the Loan and Collateral Documents and without the additional grace period applicable to the Permitted Mezzanine Lender with respect to the initial monetary Mortgage Event of Default. The Permitted Mezzanine Lender shall not have the right to cure with respect to monthly scheduled debt service payments for a period of more than six (6) consecutive months unless the Permitted Mezzanine Lender has commenced and is continuing to diligently pursue its rights against the Permitted Mezzanine Lender's collateral. The cure period for any non-monetary Mortgage Event of Default and any additional cure

shall automatically terminate upon (x) the commencement of a voluntary Act of Bankruptcy involving the Borrower, (y) a consent to an involuntary Act of Bankruptcy by the Borrower or (z) the failure of the Borrower to have an involuntary Act of Bankruptcy against it discharged, stayed or dismissed within sixty (60) days of filing thereof, unless the Act of Bankruptcy is subsequently dismissed not later than ninety (90) days after the filing thereof, in which case the right will be deemed reinstated from and after such dismissal;

(11) a foreclosure sale under the Permitted Mezzanine Financing shall not, in and of itself, be a Mortgage Event of Default so long as the new holder of the indirect ownership interests in the Borrower meets pre-determined criteria to be set forth in the intercreditor agreement (provided, a subsidiary of a Qualified Lender shall be deemed acceptable), including, without limitation, (a) the Mortgaged Property shall be managed in accordance with a property management agreement by a Qualified Manager selected by the Permitted Mezzanine Lender and (b) regardless of whether the transfer of title to the collateral securing the Permitted Mezzanine Financing results in the explicit release from future liability of any guarantor, indemnitor, pledgor or other obligor, under the CMBS Loan or the Liberty Bonds Loan or any other guaranty, pledge or indemnity which may constitute a Loan and Collateral Document, as a condition precedent to any such transfer, the Permitted Mezzanine Lender shall cause a substitute guarantor, indemnitor, pledgor or other obligor, as applicable, to deliver a substitute third party agreement, as applicable, in each case in a form substantially similar to the original agreement it is replacing, pursuant to which each substitute guarantor, indemnitor, pledgor or other obligor, as applicable, shall undertake the obligations set forth therein from and after the date of such transfer (and only to the extent arising from and after the date of such transfer);

(12) the Permitted Mezzanine Lender shall have the right to purchase the Obligations as provided in the Servicing Agreement; and

(13) the Permitted Mezzanine Lender shall not transfer more than 49% of its interests in the Permitted Mezzanine Financing (when aggregated with all prior transfers) unless (a) a No Downgrade Confirmation has been given with respect to such transfer, in which case such transferee shall be considered a Qualified Lender, (b) such transfer is to a Qualified Lender, (c) such transfer occurs in connection with a foreclosure and complies with the restrictions on foreclosure to be set forth in the intercreditor agreement or (d) such transfer is effectuated in connection with the purchase of the Permitted Mezzanine Financing after a Mortgage Event of Default. Any such transferee of a direct interest in the Permitted Mezzanine Financing must assume in writing the obligations of the Permitted Mezzanine Lender under the intercreditor agreement and agree to be bound by the terms and provisions of the intercreditor agreement. Such proposed transferee (other than a loan pledgee (prior to its realization on the pledged Permitted Mezzanine Financing) or a participant in connection with a participation of a portion of the Permitted Mezzanine Financing) shall also remake each of the representations and warranties made by the Permitted Mezzanine Lender in the intercreditor agreement for the benefit of the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent and the Servicer; except to the extent that the Permitted Mezzanine Lender has knowledge that an event of default exists under the Permitted Mezzanine Financing, in which case, the Permitted Mezzanine Lender shall describe the event of default. The Permitted Mezzanine Lender shall have the right to transfer (i) up to and including 49% of its interests in the Permitted Mezzanine Financing to any Person, and (ii) more than 49% of its interests in the Permitted Mezzanine Financing (or any other interest therein) to a Qualified Lender, in each case without the consent of the Indenture Trustee, the CMBS Lender, the CMBS Trustee, the Collateral Agent or the Servicer, and without a No Downgrade Confirmation. To the extent any Permitted Mezzanine Borrower or any of its affiliates owns an interest in the Permitted Mezzanine Financing, such Person will not have any rights with respect to purchasing a senior interest, curing any default at par or receiving any information provided by any senior lender.

Refunding Liberty Bonds

In addition to the Series 2012 Liberty Bonds, one or more Series and/or Classes of Bonds may be authenticated and delivered under the Indenture to refund ("Refunding Bonds") Outstanding Bonds or any Series and/or Class of Outstanding Bonds in whole or in part. Bonds of a Series and/or Class of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Indenture.

Refunding Bonds may be authenticated and delivered only upon receipt by the Indenture Trustee of, among other documents:

(i) a copy of the resolution, duly certified by an Authorized Bond Issuer Representative, authorizing, issuing and awarding such Series and/or Class of Refunding Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of the Liberty Bonds Financing Document to which the Issuer is a party and of the related Supplemental Indenture;

(ii) original executed counterparts of the related Supplemental Indenture;

(iii) a written opinion of Bond Counsel, to the effect that the issuance of such Series and/or Class of Refunding Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled and that the issuance of such Series and/or Class of Refunding Bonds will not adversely affect the exclusion of interest on any Series and/or Class of Tax-Exempt Bonds Outstanding from gross income for Federal income tax purposes;

(iv) a certificate of an Authorized Borrower Representative and of the Guarantor that each such Liberty Bonds Financing Document continues in full force and effect and that no Event of Default has occurred and is continuing thereunder nor to the knowledge of the person executing such certificate any event which upon or lapse of time or both would become an Event of Default;

(v) an original, executed counterpart of any Liberty Bonds Financing Documents not delivered with respect to the Series 2012 Liberty Bonds and any amendment to a Liberty Bonds Financing Document not delivered with respect to the Series 2012 Liberty Bonds, and a copy of each executed Liberty Bonds Financing Document or amendment delivered in connection with the issuance of the Series 2012 Liberty Bonds, certified as true, correct and complete by an Authorized Bond Issuer Representative;

(vi) a written order to the Indenture Trustee executed by an Authorized Bond Issuer Representative to authenticate and deliver such Series and/or Class of Refunding Bonds to the purchaser or purchasers therein identified upon payment to the Indenture Trustee of the purchase price therein specified, plus accrued interest, if any;

(vii) a No Downgrade Confirmation with respect to each Class of the Series 2012 Liberty Bonds remaining Outstanding, if any, after the issuance of such Refunding Bonds;

(viii) an authenticated Obligation with respect to the payment obligation of the Borrower relating to such Series and/or Class of Refunding Bonds executed by the Collateral Agent under the Collateral Agency Agreement;

(ix) an amendment to the Liberty Bonds Note and to the Liberty Bonds Loan Agreement and to the Liberty Bonds Joinder to provide that the loan payments payable under the Liberty Bonds Note and the Liberty Bonds Loan Agreement shall be computed so as to amortize in full the principal of and interest on all Outstanding Bonds (including such Series and/or Classes of Refunding Bonds to be issued) and any other costs in connection therewith;

(x) Irrevocable instructions from the Issuer to the Indenture Trustee, satisfactory to it, to give due notice of redemption pursuant to the Indenture to the Bondholders of all the Outstanding Series 2012 Liberty Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(xi) Either:

(A) cash in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Series 2012 Liberty Bonds to be refunded, together with accrued interest on such Series 2012 Liberty Bonds to the maturity or Redemption Date, as the case may be, which moneys shall be held by the Indenture Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Bondholders of the Outstanding Series 2012 Liberty Bonds being refunded, or

(B) Government Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the defeasance provisions of the Indenture, and any moneys required pursuant to said defeasance provisions (with respect to all Outstanding Series 2012 Liberty Bonds or any part of one or more Series and/or Classes of Outstanding Series 2012 Liberty Bonds being refunded), which Government Obligations shall be held in trust and used only as provided in the defeasance provisions of the Indenture.

The Borrower shall furnish to the Issuer and the Indenture Trustee at the time of delivery of the Series of Refunding Bonds a report or opinion of an independent verification agent or firm of independent verification agents to the effect that moneys and/or Government Obligations have been deposited with the Indenture Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) sufficient to effect payment of the Outstanding Series 2012 Liberty Bonds to be refunded at maturity or earlier redemption.

Each Series of Bonds issued pursuant to the Indenture and of a specified Class Priority shall be equally and ratably secured under the Indenture with all other Outstanding Bonds of the same Class Priority, subject, however, to such other preference, priority or distinction as may otherwise be provided for in any Supplemental Indenture authorizing a Series of Bonds; provided further, that no preference or priority shall be superior to or above any Class 1, Series 2012 Liberty Bonds.

The Issuer has no obligation under any of the Liberty Bonds Documents to issue a Series of Refunding Bonds under the Indenture.

CERTAIN RISK FACTORS

General

Purchase of the Series 2012 Liberty Bonds involves certain payment risks. This section discusses certain risks associated with the Series 2012 Liberty Bonds but is not intended to be a dispositive, comprehensive or definitive listing of all risks associated with the operation of the Facility, the repayment of the Liberty Bonds Loan or the purchase and ownership of the Series 2012 Liberty Bonds. The risks and uncertainties described herein are not intended to be, nor can they be, a complete recitation of the risks and uncertainties involved in the purchase and ownership of the Series 2012 Liberty Bonds. Additional risks and uncertainties not presently known, or currently believed to be immaterial, may also materially and adversely affect the payment of the Series 2012 Liberty Bonds. This section should be read in conjunction with the rest of this Official Statement, including the Appendices hereto.

When making an investment decision with respect to the Series 2012 Liberty Bonds, a potential purchaser can have no assurance, based on the information contained herein, that any third party will have the capability to meet its financial obligations under the agreements or instruments to which it is a party.

This Official Statement contains statements relating to future events that are "forward- looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate", "intend", "anticipate", "expect", "assume" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events or circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material.

The Series 2012 Liberty Bonds May Not Be a Suitable Investment

The Series 2012 Liberty Bonds are not suitable investments for all investors. In particular, an investor should not purchase any Series 2012 Liberty Bonds unless it understands and is able to bear the prepayment, credit, liquidity and market risks associated with the Series 2012 Liberty Bonds. For those reasons and for the reasons set forth in these "*Certain Risk Factors*", the yield to maturity and the aggregate amount and timing of distributions on the Series 2012 Liberty Bonds will be subject to material variability from period to period and over the life of the Series 2012 Liberty Bonds. The interaction of the foregoing factors and their effects will be impossible to predict and are likely to change from time to time.

Expectations as to Gross Revenues and Underwritten Net Cash Flow May Not Represent Future Net Cash Flow

The Borrower expects that the gross revenues from operations at the Facility and other amounts to be received by the Indenture Trustee pursuant to the Indenture will be sufficient to pay the amounts due under the Liberty Bonds Loan Agreement and therefore the principal of and interest on the Series 2012 Liberty Bonds. This expectation is based upon an analysis of many factors including, but not limited to, current market conditions, evaluations of the existing condition of the Facility, estimates of transaction costs and operating expenses, state and federal laws, and the occurrence of future events and conditions. There can be no assurance that these assumptions are accurate. Furthermore, future events, over some of which the Borrower has no control, may adversely affect the Indenture Trustee's actual receipt of gross revenues from operations at the Facility. If actual receipt of gross revenues from operations at the Facility or actual expenditures vary significantly from those projected, the Borrower may be unable to pay the amounts due under the Liberty Bonds Loan Agreement, and therefore the Series 2012 Liberty Bonds, when due.

As described in the Annex to this Official Statement, Underwritten Net Cash Flow means cash flow as adjusted based on a number of assumptions and projections made by the Borrower. As a result, Underwritten Net Cash Flows, by their nature, are speculative. In the event of the failure of any assumptions or projections used in connection with the calculation of Underwritten Net Cash Flow, the actual net cash flow could be significantly different from the Underwritten Net Cash Flow. No representation is made that the Underwritten Net Cash Flow set forth in this Official Statement as of the Closing Date or any other date represents future net cash flows. Investors should review these assumptions and make their own determination of the appropriate assumptions to be used in determining Underwritten Net Cash Flow.

In addition, the underwritten debt service coverage ratios set forth in this Official Statement for the Loans vary, and may vary substantially, from the debt service coverage ratios for the Loans as calculated pursuant to the definition of such ratios as set forth in the related Loan Documents. See the Annex to this Official Statement for a description of the calculation of the Underwritten net cash flow.

This is a Project Risk, Limited Recourse Transaction

This is a project-based financing, the repayment of which is dependent on appropriate levels of tenancy at, as well as the market value of, the Facility. Timely repayment of this financing depends on the performance of a single asset, the Facility, and the Liberty Bonds Loan and Collateral Documents prescribing rights and obligations of the Borrower with respect to the Facility are subject to the terms of the Office Tower Ground Lease of the Facility site pursuant to which the Port Authority, as ground lessor, has significant rights. The Borrower is generally not required to make payments in respect of the Liberty Bonds Loan or the CMBS Loan except to the extent of value of the Facility and the revenues that it generates. No person or institution will be providing credit support to the payment of debt service on any Class of the Series 2012 Liberty Bonds. The Series 2012 Liberty Bonds do not constitute and shall not be a debt of the State of New York, the New York Job Development Authority or the New York State Urban Development Corporation, and none of the State of New York, the New York Job Development Authority or the New York State Urban Development Corporation shall be liable thereon. The Series 2012 Liberty Bonds do not now and shall never constitute a charge against the general credit of the Issuer nor shall the Series 2012 Liberty Bonds be payable out of any funds of the Issuer. The Issuer has no taxing powers.

The Borrower is a Single Purpose Entity with Limited Assets

Except in the limited circumstances stated below, the sole obligor with respect to repayment of the Series 2012 Liberty Bonds is the Borrower. The Borrower is limited in its purpose primarily to owning and operating the Mortgaged Property and acting as a borrower under the Liberty Bonds Loan Agreement and CMBS Loan Agreement. Upon the occurrence of a Mortgage Event of Default, recourse may generally be had only against the assets of the single purpose Borrower, which assets generally will be limited to the Mortgaged Property and related assets pledged to secure the Loans. The Borrower has no source of income other than from its interest in the Mortgaged Property and the rentals and other amounts to be received from tenants at the Facility.

Commercial Lending is Dependent Upon Net Operating Income

The Loans are secured by an income-producing commercial property. Commercial lending is generally thought to expose a lender to greater risk than residential one-to-four family lending because it typically involves larger mortgage loans to a single borrower or groups of related borrowers.

The repayment of a commercial loan is typically dependent upon the ability of the related mortgaged property to produce cash flow through the collection of rents. Even the liquidation value of a commercial property is determined, in substantial part, by the capitalization of the property's cash flow. However, net operating income can be volatile and may be insufficient to cover debt service on a mortgage loan at any given time.

The net operating income and property value of a mortgaged property may be adversely affected by a large number of factors. Some of these factors relate to the property itself, such as:

- the age, design and construction quality of the mortgaged property;
- perceptions regarding the safety, convenience and attractiveness of the mortgaged property;
- the characteristics of the neighborhood where the mortgaged property is located;
- the proximity and attractiveness of competing properties;
- the adequacy of the mortgaged property's management and maintenance;

- increases in interest rates, real estate taxes and other operating expenses (including costs of energy) at the mortgaged property and in relation to competing properties;
- an increase in the capital expenditures needed to maintain the property or make improvements;
- dependence upon a single tenant, or a concentration of tenants in a particular business or industry;
- a decline in the financial condition or bankruptcy of a major tenant;
- competitive conditions which may affect the ability of a borrower to obtain or maintain full occupancy of a mortgaged property;
- an increase in vacancy rates; and
- a decline in rental rates as leases are renewed or entered into with new tenants.

Other factors are more general in nature, such as:

- national, regional or local economic conditions, including unemployment rates;
- local real estate conditions, such as an oversupply of competing properties, retail space or office space;
- demographic factors;
- consumer confidence;
- consumer tastes and preferences;
- zoning laws or other governmental rules and policies (including environmental restrictions);
- retroactive changes in building codes;
- changes or continued weakness in specific industry segments;
- the public perception of safety for customers and clients;
- inflation; and
- civil disorder, acts of war or of terrorists, acts of God, such as floods or earthquakes, and other factors beyond the control of a borrower.

The volatility of net operating income will be influenced by many of the foregoing factors, as well as by:

- the length of tenant leases, and the ability of the tenant to terminate a lease early;
- the creditworthiness of tenants;
- tenant defaults;

- the rate at which new rentals occur; and

- the mortgaged property's "operating leverage" which is generally the percentage of total property expenses in relation to revenue, the ratio of fixed operating expenses to those that vary with revenues, and the level of capital expenditures required to maintain the property and to retain or replace tenants.

Property Value May Be Adversely Affected Even When There is No Change in Net Operating Income

Various factors may adversely affect the Mortgaged Property's value without affecting its current net operating income. These factors include, among others:

- changes in governmental regulations, fiscal policy, zoning or tax laws;

- potential environmental legislation or liabilities or other legal liabilities;

- convertibility of the Facility to an alternative use;

- restrictive covenants;

- tenant exclusives and rights of first refusal/offer to lease or purchase; and

- the availability of financing.

There is no assurance that the value of the Facility during the term of the Series 2012 Liberty Bonds will equal or exceed the appraised value as of the date of the Appraisal contained in "APPENDIX H — THE APPRAISAL", herein.

Office Properties Have Special Risks

The Facility consists of the 10th through 52nd floors, comprising 1,728,844 square feet of net rentable area of commercial office rental space, of a 52-story building at the World Trade Center site in New York City known as 7 World Trade Center on an approximate 58,256 square foot site.

A large number of factors may adversely affect the value of office properties, including:

- the quality of an office building's tenants;

- an economic decline in the business operated by the tenants;

- the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, location, access to transportation and ability to offer certain amenities, such as sophisticated building systems and/or business wiring requirements);

- the physical attributes of the building with respect to the technological needs of the tenants, including the adaptability of the building to changes in the technological needs of the tenants;

- the diversity of an office building's tenants;

- the desirability of the area as a business location;

- the strength and nature of the local economy, including labor costs and quality, tax environment and quality of life for employees; and

- an adverse change in population, patterns of telecommuting or sharing of office space, and employment growth (all of which affect the demand for office space).

The Facility competes with other office properties, some of which are owned or managed by affiliates of the Borrower. See "CERTAIN RISK FACTORS — Declines in the New York City Economy or Leasing Market or Excess Leasing Capacity Could Adversely Affect an Investment in the Series 2012 Liberty Bonds", and "— Certain Potential Conflicts of Interest" below.

Lack of Control by Owners of Series 2012 Liberty Bonds Over the Indenture Can Adversely Impact the Investment

Investors in the Series 2012 Liberty Bonds will not have the right to make decisions with respect to the administration of the Indenture. These decisions will be generally made, subject to the express terms of the Indenture and the Servicing Agreement, by the Master Servicer, the Special Servicer, the Indenture Trustee and the Collateral Agent. Any decision made by any of those parties in respect of the Indenture in accordance with the terms of the Indenture, the Collateral Agency Agreement and the Servicing Agreement, even if it determines that decision to be in the best interests of the owners of the Series 2012 Liberty Bonds, may be counter to the decision that such owners would have made and may negatively affect the interests of such owners.

The Operating Advisor, on behalf of the owners of the Series 2012 Liberty Bonds, will have the right to consult with the Master Servicer and Special Servicer with respect to certain major decisions under the Servicing Agreement. However, the Master Servicer or Special Servicer, as applicable, will not be required to follow any recommendation or advice provided by the Operating Advisor.

In certain limited circumstances, the owners of the Series 2012 Liberty Bonds will have the right to vote on matters affecting the Indenture. Voting is based on the outstanding Liberty Bonds Principal Balance, but in certain cases as reduced by the allocation of Appraisal Reduction Amounts and Realized Losses. In other words, even if the outstanding Liberty Bonds Principal Balance has not in fact been amortized, the entitlement of owners of Series 2012 Liberty Bonds to vote may be reduced by the Appraisal Reduction Amounts and Realized Losses allocated to the Series 2012 Liberty Bonds. These limitations on voting resulting from Appraisal Reduction Amounts and Realized Losses could adversely affect the ability of owners of Series 2012 Liberty Bonds to protect their interests with respect to matters voted on by such owners.

Legal and Regulatory Provisions Affecting Investors Could Adversely Affect the Liquidity of the Series 2012 Liberty Bonds

No representation is made in this Official Statement as to the proper characterization of the Series 2012 Liberty Bonds for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the Series 2012 Liberty Bonds under applicable legal investment or other restrictions or as to the consequences of an investment in the Series 2012 Liberty Bonds for such purposes or under such restrictions. Regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire Series 2012 Liberty Bonds, which in turn may adversely affect the ability of investors in the Series 2012 Liberty Bonds who are not subject to those provisions to resell their Series 2012 Liberty Bonds in the secondary market. For example, the federal Dodd-Frank Wall Street Reform and Consumer Protection Act requires that federal banking regulators amend their regulations such that capital charges imposed on banking institutions are determined to a lesser extent on the ratings of their investments. No such regulations have yet been proposed or adopted. When such regulations are proposed or adopted, investments in the Series 2012 Liberty Bonds by such institutions may result in greater capital charges to financial institutions that own the Series 2012 Liberty

Bonds, or otherwise adversely affect the treatment of the Series 2012 Liberty Bonds for regulatory capital purposes.

Sale of Fee Title to the Facility by the Port Authority May Create Material Complications

If the Port Authority were to sell its interest in the Facility, (A) and the Facility was no longer exempt from real estate taxes, the Borrower would become obligated to pay real estate taxes with respect to the Facility and the base rent payable by the Borrower under the Office Tower Ground Lease would be reduced by the lesser of (x) the amount of real estate taxes paid by the Borrower and (y) $3.75 per occupied square foot in the Facility, (B) the annual percentage rent payable by the Borrower to the successor Ground Lessor would increase from 40% to 50% of excess Net Cash Flow, and (C) the share of Net Refinancing Proceeds that the Borrower would be required to pay to the successor Ground Lessor would increase from 40% to 50%. There can be no assurance that the reduction in base rent would be sufficient to mitigate any increase in real estate taxes resulting from such sale. In addition, the loss of certain other benefits of Port Authority ownership including exemptions from zoning requirements, may have a material adverse effect on the ability of the Facility to support the Borrower's debt service obligations on the Series 2012 Liberty Bonds.

The Borrower and affiliates thereof are not precluded by the Loan Documents from acquiring fee title to the Facility from the Ground Lessor. In the event the Borrower (but not in the case of any affiliate) acquires fee title, the Loan Documents require that the Mortgage be spread to cover the fee title interest. If an affiliate of the Borrower were to acquire the fee title interest, the Lender would not have the ability to foreclose on the fee ownership interest of that affiliate of the Borrower. In any subsequent negotiations between the Borrower or an affiliate, as the owner of the fee title, and the Collateral Agent as leasehold mortgagee, whether due to default under the Loan Agreements or otherwise, the Borrower's motivations as owner of the fee interest will be different from its motivations as the leasehold mortgagor, and which may interfere with its relationship with the owners of Obligations, including the Series 2012 Liberty Bonds. In addition, if an affiliate of the Borrower acquires fee title, such affiliate will have approval rights over future financings, space leases, and tenants currently granted to the Ground Lessor as well as access to 50% of net cash flow and possible approval rights over purchase in a foreclosure.

Increased Operating Expenses Can Adversely Affect the Availability of Facility Revenues Sufficient for Timely Payment of Loans

As with any business venture of this size and nature, the operation of the Facility could be affected by many factors, including the breakdown or failure of equipment or processes, fuel and energy costs, the interference with proper operations by governmental controls and requirements, labor disputes, catastrophic events including fires, explosions, earthquakes and droughts, changes in law, failure to obtain necessary permits or to meet permit conditions, or similar events. The failure or inability to obtain and maintain proper insurance for such contingencies may impair the ability of the Borrower to fund the necessary repairs or other remediations necessary to assure proper continued operations at the Facility. The occurrence of such events could jeopardize the current leasing or future leasing of the Facility and thereby materially impair the availability of gross revenues from operations at the Facility sufficient for the timely payment of the Loans.

Payment of the Liberty Bonds Loan Will Be Dependent on the Tenants of a Single Office Building

Distributions to the holders of the Series 2012 Liberty Bonds will be entirely dependent on the performance of the Liberty Bonds Loan, which will be dependent on the performance of 7 World Trade Center. As such, the Series 2012 Liberty Bonds will be a significantly non-diversified investment. The Series 2012 Liberty Bonds will only be entitled to amounts collected or advanced with respect to the Liberty Bonds Loan. There will be no other source of distributions on the Series 2012 Liberty Bonds.

The performance of the Facility could be adversely affected if there is an economic decline in the business operated by its tenants or the financial condition of its tenants. The risk of such an adverse effect will

be increased if there is a significant concentration of tenants or concentration of tenants in a particular business or industry. For a list of tenant and vacancy concentrations by square feet, see "DESCRIPTION OF THE FACILITY — Tenants at the Facility".

Payments on the Series 2012 Liberty Bonds will be significantly dependent on the payment by Moody's of its obligations under its lease. Moody's leases approximately 38.7% of the rentable square feet of the Mortgaged Property and is in the credit ratings business. The Royal Bank of Scotland N.V. (formerly ABN AMRO), the third largest tenant at the Facility, executed its lease but never took occupancy of the premises; and it has subsequently executed sub-leases with respect to its leased space. In addition, Wilmer Hale LLP, which leases 210,841 square feet, and MSCI Inc., which leases 125,811 square feet, have each executed their respective leases and are renovating their respective spaces prior to taking occupancy. Further, in December 2011, West LB AG, which leases 7.5% of the net rentable square feet, announced its intention to restructure the bank into multiple units and to reduce employment. Together, the five largest tenants of the Facility occupy 73.6% of the Facility's net rentable square footage.

Two of the tenants at the Facility are affiliates of the Borrower and the Guarantor. Silverstein Properties, Inc., and WTC Properties, LLC collectively rent approximately 4.4% of the net rentable square feet in the Facility. The Borrower has entered into certain additional leases for space in the Facility since the date of the rent roll (February 1, 2012) set forth above in "DESCRIPTION OF THE FACILITY – Tenants at the Facility". In addition, prior to the Bond Issuance Date, the Borrower intends (i) to amend certain existing leases with affiliates of the Borrower to extend the terms thereof and, in one instance, expand the premises demised thereunder and (ii) to enter into a new lease with an affiliate of the Borrower for approximately 30,000 square feet.

Certain tenants at the Facility may not be paying full rent, due to rent abatement or credit. No assurance can be given that the rate of occupancy at the Facility will remain at the current levels or that the net operating income contributed by the Facility will remain at its current or past levels. In addition, no assurance can be given that payments on the Series 2012 Liberty Bonds will not be adversely affected if there is a downturn in the financial services or legal businesses.

Bankruptcy of a Major Tenant or Decline in a Major Tenant's Financial Condition May Result in Losses

The bankruptcy or insolvency of any tenant may have an adverse impact on the Facility and the income produced by the Facility. A decline in the financial condition of any tenant, particularly a major tenant, which results in a default under its lease or other adverse circumstances in respect of such tenant may have a disproportionately greater effect on the net operating income derived from such property than would be the case if rentable space or rental income were distributed among a greater number of tenants at the Facility. No assurance can be given as to the creditworthiness of any tenant or as to whether they will perform their obligations under their lease for the remaining lease term. See "CERTAIN RISK FACTORS — Payment of the Liberty Bonds Loan Will Be Dependent on the Tenants of a Single Office Building" above.

Under federal bankruptcy law, a tenant has the option of assuming or rejecting any unexpired lease or, subject to certain conditions, assuming and assigning such unexpired lease to a third party. If the tenant assumes its lease, the tenant must cure all defaults under the lease and provide the landlord with adequate assurance of its future performance under the lease. If the tenant rejects the lease, the landlord's claim for breach of the lease would be treated as a general unsecured claim against the tenant (absent collateral securing the claim). The landlord's claim would be limited to the unpaid rent reserved under the lease for the periods prior to the bankruptcy petition (or earlier surrender of the leased premises) that are unrelated to the rejection, plus the greater of one year's rent or 15% of the remaining reserved rent (but not more than three years' rent). If the tenant assigns its lease, the tenant is required to cure all defaults under the lease and the proposed assignee must demonstrate adequate assurance of future performance under the lease. Certain of the tenants

may be, and may at any time during the term of the Liberty Bonds Loan become, a debtor in a bankruptcy proceeding.

No assurance can be given that tenants in the Facility will continue making payments under their leases or that the tenants will not file for bankruptcy protection or become subject to a receivership in the future or, if any tenants so file or enter into receivership, that they will continue to make rental payments in a timely manner or that their leases will not be rejected or repudiated. The bankruptcy or receivership of a single tenant, particularly a large tenant, could have a greater impact on the Borrower and the Liberty Bonds Loan than would the bankruptcy of a tenant in a property leased to several unaffiliated tenants. In addition, a tenant may, from time to time, experience a downturn in its business, which may weaken its financial condition and result in a reduction of rental payments or failure to make rental payments when due.

Default of One or More Major Tenants May Result in a Material Shortfall in Operating Revenues and May Result in a Decline in the Value of the Mortgaged Property

In the event of a default by one or more major tenants in payment of its rent obligations, operating revenues from the Facility may be impaired to a material extent such that payment of debt service on the Liberty Bonds Loan shall no longer be assured. If the default occurs and no recovery is available from the Borrower or the defaulting tenant, it is unlikely that the Master Servicer or the Special Servicer will be able to recover in full the amount then due under the Loans. The value of the Mortgaged Property will likely be substantially lower following a default by any of the major tenants under their respective leases. Additionally, should any lease be terminated for any reason, any resulting change in the value of the Mortgaged Property may have a negative effect on the rating of the Series 2012 Liberty Bonds. No representations are made herein as to the financial condition of any present tenant at the Facility or as to the future financial prospects of any such tenant.

Early Amortization will Retire the CMBS Certificates Before Commencement of Amortization of the Series 2012 Liberty Bonds

The CMBS Certificates have been structured to be fully retired before the Series 2012 Liberty Bonds are scheduled to begin amortizing, with the result that cash flow from the Facility will be devoted to payment of principal of the subordinate CMBS Certificates prior to commencement of amortization of the Series 2012 Liberty Bonds.

The Credit Crisis and Downturn in the Real Estate Market Have Adversely Affected and May Continue to Adversely Affect the value of Securities Backed by Commercial Mortgage Loans

In recent years, the real estate and securitization markets, including the market for securities backed by commercial mortgage loans, as well as global financial markets and the economy generally, have experienced significant dislocations, illiquidity and volatility. Declining real estate values, coupled with diminished availability of leverage and/or refinancings for commercial real estate have resulted in increased delinquencies and defaults on commercial mortgage loans. In addition, the downturn in the general economy has affected the financial strength of many commercial real estate tenants and has resulted in increased rent delinquencies and decreased occupancy. Any continued downturn may lead to decreased occupancy, decreased rents or other declines in income from, or the value of, commercial real estate, which would likely have an adverse effect on securities that are backed by loans secured by such commercial real estate and thus affect the values of such securities. No assurance can be given that this market will not be adversely impacted by these factors. Even if the market is not affected by these factors, the Facility and therefore, the Liberty Bonds Loan and the Series 2012 Liberty Bonds, may nevertheless decline in value. Any further economic downturn may adversely affect the financial resources of the Borrower under the Loans and may result in the inability of the Borrower to make principal and interest payments on, or refinance, the outstanding debt when due or to sell the Facility for an amount sufficient to pay off the outstanding debt when due. In the event of default by the Borrower under the Liberty Bonds Loan and/or the CMBS Loan, the Bondholders may suffer a

partial or total loss with respect to the Series 2012 Liberty Bonds. Any delinquency or loss on the Facility would have an adverse effect on the distributions of principal and interest received by holders of the Series 2012 Liberty Bonds.

Even if securities backed by commercial mortgage loans are performing as anticipated, the value of such securities in the secondary market may nevertheless decline as a result of a deterioration in general market conditions for other asset backed or structured products. Trading activity associated with commercial mortgage-backed securities indices may also drive spreads on those indices wider than spreads on securities backed by commercial mortgage loans, thereby resulting in a decrease in value of such securities.

The Volatile Economy and Credit Crisis May Increase Loan Defaults and Affect the Value and Liquidity of the Series 2012 Liberty Bonds

The global economy recently experienced a significant recession, as well as a severe, ongoing disruption in the credit markets, including the general absence of investor demand for and purchases of asset-backed securities and structured financial products. The United States economic recovery has been weak and may not be sustainable for any specific period of time, and the global or United States economy could slip into an even more significant recession. Downward price pressures and increasing defaults and foreclosures in residential real estate or other conditions that severely depressed the overall economy and contributed to the credit crisis have also led to increased vacancies, decreased rents or other/declines in income from, or the value of, commercial real estate. Additionally, decreases in the value of commercial properties and the tightening by commercial real estate lenders of underwriting standards have prevented many commercial mortgage borrowers from refinancing their mortgages. A very substantial amount of U.S. mortgage loans, with balloon payment obligations in excess of their respective current property values, are maturing over the coming three years. These circumstances have increased delinquency and default rates of securitized commercial mortgage loans, and may lead to widespread commercial mortgage defaults. In addition, the declines in commercial real estate values have resulted in reduced borrower equity, hindering such borrower's ability to refinance in an environment of increasingly restrictive lending standards and giving them less incentive to cure delinquencies and avoid foreclosure. Higher loan-to-value ratios are likely to result in lower recoveries on foreclosure, and an increase in loss severities above those that would have been realized had commercial property values remained the same or continued to increase. Defaults, delinquencies and losses have further decreased property values, thereby resulting in additional defaults by commercial mortgage borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of asset-backed securities such as the Series 2012 Liberty Bonds. Even if the real estate market does recover, the Facility and, therefore, the Series 2012 Liberty Bonds, may decline in value. Any further economic downturn may adversely affect the financial resources of the Borrower and may result in the inability of the Borrower to make principal and interest payments on, or refinance, the outstanding debt when due or to sell the Facility for an aggregate amount sufficient to pay off the outstanding debt when due. In the event of default by the Borrower under the Liberty Bonds Loan and/or the CMBS Loan, the Bondholders may suffer a partial or total loss.

In addition, the global financial markets have recently experienced increased volatility due to uncertainty surrounding the level and sustainability of the sovereign debt of various countries. Much of this uncertainty has related to certain countries, including Greece, Ireland, Spain, Portugal and Italy, that participate in the European Monetary Union and whose sovereign debt is generally denominated in euro, the common currency shared by members of that union. In addition, some economists, observers and market participants have expressed concerns regarding the sustainability of the monetary union and the common currency in their current form. Concerns regarding sovereign debt may spread to other countries at any time. Furthermore, many state and local governments in the United States are experiencing, and are expected to continue to experience, severe budgetary strain. One or more states could default on their debt, or one or more significant local governments could default on their debt or seek relief from their debt under the Bankruptcy Code or by agreement with their creditors. Any or all of the circumstances described above may lead to further volatility in or disruption of the credit markets at any time.

Moreover, other types of events, domestic or international, may affect general economic conditions and financial markets, such as wars, revolts, insurrections, armed conflicts, energy supply or price disruptions, terrorism, political crises, natural disasters and man-made disasters. No prediction can be made as to such matters or their effect on the value or performance of the Series 2012 Liberty Bonds.

Investors should consider that general conditions in the commercial real estate and mortgage markets may adversely affect the performance of the Loans and accordingly the performance of the Series 2012 Liberty Bonds. In addition, in connection with all the circumstances described above, investors should be aware in particular that:

- such circumstances may result in substantial delinquencies and defaults on the Loans and adversely affect the amount of liquidation proceeds that would be realized in the event of foreclosures and liquidations;

- since the Loans will generally be cross-defaulted, a default of either Loan might result in rapid declines in the value of the Series 2012 Liberty Bonds;

- notwithstanding that the Loans were recently underwritten and originated, the value of the Mortgaged Property may decline following the issuance of the Series 2012 Liberty Bonds and such decline may be substantial and occur in a relatively short period following the issuance of the Series 2012 Liberty Bonds; and such decline may or may not occur for reasons largely unrelated to the circumstances of the Mortgaged Property;

- if an investor determines to sell its Series 2012 Liberty Bonds, it may be unable to do so or it may be able to do so only at a substantial discount from the price originally paid by such investor; this may be the case for reasons unrelated to the then current performance of the Series 2012 Liberty Bonds or the Loans; and this may be the case within a relatively short period following the issuance of the Series 2012 Liberty Bonds;

- if the Loans default, then the yield on an investor's investment may be substantially reduced notwithstanding that liquidation proceeds may be sufficient to result in the repayment of the principal of and accrued interest on the Series 2012 Liberty Bonds; an earlier than anticipated repayment of principal (even in the absence of losses) in the event of a default would tend to shorten the weighted average period during which an investor earns interest on its investment;

- even if liquidation proceeds received on any defaulted Loan would be sufficient to cover the principal and accrued interest on that Loan, the moneys available for debt service on the Series 2012 Liberty Bonds may decrease as a result of Special Servicing Fees and other expenses;

- the time periods to resolve defaulted Loans may be long, and those periods may be further extended because of a Borrower bankruptcy and related litigation; and

- even if an investor intends to hold the Series 2012 Liberty Bonds so purchased, depending on the circumstances, it may be required to report declines in the value of the Series 2012 Liberty Bonds so purchased, and/or record losses, on its financial statements or regulatory or supervisory reports, and/or repay or post additional collateral for any secured financing, hedging arrangements or other financial transactions that it may have entered into that are backed by or make reference to the Series 2012 Liberty Bonds so purchased, in each case as if the Series 2012 Liberty Bonds so purchased were to be sold immediately.

In connection with all the circumstances described above, the risks described elsewhere under "CERTAIN RISK FACTORS" are heightened substantially, and investors should review and carefully consider such risk factors in light of such circumstances.

Declines in the New York City Economy or Leasing Market Or Excess Leasing Capacity Could Adversely Affect an Investment in the Series 2012 Liberty Bonds

The strength of the New York City economy and the office leasing market in particular is dependent upon foreign and domestic businesses selecting New York City as the location in which to engage in trade, finance and business services. The level of economic growth in general and job growth in the foregoing sectors in particular will affect net absorption of office space and increases in office rental rates. The suburban New Jersey, New York and Connecticut markets could continue to compete for certain tenants with New York City. A weakening of the New York City office leasing market generally, and the downtown New York City office leasing market in particular, may adversely affect the Facility's operation and lessen its market value. Conversely, a strong market could lead to increased building and increased competition for tenants.

The Prospective Performance of the Loans Should Be Evaluated Separately from the Performance of Similar Mortgage Loans

While there may be certain common factors affecting the performance and value of income-producing properties in general, those factors do not apply equally to all income-producing properties and, in many cases, there are unique factors that will affect the performance and/or value of a particular income-producing property. Moreover, the effect of a given factor on a particular property will depend on a number of variables, including but not limited to property type, geographic location, competition, sponsorship and other characteristics of the property and the related mortgage loan. Each income-producing property represents a separate and distinct business venture and, as a result, the Loans require a unique underwriting analysis. Furthermore, economic and other conditions affecting properties, whether worldwide, national, regional or local, vary over time. Accordingly, investors should evaluate the Liberty Bonds Loan independently from the performance of similar mortgage loans.

Leasehold Term of the Office Tower Ground Lease May Expire before Maturity of the Series 2012 Liberty Bonds

The initial term of the Office Tower Ground Lease expires on December 31, 2026 which is prior to the scheduled final maturity of the Series 2012 Liberty Bonds. Pursuant to the Office Tower Ground Lease, the lessee thereunder is entitled to three (3) options to extend the term of the Office Tower Ground Lease for twenty (20) years each. Any such extension is to be at fair market rental value at the time of extension, which rental values cannot be predicted. The Borrower has taken advance actions to exercise the first such 20-year extension. The Borrower, by written agreement, has agreed to exercise all extension options through 2046. The Borrower has granted to the Collateral Agent, as leasehold mortgagee, under the Liberty Bonds Loan Agreement the authority to exercise each remaining lease extension option under the Office Tower Ground Lease in the event the Borrower fails or elects not to do so. No assurance can be given that the Collateral Agent will timely exercise such option on the part of the Borrower.

Consent Rights of the Port Authority Could Adversely Impact the Mortgaged Property

The Office Tower Ground Lease provides that the Port Authority as Ground Lessor must approve or otherwise control certain fundamental aspects of the leasing of the Facility. All mortgage financing with respect to the leasehold interests are subject to certain approvals and consents by the Ground Lessor. All space leases are subject to the approval of the Ground Lessor in accordance with criteria no less favorable than the criteria used in the leasing of the original 7 World Trade Center. Failure of the Ground Lessor to respond to requests for approvals on a timely basis may impair the timely receipt of sufficient rental income from the Facility.

Unsettled Claims of the Port Authority Against the Borrower May Result in Default under the Office Tower Ground Lease

The Borrower is obligated under the Office Tower Ground Lease to indemnify the Port Authority for certain claims made by the Port Authority. Upon such event, there can be no assurance that any insurance maintained by the Borrower will cover or be sufficient to satisfy any such contractual liability owing to the Port Authority, nor that the Borrower shall otherwise have sufficient funds to make any such payment to the Port Authority, the result of which would cause the Borrower to be in default under the Office Tower Ground Lease.

Diversion of Rents During Default under Office Tower Ground Lease Can Occur Upon Borrower Default

If the Borrower as ground lessee under the Office Tower Ground Lease defaults in its obligations thereunder, the Office Tower Ground Lease entitles the Port Authority to collect all rents paid by tenants at the Facility and apply such rents to cure the ground lessee's default, subject to the rights of any Leasehold Mortgagee. Such an action will divert rents from the assignment effected for the benefit of the Secured Parties (including the owners of the Series 2012 Liberty Bonds) secured thereunder. However, the Port Authority has agreed under the Office Tower Ground Lease, upon curing the default, to reinstate the assignment effected for the benefit of the Secured Parties of all remaining collections from tenants. The Port Authority will recognize the Collateral Agent as a permitted mortgagee in its estoppel to be delivered in connection with the Loans.

Termination of Office Tower Ground Lease May Eliminate the Security for the Series 2012 Liberty Bonds

If an Event of Default occurs under the Office Tower Ground Lease, the Port Authority shall have the right, upon written notice to the Borrower and the Collateral Agent (as leasehold mortgage), to terminate the Office Tower Ground Lease and re-enter upon the premises demised under the Office Tower Ground Lease. The Port Authority's rights to terminate such letting and re-enter upon the premises are expressly subject to the rights of the Collateral Agent on behalf of all Secured Parties to receive notice of and cure such defaults and obtain a new lease. Upon termination of the Office Tower Ground Lease by the Port Authority resulting from the Borrower's default thereunder, and upon proper notice provided by the Leasehold Mortgagee to the Port Authority and payment of all sums due under the Office Tower Ground Lease to the Port Authority to such date, the Port Authority must provide a new lease to the Leasehold Mortgagee for the balance of the term of the Office Tower Ground Lease, having the same priority as the Office Tower Ground Lease. There can be no assurance that the Collateral Agent, as Leasehold Mortgagee, will timely provide the notices required for the new lease or will have sufficient funds available at such time to pay all amounts due under the Office Tower Ground Lease to the Port Authority to such date. In the event the Office Tower Ground Lease is terminated while the Series 2012 Liberty Bonds remain Outstanding, and no new lease is entered into with the Collateral Agent (or its nominee) as leasehold mortgagee or with a purchaser upon foreclosure of the lien of the Mortgage, (i) the Borrower will cease to have any leasehold interest in the Facility, (ii) such event will constitute an Event of Default under the Indenture, (iii) the lien of the Mortgage upon the leasehold interest of the Borrower under the Office Tower Ground Lease shall no longer attach to the Facility, and (iv) no collateral, security or source of payment will exist to provide for the payment of the Series 2012 Liberty Bonds.

Leasehold Mortgage Foreclosure and Avoidance of Termination of the Office Tower Ground Lease Requires Adherence to Procedures

The Office Tower Ground Lease contains detailed provisions regarding procedures that must be followed by the Leasehold Mortgagee thereunder in order for rights regarding events of default or termination of the Office Tower Ground Lease to be exercised. Failure of the party entitled to such rights to exercise such rights in accordance with the provisions of the Office Tower Ground Lease may result in an inability to

foreclose on the security afforded by the Mortgage or result in a failure to forestall a termination of the Office Tower Ground Lease (which will eliminate the benefits afforded by the Mortgage).

Restrictions on Amendment to Office Tower Ground Lease Without Collateral Agent Consent are Limited

The Office Tower Ground Lease provides for amendment of its terms by agreement of the Borrower as lessee and the Port Authority as lessor. Fifteen (15) Business Days' advance notice is required to be sent to the Collateral Agent, but consent to any such amendment by the Collateral Agent, as leasehold mortgagee, is only required if the amendment or modification may have a material adverse impact on the interest of the leasehold mortgagee (provided, that any modification to eliminate the Port Authority's right to share in the proceeds of sale of the Facility are not subject to such consent rights). In addition, the Loan Agreements provide that Borrower shall not, without the Collateral Agent's prior written consent and delivery to the Collateral Agent of a No Downgrade Confirmation, surrender, terminate, forfeit, or suffer or permit the surrender, termination or forfeiture of the Office Tower Ground Lease, or change, modify or amend the Office Tower Ground Lease in a material and adverse manner (it being acknowledged that the Office Tower Ground Lease prohibits the Borrower from alienating its right to amend the Office Tower Ground Lease unless the same would have a material adverse impact on the interest of the leasehold mortgagee), provided that the Borrower shall furnish to each Lender a copy of all proposed amendments to the Office Tower Ground Lease not less than fifteen (15) Business Days prior to entering into such amendment. In any dispute arising from the amendment of the Office Tower Ground Lease by the Borrower, proof by the Collateral Agent of material adverse impact will likely involve extensive litigation and is subject to the risk of adverse contract interpretation by the courts.

Con Edison Electrical Substation Rights May Interfere with Operation and Maintenance of the Facility

As summarized herein under "DESCRIPTION OF THE FACILITY — The Reciprocal Easement Agreement" and as contained in "APPENDIX C — "SUMMARY OF CERTAIN PROVISION OF THE RECIPROCAL EASEMENT AGREEMENT", Con Edison, as owner of the ground lease from the Port Authority for the Con Edison substation which constitutes the first 78 feet of elevation of the Facility, has certain responsibilities and has granted certain rights to the Borrower to assure proper operation and maintenance by each of the Borrower and Con Edison of their respective premises at the Facility. Failure by Con Edison to carry out its obligations or honor its grant of rights to the Borrower may involve the Borrower in litigation with Con Edison. While Con Edison's financial obligations to the Borrower are *de minimus*, to the extent that the Borrower expends its own funds to fulfill Con Edison's obligations of maintenance and operation, the Borrower's financial condition may be impaired to the extent it cannot recover reimbursement of such expenditures from Con Edison. In addition, the presence of the Con Edison substation may constitute a factor in the decision by certain potential tenants as to whether to lease space at the Facility. Con Edison has no obligation with respect to the Series 2012 Liberty Bonds or any obligation secured under the Collateral Documents.

Current Development at the Adjacent World Trade Center Site May Adversely Affect Ongoing Leasing at the Facility

Development is at present continuing at the former World Trade Center site adjoining the Facility site, including the development of up to five major office towers that together would add more than 10 million square feet of leasable space to the downtown market. In particular, two of the five planned towers (1 World Trade Center and 4 World Trade Center) are currently under construction and not fully pre-leased. Certain aspects of this increase in leasing capacity are discussed in the Appraisal. Two of the participants in this financing, the Port Authority and affiliates of the Borrower, are actively involved in the development and future leasing of these additional office towers and may face potential conflicts of interest in those endeavors with respect to the ongoing leasing operations at the Facility (including the Port Authority, which acts as owner of the new One World Trade Center and as ground lessor under the Office Tower Ground Lease with

rights to approve leases at the Facility). No assurance is given as to the rate of absorption of these additional office units and the effect on competition for tenants at the Facility. The resulting negative effect of the foregoing on the operations of the Facility could adversely affect the amount and timing of payments on the Liberty Bonds Loan and consequently the payment of debt service on the Series 2012 Liberty Bonds.

The Borrower May Be Subject to Environmental Liabilities

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of investigation, removal or remediation of hazardous or toxic substances on, under, adjacent to, or in such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefor could exceed the value of the property and/or the aggregate assets of the owner. In addition, the presence of hazardous or toxic substances, or the failure to properly remediate environmental conditions of such property, may adversely affect the owner's or operator's ability to refinance using such property as collateral or the owner's ability to sell such property. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at the disposal or treatment facility. For all of these reasons, the presence of, or potential for contamination by, hazardous or toxic substances at, on, under, adjacent to, or in the Mortgaged Property could materially adversely affect the value of the Mortgaged Property and the Borrower's ability to pay the Liberty Bonds Loan.

Under some environmental laws, such as the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), as well as certain state laws, a secured lender may be liable, as an "owner" or "operator," for the costs of responding to a release or threat of a release of hazardous substances on or from a borrower's property regardless of whether the borrower or a previous owner caused the environmental damage, if (i) agents or employees of a lender are deemed to have participated in the management of the borrower or (ii) the lender actually takes possession of a borrower's property or control of its day-to-day operations, as for example, through the appointment of a receiver. Although recent legislation clarifies the activities in which a lender may engage without becoming subject to liability under CERCLA and similar federal laws, such legislation has no applicability to state environmental law.

The Mortgaged Property has been subject to a "Phase I" Environmental Assessment dated July 8, 2011 performed by AEI Consultants, Inc. in connection with the origination of the CMBS Loan. The assessment was intended to evaluate the environmental condition of the Mortgaged Property by identifying the presence or likely presence of hazardous substances or petroleum products on the property and identifying conditions that indicate an existing release, a past release, or a material threat of a release of hazardous substances or petroleum products into structures on the subject property or into the ground, groundwater or surface of the subject property. The report included observation of the Mortgaged Property and adjacent properties and a review of publicly available general information, historical information and environmental records related to the Mortgaged Property. The "Phase I" environmental assessment generally did not include sampling or analysis of soil, groundwater or other environmental media or subsurface investigations. The "Phase I" environmental assessment noted that the assessment revealed "no evidence of recognized environmental conditions in connection with the subject property." No assurance can be given that all environmental conditions and risks relating to the Mortgaged Property have been identified in the environmental assessment. In addition, no assurance can be given that any environmental indemnity, insurance or reserve amounts will be sufficient to remediate the environmental conditions or that operation and maintenance plans will be put in place and/or followed. Additionally, no assurance can be given that actions of tenants at the Mortgaged Property will not adversely affect the environmental condition of the Mortgaged Property.

The Servicing Agreement will provide that neither the Master Servicer nor the Special Servicer may, on behalf of the mortgagees, obtain title to the Mortgaged Property by foreclosure, deed-in-lieu of foreclosure or otherwise, or take any other action with respect to the Mortgaged Property, if, as a result of any such action,

any mortgagee could, in the reasonable, good faith judgment of the Special Servicer, exercised in accordance with the Servicing Standard, be considered to hold title to, to be a "mortgagee-in-possession" of, or to be an "owner" or "operator" of the Mortgaged Property within the meaning of CERCLA or any comparable law, unless (i) the Special Servicer has previously determined in accordance with the Servicing Standard, based on a "Phase I" environmental assessment (and any additional environmental testing that the Special Servicer deems necessary and prudent) of the Mortgaged Property conducted by an independent person who regularly conducts "Phase I" environmental assessments and performed during the 12-month period preceding any such acquisition of title or other action, that the Mortgaged Property is in compliance with applicable environmental laws and regulations and there are no circumstances or conditions present at the Mortgaged Property relating to the use, management or disposal of any dangerous, toxic or hazardous pollutants, chemicals, wastes, or substances for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any applicable environmental laws and regulations; or (ii) if the determination in clause (i) cannot be made, the Special Servicer has previously determined in accordance with the Servicing Standard that it would maximize the recovery to the holders of the Loans, on a net present value basis to acquire title to or possession of the Mortgaged Property and to take such remedial, corrective and/or other further actions as are necessary to bring the Mortgaged Property into compliance with applicable environmental laws and regulations. The procedure required by the Servicing Agreement may delay or adversely affect the Special Servicer's ability to foreclose on the Mortgaged Property. Moreover, any such environmental assessment may not reveal all potential environmental liabilities to which the Mortgaged Property may be subject. No assurance can be given that the requirements of the Servicing Agreement, even if fully observed, will in fact insulate the Borrower and/or the Guarantor from liability for environmental conditions. See "DESCRIPTION OF THE SERVICING AGREEMENT" herein.

Terrorist Attacks and United States Military Action Could Adversely Affect the Facility's Revenues

On September 11, 2001, the United States was subjected to multiple terrorist attacks, resulting in the loss of many lives and massive property damage and destruction in New York City (and, in particular, the World Trade Center site adjacent to the Facility), the Washington, D.C. area and Pennsylvania. In fact, the predecessor building at the site of the Facility was destroyed by fires resulting from such attack. Subsequently, a number of thwarted planned attacks in New York City have been reported. The possibility of such attacks could (i) lead to damage to the Facility if any such attacks occur, (ii) result in higher costs for insurance premiums, which could adversely affect the cash flow at the Facility, and (iii) impact office leasing patterns which could adversely impact office property rent. As a result, the ability of the Mortgaged Property to generate cash flow may be adversely affected. It is impossible to predict whether, or the extent to which, future terrorist activities may occur in the United States.

It is uncertain what effects any future terrorist activities in the United States or abroad and/or any consequent actions on the part of the United States Government and others, including military action, could have on general economic conditions, real estate markets, particular business segments (including those that are important to the performance of commercial mortgage loans) and/or insurance costs and the availability of insurance coverage for terrorist acts. Among other things, reduced investor confidence could result in substantial volatility in securities markets and a decline in real estate-related investments. In addition, reduced consumer confidence, as well as a heightened concern for personal safety, could result in a material decline in personal spending and travel.

Terrorism Insurance for the Borrower May be Unavailable or Insufficient

Following the September 11, 2001 terrorist attacks in the New York City area and Washington, D.C. area, many insurance companies eliminated coverage for acts of terrorism from their policies. Without assurance that they could secure financial backup for this potentially uninsurable risk, availability in the insurance market for this type of coverage, especially in major metropolitan areas, became either unavailable, or was offered with very restrictive limits and terms, with prohibitive premiums being requested. In order to provide a market for such insurance, the Terrorism Risk Insurance Act of 2002 was enacted on November 26,

2002, which established the Terrorism Insurance Program. Under the Terrorism Insurance Program, the federal government shares in the risk of loss associated with certain future terrorist acts.

On December 26, 2007, the Terrorism Insurance Program was extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 through December 31, 2014.

The Terrorism Insurance Program is administered by the Secretary of the Treasury and, through December 31, 2014, will provide some financial assistance from the United States government to insurers in the event of another terrorist attack that results in an insurance claim. The program applies to any act that is certified by the Secretary of the Treasury — in concurrence with the Secretary of State and the Attorney General of the United States — to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. The Terrorism Insurance Program does not cover nuclear, biological, chemical and radiological attacks.

In addition, no compensation will be paid under the Terrorism Insurance Program unless the aggregate industry losses relating to such act of terrorism exceed $100 million. As a result, unless the Borrower obtains separate coverage for events that do not meet that threshold, such events would not be covered.

The Treasury Department has established procedures for the program under which the federal share of compensation will be equal to 85% of the portion of insured losses that exceeds an applicable insurer deductible required to be paid during each program year (which insurer deductible was fixed by the Terrorism Risk Insurance Program Reauthorization Act of 2007 at 20% of an insurer's direct earned premium for any program year). The federal government share in the aggregate in any program year may not exceed $100 billion (and the insurers will be liable for any amount that exceeds this cap). Through December 2014, insurance carriers are required under the program to provide terrorism coverage in their basic policies providing "special" form coverage.

The Terrorism Insurance Program is temporary legislation and there can be no assurance that it will create any long-term changes in the availability and cost of such insurance. Moreover, there can be no assurance that subsequent terrorism insurance legislation will be passed upon its expiration.

If the Terrorism Insurance Program is not extended or renewed upon its expiration in 2014, premiums for terrorism insurance coverage will likely increase and/or the terms of such insurance may be materially amended to apply exclusions for terrorism losses or to otherwise effectively decrease the scope of coverage available (perhaps to the point where it is effectively no longer available). In addition, to the extent that any policies contain "sunset clauses" (*i.e.*, clauses that void terrorism coverage if the federal insurance backstop program is not renewed), then such policies may cease to provide terrorism insurance upon the expiration of the Terrorism Insurance Program. There can be no assurance that such temporary program will create any long term changes in the availability and cost of such insurance.

The Borrower will be required under the Loan Documents to obtain and maintain coverage against loss or damage by terrorist acts as well as rental loss and/or business interruption coverage. See "INSURANCE ON THE MORTGAGED PROPERTY" herein.

The Mortgaged Property is insured for terrorism coverage provided by SPI Insurance Captive Company Inc., a captive insurance company ("SPI Insurance"). SPI Insurance is an unrated affiliate of the Guarantor; licensed and monitored, as are all captive insurance companies formed in the New York State, by the NYS Department of Insurance. There can be no assurance that SPI Insurance will have sufficient resources to pay out under its policy covering acts of terrorism at the Mortgaged Property. Although SPI Insurance will have the benefit of an 85% backstop provided by the U.S. Government under TRIPRA (which expires

December 31, 2014) and reinsurance of the remainder, there can be no assurance that captive insurance companies will continue to be covered under TRIPRA or that SPI Insurance would have sufficient resources to make payments under any policy covering acts of terrorism.

Insurance May Not Be Available or Adequate

Although the Mortgaged Property is required to be insured against certain risks, there is a possibility of casualty loss with respect to the Mortgaged Property for which insurance proceeds may not be adequate or which may result from risks not covered by insurance. There can be no assurance that the Borrower has complied, or will in the future be able to comply, with requirements to maintain adequate insurance with respect to the Facility, and any uninsured loss could have a material adverse impact on the amount available to restore the Facility.

There can be no assurance that in the future the Borrower will be able to comply with requirements to maintain adequate insurance with respect to the Mortgaged Property, and any uninsured loss could have a material adverse impact on the amount available to make payments on the Loans, and consequently, the Series 2012 Liberty Bonds. As with all real estate, if reconstruction (for example, following fire or other casualty) or any major repair or improvement is required to the damaged property, changes in laws and governmental regulations may be applicable and may materially affect the cost to, or ability of, the Borrower to effect such reconstruction, major repair or improvement. As a result, the amount realized with respect to the Mortgaged Property, and the amount available to make payments on the Loans, and consequently, the Series 2012 Liberty Bonds, could be reduced. In addition, there can be no assurance that the amount of insurance required or provided would be sufficient to cover damages caused by any casualty, or that such insurance will be commercially available in the future.

There can be no assurance any loss incurred with respect to the Mortgaged Property will be of a type covered by such insurance and will not exceed the limits of such insurance. Should an uninsured loss or a loss in excess of insured limits occur, the Borrower could suffer disruption of income, potentially for an extended period of time, while remaining responsible for any financial obligations relating to the Mortgaged Property. In addition, the Borrower is relying on the creditworthiness of the insurers providing insurance with respect to the Mortgaged Property.

The Office Tower Ground Lease Includes Requirements Regarding Application of Insurance Awards and Condemnation Proceeds

Pursuant to the terms of the Office Tower Ground Lease, all property insurance proceeds and condemnation awards are required to be applied to the costs of repairing, rebuilding and reconstructing the Facility except that if damage occurs during the final five (5) years of the term of the Office Tower Ground Lease and the cost of repair, rebuilding or reconstruction exceeds 10% of the then full insurable value, the Borrower shall have the option of either performing such repair, rebuilding or restoration work or terminating the Office Tower Ground Lease in its entirety, with all such insurance proceeds being payable to the Port Authority.

If insurance proceeds exceed in the aggregate 3% of gross revenue for the immediately preceding annual period, the proceeds shall be deposited with and held by an insurance trustee, to be disbursed from time to time as work progresses. The insurance trustee shall disburse such insurance proceeds upon the written request of the Borrower, accompanied by: (1) an officer's certificate setting forth (a) that the sum requested has been paid by the Borrower, or is due to contractors or others who have rendered services for the rebuilding; (b) that except for the amount requested, there is no outstanding indebtedness which, if unpaid, might become the basis of a lien upon the premises; and (c) that the cost of the rebuilding to be done subsequent to the date of the certificate, does not exceed the insurance proceeds after payment of the sum requested; and (2) an opinion of counsel or other evidence that there has not been filed with respect to the Facility any lien which has not been discharged, except such as will be discharged by payment of the amount then requested.

If the proceeds of insurance held by the insurance trustee are insufficient to pay the entire cost of rebuilding the Facility, the Borrower is required to pay the deficiency. There can be no assurance that the Borrower will have sufficient funds available to it to pay any such deficiency.

Upon completion, any balance of the insurance proceeds shall be paid to the Borrower. Any such excess insurance proceeds shall be considered as net cash flow as between the Borrower and the Port Authority only and subject to inclusion in the determination of percentage rent.

The Exercise by the Issuer of its Reserved Rights May Adversely Affect the Security for the Series 2012 Liberty Bonds

Pursuant to the terms of the Liberty Bonds Loan Agreement, the Issuer (or the Indenture Trustee on its behalf in consultation with the Master Servicer) will reserve the right, among others, to (i) receive all opinions of counsel and request information from the Borrower regarding the Mortgaged Property and other matters, (ii) enforce through specific performance covenants regarding "Prohibited Persons" in the Liberty Bonds Loan Agreement, (iii) enforce covenants requiring the Borrower to reimburse the lender for financing fees and expenses and certain other expenses, (iv) enforce these reserved rights by the Issuer and/or the Indenture Trustee through an action for specific performance, and (v) receive indemnification for various liabilities; *provided, however,* that the Borrower will not have any obligation to the Issuer under the Liberty Bonds Loan Agreement to the extent that such indemnified liabilities arise from the gross negligence, illegal acts, fraud or willful misconduct of the Issuer. This may require the Borrower or the Property Manager to reject prospective tenants or the prospective purchasers of the Mortgaged Property. While the Issuer's rights will be limited to specific performance, any attempt by the Issuer to compel compliance may have an adverse impact on the Borrower, the Mortgaged Property and the Loans.

Enforcement of the Loan Documents or Collateral Documents May be Limited by Applicable Law

If an Event of Default occurs under any of the Loan Documents or any of the other Collateral Documents, the practical realization of any rights upon any default will depend on the exercise of various remedies specified in the Loan Documents and the Collateral Documents, and will be subject to the limitations placed on those rights under Applicable Laws. For example, the enforcement of any remedies granted to the Collateral Agent or the Servicers under the Loan Documents and the Collateral Documents may be affected by the following matters: (i) federal bankruptcy laws; (ii) rights of third parties in cash, securities and instruments not in the possession of the Collateral Agent or the Servicers, including accounts and general intangibles converted for cash; (iii) rights arising in favor of the United States of America or any agency or instrumentality thereof; (iv) present or future prohibitions against assignments in any federal statutes or regulations; (v) constructive trusts, equitable liens, or other rights or defenses imposed or conferred by any state or federal court in the exercise of its equitable jurisdiction; (vi) with respect to certain remedies, the necessity for judicial action which is often subject to judicial discretion and delay; (vii) claims that might obtain priority if New York Uniform Commercial Code continuation statements are not filed in accordance with Applicable Laws; (viii) rights to proceeds of any collateral which may be impaired if appropriate action is not taken to continue the perfection of a security interest therein as required by the New York Uniform Commercial Code; (ix) statutory liens; (x) present or future prohibitions on the enforceability of "due-on-sale" or "due-on-encumbrance" clauses in any federal statutes or regulations or by any state or federal court; and (xi) present or future changes in the limitations, or exceptions therefrom, on the permissible amounts to be charged to borrowers for late charges, additional interest charges and prepayment charges, whether such prepayment is voluntary or involuntary. As a result of the foregoing considerations, among others, the ability to realize upon the Mortgage and other Collateral Documents may be limited by Applicable Laws. The actions of the Collateral Agent or the Servicers may also, in certain circumstances, subject the Collateral Agent or the Servicers to liability as a "mortgagee-in-possession" or result in the equitable subordination of the claims of the Collateral Agent or of the Servicers to the claims of other creditors of the Borrower. The Collateral Agent or the Servicers may take these laws into consideration in deciding which remedy to choose following a default by the Borrower. The various legal opinions to be delivered concurrently with the issuance of the Series 2012

Liberty Bonds will be qualified as to the enforceability of the remedies provided under the Liberty Bonds Loan and Collateral Documents, including as a result of limitations imposed by bankruptcy, reorganization, insolvency, fraudulent conveyance, or other similar laws affecting the rights of creditors generally and by general principles of equity and public policy considerations. If any of such limitations are imposed, they may adversely affect the ability of the Indenture Trustee, the Collateral Agent, the Servicers and the Holders of the Series 2012 Liberty Bonds to enforce their claims and rights against the Borrower, the Facility and the remainder of the Mortgaged Property. Consequently, if a Mortgage Event of Default occurs, it is uncertain that the Indenture Trustee, the Collateral Agent or the Servicers could successfully obtain an adequate remedy at law or in equity. Furthermore, there can be no assurance that the exercise of any such remedies will provide sufficient funds to repay all amounts due under the Series 2012 Liberty Bonds.

Foreclosure May Not be an Adequate Remedy in the Event of Default

Foreclosure is a legal procedure that allows the lender to recover its mortgage debt by enforcing its rights and available legal remedies under the mortgage. If the borrower defaults in payment or performance of its obligations under the mortgage note or mortgage, the lender has the right to institute foreclosure proceedings to sell the real property at public auction to satisfy the indebtedness. A foreclosure action is subject to most of the delays and expenses of other lawsuits if defenses are raised or counterclaims are interposed, and sometimes requires several years to complete. Moreover, as discussed below, even a non-collusive, regularly conducted foreclosure sale may be challenged as a fraudulent transfer or conveyance, regardless of the parties' intent, if a court determines that the sale was for less than fair consideration and that the sale occurred while the borrower was insolvent and within a specified period prior to the borrower's filing for bankruptcy protection.

Foreclosure of a mortgage is generally accomplished by judicial action. The action is initiated by the service of legal pleadings upon all parties having an interest in the real property. Delays in completion of the foreclosure may occasionally result from difficulties in locating necessary parties. When the mortgagee's right to foreclose is contested, the legal proceedings necessary to resolve the issue can be time-consuming. At the completion of the judicial foreclosure proceedings, if the mortgagee prevails, the court generally issues a judgment of foreclosure and appoints a referee or other court officer to conduct the sale of the property. The notice of sale must be published in a general circulation newspaper once a week for at least 4 weeks prior to the sale. In New York, foreclosure sales are made by public auction, usually at the county courthouse. The property is sold to the highest bidder and anyone, including the lender, may bid. The purchaser at such sale acquires the estate or interest in real property covered by the mortgage. If the mortgage covered the tenant's interest in a lease and leasehold estate, the purchaser at foreclosure will acquire such tenant's interest subject to the tenant's obligations under the lease to pay rent and perform other covenants contained in such lease. New York law controls the amount of foreclosure expenses and costs, including attorneys' fees, which may be recovered by a lender.

The borrower, or any other person having a junior encumbrance on the real estate, may, after acceleration but not after a foreclosure sale has occurred, cure the default by paying the entire amount in arrears plus the costs and expenses incurred in enforcing the obligation.

A third party may be unwilling to purchase a mortgaged property at a public sale because of the difficulty in determining the value of such property at the time of sale, due to, among other things, the possibility of physical deterioration of the property during the foreclosure proceedings. Potential buyers may be reluctant to purchase property at a foreclosure sale as a result of the 1980 decision of the United States Court of Appeals for the Fifth Circuit in *Durrett v. Washington National Insurance Company* and other decisions that have followed its reasoning. The court in *Durrett* held that even a non-collusive, regularly conducted foreclosure sale was a fraudulent transfer under the federal Bankruptcy Code (11 U.S.C. §§ 101 et seq.) and, therefore, could be rescinded in favor of the bankrupt's estate, if (i) the foreclosure sale was held while the debtor was insolvent and not more than one year prior to the filing of the bankruptcy petition and (ii) the price paid for the foreclosed property did not represent "fair consideration" ("reasonably equivalent value"

under the Bankruptcy Code). Although the reasoning and result of *Durrett* in respect of the Bankruptcy Code were rejected by the United States Supreme Court in *BFP v. Resolution Trust Corp.*, 511 U.S. 531 (May 1994), the case could nonetheless be persuasive to a court applying a state fraudulent conveyance law which has provisions similar to those construed in *Durrett*. For these reasons, a lender may be unwilling to purchase the property from the trustee or referee for less than an amount equal to the principal amount of the mortgage, accrued or unpaid interest and the expenses of foreclosure.

After a foreclosure in which the lender purchases the property, the lender will assume the burdens of ownership, including obtaining casualty insurance and making such repairs at its own expense as are necessary to render the property suitable for sale. Frequently, the lender employs a third party management company to manage and operate the property. The costs of operating and maintaining property may be significant and may be greater than the income derived from that property. The lender will commonly obtain the services of a real estate broker and pay the broker's commission in connection with the sale of the property. Depending upon market conditions, the ultimate proceeds of the sale of the property may not equal the lender's investment in the mortgaged property. Any loss may be reduced by the receipt of any mortgage insurance proceeds. Moreover, a lender commonly incurs substantial legal fees and court costs in acquiring a mortgaged property through contested foreclosure and/or bankruptcy proceedings. Furthermore, an increasing number of states require that any environmental hazards be eliminated before a property may be resold. In addition, a lender may be responsible under federal or state law for the cost of cleaning up a mortgaged property that is environmentally contaminated. See "CERTAIN RISK FACTORS —The Borrower May be Subject to Environmental Liabilities" herein. As a result, a lender could realize an overall loss on a mortgage loan even if the related mortgaged property is sold at foreclosure or resold after it is acquired through foreclosure for an amount equal to the full outstanding principal amount of the mortgage loan, plus accrued interest.

New York Foreclosure Proceedings Are a Lengthy Complex Process

In order to recover the debt due on a defaulted mortgage loan, the holder of the mortgage loan may either commence an action on the mortgage debt or commence an action to foreclose the mortgage. Non-judicial foreclosure is not available in New York. In addition, New York law restricts the ability of the holder of a mortgage loan to simultaneously bring an action to recover the mortgage debt and foreclose the mortgage. For purposes of these restrictions, actions to recover the mortgage debt include actions against the party primarily liable on the mortgage debt, actions against any guarantor of the mortgage debt and actions on insurance policies insuring the mortgaged premises. If an election is made to commence an action to foreclose the mortgage, no other action on the mortgage debt may be commenced to recover any part of the mortgage debt without leave of court. If an election is made to commence an action on the mortgage debt, where final judgment has been rendered in such an action, an action may not be commenced to foreclose the mortgage unless the sheriff has been issued an execution against the property of the defendant, which has been returned wholly or partially unsatisfied. In addition, there is New York case law indicating that if an action is commenced on the mortgage debt where final judgment has not been rendered and a subsequent action is commenced to foreclose the mortgage, then the action on the mortgage debt must be stayed or discontinued to prevent the mortgagee from pursuing both actions simultaneously.

Judicial foreclosure in New York is a lengthy process that requires careful compliance with a number of procedural requirements. The Borrower is entitled to present defenses to foreclosure and to challenge the foreclosing lender's compliance with the technical requirements under New York law. In addition, certain other parties, such as judgment creditors and subordinate lien holders, have the right to challenge a foreclosure. The delay involved in concluding a foreclosure action could exacerbate a decline in the value of the Facility and could adversely affect the prospects for recovery out of a foreclosure sale of the Facility. In addition, notwithstanding a lender's strict compliance with the requirements for a judicial foreclosure, there can be no assurance that the foreclosure action will not be stayed at any point by a bankruptcy filing. If such stay were to occur, the cost and time required to realize on the mortgaged property would likely increase.

Where the mortgage debt remains partly unsatisfied after the sale of the property, the court, upon application, may award the mortgagee a deficiency judgment for the unsatisfied portion of the mortgage debt, or as much thereof as the court may deem just and equitable, against a mortgagor or, to the extent provided in the mortgage documents, any other party who is liable on the debt who has been named in the suit and who has appeared or has been personally served in the action. Prior to entering a deficiency judgment the court determines the fair and reasonable market value of the mortgaged premises as of the date such premises were bid in at auction or such nearest earlier date as there shall have been any market value thereof. In calculating the deficiency judgment, the court will reduce the amount to which the mortgagee is entitled by the higher of the sale price of the mortgaged property and the fair market value of the mortgaged property as determined by the court. The availability of a deficiency judgment, however, may be of limited value where the lender's recourse is limited to the mortgaged property except for certain "bad boy" acts.

The Enforceability of Assignments of Leases is Subject to Procedural Requirements Under New York Law

The Liberty Bonds Loan will be secured by an assignment of leases and rents with respect to the Facility which is contained in the Mortgage pursuant to which the Borrower will assign its right, title and interest under the leases of the Facility and the income derived therefrom as further security for the Liberty Bonds Loan, while retaining a license, subject to the cash management provisions of the Collateral Agency Agreement, to collect rents so long as no Mortgage Event of Default has occurred and is continuing. In the event of a Mortgage Event of Default, following notice from the Master Servicer or Special Servicer, as applicable, such license will terminate and the Master Servicer or the Special Servicer, as applicable, will be entitled to collect rents from the Facility on behalf of the Collateral Agent and the holders of the Loans until all Mortgage Events of Default then existing are cured or waived. Such assignments may not be perfected in New York prior to actual possession by the lender of the cash flow from the Mortgaged Property. Notwithstanding the language of the assignment, however, New York law may require that the lender take possession of the Mortgaged Property and obtain judicial appointment of a receiver before becoming entitled to collect the rents. Such requirements could delay the ability of the Master Servicer or the Special Servicer, as applicable, on behalf of the Indenture Trustee and the Bondholders to collect rents from the Facility during the existence of a Mortgage Event of Default.

The Powers of the Servicers with Respect to Default Remedies Are Paramount and Are Exercised for the Joint Benefit of the Series 2012 Liberty Bonds and the CMBS Debt

The Servicers, acting in accordance with the Servicing Agreement, shall have the sole authority to direct the Collateral Agent in the enforcement of the Collateral Documents and to take any actions under the terms of the Liberty Bonds Loan and any insurance policies relating to the Liberty Bonds Loan and to enforce the terms of, and to exercise any and all rights of the Indenture Trustee under, the Liberty Bonds Loan and Collateral Documents. The power of the Indenture Trustee to enforce the obligations of the Borrower pursuant to the Liberty Bonds Loan Agreement or to take remedial action under the Indenture is severely circumscribed. Declarations of covenant defaults under the Liberty Bonds Loan Agreement or the Indenture require the written consent of the Special Servicer thereto. Moreover, even if such consent is given or a payment default with respect to the Series 2012 Liberty Bonds occurs, the Special Servicer will control the remedial action to be taken, including any acceleration of the Series 2012 Liberty Bonds upon the occurrence of an Event of Default under the Indenture (provided, that acceleration of the Series 2012 Liberty Bonds must occur upon a Liquidation under the Liberty Bonds Loan Agreement, which acceleration may be subsequently rescinded at any time by the Special Servicer). In so controlling the remedial actions, the Special Servicer will have to act in accordance with the Servicing Standard and the Servicing Agreement, which obligates the Special Servicer to act in the best interests of the Bondholders and the CMBS Debt. Therefore, unlike a bond trustee in a bonds-only transaction, the Special Servicer will not seek to protect the interests of the Bondholders to the greatest extent possible, but will have to balance the interests of the Bondholders with those of the holders of the CMBS Debt.

The Powers of the Bondholders to Direct Remedial Actions are Limited

Bondholders will not have the ability to direct the Indenture Trustee to take any specific remedial action upon the occurrence and continuance of an Event of Default under the Indenture, as the Indenture and the Servicing Agreement each provide that the Special Servicer will direct all such actions.

The Servicers, the Collateral Agent and the Operating Advisor Owe No Fiduciary Duty or Liability to the Bondholders

The Servicers, the Collateral Agent and the Operating Advisor will not have any fiduciary duty to the Indenture Trustee or the Bondholders, and will not have any liability to the Indenture Trustee or the Bondholders for any action taken, or not taken, in good faith pursuant to the Servicing Agreement or the other Collateral Documents, or for errors in judgment other than by reason of negligence or willful misconduct.

Payments to the Servicers Rank Prior to Payments to the Bondholders

As described in this Official Statement, the Master Servicer and/or the Collateral Agent, as applicable, will be entitled to receive interest on unreimbursed Advances at the "Prime Rate" as published in The Wall Street Journal. See "DESCRIPTION OF THE SERVICING AGREEMENT — Collection of Taxes, Assessments and Similar Items; Servicing and Advances; Loan Reserve Accounts; Cash Collateral Account" herein. This interest will generally accrue from the date on which the related Advance is made or the related expense is incurred to the date of reimbursement. In addition, under certain circumstances, including delinquencies in the payment of principal and/or interest, the Loans will be specially serviced and the Special Servicer is entitled to compensation for special servicing activities. The right to receive interest on Advances or special servicing compensation is generally senior to the rights of the owners of the Series 2012 Liberty Bonds to receive payment on the Series 2012 Liberty Bonds. The payment of interest on Advances and the payment of compensation to the Special Servicer may lead to shortfalls in amounts otherwise payable on the Series 2012 Liberty Bonds that would not otherwise have resulted without the accrual of such interest. See "DESCRIPTION OF THE SERVICING AGREEMENT — Servicing Compensation; Interest on Servicing Advances; Payment of Certain Expenses; Obligations of the Collateral Agent Regarding Back-Up Servicing Advances" herein.

Bankruptcy of the Borrower May Delay Foreclosure Proceedings and Other Remedies

Numerous statutory provisions, including the Federal Bankruptcy Code (the "Bankruptcy Code") and state laws affording relief to debtors, may interfere with and delay the ability of a secured mortgage lender to obtain payment of a loan, to realize upon collateral and/or to enforce a deficiency judgment. The delay and consequences of delay caused by an automatic stay can be significant. For example, under the Bankruptcy Code, virtually all actions (including foreclosure actions and deficiency judgment proceedings) are automatically stayed upon the filing of a bankruptcy petition, and, often, no interest or principal payments are made during the course of the bankruptcy proceeding. Also, under the Bankruptcy Code, the filing of a petition in bankruptcy by or on behalf of a junior lien holder may stay the senior lender from taking action to foreclose out such junior lien.

The Bankruptcy Code may affect the ability to enforce certain rights under a mortgage in the event that the Borrower becomes the subject of a bankruptcy or reorganization proceeding under the Bankruptcy Code. Section 362 of the Bankruptcy Code operates as an automatic stay of, among other things, any act to obtain possession of property of or from a debtor's estate, which may delay the mortgagee's exercise of such remedies, including foreclosure, in the event that such borrower becomes the subject of a proceeding under the Bankruptcy Code. While relief from the automatic stay to enforce remedies may be requested, it can be denied for a number of reasons, including where the collateral is "necessary to an effective reorganization" of the debtor, and if a debtor's case has been administratively consolidated with those of its affiliates, the court may

also consider whether the property is "necessary to an effective reorganization" of the debtor and its affiliates, taken as a whole.

In addition, under federal bankruptcy law, the filing of a petition in bankruptcy by or against a borrower will stay the sale of the mortgaged property owned by that borrower, as well as the commencement or continuation of a foreclosure action or any deficiency judgment proceeding. In addition, even if a court determines that the value of the mortgaged property is less than the principal balance of the mortgage loan it secures, the court may prevent a lender from foreclosing on the mortgaged property (subject to certain protections available to the lender). As part of a restructuring plan, a court also may reduce the amount of secured indebtedness to the then-current value of the mortgaged property, which would make the lender a general unsecured creditor for the difference between the then-current value and the amount of its outstanding mortgage indebtedness. A bankruptcy court also may: (i) grant a debtor a reasonable time to cure a payment default on a mortgage loan; (ii) reduce periodic payments due under a mortgage loan; (iii) change the rate of interest due on a mortgage loan; or (iv) otherwise alter the mortgage loan's repayment schedule.

Moreover, the filing of a petition in bankruptcy by, or on behalf of, a junior lienholder may stay the senior lienholder from taking action to foreclose on the junior lien. Additionally, the borrower's trustee or the borrower, as debtor-in-possession, has certain special powers to avoid, subordinate or disallow debts. In certain circumstances, the claims of the trustee may be subordinated to financing obtained by a debtor-in-possession subsequent to its bankruptcy.

Under Sections 363(b) and (f) of the Bankruptcy Code, a trustee, or a borrower as debtor in possession, may, despite the provisions of the related mortgage to the contrary, sell the related mortgaged property free and clear of all liens, which liens would then attach to the proceeds of such sale. Such a sale may be approved by a bankruptcy court even if the proceeds are insufficient to pay the secured debt in full.

Under the Bankruptcy Code, provided certain substantive and procedural safeguards for a lender are met, the amount, terms and priority of a mortgage securing a loan to a debtor may be modified under certain circumstances. The amount of the loan secured by the real property may be reduced to the then current value of the property (with a corresponding partial reduction of the amount of the lender's security interest) pursuant to a confirmed plan of reorganization or lien avoidance proceeding, thus leaving the lender a secured creditor to the extent of the then current value of the property and a general unsecured creditor for the difference between such value and the outstanding balance of the loan. Such general unsecured claims may be paid in an amount less than 100% of the amount of the debt or not at all, depending upon the circumstances. Other modifications may include the reduction in the amount of each scheduled payment, which reduction may result from a reduction in the rate of interest and/or the alteration of the repayment schedule (with or without affecting the unpaid principal balance of the loan), and/or an extension (or reduction) of the final maturity date. Some courts with federal bankruptcy jurisdiction have approved plans, based on the particular facts of the reorganization case, that effected the curing of a mortgage loan default by paying arrearages over a number of years. Also, under the Bankruptcy Code, a bankruptcy court may permit a debtor through its plan of reorganization to decelerate a secured loan and to reinstate the loan even though the lender accelerated the mortgage loan and final judgment of foreclosure had been entered in state court (provided no sale of the property had yet occurred) prior to the filing of the debtor's petition. This may be done even if the plan of reorganization does not provide for payment in full of the amount due under the original loan. Other types of significant modifications to the terms of the mortgage may be acceptable to the bankruptcy court, such as making distributions to the mortgage holder of property other than cash, or the substitution of collateral which is the "indubitable equivalent" of the real property subject to the mortgage or the subordination of the mortgage to liens securing new debt (*provided* that the lender's secured claim is "adequately protected" as such term is defined and interpreted under the Bankruptcy Code), often depending on the particular facts and circumstances of the specific case.

Federal bankruptcy law may also interfere with or affect the ability of a secured mortgage lender to enforce an assignment by a borrower of rents and leases related to a mortgaged property if the related borrower is in a bankruptcy proceeding. Under Section 362 of the Bankruptcy Code, a mortgagee may be stayed from enforcing the assignment, and the legal proceedings necessary to resolve the issue can be time consuming and may result in significant delays in the receipt of the rents. For example, the filing of a petition in bankruptcy by or on behalf of a lessee of a mortgaged property would result in a stay against the commencement or continuation of any state court proceeding for past due rent, for accelerated rent, for damages or for a summary eviction order with respect to a default under the related lease that occurred prior to the filing of the lessee's petition. Rents and leases may also escape assignment (i) if the assignment is not fully perfected under state law prior to commencement of the bankruptcy proceeding, (ii) to the extent such rents and leases are used by the borrower to maintain the mortgaged property, or for other court authorized expenses, (iii) to the extent other collateral may be substituted for the rents and leases, or (iv) to the extent the bankruptcy court determines that the lender is adequately protected.

The Bankruptcy Code provides that a lender's perfected pre-petition security interest in leases and rents continues in the post-petition leases and rents, unless a bankruptcy court orders to the contrary "based on the equities of the case". The equities of a particular case may permit the discontinuance of security interests in post-petition leases and rents. Unless a court orders otherwise, however, rents from the related property generated after the date the bankruptcy petition is filed will constitute "cash collateral" under the Bankruptcy Code. Debtors may only use cash collateral upon obtaining the lender's consent or a prior court order finding that the lender's interest in such mortgaged property and the cash collateral is "adequately protected" as such term is defined and interpreted under the Bankruptcy Code. In addition to post-petition rents, any cash held by a lender in a lockbox or reserve account would also constitute "cash collateral" under the Bankruptcy Code. So long as the lender is adequately protected, a debtor's use of cash collateral may be for its own benefit or for the benefit of any affiliated entity group that is also subject to bankruptcy proceedings, including use as collateral for new debt.

In addition, the Bankruptcy Code generally provides that a trustee or debtor in possession may, with respect to an unexpired lease of non-residential real property, before the earlier of (i) 120 days after the filing of a bankruptcy case or (ii) the entry of an order confirming a plan, subject to approval of the court (a) assume the lease and retain it or assign it to a third party or (b) reject the lease. If the trustee or debtor-in-possession fails to assume or reject the lease within the time specified in the preceding sentence, subject to any extensions by the bankruptcy court, the lease will be deemed rejected and the property will be surrendered to the lessor. The bankruptcy court may for cause shown extend the 120-day period up to 90 days for a total of 210 days. If the lease is assumed, the trustee in bankruptcy on behalf of the lessee, or the lessee as debtor in possession, or the assignee, if applicable, must cure any defaults under the lease, compensate the lessor for its losses and provide the lessor with "adequate assurance" of future performance. However, these remedies may, in fact, be insufficient and the lessor may be forced to continue under the lease with a lessee that is a poor credit risk or an unfamiliar tenant if the lease was assigned. If the lease is rejected, the rejection generally constitutes a breach of the executory contract or unexpired lease immediately before the date of filing the petition. As a consequence, the other party or parties to the lease, such as the borrower, as lessor under a lease, generally would have only an unsecured claim against the debtor for damages resulting from the breach, which could adversely affect the security for the related mortgage loan. In addition, pursuant to Section 502(b)(6) of the Bankruptcy Code, a lessor's damages for lease rejection in respect of future rent installments are limited to the rent reserved by the lease, without acceleration, for the greater of one year or 15 percent, not to exceed three years, of the remaining term of the lease.

If a trustee in bankruptcy on behalf of a lessor, or a lessor as debtor in possession, rejects an unexpired lease of real property, the lessee may treat the lease as terminated by the rejection or, in the alternative, the lessee may remain in possession of the leasehold for the balance of the term and for any renewal or extension of the term that is enforceable by the lessee under applicable non-bankruptcy law. The Bankruptcy Code provides that if a lessee elects to remain in possession after a rejection of a lease, the lessee may offset against rents reserved under the lease for the balance of the term after the date of rejection of the lease, and the related

renewal or extension of the lease, any damages occurring after that date caused by the nonperformance of any obligation of the lessor under the lease after that date.

Pursuant to Section 364 of the Bankruptcy Code, a bankruptcy court may, under certain circumstances, authorize a debtor to obtain credit after the commencement of a bankruptcy case, secured among other things, by senior, equal or junior liens on property that is already subject to a lien. In the bankruptcy case of In re *General Growth Properties*, the debtors initially sought approval of a debtor-in-possession loan to the corporate parent entities guaranteed by the property-level special purpose entities and secured by second liens on their properties. Although the debtor-in-possession loan ultimately did not include these subsidiary guarantees and second liens, there can be no assurance that, in the event of a bankruptcy of the Borrower, the Borrower would not seek approval of a similar debtor-in-possession loan, or that a bankruptcy court would not approve a debtor-in-possession loan that included such subsidiary guarantees and second liens on such subsidiaries' properties.

In a bankruptcy or similar proceeding involving the Borrower, action may be taken seeking the recovery as a preferential transfer of any payments made by the Borrower under the Liberty Bonds Loan or to avoid the granting of the liens in the transaction in the first instance, or any replacement liens that arise by operation of law or the security agreement. Payments on long term debt may be protected from recovery as preferences if they qualify for the "ordinary course" exception under the Bankruptcy Code or if certain of the other defenses in the Bankruptcy Code are applicable. Whether any particular payment would be protected depends upon the facts specific to a particular transaction. In addition, in a bankruptcy or similar proceeding involving the Borrower, an action may be taken to avoid the transaction (or any component of the transaction) as an actual or constructive fraudulent conveyance under state or federal law.

A trustee in a bankruptcy proceeding may in some cases be entitled to collect its costs and expenses in preserving or selling the mortgaged property ahead of payment to the lender. In certain circumstances, a debtor in bankruptcy may have the power to grant liens senior to the lien of a mortgage, and analogous state statutes and general principles of equity may also provide the borrower with means to halt a foreclosure proceeding or sale and to force a restructuring of a mortgage loan on terms a lender would not otherwise accept. Moreover, the laws of certain states also give priority to certain tax liens over the lien of a mortgage or deed of trust. Under the Bankruptcy Code, if the court finds that actions of the mortgagees have been unreasonable, the lien of the related mortgage may be subordinated to the claims of unsecured creditors.

It is likely that any management agreement relating to the Mortgaged Property (such as the Property Management Agreement) constitutes an "executory contract" for purposes of the Bankruptcy Code. Federal bankruptcy law provides generally that rights and obligations under an executory contract of a debtor may not be terminated or modified at any time after the commencement of a case under the Bankruptcy Code solely on the basis of a provision in such contract to such effect or because of certain other similar events. This prohibition on so-called "ipso facto" clauses could limit the ability of the Borrower (or the Collateral Agent as its assignee) to exercise certain contractual remedies with respect to a management agreement relating to the Mortgaged Property. In addition, the Bankruptcy Code provides that a trustee in bankruptcy or debtor-in-possession may, subject to approval of the court, (a) assume an executory contract and (i) retain it or (ii) unless applicable law excuses a party other than the debtor from accepting performance from or rendering performance to an entity other than the debtor, assign it to a third party (notwithstanding any other restrictions or prohibitions on assignment) or (b) reject such contract. In a bankruptcy case of the Property Manager, if the Property Management Agreement was to be assumed, the trustee in bankruptcy on behalf of the Property Manager, or the Property Manager as debtor-in-possession, or the assignee, if applicable, must cure any defaults under such Property Management Agreement, compensate the Borrower for its losses and provide the Borrower with "adequate assurance" of future performance. Such remedies may be insufficient, however, as the Borrower may be forced to continue under a management agreement with a manager that is a poor credit risk or an unfamiliar manager if the management agreement was assigned (if applicable state law does not otherwise prevent such an assignment), and any assurances provided to the Borrower may, in fact, be inadequate. If a management agreement is rejected, such rejection generally constitutes a breach of the

executory contract immediately before the date of the filing of the petition. As a consequence, the Borrower would have only an unsecured claim against the Property Manager for damages resulting from such breach, which could adversely affect the security for the Series 2012 Liberty Bonds.

The Borrower May Not Be Fully Protected From Bankruptcy Proceedings

Although the organizational documents of the Borrower contain provisions designed to mitigate the risk of a bankruptcy filing by the Borrower, this risk cannot be eliminated. For example, the Borrower's organizational documents prohibit the Borrower from (i) engaging in activities other than those which relate to the ownership, operation, management and financing of the Mortgaged Property, (ii) incurring additional indebtedness other than indebtedness permitted under the Loan Documents relating to the activities set forth in clause (i) above, and (iii) creating or allowing any encumbrance on the Mortgaged Property, other than the Mortgage and any other encumbrances permitted under the Loan Agreements. The organizational documents also contain requirements that there be two independent managers whose vote is required before the Borrower files a bankruptcy or insolvency petition or otherwise institutes insolvency proceedings. The independent manager is required to be selected from nationally-recognized companies or service providers who provide independent manager services as part of their business.

Although the requirement of having independent managers is designed to mitigate the risk of a voluntary bankruptcy filing by a solvent Borrower, the independent managers may determine in the exercise of their fiduciary duties to the Borrower that a bankruptcy filing is an appropriate course of action to be taken by the Borrower. Such determination might take into account the interests and financial condition of the Borrower's direct or indirect parents or affiliates in addition to the interests and financial condition of the Borrower, such that the financial distress of the parent entities of the Borrower might increase the likelihood of a bankruptcy filing by the Borrower. In any event, no assurance can be given that the Borrower will not file for bankruptcy protection or that creditors of the Borrower will not initiate a bankruptcy or similar proceeding against the Borrower. For more information regarding the parent entities of the Borrower that may also become the subject of bankruptcy or other insolvency proceedings, see "THE BORROWER" herein.

Renewal, Termination and Expiration of Leases and Reletting Entails Risks That May Adversely Affect an Investment in the Series 2012 Liberty Bonds

Repayment of the Loans will be affected by the expiration of leases and the ability of the Borrower and the Property Manager to renew the leases or to relet the space corresponding to such leases on comparable terms. Certain tenant leases will expire prior to the stated maturity date of the Liberty Bonds Loan if not renewed. For information regarding the expiration dates of leases at the Mortgaged Property, see "DESCRIPTION OF THE FACILITY" herein. The lease expirations shown are based on full lease terms, however, in some instances, the tenant may have the option to terminate its lease prior to the expiration date shown. In addition, in some instances, a tenant may have the right to assign its lease and be released from its obligations under the subject lease. Even if vacated space is successfully relet, the costs associated with reletting, including tenant improvements and leasing commissions, could be substantial and could reduce cash flow from the Mortgaged Property. Also see "CERTAIN RISK FACTORS — Property Value May Be Adversely Affected Even When There is No Change in Net Operating Income" herein.

Certain of the tenant leases at the Mortgaged Property expire, or grant to one or more tenants a lease termination option that is exercisable, at various times prior to the stated maturity date of the Liberty Bonds Loan. No assurance can be given that (1) leases that expire can be renewed, (2) the space covered by leases that expire or are terminated can be re-leased in a timely manner at comparable rents or on comparable terms or (3) the Borrower will have the cash or be able to obtain the financing to fund any required tenant improvements. Income from and the market value of the Mortgaged Property would be adversely affected if vacant space in the Mortgaged Property could not be leased for a significant period of time, if tenants were unable to meet their lease obligations or if, for any other reason, rental payments could not be collected or if one or more tenants ceased operations at the Mortgaged Property. Upon the occurrence of an event of default

by a tenant, delays and costs in enforcing the lessor's rights could occur. A tenant's lease may also be terminated or its terms otherwise adversely affected if a tenant becomes the subject of a bankruptcy proceeding.

Even if vacated space is successfully relet, the costs associated with reletting, including tenant improvements and leasing commissions, could be substantial and could reduce cash flow from the Mortgaged Property.

Because the Mortgaged Property has multiple tenants, re-leasing costs and costs of enforcing remedies against defaulting tenants may be incurred more frequently than in the case of properties with fewer tenants, thereby reducing the cash flow available for debt service payments. These costs may cause the Borrower to default in its other obligations, which could reduce cash flow available for debt service payments. The Mortgaged Property also may experience higher continuing vacancy rates and greater volatility in rental income and expenses.

Even if vacated space is successfully relet, the costs associated with reletting, including tenant improvements and leasing commissions, could be substantial and could reduce cash flow from the Mortgaged Property.

Moody's, as the Largest Major Tenant at the Facility At the Present Time, Has a Disproportionate Impact on Expected Operating Income

Moody's (which is also providing a rating on the Series 2012 Liberty Bonds) is the largest tenant at the Facility, currently occupying 38.7% of the net rentable square feet in the Facility, and is the subject of a space lease that expires on November 30, 2027, which is prior to the final maturity of the Series 2012 Liberty Bonds. Decline in the creditworthiness of Moody's, including the risk of certain bankruptcy events affecting Moody's, may have a materially adverse impact on expected operating income from the Facility. In addition, under its space lease, (i) Moody's has the option, as of November 15, 2017, to terminate its lease as to either one full floor or two full, contiguous floors of its leased space upon satisfaction of certain conditions, including the payment of a certain fee, and (ii) if any electro-magnetic field condition that disrupts Moody's use of any portion its leased premises cannot be cured within 120 days, Moody's has the option to terminate its lease as to the affected portion(s) of its leased space. Upon any such termination, continuation of operating revenues at the Facility at required or expected levels will depend upon prompt replacement of the Moody's lease with one or more space leases in the then-current rental market.

The Performance of the Facility is Dependent on the Property Manager

Income realized from operations at the Mortgaged Property may be affected by management decisions relating to the Mortgaged Property, which in turn may be affected by events or circumstances impacting the Property Manager, its financial condition or results of operation. The day-to-day management of the Mortgaged Property, including leasing and collection functions, is currently performed by Silverstein Properties, Inc., an affiliate of the Borrower. While the Property Manager is experienced in managing office properties, no assurance is given that it will continue to act as Property Manager or that it will manage the Mortgaged Property successfully.

If the Loans are in default or undergoing special servicing, the affiliation of the Property Manager and the Borrower could disrupt the management of the Mortgaged Property, which may adversely affect cash flow. However, the Loans permit the lender to terminate the Property Management Agreement upon the Property Manager becoming insolvent or a debtor in a bankruptcy proceeding or upon a default under the Property Management Agreement (after applicable notice and cure periods).

Attornment Considerations

Some of the leases contain provisions that require the tenant to attorn to (that is, recognize as landlord under the lease) a successor owner of the Mortgaged Property following foreclosure. Some of the leases may be either subordinate to the lien created by the Mortgage or contain a provision that requires the tenant to subordinate the lease, if the mortgagee agrees to enter into a non-disturbance agreement. If the Mortgage is subordinate to a lease, the Master Servicer on behalf of the Indenture Trustee and the Bondholders will not (unless it has otherwise agreed with the tenant) possess the right to dispossess the tenant upon foreclosure of the Mortgaged Property, and if the lease contains provisions inconsistent with the Loan Documents (*e.g.*, provisions relating to application of insurance proceeds or condemnation awards), the provisions of the lease will take precedence over the provisions of the Loan Documents.

Limitation on Obligations of Master Servicer or Collateral Agent to Make Advances

The Master Servicer or the Collateral Agent will not be responsible for advancing (i) any balloon payment or yield maintenance charge with respect to a Loan, (ii) any Default Interest, (iii) amounts required to cure any damages resulting from uninsured causes, any failure of the Mortgaged Property to comply with any applicable law, including any environmental law, or (except in connection with the foreclosure or other acquisition of the Mortgaged Property upon the occurrence of a Mortgage Event of Default) to investigate, test, monitor, contain, clean up, or remedy an environmental condition present at the Mortgaged Property, (iv) any losses arising with respect to defects in the title to the Mortgaged Property, (v) any costs of capital improvements to the Mortgaged Property other than those necessary to prevent an immediate or material loss to the Holders' interest in such Mortgaged Property or (vi) any financing fees and expenses that are not reimbursable by the Borrower. The obligation of the Master Servicer and the Collateral Agent to make Advances are intended to provide liquidity but do not represent insurance with respect to the payment obligations of the Borrower under the Loans or similar credit enhancement.

Nonrecoverable P&I Advances and Appraisal Reductions Could Adversely Affect Payments on the Series 2012 Liberty Bonds

There is no debt service reserve fund for the Series 2012 Liberty Bonds. The Master Servicer is required under the Servicing Agreement to make monthly P&I Advances in amounts equal to the required monthly debt service distribution for the Series 2012 Liberty Bonds, and to reimburse itself for such P&I Advances from the monthly payments made by the Borrower. However, the Master Servicer is not obligated to make any P&I Advance which, if made, would constitute a Nonrecoverable P&I Advance or if an Appraisal Reduction, as described below, shall occur. Therefore, a disruption in cash flow generated by the Facility may lead to a payment default on the Series 2012 Liberty Bonds.

Upon the occurrence of an Appraisal Event, the Special Servicer may be obligated under the Servicing Agreement to obtain a new appraisal of the Facility. If, as a result of such new appraisal, the Special Servicer determines that an Appraisal Reduction Amount exists, the amount of such reduction shall be allocated first to the Outstanding principal balance of the CMBS Debt until such principal amount is reduced to zero and then to the Outstanding principal balance of the Series 2012 Liberty Bonds. The effect of this allocation to the Series 2012 Liberty Bonds, if any, is (i) to allow the Master Servicer to make required P&I Advances only with respect to the reduced principal amount of Series 2012 Liberty Bonds deemed outstanding as a result of such allocation and (ii) to reduce the principal amount of Series 2012 Liberty Bonds which are eligible to propose a vote regarding a potential replacement of the Special Servicer and actually vote on such a proposal.

Risks Related to Ground Leases

The Loans will be collateralized in part by a tenant's leasehold interest. Upon the bankruptcy of a lessor or a lessee under a ground lease, the debtor entity has the right to assume or reject the ground lease. Pursuant to Section 365(h) of the Bankruptcy Code, a ground lessee whose ground lease is rejected by a debtor

ground lessor has the right to remain in possession of its leased premises under the rent reserved in the lease for the remaining term (including renewals) of the ground lease but is not entitled to enforce the obligations of the ground lessor to provide any services required under the ground lease. In the event a ground lessee/borrower in bankruptcy rejects any or all of its ground lease, the leasehold mortgagee would have the right to succeed to the ground lessee/borrower's position under the lease only if the ground lessor had specifically granted the mortgagee such right. The Port Authority will be required to enter into a new lease with the Collateral Agent following delivery by the Port Authority of notice of a foreclosure or exercise of the buy-out option. Pursuant to the Office Tower Ground Lease, the Port Authority has agreed that upon rejection of the ground lease by any trustee in a bankruptcy of the Borrower, the Port Authority will be required to enter, upon a lender's request, into a new ground lease with the leasehold mortgagee. In the event of concurrent bankruptcy proceedings involving the ground lessor (assuming that it is eligible to become a debtor under the Bankruptcy Code) and the ground lessee/Borrower, the mortgage lender may be unable to enforce the bankrupt ground lessee/Borrower's obligation to refuse to treat a ground lease rejected by a bankrupt ground lessor as terminated. In such circumstances, a ground lease could be terminated notwithstanding lender protection provisions contained in such ground lease or in the mortgage. A leasehold mortgagee could lose its security unless the bankruptcy court, as a court of equity, allows the mortgagee to assume the ground lessee's obligations under the ground lease and succeed to the ground lessee's position. Although not directly covered by the 1994 amendment to the Bankruptcy Code, such a result would be consistent with the purposes of those amendments which granted leasehold mortgagees the right to succeed to the position of a leasehold mortgagor. Although consistent with the Bankruptcy Code, such position may not be adopted by a particular bankruptcy court.

Further, in an appellate decision by the United States Court of Appeals for the Seventh Circuit (*Precision Indus. v. Qualitech Steel SBQ, LLC*, 327 F.3d 537 (7th Cir, 2003)), the Seventh Circuit ruled that where a statutory sale of leased property occurs under section 363(f) of the Bankruptcy Code upon the bankruptcy of a landlord, that sale terminates a lessee's possessory interest in the property, and the purchaser assumes title free and clear of any interest, including any leasehold estate. Pursuant to section 363(e) of the Bankruptcy Code, a lessee may request the bankruptcy court to prohibit or condition the statutory sale of the property so as to provide adequate protection of the leasehold interest. However, the court ruled that, at least where a memorandum of lease had not been recorded, this provision does not ensure the lessee's continued possession of the property, but rather entitles the lessee to compensation for the value of its leasehold interest, typically from the proceeds of sale. As a result, no assurance can be given that, in the event of a statutory sale of leased property pursuant to section 363(f) of the Bankruptcy Code, the lessee would be able to maintain possession of the property under the ground lease. In addition, no assurance can be given that a leasehold mortgagor and/or a leasehold mortgagee (to the extent it has standing to intervene) would be able to recover the full value of the leasehold interest in bankruptcy court.

Because of the possible termination of the related ground lease, whether arising from a bankruptcy, the expiration of a lease term or an uncured defect under the related ground lease, lending on a leasehold interest in a real property is riskier than lending on the fee interest in the property.

Office Tower Ground Lease and Reciprocal Easement Agreement Restrict the Use of Mortgaged Property

The terms of the Office Tower Ground Lease and the Reciprocal Easement Agreement restrict the use of the Mortgaged Property. These restrictions may limit the Borrower's ability to convert the Mortgaged Property to an alternative use in the event that the operation of the Mortgaged Property from its original purpose becomes unprofitable for any reason. Under the terms of the Office Tower Ground Lease, the Facility is required to be operated as a first class office building and certain portions of the property may be used for an open-air plaza and/or pedestrian thoroughfares. Without an amendment to the Office Tower Ground Lease, the Borrower will be unable to convert the Mortgaged Property to any use that might be more profitable than the permitted uses described above. Moreover, even if the Ground Lessor consents to an alternate use, such use

may adversely affect the exemption of interest on the Series 2012 Liberty Bonds for federal and state income tax purposes. See "TAX MATTERS" below.

The Appraisal and Property Inspection Assumptions and Conclusions May Not be Correct

At the request and cost of the Borrower, an Appraisal dated July 14, 2011, with a value date of July 1, 2011, included as APPENDIX H, was prepared by Cushman & Wakefield, Inc. with respect to the Facility in connection with the offering of the Series 2012 Liberty Bonds. The Appraisal was prepared in accordance with the Uniform Standards of Professional Appraisal Practice, and in accordance with the Financial Institutions, Reform, Recovery and Enforcement Act of 1989. The property value includes information and assumptions provided by the Borrower and has been based, in part, on estimates and assumptions developed in connection with the Appraisal, which ultimately may not materialize. Actual results will, therefore, vary from such estimates and the variations may be material. The property value is also subject to important assumptions and limiting conditions included in the Appraisal. The Appraisal and concluded value must not be relied on unless the Appraisal is read in its entirety. There is no assurance that the value of the Facility during the term of the Series 2012 Liberty Bonds will equal or exceed its appraised value at the date of the Appraisal. In general, appraisals represent the analysis and opinion of qualified appraisers and are not guarantees of present or future value. One appraiser may reach a different conclusion than the conclusion that would be reached if a different appraiser were appraising the same property. Moreover, appraisals seek to establish the amount a typically motivated buyer would pay a typically motivated seller and, in certain cases, may have taken into consideration the construction cost or purchase price paid by the owner. Such amount could be significantly higher than the amount obtained from the sale of the Facility under a distress or liquidation sale. The information regarding the appraisal value of the Facility is presented in this Official Statement for illustrative purposes only, and is not intended to be a representation as to the present or future market value of the Facility.

Lenders typically conduct inspections of properties which are to serve as collateral in connection with the underwriting of mortgage loans. At the request of the Borrower, a Property Condition Assessment, dated July 11, 2011, attached to this Official Statement as APPENDIX J, was prepared by AEI Consultants, Inc., an independent third-party engineer, in connection with the origination of the Loans. The inspection was performed in order to review easily accessible property components and systems, including architectural, structural, mechanical, plumbing and electrical systems, and to identify significant defects, deficiencies, deferred maintenance and material building code violations associated with the Mortgaged Property. The property condition assessment noted that the Mortgaged Property was in "excellent overall condition". The property condition assessment did not identify any material deferred maintenance or other recommended capital improvements with respect to the Mortgaged Property. There can be no assurance that all conditions requiring repair or replacement have been identified in the inspection.

Litigation May Adversely Affect the Borrower's Ability to Meet its Obligations Under the Loan Documents

There are pending and, from time to time, there may be additional pending or threatened legal proceedings against the Borrower, the Property Manager and their affiliates arising out of the ordinary course of business of the Borrower, the Property Manager and affiliates. Certain of such legal proceedings of a type commonly associated with the ordinary course of operating an office building such as the Mortgaged Property are typically covered by liability insurance maintained by the Borrower. However, not all litigation may be covered by insurance. No assurance can be given that any insurance maintained by the Borrower will be adequate to cover litigation expenses, that litigation will not arise otherwise than from the ordinary course of the Borrower's business, or that any litigation, however arising, will not have a material adverse effect on the Borrower's ability to make its debt service payments or on the value of the Series 2012 Liberty Bonds. Footnote 10 to the audited consolidated financial statements of 7 World Trade Company, L.P., appended hereto in APPENDIX F, describes certain outstanding litigation affecting 7 World Trade Company, L.P.

No assurance can be given that other litigation involving affiliates of the Borrower, the Guarantor or the Property Manager will not arise, or that such litigation would not have an adverse effect on the Mortgaged Property or on the ability of the Borrower, the Guarantor or the Property Manager to perform their respective obligations under the Loan Documents.

The Borrower's Obligations Under the Liberty Bonds Loan May be Transferred to a Third party

Pursuant to the Loan Agreements, the Borrower has the right, subject to satisfaction of certain conditions, to transfer the Mortgaged Property to a qualified transferee that would assume the obligations of the Borrower under the Loans. The value of the Facility may be strongly affected by the management skills, quality and judgment of the transferee. There can be no assurance that the management skills, quality or judgment of any qualified transferee and its equityholders will be equivalent to that of the Borrower and its equityholders and that the value of the Mortgaged Property will be maintained at the same level by any qualified successor borrower.

The Liberty Bonds Loan and the CMBS Loan are Cross-Defaulted

The CMBS Loan and the Liberty Bonds Loan will be jointly collateralized and cross-defaulted. Thus, a default on the CMBS Loan will constitute a default on the Liberty Bonds Loan and, if the CMBS Loan is required to be transferred to the Special Servicer for special servicing, the Liberty Bonds Loan will be transferred for special servicing as well. A default by the Borrower on the CMBS Loan or such additional indebtedness could impair the Borrower's financial condition and result in the bankruptcy or insolvency of the Borrower, which would cause a delay in the foreclosure by the lender on the Mortgaged Property.

Permitted Mezzanine Financing May be Incurred

If no Mortgage Event of Default has occurred and is continuing, upon not less than 30 days' prior written notice to the lender, the Borrower's parent or a newly formed subsidiary of its parent to which will be transferred all equity interest in the Borrower may pledge its direct or indirect equity interests in the Borrower to secure mezzanine debt. Any such permitted mezzanine financing by the Borrower's parent will be subject to certain debt service coverage ratio and loan-to-value ratio tests, as described in "PERMITTED MEZZANINE FINANCING AND REFUNDING LIBERTY BONDS—Permitted Mezzanine Financing" above and delivery of a No Downgrade Confirmation from the Rating Agencies.

Mezzanine debt is debt that is incurred by the owner of direct or indirect equity in one or more borrowers and is secured by a pledge of the equity ownership interests in such borrowers. Because mezzanine debt is secured by the obligor's direct or indirect equity interest in the related borrowers, such financing effectively reduces the obligor's economic stake in the related mortgaged property. The existence of mezzanine debt may increase the likelihood that the owner of the Borrower will permit the value or income producing potential of the Mortgaged Property to fall and may create slightly greater risk that the Borrower will default on the Loans.

Generally, upon default under mezzanine debt, the holder of such mezzanine debt would be entitled to foreclose upon the direct or indirect equity in the Borrower which has been pledged to secure payment of such mezzanine debt, provided that foreclosure is not stayed by the commencement of a bankruptcy proceeding against the mezzanine borrowers. Although such transfer of equity would not trigger the due-on-sale clauses under the Loans, it could cause the obligor under such mezzanine debt to file for bankruptcy, which could negatively affect the operation of the Mortgaged Property and the Borrower's ability to make payments on the Loans in a timely manner. The holder of such mezzanine debt may have certain rights to consent to certain amendments to the Loan Documents and to cure events of default under the Loans. In addition, the holder of the mezzanine debt may have certain approval rights over certain leases or the Borrower's annual operating budgets subject to the rights of the mortgagee or consultation rights in respect of actions taken by the

mortgagee at the Mortgaged Property. The exercise of these rights may cause the delay or the failure of such actions to be taken and thus adversely impact the Mortgaged Property.

Tax and Other Restrictions as a Result of the Series 2012 Liberty Bonds and Other Considerations May Limit the Ability to Modify the Loans

The Servicing Agreement will generally prohibit the Master Servicer and the Special Servicer from modifying, waiving or amending any term of the Liberty Bonds Loan if such action would adversely affect the exclusion of interest on the Series 2012 Liberty Bonds from gross income for federal income tax purposes, and will generally require that an opinion of Bond Counsel be delivered to the effect that no such adverse effect would result from any action or failure to take any action contemplated in the Servicing Agreement. Since the tax-exempt status of the Series 2012 Liberty Bonds could be jeopardized by any modification to the Liberty Bonds Loan that defers interest to a material extent (generally, a deferral of interest more than five years beyond the original due date of the first interest payment that is deferred), this opinion requirement could limit the ability of the Special Servicer to modify the Loans after a Mortgage Event of Default.

These restrictions could adversely affect the Special Servicer's ability to successfully work-out the Loans, or otherwise return the Loans to performing status, if a Mortgaged Event of Default occurs, which could adversely affect the value or performance of the Series 2012 Liberty Bonds.

Possibility of Modifications to the Liberty Bonds Loan Agreement and the Series 2012 Liberty Bonds Debt Service Obligations

If a Mortgage Event of Default under the Liberty Bonds Loan Agreement has occurred and is continuing or is reasonably foreseeable, the Special Servicer may act pursuant to the conditions of the Servicing Agreement to modify amounts of principal of and interest payable on the Liberty Bonds Loan. Upon any such modification, the Indenture Trustee is required to modify the amounts of principal (including Sinking Fund Installments) of and interest on the Series 2012 Liberty Bonds to the extent necessary to reflect the terms of the modified Liberty Bonds Loan. No such modification of the Series 2012 Liberty Bonds may extinguish the ultimate liability for payment of the full principal of, and interest on, the Series 2012 Liberty Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 LIBERTY BONDS" herein. The likelihood of the Special Servicer taking any such action cannot be predicted. Any such modification of amounts due on particular Bond Payment Dates for the Series 2012 Liberty Bonds will affect the expectations of investors in the Series 2012 Liberty Bonds as to ongoing payments of scheduled debt service on the Series 2012 Liberty Bonds.

Realized Losses Allocated to the Liberty Bonds Loan Will Reduce Voting Rights of Bondholders to Replace Special Servicer

The aggregate permanent reductions (*i.e.*, Realized Losses) of the principal balance of either the Liberty Bonds Loan or the CMBS Loan as the result of bankruptcy proceedings, modifications or otherwise, will be allocated to the CMBS Loan for purposes of calculating the principal amount of CMBS Debt eligible to vote in connection with any proposed replacement of the Special Servicer before any such losses are allocated to the Liberty Bonds Loan for such purposes.

The Differing Class Priority of the Series 2012 Liberty Bonds Will Affect the Right to Payment of Bondholders of Class 2 and Class 3

Bondholders of the Class 1, Series 2012 Liberty Bonds will receive payments of principal, Sinking Fund Installments and interest prior to Bondholders of the Class 2, Series 2012 Liberty Bonds and of the Class 3, Series 2012 Liberty Bonds, and Bondholders of the Class 2, Series 2012 Liberty Bonds will receive payments of principal, Sinking Fund Installments and interest prior to Bondholders of the Class 3, Series 2012 Liberty Bonds. Therefore, any shortfalls in moneys available to make principal, Sinking Fund Installments

and interest payments on the Series 2012 Liberty Bonds will be realized first by the Class 3, Series 2012 Liberty Bondholders, then by the Class 2, Series 2012 Liberty Bondholders and finally by the Class 1, Series 2012 Liberty Bondholders.

Unscheduled Principal Payments Could Adversely Affect the Yield and Weighted Average Life of the Series 2012 Liberty Bonds

The yield to maturity on the Series 2012 Liberty Bonds will be sensitive to, among other things, the rate, timing and amount of principal payments (including partial prepayment, prepayment in whole, and unscheduled collections of principal due to casualty, condemnation, default and liquidation) on, and payments in connection with a repurchase of the Liberty Bonds Loan (in whole or part), including a repurchase by the Ground Lessor under the Office Tower Ground Lease. No representation is made as to the anticipated rate, timing or amount of payments (including partial prepayment, prepayment in whole, and unscheduled collections of principal due to casualty, condemnation, default and liquidation) on the Liberty Bonds Loan (in whole or part) or as to the anticipated yield to maturity of any Series 2012 Liberty Bond.

The Borrower will not be allowed to voluntarily prepay the Liberty Bonds Loan until after March 15, 2022. After March 15, 2022, the Borrower will be permitted to prepay the Liberty Bonds Loan in whole or in part without payment of any prepayment premium or yield maintenance charge. Any prepayments of the Liberty Bonds Loan will reduce the principal balance of the Liberty Bonds Loan until the unpaid principal balance of the Liberty Bonds Loan is reduced to zero as described in "DESCRIPTION OF THE LIBERTY BONDS LOAN AGREEMENT AND THE CMBS LOAN AGREEMENT — Prepayment". Any such prepayments of the Liberty Bonds Loan will be allocated to the Series 2012 Liberty Bonds until the principal balance of the Series 2012 Liberty Bonds has been reduced to zero. See "DESCRIPTION OF THE SERIES 2012 LIBERTY BONDS".

Casualty and condemnation proceeds applied toward prepayment of the Loans (rather than restoration of the Mortgaged Property) will be applied first to the Liberty Bonds Loan as described under "DESCRIPTION OF THE SERVICING AGREEMENT — Application of Payments Prior to a Liquidation", and "— Application of Payments After a Liquidation", and any such amounts applied to the Liberty Bonds Loan will be required to be applied to the Series 2012 Liberty Bonds until the unpaid principal balance of the Series 2012 Liberty Bonds has been reduced to zero as described in "DESCRIPTION OF THE LIBERTY BONDS LOAN AGREEMENT AND THE CMBS LOAN AGREEMENT — Prepayment". See also "DESCRIPTION OF THE SERIES 2012 LIBERTY BONDS".

Principal payments (including unscheduled payments) applied towards the Liberty Bonds Loan will tend to shorten the weighted average lives of the Series 2012 Liberty Bonds. Depending on the ability and the length of time needed to exercise remedies, as well as the Special Servicer's selection of remedies, a default on either or both of the Loans may lengthen the weighted average lives of the Series 2012 Liberty Bonds. Since any principal payments on the Liberty Bonds Loan will be applied to reduce the Principal Balance of the Series 2012 Liberty Bonds unless such amounts are used to reimburse the Collateral Agent, the Master Servicer, the Special Servicer, the Indenture Trustee, the Operating Advisor or the CMBS Trustee for expenses or other costs in the manner described under "DESCRIPTION OF THE SERVICING AGREEMENT", the amount of principal payments on the Liberty Bonds Loan and the timing of their receipt will affect the weighted average lives of the Series 2012 Liberty Bonds.

Any changes in the weighted average life of the Series 2012 Liberty Bonds may adversely affect the yield to holders of such Series 2012 Liberty Bonds. Prepayments resulting in a shortening of such weighted average life may be made at a time of low interest rates when a holder of Series 2012 Liberty Bonds may be unable to reinvest the resulting payments of principal on its Series 2012 Liberty Bonds at a rate comparable to the rate borne by such Series 2012 Liberty Bonds. Delays and extensions resulting in a lengthening of such weighted average life may occur at a time of high interest rates when a holder of Series 2012 Liberty Bonds

may have been able to reinvest at higher rates principal distributions that would otherwise have been received by it.

In general, if a Series 2012 Liberty Bond is purchased at a premium and principal distributions on that Series 2012 Liberty Bond occur at a rate faster than anticipated at the time of purchase, the purchaser's actual yield to maturity may be lower than that assumed at the time of purchase. Similarly, if a Series 2012 Liberty Bond is purchased at a discount and principal distributions on that Series 2012 Liberty Bond occur at a rate slower than that assumed at the time of purchase, the purchaser's actual yield to maturity may be lower than assumed at the time of purchase.

The investment performance of the Series 2012 Liberty Bonds may vary materially and adversely from the investment expectations of purchasers due to rates of partial prepayment, prepayment in whole or defaults and/or severity of losses on the Liberty Bonds Loan that are higher or lower than anticipated by purchasers. The actual yield to the holder of a Series 2012 Liberty Bonds may not be equal to the yield anticipated at the time of purchase of the Series 2012 Liberty Bond or, notwithstanding that the actual yield is equal to the yield anticipated at that time, the expected weighted average life of the Series 2012 Liberty Bond may not be realized. In deciding whether to purchase any Series 2012 Liberty Bonds, an investor should make an independent decision as to the appropriate prepayment, default and other assumptions to be used.

Borrower Defaults Could Adversely Affect Yield to Maturity

The aggregate amount of distributions and the yield on the Series 2012 Liberty Bonds as well as the weighted average lives of the Series 2012 Liberty Bonds will also be affected by the rate and the timing of delinquencies and defaults on the Liberty Bonds Loan. If a purchaser of a Series 2012 Liberty Bond calculates its anticipated yield based on an assumed rate of default and amount of losses on the Liberty Bonds Loan that is lower than the default rate and amount of losses actually experienced and such losses are allocable to the Series 2012 Liberty Bonds, such purchaser's actual yield to maturity will be lower than that so calculated and could, under certain scenarios, be negative. The timing of any loss upon liquidation of the Mortgaged Property will also affect the actual yield to maturity of the Series 2012 Liberty Bonds to which all or a portion of such loss is allocable, even if the rate of default and severity of loss are consistent with a purchaser's expectations. In general, the earlier a loss borne by a purchaser occurs, the greater is the effect on such purchaser's yield to maturity.

Regardless of whether a loss ultimately results, delinquency on the Liberty Bonds Loan may significantly delay the receipt of payments by the holder of a Series 2012 Liberty Bond, to the extent that P&I Advances do not fully offset the effects of any such delinquency.

Interest on the Series 2012 Liberty Bonds May Become Subject to Federal Income Tax in the Future

The continued exclusion of the interest on the Series 2012 Liberty Bonds from gross income for federal income tax purposes may be lost if certain events occur subsequent to the date of issuance of the Series 2012 Liberty Bonds that violate the requirements and limitations prescribed by the Code. Although the Borrower has agreed not to violate the requirements and limitations of the Code, there can be no assurance that these events will not occur, nor that the Borrower can, through its efforts, control the occurrence of any such event. If certain requirements are violated, the interest on the Series 2012 Liberty Bonds may be deemed to be taxable from the date of issuance, and in such event, the Indenture does not provide for either the mandatory redemption of the Series 2012 Liberty Bonds or an increase in the interest rate on the Series 2012 Liberty Bonds.

The Servicing Agreement generally prohibits the Master Servicer and the Special Servicer from modifying, waiving or amending any term of the Liberty Bonds Loan if such action would adversely affect the exclusion of interest on the Series 2012 Liberty Bonds from gross income for federal income tax purposes, and generally requires that an Opinion of Bond Counsel be delivered to the effect that no such adverse effect would

result from the action or failure to take action contemplated in the Servicing Agreement. However, pursuant to the Indenture, the requirement of an Opinion of Bond Counsel can be waived by the Indenture Trustee if so directed by Bondholders of over 66⅔% in aggregate principal amount of the then Outstanding Series 2012 Liberty Bonds.

Rating Agencies Have not Rated the Timely Payment of Principal on the Respective Principal Payment Dates

As stated under "RATINGS", the ratings on the Series 2012 Liberty Bonds address the likelihood of the receipt by the owners of the Series 2012 Liberty Bonds of full and timely payment of interest on the Series 2012 Liberty Bonds on each Interest Payment Date and the ultimate payment of the full Outstanding principal amount of serial bonds and term bonds (including Sinking Fund Installments) of the Series 2012 Liberty Bonds on a date which is not later than the Rated Final Date (the Rated Final Date for the Series 2012 Liberty Bonds is the Distribution Date in March, 2051, approximately seven (7) years following the final stated maturity of the Series 2012 Liberty Bonds). ***As further stated under "RATINGS", the ratings on the Series 2012 Liberty Bonds do not address the likelihood of the receipt by the owners of the Series 2012 Liberty Bonds of full and timely payment of Outstanding principal or Sinking Fund Installments on the Series 2012 Liberty Bonds on each principal payment date or Sinking Fund Installment payment date therefor.***

Bondholders Should Not Rely on the Current Ratings by the Rating Agencies, Nor Upon No Downgrade Confirmations for Certain Actions

The ratings to be assigned by the Rating Agencies to the Series 2012 Liberty Bonds are based on each Rating Agency's analysis, but reflect only the current views of such Rating Agency. Future events could have an adverse impact on the ratings of the Series 2012 Liberty Bonds, and there is no assurance that any such rating will continue for any period of time or that it will not be qualified, downgraded, suspended or withdrawn entirely by the assigning Rating Agency if, in its judgment, circumstances so warrant. Nor can there be any assurance given that the criteria required to achieve any particular rating will not change during the period that the Series 2012 Liberty Bonds remain Outstanding. There is no obligation of the Borrower or any of its affiliates to maintain any particular rating, and a qualification, downgrade, suspension or withdrawal of a rating on the Series 2012 Liberty Bonds may have an adverse effect on the liquidity and market price thereof. A rating is not a recommendation to buy, sell or hold securities. In the event the ratings assigned by the Rating Agencies to the Series 2012 Liberty Bonds shall be suspended or withdrawn, those actions under the Liberty Bonds Loan Documents which require a No Downgrade Confirmation, as the case may be, from the Rating Agencies may not be undertaken until an effective rating is again obtained from the Rating Agencies.

The Indenture, the Servicing Agreement and the Liberty Bonds Loan Agreement each provides that the Borrower, the Indenture Trustee and the Servicers may undertake various actions based upon receipt by the Indenture Trustee or the Servicers of a No Downgrade Confirmation or other standard of rating criteria, as applicable. To the extent such actions are taken after issuance of the Series 2012 Liberty Bonds, investors in the Series 2012 Liberty Bonds will be relying on the evaluation by the Rating Agencies of such actions and their impact on credit quality. Currently the Rating Agencies rating the Series 2012 Liberty Bonds are Moody's and Fitch.

The Borrower has not requested a rating of the Series 2012 Liberty Bonds from any nationally recognized statistical rating organization ("NRSRO") other than the Rating Agencies. There is no assurance given as to whether another NRSRO will rate the Series 2012 Liberty Bonds, or if such other NRSRO were to rate the Series 2012 Liberty Bonds, what rating would be assigned by such other NRSRO. Additionally, other NRSROs that have not been engaged to rate the Series 2012 Liberty Bonds may nevertheless issue unsolicited credit ratings on the Series 2012 Liberty Bonds, relying on information such other NRSROs receive pursuant to Rule 17g-5 under the Securities Exchange Act of 1934, as amended. If any such unsolicited ratings are issued, there is no assurance given that they will not be different from those ratings assigned by Moody's or Fitch. The issuance of unsolicited ratings on the Series 2012 Liberty Bonds that are different from the ratings

assigned by Moody's or Fitch may impact the liquidity, market value and regulatory characteristics of the Series 2012 Liberty Bonds. As part of the process of obtaining ratings for the Series 2012 Liberty Bonds, the Borrower had initial discussions with and submitted certain materials to certain NRSROs other than Moody's and Fitch. Based on preliminary feedback from those NRSROs at that time, the Borrower selected Moody's and Fitch to rate the Series 2012 Liberty Bonds and not such other NRSROs. Had the Borrower selected such other NRSROs to rate the Series 2012 Liberty Bonds, no assurance can be given as to the ratings that such other NRSROs would ultimately have assigned to the Series 2012 Liberty Bonds. Although unsolicited ratings may be issued by any NRSRO, an NRSRO might be more likely to issue an unsolicited rating if it was not selected after having provided preliminary feedback to the Borrower.

Neither the Borrower nor any other person or entity will have any duty to notify investors in the Series 2012 Liberty Bonds if any such other NRSRO issues, or delivers notice of its intention to issue, unsolicited ratings on the Series 2012 Liberty Bonds after the date of this Official Statement. In no event will No Downgrade Confirmations from any such other NRSRO be a condition to any action, or the exercise of any right, power or privilege by any person or entity under the Servicing Agreement.

Furthermore, the SEC may determine that either or both of Moody's or Fitch no longer qualifies as an NRSRO, or is no longer qualified to rate the Series 2012 Liberty Bonds, and that determination may also have an adverse effect on the liquidity, market value and regulatory characteristics of the Series 2012 Liberty Bonds.

In addition to rating the Series 2012 Liberty Bonds, Moody's is also the largest tenant at the Facility, occupying approximately 38.7% of the net rentable area of the Facility. These multiple roles of Moody's may pose certain potential conflicts of interest that should be considered when potential investors evaluate the information in this Official Statement.

"No Downgrade Confirmations" May Be Considered to Not Apply

Several provisions in the Loan Documents, the Indenture and the Servicing Agreement require that, prior to certain actions being taken, the Person proposing to take the actions must obtain a No Downgrade Confirmation. However, "No Downgrade Confirmation," as so defined, allows any Rating Agency asked for a No Downgrade Confirmation to waive the requirement (or not respond to a request for a No Downgrade Confirmation), with such waiver (or such inaction) being, under the Loan Documents, considered not to apply with respect to such Rating Agency (as if such requirement did not exist); provided, that the requirement for a No Downgrade Confirmation prior to the incurrence of Permitted Mezzanine Financing cannot be the subject of any No Downgrade Confirmation that was considered not to apply. There can be no assurance that any action proposed to be taken as to which a No Downgrade Confirmation is required will in fact be reviewed by a Rating Agency and evaluated for its impact on the then current ratings on the Series 2012 Liberty Bonds with the result (other than with respect to the incurrence of Permitted Mezzanine Financing) that the No Downgrade Confirmation was considered not to apply.

Combination or "Layering" of Multiple Risks May Significantly Increase Risk of Loss

Although the various risks discussed in this Official Statement are generally described separately, prospective investors of the Series 2012 Liberty Bonds should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased.

Acceleration of Maturity of the Series 2012 Liberty Bonds May Result from Events of Default under the Indenture

If an Event of Default occurs under the Indenture, the Special Servicer may accelerate the maturity of all Series 2012 Liberty Bonds Outstanding and interest will cease to accrue on the date of acceleration,

notwithstanding the fact that the Bondholders may not receive notice of such acceleration until after such date. In addition, no premium will be received upon an acceleration of the Series 2012 Liberty Bonds due to an Event of Default.

There May Be No Ability to Pay Series 2012 Liberty Bonds Upon Acceleration

The Series 2012 Liberty Bonds may be subject to acceleration of principal as a default remedy upon the occurrence of an Event of Default under the Indenture. No debt service reserve funds have been established under the Indenture that would be available for the payment of such amounts. The availability of sufficient funds for the payment of any such acceleration of principal will most likely depend upon the level of gross revenues from operations at the Facility derived from operations at the Facility prior to the date of any such acceleration and/or the receipt of proceeds of foreclosure under the Mortgage and the corresponding value of the Facility realized upon disposition. It is possible that events causing any such acceleration of principal of the Series 2012 Liberty Bonds reflect deficiencies in operation of the Facility and, in such event, revenues assigned by the Borrower to the Collateral Agent and available to fund any such acceleration are likely not to be sufficient in amount therefor. In addition, successful foreclosure under the Mortgage and receipt of foreclosure proceeds in an amount at least sufficient to pay all of the Series 2012 Liberty Bonds may depend fundamentally on whether foreclosure is an available remedy (which it would not be if the Office Tower Ground Lease were terminated at such time), and any such deficiencies in operations at the Facility would also indicate that foreclosure proceeds, if foreclosure of the Mortgage were an available remedy, would likely be insufficient for the payment of the Series 2012 Liberty Bonds.

Tender of the Series 2012 Liberty Bonds may be Required Upon Acquisition of the Liberty Bonds Loan by the Ground Lessor or the Owners of the Permitted Mezzanine Financing

Owners of the Series 2012 Liberty Bonds will be required to tender their Series 2012 Liberty Bonds for purchase, and receive payment of the Purchase Price thereof equal to the outstanding principal balance plus all accrued and unpaid interest on the Series 2012 Liberty Bonds to the date of purchase, in two circumstances governed by the Office Tower Ground Lease and the Servicing Agreement: (1) in the event the Special Servicer determines that a foreclosure action is to be taken with respect to the Mortgaged Property, the Special Servicer must provide notice thereof to the Ground Lessor and the Ground Lessor is authorized to purchase the Series 2012 Liberty Bonds for the Purchase Price, and (2) on any date following March 15, 2022 that the Series 2012 Liberty Bonds become Defaulted Obligations, the holders of Permitted Mezzanine Financing may purchase the Liberty Bonds Loan for the Purchase Price; provided, that the purchase option described in clause (2) may not be exercised at any time that the Ground Lessor has the right to exercise its option under the Office Tower Ground Lease to purchase the Series 2012 Liberty Bonds as described in clause (1). Proceeds of the Purchase Price will in all cases be deposited in the Master Account and applied, at the direction of the Special Servicer to the mandatory tender and purchase of the Series 2012 Liberty Bonds.

Lack of Financial Information with Respect to the Guarantor and Transfer to a Different Guarantor

The continued leadership of operations at the Facility, and the viability of the personal Joinders, in each case provided by Larry A. Silverstein, will depend in large part on the financial condition of Larry A. Silverstein. The Guarantor has represented that no public records are available with respect to his financial condition, and no person has been permitted by the Guarantor to inquire of, and receive additional information or verifications from, the Guarantor or his employees or agents with respect to his financial condition. In addition, the Liberty Bonds Joinder allows for the transfer of obligations thereunder to another Guarantor. Mr. Silverstein is 80 years old as of the date of this Official Statement. Upon his death, obligations of the Guarantor under the Liberty Bonds Joinder will transfer to his estate and will need to be resolved in accordance with the settlement of his estate. No assurance is given that Mr. Silverstein (or his estate in the event of his death) will have a sufficient financial condition to support his obligations under the Liberty Bonds Joinder or in connection with operations at the Facility.

Certain Potential Conflicts of Interest

Affiliates of entities owned or controlled by the Guarantor, including members of the Borrower, currently own, lease and manage, and in the future may develop or acquire, additional properties and lease space in other properties in the same market areas where the Facility is located. Entities controlled by the Guarantor and certain investors ground lease the World Trade Center site (the "WTC Site") directly to the south of the Facility site. The WTC Site will contain significant amounts of office space which could compete for leasing with the space at the Facility. The Property Manager also manages and may in the future manage competing properties on behalf of certain affiliates of the Borrower and other third parties. Such other properties, similar to other third-party owned real estate, may compete with the Mortgaged Property for existing and potential tenants. None of the Borrower, the Property Manager, nor any of the affiliates or employees of the Borrower or the Property Manager will have any duty to favor the leasing of space in the Mortgaged Property over the leasing of space in other properties, one or more of which may be adjacent to, or near the Mortgaged Property. No assurance can be given that the activities of any entity owned or controlled by the Guarantor and/or the Property Manager and its affiliates with respect to such other properties will not adversely impact the performance of the Mortgaged Property.

Potential Conflicts of Interest of the Underwriters and Their Affiliates

The activities and interests of the Underwriters and their affiliates (collectively, the "Underwriter Entities") may not align with, and may in fact be directly contrary to, those of owners of the Series 2012 Liberty Bonds. The Underwriter Entities are part of global banking, investment banking, securities and investment management firms that provide a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. The Underwriter Entities' activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. The securities and instruments in which the Underwriter Entities take positions, or expect to take positions, include loans similar to the Loans, securities and instruments similar to the Series 2012 Liberty Bonds and the CMBS Certificates and other securities and instruments. Market making is an activity where the Underwriter Entities buy and sell on behalf of customers, or for their own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, it should be expected that the Underwriter Entities will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the Series 2012 Liberty Bonds.

As a result of the Underwriter Entities' various financial market activities, including acting as a research provider, investment advisor, market maker or principal investor, it should be expected that personnel in various businesses throughout the Underwriter Entities will have and express research or investment views and make recommendations that are inconsistent with, or adverse to, the objectives of investors in the Series 2012 Liberty Bonds.

If any of the Underwriter Entities becomes a holder of any of the Series 2012 Liberty Bonds, through market-making activity or otherwise, any actions that they take in their capacity as an owner of Series 2012 Liberty Bonds, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other holders of the Series 2012 Liberty Bonds. To the extent an Underwriter Entity makes a market in the Series 2012 Liberty Bonds (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Series 2012 Liberty Bonds. The price at which an Underwriter Entity may be willing to purchase Series 2012 Liberty Bonds, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Series 2012 Liberty Bonds and significantly lower than the price at which it may be willing to sell Series 2012 Liberty Bonds.

In addition, the Underwriter Entities will have no obligation to monitor the performance of the Series 2012 Liberty Bonds or the actions of the Master Servicer, the Special Servicer or the Indenture Trustee and will have no authority to advise the Master Servicer, the Special Servicer or the Indenture Trustee or to direct their actions.

Furthermore, the Underwriter Entities expect that a completed offering will enhance their ability to assist clients and counterparties in the transaction or in related transactions (including assisting clients in additional purchases and sales of the Series 2012 Liberty Bonds and hedging transactions). The Underwriter Entities expect to derive fees and other revenues from these transactions. In addition, participating in a successful offering and providing related services to clients may enhance the Underwriter Entities' relationships with various parties, facilitate additional business development, and enable them to obtain additional business and generate additional revenue.

In addition, the Underwriter Entities may have ongoing relationships with, render services to, and engage in transactions with the Borrower, the Guarantor and his affiliates, which relationships and transactions may create conflicts of interest between the Underwriter Entities, on the one hand, and the owners of the Series 2012 Liberty Bonds, on the other hand. Each of the foregoing relationships should be considered carefully by potential purchasers before an investment is made in any Series 2012 Liberty Bonds.

Potential Conflicts of Interest of the Master Servicer and the Special Servicer

The Servicing Agreement will provide that the Loans are required to be administered in accordance with the Servicing Standard without regard to ownership of any Series 2012 Liberty Bond or any CMBS Certificate by the Master Servicer or Special Servicer or any of their respective affiliates.

Notwithstanding the foregoing, the Master Servicer, the Special Servicer or any of their respective affiliates may have interests when dealing with the Loans that are in conflict with those of holders of the Series 2012 Liberty Bonds, especially if the Master Servicer, the Special Servicer or any of their respective affiliates holds Series 2012 Liberty Bonds, or has financial interests in or other financial dealings with the Borrower. Each of these relationships may create a conflict of interest.

Each of the Master Servicer and the Special Servicer services and is expected to continue to service, in the ordinary course of its business, existing and new mortgage loans for third parties, including portfolios of mortgage loans similar to the Loans. The real properties securing these other mortgage loans may be in the same market as, and compete with, the Mortgaged Property securing the Loans. Consequently, personnel of the Master Servicer or Special Servicer, as applicable, may perform services with respect to the Loans at the same time as they are performing services on behalf of other persons with respect to other mortgage loans secured by properties that compete with the Mortgaged Property. This may pose inherent conflicts for the Master Servicer or the Special Servicer.

In addition, the Master Servicer and the Special Servicer, as applicable, may service and/or administer other mortgaged-backed loans, and accordingly, may have interests that conflict with the interests of the Bondholders. The Servicing Agreement requires that the Liberty Bonds Loan be administered in accordance with the Servicing Standard.

Potential Conflicts of Interest of the CMBS Certificates

The ownership of the CMBS Certificates could create conflicts of interest between the holders of Series 2012 Liberty Bonds on the one hand and the holders of CMBS Certificates on the other. Pursuant to the terms of the Servicing Agreement, the Operating Advisor has certain consultation rights with respect to actions taken by the Special Servicer with respect to the Loans and the Mortgaged Property. It is possible that the Operating Advisor could recommend that the Special Servicer take actions that are adverse to the interest of

the holders of the Series 2012 Liberty Bonds, although the Special Servicer would not be bound by any recommendations made by the Operating Advisor.

Potential Conflicts of Interest of the Operating Advisor

Pentalpha Surveillance LLC has been appointed the Operating Advisor. The Operating Advisor will be required to consult with the Master Servicer and Special Servicer with respect to certain actions. In the normal course of conducting its business, Pentalpha Surveillance LLC and its affiliates have rendered services to, performed surveillance of, and negotiated with, numerous parties engaged in activities related to structured finance. These parties may have included the Master Servicer, the Special Servicer, the Collateral Agent, the CMBS Trustee or the Indenture Trustee. These relationships may continue in the future. Each of these relationships may involve a conflict of interest with respect to Pentalpha Surveillance LLC's duties as Operating Advisor. There can be no assurance that the existence of these relationships and other relationships in the future will not impact the manner in which the Operating Advisor performs its duties under the Servicing Agreement.

Pentalpha Surveillance LLC is prohibited from making an investment in any of the Series 2012 Liberty Bonds or CMBS Certificates. However, such prohibition will not be construed to have been violated (i) in connection with riskless principal transactions effected by a broker-dealer affiliate or (ii) pursuant to investments by an affiliate if the Operating Advisor and the affiliate maintain policies and procedures designed to segregate personnel involved in the activities of the Operating Advisor under the Servicing Agreement from personnel involved in the affiliate's investment activities and to prevent the affiliate and its personnel from gaining access to information regarding the Indenture or the CMBS Trust and the Operating Advisor and its personnel from gaining access to the affiliate's information regarding its investment activities.

Failure to pay Mortgage Recording Tax

The Borrower will only be paying mortgage recording tax with respect to $100,290,000 of the amount secured by the Mortgage and is relying on the payment of mortgage recording tax in connection with certain prior financing transactions with respect to the balance of the amount secured by the Mortgage. In the event the appropriate New York taxing authority determines that a mortgage recording tax should have been paid upon the full amount secured by the Mortgage (which tax, calculated based upon applicable law and regulations in effect on the Closing Date, would have been $16,108,120), the Mortgage and the obligation secured by the Mortgage may not be enforceable until the tax (together with a statutory interest surcharge accrued on the unpaid mortgage recording tax equal to 1/2 of 1% per month from the recording date until payment of the tax) is paid. The title insurance company has, however, specifically endorsed the title insurance policy to cover this risk.

A Market May Not Develop for the Series 2012 Liberty Bonds

There can be no assurance that there will be a secondary market for the purchase or sale of the Series 2012 Liberty Bonds. Moreover, if a secondary market does develop, there can be no assurance that it will provide Bondholders with liquidity of investment or that it will continue for the life of the Series 2012 Liberty Bonds. Lack of liquidity could result in a drop in the market value of the Series 2012 Liberty Bonds. In addition, the market value of such Series 2012 Liberty Bonds at any time may be affected by many factors, including then prevailing interest rates, and no representation can be made as to the market value of any Series 2012 Liberty Bonds at any time.

The market value of the Series 2012 Liberty Bonds can decline even if the Liberty Bonds Loan is performing at or above expectations and/or the initial ratings of the Series 2012 Liberty Bonds are maintained. The market value of the Series 2012 Liberty Bonds will be sensitive to fluctuations in current interest rates. However, a change in the market value of the Series 2012 Liberty Bonds as a result of an upward or downward

movement in current interest rates may not equal the change in the market value of the Series 2012 Liberty Bonds as a result of an equal but opposite movement in interest rates.

The market value of the Series 2012 Liberty Bonds will also be influenced by the supply of and demand for bonds secured by commercial mortgage loans generally. The supply of bonds secured by commercial mortgage loans will depend on, among other things, the amount of commercial mortgage loans, whether newly originated or held in portfolio, that are available for securitization. A number of factors will affect investors' demand for bonds secured by commercial mortgage loans, including:

- the availability of alternative investments that offer higher yields or are perceived as being a better credit risk, having a less volatile market value or being more liquid;
- legal and other restrictions that prohibit a particular entity from investing in such bonds or limit the amount or types of such bonds that it may acquire;
- investors' perceptions regarding the commercial real estate markets, which may be adversely affected by, among other things, a decline in real estate values or an increase in defaults and foreclosures on mortgage loans secured by income producing properties; and
- investors' perceptions regarding the capital markets in general, which may be adversely affected by political, social and economic events completely unrelated to the commercial and multifamily real estate markets.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Series 2012 Liberty Bonds for interest on the Series 2012 Liberty Bonds to be and remain not includable in gross income of the owners thereof under Section 103 of the Code. Included among the continuing requirements of the Code are certain restrictions and prohibitions on the use of bond proceeds and the use of the Facility, restrictions on the investment of such proceeds and other amounts, and the rebate to the United States of certain earnings in respect of investments. Failure to comply with these continuing requirements may cause the interest on the Series 2012 Liberty Bonds to be includable in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs. In such event, no provision has been made to redeem the Series 2012 Liberty Bonds, to increase the interest rate on the Series 2012 Liberty Bonds, or to indemnify Bondholders for resulting costs and losses (*e.g.*, tax deficiencies, interest and penalties, loss of market value of Series 2012 Liberty Bonds, etc.). See "*Interest on the Series 2012 Liberty Bonds May Become Subject to Federal Income Tax in the Future*" under "CERTAIN RISK FACTORS". In the Indenture, the Liberty Bonds Loan Agreement, the Tax Certificate as to Arbitrage and the Provisions of Sections 103, 141-150 and 1400L(d) of the Internal Revenue Code of 1986 of the Issuer and the Borrower, and accompanying documents, exhibits, and certificates, the Issuer and the Borrower have covenanted to comply with certain procedures, and they have made certain representations and certifications, designed to assure compliance with the requirements of the Code.

In the opinion of Winston & Strawn LLP, New York, New York, Bond Counsel, assuming continuing compliance by the Issuer and the Borrower (and their successors) with the covenants, and the accuracy of the representations discussed above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2012 Liberty Bonds is not includable in gross income for federal income tax purposes; except that no opinion is expressed as to the non-inclusion of interest on any Series 2012 Liberty Bond in gross income for federal income tax purposes during the period that such Series 2012 Liberty Bond is held by a "substantial user" of the facilities refinanced by the Series 2012 Liberty Bonds or a "related person" within the meaning of Section 147(a) of the Code.

Bond Counsel is of the further opinion that interest on the Series 2012 Liberty Bonds is not an "item of tax preference" for purposes of the federal alternative minimum tax on individuals and corporations; however, interest on the Series 2012 Liberty Bonds is includable in the calculation of adjusted current earnings of corporations for purposes of calculating the alternative minimum tax on corporations.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2012 Liberty Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (the "IRS") or any court. Further, Bond Counsel cannot give, and has not given, any opinion or assurance about the future activities of the Issuer or the Borrower, or about the effect of future changes in the Code, applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer and the Borrower have covenanted, however, to comply with the requirements of the Code.

The Series 2012 Liberty Bonds maturing on September 15, 2035 have been initially offered to the public at a price less than the principal amount thereof payable at maturity. If the first price at which a substantial amount of such maturity of the Series 2012 Liberty Bonds is sold in the initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of Underwriters, placement agents or wholesalers) is less than the principal amount thereof payable at maturity, the difference between such price and principal amount constitutes original issue discount with respect to each of the Series 2012 Liberty Bonds of the same maturity (the "Discount Bonds"). Bond Counsel is of the opinion that original issue discount, as it accrues, is excludable from gross income for federal income tax purposes and is not subject to the alternative minimum tax to the same extent as is interest on the Series 2012 Liberty Bonds. Original issue discount accrues in each taxable year over the term of the Discount Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code, with certain adjustments. Original issue discount may be treated as continuing to accrue in each taxable year even if payment of the Discount Bonds becomes doubtful. Accruals of original issue discount are treated as tax-exempt interest earned by owners on the accrual basis of tax accounting and as tax-exempt interest received by owners on the cash basis of tax accounting even though no cash corresponding to the accrual is received in the year of accrual. The tax basis of a Discount Bond if held by an original purchaser, can be determined by adding to such owner's purchase price of such Discount Bond the original issue discount that has accrued. Holders of Discount Bonds should consult their own tax advisors with respect to the calculation of the amount of the original issue discount that will be treated for federal income tax purposes as having accrued for any taxable year (or portion thereof) of such owners and with respect to other federal, state and local tax consequences of owning and disposing of the Discount Bonds.

The Series 2012 Liberty Bonds maturing in the years 2028 through 2032, 2040, 2043 and 2044 have been initially offered to the public at a price in excess of the principal amount thereof and such excess will constitute bond premium in the case of said maturity of the Series 2012 Liberty Bonds sold at their initial offering price (the "Premium Bonds"). An initial purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium that is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of such Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning Premium Bonds. Owners of Premium Bonds are advised that they should consult with their own advisors with respect to the federal, state and local tax consequences of owning Premium Bonds.

Certain requirements and procedures contained or referred to in the Indenture, the Liberty Bonds Loan Agreement, the Servicing Agreement, the Tax Certificate of the Issuer and the Borrower and other relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally-recognized bond counsel. Winston & Strawn LLP expresses no opinion as to the effect on the exclusion from gross income for federal tax purposes, and as to the effect on the non-inclusion in taxable income for purposes of personal income taxes imposed by the State of New York, The City of New York and the City of Yonkers, New York, of interest on the Series 2012 Liberty Bonds of any such change occurring, or such action or other action taken or not taken, after the Bond Issuance Date, upon the advice or approval of bond counsel other than Winston & Strawn LLP.

Prospective purchasers of the Series 2012 Liberty Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, tax-exempt obligations may have collateral federal income tax consequences for certain taxpayers, including financial institutions, certain S corporations, United States branches of foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. The foregoing is not intended as an exhaustive list of potential tax consequences. Prospective purchasers should consult their tax advisors as to any possible collateral tax consequences in respect of the Series 2012 Liberty Bonds. Bond Counsel expresses no opinion regarding any such collateral tax consequences.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer and the Borrower (and their successors) with the requirements of the Code that must be met in order for interest on the Series 2012 Liberty Bonds to be not includable in gross income for federal income tax purposes, interest on the Series 2012 Liberty Bonds (including any accrued original issue discount) is also not includable in taxable income for purposes of personal income taxes imposed by the State of New York, The City of New York and the City of Yonkers, under existing statutes and regulations; except that no opinion is expressed as to the non-inclusion of interest on any Series 2012 Liberty Bond in taxable income for purposes of such personal income taxes during the period that such Series 2012 Liberty Bond is held by a "substantial user" of the facilities refinanced by the Series 2012 Liberty Bonds or a "related person" within the meaning of Section 147(a) of the Code.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2012 Liberty Bonds may adversely affect the value of, or the tax status of interest on, the Series 2012 Liberty Bonds. No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, will not cause interest on the Series 2012 Liberty Bonds to be subject, directly or indirectly, to federal or State or local income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. For example, the President's proposed fiscal 2013 budget contains a legislative proposal (the "Proposal") identical to one submitted by the President to Congress in 2011, that, in general, would impose federal income tax at a rate equal to the excess of the investor's marginal tax bracket over the 28% tax bracket on all tax-exempt bond interest, including interest on the Series 2012 Liberty Bonds, received by individual taxpayers with an adjusted gross income of $200,000 ($250,000 in the case of married individuals filing jointly), effective for taxable years beginning on or after January 1, 2013. It is not possible to predict whether or in what form, the Proposal will be considered by Congress or adopted as legislation. Prospective purchasers of the Series 2012 Liberty Bonds should consult their own tax advisers regarding any pending or proposed federal or State tax legislation. Further no assurance can be given that the introduction or enactment of any such future legislation, or any action of the IRS, including but not limited to regulation, ruling, or selection of the Series 2012 Liberty Bonds for audit, or the course or result of any IRS examination of the Series 2012 Liberty Bonds, or obligations which present similar tax issues, will not affect the market price of the Series 2012 Liberty Bonds.

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2012 Liberty Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor of interest is required to deduct and withhold a tax from the payment, calculated in the manner set forth in the Code. If an owner purchasing a Series 2012 Liberty Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2012 Liberty Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

Bond Counsel's engagement with respect to the Series 2012 Liberty Bonds ends with the issuance of the Series 2012 Liberty Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer, the Borrower or the beneficial owners of the Series 2012 Liberty Bonds regarding the tax status of interest on the Series 2012 Liberty Bonds in the event of an audit by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2012 Liberty Bonds, under current procedures parties other than the Issuer, the Borrower and their appointed counsel, including the beneficial owners of the Series 2012 Liberty Bonds, would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with any audit of tax-exempt bonds is difficult, obtaining an independent judicial review of IRS positions with which the Issuer or the Borrower legitimately disagrees, may not be practical. Any action of the IRS, including but not limited to selection of the Series 2012 Liberty Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for, or the marketability of, the Series 2012 Liberty Bonds, and may cause the Issuer, the Borrower and the beneficial owners of the Series 2012 Liberty Bonds to incur significant expense.

FINANCIAL STATEMENTS

As stated in Footnote 1 to the audited consolidated financial statements of 7 World Trade Company, L.P. appended hereto in APPENDIX F, (i) 7 World Trade Company, L.P., a Delaware limited partnership (the "Successor 7 World Trade Company"), was organized on November 29, 1993 to be the successor to 7 World Trade Company, L.P., a New York limited partnership, as lessee under the Office Tower Ground Lease, and (ii) on January 19, 2005, 7 World Trade Center, LLC ("7 WTC LLC") was formed as a single-purpose limited liability company to own the lessee interest under the Office Tower Ground Lease and to develop and operate the Facility. The sole member of 7 WTC LLC is the Successor 7 World Trade Company. On the date of delivery of the Series 2012 Liberty Bonds, the ownership of the lessee interest under the Office Tower Ground Lease will be transferred by 7 WTC LLC to the Borrower, as to which 7 WTC LLC will be the sole member.

Included in APPENDIX F are the financial statements of the Successor 7 World Trade Company as of, and for the years ended, December 31, 2011 and 2010, which financial statements have been audited by Friedman LLP, independent auditors, as stated in their report dated March 16, 2012 and included in APPENDIX F. Such financial statements reflect consolidation of the financial results pertaining to the Successor 7 World Trade Company and 7 WTC LLC.

It is anticipated that the audited financial statements required to be delivered in the future by the Borrower pursuant to its continuing disclosure obligations (as contained in the Continuing Disclosure Agreement appended hereto as APPENDIX E) will consist of financial statements reflecting consolidation of the financial results pertaining to the Successor 7 World Trade Company, 7 WTC LLC and the Borrower.

UNDERWRITING

The Series 2012 Liberty Bonds are being purchased by J.P. Morgan Securities LLC ("JPMS"), as representative of itself and the other underwriters shown on the cover page hereof (the "Underwriters"). The Underwriters have agreed to purchase the Series 2012 Liberty Bonds from the Issuer at a purchase price of $474,998,032.25. The Underwriters will be paid a fee (including expenses) by the Borrower in connection with the purchase of the Series 2012 Liberty Bonds in an amount equal to $1,369,325.06. The obligations of the Underwriters to accept delivery of the Series 2012 Liberty Bonds are subject to various conditions contained in the Bond Purchase Agreement, including the concurrent closing of the CMBS Loan. The Underwriters will be obligated to purchase all Series 2012 Liberty Bonds if any Series 2012 Liberty Bonds are purchased. The Series 2012 Liberty Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2012 Liberty Bonds into investment trusts) at prices lower than the public offering price set forth on the cover page of this Official Statement, and such public offering price may be changed, from time to time, by the Underwriters.

The Borrower and 7 World Trade Company, L.P. have agreed to indemnify the Underwriters and the Issuer with respect to certain liabilities, including certain liabilities under the federal securities laws.

JPMS, one of the Underwriters of the Series 2012 Liberty Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings, including the Series 2012 Liberty Bonds, at the original issue prices. Pursuant to each Dealer Agreement, each of UBSFS and CS&Co. will purchase Series 2012 Liberty Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2012 Liberty Bonds that such firm sells.

M.R. Beal & Company has entered into an agreement (the "Distribution Agreement") with TD Ameritrade, Inc. for the retail distribution of certain municipal securities offerings, at the original issue prices. Pursuant to the Distribution Agreement (as applicable for this transaction), M.R. Beal & Company will share a portion of its underlying compensation with respect to the transaction with TD Ameritrade, Inc.

JPMS is acting as Placement Agent for the offering and sale of the CMBS Certificates.

MARKET-MAKING

This Official Statement may be used by the Underwriters in connection with the offer and sale of the Series 2012 Liberty Bonds in market-making transactions. In a market-making transaction, the Underwriters may resell Series 2012 Liberty Bonds they acquire from other holders, after the original offering and sale of the Series 2012 Liberty Bonds. Resales of this kind may occur in the open market or may be privately negotiated, at prevailing market prices at the time of resale or at related or negotiated prices. In these transactions, the Underwriters may act as principal or agent, including as agent for the counterparty in a transaction in which an Underwriter acts as principal, or as agent for both counterparties in a transaction in which such Underwriter does not act as principal. An Underwriter may receive compensation in the form of discounts and commissions, including from both counterparties in some cases.

The initial offering price specified on the inside cover of this Official Statement relate to the initial offering of the Series 2012 Liberty Bonds. This amount does not include the Series 2012 Liberty Bonds to be sold in market-making transactions.

The Borrower does not expect to receive any proceeds from market-making transactions. The Borrower does not expect that any Underwriter or any other affiliate that engages in these transactions will pay any proceeds from its market-making resales to the Borrower.

Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale.

Unless an Underwriter or an agent informs investors in their confirmation of sale that their Series 2012 Liberty Bonds are being purchased in the original offering and sale, investors may assume that they are purchasing their Series 2012 Liberty Bonds in a market-making transaction.

There will be no established trading market for the Series 2012 Liberty Bonds prior to the initial offering of the Series 2012 Liberty Bonds. The Issuer has been advised by the Underwriters that they intend to make a market in the Series 2012 Liberty Bonds. However, the Underwriters are not obligated to do so and may stop doing so at any time without notice. The Issuer cannot give any assurance as to the liquidity or trading market for any of the Series 2012 Liberty Bonds.

Unless otherwise indicated in the confirmation of sale, the purchase price of the Series 2012 Liberty Bonds will be required to be paid in immediately available funds in The City of New York.

SUITABILITY FOR INVESTMENT

Investment in the Series 2012 Liberty Bonds poses certain economic risks. The Series 2012 Liberty Bonds may not be a suitable investment for certain purchasers and each purchaser should make its own judgment as to suitability. No dealer, broker or salesman or other person has been authorized by the Issuer or the Borrower to give any information or make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

CONTINUING DISCLOSURE

The Securities and Exchange Commission (the "SEC") has adopted Rule 15c2-12 (as amended, the "Rule") requiring a participating Underwriters not to purchase or sell municipal securities in connection with an offering unless the participating Underwriters has reasonably determined that the obligated person has undertaken certain continuing disclosure obligations. As shown in the Continuing Disclosure Agreement appended hereto as APPENDIX E, the Borrower will be required to file with the Municipal Securities Rule Making Board's Electronic Municipal Market Access System on an annual basis its audited financial statements and certain "Annual Financial Information" and certain "Supplemental Information," as well as certain "notice events."

RATINGS

It is a condition to the issuance of the Series 2012 Liberty Bonds that the Series 2012 Liberty Bonds receive the following credit ratings from Moody's Investors Service, Inc. ("Moody's") and Fitch, Inc. ("Fitch") (collectively, the "Rating Agencies"):

Moody's:	Class 1, Series 2012 Liberty Bonds -	Aaa(sf)
	Class 2, Series 2012 Liberty Bonds -	A2(sf)
	Class 3, Series 2012 Liberty Bonds -	Baa2(sf)
Fitch:	Class 1, Series 2012 Liberty Bonds -	AAA(sf)
	Class 2, Series 2012 Liberty Bonds -	A(sf)
	Class 3, Series 2012 Liberty Bonds -	BBB(sf)

The ratings on the Series 2012 Liberty Bonds address the likelihood of the receipt by the owners of the Series 2012 Liberty Bonds of full and timely payment of interest on the Series 2012 Liberty Bonds on each Interest Payment Date and the ultimate payment of the full Outstanding principal amount of serial bonds and term bonds (including Sinking Fund Installments) of the Series 2012 Liberty Bonds on a date which is not later than the Rated Final Date. The "Rated Final Date" for the Series 2012 Liberty Bonds is the Distribution Date in March, 2051, which date is approximately seven (7) years after the final stated maturity date of the Series 2012 Liberty Bonds. Such ratings take into consideration the credit quality of the underlying Liberty Bonds Loan, the property, structural and legal aspects associated with the Series 2012 Liberty Bonds, and the extent to which the payment stream of the Liberty Bonds Loan is adequate to make payments required under the Series 2012 Liberty Bonds. Such ratings on the Series 2012 Liberty Bonds do not address the tax attributes of the Series 2012 Liberty Bonds, or constitute an assessment of the likelihood or frequency of prepayments on the Liberty Bonds Loan or the degree to which such prepayments might differ from those originally anticipated. Such ratings do not represent any assessment of the yield to maturity that investors may experience. In addition, the ratings on the Series 2012 Liberty Bonds do not address (a) the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) and their impact on principal, Sinking Fund Installments and interest payments, (b) the likelihood of receipt of Redemption Price, (c) the likelihood of experiencing interest shortfalls on a redemption, (d) the likelihood or willingness of the parties to the respective documents to meet their contractual obligations or (e) other non-credit risks. In general, the ratings address credit risk and not prepayment risk. S*uch ratings on the Series 2012 Liberty Bonds do not address the likelihood of the receipt by the owners of the Series 2012 Liberty Bonds of full and timely payment of Outstanding principal (including serial and term bond maturities and Sinking Fund Installments) on the Series 2012 Liberty Bonds on each principal payment date and Sinking Fund Installment payment date therefor.* See "CERTAIN RISK FACTORS" in this Official Statement.

Certain nationally recognized statistical ratings organizations ("NRSROs"), as defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that were not hired by the Borrower may use information they received pursuant to Rule 17g-5 under the Exchange Act to rate the Series 2012 Liberty Bonds. There can be no assurance as to whether any rating agency not requested to rate the Series 2012 Liberty Bonds will nonetheless issue a rating and, if so, what such rating would be. A rating assigned to the Series 2012 Liberty Bonds by a rating agency that has not been requested by the Borrower to assign such a rating may be lower than the ratings assigned by any Rating Agency pursuant to the Borrower's request.

The ratings of the Series 2012 Liberty Bonds should be evaluated independently from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. A security rating does not

address the frequency or likelihood of prepayments (whether voluntary or involuntary) of the Series 2012 Liberty Bonds or the corresponding effect on the yield to investors.

The ratings assigned to the Series 2012 Liberty Bonds reflect only the view of such rating agencies and an explanation of the significance of such ratings may be obtained from such rating agencies. There is no assurance that the ratings which have been assigned to the Series 2012 Liberty Bonds will continue for any given period of time or that they will not be revised or withdrawn entirely by any or all of such rating agencies if, in their judgment, circumstances so warrant. A revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2012 Liberty Bonds.

These multiple roles of Moody's may pose certain potential conflicts of interest which should be considered by prospective investors when evaluating the information in this Official Statement, including under this heading. See also "CERTAIN RISK FACTORS — Bondholders Should Not Rely on the Current Ratings by the Rating Agencies, Nor Upon No Downgrade Confirmations for Certain Actions" herein.

LEGAL MATTERS

Legal matters in connection with the authorization, issuance and sale of the Series 2012 Liberty Bonds are subject to the approving opinion of Winston & Strawn LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Issuer by Maria Cassidy, Esq., its Deputy General Counsel; for the Borrower by its general counsel, Jonathan Knipe, Esq., New York, New York, and by its special counsel Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York; for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, New York, New York; for the Master Servicer and for the Special Servicer, by their counsel, Alston & Bird LLP, Charlotte, North Carolina; for the Collateral Agent and the 17g-5 Information Provider, by its counsel, SNR Denton US LLP, New York, New York; and for the Operating Advisor, by its counsel, Cadwalader, Wickersham & Taft LLP, New York, New York.

ABSENCE OF LITIGATION

The Issuer

There is not now pending, nor to the best knowledge of the Issuer threatened, any action, suit, proceeding or investigation (at law or in equity) before or by any court, public board or body, against the Issuer, and of which the Issuer has notice, in any way (i) contesting or affecting the existence or powers of the Issuer, (ii) challenging the validity or enforceability of any of the Liberty Bonds Loan and Collateral Documents, the Servicing Agreement, the Series 2012 Liberty Bonds or the Bond Resolution, (iii) questioning, contesting or affecting the validity of the proceedings and authority under which the Series 2012 Liberty Bonds are being issued or the pledge and application of any moneys or the security provided for the payment of the Series 2012 Liberty Bonds, or (iv) seeking to enjoin any of the transactions contemplated thereby or the performance by the Issuer of any of its obligations thereunder, or wherein an unfavorable decision, finding or ruling would adversely affect the transactions contemplated by this Official Statement, the Liberty Bonds Loan and Collateral Documents, the Servicing Agreement or the Bond Resolution. Neither the creation, organization or existence of the Issuer, nor the title of the present directors or other officials of the Issuer to their respective offices is, to the best knowledge of the Issuer, being contested.

The Borrower and the Guarantor

There is not now pending, nor to the best knowledge of the Borrower threatened, any action, suit, proceeding or investigation (at law or in equity) before or by any court, public board or body, (i) against or affecting the Borrower or the Guarantor, (ii) in any way contesting or affecting the existence or powers of the Borrower, (iii) challenging the validity or enforceability of any of the Series 2012 Liberty Bonds, the Office Tower Ground Lease, the Reciprocal Easement Agreement, the Property Management Agreement, the

Collateral Agency Agreement, the Servicing Agreement, the Mortgage, any of the Leases, the Liberty Bonds Loan and Collateral Documents, the CMBS Loan and Collateral Documents, the Indenture or any other Loan Document or Collateral Document to which the Borrower or the Guarantor is a party, (iv) the transactions contemplated thereby, or seeking to enjoin any of the transactions contemplated thereby or the performance by the Borrower or the Guarantor of any of its or his obligations thereunder, or (v) wherein an unfavorable decision, finding or ruling would adversely affect the transactions contemplated by this Official Statement, the Loan Documents, the Servicing Agreement and the Collateral Documents.

MISCELLANEOUS

The summaries or descriptions contained in this Official Statement of provisions in the Indenture, the Office Tower Ground Lease, the Reciprocal Easement Agreement, the Leases, the Property Management Agreement, the Liberty Bonds Loan and Collateral Documents, the CMBS Loan and Collateral Documents, the Collateral Agency Agreement, the Mortgage, the Servicing Agreement and the other agreements and documents referred to herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions thereof. For further information, reference should be made to the complete documents, copies of which are on file at the offices of the Indenture Trustee at 101 Barclay Street, 7 West, New York, New York 10286, Attention: Corporate Trust Group.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are set forth as such, and not as representations of facts. No representation is made that any of the opinions or estimates will be realized. This Official Statement is not intended to be construed as a contract or agreement between the Issuer and the purchasers or Holders of any of the Series 2012 Liberty Bonds.

MISCELLANEOUS

The summaries or descriptions contained in this Official Statement of provisions in the Indenture, the Office Tower Ground Lease, the Reciprocal Easement Agreement, the Leases, the Property Management Agreement, the Liberty Bonds Loan and Collateral Documents, the CMBS Loan and Collateral Documents, the Collateral Agency Agreement, the Mortgage, the Servicing Agreement and the other agreements and documents referred to herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions thereof. For further information, reference should be made to the complete documents, copies of which are on file at the offices of the Indenture Trustee at 101 Barclay Street, 7 West, New York, New York 10286, Attention: Corporate Trust Group.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are set forth as such, and not as representations of facts. No representation is made that any of the opinions or estimates will be realized. This Official Statement is not intended to be construed as a contract or agreement between the Issuer and the purchasers or Holders of any of the Series 2012 Liberty Bonds.

The distribution of this Official Statement by the Underwriters has been duly authorized by the Issuer and approved by the Borrower. This Official Statement is made available only in connection with the sale of the Series 2012 Liberty Bonds and may not be used in whole or in part for any other purpose.

NEW YORK LIBERTY DEVELOPMENT CORPORATION

By: _____
Frances A. Walton
Treasurer

APPROVED:

7 WORLD TRADE CENTER II, LLC, a Delaware limited liability company

By: 7 World Trade Center, LLC, a Delaware limited liability company, its Sole Member

By: 7 World Trade Company, L.P., a Delaware limited partnership, its Sole Member

By: Silverstein — 7 World Trade Company, Inc., a Delaware corporation, its general partner

By: _____
Michael Levy
Vice President-Finance

The distribution of this Official Statement by the Underwriters has been duly authorized by the Issuer and approved by the Borrower. This Official Statement is made available only in connection with the sale of the Series 2012 Liberty Bonds and may not be used in whole or in part for any other purpose.

NEW YORK LIBERTY DEVELOPMENT CORPORATION

By: /s/ FRANCES A. WALTON
Frances A. Walton
Treasurer

APPROVED:

7 WORLD TRADE CENTER II, LLC, a Delaware limited liability company

By: 7 World Trade Center, LLC, a Delaware limited liability company, its Sole Member

By: 7 World Trade Company, L.P., a Delaware limited partnership, its Sole Member

By: Silverstein — 7 World Trade Company, Inc., a Delaware corporation, its general partner

By: /s/ MICHAEL LEVY
Michael Levy
Vice President-Finance

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APPENDIX A

CERTAIN DEFINITIONS

The following definitions of certain terms used in the Servicing Agreement, the Collateral Agency Agreement, the CMBS Loan Agreement, the Liberty Bonds Loan Agreement, the CMBS Trust Agreement, the Indenture, the First Supplemental Indenture and the Official Statement to which this Appendix A is attached do not purport to be complete and reference should be made to the aforementioned documents for full and complete definitions.

"17g-5 Information Provider" shall mean the Collateral Agent.

"17g-5 Information Provider's Website" shall mean the internet website of the 17g-5 Information Provider that will initially be located within the Collateral Agent's Website (www.sf.citidirect.com), under the 'NRSRO' tab.

"Account Collateral" shall have the meaning set forth in the Collateral Agency Agreement.

"Account Debtor" shall mean any Tenant and any other Person who is or may become obligated under or on account of any Accounts Receivable, Chattel Paper or General Intangible (including a payment intangible).

"Accounts" shall mean accounts created pursuant to the Indenture, the Collateral Agency Agreement, the CMBS Loan Agreement, the Liberty Bonds Loan Agreement or the Servicing Agreement, as the context requires.

"Acceptable Accountant" shall mean Friedman LLP or a nationally recognized accounting firm or any other independent certified public accountant acceptable to the Holders, such approval not to be unreasonably withheld, delayed or conditioned.

"Act" shall mean the New York Not-for-Profit Corporation Law, being Chapter 35 of the Consolidated Laws of New York, as may be amended from time to time.

"Act of Bankruptcy" shall mean, with respect to any Person, the filing of a petition in bankruptcy (or the other commencement of a bankruptcy or similar proceeding) by or against such Person, under the Bankruptcy Code or any other applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect; provided, however, that no involuntary petition in bankruptcy, or appointment of a trustee, custodian or receiver, without the consent of such Person, shall constitute an Act of Bankruptcy until ninety (90) days shall have elapsed from the date of filing thereof, during which time such Person has been unable to obtain the dismissal of the petition or appointment.

"Additional Insolvency Opinion" shall mean a non-consolidation opinion letter (to the extent then available from a nationally recognized law firm) delivered in connection with the CMBS Loan subsequent to the Closing Date reasonably satisfactory in form and substance to the CMBS Lender, and from counsel reasonably acceptable to the CMBS Lender (provided Richards, Layton & Finger shall be deemed acceptable for purposes of any Additional Insolvency Opinion), and with respect to which, only as to the form and substance of such opinion, a No Downgrade Confirmation has been obtained.

"Additional Master Servicing Compensation" shall have the meaning set forth in the Servicing Agreement.

"Additional Servicer" shall mean each Affiliate of the Master Servicer or the Special Servicer that Services the CMBS Loan or the Liberty Bonds Loan and each Person who is not an Affiliate of the Master

Servicer, other than the Special Servicer, who Services the CMBS Loan or the Liberty Bonds Loan as of any date of determination.

"Additional Special Servicing Compensation" shall have the meaning set forth in the Servicing Agreement.

"Administrative Advance" shall have the meaning set forth in the Servicing Agreement.

"Administrative Fee Rate" shall mean, with respect to each Obligation and REO Obligation, (a) in the case of any Component of the CMBS Loan, the sum of the Master Servicing Fee Rate and the CMBS Trustee Fee Rate, and (b) in the case of any Component of the Liberty Bonds Loan, 0%.

"Advance" shall mean any P&I Advance, Servicing Advance or Administrative Advance.

"Advance Interest" shall mean interest accrued on any Advance at the Reimbursement Rate and payable to the Master Servicer or the Collateral Agent, as the case may be, all in accordance with the Servicing Agreement.

"Adverse Grantor Trust Event" shall mean either: (i) any impairment of the status of a CMBS Grantor Trust as a "grantor trust" under subpart E, part I of subchapter J of the Internal Revenue Code; or (ii) the imposition of a tax upon a Grantor Trust or any of its assets or transactions.

"Adverse Liberty Bonds Event" shall mean any act, or failure to act, that adversely affects the exclusion of interest on the Bonds from the gross income, for federal income tax purposes, of the Beneficial Owners of the Bonds, other than a Beneficial Owner who is a "substantial user" of the Facility or a "related person" of such substantial user within the meaning of the Internal Revenue Code.

"Affiliate(s)" shall mean, as to any Person, any other Person that, directly or indirectly, (x) owns more than fifty percent (50%) of the equity interests in such Person or (y) is in Control of, is Controlled by or is under common Control with such Person.

"Affiliated Property Manager" shall mean any managing agent of the Mortgaged Property which is Controlled by Borrower or any of its Affiliates.

"Agency" shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

"Aggregate Voting Eligible Quorum" shall mean, in connection with any solicitation of votes in connection with the replacement of the Special Servicer described in the Servicing Agreement, Bondholders and/or Certificateholders representing not less than 66-2/3% of the Aggregate Voting Rights of the Voting Eligible Bonds and the Voting Eligible CMBS Certificates (taken as a whole).

"Aggregate Voting Rights" shall mean the aggregate Voting Rights of the Bonds and the CMBS Certificates, taken as a whole.

"Alteration Threshold" shall mean $20,000,000.

"Amortization Commencement Date" shall mean, with respect to the Liberty Bonds Loan, the Due Date in October, 2027.

"Annual Budget" shall mean the operating budget, including all planned capital expenditures, for the Mortgaged Property provided to Lenders in accordance with the Loan Agreements for the applicable Fiscal Year, or part thereof.

"Applicable Law" shall mean any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, Government Approval, approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended (including but not limited to zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wages, and employment practices), and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Borrower or otherwise, at any time in force affecting the Mortgaged Property or any part thereof.

"Applicable Servicing Criteria" shall mean, with respect to the Master Servicer, the Special Servicer or any Servicing Function Participant, the Servicing Criteria applicable to it, as set forth on Exhibit B attached to the Servicing Agreement. For clarification purposes, multiple parties can have responsibility for the same Applicable Servicing Criteria and with respect to a Servicing Function Participant engaged by the Master Servicer or the Special Servicer, the term "Applicable Servicing Criteria" may refer to a portion of the Applicable Servicing Criteria applicable to the Master Servicer or the Special Servicer, as the case may be.

"Appraisal" shall mean with respect to the Mortgaged Property or REO Property, an appraisal of the Mortgaged Property or REO Property (inclusive of the value of the tax exempt status of the interest on the Series 2012 Liberty Bonds), conducted on a stand-alone basis by an Independent Appraiser in accordance with the standards of the Appraisal Institute and certified by such Independent Appraiser as having been prepared in accordance with the requirements of the Standards of Professional Practice of the Appraisal Institute with an "MAI" designation and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, as well as the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended; provided that after an initial "Appraisal" has been obtained pursuant to the terms of the Servicing Agreement, an update of such initial Appraisal in accordance with the foregoing standards shall be considered an "Appraisal" thereunder for all purposes. All Appraisals (and updates thereof) obtained pursuant to the terms of the Servicing Agreement shall include a valuation using the "income capitalization – discounted cash flow approach" and set forth the discount rate and terminal capitalization rate utilized by the Appraiser. All calculations under the Servicing Agreement requiring that a "value" or "appraised value" be used with respect to the Mortgaged Property or REO Property shall use the most recently determined appraised value set forth in an Appraisal (or update thereof) unless a different valuation is specifically required (such as the appraised value of the Mortgaged Property at origination). An Appraisal used for purposes of the definition of Appraisal Reduction Amount shall state that the Appraiser has taken into account any value associated with the tax-exempt nature of the financing provided by the Bonds.

"Appraisal Event" shall mean, with respect to any of the Obligations, any of the following events:

(i) the occurrence and continuance of a Mortgage Event of Default (other than a monetary default) if such Mortgage Event of Default causes an Obligation to become a Specially Serviced Obligation;

(ii) the acceleration of an Obligation;

(iii) an Obligation becomes a Modified Obligation;

(iv) any Debt Service Payment with respect to an Obligation remains unpaid for 60 days past the Due Date for such payment; provided, however, solely in the case of a

delinquent Balloon Payment, if (x) the Borrower is actively seeking a refinancing commitment and (y) the Borrower continues to make payments in the amount of its Assumed Debt Service Payment, then failure to pay such Balloon Payment for a 120-day period shall not constitute an Appraisal Event if the Borrower has delivered to the Master Servicer, on or before the 60th day after the Due Date of such Balloon Payment, a refinancing commitment reasonably acceptable to the Master Servicer, for such longer period, not to exceed 120 days beyond such Due Date, during which the refinancing would occur;

(v) immediately upon receipt by the Special Servicer of notice that the Borrower has become the subject of bankruptcy, insolvency or similar proceedings that remain undischarged and undismissed;

(vi) immediately upon receipt by the Special Servicer of notice that a receiver or similar official is appointed with respect to the Mortgaged Property, and such appointment has not been discharged or dismissed;

(vii) the Mortgaged Property becomes an REO Property; or

(viii) if the Stated Maturity Date of an Obligation has been extended more than once, upon the sixtieth day after the second extension.

"Appraisal Reduction Amount" shall mean, with respect to any Required Appraisal Financing, an amount (calculated as of the most recent Due Date by the Special Servicer immediately following the later of the date on which the most recent Appraisal acceptable for purposes of the Servicing Agreement was obtained by the Special Servicer pursuant to the Servicing Agreement and the date of the most recent Appraisal Event with respect to such Required Appraisal Financing) equal to the excess, if any, of:

(a) the sum of (i) the Stated Principal Balance of such Required Appraisal Financing as of such date of determination, (ii) to the extent not previously advanced by the Master Servicer or the Collateral Agent, all unpaid interest (net of Default Interest) accrued on such Required Appraisal Financing through the most recent Due Date prior to such Determination Date, (iii) all unpaid Master Servicing Fees, Special Servicing Fees, Collateral Agent Fees and all other Borrower Reimbursable Expenses accrued with respect to such Required Appraisal Financing, (iv) all unreimbursed Advances with respect to such Required Appraisal Financing, together with all unpaid Advance Interest accrued on all Advances, and (v) all currently due but unpaid Taxes, Insurance Premiums and Ground Rents in respect of the Mortgaged Property or REO Property, as applicable, for which neither the Master Servicer nor the Special Servicer holds sufficient Reserve Amounts; over

(b) the sum of (x) the excess, if any, of (i) 90% of the Appraised Value of the Mortgaged Property or REO Property (subject to such downward adjustments as the Special Servicer may deem appropriate in accordance with the Servicing Standard (without implying any obligation to do so) based upon its review of the related Appraisal and such other information as the Special Servicer deems appropriate), as applicable, as determined by the most recent relevant Appraisal acceptable for purposes of the Servicing Agreement, over (ii) the amount of any obligation(s) secured by any Liens on the Mortgaged Property or REO Property, as applicable, that are prior to the Lien of such Required Appraisal Financing, and (y) any amounts on deposit in the Reserve Accounts and/or Letters of Credit held by the Master Servicer or the Special Servicer with respect to such Required Appraisal Financing, the Mortgaged Property or the REO Property (exclusive of any such items that are to be applied to real estate taxes (or PILOT), assessments, insurance premiums and/or ground rents, payments under the REA or that were taken into account in determining the Appraised Value of the Mortgaged Property or REO Property, as applicable, referred to in clause (b)(x)(i) of this definition).

Notwithstanding the foregoing, if an Appraisal is required to be obtained in accordance with the Servicing Agreement but is not obtained within 60 days following the event described in the applicable clause of the definition of "Appraisal Event", then, until such Appraisal is obtained, the Appraisal Reduction Amount will equal 25% of the Stated Principal Balance of such Required Appraisal Financing; provided, however, that upon receipt of an Appraisal, the Appraisal Reduction Amount for such Required Appraisal Financing will be recalculated in accordance with this definition without regard to this sentence.

In addition, such Required Appraisal Financing shall no longer be subject to the Appraisal Reduction Amount if (a) such Required Appraisal Financing has become a Corrected Obligation (if a Servicing Transfer Event had occurred with respect to such Required Appraisal Financing and such Required Appraisal Financing becomes and remains current for three consecutive Due Dates and (b) no other Appraisal Reduction Event has occurred and is continuing.

"Appraised Value" shall mean, with respect to the Mortgaged Property or REO Property and as of any date of determination, the value set forth in an Appraisal (or update thereof) of such Mortgaged Property or REO Property that was (a) not obtained or conducted in connection with the origination of the Obligations and (b) is less than 9 months old; provided that if no such Appraisal or update thereof has been obtained or conducted, as applicable, with respect to such Mortgaged Property or REO Property, as the case may be, within 60 days after the Appraisal Event has occurred, then until such new Appraisal (or update thereof) is obtained or conducted, as applicable, the Appraised Value shall equal 75% of the value set forth in the most recently obtained Appraisal (or if no new Appraisal has been conducted since origination, the appraised value in the Appraisal obtained in connection with origination) for the Mortgaged Property or REO Property, as the case may be.

"Approved Extraordinary Operating Expense" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Asset Status Report" shall have the meaning set forth in the Servicing Agreement.

"Assignment and Assumption of Loan Documents" shall mean an assignment of the Loan Documents, dated as of the Closing Date, without recourse, by the CMBS Lender and the Indenture Trustee, in favor of the Collateral Agent, in trust for the benefit of the Holders pursuant to the terms of the Collateral Agency Agreement.

"Assignment of Management Agreement" shall mean that certain Assignment and Subordination of Management Agreement and Consent of Property Manager dated as of the Closing Date among the Borrower, the Collateral Agent, the CMBS Lender, the Indenture Trustee and the Property Manager, as the same may be amended, restated, supplemented, replaced, renewed, extended or otherwise modified from time to time.

"Assumed Debt Service Payment" shall mean, with respect to any Due Date, (a) in the event the Liberty Bonds Loan or CMBS Loan is not paid in full on its Stated Maturity Date, and no other Final Liquidation Event has occurred prior to the end of the Collection Period in which such Stated Maturity Date occurs, the scheduled monthly payment of principal and/or interest that would have been due in respect of the Components of the Liberty Bonds Loan or CMBS Loan, as applicable on its Stated Maturity Date and each subsequent Due Date if the Liberty Bonds Loan or CMBS Loan, as applicable, had been required to continue to accrue interest on such Components in accordance with its terms, and to pay principal in accordance with the amortization schedule (if any), in effect immediately prior to, and without regard to the occurrence of the Stated Maturity Date (as such terms and amortization schedule may have been modified, and such Stated Maturity Date may have been extended, in connection with a bankruptcy or similar proceeding involving the Borrower or a modification, waiver or amendment granted or agreed to by the Master Servicer or Special Servicer pursuant to the Servicing Agreement) and in the order and priority allocated to each Component and (b) with respect to any REO Obligation for which the REO Property remains subject to the Servicing

Agreement, the scheduled monthly payment of principal and/or interest deemed to be due in respect thereof on such Due Date equal to the Debt Service Payment that was due (or, in the case of the Obligation described in the preceding "clause (a)" of this definition, the Assumed Debt Service Payment that was deemed due) in respect of the related Obligation on the last Due Date prior to its becoming an REO Obligation.

"Authorized Bond Issuer Representative" shall mean the Chairman, the Chief Executive Officer, the Chief Financial and Administrative Officer and the Treasurer of the Bond Issuer, or any other officer or employee of the Bond Issuer authorized to perform specific acts or to discharge specific duties.

"Authorized Borrower Representative" shall mean an officer of Silverstein - 7 World Trade Company, Inc., which is the general partner of 7 World Trade Company, L.P., which is the sole member of 7 World Trade Center, LLC, the sole member of the Borrower, and any other officer of any of the foregoing as designated in writing by such officer to the Bond Issuer and the Indenture Trustee.

"Authorized Denominations" shall have the meaning ascribed to such term in the applicable Supplemental Indenture.

"Authorized Officer" shall mean, with respect to any particular action to be taken by or on behalf of any Person, any officer of such Person who is authorized to take such action pursuant to a certified resolution duly adopted by its Governing Body, a copy of which shall be on file with the Collateral Agent and the Servicer, and with respect to the Collateral Agent, means any Responsible Officer.

"Available Secured Party Distribution Amount" shall mean with respect to any Secured Party Distribution Date, an amount equal to the sum of (a) all amounts on deposit in the Master Account as of the close of business on the related Determination Date (after giving effect to any withdrawals therefrom permitted under the Servicing Agreement on the related Determination Date and taking into account any Administrative Advances required to be made with respect to such Secured Party Distribution Date) net of (b) any portion of the amounts described in "clause (a)" of this definition that represents collected Debt Service Payments that are due on a Due Date following the end of the related Collection Period; provided however, with respect to the Secured Party Distribution Date that occurs after a Liquidation of the Obligations or REO Property, the Available Secured Party Distribution Amount will be calculated without regard to "clause (b)" of this definition.

"Balloon Payment" shall mean, with respect to any Obligation as of any date of determination, if the principal portion of the Debt Service Payment payable on the Stated Maturity Date of such Obligation is more than two times the principal portion of the Debt Service Payment due on the Due Date immediately preceding such Stated Maturity Date, the Debt Service Payment due on such Stated Maturity Date.

"Bankruptcy Code" shall mean Title 11 of the United States Code, 11 U.S.C. § 101, et seq., as the same may be amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder.

"Beneficial Owner" shall mean, (i) with respect to the Bonds, a Person owning a Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Indenture Trustee, and (ii) with respect to the CMBS Certificates that are Global Certificates, the Person who is the beneficial owner of such CMBS Certificate as reflected on the books of the Depository or on the books of a Person maintaining an account with such Depository (directly as a Depository Participant or indirectly through a Depository Participant, in accordance with the rules of such Depository). Each of the Collateral Agent, the CMBS Trustee, the Special Servicer and the Master Servicer, as applicable, shall have the right to require, as a condition to acknowledging the status of any Person as a Beneficial Owner under the CMBS Trust Agreement, that such Person provide an Investor Certification.

"Beneficial Ownership Interest" shall mean the beneficial right to receive payments and notices with respect to the Bonds that are held by the Depository under a book-entry system of registration and transfer.

"Bond Counsel" shall mean Winston & Strawn LLP or any other nationally recognized attorney or firm of attorneys experienced in matters relating to municipal bond law and the tax exemption of interest on bonds of states and their political subdivisions, as selected by the Bond Issuer.

"Bond Event of Default" shall mean an "Event of Default" as defined in the Indenture.

"Bond Fund" shall mean the trust fund so designated and established pursuant to the Indenture.

"Bondholder" shall mean, with respect to any Bond, the Person in whose name such Bond is registered in the Bond Register; provided, however, that solely for the purposes of providing or distributing any reports, statements, communications, or other information required or permitted to be provided or distributed to a Bondholder under the Indenture or the Servicing Agreement, a Bondholder shall include any Beneficial Owner to the extent that the Person providing or distributing such reports, statements, communications, or other information has received from such Beneficial Owner information and a written certification reasonably acceptable to such Person regarding its name, and address and beneficial ownership of a Bond and shall exclude any Person that has not delivered an Investor Certification certifying that it is not a Borrower, a Borrower Related Party or acting on behalf of a Borrower Related Party; and provided, further, that, solely for the purposes of the taking of any action or the giving of any consent, waiver, request or demand pursuant to the Indenture or the Servicing Agreement (except as set forth in the following sentence), any Bond beneficially owned by the Master Servicer, the Special Servicer, the Collateral Agent, the Operating Advisor, the Indenture Trustee, the Borrower or any Person known to a Responsible Officer to be a sub-servicer, or any of their respective Affiliates, shall be deemed not to be outstanding and the Voting Rights to which it is entitled shall not be taken into account in determining whether the requisite percentage of Voting Rights necessary to take any such action or effect any such consent, waiver, request or demand has been obtained. For purposes of obtaining the consent of the Bondholders to an amendment of the Indenture or the Servicing Agreement, any Bond beneficially owned by the Indenture Trustee, the Master Servicer, the Operating Advisor, the Special Servicer, the Collateral Agent or any Affiliates thereof shall be deemed to be Outstanding; provided, however, that if such amendment relates to the compensation, termination or replacement of the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor or the Collateral Agent, as the case may be, or benefits the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor or the Collateral Agent in their capacity as such or any Affiliates thereof (other than solely in the capacity as a Bondholder) in any material respect, then such Bond shall be deemed not to be Outstanding. The Indenture Trustee and the Bond Registrar may obtain and conclusively rely upon an Officer's Certificate of the Bond Issuer, the Master Servicer, the Special Servicer, the Operating Advisor, the Collateral Agent, the Borrower or any sub-servicer to determine whether a Bond is beneficially owned by an Affiliate of any of them.

"Bond Issuer" shall mean the New York Liberty Development Corporation, a local development corporation formed under Section 1411 of the Act, created by action of the New York Job Development Authority established under Section 1802, Subtitle I, Title 8, Article 8 of the New York Public Authorities Law, and its successors and assigns.

"Bond Issuer Judgment Amount" shall mean the dollar amount of a judgment obtained as a result of a Bond Issuer Judgment Event.

"Bond Issuer Judgment Event" shall mean either (i) a judgment has been obtained against the Bond Issuer with respect to which the Bond Issuer claims entitlement to indemnification from the Borrower pursuant to specified provisions of the Liberty Bonds Loan Agreement and/or pursuant to the Bond Purchase

Agreement (provided the Bond Issuer has complied with the requirements for indemnification provided in the Liberty Bonds Loan Agreement or the Bond Purchase Agreement, as applicable), or (ii) a judgment has been obtained by the Bond Issuer against the Borrower pursuant to specified provisions of the Liberty Bonds Loan Agreement and/or pursuant to specified provisions of the Bond Purchase Agreement, and, in any case, such judgment has not been stayed, vacated or discharged (by payment, bonding or otherwise) within thirty (30) days. Notwithstanding anything to the contrary, nothing in the Liberty Bonds Loan Agreement shall impair the right of the Borrower to challenge or dispute any claim of entitlement to indemnification by the Bond Issuer, including, without limitation, a claim of entitlement to indemnification pursuant to specified provisions of the Liberty Bonds Loan Agreement and/or pursuant to specified provisions of the Bond Purchase Agreement, provided, however, that in the event of any such challenge or dispute, the Bond Issuer Judgment Event shall remain effective until the earlier to occur of (A) the challenge or dispute is finally resolved or (B) a court orders otherwise.

"Bond Issuer Judgment Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Bond Payment Date" shall have the meaning set forth in the Servicing Agreement.

"Bond Payment Date Statement" shall have the meaning set forth in the Servicing Agreement.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement with respect to the Series 2012 Liberty Bonds, by and among the Bond Issuer, the Borrower and J.P. Morgan Securities LLC, on behalf of itself and the other underwriters named therein.

"Bond Register" shall mean the books and records of the Bond Issuer kept by the Bond Registrar in which ownership and transfer of the Bonds shall be recorded.

"Bond Registrar" or "Registrar" shall mean the Person appointed by the Bond Issuer to maintain the Bond Register and to record therein ownership and transfer of the Bonds, which Person initially shall be the Indenture Trustee.

"Bond Resolution" shall mean the resolution adopted by the Bond Issuer on February 21, 2012 authorizing the issuance of the Series 2012 Liberty Bonds.

"Bonds" shall mean the Series 2012 Liberty Bonds and any Series and/or Classes of Bonds authorized by the Indenture and the applicable Supplemental Indenture authorizing the issuance of such Series and/or Class of Bonds.

"Book-Entry Bond" shall mean a Bond authorized to be issued under the Indenture and issued to and, except as provided in the Indenture, restricted to being registered in the name of, a Depository for the participants in such Depository or the Beneficial Owners of such Bond.

"Borrower" shall mean 7 World Trade Center II, LLC, a limited liability company organized and existing under the laws of the State of Delaware, and its permitted successors and assigns pursuant to the applicable provisions of the Loan Documents. On the Closing Date, the Borrower is comprised of one member, 7 World Trade Center, LLC.

"Borrower's knowledge", "Borrower's best knowledge", "known to Borrower", and similar phrases shall mean shall mean the actual knowledge of Michael Levy without any duty or obligation of investigation or inquiry. The foregoing individuals are identified solely for the purpose of defining the scope of knowledge and not for the purpose of imposing any liability upon any such individual or creating any duties running from any such individual to Borrower, any Lender or any other party.

"Borrower Reimbursable Expenses" shall mean Special Servicing Fees, Workout Fees, Liquidation Fees, Operating Advisor Fees, the Collateral Agent Fees, the Master Servicing Fee payable in connection with the Liberty Bonds Loan, the Indenture Trustee Fee, Servicing Advances, Administrative Advances, interest on Advances, and all out-of-pocket costs and expenses of the Master Servicer, the Special Servicer, the Operating Advisor, the Collateral Agent and the Secured Parties that are payable or reimbursable pursuant to the Servicing Agreement, including, without limitation, expenses incurred in connection with Appraisals of the Mortgaged Property (or any updates to any Appraisals) or incurred after a Servicing Transfer Event or a Mortgage Event of Default for which the Master Servicer, the Special Servicer, the Operating Advisor, the Collateral Agent or any Secured Party is entitled to reimbursement or indemnification under the Servicing Agreement, the CMBS Trust Agreement, the Indenture or the Collateral Agency Agreement or any other related document.

"Borrower Reimbursable Expenses Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Borrower Reimbursable Expenses Reserve Amount" shall mean, as of any applicable Determination Date, all Borrower Reimbursable Expenses determined by the Servicer to be payable or reimbursable after the preceding Determination Date, or after the Closing Date in the case of the first Determination Date, and on or prior to such applicable Determination Date.

"Borrower Related Parties" shall mean the Borrower or any Affiliate thereof.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which the New York Stock Exchange or banking institutions in any city in which the principal place of business of the CMBS Trustee, the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor or the Collateral Agent is located are authorized or obligated by law or executive order to remain closed.

"CAA Indemnified Party" shall have the meaning set forth in the Collateral Agency Agreement.

"Capital Stock" shall mean:

(i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of common stock and preferred stock of such Person, and all options, warrants or other rights to purchase or acquire any of the foregoing; and

(ii) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person, and all options, warrants or other rights to purchase or acquire any of the foregoing.

"Captive Insurance Company" shall have the meaning set forth in the Loan Agreements.

"Cash Collateral Account" shall mean an account to be established by the Master Servicer upon the occurrence of a Mortgage Event of Default titled "Wells Fargo Bank, National Association, as Master Servicer under that certain Servicing Agreement, dated as of April 5, 2012, in trust for Citibank, N.A., as Collateral Agent" held on behalf of the Collateral Agent for the benefit of the Secured Parties.

"Cash Management Bank" shall have the meaning set forth in the Collateral Agency Agreement.

"Casualty" shall mean damage or destruction, in whole or in part, of the Mortgaged Property by fire or other casualty.

"CDO" shall have the meaning set forth in the definition of Qualified Lender.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Certificate Balance" shall mean, with respect to any Class of CMBS Certificates and any Distribution Date, an amount equal to the aggregate initial Certificate Balance with respect to such Class set forth in the CMBS Trust Agreement, less the sum of all amounts distributed to Certificateholders of such Class on all previous Distribution Dates and treated under the CMBS Trust Agreement as allocable to principal and less, Realized Losses and, solely for purposes of determining Voting Rights, Appraisal Reduction Amounts previously allocated to reduce the Certificate Balance of such Class, in each case pursuant to the terms of the Servicing Agreement; provided that the Certificate Balance of any Class then Outstanding shall be reduced to zero upon a Liquidation and the distribution of the related Net Liquidation Proceeds. With respect to any individual CMBS Certificate, the "Certificate Balance" shall mean the product of (x) the Percentage Interest represented by such CMBS Certificate multiplied by (y) the Certificate Balance of all of such Outstanding CMBS Certificates of the related Class.

"Certificateholder" shall mean, with respect to any CMBS Certificate, the Person in whose name such CMBS Certificate is registered in the Certificate Register; provided, however, that solely for the purposes of providing or distributing any reports, statements, communications, or other information required or permitted to be provided or distributed to a Certificateholder under the CMBS Trust Agreement or the Servicing Agreement, a Certificateholder shall include any Beneficial Owner to the extent that the Person providing or distributing such reports, statements, communications, or other information has received from such Beneficial Owner information and a written certification reasonably acceptable to such Person regarding its name, address and beneficial ownership of a CMBS Certificate and, except where such information is expressly permitted to be delivered to the Borrower in its capacity as the Borrower and not as a Certificateholder pursuant to the terms of the Servicing Agreement, shall exclude any Person that has not delivered an Investor Certification certifying that it is not a Borrower, a Borrower Related Party or acting on behalf of a Borrower Related Party; and provided, further, that, solely for the purposes of the taking of any action or the giving of any consent, waiver, request or demand pursuant to the CMBS Trust Agreement or the Servicing Agreement (except as set forth in the following sentence), any CMBS Certificate beneficially owned by the Master Servicer, the Special Servicer, the Collateral Agent, the Operating Advisor, the CMBS Trustee, the Borrower or any Person known to a Responsible Officer to be a sub-servicer, or any of their respective Affiliates, shall be deemed not to be outstanding and the Voting Rights to which it is entitled shall not be taken into account (as either part of the numerator or denominator) in determining whether the requisite percentage of Voting Rights necessary to take any such action or effect any such consent, waiver, request or demand has been obtained. For purposes of obtaining the consent of Certificateholders to an amendment of the CMBS Trust Agreement or the Servicing Agreement, any CMBS Certificate beneficially owned by the CMBS Trustee, the Master Servicer, the Special Servicer, the Operating Advisor, the Collateral Agent or any Affiliates of any thereof shall be deemed to be Outstanding; provided, however, that if such amendment relates to the compensation, termination or replacement of the CMBS Trustee, the Master Servicer, the Special Servicer, the Operating Advisor or the Collateral Agent, as the case may be, or benefits the CMBS Trustee, the Master Servicer, the Special Servicer, the Operating Advisor or the Collateral Agent in their capacity as such or any Affiliates thereof (other than solely in the capacity as a Certificateholder) in any material respect, then such CMBS Certificate shall be deemed not to be Outstanding. The CMBS Trustee and the Certificate Registrar may obtain and conclusively rely upon an Officer's Certificate of the CMBS Depositor, the Master Servicer, the Special Servicer, the Collateral Agent, the Operating Advisor, the Borrower or any sub-servicer to determine whether a CMBS Certificate is beneficially owned by an Affiliate of any of them.

"Certificates" shall have the meaning set forth in the CMBS Trust Agreement.

"Chattel Paper" shall mean any "chattel paper," as such term is defined in the UCC, including electronic chattel paper, now owned or hereafter acquired by the Borrower.

"Citibank" shall mean Citibank, N.A., a national banking association, and its successors-in-interest.

"City" shall mean The City of New York.

"Class" or "Classes" shall mean (i) as used with respect to the Bonds, the designation of the classification of priority of payment of a particular Series or portion of a Series of Bonds and (ii) as used with respect to the CMBS Certificates, all of the CMBS Certificates bearing the same alphabetical and numerical class designation.

"Class A Certificates" shall have the meaning set forth in the CMBS Trust Agreement.

"Class B Certificates" shall have the meaning set forth in the CMBS Trust Agreement.

"Class Priority" shall mean the priority of payment of Classes of Bonds of a Series as set forth in the Indenture.

"Clearing Agency" shall mean an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act. The initial Clearing Agency shall be DTC.

"Closing Date" shall mean the date of issuance of the Series 2012 Liberty Bonds.

"CMBS Available Funds" shall mean all Available Secured Party Distribution Amounts allocated to the CMBS Trustee on the related Secured Party Distribution Date.

"CMBS Certificates" shall mean the "Certificates" (as defined in the CMBS Trust Agreement).

"CMBS Component" shall mean the CMBS Component A or CMBS Component B, as the context may require.

"CMBS Component A" shall mean "Component A" as defined in the CMBS Loan Agreement).

"CMBS Component B" shall mean "Component B" as defined in the CMBS Loan Agreement).

"CMBS Component Interest Rate" shall mean, with respect to any CMBS Component, the per annum interest borne by such CMBS Component under the CMBS Loan Agreement absent the occurrence and continuance of a Mortgage Event of Default.

"CMBS Debt" shall mean the outstanding principal amount set forth in, and evidenced by, the CMBS Loan and Collateral Documents, together with all interest accrued and unpaid thereon and all other sums due to CMBS Lender in respect of the CMBS Loan.

"CMBS Depositor" shall mean, with respect to the CMBS Trust Agreement, 7 WTC Depositor, LLC, a Delaware limited liability company, and its successors-in-interest.

"CMBS Fees Amount" shall have the meaning set forth in the Collateral Agency Agreement.

"CMBS Financing Documents" shall mean the CMBS Trust Agreement and other documents evidencing, securing, issuing, guaranteeing or otherwise relating solely to the CMBS Certificates, which documents are set forth on Exhibit A-1 attached to the Collateral Agency Agreement.

"CMBS Joinder" shall mean that certain Joinder, dated as of the Closing Date, by Larry A. Silverstein in favor of the CMBS Lender.

"CMBS Lender" shall mean 7 WTC CMBS Lender, LLC, a Delaware limited liability company, and its successors-in-interest.

"CMBS Loan" shall mean the $125,000,000 commercial mortgage loan made on the Closing Date by the CMBS Lender pursuant to the CMBS Loan Agreement as evidenced by the CMBS Note and the other CMBS Loan and Collateral Documents.

"CMBS Loan Agreement" shall mean the CMBS Loan Agreement, dated as of the Closing Date, among the Borrower and the CMBS Lender, and acknowledged and agreed to by the Collateral Agent, as the same may be amended, supplemented or otherwise modified from time to time.

"CMBS Loan and Collateral Documents" shall mean the CMBS Loan Agreement, the CMBS Note, the CMBS Joinder, the Mortgage, the Management Agreement Subordination, and the Collateral Agency Agreement, and all other documents evidencing, securing, insuring, guaranteeing or otherwise relating solely to the CMBS Loan.

"CMBS Loan Documents" shall mean the CMBS Loan Agreement and other documents evidencing, securing, insuring, guaranteeing or otherwise relating solely to the CMBS Loan, which documents are set forth on Exhibit A-2 attached to the Collateral Agency Agreement.

"CMBS Loan Purchase Agreement" shall mean the mortgage loan purchase and sale agreement, dated as of the Closing Date, between the CMBS Lender and the CMBS Depositor.

"CMBS Loan Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"CMBS Note" shall mean that certain Consolidated, Amended and Restated Promissory Note relating to the CMBS Loan, dated as of the Closing Date, in the initial principal amount of $125,000,000 executed by Borrower and payable to the order of the CMBS Lender, the CMBS Trustee and the Collateral Agent, as the same may hereafter be amended, supplemented, restated, increased, extended or consolidated from time to time.

"CMBS Note Principal Balance" shall mean, on any date of determination, $125,000,000 less the sum of any amounts previously applied as principal in reduction of such principal amount pursuant to the terms of the Servicing Agreement or the CMBS Loan Documents.

"CMBS Principal Distribution Amount" shall mean with respect to any Secured Party Distribution Date (i) prior to the occurrence and continuation of a Special Event of Default, the lesser of (a) the sum of (x) the principal portion, if any, of the Debt Service Payment due for the related Due Date with respect to the CMBS Loan, to the extent actually collected from the Borrower during the related Collection Period or advanced pursuant to the Servicing Agreement, (y) all involuntary principal prepayments on the Obligations collected during the related Collection Period (to the extent not distributed to the Indenture Trustee in respect of the Liberty Bonds Principal Distribution Amount for such Secured Party Distribution Date) and (z) if the Borrower voluntarily prepays the CMBS Loan in accordance with the terms of the CMBS Loan Documents, the amount of such voluntary prepayment collected during the related Collection Period, and (b) the CMBS Note Principal Balance immediately prior to such Secured Party Distribution Date; and (ii) on and after the occurrence and continuation of a Special Event of Default, an amount equal to the CMBS Note Principal Balance until the CMBS Note Principal Balance is paid in full.

"CMBS Scheduled Payment Date" shall mean the "Scheduled Payment Date" as defined in the CMBS Loan Agreement.

"CMBS Trust" shall mean the trust formed pursuant to the CMBS Trust Agreement.

"CMBS Trust Agreement" shall mean the CMBS Trust Agreement, dated as of the Closing Date, between the CMBS Trustee and the CMBS Depositor.

"CMBS Trust Fund" shall mean, with respect to the CMBS Trust, the corpus of the CMBS Trust as specified in the CMBS Trust Agreement.

"CMBS Trustee" shall mean Citibank, in its capacity as "CMBS Trustee" under the CMBS Trust Agreement, or any successor "CMBS Trustee" appointed under the CMBS Trust Agreement.

"CMBS Trustee Fee" shall mean a fee payable monthly to the CMBS Trustee pursuant to the CMBS Trust Agreement equal to the amount accrued at the CMBS Trustee Fee Rate on the Stated Principal Balance of the CMBS Loan, calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods.

"CMBS Trustee Fee Rate" shall mean, with respect to the CMBS Loan and any related REO Obligation, a *per annum* rate equal to 0.02%.

"Collateral Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Collateral Agency Agreement" shall mean the Collateral Agency Agreement, dated as of the Closing Date, among the Borrower, the Collateral Agent and the Cash Management Bank, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms of the Collateral Agency Agreement.

"Collateral Agent" shall mean Citibank or any successor Collateral Agent appointed pursuant to the Collateral Agency Agreement.

"Collateral Agent Fee" shall mean, with respect to the Loans, an annual fee of $18,000 payable to the Collateral Agent, in advance, on the Closing Date with respect to the first such payment, and annually on the Due Date in April, commencing in 2013.

"Collateral Documents" shall mean, collectively, the Collateral Agency Agreement, any Control Agreement, the Assignment of Management Agreement, the Mortgage and all UCC or other financing statements or instruments of perfection required by the Collateral Agency Agreement or any other agreement to be filed or recorded with respect to the Liens created by the Collateral Documents, and each other security or pledge agreement or other document, instrument or agreement creating or intending to create a Lien on the Mortgaged Property delivered pursuant to the Collateral Agency Agreement securing repayment of the Obligations, which documents are set forth on Exhibit A-3 attached to the Collateral Agency Agreement.

"Collateral Records" shall mean books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and other electronic storage media and related data processing software and similar items that at any time evidence or contain information relating to any of the Mortgaged Property or are otherwise necessary or helpful in the collection thereof or realization thereon.

"Collection Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Collection Period" shall mean, with respect to any Secured Party Distribution Date, the period commencing immediately following the Determination Date in the calendar month preceding the month in which such Secured Party Distribution Date occurs and ending on and including the Determination Date in the calendar month in which such Secured Party Distribution Date occurs; provided that the first Collection Period will commence on the Closing Date.

"Commercial Tort Claims" shall mean any "commercial tort claims," as such term is defined in the UCC, now held or hereafter acquired by the Borrower.

"Commission" shall mean the Securities and Exchange Commission.

"Component" shall mean a Liberty Bonds Component or CMBS Component, as applicable.

"Component," "Component 1," "Component 2" and "Component 3" shall have the meanings set forth in the Liberty Bonds Loan Agreement.

"Component Interest Rate" shall mean, with respect to (i) the Series 2012, Class 1 Bonds, maturing on September 15, 2035, 4.00% per annum, plus any applicable Default Interest imposed pursuant to the Liberty Bonds Loan Agreement, and with respect to each other maturity of the Series 2012, Class 1 Bonds, 5.00% per annum, plus any applicable Default Interest imposed pursuant to the Liberty Bonds Loan Agreement, (ii) the Series 2012, Class 2 Bonds, 5.00% per annum, plus any applicable Default Interest imposed pursuant to the Liberty Bonds Loan Agreement, and (iii) the Series 2012, Class 3 Bonds, 5.00% per annum, plus any applicable Default Interest imposed pursuant to the Liberty Bonds Loan Agreement.

"Con Edison" shall mean the Consolidated Edison Company of New York, Inc., a New York power generation and supply company, and its successors-in-interest, and any successor under the REA.

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

"Condemnation Proceeds" shall mean any compensation paid by any Governmental Authority in connection with a Condemnation in respect of all or any part of the Mortgaged Property.

"Confidential Information" shall mean, with respect to the Special Servicer, all material non-public information obtained in the course of and as a result of such Person's performance of its duties as Special Servicer, with respect to the CMBS Loan, the Liberty Bonds Loan, the Borrower, the Borrower Related Parties and the Mortgaged Property, unless such information (i) was already in the possession of such Person prior to being disclosed to such Person, (ii) is or becomes available to such Person from a source other than its activities as Special Servicer, or (iii) is or becomes generally available to the public other than (i) as a result of a disclosure by the Special Servicer Servicing Personnel or (ii) in violation of any of the Loan and Collateral Documents, the Collateral Agency Agreement or the Servicing Agreement.

"Control" shall mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise (excluding certain customary approval rights over "major decisions"), and the terms "Controlled", "Controlling" and "Common Control" shall have correlative meanings.

"Control Agreement" shall mean the Deposit Control Agreement entered into between the Borrower and the Cash Management Bank and any successor agreement entered into as permitted under the Collateral Agency Agreement.

"Copyrights" shall mean all United States, state and foreign copyrights, including copyrights in software and databases, and all Mask Works (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, and, with respect to the foregoing, (i) all registrations and applications therefor, (ii) all extensions and renewals thereof, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringements thereof, (v) all licenses, claims, damages and proceeds of suit arising therefrom, and (vi) all payments and rights to payments arising out of the sale, lease, license, assignment, or other disposition thereof.

"Corporate Trust Office" shall mean the principal corporate trust office of the CMBS Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of the execution of the CMBS Trust Agreement is located at (a) for purposes other than transfers, exchanges or surrender of the CMBS Certificates, at 388 Greenwich Street, 124th Floor, New York, NY 10013, Attention: Global Transaction Service, 7 World Trade Center 2012-WTC and (b) for transfers, exchanges or surrender of the CMBS Certificates, at 111 Wall Street, 15th Floor, New York, NY 10005, Attention: 15th Floor Window, 7 World Trade Center 20123-WTC, or any other address that the CMBS Trustee may designate from time to time by notice to the CMBS Depositor and the Certificateholders.

"Corrected Obligation" shall mean any Obligation that had been a Specially Serviced Obligation but as to which all Servicing Transfer Events have ceased to exist other than in connection with a sale pursuant to the Servicing Agreement.

"Creditors Rights Laws" shall mean with respect to any Person, any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to its debts or debtors, including, without limitation, the Bankruptcy Code.

"CREFC" shall mean CRE Finance Council, formerly known as Commercial Mortgage Securities Association, or any successor thereto.

"CREFC Advance Recovery Report" shall mean the monthly report substantially in the form of, and containing the information called for in, the downloadable form of the "Advance Recovery Report" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC for commercial mortgage securities transactions generally and, insofar as it requires the presentation of information in addition to that called for by the form of the "Advance Recovery Report" available as of the Closing Date on the CREFC Website, is reasonably acceptable to the Master Servicer.

"CREFC Bond Level File" shall mean the monthly report substantially in the form of, and containing the information called for in, the downloadable form of the "Bond Level File" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the CMBS Trustee.

"CREFC Collateral Summary File" shall mean the report substantially in the form of, and containing the information called for in, the downloadable form of the "Collateral Summary File" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the CMBS Trustee.

"CREFC Comparative Financial Status Report" shall mean a report substantially in the form of, and containing the information called for in, the downloadable form of the "Comparative Financial Status Report" available as of the Closing Date on the CREFC Website, or such other form for the presentation of

such information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Master Servicer and the Special Servicer.

"CREFC Delinquent Loan Status Report" shall mean a report substantially in the form of, and containing the information called for in, the downloadable form of the "Delinquent Loan Status Report" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Master Servicer and the Special Servicer.

"CREFC Financial File" shall mean a report substantially in the form of, and containing the information called for in, the downloadable form of the "Financial File" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Master Servicer.

"CREFC Historical Loan Modification and Corrected Mortgage Loan Report" shall mean a report substantially in the form of, and containing the information called for in, the downloadable form of the "Historical Loan Modification and Corrected Mortgage Loan Report" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Master Servicer and the Special Servicer.

"CREFC Loan Level Reserve LOC Report" shall mean the monthly report substantially in the form of, and containing the information called for in, the downloadable form of the "Loan Level Reserve LOC Report" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Master Servicer.

"CREFC Loan Periodic Update File" shall mean the monthly report substantially in the form of, and containing the information called for in, the downloadable form of the "Loan Periodic Update File" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Master Servicer, the Special Servicer and the CMBS Trustee.

"CREFC Loan Setup File" shall mean the report substantially in the form of, and containing the information called for in, the downloadable form of the "Loan Setup File" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Master Servicer, the Special Servicer and the CMBS Trustee.

"CREFC NOI Adjustment Worksheet" shall mean a report substantially in the form of, and containing the information called for in, the downloadable form of the "NOI Adjustment Worksheet" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is acceptable to the Master Servicer or the Special Servicer, as applicable, and in any event, shall present the computations made in accordance with the methodology described in such form to "normalize" the full year net operating income and debt service coverage numbers used in the other reports required by the Servicing Agreement.

"CREFC Operating Statement Analysis Report" shall mean a report prepared with respect to the Mortgaged Property substantially in the form of, and containing the information called for in, the downloadable form of the "Operating Statement Analysis Report" available as of the Closing Date on the CREFC Website or in such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Master Servicer.

"CREFC Property File" shall mean a report substantially in the form of, and containing the information called for in, the downloadable form of the "Property File" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Master Servicer and the Special Servicer.

"CREFC REO Status Report" shall mean a report substantially in the form of, and containing the information called for in, the downloadable form of the "REO Status Report" available as of the Closing Date on the CREFC Website, or in such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Master Servicer.

"CREFC Reports" shall mean, collectively:

(i) the following seven electronic files: (i) CREFC Bond Level File, (ii) CREFC Collateral Summary File, (iii) CREFC Property File, (iv) CREFC Loan Periodic Update File, (v) CREFC Loan Setup File, (vi) CREFC Financial File, and (vii) CREFC Special Servicer Loan File; and

(ii) the following nine supplemental reports: (i) CREFC Comparative Financial Status Report, (ii) CREFC Delinquent Loan Status Report, (iii) CREFC Historical Loan Modification and Corrected Mortgage Loan Report, (iv) CREFC Operating Statement Analysis Report, (v) CREFC NOI Adjustment Worksheet, (vi) CREFC REO Status Report, (vii) CREFC Servicer Watch List, (viii) CREFC Loan Level Reserve LOC Report, and (ix) CREFC Advance Recovery Report.

"CREFC Servicer Watch List" shall mean for any Determination Date, a report substantially in the form of, and containing the information called for in, the downloadable form of the "Servicer Watch List" available as of the Closing Date on the CREFC Website, or in such other final form for the presentation of such information and containing such additional information as may from time to time be promulgated as recommended by the CREFC for commercial mortgage securities transactions generally and, insofar as it requires the presentation of information in addition to that called for by the form of the "Servicer Watch List" available as of the Closing Date on the CREFC Website, is reasonably acceptable to the Master Servicer.

"CREFC Special Servicer Loan File" shall mean the monthly report substantially in the form of, and containing the information called for in, the downloadable form of the "Special Servicer Loan File" available as of the Closing Date on the CREFC Website, or such other form for the presentation of such information and containing such additional information as may from time to time be recommended by the CREFC for commercial mortgage securities transactions generally and is reasonably acceptable to the Special Servicer and the Master Servicer.

"CREFC Website" shall mean the CREFC's Website located at "www.crefc.org" or such other primary website as the CREFC may establish for dissemination of its report forms.

"Cure Option Notice" shall have the meaning set forth in the Servicing Agreement.

"Cure Payment" shall have the meaning set forth in the Servicing Agreement.

"Current Terrorism Policy" shall have the meaning assigned to such term in the CMBS Loan Agreement and the Liberty Bonds Loan Agreement.

"CUSIP" shall mean numbers that identify securities issued in accordance with the Committee on Uniform Securities Identification Procedures.

"Debt Service" shall mean, with respect to any particular period of time, all scheduled principal and interest payments under each Component of the CMBS Loan, each Component of the Liberty Bonds Loan and the Permitted Mezzanine Financing, if any.

"Debt Service Coverage Ratio" shall mean, as of any date of determination, for the applicable period of calculation, the ratio of (i) Net Cash Flow to (ii) the aggregate amount of Debt Service which would be due for the same period.

"Debt Service Payment" shall mean, with respect to any Obligation, for any Due Date as of which such Obligation is outstanding, (i) in the case of the Liberty Bonds Loan, the scheduled monthly payments of interest and/or principal payable on each Liberty Bonds Component under the Liberty Bonds Loan Agreement or (ii) in the case of the CMBS Loan, the scheduled monthly payments of interest and/or principal on each CMBS Component under the CMBS Loan Agreement that is actually payable by the Borrower from time to time under the terms of such Obligation (as such terms may be changed or modified in connection with a bankruptcy or similar proceeding involving the Borrower or a modification, waiver or amendment of such Obligation granted or agreed to by the Master Servicer or Special Servicer pursuant to the Servicing Agreement and Applicable Law).

"Debt Yield" shall mean, as of any date of determination, the percentage obtained by dividing:

(a) the Net Operating Income for the trailing twelve (12) month period immediately preceding the date of determination for the Mortgaged Property as of such date of determination as set forth in the financial statements required under the Loan Agreements, without including, for purposes of calculating the Operating Expense component of Net Operating Income, Property Management Fees incurred in connection with the operation of the Mortgaged Property except as set forth below but including, for purposes of calculating the Operating Expense component of Net Operating Income, Property Management Fees equal to the greater of (i) actual management fees and (ii) one and one-half percent (1.5%) of Operating Income; by

(b) the sum of the outstanding principal balances of (i) the CMBS Loan and (ii) the Liberty Bonds Loan.

"Default" shall mean a Mortgage Event of Default or an event that with notice or lapse of time or both would be a Mortgage Event of Default.

"Default Charges" shall mean any Default Interest and/or late payment charges that are paid or payable, as the context may require, in respect of any Obligation or REO Obligation.

"Default Cure Group" shall have the meaning set forth in the Servicing Agreement.

"Default Curing Party" shall have the meaning set forth in the Servicing Agreement.

"Default Interest" shall mean, with respect to any Obligation (or successor REO Obligation), any amounts collected thereon, other than late payment charges or Yield Maintenance Premiums, that

represent interest in excess of interest accrued on the principal balance of such Obligation (or REO Obligation) at the related Mortgage Rate, such excess interest arising out of a default under such Obligation, or, in the case of the Liberty Bonds Loan, relating to an event of default under the Indenture in connection with the failure to pay when due principal, Sinking Fund Installments, Redemption Price or interest on the Series 2012 Liberty Bonds.

"Default Rate" shall mean a rate per annum equal to the lesser of (a) the Maximum Legal Rate and (b) (i) with respect to each CMBS Component, four percent (4%) above the applicable CMBS Component Interest Rate and (ii) with respect to each Liberty Bonds Component, three percent (3%) above the applicable Liberty Bonds Component Interest Rate.

"Defaulted Obligation" shall mean any Obligation following such time that (i) it is delinquent 60 days or more in respect to a Debt Service Payment which such delinquency, in the case of the Liberty Bonds Loan, results in a delinquency of any length of time on payments due under the Liberty Bonds Loan Agreement relative to the Bonds, such delinquency to be determined without giving effect to any grace period permitted by the Obligation or related Loan Documents and without regard to any acceleration of payments under the Obligation and related Loan Documents, or (ii) the Master Servicer or Special Servicer has, by written notice to the Borrower, accelerated the maturity of the Indebtedness evidenced by the related Loan Documents.

"Defaulting Party" shall have the meaning set forth in the Servicing Agreement.

"Defeasance Account" shall mean the Account by that name created and established in the Bond Fund pursuant to the Indenture.

"Defeased Liberty Bonds Loan" shall mean the Bonds after the Bonds have been fully defeased or partially defeased in accordance with the Indenture.

"Defeased Obligation" shall mean the Liberty Bonds Loan or a portion thereof, if it has become a Defeased Liberty Bonds Loan.

"Defect" shall mean any document that is required to be in the possession of the Collateral Agent pursuant to the Collateral Agency Agreement that is not properly executed or is defective.

"Deferred Interest" shall mean the sum of (i) all interest on an Obligation that has been deferred by the Special Servicer pursuant to a work-out or other modification of the Mortgage Rate of such Obligation plus (ii) the cumulative amount of the reductions (if any) in the interest portion of related P&I Advances for such Obligation that have been reduced pursuant to the Servicing Agreement in connection with Appraisal Reduction Amounts.

"Delivery Date" shall mean, with respect to any Bonds of a Series and/or Class, the date of the initial issuance and delivery thereof.

"Depository" shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book-entry system to record ownership of book-entry interests in Bonds or CMBS Certificates, and to effect transfers of book-entry interests in Bonds or CMBS Certificates in book-entry form, and means initially DTC.

"Depository Participant" shall mean a Person for whom, from time to time, the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

"Determination Date" shall mean the 9th calendar day of each month or, if such day is not a Business Day, the immediately preceding Business Day.

"Direct Participant" shall mean any participant in the Depository in whose name positions in securities subject to the book-entry system of the Depository (including the Bonds) may be recorded.

"Distribution Account" shall mean a deposit account to be established by the CMBS Trustee pursuant to the CMBS Trust Agreement in the name of the CMBS Trustee and for the benefit of the Certificateholders.

"Distribution Date" shall mean the 4th Business Day after the immediately preceding Determination Date.

"Distribution Date Statement" shall mean a statement, prepared by the CMBS Trustee, based solely upon information supplied to it by the Master Servicer and the Special Servicer, as applicable, in respect of the distributions on such Distribution Date as set forth in the CMBS Trust Agreement.

"Documents" shall mean all "documents," as such term is defined in the UCC, now owned or hereafter acquired by the Borrower, wherever located.

"DTC" shall mean The Depository Trust Company, a New York corporation, and its successors-in-interest.

"Due Date" shall mean, with respect to (i) any Obligation on or prior to its Stated Maturity Date, the day of the month set forth in the related Loan Documents on which each Debt Service Payment on such Obligation is scheduled to be due; (ii) any Obligation after its Stated Maturity Date, the day of the month set forth in the related Loan Documents on which each Debt Service Payment on such Obligation had been scheduled to be due prior to its Stated Maturity Date; and (iii) any REO Obligation, the day of the month set forth in the related Loan Documents on which each Debt Service Payment on the related Obligation would be scheduled to be due assuming the related Loan Documents were still in effect.

"Eligible Account" shall mean (i) a segregated account maintained with a federal or state-chartered depository institution or trust company which complies with the definition of Eligible Institution, or (ii) a segregated trust account or accounts maintained with the corporate trust department of a federal depository institution or state-chartered depository institution which has an investment-grade rating from Fitch and a rating of "Baa3" from Moody's and is subject to regulations regarding fiduciary funds on deposit under, or similar to, Title 12 of the Code of Federal Regulations Section 9.10(b), having in either case a combined capital and surplus of at least $50,000,000.00 and subject to supervision or examination by federal or state authority, as applicable. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

"Eligible Institution" shall mean (i) an institution whose commercial paper, short-term debt obligations or other short-term deposits are rated at least "P-1" by Moody's or whose long-term senior unsecured debt obligations are rated at least "A2" by Moody's, and whose commercial paper, short-term debt obligations or other short-term deposits are rated at least "F-1" by Fitch and whose long-term senior unsecured debt obligations are rated at least "A" by Fitch, and whose deposits are insured by the FDIC or (ii) an institution with respect to which a No Downgrade Confirmation has been obtained; provided that each of JPMorgan Chase Bank, N.A., Citibank, N.A. and Wells Fargo Bank, National Association shall be deemed to be an Eligible Institution so long as its short-term unsecured debt obligations or commercial paper are rated at least "P-1" by Moody's and "F-1" by Fitch (or, if JPMorgan Chase Bank, N.A., Citibank, N.A. or Wells Fargo Bank, National Association does not have any short-term unsecured debt rated by each of Moody's and Fitch, its long-term unsecured debt obligations are rated at least "A2" by Moody's and "A" by Fitch, or any such other debt ratings, provided a No Downgrade Confirmation is received).

"Embargoed Person" shall mean any person, entity or government subject to trade restrictions under U.S. law, including, but not limited to, The USA PATRIOT Act (including the anti-terrorism

provisions thereof), the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701, et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder including those related to Specially Designated Nationals and Specially Designated Global Terrorists, with the result that the investment in Borrower or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan made by the Lender is in violation of law.

"EMMA" shall mean MSRB's Electronic Municipal Market Access System which provides continuing disclosure services for the receipt and public availability of continuing disclosure documents and related information required by Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Enforcement" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Enhancement Facility" shall mean, collectively, any credit enhancement facility or guarantee which supports the full or partial payment of principal and/or interest and, if agreed to by the Enhancement Facility Issuer and the Borrower, redemption premium, on an Obligation when due, all in accordance with the applicable Loan Document.

"Enhancement Facility Default" shall mean, with respect to an Enhancement Facility, any of the following: (a) there shall occur a default in any payment by the related Enhancement Facility Issuer when required to be made under the terms of such Enhancement Facility, (b) such Enhancement Facility shall have been declared null and void or unenforceable in a final determination by a court of law of competent jurisdiction, or (c) the related Enhancement Facility Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of such Enhancement Facility Issuer or for any substantial part of its property, or shall make a general assignment for the benefit of creditors.

"Enhancement Facility Issuer" shall mean, with respect to an Enhancement Facility, the Person obligated to make a payment with respect to an Obligation provided under such Enhancement Facility, and any successor or assign obligated under such Enhancement Facility.

"Environmental Law" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Environmental Liens" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Environmental Report" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Equipment" shall mean all "equipment," as such term is defined in the UCC, now owned or hereafter acquired by the Borrower, wherever located and, in any event, including all the Borrower's machinery and equipment, including processing equipment, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, forklifts and other equipment of every kind and nature, trade fixtures and fixtures not forming a part of real property, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, fuel therefor, and all manuals, drawings, instructions, warranties and rights with respect thereto, and all products and proceeds thereof and Condemnation Proceeds and Insurance Proceeds with respect thereto.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time and any successor statutes thereto and applicable regulations issued pursuant thereto in temporary or final form.

"Event of Default" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Executive Order Annex" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Exempt Obligation" shall mean an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which (i) is excludable from gross income under Section 103 of the Internal Revenue Code and (ii) is not an item of tax preference within the meaning of Section 57(a)(5) of the Internal Revenue Code.

"Extraordinary Operating Expense" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Facility" shall mean the uppermost 42 floors of the building on the real property described in the Description of the Land in Exhibit A to the Mortgage.

"Fannie Mae" shall mean the Federal National Mortgage Association or any successor thereto.

"FDIC" shall mean the Federal Deposit Insurance Corporation or any successor.

"Final Liquidation Event" shall mean, with respect to any Obligation, any of the following events: (i) such Obligation is paid in full; or (ii) a Final Recovery Determination is made with respect to such Obligation.

"Final Recovery Determination" shall mean a determination made by the Special Servicer, in its reasonable, good faith judgment and in accordance with the Servicing Standard, with respect to any Obligation or REO Property (other than an Obligation that is paid in full) that there has been a recovery of all related Insurance Proceeds, Condemnation Proceeds, Liquidation Proceeds and other payments or recoveries that will ultimately be recoverable.

"Financing Documents" shall mean the CMBS Financing Documents and the Liberty Bonds Financing Documents.

"Fiscal Year" shall mean each calendar year.

"Fitch" shall mean Fitch, Inc. and its successors-in-interest, so long as Fitch and such successor shall be in the rating business and shall qualify as a NRSRO.

"Fixtures" or "fixtures" shall mean all "fixtures" as such term is defined in the UCC, now owned or hereafter acquired by the Borrower.

"Freddie Mac" shall mean the Federal Home Loan Mortgage Corporation, and its successors-in-interest.

"Free Rent Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Full Replacement Cost" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"General Intangibles" shall mean all "general intangibles," as such term is defined in the UCC, now owned or hereafter acquired by the Borrower, including all right, title and interest that the Borrower may now or hereafter have in or under any contract, all payment intangibles, Intellectual Property, and all applications therefor and reissues, extensions or renewals thereof, rights in Intellectual Property, interests in partnerships, joint ventures and other business associations, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials and records, goodwill (including the goodwill associated with any Intellectual Property), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal property, real property, tangible rights or intangible rights, all liability, life, key man and business interruption insurance, and all unearned premiums), uncertificated securities, choses in action, deposit, checking and other bank accounts, rights to receive tax refunds and other payments, rights to receive dividends, distributions, cash, Instruments and other property in respect of or in exchange for Investment Property, rights of indemnification, all books and records, correspondence, credit files, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of the Borrower or any computer bureau or service company from time to time acting for the Borrower.

"Goods" shall mean all "goods" as defined in the UCC, now owned or hereafter acquired by the Borrower, wherever located, including embedded software to the extent included in "goods" as defined in the UCC.

"Governing Body" shall mean, when used with respect to any Person, its group of individuals by, or under the authority of which, the powers of such Person are exercised.

"Governmental Authority" shall mean any court, board, agency, department, commission, office or other authority of any nature whatsoever for any governmental unit (federal, state, county, municipal, city, town, special district or otherwise), whether now or hereafter in existence (but excluding for all purposes, the Port Authority to the extent it is acting in its capacity as Ground Lessor under the Ground Lease).

"Government Approval" shall mean any action, authorization, consent, approval, license, lease, ruling, permit, tariff, rate, certification, exemption, filing or registration by or with any Governmental Authority, including all licenses, permits, allocations, authorizations, approvals and certificates obtained by or in the name of, or assigned to, the Borrower and used in connection with the ownership, construction, operation, use or occupancy of the Facility, including building permits, zoning and planning approvals, business licenses, licenses to conduct business, and all such other permits, licenses and rights.

"Government Lists" shall mean (a) the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control; (b) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that a Lender notified Borrower in writing is now included in "Government Lists", or (c) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other Governmental Authority or pursuant to any Executive Order of the President of the United States of America that a Lender notified Borrower in writing is now included in "Government Lists".

"Government Obligations" shall mean the following: (i) direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America; (ii) obligations of a Person

controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America for the timely payment thereof; or (iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above, provided that such obligations are not subject to redemption prior to maturity.

"Grantor Trust" shall mean the "grantor trust" under subpart E, part I of subchapter J of the Internal Revenue Code comprising the CMBS Trust Fund.

"Ground Lease" shall mean that certain Restated and Amended Agreement of Lease between Ground Lessor and 7 World Trade Company, L.P., dated as of February 6, 2003, as assigned to 7 World Trade Center, LLC, as amended by the Amendment #1 to Restated and Amended Agreement of Lease, dated as of October 18, 2006, and as further amended by the Amendment #2 to Restated and Amended Ground Lease, dated as of December 5, 2007, and as assigned by 7 World Trade Center, LLC to Borrower pursuant to the Assignment of Ground Lease, dated as of the Closing Date, as the same may be further amended, restated, supplemented, replaced or otherwise modified from time to time, in accordance with the provisions of the Loan Documents.

"Ground Lease Reserve Account" shall mean an Eligible Account to be established by the Borrower and held by the Collateral Agent for the benefit of the Holders for the payment of rent due under the Ground Lease.

"Ground Lessor" shall mean the Port Authority, and any successor landlord under the Ground Lease.

"Ground Lessor Option" shall mean the right of the Ground Lessor to purchase the Obligations pursuant to the Ground Lease.

"Ground Lessor Purchase Price" shall mean the price at which the Ground Lessor has the right to purchase the Outstanding Obligations pursuant to the Ground Lease.

"Ground Rent" shall mean the base rent due under the Ground Lease, plus, after a Mortgage Event of Default, all other amounts payable to the Ground Lessor under the Ground Lease.

"Guarantor" shall mean Larry A. Silverstein, and his successors, heirs, estate and legal representatives, or, if applicable, any Replacement Guarantor.

"Hazardous Materials" shall mean any dangerous, toxic or hazardous pollutants, chemicals, wastes, or substances, including, without limitation, those so identified pursuant to CERCLA or any other U.S. federal, state or local environmental related laws and regulations, and specifically including, without limitation, asbestos and asbestos-containing materials, polychlorinated biphenyls ("PCBs"), radon gas, petroleum and petroleum products, urea formaldehyde and any substances classified as being "in inventory", "usable work in process" or similar classification that would, if classified as unusable, be included in the foregoing definition.

"Holder" shall mean with respect to an Obligation, the registered owner of such Obligation. For so long as the Bonds are outstanding, the "Holder" of the Liberty Bonds Loan is the Indenture Trustee on behalf of the Bondholders (as defined in the Indenture). For so long as the CMBS Loan is Outstanding, the "Holder" of the CMBS Loan and the CMBS Note is the CMBS Trustee on behalf of the Holders of the CMBS Certificates.

"Improvements" shall have the meaning set forth in the granting clauses of the Mortgage.

"Indebtedness" shall mean with respect to any Person, without duplication:

(a) all obligations for borrowed money of such Person;

(b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) all obligations under capitalized leases under which such Person is obligated;

(d) obligations issued or assumed by such Person as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by one hundred and twenty (120) days or more or are being contested in good faith);

(e) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction excluding any undrawn lines of credit;

(f) guarantees and other contingent obligations in respect of Indebtedness of other Persons of the type referred to in clauses (a) through (e) above and clause (g) below but, in the case of a guaranty, only to the extent so guaranteed; and

(g) all obligations of a Person of the type referred to in clauses (a) through (f) above which are secured solely by the Mortgaged Property, the amount of such obligation being deemed to be the lesser of the fair market value of the Mortgaged Property and the amount of the obligation so secured.

"Indemnified Liabilities" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Indemnified Party" shall mean (a) the Collateral Agent, (b) the Bond Issuer, (c) any Holder, (d) any prior owner or holder of the CMBS Loan or the Liberty Bonds Loan or of participations in the CMBS Loan or Liberty Bonds Loan, (e) the Operating Advisor, the Master Servicer, the Special Servicer and any other servicer or prior servicer of the CMBS Loan or Liberty Bonds Loan, (f) any investor or prior investor in the CMBS Certificates or the Bonds, (g) any trustees, custodians or other fiduciaries who hold or who have held a full or partial interest in the CMBS Loan or the Liberty Bonds Loan for the benefit of any of them or other third party, (h) any receiver or other fiduciary appointed in a foreclosure or other Creditors Rights Laws proceeding related to the Obligations, (i) any officers, directors, shareholders, partners, members, employees, agents, servants, representatives, contractors, subcontractors, affiliates or subsidiaries of any and all of the foregoing, (j) the heirs, legal representatives, successors and assigns of any and all of the foregoing (including, without limitation, any successors by merger, consolidation or acquisition of all or a substantial portion of the Indemnified Parties' assets and business) and (k) any Person, if any, who controls the Collateral Agent, the Operating Advisor or any Servicer, within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, in all cases whether during the term of the CMBS Loan or Liberty Bonds Loan or as part of or following a foreclosure of the Mortgage, but in each case, only with respect to the parties to a particular agreement.

"Indenture" shall mean the Indenture of Trust, dated as of the Closing Date, by and between the Bond Issuer and the Indenture Trustee, as from time to time amended or supplemented or otherwise modified by Supplemental Indentures in accordance with the Indenture.

"Indenture Trust Estate" shall have the meaning set forth in the granting clauses of the Indenture.

"Indenture Trustee" shall mean The Bank of New York Mellon, a banking corporation organized under the laws of the State of New York, and its successors in interest as Indenture Trustee under the Indenture or any successor Indenture Trustee appointed pursuant to the terms of the Indenture.

"Indenture Trustee Fee" shall mean an annual fee of $6,000 payable to the Indenture Trustee, in advance, on the Closing Date with respect to the first such payment, and annually on the Due Date in April, commencing in 2013.

"Independent" shall mean, when used with respect to any specified Person, any such Person who (i) is in fact independent of the Master Servicer, the Special Servicer and each party signatory to the Servicing Agreement, any Financing Document or any Loan and Collateral Document and any and all Affiliates thereof, (ii) does not have any direct financial interest in, or any material indirect financial interest in, any of the Master Servicer, the Special Servicer, or any party to the Servicing Agreement, any Financing Document or any Loan and Collateral Document or any Affiliate thereof, and (iii) is not connected with the Master Servicer, the Special Servicer, or any party to the Servicing Agreement, any Financing Document or any Loan and Collateral Document or any Affiliate thereof as an officer, employee, promoter, placement agent, trustee, partner, director or Person performing similar functions.

"Independent Appraiser" shall mean an Independent professional real estate appraiser who (i) is a member in good standing of the Appraisal Institute, (ii) if New York State certifies or licenses appraisers, is certified or licensed in New York State, and (iii) has a minimum of five (5) years' experience in the appraisal of comparable properties in the City of New York.

"Independent Manager" shall mean an individual who has prior experience as an Independent director, Independent manager or Independent member with at least three years of employment experience and who is provided by CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, Lord Securities Corporation or, if none of those companies is then providing professional Independent Managers, another nationally-recognized company reasonably approved by Lender, in each case that is not an Affiliate of Borrower and that provides professional Independent Managers and other corporate services in the ordinary course of its business, and which individual is duly appointed as an Independent Manager and is not, and has never been, and will not while serving as Independent Manager be, any of the following:

(a) a member, partner, equityholder, manager, director, officer or employee of Borrower, any of Borrower's members, or any of their respective equityholders or Affiliates (other than as an Independent Manager of Borrower or an Affiliate of Borrower that is not in the direct chain of ownership of Borrower and that is required by a creditor to be a single purpose bankruptcy remote entity, provided that such Independent Manager is employed by a company that routinely provides professional Independent Managers or managers in the ordinary course of its business);

(b) a creditor, supplier or service provider (including provider of professional services) to Borrower, Borrower's members or any of their respective equityholders or Affiliates (other than a nationally-recognized company that routinely provides professional Independent Managers and other corporate services to Borrower, any of Borrower's members or any of its Affiliates in the ordinary course of its business);

(c) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or

(d) a Person that Controls (whether directly, indirectly or otherwise) any of (a), (b) or (c) above.

A natural person who otherwise satisfies the foregoing definition and satisfies subparagraph (a) by reason of being the Independent Manager of a "special purpose entity" affiliated with Borrower shall be qualified to serve as an Independent Manager of Borrower, provided that the fees that such individual earns from serving as an Independent Manager of Affiliates of Borrower in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year. For purposes of this paragraph, a "special purpose entity" is an entity whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity's separateness that are substantially similar to a Special Purpose Entity.

"Indirect Participant" shall mean a Person utilizing the book-entry system of the Depository by, directly or indirectly, clearing through or maintaining a custodial relationship with a Direct Participant.

"Insolvency Opinion" shall mean that certain non-consolidation opinion letter dated the Closing Date delivered by Richards, Layton & Finger, P.A. in connection with the Loan Agreements.

"Insolvency Proceeding" shall mean, with respect to any Person, any proceeding under the Bankruptcy Code or any other insolvency, liquidation, reorganization or other similar proceeding concerning such Person, any action for the dissolution of such Person, any proceeding (judicial or otherwise) concerning the application of the assets of such Person, for the benefit of its creditors, the appointment of or any proceeding seeking the appointment of a trustee, receiver or other similar custodian for all or any substantial part of the assets of such Person or any other action concerning the adjustment of the debts of such Person or the cessation of business by such Person.

"Institutional Accredited Investor" shall mean an institution that is an "accredited investor" within the meaning of Rule 501(a) (1), (2), (3) or (7) under the Securities Act.

"Instruments" shall mean all "instruments," as such term is defined in the UCC, now owned or hereafter acquired by the Borrower, wherever located, and, in any event, including all certificated securities, all certificates of deposit, and all promissory notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"Insurance Policy" shall mean, with respect to the Mortgaged Property, any hazard insurance policy, business interruption insurance policy, flood insurance policy, title policy or other insurance policy that is maintained from time to time in respect of the Mortgaged Property.

"Insurance Premiums" shall mean the premiums for the insurance coverages required by the Loan Documents.

"Insurance Proceeds" shall mean the gross proceeds paid under any Insurance Policy.

"Insurance Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Insurance Reserve Amount" shall mean $1/12^{th}$ of the Insurance Premiums that the Servicer reasonably estimates will be payable during the next ensuing twelve (12) months for the renewal of the coverage afforded by the Insurance Policies upon the expiration thereof or such higher amount necessary to accumulate within the Insurance Reserve Account sufficient funds to pay all such Insurance Premiums at least thirty (30) days prior to the expiration of the Insurance Policies; provided, that there shall be no Insurance Reserve Amount to the extent that and so long as (a) no Mortgage Event of Default has occurred and is continuing, and (b) the Borrower has provided the Servicer with satisfactory evidence (as determined by the Servicer) that the Mortgaged Property is insured pursuant to a blanket Insurance Policy meeting the requirements of the Loan Agreements.

"Intellectual Property" shall mean, collectively, the Borrower's Copyrights, Trademarks and Trade Secrets, and any agreement granting any right in, to or under Copyrights, Trademarks or Trade Secrets, where the Borrower is licensee or licensor under such agreement.

"Interest Account" shall mean the account by that name created and established in the Bond Fund pursuant to the Indenture.

"Interest Payment Date" shall mean, with respect to a Series and Class of Bonds, the dates specified in the Supplemental Indenture authorizing the issuance of such Series and Class of Bonds upon which interest on such Series and Class of Bonds is due and payable.

"Interest Period" shall mean (a) with respect to the CMBS Loan, the "Interest Period" as defined in the CMBS Loan Agreement, (b) with respect to the Liberty Bonds Loan, the "Interest Period" as defined in the Liberty Bonds Loan Agreement, (*i.e.,* each period commencing on the fifteenth (15th) calendar day of a calendar month and ending on (and including) the fourteenth (14th) calendar day of the following calendar month; provided, that, (y) the first Interest Period shall commence on the Closing Date, and (z) the last Interest Period shall end on (but exclude) the earlier of the Redemption Date for the redemption of the Series 2012 Liberty Bonds in whole or the Maturity Date for the Series 2012 Liberty Bonds), (c) with respect to the CMBS Certificates and any Distribution Date, the period commencing on and including the 9th calendar day of the month preceding the month in which such Distribution Date occurs, or commencing on the Closing Date in the case of the first Distribution Date, and ending on and including the 8th calendar day of the month in which such Distribution Date occurs, and (d) with respect to the Bonds, the applicable Interest Period set forth in the Indenture.

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

"Inventory" shall mean all "inventory," as such term is defined in the UCC, now owned or hereafter acquired by the Borrower, wherever located, and in any event including goods and other personal property that are held by or on behalf of the Borrower for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute materials or supplies of any kind, nature or description used or consumed or to be used or consumed in the Borrower's business or in the promotion of the same, including all supplies and embedded software.

"Investment Account" shall have the meaning set forth in the Servicing Agreement.

"Investment Decisions" shall mean, with respect to the Special Servicer, investment, trading, lending or other financial decisions, strategies or recommendations with respect to Restricted Investments, whether on behalf of the Special Servicer or any Affiliate thereof, as applicable, or any Person on whose behalf the Special Servicer or any Affiliate thereof, as applicable, has discretion in connection with Restricted Investments, and with respect to the Master Servicer, investment, trading, lending or other financial decisions, strategies or recommendations with respect to Restricted Investments, whether on behalf of the Master Servicer or any Affiliate thereof, as applicable, or any Person on whose behalf the Master Servicer or any Affiliate thereof, as applicable, has discretion in connection with Restricted Investments.

"Investment Grade" shall mean a rating of "Baa3" (or its equivalent) or better by Moody's or "BBB-" (or its equivalent) or better by Fitch.

"Investor Certification" shall mean a certificate representing that such Person executing the certificate is a Certificateholder, a Bondholder, a beneficial owner of a CMBS Certificate or Bond or a prospective purchaser of a CMBS Certificate or Bond substantially in the form as an Exhibit to the Servicing Agreement.

"Investor Inquiry" shall have the meaning set forth in the Servicing Agreement.

"IRS" shall mean the Internal Revenue Service, or any successor thereto.

"Joinders" shall mean, collectively, the CMBS Joinder and the Liberty Bonds Joinder.

"Late Collections" shall mean, with respect to any Obligation, all amounts received thereon during any Collection Period, whether as payments, Net Proceeds, Liquidation Proceeds or otherwise, that represent late collections of the principal and/or interest portions of a Debt Service Payment or an Assumed Debt Service Payment in respect of such Obligation due or deemed due, as the case may be, for a Due Date in a previous Collection Period and not previously received or recovered. With respect to any REO Obligation, all amounts received in connection with the related REO Property during any Collection Period, whether as Net Proceeds, Liquidation Proceeds, REO Revenues or otherwise, that represent late collections of the principal and/or interest portions of a Debt Service Payment or an Assumed Debt Service Payment in respect of the related Obligation or of an Assumed Debt Service Payment in respect of such REO Obligation due or deemed due, as the case may be, for a Due Date in a previous Collection Period and not previously received or recovered.

"Lease" or "Leases" shall have the meaning set forth in the Mortgage.

"Leasing Commissions" shall mean the costs of leasing commissions incurred by Borrower in connection with any Leases existing as of the Closing Date (excluding any amounts due in connection with any renewal, extension or letting of additional space).

"Leasing Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Lender" shall mean the CMBS Lender and/or the Bond Issuer, as the context may require.

"Letter of Credit" shall mean an irrevocable, unconditional, transferable, clean sight draft letter of credit reasonably acceptable to a Lender in favor of such Lender (or the Collateral Agent or the Secured Parties) and entitling such Lender (or the Collateral Agent or the Secured Parties) to draw thereon in New York, New York, issued by a domestic Eligible Institution or the U.S. agency or branch of a foreign Eligible Institution. Such Letter of Credit must be obtained by a Person, on behalf of Borrower, and Borrower shall not have or be permitted to have any liability or other obligations under any reimbursement agreement with respect to any Letter of Credit or otherwise in connection with reimbursement to the Letter of Credit bank for draws on such Letter of Credit.

"Liberty Bonds Component" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Liberty Bonds Component Interest Rate" shall mean, with respect to any Liberty Bonds Component, the per annum interest borne by such Liberty Bonds Component under the Liberty Bonds Loan Agreement absent the occurrence and continuance of an event of default with respect to payment of the Series 2012 Liberty Bonds under Section 7.01(a)(1) or (2) of the Indenture.

"Liberty Bonds Debt" shall mean the outstanding principal amount set forth in, and evidenced by, the Liberty Bonds Loan and Collateral Documents, together with all interest accrued and unpaid thereon and all other sums due to Bond Issuer or Indenture Trustee in respect of the Liberty Bonds Loan.

"Liberty Bonds Documents" shall mean, collectively, the Liberty Bonds Financing Documents and the Liberty Bonds Loan Documents.

"Liberty Bonds Financing Documents" shall mean the Indenture and other documents evidencing, securing, issuing, guaranteeing or otherwise relating solely to the Bonds, which documents are set forth on Exhibit A-4 attached to the Collateral Agency Agreement, but shall not, in any event, include the Liberty Bonds Loan Documents.

"Liberty Bonds Joinder" shall mean that certain Joinder, dated as of the Closing Date, by Larry A. Silverstein in favor of Bond Issuer, Indenture Trustee and Collateral Agent.

"Liberty Bonds Loan" shall mean the $450,290,000 mortgage loan made on the Closing Date by the Bond Issuer to Borrower pursuant to the Liberty Bonds Loan Agreement.

"Liberty Bonds Loan Agreement" shall mean the Liberty Bonds Loan Agreement, dated as of the Closing Date, between Borrower and the Bond Issuer, and acknowledged and agreed to by the Collateral Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Liberty Bonds Loan and Collateral Documents" shall mean the Liberty Bonds Loan Agreement, the Liberty Bonds Note, the Liberty Bonds Joinder, the Mortgage, the Management Agreement Subordination, and the Collateral Agency Agreement, and all other documents evidencing, securing, insuring, guaranteeing or otherwise relating solely to the Liberty Bonds Loan.

"Liberty Bonds Loan Documents" shall mean the Liberty Bonds Loan Agreement and other documents evidencing, securing, insuring, guaranteeing or otherwise relating solely to the Liberty Bonds Loan, which documents are set forth by exhibit attached to the Collateral Agency Agreement.

"Liberty Bonds Loan Payment Date Statement" shall have the meaning set forth in the Servicing Agreement.

"Liberty Bonds Loan Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Liberty Bonds Note" shall mean that promissory note, dated as of the Closing Date, in the principal amount of $450,290,000 executed by Borrower and payable to the order of the Bond Issuer, the Indenture Trustee and the Collateral Agent, as pledged and assigned by the Bond Issuer to the Indenture Trustee, as further pledged and assigned by the Indenture Trustee to the Collateral Agent in trust for the benefit and on behalf of the Indenture Trustee and the holders of the Bonds.

"Liberty Bonds Note Principal Balance" shall mean, on any date of determination, $450,290,000 less the sum of any amounts previously applied as principal in reduction of such principal amount pursuant to the terms of the Servicing Agreement or the Liberty Bonds Loan Documents.

"Liberty Bonds Principal Balance" shall mean, on any date of determination, the initial principal amount of the Liberty Bonds Note, less the sum of any amounts previously applied as principal to the Bonds to reduce such principal amount, and less, Realized Losses and, solely for purposes of determining Voting Rights, Appraisal Reduction Amounts previously allocated to reduce the Liberty Bonds Principal Balance, in each case pursuant to the terms of the Servicing Agreement; provided that the Liberty Bonds Principal Balance shall be reduced to zero upon a Liquidation and the distribution of the related Net Liquidation Proceeds.

"Liberty Bonds Principal Distribution Amount" shall mean with respect to any Secured Party Distribution Date (i) prior to the occurrence and continuation of a Special Event of Default, the lesser of (a) sum of (x) the principal portion, if any, of the Debt Service Payment due for the related Due Date with respect to the Liberty Bonds Loan to the extent actually collected from the Borrower during the related Collection Period or advanced pursuant to the Servicing Agreement, (y) any involuntary principal prepayments on the

Obligations collected during the related Collection Period, and (z) if the Borrower voluntarily prepays the Liberty Bonds Loan in accordance with the terms of the Liberty Bonds Loan Documents, the amount of such voluntary prepayment collected during the related Collection Period, and (b) the Liberty Bonds Note Principal Balance immediately prior to such Secured Party Distribution Date; and (ii) on and after the occurrence and continuation of a Special Event of Default, an amount equal to the Liberty Bonds Note Principal Balance until the Liberty Bonds Note Principal Balance is paid in full.

"Liberty Bonds Purchase Price" shall mean an amount equal to the principal amount of the Liberty Bonds Loan, plus accrued interest to the purchase date and any Borrower Reimbursable Expenses due and unpaid as of such purchase date.

"Liberty Bonds Scheduled Payment Date" shall mean the "Scheduled Payment Date" as defined in the Liberty Bonds Loan Agreement.

"Lien" shall mean any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, assignment, deposit, arrangement, easement, hypothecation, claim, preference, priority or other encumbrance upon or with respect to any property of any kind (including any conditional sale, capital release or other title retention agreement, any leases in the nature thereof, and any agreement to give any security interest), real or personal, movable or immovable, now owned or hereafter acquired.

"Liquidation" shall mean (i) the liquidation of the Mortgaged Property or other collateral constituting security for a Defaulted Obligation through trustee's sale, foreclosure sale, REO Disposition or otherwise, exclusive of any portion thereof required to be released to the Borrower in accordance with Applicable Law and/or the terms and conditions of the related Loan Documents, (ii) the sale of any Defaulted Obligation, including, without limitation, pursuant to the Servicing Agreement, or (iii) the realization upon any deficiency judgment obtained against the Borrower.

"Liquidation Expenses" shall mean all customary, reasonable and necessary "out-of-pocket" costs and expenses due and owing (but not otherwise covered by Servicing Advances) in connection with any Liquidation (including, without limitation, legal fees and expenses, committee or referee fees and, if applicable, brokerage commissions and conveyance taxes).

"Liquidation Fee" shall mean, with respect to each Specially Serviced Obligation or REO Property, a fee payable to the Special Servicer with respect to any Liquidation, or in connection with the sale, discounted payoff or other liquidation of the Mortgaged Property or Defaulted Obligation, as to which the Special Servicer receives any Liquidation Proceeds, equal to the product of the Liquidation Fee Rate and Net Liquidation Proceeds related to such Liquidation, provided that any such Liquidation Fee shall be reduced by any Net Modification Fees paid by the Borrower with respect to the related Loan that were retained by the Special Servicer. The Special Servicer shall not be entitled to receive a Liquidation Fee in connection with (i) the exercise by the Ground Lessor of the Ground Lessor Option (if such purchase occurs within 90 days of notice to the Ground Lessor unless such fee is not chargeable to the Ground Lessor pursuant to the terms of the Ground Lease) or (ii) any exercise by the holder of the Permitted Mezzanine Financing of the Mezzanine Option within 90 days of the receipt of the Mezzanine Option Notice.

"Liquidation Fee Rate" shall mean, with respect to each Specially Serviced Obligation or REO Property as to which a Liquidation Fee is payable, 0.5%.

"Liquidation Proceeds" shall mean all cash amounts (other than Insurance Proceeds, Condemnation Proceeds and REO Revenues) received by the Master Servicer or the Special Servicer in connection with a Liquidation.

"Loan Agreement(s)" shall mean the CMBS Loan Agreement and/or the Liberty Bonds Loan Agreement, as applicable.

"Loan and Collateral Documents" shall mean, collectively, the CMBS Loan and Collateral Documents and the Liberty Bonds Loan and Collateral Documents.

"Loan Documents" shall mean the CMBS Loan Documents, the Liberty Bonds Loan Documents, the Collateral Documents and any loan document and/or any other evidence of Indebtedness of the Borrower authenticated by the Collateral Agent pursuant to the Collateral Agency Agreement.

"Loan to Value Ratio" shall mean, as of any date of determination, the ratio of (i) the CMBS Note Principal Balance, the Liberty Bonds Note Principal Balance and the then current and outstanding aggregate principal balance of any Permitted Mezzanine Financing and the principal amount of the Indebtedness proposed to be issued, to (ii) the then current value of the Mortgaged Property pursuant to an Appraisal or updated Appraisal.

"Lockout Period" shall mean the period commencing on the Closing Date and ending on (and including) March 14, 2022.

"Losses" shall mean any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, fines, penalties, charges, fees, judgments, awards, and amounts paid in settlement of whatever kind or nature (including but not limited to reasonable legal fees and other costs of defense reasonably incurred).

"MAI" shall mean a Member of the Appraisal Institute.

"Major Decision" shall mean, collectively:

(a) any modification of, or waiver with respect to, an Obligation that would result in the extension of its Stated Maturity Date, a reduction in the interest rate borne thereby or the monthly debt service payment or a deferral or a forgiveness of interest on or principal (including Sinking Fund Installments) of an Obligation or a modification or waiver of any other term of an Obligation relating to the amount or timing of any payment of principal (including Sinking Fund Installments) or interest or any other sums due and/or payable under the Loan Documents or a modification or waiver of any material term of an Obligation, including but not limited to provisions that restrict the Borrower or its equity owners from incurring additional indebtedness, or incurring any Lien on any of the Mortgaged Property or the personal property related thereto (other than Liens permitted pursuant to the Obligations);

(b) any foreclosure upon or comparable conversion (which may include acquisition of an REO Property) of the ownership of the Mortgaged Property or any acquisition of the Mortgaged Property by deed-in-lieu of foreclosure or any other exercise of remedies following a Mortgage Event of Default;

(c) any sale of all or any portion of the Mortgaged Property or REO Property except in each case as expressly permitted by the Loan Documents;

(d) any action to bring the Mortgaged Property or REO Property into compliance with any laws relating to Hazardous Materials;

(e) any substitution or release of collateral for an Obligation, except in each case as expressly permitted by the Loan Documents;

(f) any release of the Borrower or Guarantor from liability with respect to an Obligation including, without limitation, by acceptance of an assumption of an Obligation by a successor

Borrower or Replacement Guarantor (other than in connection with a defeasance permitted under the Liberty Bonds Loan Documents or as otherwise expressly permitted under the Loan Documents);

(g) any determination not to enforce a "due-on-sale" or "due-on-encumbrance" clause;

(h) any transfer of the Mortgaged Property or any portion thereof, or any transfer of any direct or indirect ownership interest in the Borrower, except in each case as expressly permitted by the Loan Documents;

(i) any consent to incurrence of additional debt by the Borrower, including modification of the terms of any document evidencing or securing any such additional debt and of any separate intercreditor or subordination agreement executed in connection therewith and any waiver of or amendment or modification to the terms of any such document or agreement;

(j) consenting to any modification or waiver of any material provision of any Loan Document governing the types, nature or amounts of insurance coverage required to be obtained and maintained by the Borrower;

(k) the execution, termination, renewal or material modification of any Major Lease, to the extent the Holders' approval is required by the Loan Documents (and notwithstanding anything to the contrary set forth herein, subject to the same standard of approval as is set forth in the applicable Loan Documents);

(l) approval of the termination or replacement of a Property Manager or of the execution, termination, renewal or material modification of any management agreement, to the extent the Holders' approval is required by the Loan Documents or determination to waive any provision in the Loan Documents requiring the replacement or termination of the Property Manager;

(m) any waiver of amounts required to be deposited into any Reserve Account, or any amendment to any of the Loan Documents that would modify the amount required to be deposited into any Reserve Account (other than changes in the ordinary course of business of the amounts required to be deposited into any Reserve Account for Taxes, Insurance Premiums or Ground Rents);

(n) the approval or adoption of any annual budget for, or material alteration at, the Mortgaged Property (to the extent the Holder's approval is required by the Loan Documents and, if so, notwithstanding anything to the contrary set forth herein, subject to the same standard of approval as is set forth in the applicable Loan Documents);

(o) (A) the release to the Borrower of any escrow to which the Borrower is not entitled under the Loan Documents or under Applicable Law; and (B) other than in connection with a Casualty or Condemnation, the approval of significant repair or renovation projects (determined as a percentage of the value of the individual project) that are intended to be funded through the disbursement of any funds from any reserve accounts established in accordance with the Loan Documents (in the case of any action under this clause (o), only to the extent permitted under the Loan Documents, and subject in each instance to the Holders' consent, to the extent such consent is required by the Loan Documents);

(p) the approval of any ground lease at or related to the Mortgaged Property or any proposed amendment of, modification to or waiver of, any of the terms and conditions thereof, or any surrender or cancellation thereof, to the extent the Holders' approval shall be provided for in the Loan Documents;

(q) the waiver or modification of any documentation relating to any guarantor's obligations under any guaranty that is a Loan Document;

(r) the voting on any plan of reorganization, restructuring or similar plan in the bankruptcy of the Borrower; and

(s) any waiver of any of the covenants or restrictions regarding special purpose entities set forth in the Loan Documents and/or the organizational documents of the Borrower.

"Major Lease" shall mean any Lease (i) covering two (2) full floors or more at the Mortgaged Property, (ii) comprising space equal to two (2) or more full floors or (iii) made to a Tenant who is an Affiliate of another Tenant at the Mortgaged Property, if the Leases taken together would encompass in excess of two (2) full floors at the Mortgaged Property.

"Management Agreement" shall mean the Amended and Restated Management and Leasing Services Agreement, dated as of the Closing Date, between Borrower and Property Manager, as the same may be further amended, supplemented, modified or replaced from time to time in accordance with the Loan and Collateral Documents.

"Management Agreement Subordination" shall mean that certain Assignment and Subordination of Management Agreement and Consent of Property Manager, dated as of the Closing Date, by and among Borrower, Collateral Agent, and Property Manager.

"Master Account" shall mean one or more accounts, titled "Wells Fargo Bank, National Association , as Master Servicer under that certain Servicing Agreement, dated as of April 5, 2012, in trust for Citibank, N.A., as Collateral Agent" held on behalf of the Collateral Agent for the benefit of the Secured Parties.

"Master Servicer" shall mean Wells Fargo, or any successor Master Servicer appointed pursuant to the Servicing Agreement.

"Master Servicer Servicing Personnel" shall mean the division and individuals of the Master Servicer who are involved in the performance of the duties of the Master Servicer under the Servicing Agreement.

"Master Servicing Fee" shall mean, (i) with respect to the CMBS Loan, the amount accrued at the Master Servicing Fee Rate on the Stated Principal Balance of the CMBS Loan, and (ii) with respect to the Liberty Bonds Loan, an amount equal to the amount accrued at the related Master Servicing Fee Rate on the Stated Principal Balance of the Liberty Bonds Loan, as the case may be, and in each case calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods.

"Master Servicing Fee Rate" shall mean, with respect to the CMBS Loan, the Liberty Bonds Loan and any REO Obligation, a *per annum* rate equal to 0.0025%.

"Material Alteration" shall mean any alteration (a) materially affecting structural elements or building systems of the Mortgaged Property or (b) the cost of which, together with any related alteration or other alteration undertaken at the same time, exceeds the Alteration Threshold; provided, however, that in no event shall any tenant improvement work performed pursuant to any Lease existing on the Closing Date or entered into hereafter in accordance with the Loan and Collateral Documents constitute a Material Alteration.

"Material Document Defect" shall mean any Defect that materially and adversely affects the value of any Obligation or the interest of the Secured Party therein.

"Maturity Date" shall mean (i) with respect to the CMBS Loan, the CMBS Scheduled Payment Date in March, 2019, or such other date on which the final payment of principal of the CMBS Note becomes due and payable as therein or in the CMBS Loan Agreement provided, whether at such stated maturity date, by declaration of acceleration, or otherwise, and (ii) with respect to the Liberty Bonds Loan, the Liberty Bonds Scheduled Payment Date in March, 2044, or such other date on which the final payment of principal of the Liberty Bonds Note becomes due and payable as therein or in the Liberty Bonds Loan Agreement provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.

"Maximum Legal Rate" shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Indebtedness evidenced by the CMBS Note or Liberty Bonds Note and as provided for in the related Loan and Collateral Documents, under the laws of the State of New York.

"Member" shall mean any member of the Borrower.

"Mezzanine Financing Scheduled Payment Date" shall mean the date upon which interest and/or principal is payable under any Permitted Mezzanine Financing.

"Mezzanine Option" shall have the meaning set forth in the Servicing Agreement.

"Mezzanine Option Notice" shall have the meaning set forth in the Servicing Agreement.

"Modification Fees" shall mean, with respect to any Loan, any and all fees with respect to a modification, extension, waiver or amendment that modifies, extends, amends or waives any term of the related Loan and Collateral Documents (as evidenced by a signed writing) agreed to by the Master Servicer or the Special Servicer (other than all assumption fees, assumption application fees, consent fees, defeasance fees, Special Servicing Fees, Liquidation Fees or Workout Fees). With respect to each of the Master Servicer and Special Servicer, the Modification Fees collected and earned by such person from the Borrower (taken in the aggregate with any other Modification Fees collected and earned by such person from the Borrower) will be subject to a cap of $2,500,000 each.

"Modified Obligation" shall mean any Obligation as to which any Servicing Transfer Event has occurred and that has been modified by the Special Servicer pursuant to the Servicing Agreement in a manner that:

(a) affects the amount or timing of any payment of principal (including Sinking Fund Installments) or interest due on any Component thereof (other than, or in addition to, bringing current Debt Service Payments with respect to such Obligation);

(b) except as expressly contemplated by the related Loan Documents and provided that the Special Servicer has received a No Downgrade Confirmation from each Rating Agency, results in a release of the Lien of the Mortgage on any material portion of the Mortgaged Property without a corresponding Principal Prepayment in an amount, or the delivery of substitute real property collateral with a fair market value (as is) that is not less than the fair market value (as is), as determined by an Appraisal delivered to the Special Servicer (at the expense of the Borrower and upon which the Special Servicer may conclusively rely), of the property to be released; or

(c) in the good faith and reasonable judgment of the Special Servicer, otherwise materially impairs the security for such Obligation or reduces the likelihood of timely payment of amounts due thereon.

"Monthly Amortization Payment Amount" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Monthly CMBS Payment Amount" shall mean the Monthly Payment Amount as provided in the CMBS Loan Agreement.

"Monthly Interest Payment Amount" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Monthly Liberty Bonds Loan Payment Amount" shall mean one-sixth (1/6th) of the amount of interest and one-sixth (1/6th) of the amount of principal (including Sinking Fund Installments), if any, due on the next scheduled Bond Payment Date, or such higher amount necessary to accumulate with the Collateral Agent, on behalf of the Holders, sufficient funds to pay all such amounts due on the next scheduled Bond Payment Date.

"Monthly Mezzanine Financing Payment Amount" shall mean the amount of regularly scheduled interest and/or principal payable under a Permitted Mezzanine Financing.

"Monthly Tax Reserve Amount" shall mean one-twelfth (1/12th) of the Taxes that are payable during the next ensuing twelve (12) months as provided in the applicable Annual Budget, or such higher amount necessary to accumulate with the Collateral Agent, on behalf of the Holders, sufficient funds to pay all such Taxes at least thirty (30) days prior to the earlier of (i) the date that the same will become delinquent and (ii) the date that additional charges or interest will accrue due to the non-payment thereof.

"Monthly Transfer Date" shall mean the 15th day of each calendar month (or if such day is not a Business Day, the preceding Business Day) during which any Bonds are Outstanding, commencing with the first such day occurring after the Closing Date.

"Moody's" shall mean Moody's Investors Service, Inc. and its successors-in-interest, so long as Moody's and such successor shall be in the rating business and shall qualify as an NRSRO.

"Morningstar" shall mean Morningstar Credit Ratings, LLC and its successors-in-interest, so long as Morningstar and such successor shall be in the rating business and shall qualify as an NRSRO.

"Mortgage" shall mean that certain Consolidated, Amended and Restated Leasehold Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement, dated the Closing Date, executed and delivered by Borrower in favor of the Collateral Agent, as mortgagee, as security for the CMBS Loan and the Liberty Bonds Loan and encumbering the Mortgaged Property, as the same may hereafter be amended, supplemented or otherwise modified in accordance with the Loan and Collateral Documents.

"Mortgage Event of Default" shall mean an Event of Default as defined in the applicable Loan Document.

"Mortgage File" shall mean, with respect to any Obligation, collectively the following documents:

(i) (A) in the case of the CMBS Loan, the original executed CMBS Note, endorsed without recourse to the order of the Collateral Agent in the following form: "Pay to the order of Citibank, N.A., as Collateral Agent in trust for Citibank, N.A., as CMBS Trustee for the Certificateholders of 7 WTC Depositor, LLC Trust 2012 Commercial Mortgage Pass-Through Certificates, Series 2012-7 WTC, without recourse or warranty", which CMBS Note and all endorsements thereon shall show a complete chain of endorsement from the original payee(s) to the Collateral Agent and (B) in the case of the Liberty Bonds Financing, the original executed Liberty Bonds Note, endorsed without recourse to the order of the Collateral Agent in the following form: "Pay to the order of Citibank, N.A., as Collateral Agent in trust for The Bank of New York Mellon as Indenture Trustee for the holders of the

Series 2012 Liberty Bonds, without recourse or warranty", which Liberty Bonds Note and all endorsements thereon shall show a complete chain of endorsement from the original payee(s) to the Collateral Agent;

(ii) (A) in the case of the CMBS Loan, an original executed CMBS Loan Agreement, and (B) in the case of the Liberty Bonds Loan, an original executed Liberty Bonds Loan Agreement;

(iii) an original or a copy of the executed Mortgage with evidence of recording indicated thereon and an original Assignment of Mortgage with respect to the Mortgage, in favor of the Collateral Agent, and in a form that is complete and suitable for recording in the applicable jurisdiction in which the Mortgaged Property is located to "Citibank, N.A., as Collateral Agent for the Holders pursuant to the Collateral Agency Agreement, dated as of the Closing Date, between 7 World Trade Center II, LLC and Citibank, N.A. as collateral agent, without recourse;

(iv) an original or a copy of the executed Collateral Agency Agreement;

(v) originals or copies of any written assumption, modification, written assurance and substitution agreements in those instances where the terms or provisions of the Mortgage or the Obligation have been modified or the Obligation has been assumed, in each case (unless the particular item has not been returned from the applicable recording office) with evidence of recording indicated thereon if the instrument being modified or assumed is a recordable document;

(vi) the original or a copy of the policy of title insurance issued to the Collateral Agent or, if such policy has not yet been issued, a "marked-up" pro forma title policy or commitment for title insurance marked as binding and countersigned by the issuer or its authorized agent either on its face or by an acknowledged closing instruction or escrow letter;

(vii) filed copies of any UCC Financing Statements in favor of the Collateral Agent;

(viii) the original or a copy of any power of attorney, guaranty, loan agreement, Tenant estoppel, REA, Ground Lease and/or Ground Lease estoppel or REA estoppel relating to such Obligation;

(ix) any other original documents (including any security agreement(s)) relating to or evidencing the Mortgaged Property set forth on Exhibits A-2, A-3 and A-5 to the Collateral Agency Agreement, and, if applicable, the originals or copies of any intervening assignments thereof;

(x) the original or a copy of any intercreditor agreement, co-lender agreement, agreement among holders of obligations or similar agreement relating to such Obligation and a copy of any Letter of Credit; and

(xi) the original Assignment and Assumption of Loan Documents.

"Mortgage Rate" shall mean (i) with respect to each CMBS Component, the applicable CMBS Component Interest Rate, (ii) with respect to each Liberty Bonds Component, the applicable Liberty Bonds Component Interest Rate, (iii) with respect to any other Obligation on or prior to its Stated Maturity Date, the annualized rate at which interest is scheduled (in the absence of a default) to accrue on such Obligation from time to time in accordance with the terms of such Obligation (as such may be modified at any

time) and Applicable Law, (iv) with respect to any Obligation after its Stated Maturity Date, the annualized rate described in "clause (i)" of this definition determined without regard to the passage of such Stated Maturity Date, and (v) with respect to any REO Obligation, the annualized rate described in "clause (i)", "(ii)", "(iii)" or "(iv)" of this definition, as applicable, determined as if the related Obligation had remained outstanding.

"Mortgaged Property" shall have the meaning set forth in the Mortgage.

"Mortgaged Rents" shall have the meaning set forth in the Mortgage.

"MSCI" shall mean MSCI Inc., a Delaware corporation, and its successors-in-interest.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Net Cash Flow" shall mean the Net Operating Income, as such amount shall be adjusted, to the extent not already otherwise adjusted, to reflect (i) with respect to the Operating Income utilized in such determination, (a) the addition of current receivables, (b) the removal of income from tenants in bankruptcy (to the extent the rent is not being otherwise paid as approved under the applicable proceeding), month to month tenants, tenants during any free rent period, or tenants that have vacated their space (unless they continue to pay rent), (c) the removal of any extraordinary and/or non-recurring income items, including, without limitation, lease termination fees and/or tenant bankruptcy awards, (d) the removal of prepayments of rental amounts received from tenants, and (e) the removal of interest income from any source other than the Mortgaged Property escrow or working capital accounts, Reserve Accounts or other accounts required pursuant to the Loan and Collateral Documents, and the Collateral Agency Agreement, and (ii) with respect to the Operating Expenses utilized in such determination, (1) the addition of current payables, (2) the removal of any extraordinary and/or non-recurring expense items, (3) the removal of payments incurred in the prepayment of expenses that would be due in subsequent periods, (4) the removal of expenses that were paid in the current period and incurred in prior periods, and (5) the deduction for management fees equal to the greater of actual management fees paid or 1.5% of Operating Income per annum, each without duplication.

"Net Condemnation Proceeds" shall mean the net amount of the Condemnation Proceeds after deducting of any amounts to be retained by Ground Lessor under the terms of the Ground Lease. Costs and expenses (including, but not limited to, reasonable counsel fees) of the Master Servicer or the Special Servicer, if any, in collecting same shall be payable under the Servicing Agreement.

"Net Insurance Proceeds" shall mean the net amount of the Insurance Proceeds after deducting any amounts to be retained by Ground Lessor under the terms of the Ground Lease. Costs and expenses (including, but not limited to, reasonable counsel fees) of the Master Servicer or the Special Servicer, if any, in collecting same shall be payable under the Servicing Agreement.

"Net Investment Earnings" shall mean, with respect to any Investment Account for any Collection Period, the amount, if any, by which the aggregate of all interest and other income realized during such Collection Period on funds held in such Investment Account, exceeds the aggregate of all losses and investment costs, if any, incurred during such Collection Period in connection with the investment of such funds in accordance with the Servicing Agreement.

"Net Investment Loss" shall mean, with respect to any Investment Account for any Collection Period, the amount by which the aggregate of all losses and investment costs, if any, incurred during such Collection Period in connection with the investment of funds held in such Investment Account in accordance with the Servicing Agreement, exceeds the aggregate of all interest and other income realized during such Collection Period on such funds, but Net Investment Loss shall not include any loss with respect to such investment that is incurred solely as a result of the insolvency of the federally or state chartered depository

institution or trust company that holds such Investment Account so long as such depository institution or trust company satisfied the qualifications set forth in the definition of Eligible Account at the time such investment was made and so long as such depository institution or trust company is not the Master Servicer, the Special Servicer or the Collateral Agent or any Affiliate thereof.

"Net Liquidation Proceeds" shall mean an amount equal to the Liquidation Proceeds less the Liquidation Expenses.

"Net Modification Fees" shall mean, with respect to any Loan, the sum of (A) the remainder, if any, of (i) any and all Modification Fees with respect to a modification, waiver, extension or amendment of any of the terms of the Loan, minus (ii) all unpaid or unreimbursed additional expenses (including, without limitation, reimbursement of Advances and interest on such Advances at the Reimbursement Rate to the extent not otherwise paid or reimbursed by the Borrower but excluding Special Servicing Fees, Workout Fees and Liquidation Fees) either outstanding or previously incurred on behalf of the CMBS Trust or Indenture Trust Estate with respect to the Loan and reimbursed from such Modification Fees and (B) expenses previously paid or reimbursed from Modification Fees as described in the preceding "clause (A)", which expenses have subsequently been recovered from the Borrower or otherwise.

"Net Mortgage Rate" shall mean, with respect to any Obligation, any Component or any related REO Obligation, as of any date of determination, a rate *per annum* equal to the related Mortgage Rate or CMBS Component Interest Rate then in effect minus the related Administrative Fee Rate.

"Net Operating Income" shall mean, with respect to any period of time, the amount obtained by subtracting Operating Expenses from Operating Income.

"Net Proceeds" shall mean, collectively, the Net Insurance Proceeds and the Net Condemnation Proceeds.

"No Downgrade Confirmation" shall mean, at any time that any CMBS Certificates or any Bonds are Outstanding, and subject to the Servicing Agreement, a written confirmation from each Rating Agency then rating the CMBS Certificates or any Bonds and was engaged by or on behalf of the Borrower to initially rate the CMBS Certificates or Bonds, to the effect that each credit rating of each Class of Bonds and/or each Class of the CMBS Certificates, as applicable, to which it has assigned a rating immediately prior to the occurrence of the event with respect to which such No Downgrade Confirmation is sought, will not be qualified, downgraded, suspended or withdrawn as a result of the occurrence of such event.

"Nonrecoverable Advance" shall mean any Advance made or proposed to be made in respect of an Obligation or REO Property that, as determined by the Master Servicer or, if applicable, the Special Servicer or the Collateral Agent, in accordance with the Servicing Standard, will not be recoverable (together with Advance Interest accrued thereon), or that in fact was not ultimately recovered, from Default Charges, Insurance Proceeds, Condemnation Proceeds, Liquidation Proceeds or any other recovery on or in respect of such Obligation or REO Property (without giving effect to potential recoveries on deficiency judgments or recoveries from guarantors); provided, however, the Special Servicer may, at its option, make a determination in accordance with the Servicing Standard and the Servicing Agreement, that any Advance previously made or proposed to be made is a Nonrecoverable Advance and shall deliver to the Master Servicer and the Collateral Agent notice of such determination and any such determination shall be conclusive and binding on the Master Servicer and the Collateral Agent.

"Non-U.S. Person" shall mean any Person other than a U.S. Person.

"Notice Parties" shall mean the Bond Issuer, the Indenture Trustee, the Bond Registrar, the Operating Advisor, the Collateral Agent, the Master Servicer, the Special Servicer and the Borrower.

"NRSRO" shall mean any nationally recognized statistical ratings organization as defined in the Exchange Act, including the Rating Agencies.

"NRSRO Certification" shall mean a certification in the form of Exhibit D to the Servicing Agreement executed by an NRSRO in favor of the 17g-5 Information Provider that states that such NRSRO has provided the CMBS Depositor with the appropriate certifications under Exchange Act Rule 17g-5(e), and that such NRSRO has access to the 17g-5 website established by or on behalf of the CMBS Depositor and that any information obtained from the 17g-5 Information Provider's Website is subject to the same confidentiality provisions as information on the 17g-5 website established by or on behalf of the CMBS Depositor.

"Obligation" shall mean (i) the CMBS Loan (including the related CMBS Note), and (ii) the Liberty Bonds Loan (including the related Liberty Bonds Note), under a Loan Document for the payment of any indebtedness or principal, any interest, default interest, late payment charges, indemnification obligations and/or fees and expenses thereunder, together with all other sums due under such Loan Document, and designated as an Obligation entitled to the benefits of the Collateral Agency Agreement and authenticated as such by the Collateral Agent pursuant to the Collateral Agency Agreement, and any interest that, but for the filing of a petition in bankruptcy with respect to the Borrower, would have accrued pursuant to any such Loan Document, whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy proceeding and including any and all Borrower Reimbursable Expenses.

"Obligation Series Certificate" shall mean, if so provided for in a Financing Document or a Loan Document, a certificate of the Borrower fixing terms, conditions and other details of Obligations relating to an applicable Series of Obligations in accordance with the terms of the related Financing Document or Loan Document.

"OFAC" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Offering Circular" shall mean (i) in the case of the CMBS Certificates, the Confidential Offering Circular relating to the offering of the CMBS Certificates, and (ii) in the case of the Series 2012 Liberty Bonds, the Official Statement of the Bond Issuer and the Borrower relating to the offering and sale of the Series 2012 Liberty Bonds.

"Officer's Certificate" shall mean a certificate signed by an officer of Silverstein - 7 World Trade Company, Inc., which is the general partner of 7 World Trade Company, L.P., which is the sole member of 7 World Trade Center, LLC, the sole member of the Borrower, and any other officer of any of the foregoing as designated in writing by such officer to the Lender.

"Operating Advisor" shall mean Pentalpha Surveillance LLC, a Delaware limited liability company, and its successors-in-interest.

"Operating Advisor Fee" shall mean a fee of $17,500 per year payable to the Operating Advisor, in advance, on the Closing Date with respect to the first such payment, and annually on each Due Date in April, commencing in 2013.

"Operating Agreement" shall mean that certain Limited Liability Agreement of 7 World Trade Center II, LLC, dated the Closing Date.

"Operating Expenses" shall mean, with respect to any period of time, the total of all expenses actually incurred of whatever kind relating to the operation, maintenance and management of the Mortgaged Property and computed on an income tax basis, including, without limitation, utilities, ordinary repairs and maintenance, Insurance Premiums, license fees, Taxes and Other Charges, advertising expenses, payroll and related taxes, computer processing charges and management fees, rebate amounts, if any, payable to the Internal Revenue Service with respect to the Liberty Bonds pursuant to Section 148(f) of the Internal Revenue

Code and specifically excluding depreciation and amortization, income taxes, Debt Service, any incentive fees due under the Management Agreement and any item of expense that on an income tax basis should be capitalized.

"Operating Expenses Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Operating Expenses Reserve Amount" shall mean, with respect to any Determination Date, the amount of Operating Expenses required to be paid by the Borrower in the following calendar month in accordance with the Annual Budget (but excluding Taxes, Debt Service and, to the extent included as part of the Insurance Reserve Amount, Insurance Premiums).

"Operating Income" shall mean, with respect to any period of time, all income, computed on an income tax basis (but without regard to any straight lining of rents to the extent: "Operating Income" is being used to calculate the Debt Service Coverage Ratio or the Debt Yield in connection with the placement of any Permitted Mezzanine Financing), including, without limitation, adjustments to reflect current receivables and prepayments from Tenants, derived from the ownership and operation of the Mortgaged Property from whatever source, including, but not limited to, Mortgaged Rents, utility charges, escalations, forfeited security deposits, interests on credit accounts, service fees or charges, license fees, parking fees, rent concessions or credits, and other required pass-throughs, but excluding sales, use and occupancy or other taxes on receipts required to be accounted for and remitted by Borrower to any Governmental Authority, sales of furniture, fixtures and equipment, Insurance Proceeds (other than business interruption or other loss of income insurance), Condemnation Proceeds and unforfeited security deposits.

"Opinion of Bond Counsel" shall mean an Opinion of Counsel of Bond Counsel, which opinion shall be addressed to the Bond Issuer, the Indenture Trustee, the Master Servicer, the Special Servicer and the Collateral Agent.

"Opinion of Counsel" shall mean a written opinion of counsel (who must, in connection with any opinion rendered pursuant to the terms of the Servicing Agreement with respect to resignation of the Master Servicer, the Special Servicer or the Collateral Agent pursuant to the Servicing Agreement be Independent counsel, but who otherwise may be salaried counsel for the Collateral Agent, the Master Servicer or the Special Servicer), which written opinion is acceptable and delivered to the addressee(s).

"Ordinance or Law Coverage" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Organizational Documents" shall mean (i) for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, and any shareholder rights agreement, (ii) for any limited liability company, the articles of organization and the limited liability company agreement of such limited liability company, (iii) for any limited partnership, the certificate of limited partnership and the limited partnership agreement of such limited partnership, and (iv) for any other legal entity, the organizational documents relating to the creation, organization and formation of such entity.

"Other Charges" shall mean all maintenance charges, impositions other than Taxes, and any other charges, including, without limitation, vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Mortgaged Property, now or hereafter levied or assessed or imposed against the Mortgaged Property by any Governmental Authority.

"Other Obligations" shall have the meaning set forth in the granting clauses of the Mortgage.

"OTS" shall mean the Office of Thrift Supervision or any successor thereto.

"Outstanding" shall mean

(i) when used with reference as to a Series and/or Class of Bonds, as of any date of determination, all Bonds of such Series and/or Class authenticated and delivered under the Indenture, except:

(a) Bonds of such Series and/or Class heretofore paid under the Indenture;

(b) Bonds of such Series and/or Class theretofore cancelled or required to be cancelled under the Indenture;

(c) Bonds of such Series and/or Class that are deemed to have been paid in accordance with the Indenture; and

(d) Bonds of such Series and/or Class in substitution for which other Bonds of such Series and/or Class have been authenticated and delivered pursuant to the Indenture.

In determining whether the Bondholders of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds that are held by or on behalf of the Borrower or any Affiliate of the Borrower (unless all of the Outstanding Bonds are then owned by the Borrower or by such Affiliate) shall be disregarded for the purpose of any such determination, except that in determining whether the Indenture Trustee shall be protected in making such a determination or relying upon any quorum, consent or vote, only Bonds which a Responsible Officer of the Indenture Trustee actually knows to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned that have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Borrower or an Affiliate of the Borrower; and

(ii) when used with reference to an Obligation, shall mean, as of any date of determination, all Obligations not paid and discharged other than Obligations deemed paid and no longer Outstanding under the Loan Documents pursuant to which such Obligation was incurred; provided, however, that for the purposes of determining whether the Collateral Agent shall be protected in relying on directions, consents or waivers pursuant to the terms of the Collateral Agency Agreement or Servicing Agreement, only such Obligations which the Collateral Agent has actual notice or knowledge exists shall be deemed to be Outstanding.

"P&I Advance" shall mean, as to any Obligation or REO Obligation, any advance made by the Master Servicer or the Collateral Agent pursuant to the Servicing Agreement.

"Participant" shall mean any Direct Participant or Indirect Participant.

"Patriot Act" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Patriot Act Offense" means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (a) the criminal laws against terrorism; (b) the criminal laws against money laundering, (c) the Bank Secrecy Act, as amended, (d) the Money Laundering Control Act

of 1986, as amended, or (e) the Patriot Act. "Patriot Act Offense" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense.

"Paying Agent" shall mean, (i) (a) with respect to the Bonds, any national banking association, corporation, bank or trust company appointed by the Bond Issuer to serve as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in the Indenture, the initial Paying Agent shall be the Indenture Trustee and (b) with respect to the CMBS Certificates, any national banking association, corporation, bank or trust company appointed by the CMBS Depositor to serve as paying agent for the CMBS Certificates, and its successor or successors hereafter appointed in the manner provided in the CMBS Trust Agreement (the initial Paying Agent shall be the CMBS Trustee); (ii) with respect to an applicable Series and/or Class of Obligations (other than Obligations under the Liberty Bonds Loan Agreement and the CMBS Loan Agreement), the bank or trust company and its successor or successors, if any, appointed pursuant to the provisions of a Loan Document; and (iii) for purposes of the CMBS Loan Agreement, shall mean the Master Servicer.

"Percentage Interest" shall mean, (i) as to any CMBS Certificate of any Class, the initial Certificate Balance of such CMBS Certificate divided by the initial Certificate Balance of all CMBS Certificates of such Class, and (ii) as to any Bond of a particular Series and Class, the initial Liberty Bonds Principal Balance of such Bond divided by the initial Liberty Bonds Principal Balance of all Bonds of such Series and Class.

"Performing Obligation" shall mean, as of any date of determination, any Obligation as to which no Servicing Transfer Event then exists, including any Corrected Obligations.

"Permitted Encumbrances" shall mean collectively, (a) the Lien and security interests created by or permitted by the Loan and Collateral Documents, (b) the Liens, encumbrances and other matters disclosed in the Title Insurance Policy or the Survey, (c) the Ground Lease, (d) the REA, (e) the Liens, if any, for Taxes imposed by any Governmental Authority not yet due or delinquent, (f) any Lien securing a Permitted Mezzanine Financing, (g) any workers', mechanics' or similar Liens on the Mortgaged Property provided such Lien is filed against a Tenant, bonded or discharged within ninety (90) days after Borrower first receives written notice of such Lien, or is being contested in good faith in accordance with the requirements of the CMBS Loan Agreement or the Liberty Bonds Loan Agreement, and (h) other encumbrances approved by the Holders which approvals shall not be unreasonably withheld, conditioned or delayed.

"Permitted Investment Fund" shall have the meaning set forth in the definition of Qualified Lender.

"Permitted Investments" shall mean any of the following obligations or securities payable on demand or having a scheduled maturity on or before the Business Day preceding the date upon which such funds are required to be remitted and a maximum maturity of 365 days:

(i) obligations of, or obligations directly and unconditionally guaranteed as to principal and interest by, the U.S. government or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America;

(ii) federal funds, unsecured certificates of deposit, time deposits, banker's acceptances, and repurchase agreements, of any bank, the short term obligations of which are rated in the highest short-term debt rating category of Fitch and Moody's and, if it has a term of three months or more, the long-term debt obligations of which are rated "AAA" by Fitch and "Aaa" by Moody's; provided, however, that the investments described in this clause must (A) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (B) if such investments have a variable rate of interest, such interest rate must be tied

to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (C) such investments must not be subject to liquidation prior to their maturity;

(iii) demand and time deposits in, or certificates of deposit of, or bankers' acceptances issued by, any bank or trust company, savings and loan association or savings bank, the short term obligations of which are rated in the highest short-term debt rating category of Fitch and Moody's and, if it has a term of three months or more, the long-term debt obligations of which are rated "AAA" by Fitch and "Aaa" by Moody's; provided, however, that the investments described in this clause must (A) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (B) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (C) such investments must not be subject to liquidation prior to their maturity;

(iv) debt obligations, the short term obligations of which are rated in the highest short-term debt rating category of Fitch and Moody's and, if it has a term of three months or more, the long-term debt obligations of which are rated "AAA" by Fitch and "Aaa" by Moody's; provided, however, that the investments described in this clause must (A) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (B) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (C) such investments must not be subject to liquidation prior to their maturity;

(v) commercial paper (including both non-interest bearing discount obligations and interest bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof), the short term obligations of which are rated in the highest short-term debt rating category of Fitch and Moody's and, if it has a term of three months or more, the long-term debt obligations of which are rated "AAA" by Fitch and "Aaa" by Moody's; provided, however, that the investments described in this clause must (A) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (B) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (C) such investments must not be subject to liquidation prior to their maturity;

(vi) any other demand, money market or time deposit, demand obligation or any other obligation, security or investment with respect to which Rating Agency Confirmation has been obtained from each Rating Agency; and

(vii) such other investments as to which a No Downgrade Confirmation has been obtained from each Rating Agency.

"Permitted Mezzanine Borrower" shall mean an entity or entities which is/are a Special Purpose Entity(ies) having a direct or indirect one hundred percent (100%) ownership interest in the Borrower and formed in order to serve as a mezzanine borrower under a Permitted Mezzanine Financing.

"Permitted Mezzanine Financing" shall have the meaning set forth in the Loan Agreements.

"Permitted Mezzanine Financing Documents" shall mean the loan agreement, the note, the intercreditor agreement, and all other documents evidencing, securing, insuring, guaranteeing or otherwise relating solely to the Permitted Mezzanine Loan.

"Permitted Mezzanine Lender" shall mean the lender with respect to the Permitted Mezzanine Financing.

"Permitted Mezzanine Financing Monthly Debt Service Notice" shall mean notice from a lender under a Permitted Mezzanine Financing setting forth the amount due on the next Mezzanine Financing Scheduled Payment Date.

"Permitted Mezzanine Financing Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Permitted Mezzanine Financing Scheduled Payment Date" shall mean the date upon which interest and/or principal is payable under any Permitted Mezzanine Financing.

"Permitted Par Prepayment Date" shall have the meaning assigned to such term in the Loan Agreements.

"Permitted Transfer" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Person" shall mean any entity, whether an individual, trustee, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority, governmental instrumentality or otherwise.

"Personal Property" shall have the meaning set forth in the granting clauses of the Mortgage.

"Phase I Environmental Assessment" shall mean a "Phase I assessment" as described in, and meeting the criteria of, the American Society of Testing Materials Standard Sections 1527-99 or any successor thereto published by the American Society of Testing Materials.

"PILOT" shall mean payments in lieu of real estate taxes.

"Placement Agent" shall mean, with respect to the CMBS Certificates, J.P. Morgan Securities LLC.

"Port Authority" shall mean The Port Authority of New York and New Jersey, a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two States, and thereafter consented to by the Congress of the United States.

"Prepayment Interest Excess" shall mean, with respect to any Secured Party Distribution Date, for each Obligation that was subject to a principal prepayment in full or in part during any Collection Period, which principal prepayment was applied to such Obligation after the Due Date in such Collection Period but on or prior to the related Secured Party Distribution Date, the amount of interest that accrued for such Obligation on the amount of such principal prepayment during the period commencing on the date after such Due Date and ending on the date as of which such principal prepayment was applied to the unpaid principal balance of such Obligation, to the extent collected from the Borrower (exclusive of any related yield maintenance charge or prepayment premium that may have been collected).

"Prepayment Rate" shall mean, with respect to each CMBS Component, the bond equivalent yield (in the secondary market) on the United States Treasury Security that, as of the Prepayment Rate Determination Date, has a remaining term to maturity closest to, but not exceeding, (i) in the case of CMBS Component A, the term ending on the date on which the CMBS Component A would be paid in full assuming all remaining scheduled principal payments on the CMBS Loan are made timely, and (ii) in the case of CMBS Component B, the term ending on the Permitted Par Prepayment Date, in each case as most recently published in "Statistical Release H.15 (519), Selected Interest Rates," or any successor publication, published by the

Board of Governors of the Federal Reserve System, or on the basis of such other publication or statistical guide as the CMBS Lender may reasonably select.

"Prepayment Rate Determination Date" shall mean the date which is five (5) Business Days prior to the date that such prepayment shall be applied in accordance with the terms and provisions of the CMBS Loan Agreement.

"Prime Rate" shall mean the "Prime Rate" in effect from time to time (as published in the "Money Rates" section of *The Wall Street Journal* or, if such section or publication no longer is available, such other publication as determined by the Master Servicer in its reasonable discretion).

"Principal(s)" shall mean the chief executive officer, the chief operating officer, the chief financial officer or chairperson of a Person.

"Principal Payment Date" shall mean, with respect to a Series and/or Class of Bonds, any day on which principal payments (including Sinking Fund Installments) are due to the Bondholders.

"Principal Prepayment" shall mean any voluntary payment of principal made by the Borrower on or with respect to an Obligation that is received in advance of its scheduled Due Date and that is not accompanied by an amount of interest (without regard to any Yield Maintenance Premium that may have been collected) representing scheduled interest due on any date or dates in any month or months subsequent to the date of prepayment.

"Privileged Person" shall mean the Placement Agent, the Underwriters, the Master Servicer, the Special Servicer, the CMBS Trustee, the Collateral Agent, the Indenture Trustee, the Operating Advisor, any person who provides the CMBS Trustee, the Collateral Agent or the Operating Advisor with an Investor Certification in the form of Exhibit C-1 to the Servicing Agreement (for persons other than a Restricted Party, Property Manager or any Affiliate thereof or any Person acting on behalf of any of them) or Exhibit C-2 to the Servicing Agreement (for Restricted Parties, the Property Manager and any affiliates thereof), which Investor Certification may be submitted electronically via the CMBS Trustee's Website; provided, however, that solely for the purposes of providing or distributing any reports, statements, communications, or other information required or permitted to be provided or distributed to a Certificateholder under the CMBS Trust Agreement, or a Bondholder or Beneficial Owner under the Indenture, or otherwise pursuant to the Servicing Agreement, except where such information is expressly permitted to be delivered to Borrower pursuant to the terms of the Servicing Agreement, Privileged Person shall exclude any Person that is a Borrower, a Borrower Related Party or acting on behalf of a Borrower Related Party.

"Proceeds" shall mean "proceeds," as such term is defined in the UCC, including (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Borrower from time to time with respect to the Mortgaged Property, (ii) any and all payments (in any form whatsoever) made or due and payable to the Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Mortgaged Property by any Governmental Authority (or any Person acting under color of Governmental Authority), (iii) any claim of the Borrower against third parties for past, present or future infringement or dilution of any Intellectual Property, or for injury to the goodwill associated with any Intellectual Property, (iv) any recoveries by the Borrower against third parties with respect to any litigation or dispute concerning the Mortgaged Property including claims arising out of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, the Mortgaged Property, (v) all amounts collected on, or distributed on account of, the Mortgaged Property, including dividends, interest, distributions and Instruments with respect to Investment Property, and (vi) any and all other amounts, rights to payment or other property acquired upon the sale, lease, license, exchange or other disposition of the Mortgaged Property and all rights arising out of the Mortgaged Property.

"Prohibited Person" shall mean (i) any Person (a) that is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Bond Issuer, the City, the State, any of their respective instrumentalities, or any local development corporation (other than the Loan Documents or the Financing Documents), or (b) that directly or indirectly controls, is controlled by, or is under common control with a Person that is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Bond Issuer, the City, the State, any of their respective instrumentalities, or any local development corporation (other than the Loan Documents or the Financing Documents), unless such default or breach has been waived in writing by the Bond Issuer, the City, the State, any of their respective instrumentalities, or any local development corporation, as the case may be; or (ii) any Person (a) that has been convicted in a criminal proceeding for a felony or any crimes involving moral turpitude, or (b) that directly or indirectly controls, is controlled by, or is under common control with a Person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude.

"Property" shall mean any and all rights, titles and interest in and to any and all property, whether real or personal, tangible or intangible and wherever situated.

"Property Management Fees" shall mean the fees payable to the Property Manager pursuant to the terms of the Management Agreement.

"Property Manager" shall mean Silverstein Properties, Inc., a New York corporation, its successors-in-interest and any successors thereto under the Management Agreement.

"pro rata" in respect of any amount and any Obligation entitled to receive a portion of such amount at a given level of priority, shall mean allocated proportionately based, unless otherwise indicated, upon the ratio that the outstanding principal balance of such Obligation bears to the total of the outstanding principal balances of all Obligations entitled to receive a portion of such amount at such level of priority. Where no priority is indicated, the Obligations entitled to receive a portion of such amount shall be treated as having the same priority.

"Purchase Price" shall mean, with respect to any Obligation or REO Property, a price equal to the unpaid principal balance of such Obligation or REO Obligation, as applicable, as of the date of purchase, together with (without duplication) (a) all accrued and unpaid interest on such Obligation or REO Obligation, as applicable, at the related Mortgage Rate up to but not including the Due Date in the Collection Period of purchase, (b) all related unreimbursed Master Servicing Fees, Special Servicing Fees, Collateral Agent Fees, CMBS Trustee Fees, Indenture Trustee Fees (in the case of a purchase of the REO Property), Operating Advisor Fees (in the case of a purchase of the REO Property), Servicing Advances and Administrative Advances that are unreimbursed from related collections on such Obligation or REO Obligation, as applicable, (c) all accrued and unpaid Advance Interest in respect of Advances with respect to such Obligation, (d) Liquidation Fees (if any) payable in connection with a purchase of such Obligation or REO Obligation, as applicable, and (e) any other unpaid or unreimbursed Borrower Reimbursable Expenses in respect of such Obligation or REO Obligation, as applicable (including any Borrower Reimbursable Expenses previously reimbursed or paid pursuant to the Servicing Agreement but not so reimbursed by the Borrower or other party or from Insurance Proceeds or Condemnation Proceeds or otherwise).

"QIB" shall mean a "qualified institutional buyer" within the meaning of Rule 144A.

"Qualified Asset Manager" shall mean an asset manager of the Mortgaged Property that, together with its Affiliates, (i) is a reputable, nationally or regionally recognized asset management company having at least five (5) years' experience in providing asset management services for similar type properties, (ii) is engaged to provide strategic advisory services to the Borrower with respect to the Mortgaged Property including, without limitation, assistance and advice in connection with capital transactions, leasing, capital expenditures, financing, money management, and otherwise providing ongoing review and monitoring of the Borrower's activities and performing such other acts as would traditionally be assigned to the general

partner or managing member of the Borrower, and (iii) is not the subject of a bankruptcy or similar insolvency proceeding nor has been for the last seven (7) years. Each of CB Richard Ellis, Cushman & Wakefield, Jones, Lang LaSalle, Property Manager, and any Affiliated Property Manager shall be deemed Qualified Asset Managers provided that they satisfy subclause (iii) above.

"Qualified Bidder" shall have the meaning set forth in the Servicing Agreement.

"Qualified Lender" shall mean one or more of the following: (a) (i) a real estate investment trust, bank, savings and loan association, investment bank, insurance company, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, mutual fund, government entity or plan, (ii) investment company, money management firm or "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, or an institutional "accredited investor" within the meaning of Regulation D under the Securities Act, which is regularly engaged in the business of making or owning loans of similar types to the Permitted Mezzanine Financing or the CMBS Loan, (iii) a Qualified Trustee in connection with a securitization of, the creation of collateralized debt obligations ("CDO") secured by or financing through an "owner trust" of, the Permitted Mezzanine Financing, so long as (A) the special servicer or manager of such securitization, CDO or trust has the Required Special Servicer Rating, (B) the "controlling class" of such securitization vehicle is held by a Qualified Lender and (C) the operative documents of the related securitization vehicle, CDO or trust must require that (1) the "controlling class" or "equity interest" in such securitization vehicle or CDO are owned by a Qualified Lender or a Permitted Investment Fund (defined below) and (2) if any of the relevant trustee, special servicer, manager or controlling class fails to meet the requirements of such clause, such entity must be replaced by a qualifying entity within 30 days, (iv) an investment fund, limited liability company, limited partnership or general partnership (a "Permitted Investment Fund") where the mezzanine lender or a Qualified Lender or a permitted fund manager acts as the general partner, managing member or fund manager and at least 50% of the equity interests in such investment fund are owned, directly or indirectly, by one or more of the following: a Qualified Lender, an institutional "accredited investor", within the meaning of Regulation D promulgated under the Securities Act of 1933, as amended, and/or a "qualified institutional buyer" or both within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (provided each institutional "accredited investor" or "qualified institutional buyer" meets the test set forth in clause (vii)(A) below), as amended, (v) any other lender or entity (including any opportunity funds) regularly engaged in the business of making mezzanine loans which has been approved as a Qualified Lender as confirmed by receipt of a No Downgrade Confirmation, (vi) any other entity acceptable to Lender in its sole discretion or (vii) an institution substantially similar to any of the foregoing entities described in clauses (i) or (ii) of this definition, and as to each of the entities described in clauses (i), (ii), (vi) and (vii) provided such entity (A) has total assets (in name or under management) in excess of $600,000,000 and (except with respect to a pension advisory firm or similar fiduciary) capital/statutory surplus or shareholder's equity of $250,000,000 or market capitalization of at least $400,000,000; and (B) is regularly engaged in the business of making or owning commercial real estate loans or commercial loans secured by a pledge of interests in a mortgage borrower or (b) any entity Controlled (as defined below) by any one or more of the entities described in clause (a) of this definition. For purposes of this definition only, "Control" means the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interest of an entity and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise.

"Qualified Manager" shall mean (a) the Property Manager, (b) Affiliated Property Manager, or (c) a reputable and experienced professional management organization which manages, together with its Affiliates, at least 5,000,000 square feet of Class A office space, exclusive of the Mortgaged Property.

"Qualified Transferee" shall mean a Person with respect to whom, prior to the Transfer, Lender shall have received reasonably satisfactory evidence that such Person: (a) has never been convicted of a felony, (b) has never been indicted or convicted for a Patriot Act Offense and is not on any Government List, (c) has never been the subject of a voluntary or involuntary (to the extent the same has not been discharged)

bankruptcy proceeding and (d) has no outstanding judgments against such Person which would have a material adverse effect on such Person's ability to perform its obligations, if any, under the Loan and Collateral Documents.

"Qualified Trustee" shall mean (i) a corporation, national bank, national banking association or a trust company, organized and doing business under the laws of any state or the United States of America, authorized under such laws to exercise corporate trust powers and to accept the trust conferred, having a combined capital and surplus of at least $100,000,000 and subject to supervision or examination by federal or state authority, (ii) an institution insured by the Federal Deposit Insurance Corporation, (iii) an institution whose commercial paper, short-term debt obligations or other short-term deposits are rated at least "P-1" by Moody's or whose long-term senior unsecured debt obligations are rated at least "A2" by Moody's and whose commercial paper, short-term debt obligations or other short-term deposits are rated at least "F-1" by Fitch and whose long-term senior unsecured debt obligations are rated at least "A" by Fitch, or in the case of any Rating Agency, any such other long-term debt rating with the provision of a No Downgrade Confirmation.

"Rated Final Date" shall mean the Distribution Date in March, 2051 with respect to the Liberty Bonds, and the Distribution Date in March, 2031 with respect to the CMBS Certificates.

"Rating Agency" shall mean, with respect to (i) any Series and/or Class of Bonds, (ii) any Series and/or Class of CMBS Certificates or (iii) any Obligation, (a) Moody's, (b) Fitch and (c) any nationally recognized statistical rating organization that has assigned, at the request of the Borrower, a rating on such Bonds, CMBS Certificates and/or Obligations (or any portion thereof), in each such case, (x) which rating agency is then rating such Bonds, CMBS Certificates and/or Obligations (or any portion thereof) and (y) only if such rating agency was engaged by or on behalf of Borrower to rate such Bonds, CMBS Certificates and/or Obligations.

"Rating Agency Condition Modification" shall mean:

(a) any substitution of collateral for the Obligations, except as expressly permitted by the Loan Documents;

(b) any determination not to enforce a "due-on-sale" or "due–on–encumbrance" clause (unless such clause is not exercisable under Applicable Law or such exercise is reasonably likely to result in successful legal action by the Borrower);

(c) any modifications to the terms of the CMBS Loan Agreement or the Liberty Bonds Loan Agreement;

(d) any transfer of the Mortgaged Property or any portion thereof, or any transfer of any direct or indirect ownership interest in the Borrower, except in each case as expressly permitted by the Loan Documents;

(e) any consent to incurrence of additional debt by the Borrower or mezzanine debt by a direct or indirect parent of the Borrower, including modification of the terms of any document evidencing or securing any such additional debt and of any intercreditor or subordination agreement executed in connection therewith and any waiver of or amendment or modification to the terms of any such document or agreement;

(f) any change to the terms of the Collateral Agency Agreement; and

(g) approval of the termination or replacement of the Property Manager, to the extent the applicable Holders' approval is required by the Loan Documents.

"Rating Agency Inquiry" shall have the meaning set forth in the Servicing Agreement.

"Rating Agency Q&A Forum and Servicer Document Request Tool" shall have the meaning set forth in the Servicing Agreement.

"REA" shall mean that certain Reciprocal Easement Agreement, dated May 15, 2005, between Con Edison and 7 World Trade Center, LLC, as assigned to Borrower pursuant to that certain Assignment of Reciprocal Easement Agreement, dated as of the Closing Date, as the same may be further amended, supplemented, replaced or otherwise modified from time to time in accordance with the terms of the Loan and Collateral Documents.

"Realized Loss" shall mean, with respect to any Secured Party Distribution Date, the aggregate reductions of the principal balance of an Obligation which have been permanently made as a result of a bankruptcy proceeding, modification or otherwise, but other than as a result of principal payments or other collections in respect of principal of such Obligation.

"Rebate Fund" shall mean the Fund by that name created and established pursuant to the Indenture.

"Rebate Requirement" shall have the meaning set forth in the Tax Certificate.

"Record Date" shall (i) with respect to the Bonds, have the meaning ascribed to such term in the applicable Supplemental Indenture authorizing a Series and/or Class of Bonds and (ii) with respect to the CMBS Certificates, mean, with respect to any Distribution Date, the close of business on the last day of the calendar month preceding the month in which such Distribution Date occurs, or if such last day is not a Business Day, the preceding Business Day.

"Redemption Account" shall mean the account by that name created and established in the Bond Fund pursuant to the Indenture.

"Redemption Date" shall mean the date upon which any Bond is to be redeemed.

"Redemption Price" shall mean, with respect to any Series and/or Class of Bonds or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series and/or Class of Bonds and the applicable Supplemental Indenture.

"Refunding Bonds" shall mean one or more Series and/or Classes of Bonds which may be authenticated and delivered to refund Outstanding Bonds or any Series and/or Class of Outstanding Bonds in whole or in part.

"Regulation AB" shall mean Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1123, as such may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Securities and Exchange Commission in the adopting release (Asset-Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506 – 1,631 (Jan. 7, 2005)) or by the staff of the Securities and Exchange Commission, or as may be provided by the Securities and Exchange Commission or its staff from time to time.

"Regulation S" shall mean Regulation S under the Securities Act.

"Reimbursement Rate" shall mean the rate per annum applicable to the accrual of Advance Interest, which rate per annum shall be equal to the "prime rate" as published in the "Money Rates" section of *The Wall Street Journal*, as such "prime rate" may change from time to time. If *The Wall Street Journal*

ceases to publish such "prime rate", then the Master Servicer, in its sole discretion, shall select an equivalent publication that publishes such "prime rate"; and if such "prime rate" is no longer generally published or is limited, regulated or administered by a governmental or quasi governmental body, then the Master Servicer shall select a comparable interest rate index. In either case, such selection shall be made by the Master Servicer in its sole discretion, and the Master Servicer shall notify the Collateral Agent and the Special Servicer in writing of its selection.

"Release" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Rent Roll" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"REO Account" shall mean a segregated custodial account or accounts created and maintained by the Special Servicer pursuant to the Servicing Agreement on behalf of the Collateral Agent in trust for the Secured Parties, which shall be entitled "Wells Fargo Bank, National Association, as Special Servicer, for the benefit of the Secured Parties under that certain Servicing Agreement dated April 5, 2012, REO Account". Any such account or accounts shall be an Eligible Account.

"REO Disposition" shall mean the sale or other disposition of the REO Property pursuant to the Servicing Agreement.

"REO Obligation" shall mean the Obligation(s) deemed for purposes hereof to be outstanding with respect to each REO Property acquired in respect of any Obligation. Each REO Obligation shall be deemed to have an initial unpaid principal balance and Stated Principal Balance equal to the unpaid principal balance and Stated Principal Balance, respectively, of the predecessor Obligation as of the date of the acquisition of the REO Property. In addition, all Debt Service Payments (other than any Balloon Payment), Assumed Debt Service Payments (in the case of an Obligation delinquent in respect of its Balloon Payment) and other amounts due and owing, or deemed to be due and owing, in respect of the predecessor Obligation as of the date of the acquisition of the related REO Property, shall be deemed to continue to be due and owing in respect of an REO Obligation. All amounts payable or reimbursable to the Master Servicer, the Special Servicer or the Collateral Agent in respect of the related Obligation as of the date of the acquisition of the REO Property, including, without limitation, any unpaid Servicing Fees and any unreimbursed Advances, together with any Advance Interest accrued and payable to the Master Servicer, the Special Servicer and/or the Collateral Agent in respect of such Advances, shall continue to be payable or reimbursable to the Master Servicer, the Special Servicer and/or the Collateral Agent as the case may be, in respect of an REO Obligation.

"REO Property" shall mean the Mortgaged Property, if acquired by the Master Servicer on behalf of the Secured Parties pursuant to the Servicing Agreement through foreclosure, acceptance of a deed-in-lieu of foreclosure or otherwise in accordance with Applicable Law in connection with the default or imminent default of an Obligation.

"REO Revenue" shall mean proceeds, net of any related expenses of the Master Servicer, Special Servicer and/or the Collateral Agent, received in respect of any REO Property (including, without limitation, proceeds from the operation or rental of such REO Property) prior to the final liquidation of the REO Property.

"Replacement Guarantor" shall mean a Person who is (x) a Qualified Transferee who has a net worth equal to or in excess of $250,000,000, (y) reasonably acceptable to the Master Servicer, and (z) for whom a No Downgrade Confirmation has been received.

"Reporting Servicer" shall mean the Master Servicer, the Special Servicer or a Servicing Function Participant engaged by any such party, as the case may be.

"Request for Release" shall mean a request for release signed by a Servicing Officer of, as applicable, the Master Servicer or Special Servicer, in the form of Exhibit A attached to the Servicing Agreement.

"Required Amount" shall mean an amount equal to the product of (x) the amount of interest coming due on the next succeeding Interest Payment Date with respect to the Bonds and (y) a fraction, the numerator of which is the number of Monthly Transfer Dates (including the current Monthly Transfer Date) which have occurred since the immediately preceding Interest Payment Date, and the denominator of which is equal to the number of Monthly Transfer Dates which will occur in the period from the later of the date of issuance of the Bonds or the immediately preceding Interest Payment Date upon which interest has been paid to the next succeeding Interest Payment Date.

"Required Appraisal Financing" shall mean the Liberty Bonds Loan and/or the CMBS Loan, at any time after the occurrence of and during the continuation of an Appraisal Event.

"Required Distribution Amount" shall mean, as of any date of determination prior to a Liquidation, the amount that would be required pursuant to the Servicing Agreement to pay all such amounts in full on the related Secured Party Distribution Date (calculated taking into account any Appraisal Reduction Amount that would reduce the amount of any P&I Advance on that Secured Party Distribution Date if a P&I Advance was being made as described in the Servicing Agreement).

"Required Interest Deposit" shall mean, in the case of any Monthly Transfer Date with respect to the applicable Series and/or Class of Bonds, as applicable, an amount that, after giving effect to monies on deposit in the Interest Account, on the 15th day of the month preceding such Monthly Transfer Date, is equal to the Required Amount (such amount to be reduced if and to the extent that the applicable Series and/or Class of Bonds or any portion thereof are redeemed on a Redemption Date that precedes such Interest Payment Date).

"Required Principal Deposit" shall mean, in the case of any Monthly Transfer Date with respect to the applicable Series and/or Class of Bonds, one-twelfth of the amount, if any, of principal (including Sinking Fund Installments) of the applicable Series and/or Class of Bonds, respectively, becoming due on each Principal Payment Date therefor occurring within the 12 months immediately succeeding the month in which such Monthly Transfer Date occurs unless, in the case of a Series and/or Class of Bonds, whose Principal Payment Date occurs within 12 months after the Delivery Date for such Series and/or Class of Bonds, in which case an equal fractional amount that, after giving effect to monies on deposit in the Redemption Account immediately prior to such Monthly Transfer Date and together with the amount to be deposited therein on each succeeding Monthly Transfer Date prior to such next succeeding Principal Payment Date, is equal in the aggregate to the amount, if any, of principal (including Sinking Fund Installments) thereof becoming due on such Principal Payment Date (such amount to be reduced if and to the extent that the applicable Series and/or Class of Bonds or any portion thereof are redeemed on a Redemption Date that precedes such Principal Payment Date).

"Required Special Servicer Rating" shall mean, in the case of Fitch, an entity with a special servicer rating of "CSS3," in the case of S&P, a servicer on its respective approved list of special servicers, in the case of Moody's, a special servicer that is acting as a transaction level special servicer in a commercial mortgage loan securitization that was rated by Moody's within the six (6) month period prior to the date of determination and Moody's has not downgraded, suspended or withdrawn the then-current rating on any class of commercial mortgage securities or placed any class of commercial mortgage securities on watch citing the continuation of such special servicer as special servicer of such commercial mortgage securities and, in the case of Morningstar, a special servicer that is acting as special servicer in a commercial mortgage securitization that was rated by a Rating Agency within the twelve (12) month period prior to the date of determination, and Morningstar has not downgraded, suspended or withdrawn the then-current rating on any class of commercial mortgage securities or placed any class of commercial mortgage securities on watch citing

the continuation of such special servicer as special servicer of such commercial mortgage securities. The requirement of any rating agency which is not then a Rating Agency shall be disregarded.

"Required Terrorism Coverage" shall mean coverage against loss or damage by terrorist acts as provided in Article VIII of the CMBS Loan Agreement and Article VIII of the Liberty Bonds Loan Agreement per occurrence and in the aggregate.

"Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Reserve Amounts" shall mean the amounts required to be deposited into any Reserve Account.

"Reserved Rights" shall mean, collectively,

(i) the right of the Bond Issuer in its own behalf to receive all Opinions of Counsel to be delivered to the lender under the Liberty Bonds Loan Agreement and to receive, at the request of the Bond Issuer, the deliverables referred to in specified provisions of the Liberty Bonds Loan Agreement and the reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the lender under the Liberty Bonds Loan Agreement; and

(ii) the right of the Bond Issuer in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under the Liberty Bonds Loan Agreement or otherwise exercise its rights under specified provisions of the Liberty Bonds Loan Agreement, subject to the limitations contained in the Liberty Bonds Loan Agreement. Notwithstanding the foregoing, any Bond Issuer Judgment Amount shall only be realized by the Bond Issuer in accordance with specified provisions of the Collateral Agency Agreement.

"Responsible Officer" shall mean any officer of the Corporate Trust Office (or any successor group) of the CMBS Trustee or the Collateral Agent with direct responsibility for the administration of the CMBS Trust Agreement and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject, and, in the case of any certification or other document required to be signed by a Responsible Officer, an authorized signatory whose name and specimen signature appears on a list furnished to the Master Servicer or the Special Servicer, as applicable, by the CMBS Trustee or the Collateral Agent, as such list may from time to time be amended.

"Restoration" shall mean the repair and restoration of the Mortgaged Property in accordance with the terms, conditions, and requirements of the Ground Lease and the REA.

"Restricted Investments" shall mean any direct or indirect ownership interest in any security, note or other financial instrument issued or executed by the Borrower Principals or any Affiliates thereof, a loan directly or indirectly secured by any of the foregoing or a hedging transaction (however structured) that references or relates to any of the foregoing.

"Restricted Party" shall mean, collectively, Borrower and any Affiliated Property Manager.

"Revenues" shall mean (a) all amounts payable to the Indenture Trustee by the Borrower or the Collateral Agent with respect to the principal (including Sinking Fund Installments) or Redemption Price of, or interest on, a Series and/or Class of Bonds as provided in the applicable Supplemental Indenture authorizing such Series and/or Class of Bonds and (b) investment income with respect to any moneys held in or transferred to the Bond Fund.

"Rule 144A" shall mean Rule 144A under the Securities Act.

"S&P" shall mean Standard & Poor's Rating Services and its successors-in-interest, so long as S&P and such successor shall be in the rating business and shall qualify as an NRSRO.

"Scheduled Payment Date" shall have the meaning assigned to such term in the respective Loan Agreement.

"Scottsdale Insurance" shall mean Scottsdale Insurance Company, a corporation organized and existing under and by virtue of the laws of the State of Ohio, together with its successors and assigns.

"Secured Parties" shall mean the Collateral Agent, the CMBS Trustee on behalf of itself and the Certificateholders, the Indenture Trustee on behalf of itself and the Bondholders, and each of their respective successors and assigns.

"Secured Party Distribution Date" shall mean the 3rd Business Day after the immediately preceding Determination Date.

"Securities Accounts" shall mean all "securities accounts" as defined in Article 8 of the UCC.

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time.

"Securities Entitlements" shall mean all "securities entitlements" as defined in Article 8 of the UCC.

"Series" shall mean (i) with respect to a Series and/or Class of Bonds, all of the Bonds designated as being of the same Series authenticated and delivered on the date of original issuance in a simultaneous transaction, pursuant to the Indenture and a separate Supplemental Indenture as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture and such Supplemental Indenture and (ii) with respect to an Obligation, all of the Obligations designated as such in the related Loan Document and authenticated and delivered on original issuance in a simultaneous transaction, regardless of variations in Class, dated date, maturity, interest rate or other provisions, and any Obligation thereafter delivered in lieu of or substitution for such Obligations pursuant to a Loan Document.

"Series 2005 Bonds" shall mean the Agency's $475,000,000 original aggregate principal amount of Liberty Revenue Bonds, Series 2005 (7 World Trade Center LLC Project) consisting of $275,000,000 Series 2005A Serial Bonds, $150,000,000 Series 2005A Term Bonds and $50,000,000 Series 2005B Serial Bonds.

"Series 2012 Liberty Bonds" shall mean the Bond Issuer's $450,290,000 original aggregate principal amount of Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project).

"Servicer" shall mean the Master Servicer and/or the Special Servicer, individually or collectively, as the context may require.

"Servicer Termination Event" shall have the meaning assigned to such term in the Servicing Agreement.

"Service(s)(ing)" shall mean, in accordance with Regulation AB, the act of servicing and administering the Obligations or any other assets of the CMBS Trust Fund by an entity that meets the definition of "servicer" set forth in Item 1101 of Regulation AB and is referenced in the disclosure requirements set forth in Item 1108 of Regulation AB. For the avoidance of doubt, any uncapitalized occurrence of this term shall have the meaning commonly understood by participants in the commercial mortgage-backed securities market.

"Servicing Advance" shall mean, subject to the Servicing Agreement and with respect to any Obligation, all customary, reasonable and necessary "out-of-pocket" costs and expenses incurred or to be incurred, as the context requires, by the Master Servicer or, with respect to the Specially Serviced Obligations, by the Master Servicer at the direction of the Special Servicer (or by the Collateral Agent pursuant to the Servicing Agreement) in connection with the servicing of an Obligation after a default, delinquency or other unanticipated event, or in connection with the administration of any REO Property, including, but not limited to, the cost of (a) the preservation, insurance, restoration, protection and management of the Mortgaged Property, (b) obtaining any Liquidation Proceeds or Insurance Proceeds in respect of any Obligation or REO Property, (c) any enforcement or judicial proceedings with respect to the Mortgaged Property, including, without limitation, foreclosures, and (d) the operation, management, maintenance and liquidation of any REO Property; provided that notwithstanding anything herein to the contrary, "Servicing Advances" shall not include allocable overhead of the Master Servicer or the Special Servicer (or the Collateral Agent, if applicable), such as costs for office space, office equipment, supplies and related expenses, employee salaries and related expenses and similar internal costs and expenses, or costs incurred by either such party in connection with its purchase of any Obligation or REO Property pursuant to any provision of the Servicing Agreement.

"Servicing Agreement" shall mean the Servicing Agreement, dated as of the Closing Date, among the CMBS Trustee, the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor and the Collateral Agent, as the same may be amended, supplemented or otherwise modified from time to time.

"Servicing Criteria" shall mean the criteria set forth in paragraph (d) of Item 1122 of Regulation AB as such may be amended from time to time and which as of the Closing Date are listed on Exhibit B to the Servicing Agreement.

"Servicing Fees" shall mean, with respect to each Obligation and REO Obligation, the Master Servicing Fee and the Special Servicing Fee.

"Servicing File" shall mean any documents (other than documents required to be part of the Mortgage File), including, without limitation, the related Phase I Environmental Site Assessment and any related environmental insurance or endorsement, in the possession of the Master Servicer or the Special Servicer and relating to the origination and servicing of any Obligation or the administration of any REO Property.

"Servicing Function Participant" shall mean any Additional Servicer, sub-servicer, Subcontractor or any other Person, other than the Collateral Agent, the CMBS Trustee, the Indenture Trustee, the Master Servicer and the Special Servicer, that is performing activities that address the Applicable Servicing Criteria as of any date of determination.

"Servicing Officer" shall mean any officer or authorized signatory of the Master Servicer or the Special Servicer involved in, or responsible for, the administration and servicing of the Obligations, whose name and specimen signature appear on a list of such officers and authorized signatories furnished by such party to the Secured Parties, as such list may be amended from time to time thereafter.

"Servicing Standard" shall mean, with respect to each of the Master Servicer and the Special Servicer, subject to Applicable Law and the express terms of the Obligations and the Loan Documents to service and administer the Obligations and any REO Property for which such Person is responsible under the Servicing Agreement:

(a) with the same care, skill, prudence and diligence with which the Master Servicer or Special Servicer, as applicable, performs its general mortgage servicing and REO property management activities on behalf of third parties or on behalf of itself, whichever is higher, and giving

due consideration to the customary and usual standards of practice of prudent institutional commercial mortgage lenders servicing their own loans;

(b) with a view to the timely collection of all scheduled payments of principal (including Sinking Fund Installments) and interest under the Obligations and all Borrower Reimbursable Expenses, and, in the case of the Special Servicer, if an Obligation comes into and continues in default and if, in the good faith and reasonable judgment of the Special Servicer, no satisfactory arrangements can be made for the collection of the delinquent payments (including payments of Yield Maintenance Premiums), the maximization of the recovery on all of the outstanding Obligations (as if they were one Obligation) on a net present value basis for the benefit of the Secured Parties (as if they were one lender); and

(c) without regard to:

(1) any known relationship that the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be, may have with the Borrower (or any Affiliate thereof) or with any other party to the Servicing Agreement;

(2) the ownership of any Obligation, CMBS Certificate or Bond by the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be;

(3) the ownership of any indebtedness with respect to the Mortgaged Property or any related mezzanine debt by the Master Servicer or the Special Servicer, as the case may be;

(4) the obligation of the Master Servicer or the Special Servicer to make Advances;

(5) the obligation of the Special Servicer to make, or direct the Master Servicer to make, Advances;

(6) the right of the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be, to receive reimbursement of costs, or the sufficiency of any compensation payable to it, under the Servicing Agreement or with respect to any particular transaction; or

(7) any ownership, servicing and/or management by the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be, of any other mortgage loans or real property.

"Servicing Transfer Event" shall mean, with respect to any Obligation, any of the following events, it being understood that the occurrence of any of the following events with respect to one Obligation shall constitute a Servicing Transfer Event with respect to all Obligations:

(a) the Borrower has failed to make when due any Debt Service Payment or any other payment required under the related Loan Documents, which failure continues, or the Master Servicer determines, in its reasonable, good faith judgment, will continue, unremedied for a period of 60 days, provided, however, solely in the case of a delinquent Balloon Payment, if (x) the Borrower is actively seeking a refinancing commitment and (y) the Borrower continues to make payments in the amount of its Assumed Debt Service Payment, then failure to pay such Balloon Payment for a 120-day period shall not constitute a Servicing Transfer Event if the Borrower has delivered to the Master Servicer, on

or before the 60th day after the Due Date of such Balloon Payment, a refinancing commitment reasonably acceptable to the Master Servicer, for such longer period, not to exceed 120 days beyond such Due Date, during which the refinancing would occur; or

(b) the Master Servicer has determined, in its reasonable, good faith judgment, that a default in the making of a Debt Service Payment or any other material payment required under the related Loan Documents is likely to occur within 30 days and (i) the Borrower has requested a material modification of the payment terms of the Obligation or (ii) such default is likely to remain unremedied for the applicable cure period under the terms of the Obligation (or, if no cure period is specified, for 60 days); or

(c) the Master Servicer has determined, in its reasonable, good faith judgment, that a default, other than as described in "clause (a)" or "(b)" of this definition, has occurred or is reasonably foreseeable that may materially impair the value of the Mortgaged Property as security for the Obligation, which default or reasonably foreseeable default has continued or is reasonably expected to continue (as applicable) unremedied for the applicable cure period under the terms of the Obligation (or, if no cure period is specified, for 60 days); or

(d) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises in an involuntary action against the Borrower under any present or future U.S. federal or state bankruptcy, insolvency or similar law or the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceeding, or for the winding-up or liquidation of its affairs, shall have been entered against the Borrower, to the extent not discharged as provided in the applicable Loan Agreement; or

(e) the Borrower shall have consented to the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceeding of or relating to the Borrower or of or relating to all or substantially all of its property; or

(f) the Borrower shall have admitted in writing its inability to pay its debts generally as they become due, filed a petition to take advantage of any applicable insolvency or reorganization statute, made an assignment for the benefit of its creditors, or voluntarily suspended payment of its obligations; or

(g) the Master Servicer shall have received notice of the commencement of foreclosure or similar proceedings with respect to the Mortgaged Property.

(h) A Servicing Transfer Event with respect to any Obligation shall cease to exist:

(i) in the case of the circumstances described in "clause (a)" of this definition, if and when the Borrower has made three consecutive full and timely Debt Service Payments with respect to a Debt Service Payment failure (or paid the other amount outstanding which caused such Servicing Transfer Event under clause (a) above) under the terms of such Obligation (as such terms may be changed or modified in connection with a bankruptcy or similar proceeding involving the Borrower or by reason of a modification, waiver or amendment granted or agreed to by the Master Servicer or the Special Servicer pursuant to the Servicing Agreement);

(j) in the case of the circumstances described in "clauses (b), (d), (e)" and "(f)" of this definition, if and when such circumstances cease to exist in the reasonable, good faith judgment of the Special Servicer;

(k) in the case of the circumstances described in "clause (c)" of this definition, if and when such default is cured in the reasonable, good faith judgment of the Special Servicer; and

(l) in the case of the circumstances described in "clause (g)", if and when such proceedings are terminated;

so long as at that time no circumstance identified in "clauses (a)" through "(g)" of this definition exists that would cause the Obligation to continue to be characterized as a Specially Serviced Obligation; and provided that no additional default is foreseeable in the reasonable good faith judgment of the Special Servicer.

"Silverstein Family" shall mean Larry A. Silverstein and his spouse, brothers, sisters, children (natural or adopted), stepchildren (natural or adopted), grandchildren (natural or adopted) and all of their respective spouses or domestic partners, any trust for the benefit of any of the foregoing persons and any partnership or limited liability company, the owners of which are any of the foregoing persons or trusts.

"Silverstein Party" shall mean Larry A. Silverstein, the estate of Larry A. Silverstein, any member of the Silverstein Family or any Affiliate of any of the preceding.

"Silverstein REIT" shall mean an entity newly formed for the purpose of beneficially owning the beneficial interests in Borrower, which is intended to qualify as a real estate investment trust under Section 856 through Section 860 of the Internal Revenue Code.

"Silverstein REIT Transaction" shall mean the Transfer of direct or indirect interests in Borrower to a newly-formed limited partnership ("OP") of which the general partner will be a Silverstein REIT in connection with an initial public offering of interests in the Silverstein REIT on a nationally recognized stock exchange, which transaction (1) is sponsored by a Silverstein Party, (2) shall provide that the executive management team that controls the day-to-day management and operation of the Silverstein REIT and the real properties contributed to such entity after such transaction shall be substantially the same executive management team that controlled the day-to-day management and operations of such real properties immediately prior to such transaction and (3) the Silverstein REIT shall be publicly traded on a nationally recognized stock exchange, and the Silverstein REIT shall be the general partner of, and shall control, the OP.

"Sinking Fund Installments" shall mean an amount so designated and which is established for mandatory redemption on a date certain of a Series and/or Class of Bonds pursuant to the applicable Supplemental Indenture.

"Special Event of Default" shall mean (a) a monetary Mortgage Event of Default or (b) a non-monetary Mortgage Event of Default with respect to which the related Obligation becomes a Specially Serviced Obligation.

"Special Purpose Entity" shall mean a corporation, limited partnership or limited liability company that, since the date of its formation and at all times on and after the date thereof, has complied with and shall at all times comply with the following requirements, unless it has received (i) prior consent to do otherwise from the CMBS Lender and the Indenture Trustee or a permitted administrative agent thereof, and, (2) a No Downgrade Confirmation, and (3) to the extent required by the CMBS Lender or the Indenture Trustee, an Additional Insolvency Opinion, in each case:

(i) with respect to Borrower, is and shall be organized solely for the purpose of acquiring, developing, owning, holding, selling, leasing, transferring, exchanging, managing and operating the Mortgaged Property, entering into and performing its obligations under the Loan and Collateral Documents, refinancing the Mortgaged Property in connection with a permitted repayment of the CMBS Loan and the Liberty Bonds Loan, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(ii) with respect to Borrower's sole member, owning all the equity interests in Borrower and entering into Permitted Mezzanine Financings or refinancing thereof, from time to time;

(iii) with respect to Borrower, has not owned and shall not own any real property other than the Mortgaged Property;

(iv) with respect to Borrower, does not have, shall not have and at no time had any assets other than the Mortgaged Property and personal property necessary or incidental to its ownership and operation of the Mortgaged Property;

(v) has not engaged in, sought, consented or permitted to and shall not engage in, seek, consent to or permit (A) any dissolution, winding up, liquidation, consolidation or merger, or (B) any sale or other transfer of all or substantially all of its assets or any sale of assets outside the ordinary course of its business, except as permitted by the Loan and Collateral Documents;

(vi) if such entity is a limited partnership, has and shall have at least one general partner and has and shall have, as its only general partners, Special Purpose Entities each of which (A) is a corporation or single-member Delaware limited liability company, (B) has two (2) Independent Managers, and (C) holds a direct interest as general partner in the limited partnership of not less than 0.5%;

(vii) if such entity is a corporation, has and shall have at least two (2) Independent Managers, and shall not cause or permit the board of directors of such entity to take any Act of Bankruptcy with respect to itself;

(viii) if such entity is a limited liability company (other than a limited liability company meeting all of the requirements applicable to a single-member limited liability company set forth in this definition of "Special Purpose Entity"), has and shall have at least one (1) member that is a Special Purpose Entity, that is a corporation or a single-member limited liability company, that has at least two (2) Independent Managers and that directly owns at least one-half of one percent (0.5%) of the equity of the limited liability company;

(ix) if such entity is a single-member limited liability company, (A) is and shall be a Delaware limited liability company, (B) has and shall have at least two (2) Independent Managers serving as managers of such company, (C) shall not take any action requiring the unanimous affirmative vote of the member and the Independent Managers and shall not cause or permit the members or managers of such entity to take any action requiring the unanimous affirmative vote of the member and the Independent Managers unless two (2) Independent Managers then serving as managers of the company shall have participated and consented in writing to such action, and (D) has and shall have either (1) a member which owns no economic interest in the company, has signed the company's limited liability company agreement and has no obligation to make capital contributions to the company, or (2) two natural persons or one entity that is not a member of the company, that has signed its limited liability company agreement and that, under the terms of such limited liability company agreement becomes a member of the company immediately prior to the withdrawal or dissolution of the last remaining member of the company;

(x) has not and shall not (and, if such entity is (a) a limited liability company, has and shall have a limited liability agreement or an operating agreement, as applicable, (b) a limited partnership, has a limited partnership agreement, or (c) a corporation, has a certificate of incorporation or articles that, in each case, provide that such entity shall not) (1) dissolve,

merge, liquidate or consolidate; (2) sell all or substantially all of its assets; (3) amend its organizational documents with respect to the matters set forth in this definition without the consent of Lender; or (4) without the affirmative vote of two (2) Independent Managers take any Act of Bankruptcy;

(xi) has not failed and shall not fail to correct any known misunderstanding regarding the separate identity of such entity and has not identified and shall not identify itself as a division of any other Person;

(xii) has maintained and shall maintain its bank accounts, books of account, books and records separate from those of any other Person;

(xiii) has maintained and shall maintain its own records, books, resolutions and agreements;

(xiv) has not commingled and shall not commingle its funds or assets with those of any other Person;

(xv) has held and shall hold its assets in its own name;

(xvi) has conducted and shall conduct its business in its own name or in a name franchised or licensed to it by an entity other than an Affiliate, except for Property Manager's obligations under the Property Management Agreement and except for business conducted on its behalf by another Person under a business management services agreement that is on commercially-reasonable terms, so long as the manager, or equivalent thereof, under such business management services agreement holds itself out as an agent of the Borrower;

(xvii) Borrower will maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates and any constituent party. Borrower's assets will not be listed as assets on the financial statement of any other Person, provided, however, that Borrower's assets may be included in a consolidated financial statement of its Affiliates provided that (i) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of Borrower and such Affiliates and to indicate that Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliates or any other Person and (ii) such assets shall be listed on Borrower's own separate balance sheet. Borrower will file its own tax returns and will not file a consolidated federal income tax return with any other Person unless, in each instance, Borrower is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law. Borrower shall maintain its books, records, resolutions and agreements as official records;

(xviii) has paid and shall pay its own liabilities and expenses out of its own funds and assets;

(xix) has observed and shall observe all partnership, corporate or limited liability company formalities, as applicable;

(xx) with respect to the Borrower, has not incurred any Indebtedness other than (A) under the CMBS Loan and Collateral Documents and the Liberty Bonds Loan and Collateral Documents, (B) unsecured trade payables and operational debt not evidenced by a note, and (C) Indebtedness incurred in the financing of equipment and other personal property used on the Mortgaged Property;

(xxi) with respect to the Borrower's sole member, has not incurred any Indebtedness other than (A) under any Permitted Mezzanine Financing, (B) unsecured trade payables and operational debt not evidenced by a note, or (C) the Series 2005 Bonds;

(xxii) will not incur any Indebtedness, secured or unsecured, direct or contingent (including any guarantee of any obligation) other than (A) the amounts due under the CMBS Loan and Collateral Documents, (B) the amounts due under the Liberty Bonds Loan and Collateral Documents, (C) trade and operational Indebtedness incurred in the ordinary course of business with trade creditors, provided such Indebtedness is (1) unsecured, (2) not evidenced by a note, (3) on commercially reasonable terms and conditions, and (4) due not more than one hundred and twenty (120) days past the date invoiced and paid on or prior to such date, (D) any amounts incurred in connection with any tenant improvements, (E) any leasing commissions paid under any Lease, or (F) financing leases and purchase money Indebtedness incurred in the ordinary course of business relating to Personal Property on commercially reasonable terms and conditions; provided, however, the aggregate amount of the Indebtedness described in (C) and (F) shall not exceed at any time two (2%) of the initial principal amounts of the CMBS Note and the Liberty Bonds Note in the aggregate;

(xxiii) (a) with respect to Borrower, has not assumed, guaranteed or become obligated and shall not assume or guarantee or become obligated for the debts of any other Person, has not held out and shall not hold out its credit as being available to satisfy the obligations of any other Person or has not pledged and shall not pledge its assets to secure the obligations of any other Person, in each case except as permitted pursuant to the CMBS Loan and Collateral Documents and Liberty Bonds Loan and Collateral Documents; and (b) with respect to Borrower's sole member, has not assumed or guaranteed or become obligated for the debts of any other Person, has not held out and shall not hold out its credit as being available to satisfy the obligations of any other Person or has not pledged and shall not pledge its assets to secure the obligations of any other Person, except as permitted in any Permitted Mezzanine Financing;

(xxiv) has not acquired and shall not acquire obligations or securities of its partners, members or shareholders or any other owner or Affiliate;

(xxv) has allocated and shall allocate fairly and reasonably any overhead expenses that are shared with any of its Affiliates, constituents, or owners, or any guarantors of any of their respective obligations, or any Affiliate of any of the foregoing;

(xxvi) has maintained and used and shall maintain and use separate stationery, invoices and checks bearing its name and not bearing the name of any other entity unless such entity is clearly designated as being the Special Purpose Entity's agent;

(xxvii) (a) with respect to Borrower, has not pledged and shall not pledge its assets to secure the obligations of any other Person other than with respect to loans secured by the Mortgaged Property and no such pledge remains outstanding except to the Holders to secure the CMBS Loan and the Liberty Bonds Loan; and with respect to Borrower's sole member, has not pledged and shall not pledge assets to secure the obligations of any other Person other than with respect to any Permitted Mezzanine Financing;

(xxviii) has held itself out and identified itself and shall hold itself out and identify itself as a separate and distinct entity under its own name or in a name franchised or licensed to it by an entity other than an Affiliate of Borrower and not as a division or part of any other Person;

(xxix) has maintained and shall maintain its assets in such a manner that it shall not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(xxx) has not made and shall not make loans to any Person and has not held and shall not hold evidence of indebtedness issued by any other Person or entity (other than cash and investment-grade securities issued by an entity that is not an Affiliate of or subject to common ownership with such entity);

(xxxi) has not identified and shall not identify its partners, members or shareholders, or any Affiliate of any of them, as a division or part of it, and has not identified itself and shall not identify itself as a division of any other Person;

(xxxii) with respect to the Borrower, other than capital contributions and distributions permitted under the terms of its organizational documents, has not entered into or been a party to, and shall not enter into or be a party to, any transaction with any of its partners, members, shareholders or Affiliates other than Borrower entering into the Property Management Agreement, the CMBS Loan, and the assignments entered into between the Borrower and its sole member in connection with the CMBS Loan and the Liberty Bonds Loan or any agreement otherwise entered into in the ordinary course of its business all of which shall be on terms which are commercially reasonable terms comparable to those of an arm's-length transaction with an unrelated third party;

(xxxiii) has not had and shall not have any obligation to, and has not indemnified and shall not indemnify its partners, officers, directors or members, as the case may be, in each case unless such an obligation or indemnification is fully subordinated to the CMBS Loan and the Liberty Bonds Loan and shall not constitute a claim against it in the event that its cash flow is insufficient to pay the CMBS Loan and the Liberty Bonds Loan;

(xxxiv) if such entity is a corporation, has considered and shall consider the interests of its creditors in connection with all corporate actions;

(xxxv) with respect to Borrower has not had and will not have any of its obligations guaranteed by any Affiliate except for the Liberty Bonds Joinder and the CMBS Joinder, and (b) with respect to Borrower's sole member has not had and will not have any of its obligations guaranteed by any Affiliate except for the requirements of any Permitted Mezzanine Financing;

(xxxvi) has complied and shall comply with all of the terms and provisions contained in its organizational documents;

(xxxvii) has conducted and shall conduct its business so that each of the assumptions made about it and each of the facts stated about it in the Insolvency Opinion or, if applicable, any Additional Insolvency Opinion with respect to Borrower or Borrower's sole member or both, if applicable, are true; and

(xxxviii) is, has always been and shall continue to be duly formed, validly existing, and in good standing in the state of its incorporation or formation and in all other jurisdictions where it is qualified to do business.

"Special Servicer" shall mean Wells Fargo, or any successor Special Servicer appointed pursuant to the Servicing Agreement.

"Special Servicer Servicing Personnel" shall mean the division and individuals of the Special Servicer who are involved in the performance of the duties of the Special Servicer under the Servicing Agreement.

"Special Servicing Fee" shall mean, with respect to each Specially Serviced Obligation and each REO Obligation, the amount accrued at the Special Servicing Fee Rate on the Stated Principal Balance, and otherwise calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods.

"Special Servicing Fee Rate" shall mean, with respect to each Specially Serviced Obligation and each REO Obligation, a *per annum* rate equal to 0.25%.

"Specially Serviced Obligation" shall mean any Obligation as to which there then exists a Servicing Transfer Event. Upon the occurrence of a Servicing Transfer Event with respect to any Obligation, such Obligation shall remain a Specially Serviced Obligation until the earliest of (i) its no longer being subject to the Servicing Agreement (in the case of an Obligation), (ii) an REO Acquisition with respect to the Mortgaged Property, and (iii) the cessation of all existing Servicing Transfer Events with respect to such Obligation.

"State" shall mean the State of New York.

"Stated Maturity Date" shall mean, with respect to any Obligation, the Due Date on which the last payment of principal is due and payable under the terms of the related Loan Documents as in effect on such Obligation's effective date, without regard to any change in or modification of such terms in connection with a bankruptcy or similar proceeding involving the Borrower or a modification, waiver or amendment of such Obligation granted or agreed to by the Master Servicer or Special Servicer pursuant to the Servicing Agreement.

"Stated Principal Balance" shall mean, with respect to any Obligation and any successor REO Obligation, a principal amount initially equal to the effective date principal balance of such Obligation, that is permanently reduced on each Secured Party Distribution Date (to not less than zero) by all payments (or P&I Advances in lieu thereof) of, and all other collections allocated to, principal of or with respect to such Obligation (or successor REO Obligation) that are distributed to the Secured Parties on such Secured Party Distribution Date. Notwithstanding the foregoing, if a Final Liquidation Event occurs in respect of any Obligation or REO Property, then the "Stated Principal Balance" of such Obligation or of the related REO Obligation, as the case may be, shall be zero commencing as of the Secured Party Distribution Date in the Collection Period next following the Collection Period in which such Final Liquidation Event occurred.

"Subcontractor" shall mean any vendor, subcontractor or other Person that is not responsible for the overall servicing (as "servicing" is commonly understood by participants in the mortgage backed securities market) of the CMBS Loan or the Liberty Bonds Loan, but performs one or more discrete functions identified in Item 1122(d) of Regulation AB with respect to the CMBS Loan or the Liberty Bonds Loan under the direction or authority of the Master Servicer (or a sub-servicer of the Master Servicer), the Special Servicer or an Additional Servicer (or a sub-servicer of an Additional Servicer).

"Successful Bidder" shall have the meaning set forth in the Servicing Agreement.

"Supplemental Indenture" shall mean any indenture supplemental to or amendatory of the Indenture entered into in accordance with the Indenture.

"Supporting Obligations" shall have the meaning provided to such term in the UCC.

"Survey" shall mean a survey of the Land prepared by a surveyor licensed in the State and reasonably satisfactory to each Lender and the company or companies issuing the Title Insurance Policy, and containing a certification of such surveyor reasonably satisfactory to each Lender.

"Tax Reserve Account" shall have the meaning set forth in the Collateral Agency Agreement.

"Tax Certificate" shall mean the "Tax Certificate As To Arbitrage and Provisions of Section 103(a) of the Internal Revenue Code of 1986", dated the Closing Date, executed by an Authorized Borrower Representative and an Authorized Bond Issuer Representative and delivered to the Indenture Trustee and shall include any exhibits, schedules and attachments thereto and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

"Taxable Bonds" shall mean any Bonds other than Tax-Exempt Bonds.

"Taxes" shall mean all PILOT, any real property and personal property taxes, assessments, water rates or sewer rents, and any other tax assessment, levy, fee or charge, general or special, ordinary or extraordinary, foreseen or unforeseen, of whatever nature or kind, now or hereafter levied or assessed or imposed against the Mortgaged Property or part thereof by any Governmental Authority.

"Tax-Exempt Bonds" shall mean the Series 2012 Liberty Bonds, Class 1, Class 2 and Class 3 and any other Series and/or Class of Bonds the interest on which is not includible in gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code.

"Tax-Exempt Provisions" shall mean the provisions of the federal income tax law relating to the qualification of interest on the Series 2012 Liberty Bonds for exclusion from gross income, for federal income tax purposes, of the beneficial owners of such Series 2012 Liberty Bonds, which consist of Section 103 of the Internal Revenue Code, pertinent sections of Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code and subsection (d) of Section 1400L of the Internal Revenue Code, and related provisions, and temporary and final Treasury regulations (or proposed regulations that would apply by reason of their proposed effective date to the extent not inconsistent with temporary or final regulations) and any rulings promulgated thereunder, as the foregoing may be in effect from time to time.

"Tenant" shall mean any Person who shall lease, use or occupy any portion of the Mortgaged Property pursuant to a Lease.

"Tenant Improvements" shall mean tenant improvements required under Leases existing as of the Closing Date.

"Tender Price" shall mean an amount equal to the principal amount of a Class or Series of Bonds tendered for purchase, plus accrued interest to the purchase date.

"Terrorism Policy" shall mean (i) the Current Terrorism Policy or (ii) such other replacement policy as is then available at commercially reasonable rates (but in no case exceeding the lesser of (A) two (2) times the cost of the "All Risk" policy under the Loan Agreements or (B) an amount equal to the product of $2.55 times the buildable square footage of the Facility as increased by 3% per annum each year after the twentieth (20th) anniversary of the Closing Date) (which replacement policy may be a separate policy from the all-risk-special form policy) offering such coverage for the Mortgaged Property that then reflects the industry standard of coverage for Class A office buildings in New York City in an amount not less than the Required Terrorism Coverage (including coverage for loss of rents insurance or business income insurance, having a limit sufficient to provide coverage for loss of gross rents (less non-continuing expenses) that would have been earned in a twenty four (24) month period covering perils of terrorism and acts of terrorism except, however, such requirement shall be limited to Certified Acts of Terrorism as defined under the Terrorism Risk Insurance Act of 2002 and as amended by TRIPRA as respects commercial general liability, workers' compensation and

employer's liability and umbrella/excess liability and Borrower shall maintain insurance for loss resulting from perils and acts of terrorism as defined under TRIPRA on terms (including amounts) consistent with those required above at all times during the term of the Liberty Bonds Loan and the CMBS Loan.

"TI Allowances" shall mean any unfunded work allowances with respect to Tenant Improvements required under Leases existing as of the Closing Date.

"Title Insurance Policy" shall mean that certain mortgagee title insurance policy issued with respect to the Mortgaged Property and insuring the lien of the Mortgage.

"Trademarks" shall mean all United States, state and foreign trademarks, service marks, certification marks, collective marks, trade names, corporate names, d/b/as, business names, fictitious business names, Internet domain names, trade styles, logos, other source or business identifiers, designs and General Intangibles of a like nature, rights of publicity and privacy pertaining to the names, likeness, signature and biographical data of natural persons, and, with respect to the foregoing, (i) all registrations and applications therefor, (ii) the goodwill of the business symbolized thereby, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringement or dilution thereof or for any injury to goodwill, (v) all licenses, claims, damages, and proceeds of suit arising therefrom, and (vi) all payments and rights to payments arising out of the sale, lease, license assignment or other disposition thereof.

"Trade Secrets" shall mean all trade secrets and all other confidential or proprietary information and know-how, whether or not reduced to a writing or other tangible form, including with respect to the foregoing, (i) all documents and things embodying or incorporating the foregoing, (ii) all rights to sue for past, present and future infringement thereof, and (iii) all licenses, claims, damages, and proceeds of suit arising therefrom, and (iv) all payments and rights to payments arising out of the sale, lease, license, assignment, or other dispositions thereof.

"Transfer" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"Transferee" shall have the meaning set forth in the Liberty Bonds Loan Agreement.

"TRIPRA" shall mean the Terrorism Risk Insurance Program Reauthorization Act of 2007 or another similar federal statute which provides that the federal government reinsures not less than 50% of any claims made under an insurance policy insuring against acts of terrorism (or such lower percentage of claims acceptable to the Lenders in their reasonable discretion).

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb), as amended, or any successor statute thereto.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, that if by reason of mandatory provisions of law, the perfection or the effect of perfection or nonperfection of the security interest in the Mortgaged Property is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" also means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or nonperfection.

"UCC-1", "UCC-2" and "UCC-3" shall mean UCC Financing Statements on Form UCC-1, Form UCC-2 and Form UCC-3, respectively.

"UCC Financing Statement" shall mean a financing statement executed (if required by the UCC) and filed pursuant to the Uniform Commercial Code, as in effect in the relevant jurisdiction.

"Underwriters" shall mean J.P. Morgan Securities LLC, on behalf of itself and the other Underwriters named in the Bond Purchase Agreement.

"U.S. Person" shall mean a citizen or resident of the United States, a corporation or partnership (except to the extent provided in the applicable Treasury regulations) created or organized in, or under the laws of, the United States any State thereof or the District of Columbia, including an entity treated as a corporation or partnership for federal income tax purposes, or an estate whose income is subject to United States federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more such U.S. Persons have the authority to control all substantial decisions of the trust (or, to the extent provided in applicable Treasury regulations, certain trusts in existence on August 20, 1996 that have elected to be treated as U.S. Persons).

"Voting Eligible" shall mean the Voting Rights of the CMBS Certificates and Bonds assuming for purposes of calculating such Voting Rights that all Realized Losses and Appraisal Reduction Amounts have been applied to reduce the Certificate Balance of the CMBS Certificates and/or the Liberty Bonds Principal Balance of the Bonds in the order set forth in the Servicing Agreement.

"Voting Rights" shall mean, with respect to any matter requiring the vote, consent or approval of the CMBS Certificates or the Bonds, or any Class thereof, the aggregate Certificate Balance of the CMBS Certificates or Class thereof then Outstanding, or the aggregate Liberty Bonds Principal Balance of the Bonds, or Class thereof, then Outstanding, except that where any vote, consent or approval requires a percentage of the Voting Eligible CMBS Certificates or Voting Eligible Bonds, or both, then the Voting Rights will be adjusted in accordance with the definition of "Voting Eligible". Certificateholders who are non-U.S. Persons shall be required to irrevocably appoint a U.S. Person to vote on any matter requiring the vote of such non-U.S. Person.

"Walled Investment" shall mean any direct or indirect ownership interest in any security, note or other financial instrument issued or executed by the Borrower Principal or any Affiliate thereof, a loan directly or indirectly secured by any of the foregoing or a hedging transaction (however structured) that references or relates to any of the foregoing.

"Wells Fargo" shall mean Wells Fargo Bank, National Association, and its successors-in-interest.

"WHFIT" shall mean a "Widely Held Fixed Investment Trust" as that term is defined in Treasury Regulations Section 1.671-5(b)(22) or successor provisions.

"WHFIT Regulations" shall mean Treasury Regulations Section 1.671-5, as amended.

"WHMT" shall mean a "Widely Held Mortgage Trust" as that term is defined in Treasury Regulations Section 1.671-5(b)(23) or successor provisions.

"WilmerHale" shall mean Wilmer Cutler Pickering Hale and Dorr LLP, a Delaware limited partnership, together with its successors and assigns.

"Workout Fee" shall mean, with respect to each Corrected Obligation, a fee payable to the Special Servicer pursuant to the Servicing Agreement, in an amount equal to the amount accrued at the Workout Fee Rate on each payment of interest, other than Default Interest, and principal received from the Borrower on such Obligation for so long as it remains a Corrected Obligation; provided that no Workout Fee shall be payable with respect to a Corrected Obligation if and to the extent that the Corrected Obligation became a Specially Serviced Obligation under clause (b) or (c) of the definition of "Servicing Transfer Event" (and no other clause thereof) and no Mortgage Event of Default actually occurs, unless the Obligation is modified by the Special Servicer in accordance with the terms of the Servicing Agreement; and provided

further, that any such Workout Fee shall be reduced by any Net Modification Fees paid by the Borrower with respect to the Loans that were retained by the Special Servicer (each amount of the Workout Fee will be reduced to an amount (but not to an amount less than zero) until the aggregate amount of such reductions equals such Net Modification Fees).

"Workout Fee Rate" shall mean, with respect to each Corrected Obligation as to which a Workout Fee is payable, 0.5% *per annum*.

"Yield Maintenance Premium" shall mean (A) with respect to each CMBS Component, an amount equal to the greater of (a) one percent (1%) of the principal amount of such CMBS Component to be prepaid or satisfied and (b) the excess, if any, of (i) the sum of the present values of all then scheduled payments of principal and interest (calculated based on the applicable Pass-Through Rates for the Classes of CMBS Certificates and corresponding to the CMBS Components assuming that all remaining scheduled principal payments are made timely and that the CMBS Loan is paid in full on the Permitted Par Prepayment Date), with each such payment and assumed payment discounted to its present value at the date of prepayment at the rate which, when compounded monthly, is equivalent to the Prepayment Rate when compounded semi-annually and deducting from the sum of such present values any short-term interest paid from the date of prepayment to the next succeeding Scheduled Payment Date in the event such payment is not made on a Scheduled Payment Date, over (ii) the principal amount of such CMBS Component being prepaid and (B) with respect to the Liberty Bonds Loan, that amount stated within the Indenture as the applicable redemption premium, if any.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE OFFICE TOWER GROUND LEASE

The following is a brief summary of certain provisions of the Office Tower Ground Lease. This summary does not purport to be comprehensive or complete, and reference is made to the Office Tower Ground Lease for full and complete statements of all such provisions.

General Definitions

The following terms, when used in the Office Tower Ground Lease, shall have the respective meanings given below:

"Letting" shall mean the letting under the Office Tower Ground Lease for the original term stated therein, and shall include any extension thereof which may be made pursuant to the provisions of the Office Tower Ground Lease or otherwise.

Wherever the term "Port Authority" appears in the Office Tower Ground Lease, it shall be deemed to mean "Landlord". The term "Landlord" as used in the Office Tower Ground Lease means only the owner from time to time of the fee interest in the premises. In the event of any transfer of such fee interest, the Landlord transferor shall be entirely free and relieved of all covenants and obligations of the Landlord thereafter accruing under the Office Tower Ground Lease, and it shall be deemed and construed without further agreement between the parties or their respective successors in interest or between the parties and the transferee, that the transferee of the Landlord's interest in the premises has assumed and agreed to carry out any and all covenants and obligations of the Landlord under the Office Tower Ground Lease.

Letting

Pursuant to the Office Tower Ground Lease, the Port Authority lets to the Lessee, and the Lessee hires and takes from the Port Authority, the Facility. The Office Tower Ground Lease is made expressly subject to the rights of other parties as set forth in the Reciprocal Easement Agreement. To the extent that a conflict exists between the terms of the Reciprocal Easement Agreement and the Office Tower Ground Lease, the terms of the Reciprocal Easement Agreement shall control.

To the extent that a conflict exists between the rights of Verizon New York Inc. and Empire City Subway Company (Limited) as set forth in a certain easement dated February 6, 2003 (the "Easement") granted to Verizon New York Inc. and Empire City Subway Company (Limited) by the Port Authority, or the terms of the Easement, as the case may be, and the Office Tower Ground Lease, the terms of the Easement shall control.

The term of the letting under the Office Tower Ground Lease commenced on January 1, 1981 and expires, unless sooner terminated or unless extended, at 11:59 o'clock P.M. on December 31, 2026.

Use of Facility

The Lessee shall operate the Facility as a first-class office building for occupancy by space tenants in accordance with the Office Tower Ground Lease.

The Lessee is also permitted to enter into space leases covering the operation of newsstands, and retail stores covering the sale of merchandise and the rendering of services to the public.

Rental Obligations

Certain Defined Terms.

The following terms shall have the respective meanings provided below:

"Annual Period," means the period commencing on the first day of the Operating Period and ending on the last day of that calendar year, and each succeeding annual period shall be a twelve (12) month period commencing on the first day of January of each succeeding year throughout the letting under the Office Tower Ground Lease; provided, however, that the last annual period shall be less than a twelve (12) month period if the context so requires. If title to the World Trade Center (or the portion thereof comprising the premises demised under the Office Tower Ground Lease) is transferred during the Operating Period and the effective date of such transfer is on other than the first day of an annual period, then the basic and percentage rentals shall be separately computed for the portion of the annual period preceding the effective date of transfer and the portion thereof subsequent to said transfer, and the calculation of rentals therefor shall be made as provided below, prorated as the context may require. All rentals accruing up to and including the day preceding the effective date of the transfer of title shall be payable to the Port Authority, and all rentals accruing thereafter shall be payable to the transferee, and if the effective date of the transfer is other than the last day of a calendar month, the monthly installments of basic rental due to the Port Authority and to the transferee shall each be prorated on a daily basis.

"Gross Expenses" mean those expenses listed or referred to by schedule annexed to the Office Tower Ground Lease, which expenses include:

(a) wages, payroll taxes and other payroll payments paid to or for the Lessee's hourly employees for time worked at the Facility and for time worked outside the Facility in connection with the operations or activities authorized under the Office Tower Ground Lease; provided, however, that such wage rate and other payroll payments are not above the levels then customarily paid or granted to similar employees for similar work in the operation of first-class office buildings in the area;

(b) salaries, payroll taxes and other payroll payments paid to or for salaried employees of the Lessee employed full-time at the Facility in connection with the operation of the Facility under the Office Tower Ground Lease; provided, however, that such salaries and other payroll payments shall not be above the level customarily paid or granted to similar employees in connection with the operation of first-class office buildings in the area.

(c) basic annual rental paid pursuant to the Office Tower Ground Lease;

(d) payments for fuel and utilities required for the operation of the Facility;

(e) net payments for premiums for insurance required to be carried by the Lessee pursuant to the provisions of the Office Tower Ground Lease;

(f) payments to third parties for advertising, business promotions, marketing and publicity services;

(g) payments made to governmental authorities or agencies for licenses, permits, franchises and other authorizations required for the operation of the Facility;

(h) payments to third parties for ordinary maintenance and repair of the Facility including payments for any contract or cleaning maintenance;

(i) payments to third parties for the cost of extraordinary improvements, alterations or installations required to comply with government laws, rules, regulations or ordinances;

(j) interest, amortization and participation in income from the Facility (in accordance with then current real estate financing practices) paid on any Leasehold Mortgage and any interest, amortization and participation in income from the Facility (in accordance with then current real estate financing practices) or any similar payments paid on any Mezzanine Financing, in each case whether paid by the Lessee or any affiliate of the Lessee; provided, however, that any interest or amortization payments on that portion of the principal of any Leasehold Mortgage and/or Mezzanine Financing that represents the costs incurred by the Lessee in procuring a Refinancing of a Leasehold Mortgage shall not be a Gross Expense;

(k) taxes, charges, payments or assessments paid by the Lessee pursuant to the Office Tower Ground Lease, but not including income or franchise taxes of the Lessee nor any taxes collected by the Lessee from its Space Tenants or others;

(l) payments for rental of leased equipment required in the operation of the Facility;

(m) payments for telephone, telegraph and postage;

(n) payments to third parties for legal, accounting, architectural, engineering, space planning and other similar professional purposes related solely to the operation of the Facility, all of which shall not exceed those customarily paid for such services in the area;

(o) allowances for bad debts at a rate in accordance with sound accounting practice for the real estate industry;

(p) payment of any management fee approved in advance by the Port Authority, which approval shall not be withheld if such fee is at the customary level then in effect in the real estate industry for a comparably sized office building in the downtown area;

(q) brokerage commissions paid or incurred after completion of the Facility;

(r) payments by the Lessee for tenant construction work and for major alterations, replacements performed in accordance with standard real estate practices for first-class office buildings and actual contributions by the Lessee for such major alternations, repairs and replacements into a separate interest bearing reserve account, provided that the amount of such reserve shall be in accordance with sound accounting practices in the real estate industry; and

(s) any expenditure not itemized and referred to above as would necessarily be incurred by the prudent operator of a first-class office building.

"Gross Revenue" means 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 Facility, 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 Facility, including proceeds of rent insurance 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, 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, 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 are directly payable to the taxing authority by the Lessee.

"Net Cash Flow" means, for each annual period, the excess of Gross Revenue over Gross Expenses for said annual period. Any insurance proceeds on policies secured by or for the Lessee in connection with its operations under the Office Tower Ground Lease to the extent that such proceeds are not used to defray or reduce the Gross Expenses under the Office Tower Ground Lease, or otherwise applied under the Office Tower Ground Lease, shall be considered as Net Cash Flow.

"Occupied Rentable Square Feet" means the number of rentable square feet measured, insofar as practicable, in accordance with the 1968 "Standard Method of Floor Measurement for Office Buildings" approved by the Real Estate Board of New York, Inc. and the same shall be deemed occupied when the right to physical possession or operations is actually or constructively delivered by the Lessee to a Space Tenant or on such earlier date as the Space Tenant shall commence payment of rental or other use charge to the Lessee. There shall also be included in occupied rentable square feet (i) the amount of any space occupied or used in the Facility by the Lessee, except as to such space as is reasonably required by it solely for the management and operation of the Facility, 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 are collectible by the Lessee in accordance with the Office Tower Ground Lease.

"Operating Period" means the period of the letting under the Office Tower Ground Lease starting on the day following the Completion Date and continuing for the remainder of the term of the letting under the Office Tower Ground Lease.

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

Operating Period Rental

(a) During such portion of the Operating Period as title to the premises remains in the Port Authority, the Lessee shall pay to the Port Authority a basic annual rental for each annual period therein equal to the greater of the following amounts:

(i) One Hundred Fifty Thousand Dollars and No Cents ($150,000.00) (hereinafter called "the fixed annual rental amount"); or

(ii) Six Dollars and Seventy-five Cents ($6.75) multiplied by the number of occupied rentable square feet in the Facility, provided, however, that to the extent that such use or occupancy is for less than a full annual period, the $6.75 per rentable square foot (sometimes hereinafter called the "square footage factor") shall be prorated over the period of use or occupancy occurring during such annual period.

(b) In addition to the basic annual rental set forth in paragraph (a) above, the Lessee shall pay to the Port Authority during such portion of the Operating Period as title to the premises remains in the Port Authority, an annual percentage rental which shall equal forty per cent (40%) of the excess of the Net Cash Flow arising during each annual period over an amount equal to the amount of the basic annual rental paid to the Port Authority by the Lessee under paragraph (a) above for such annual period. The calculation of percentage rental for each annual period shall be individual to such annual period and without relation to any other annual period.

(c) In the event that title to the World Trade Center including the premises is transferred by the Port Authority, then, from and after the effective date of the transfer of title, the Lessee, in lieu of the basic

annual rental set forth in paragraph (a) above, shall pay to the transferee a basic annual rental for each annual period in the Operating Period thereafter equal to the greater of the following amounts:

(i) One Hundred Fifty Thousand Dollars and No Cents ($150,000.00) (sometimes herein after called "the fixed annual rental amount"); or

(ii) the excess of Six Dollars and Seventy-five Cents ($6.75) multiplied by the number of occupied rentable square feet in the Facility during such annual period over the tax deductible amount for such annual period. "Tax deductible amount" for purposes of this paragraph (c) and paragraph (d) below shall be the lesser of the following amounts: (y) the amount of taxes paid by the Lessee for such annual period as provided below under paragraph (b) of the heading entitled *"Payment of Real Estate Taxes, Assessments, Levies and Charges"*, or (z) Three Dollars and Seventy-five Cents ($3.75) multiplied by the number of occupied rentable square feet in the Facility during such annual period; to the extent that any use or occupancy is for less than a full annual period, then the $6.75 per rentable square foot (square footage factor) and the $3.75 per occupied rentable square foot used in computing the tax deductible amount, shall be prorated over the period of use or occupancy occurring during such annual period.

(d) In the event that title to the World Trade Center including the premises is transferred, then, from and after the effective date of the transfer of title, the Lessee, in lieu of the annual percentage rental set forth in paragraph (b) above, and in addition to the basic annual rental set forth in paragraph (c) above, shall pay to such transferee during the remainder of the Operating Period an annual percentage rental which shall equal fifty percent (50%) of the excess of the Net Cash Flow arising during each annual period over an amount equal to the amount of the basic annual rent paid to the transferee by the Lessee under paragraph (c) above for such annual period. The calculation of percentage rental for each annual period shall be individual to such annual period and without relation to any other annual period, and the same shall be prorated in the event of a transfer effective on other than the first day of an annual period.

Method of Payment of Operating Period Rental and Calculation of Amounts

(a) The Lessee shall pay the basic annual rental to the Port Authority in equal monthly installments in advance which shall be due and paid on the first day of the first annual period of the Operating Period and on the first day of each and every month thereafter during such annual period. The amount of such monthly installments shall be the greater of (i) Twelve Thousand Five Hundred Dollars and No Cents ($12,500.00); or (ii) Fifty-six and One-quarter Cents ($0.5625), multiplied by the total number of occupied rentable square feet to be occupied or used by Space Tenants during such month; provided, however, that if the first annual period during the Operating Period shall commence on other than the first day of a calendar month, the monthly installment of basic rental for such portion of the month shall be prorated on a daily basis. In the event that title to the World Trade Center (including the premises) is transferred, then the Lessee shall pay the basic annual rental set forth in paragraph (c) above to the transferee in equal monthly installments in advance, which shall be due as of the first day of the effective date of the transfer of title and due and paid on the first day of each and every month thereafter during each annual period; the amount of such monthly installments shall be the greater of (i) Twelve Thousand Five Hundred Dollars and No Cents ($12,500.00) or (ii) Fifty-six and One-quarter Cents ($0.5625), multiplied by the total number of occupied rentable square feet to be occupied or used by Space Tenants during such month, less one-twelfth (1/12) of the projected annual tax deductible amount. If the effective date of the transfer of title of the World Trade Center occurs on other than the first day of a calendar month, the monthly installment of basic rental payable to such successor for such portion of the month shall be prorated on a daily basis, and in computing such monthly installment the monthly tax deductible amount shall also be prorated.

(b) Not later than the 15th day of the fourth month during the first annual period of the Operating Period, and by the 15th day of each and every third month thereafter, the Lessee shall render to the Port Authority detailed statements specifying the number of occupied rentable square feet in the Facility 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 the rentable square footage factor applied to such total occupied square footage exceeds the sum of the installments of basic annual rental made by the Lessee for such quarterly period (or in the event that title to the World Trade Center (including the premises) has been transferred and such statement shows that the rentable square footage factor less the tax deductible amount exceeds the sum of the installments of basic annual rental made by the Lessee for such quarterly period), the Lessee shall pay to the Port Authority or the transferee, as the case may, be at the time of rendering the statement, an amount equal to the excess of such sum over an amount equal to the amount of the installments of basic annual rental previously made to the Port Authority or the transferee for such quarterly period; within sixty (60) days following the end of each annual period there shall be a recalculation by the Lessee of the basic annual rental due therefor based on total occupied rentable square footage for such annual period (and the total tax deductible amount if title has been transferred), and if such recalculation shall show that additional basic annual rental is due the Port Authority or such transferee, then same shall be paid to the Port Authority or the transferee within such sixty-day period, and if excess basic annual rental has been paid to the Port Authority or the transferee, the amount of such excess shall be credited against the Lessee's future basic rental obligations; if at any time the fixed annual rental amount is decreased by abatement or proration as provided below, then, to the extent that multiplication of the square footage factor by the occupied rentable square footage for such annual period results in a product which exceeds the reduced fixed annual rental amount (or if title has been transferred and multiplication of the square footage factor by the occupied rentable square footage for each annual period less the tax deductible amount for such annual period results in an amount which exceeds the reduced fixed annual rental amount), the amount of such excess shall be deemed unpaid basic rental for such annual period and the amount thereof shall be payable to the Port Authority or the transferee on demand or within said sixty (60) day period following the close of such annual period. In the event of an annual period of less than twelve (12) months, the fixed annual rental amount therefor shall be prorated over the actual number of days therein.

(c) The Lessee shall maintain in accordance with accepted accounting practice during the term of the letting and for three years following each 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 Facility or the premises or activities of the Lessee at the World Trade Center, which records and books of account shall be kept at all times within the Port of New York District. The Port Authority shall have the right during normal business hours and from time to time throughout the effective period of the Office Tower Ground Lease and for three years subsequent to the expiration or termination of the term of the letting under the Office Tower Ground Lease, to examine and audit the books and records of the Lessee and also those books and records relating to the operation of the Facility or Net Cash Flow of any company which is owned or controlled by the Lessee or of any company which owns or controls the Lessee or which has been retained by the Lessee in connection with the management or operation of the Facility.

Method of Payment of Percentage Rental and Calculation of Amount

(a) Within thirty (30) days following the last day of each three month period during the Operating Period, the Lessee shall render to the Port Authority detailed statements itemizing all Gross Revenue, Gross Expenses and Net Cash Flow for the quarterly period and the cumulative total thereof for the annual period for which the report is made. At the time of submission of said quarterly statements, the Lessee shall remit to the Port Authority the percentage rental then due on the basis of the excess Net Cash Flow, if any, for said quarterly period over the basic annual rental paid for said quarterly period. In addition to the Lessee's said submission of quarterly statements, the Lessee shall cause to be delivered to the Port Authority, within three (3) months after the close of each said annual period, a certification at its sole cost and expense by an independent certified public accountancy firm of the Gross Revenue, Gross Expenses and Net Cash Flow for said annual period. To the extent such certification shall show Net Cash Flow greater than that shown on the Lessee's own statement, the Lessee shall promptly pay to the Port Authority the additional percentage rental required thereon. To the extent the same shall indicate an overpayment by the Lessee, the excess shall be credited against the rental next due from the Lessee. The calculation of percentage rental and Net Cash

Flow shall be individual to each annual period and any loss therein resulting from excess Gross Expenses over Gross Revenue shall be for the sole account of the Lessee and shall not be carried over to any subsequent annual period or in any way accumulated but the same shall be absorbed by the Lessee. The certification referred to above shall also cover the basic annual rental due from the Lessee and the calculations and statements necessary or appropriate to the determination of such basic rental.

(b) In the event that the Lessee itself occupies any space in the Facility (except that required solely for the management and operation of the Facility), then the Lessee shall ascribe a fair market rental value to any such space so occupied for the purpose of calculating Gross Revenue for such space. If, in the Port Authority's opinion, the rental value ascribed by the Lessee to any such space is less than the fair market rental value, or if the Lessee has failed to ascribe such fair market rental value to any such 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 any space which the Lessee itself occupies in the Facility. In either case, there shall be included in Gross Revenue the amount of the fair market rental value of any such space retroactive to the date on which occupancy or use commenced by the Lessee.

(c) The Lessee shall make available to the Port Authority's appraiser all information required to make the appraisal and shall provide access to premises and the Facility as may be required. If it shall be determined that the rental ascribed by the Lessee is less than the fair market rental value of the space, the cost of such appraisal shall be reimbursed to the Port Authority by the Lessee and not included in Gross Expenses.

(d) Upon any termination or expiration of the letting, the Lessee shall, within ninety (90) days after the effective date, 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, the Lessee's basic annual rental and percentage rental shall be recomputed on the basis of such information for such portion of an annual period, and 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.

(e) In the event of a disagreement between the Lessee and the Port Authority regarding the inclusion or exclusion of certain items in Gross Expenses or Gross Revenue relating to the calculation of Net Cash Flow, either party 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.

(f) No breach of any covenant, term or condition of the Office Tower Ground Lease shall excuse the Lessee from the prompt payment of the rental provided for in the Office Tower Ground Lease.

Compliance with Law

(a) The Lessee shall promptly comply with and execute the provisions of any and all present and future governmental laws, rules and regulations, requirements, ordinances, orders and directions which may pertain or apply to the operations of the Lessee on the premises or at the Facility or to occupancy or use of the Facility, and the Lessee shall promptly correct or cure all violations or notices of non-compliance, whether formally filed against the premises, the Facility or otherwise; in the event the Lessee in good faith wishes to contest or challenge any violation or notice of non-compliance, and if such does not involve matters of safety, health or preservation of property, it may defer compliance if permitted by law, and in such event the Lessee shall diligently and continuously pursue its right and remedies under the law to contest or challenge the same and shall keep the Port Authority fully informed with respect thereto. In the event the Lessee undertakes to so challenge or contest, it shall indemnify the Port Authority against any claims, damages or losses that may arise or result therefrom and shall provide the Port Authority with security in a form acceptable to it against any loss

or penalty which may be imposed against the Port Authority as a result of the Lessee's action. Any penalties or fines paid by the Lessee shall be for the Lessee's own account and shall not be part of Gross Expenses; any reasonable indemnity payments or expenses of the Lessee shall be includable in Gross Expenses if the Lessee shall prevail in its challenge or contest or if its contest shall have been initiated in good faith and with reasonable basis for proceeding.

(b) The Lessee shall be responsible for procuring and maintaining all permits, certificates, authorizations and licenses from all governmental authorities having jurisdiction over the operations of the Lessee at the premises or at the Facility.

(c) The Lessee shall make any and all improvements, alterations, changes or repairs of or to the premises, whether structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen, that may be required at any time hereafter under any present or future governmental law, rule, regulation, ordinance, requirement, order or direction (including compliance with the enactments, ordinances, resolutions and regulations of The City of New York and its various departments, boards and bureaus in regard to construction, maintenance, health and fire protection which would be applicable if the Port Authority were a private corporation, unless the Port Authority directs the Lessee not to comply or conform therewith) or unless expressly otherwise provided in the Office Tower Ground Lease. Any direction by the Port Authority to the Lessee not to comply with any enactment, ordinance, resolution or regulation of The City of New York shall be given only pursuant to a resolution duly adopted by the Board of Commissioners of the Port Authority or by an authorized Committee of its Board, and if any such direction is given by the Port Authority to the Lessee, the Port Authority, to the extent that it may lawfully do so, shall indemnify and hold the Lessee harmless from and against all damages, costs and expenses suffered or incurred by the Lessee as a result of non-compliance with such enactment, ordinance, resolution or regulation.

(d) In no event shall the Lessee raise any claim or defense in any proceeding, contest or challenge involving in any way the immunity of the Port Authority, its governmental nature or the provision of any statute respecting the Port Authority or its status without first obtaining express advance written consent from the General Counsel of the Port Authority.

(e) Upon the expiration or earlier termination of the letting under the Office Tower Ground Lease, the Lessee shall cause to be assigned and transferred to the Port Authority or its designee, without warranty, all assignable or transferable licenses, permits or other authorizations secured by the Lessee or on its behalf for or in connection with the operations of the Facility or the use of the premises under the Office Tower Ground Lease.

Payment of Real Estate Taxes, Assessments, Levies and Charges

(a) The Lessee shall pay all taxes, licenses, certification, permit and examination fees, duties, excises and all other governmental charges of every character present and future which may be assessed, levied, exacted or imposed on the Lessee's property, operations or occupancy 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 the Lessee shall make 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 or other legal status or existence or its right to do business.

(b) The Lessee shall also 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 which during the term of the letting may be levied, assessed, imposed or charged by any taxing or other governmental authority upon the premises or upon the Facility or any other structure or improvement erected or made thereon or any appurtenances, extensions or any facilities of the building extending beyond, below or above the premises or upon the leasehold estate created by the Office Tower Ground Lease, or with respect to the rental or income therefrom in lieu of or in addition to any tax, assessment, levy or charge which would otherwise be a real estate tax, assessment, levy or charge. The Lessee's obligation shall include all or any of the foregoing which may be effective as a result of any transfer of title by the Port Authority to the World Trade Center or the portion thereof comprising the premises demised under the Office Tower Ground Lease. The Lessee's obligation shall also 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.

(c) The Lessee shall have the right at its sole cost and expense to contest or review by appropriate legal proceedings or in such other manner as may be provided by law any and all 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 the payment of any such taxes, assessments, levies or charges pending the outcome of such contest or review, unless by law it is necessary that such 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. Any penalties or fines paid by the Lessee resulting from such contest or review, shall be for the Lessee's own account and shall not be includable in Gross Expenses; any reasonable indemnity payments and expenses of the Lessee shall be included in Gross Expenses if the Lessee shall prevail in its action or if its contest shall have been initiated in good faith and with reasonable basis for proceeding.

(d) In no event shall the Lessee raise any defense or claim involving in any way the 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.

Payments in Lieu of Real Estate Taxes

(a) The Lessee shall also pay to the Port Authority (subject to a credit thereon as set forth below) an amount representing payment in-lieu of taxes with respect to the Facility and the premises which are payable to The City of New York by the Port Authority pursuant to an agreement between the Port Authority and the City dated 1967 as it may have been or may hereafter be amended or supplemented (hereinafter called "the City Agreement"). The calculation of the amount of the payment shall be in accordance with the following: on each July 1 from and after the Completion Date, the Lessee shall pay to the Port Authority a tax equivalent computed by multiplying the total number of occupied square feet in the Facility and the premises as certified by the Port Authority to the City in accordance with paragraph 7 of the City Agreement for the tax year beginning on that July 1, by the annual per rentable square foot factor used in computing payments in-lieu of taxes under the City Agreement for the tax year beginning on that July 1 and deducting from the product thereof an amount equal to the annual per rentable square foot factor under the City Agreement for the tax year beginning July 1, 1980 and ending June 30, 1981, multiplied by the total number of square feet so certified to the City by the Port Authority. The Lessee's obligation for payment in-lieu of taxes shall cease in the event the Port Authority or any successor owner of the fee title to the Facility and the premises is no longer obligated for the payment of payments in-lieu of taxes to The City of New York. Any such payments made by the Lessee which are attributable to a period subsequent to the date that the Port Authority or such successor is no

longer so obligated to The City of New York shall be promptly refunded by the Port Authority or such successor to the Lessee.

(b) For the purpose of this heading, the following terms shall be defined as follows:

(i) "Annual per rentable square foot factor" was initially fixed at $1.25 in the City Agreement and provision was made in paragraph 7(3) of the City Agreement for changes from time to time to reflect changes in the tax rate and changes in assessed evaluation.

(ii) "Tax year" shall mean the twelve month period established by The City of New York as a tax year for real estate tax purposes. If payments under the City Agreement become payable on a basis other than an annual amount per occupied rentable square foot, the credit due thereon to the Lessee shall continue to be calculated on the basis of the annual per rentable square foot factor described in the last sentence of paragraph (a) above for each square foot in the Facility and the premises.

(c) The Port Authority will compute the annual rate of the taxes or tax equivalent payable above by the Lessee and will notify the Lessee of the annual amounts thereof and such annual amounts shall be payable by the Lessee to the Port Authority in advance in monthly installments, each installment being equal to one twelfth of the annual tax equivalent amount, except that if at the time the Port Authority gives notice to the Lessee under this paragraph, installments of the tax equivalent have accrued for a period prior to the notice, the Lessee shall pay such additional accrued amounts in full within ten (10) days after such notice.

(d) If the imposition or allocation of taxes under the heading above entitled *"Payments of Real Estate Taxes, Assessments, Levies and Charges"* or the establishment of an annual per rentable square foot factor to be used in computing the payments in lieu of taxes for any tax year is delayed for any reason, the Lessee shall nevertheless continue to pay the amounts thereof (less the credit due it thereon) at the rates then in effect, subject to retroactive adjustment at such time as the taxes are imposed or allocated or the said per rentable square foot factor shall have been established. Notwithstanding notice from the Port Authority to the Lessee respecting the amount of the tax equivalent for any period, the amount thereof shall be subject to adjustment in the event that for such period (i) additional taxes are imposed or the amount thereof is changed, or (ii) the annual per rentable square foot factor is changed or (iii) the allocation of square feet to the Facility and the premises is changed; and in such event the tax equivalent amount payable for that period shall be recomputed and the Lessee shall make payments based upon such recomputed amounts and upon demand the Lessee shall pay any excess thereof as recomputed over the amounts theretofore actually paid, and if such change or adjustments results in a decrease, the Port Authority will credit the Lessee with the difference.

(e) In the event the Port Authority shall enter into a supplement or amendment to the City Agreement or shall enter into any other agreement with a taxing or governmental authority with respect to the Facility or the premises under which the Port Authority is required 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 to the Port Authority the amount of any such other or additional in-lieu of tax payments made by the Port Authority thereunder; provided, however, that the Lessee shall in no event be required to pay to the Port Authority any amounts which would be in excess of those which would have been imposed under Section 7 of the City Agreement if the said Section 7 remained in effect for the balance of the term of the letting under the Office Tower Ground Lease, subject to the credit thereon fixed as provided above.

Sale, Assignment, Transfer or Subleasing

(a) The Lessee agrees that it will not, without the prior written consent of the Port Authority (except as provided below under the headings entitled *"Leasehold Mortgages"* or *"Space Leases"*) 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 the Facility, or the Office Tower Ground Lease or sublet 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.

(b) 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 the Facility, or the Office Tower Ground Lease or any part thereof, or any license or other interest of the Lessee therein, not made in accordance with the provisions of the Office Tower Ground Lease, shall be null and void *ab initio* and of no force or effect.

(c) If the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of this heading, or if the premises are occupied by anybody other than the Lessee, the Port Authority may collect all sums, charges and fees, including rental from any assignee, sublessee or anyone who claims a right under the Office Tower Ground Lease or letting or who occupies the premises; but no such collection shall be deemed a waiver by the Port Authority of the above covenants or an acceptance by the Port Authority of any such assignee, sublessee, 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 in the Office Tower Ground Lease.

(d) The Port Authority shall not unreasonably withhold its consent to a proposed assignment by the Lessee of the Office Tower Ground Lease and the letting thereunder in its entirety to a person, firm or corporation which is, and continues to be wholly-owned and controlled by, the Lessee or which is wholly-owned or controlled by a person, firm or corporation which wholly owns and controls the Lessee, or into which the Lessee is merged or 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 release the Lessee from any of its obligations under the Office Tower Ground Lease, nor be effective until an assignment and assumption agreement in the form annexed to the Office Tower Ground Lease 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 of all interest in another firm, or ownership by one person, firm or corporation of all of the capital stock and voting rights of another corporation. A limited liability company whose sole managing member is the Lessee, or a person, firm or corporation which wholly owns and controls the Lessee, shall be deemed a permitted assignee for the purposes of this heading.

(e) The Port Authority shall not withhold its consent to a proposed assignment of the Office Tower Ground Lease and of the letting thereunder in its entirety to a proposed Assignee who shall meet the requirements and conditions set forth below under paragraph (b) of the subheading entitled *"Leasehold Mortgages — Foreclosure"* with respect to a prospective owner of the leasehold; provided, however, that no such assignment shall be effective until an Assignment and Consent Agreement in the form annexed to the Office Tower Ground Lease has been executed by the Port Authority, the Lessee and the proposed Assignee.

(f) In the event of an assignment consented to by the Port Authority pursuant to the above paragraph, and upon execution by the Port Authority, the Lessee and the proposed Assignee of the Assignment and Consent Agreement in the form attached to the Office Tower Ground Lease, the Lessee as Assignor shall be relieved of all liabilities and obligations thereafter accruing under the Office Tower Ground Lease.

(g) No assignment of the Office Tower Ground Lease or the letting thereunder shall be effective if on the effective date of such proposed assignment (i) the Lessee shall be in default for nonpayment of rent; (ii) the Lessee shall have been served with a Notice of Default that it is in default under any of the terms or provisions of the Office Tower Ground Lease on its part required to be performed or observed during the period prior to substantial completion of construction of the Facility, which default remains uncured; (iii) the Office Tower Ground Lease shall not be in full force and effect; or (iv) the Port Authority shall have served a Notice of Termination of the Office Tower Ground Lease.

(h) The Lessee for its own account shall pay all costs and expenses, including the costs and expenses incurred by the Port Authority, in connection with any assignment, sale, transfer or sublease made in accordance with the Office Tower Ground Lease and none of such costs or expenses shall be included in Gross Expenses.

(i) During the period prior to any permitted assignment as provided in paragraph (e) above, it shall be a requirement that the sole general partner of the Lessee (or of the Lessee's parent entity in the event of an assignment contemplated as provided in paragraphs (d) and (e) above) shall be Silverstein-7 World Trade Company, Inc., a Delaware corporation all of whose capital stock and voting shares shall be legally and beneficially owned by Larry Silverstein or his legal representatives; provided, however, that during such period, the Lessee may admit an additional general or limited partner or partners in the Lessee, or in the Lessee's parent entity in the event of an assignment as provided in paragraphs (d) and (e) above, or shareholder or shareholders in Silverstein-7 World Trade Company, Inc. meeting the conditions set forth in paragraphs (j) and (k) below, and provided, further, however, that the Lessee may assign the Office Tower Ground Lease and the letting thereunder in its entirety to a joint venture entity consisting of the Lessee and a proposed party or parties meeting the conditions set forth in paragraphs (j) and (k) below.

(j) Such additional general or limited partner or proposed party shall be of high moral character and shall meet the conditions and requirements set forth in subparagraphs (3) and (4) of paragraph (b) under the subheading below entitled *"Leasehold Mortgages — Foreclosure"* below.

(k) Such additional general partner or proposed party (other than a limited partner in the Lessee) shall be one of the following:

(i) an institution, company or other entity which is subject to the supervision and control of the Banking Department or the Insurance Department of the State of New York (or wholly-owned subsidiary thereof); or

(ii) a profit-sharing or members' or employees' pension trust or fund of a governmental body or a corporation whose shares are traded on a national stock exchange, the assets of which fund or trust are in excess of $100,000,000; or

(iii) a corporation, partnership or individual(s) whose assets individually are in excess of $100,000,000, or a real estate investment trust whose shares are traded on a national stock exchange and whose assets are in excess of $100,000,000.

(l) An assignment effected pursuant to this heading is to be treated the same as an assignment effected as provided in paragraphs (d) and (e) above. Notwithstanding the admission of an additional general partner or the assignment of the Office Tower Ground Lease pursuant to paragraph (i) above, Larry Silverstein (except in the event of his death or incompetence) shall, until a permitted assignment of the Office Tower Ground Lease as provided in paragraphs (d) and (e) above, be personally and continuously engaged in managing and supervising the operations of the Lessee, and Silverstein-7 World Trade Company, Inc. shall continue to be a controlling general partner of the Lessee. This requirement shall be of no further force or effect upon the foreclosure by a Leasehold Mortgagee of its Leasehold Mortgage, an assignment in lieu of foreclosure or the execution of a new lease by such Leasehold Mortgagee in accordance with the provisions of the heading below entitled *"Leasehold Mortgages"*.

Leasehold Mortgages

The Lessee has the right to mortgage its interest in the Office Tower Ground Lease, its leasehold estate and the premises subject to and in accordance with the following provisions:

Certain Defined Terms

For the purposes of this heading, the following terms shall be defined as follows:

(a) "Institutional Lender" shall mean any of the following entities having at least $100,000,000.00 in gross assets:

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

(2) 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;

(3) 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 as such entities 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;

(4) pension, retirement or profit sharing plans, trusts or systems whose investments are regulated (A) by the laws of the United States of America or (B) by the laws of any State of the United States of America or (C) by any public agency of any State of the United States or (D) by any public agency of the United States;

(5) the Federal Home Loan Bank but only if its status as a governmental entity would give it no greater rights as a Leasehold Mortgagee than the rights a non-governmental entity would have as a Leasehold Mortgagee under the Office Tower Ground Lease; or

(6) with respect to a subordinate Leasehold Mortgage obtained by the Lessee in accordance with the provisions of this heading, the proceeds of which shall not exceed the difference between the Base Mortgage Amount and the Initial Permanent Financing, and which proceeds are applied solely to the payment of items constituting the "cost of construction" as defined in the Office Tower Ground Lease, General Electric Credit Corporation, Ford Motor Credit Company, Inc. or any other commercial credit corporation, provided such corporation has, at the time of the granting by the Lessee of such Leasehold Mortgage, (x) a net worth of at least two billion dollars, (y) a Dun & Bradstreet Overall Credit Appraisal of 5A1 or 5A2 and (z) is subject to, or submits itself by written notice to the Port Authority to, the jurisdiction of the courts of the State of New York in any actions arising out of the Office Tower Ground Lease.

(b) "Leasehold Mortgage" shall mean a mortgage on the leasehold obtained in accordance with the provisions of this heading, and shall also include any renewal, extension, consolidation, modification or amendment to any Leasehold Mortgage as to which the Lessee has obtained the prior written approval of the Port Authority pursuant to paragraph (b) of the subheading below entitled *"Leasehold Mortgages — Proposal for Leasehold Mortgages"*. During the period that the Port Authority or any other governmental or quasi-governmental agency, department, instrumentality or political subdivision of the State of New York and/or the State of New Jersey

(hereinafter a "Successor Governmental Entity") is the fee owner of the premises, the holder of each such Leasehold Mortgage shall be either (1) an Institutional Lender (provided that, on the date such Leasehold Mortgage is granted, there shall not be a conflict of interest, as defined under the law of the State of New York, between any commissioner of the Port Authority and 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 Institutional Lender is a corporation, association or partnership, by loan thereto, stock ownership therein or any other form of financial interest) or (2) if such Leasehold Mortgage is a purchase money Leasehold Mortgage obtained in accordance with this heading in connection with a permitted assignment by the Lessee of its interest in the Office Tower Ground Lease and the leasehold estate created thereby, such Lessee. However, such restriction on the holder of a Leasehold Mortgage shall cease in the event the Port Authority or a Successor Governmental Entity ceases to be the fee owner of the premises; provided, however, that the holder of a Leasehold Mortgage (which holder, for purposes of this definition, shall include 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 such holder, if such holder is a corporation, association or partnership, by loan thereto, stock ownership therein or any other form of financial interest) shall not be a Prohibited Person (as hereinafter defined). During the period that the Port Authority or a Successor Governmental Entity is the fee owner of the premises, there shall not be more than three (3) Leasehold Mortgages encumbering the premises at any one time, provided, however, such restriction on the number of Leasehold Mortgages shall cease in the event the Port Authority or a Successor Governmental Entity ceases to be the fee owner of the premises. As used herein, a "Prohibited Person" shall mean any person (A) that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or (B) that, directly or indirectly controls, is controlled by, or is under common control with a person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure. The determination as to whether any person is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure or, directly or indirectly controls, is controlled by, or is under common control with a person that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure shall be within the reasonable discretion of the then fee owner of the premises.

(c) "Mortgage Amount(s)" shall mean the lesser of (1) the amount from time to time secured by a Leasehold Mortgage obtained by the Lessee in accordance with the provisions of this heading, such amount not to exceed the limitations imposed by this heading or (2) to the extent applicable, 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 paragraph (a)(2) or paragraphs (a)(4)(B) and (C) of the definition of "Institutional Lender" above, then the amount authorized for purposes of this subdivision (2) shall mean the greater of the amounts which would be authorized with respect to leasehold mortgaging by either 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, then, for purposes of this subdivision (2), the authorized amount shall be the aggregate amount which may be advanced by all of such Institutional Lenders as determined in accordance with this subdivision (2). During the period that the Port Authority or a Successor Governmental Entity is the fee owner of the premises, except as otherwise provided in paragraph (c) of the subheading below entitled *"Leasehold Mortgages — Refinancing of Leasehold Mortgages"*, in no event shall the aggregate Mortgage Amounts of all Leasehold Mortgages exceed

the Maximum Mortgage Amount, except that such limitation shall cease in the event the Port Authority or a Successor Governmental Entity ceases to be the fee owner of the premises.

(d) "Base Mortgage Amount" shall mean an amount equal to the Lessee's initial cost of construction of the Facility as defined in the Office Tower Ground Lease, plus any sums paid or incurred by the Lessee to assume tenant's obligations under existing leases in other buildings in connection with the letting of space for a full floor or greater area in the Facility.

(e) "Projected Base Mortgage Amount" shall mean an amount equal to, but not in excess of, the Lessee's good faith estimate during construction of the Facility of the Base Mortgage Amount, including costs incurred or to be incurred in connection with the construction of the Facility for interest, taxes, insurance premiums and all other amounts which are expended by any Leasehold Mortgagee to comply with the provisions of the Office Tower Ground Lease or to protect or preserve the Facility, all as included in the Leasehold Mortgage approved by the Port Authority pursuant to paragraph (b) of the subheading below entitled *"Leasehold Mortgages — Proposal for Leasehold Mortgages"*. In connection with the construction of the Facility, the Lessee shall have the right to obtain more than one Leasehold Mortgage, provided that the aggregate Mortgage Amount of all Leasehold Mortgages obtained in connection with the construction of the Facility does not in the aggregate during construction of the Facility exceed the Projected Base Mortgage Amount. The Mortgage Amount of the Initial Permanent Mortgage, or if there is more than one Initial Permanent Mortgage, the aggregate Mortgage Amounts of all Initial Permanent Mortgages, shall, in no event, exceed the Base Mortgage Amount. In the event the Lessee, acting diligently and in good faith, is unable in connection with the Initial Permanent Financing (as hereinafter defined) to obtain a Leasehold Mortgage in an amount at least equal to the amount of the Leasehold Mortgage obtained by the Lessee in connection with the construction of the Facility and/or in the event that the mortgage proceeds of the Initial Permanent Financing are made available to the Lessee in stages so that the Lessee is unable to fully discharge the Leasehold Mortgage obtained in connection with the construction of the Facility until the Lessee has received the full proceeds of the Initial Permanent Financing, then, in either or both of such events, the Lessee will be permitted to have at the same time up to three (3) Leasehold Mortgages secured by the Office Tower Ground Lease; provided, however, that the aggregate Mortgage Amount of all such Leasehold Mortgages at any one time shall not exceed the Base Mortgage Amount and, in the instance of staged financing of the Initial Permanent Financing, the Lessee upon receiving any proceeds of same, shall be obligated to apply all of such proceeds either to discharge in whole or in part such mortgage indebtedness obtained in connection with the construction of the Facility or to make payment for the items constituting the "cost of construction" as defined in the Office Tower Ground Lease.

(f) "Leasehold Mortgagee" shall mean the holder of a Leasehold Mortgage obtained in accordance with the terms and provisions of the Office Tower Ground Lease.

(g) "Refinancing of a Leasehold Mortgage" shall mean:

(i) the delivery and recording of a mortgage on the Lessee's leasehold interest under the Office Tower Ground Lease executed by the Lessee subsequent to the time of the execution of a Leasehold Mortgage, all or a portion of the proceeds of which are used to satisfy in whole or in part any prior Leasehold Mortgage which may be outstanding at the time of such refinancing; or

(ii) the advancing of additional monies under an existing or new Leasehold Mortgage, or a new or existing Mezzanine Financing; or

(iii) the placement of a new Mezzanine Financing the proceeds of which are used for the satisfaction of the principal balance or a portion of the principal balance of any existing Leasehold Mortgage or Mezzanine Financing.

However, none of the following events shall be deemed a Refinancing of a Leasehold Mortgage:

(1) the receipt by the Lessee in stages of the proceeds of the Leasehold Mortgage obtained by the Lessee in connection with the construction of the Facility or the receipt by the Lessee in stages of the proceeds of a Leasehold Mortgage obtained by the Lessee in connection with the Initial Permanent Financing of the Facility (such proceeds to be used solely to discharge in whole or in part the Lessee's indebtedness under the Leasehold Mortgage(s) obtained by the Lessee in connection with the construction of the Facility or to make payment for the items constituting the "cost of construction" as defined in the Office Tower Ground Lease); or

(2) the proceeds of a purchase money Leasehold Mortgage obtained pursuant to paragraph (c) of the subheading below entitled *"Leasehold Mortgages — Interest Amounts; Inclusion of Debt Payments as a Gross Expense"* or paragraph (c) of the subheading below entitled *"Leasehold Mortgages — Refinancing of Leasehold Mortgages"* and the proceeds of a Leasehold Mortgage obtained by the Lessee pursuant to paragraph (d) of the subheading below entitled *"Leasehold Mortgages — Interest Amounts; Inclusion of Debt Payments as a Gross Expense"*; or

(3) accruing and unpaid interest amounts of the type described in paragraph (a) of the subheading below entitled *"Leasehold Mortgages — Interest Amounts; Inclusion of Debt Payments as a Gross Expense"*; or

(4) monies advanced by and owing to the Leasehold Mortgagee under a Leasehold Mortgage approved by the Port Authority pursuant to paragraph (b) of the subheading below entitled *"Leasehold Mortgages — Proposal for Leasehold Mortgages"* for interest, taxes, insurance premiums and all other amounts which are expended by such Leasehold Mortgagee to comply with the provisions of the Office Tower Ground Lease or to protect or preserve the Facility.

(h) "Maximum Mortgage Amount" shall mean an amount equal to eighty percent (80%) of the fair market value of the Lessee's leasehold interest in the premises, including the Facility. Solely with respect to a Qualified Refinancing of a Leasehold Mortgage, the Maximum Mortgage Amount shall mean the greater of (y) the amount of all unpaid principal of and interest on the existing financing being refinanced by such Qualified Refinancing of a Leasehold Mortgage, and all other obligations and liabilities of the Lessee to the Lender under such financing arising under, out of, or in connection with, such existing financing that are required to be paid by the Lessee pursuant to the terms of any documents and instruments evidencing and securing such existing financing, plus all reasonable costs incurred by the Lessee in procuring such Refinancing of a Leasehold Mortgage, or (z) eighty percent (80%) of the fair market value of the Lessee's leasehold interest in the premises, including the Facility.

(i) "Qualified Refinancing of a Leasehold Mortgage" shall mean (A) a Refinancing of a Leasehold Mortgage all of the proceeds of which are used to (1) satisfy in whole the mortgage loans evidenced collectively by the Existing Notes, and secured collectively by the Existing Mortgages (but no subsequent refinancing of such indebtedness unless the same qualifies under the following clause (B) hereof) and (2) pay the reasonable costs incurred by the Lessee in procuring such Refinancing of a Leasehold Mortgage, or (B) a Refinancing of a Leasehold Mortgage using proceeds

of bonds issued pursuant to the New York Liberty Bond Program and proceeds of associated Mezzanine Financing, and all of the proceeds of which are used to (1) satisfy in whole either (x) the mortgage loans evidenced collectively by the Existing Notes and secured collectively by the Existing Mortgages, or (y) the mortgage loans evidenced by bonds issued in connection with a financing under the New York Liberty Bond Program and any Mezzanine Financing entered into by the Lessee in connection therewith and (2) pay the reasonable costs incurred by the Lessee in procuring such Refinancing of a Leasehold Mortgage.

(j) "Existing Notes" shall mean, collectively: (1) Mortgage Note Restatement and Modification Agreement between Teachers Insurance and Annuity Association of America ("Teachers") and the Lessee dated December 1, 1993, (2) Substitute Mortgage Note #2 between Teachers and the Lessee dated December 1, 1993, (3) Consolidated Accrued Interest Mortgage Note between Teachers and the Lessee dated December 1, 1993 and (4) Consolidated Accrued Interest Mortgage Note #2 between Teachers and the Lessee dated December 1, 1993, as the same may be amended, supplemented or otherwise modified from time to time.

(k) "Existing Mortgages" shall mean, collectively: (1) Mortgage Restatement and Modification Agreement between Teachers and the Lessee dated December 1, 1993, (2) Substitute Mortgage #2 between Teachers and the Lessee dated December 1, 1993, (3) Consolidated Accrued Interest Mortgage between Teachers and the Lessee dated December 1, 1993 and (4) Consolidated Accrued Interest Mortgage #2 between Teachers and the Lessee dated December 1, 1993, all of which were assigned to LaSalle Bank National Association, as trustee ("Loan Trustee") for 7 World Trade Center Trust, Commercial Mortgage Pass-Through Certificates, Series 2000-WTC3 (the "Loan Trust") serviced by Bank of America, N.A., on behalf of the Loan Trust and sub-serviced by BRE/Servicer L.L.C., on behalf of the Loan Trust, as the same may be amended, supplemented or otherwise modified from time to time.

(l) "Initial Permanent Mortgage(s)" shall mean the initial permanent Leasehold Mortgage or Mortgages obtained by the Lessee from an Institutional Lender or Lenders, which Leasehold Mortgage or Mortgages may be advanced in stages and the proceeds of which shall be applied solely in reduction of the Leasehold Mortgage(s) obtained by the Lessee in connection with the construction of the Facility or to make payment for the items constituting the "cost of construction" (as defined in the Office Tower Ground Lease), provided, however, such Initial Permanent Mortgage(s) shall, in no event, exceed the Base Mortgage Amount. The loan or loans secured by the Initial Permanent Mortgage or Mortgages is referred to as the "Initial Permanent Financing.

(m) "Mezzanine Financing" shall mean either (1) debt financing obtained by the Lessee or the Lessee's Parent which is secured by a pledge of direct or indirect equity interests in the Lessee or (2) a direct or indirect equity investment in the Lessee, the terms of which provide for (i) a specified rate of return, (ii) regular and/or guaranteed distributions to the holder thereof on specified dates or upon the occurrence of certain events, (iii) a specified date upon which such investment shall mature, either through redemption by the holder thereof, a put to or call by the Lessee or the Lessee Parent, conversion to ownership of all the equity interests in the Lessee or the Lessee's Parent, as the case may be, or otherwise, (iv) voting rights over major decisions and (v) remedies available to the holder thereof upon the occurrence of certain events.

Proposal for Leasehold Mortgages

(a) Prior to the making of any Leasehold Mortgage, the Lessee covenants to furnish the Port Authority with a written proposal setting forth the proposed Leasehold Mortgagee, the proposed amount of the proposed Leasehold Mortgage, interest rate and amortization (debt service) to be incurred by the Lessee in connection with the proposed Leasehold Mortgage as well as all of the general terms and conditions of such

Leasehold Mortgage (including the security, guaranties or other assurances (if any) to be provided by the Lessee or others in connection therewith to the proposed Leasehold Mortgagee), together with evidence that the proposed Leasehold Mortgagee is an Institutional Lender qualifying as such under the Office Tower Ground Lease if the Port Authority or a Successor Governmental Entity is the fee owner of the premises at the time of such submission, or if the Port Authority or a Successor Governmental Entity is not the fee owner of the premises at the time of such submission, an affidavit from such proposed Leasehold Mortgagee to the effect that such proposed Leasehold Mortgagee is not a Prohibited Person. If, in the Port Authority's judgment, either the interest rate or terms of the repayment of principal are not commercially reasonable, the Port Authority shall notify the Lessee of such fact within fifteen (15) days after the Lessee's submission of its proposal. The Port Authority shall have a period of (i) thirty (30) days from the submission by the Lessee of its proposal, or (ii) if the Port Authority shall have notified the Lessee that either the interest rate or terms of the repayment of principal are not commercially reasonable, forty-five (45) days from the submission by the Lessee of its proposal, within which to submit a proposal from an Institutional Lender on the same general terms and conditions as proposed by the Lessee but with a lower debt service or to itself make the Leasehold Mortgage, in which event the Lessee agrees to accept such alternate financing and enter into a comparable Leasehold Mortgage in connection therewith. If the Port Authority does not submit a proposal for alternate financing within such thirty (30) or forty-five (45) day period, whichever period shall be applicable, the Lessee may proceed to procure the Leasehold Mortgage on the financial terms and conditions proposed by it and subject to all the provisions of the Office Tower Ground Lease. In the event the Lessee shall have submitted a proposal to the Port Authority as above provided and shall thereafter elect to either reduce the proposed principal amount of the proposed Leasehold. Mortgage or modify any of the other financial terms or conditions of such proposed Leasehold Mortgage, the Lessee shall submit a revised proposal to the Port Authority setting forth such new proposed principal amount or such new financial terms and conditions, as the case may be, and the Port Authority shall have an additional period of thirty (30) or forty-five (45) days, whichever period shall be applicable, from the date of such revised submission within which to submit a proposal from an Institutional Lender or to itself make the Leasehold Mortgage. If the Port Authority proposes possible financing sources or arrangements, the Lessee shall make reasonable efforts to pursue the same.

(b) Each Leasehold Mortgage and the note or bond which such Leasehold Mortgage was given to secure shall conform to the provisions of the Office Tower Ground Lease, including, the proposal previously furnished by the Lessee as provided in paragraph (a) above. Prior to the execution by the Lessee of a Leasehold Mortgage, the Lessee shall submit to the Port Authority for its approval (i) a copy of the form of the proposed Leasehold Mortgage and of the note or bond which the Leasehold Mortgage is given to secure and (ii) during the period that the Port Authority or a Successor Governmental Entity is the fee owner of the premises, if the Mortgage Amount of such proposed Leasehold Mortgage (other than a Leasehold Mortgage obtained in connection with the construction of the Facility or the Initial Permanent Mortgage(s) which shall not exceed the Base Mortgage Amount), together with the unpaid principal balance of all other Leasehold Mortgages then encumbering the Lessee's leasehold interest under the Office Tower Ground Lease and in the premises and which are not to be satisfied out of the proceeds of the proposed Leasehold Mortgage would exceed the aggregate Mortgage Amount(s) of all Leasehold Mortgages encumbering the Lessee's leasehold interest under the Office Tower Ground Lease and in the premises immediately prior to the consummation by the Lessee of the proposed Leasehold Mortgage, a certificate of an Approved Appraiser selected as provided below, certifying that the Mortgage Amount of such proposed Leasehold Mortgage, together with the unpaid principal balance of all other Leasehold Mortgages then encumbering the Lessee's leasehold interest under the Office Tower Ground Lease and in the premises and which are not to be satisfied out of the proceeds of the proposed Leasehold Mortgage, does not exceed the Maximum Mortgage Amount. An "Approved Appraiser" shall mean an independent real estate appraiser that is a member of the American Institute of Real Estate Appraisers or any similar organization reasonably satisfactory to the Port Authority selected by the Lessee from a list of at least three (3) appraisers submitted by the Lessee in good faith to the Port Authority and approved by the Port Authority. If the Port Authority or a Successor Governmental Entity is the fee owner of the premises, such proposed Leasehold Mortgagee shall be an Institutional Lender and shall qualify as such under the Office Tower Ground Lease, and if the Port Authority or a Successor Governmental Entity is not the fee owner of the premises, such proposed Leasehold Mortgagee shall not be a Prohibited Person. Further, if

such Leasehold Mortgage and such note or bond conform to the provisions of the Office Tower Ground Lease and the proposal submitted by the Lessee, the Port Authority, such Successor Governmental Entity, or if neither the Port Authority nor a Successor Governmental Entity is then the fee owner of the premises, the fee owner of the premises, as the case may be, shall approve such proposed Leasehold Mortgagee and such Leasehold Mortgage. Within fifteen (15) days of the date of such submission, the Port Authority, such Successor Governmental Entity, or if neither the Port Authority nor a Successor Governmental Entity is then the fee owner of the premises, the fee owner of the premises, as the case may be, shall notify the Lessee of its approval or disapproval (and if the Port Authority, such Successor Governmental Entity or such fee owner of the premises, as the case may be, shall not have notified the Lessee of its approval or disapproval with such fifteen (15) day period, it shall be deemed to have approved such Leasehold Mortgagee and such Leasehold Mortgage and such note or bond). On the date of the execution of a Leasehold Mortgage or within five (5) days thereafter, the Lessee shall deliver to the Port Authority, such Successor Governmental Entity or such fee owner of the premises, as the case may be, a conformed copy of the executed Leasehold Mortgage and of the executed note or bond which the Leasehold Mortgage was given to secure.

Limitations on Assignability of Leasehold Mortgage

If the Port Authority or a Successor Governmental Entity is the fee owner of the premises, no Leasehold Mortgagee shall assign or transfer its Leasehold Mortgage to other than an Institutional Lender qualifying as such under the Office Tower Ground Lease. In the event the Port Authority or a Successor Governmental Entity is not the fee owner of the premises, no Leasehold Mortgagee shall assign or transfer its Leasehold Mortgage to a Prohibited Person. The name and address of the proposed assignee, and if the Port Authority or a Successor Governmental Entity is the fee owner of the premises, evidence that such proposed assignee is an Institutional Lender qualifying as such under the Office Tower Ground Lease, and if the Port Authority or a Successor Governmental Entity is not the fee owner of the premises, an affidavit from such proposed assignee to the effect that such proposed assignee is not a Prohibited Person, shall be submitted to the Port Authority, such Successor Governmental Entity, or if neither the Port Authority nor a Successor Governmental Entity is then the fee owner of the premises, the fee owner of the premises, as the case may be, not less than fifteen (15) days prior to the effective date of such assignment for its approval or disapproval. Provided, (i) if the Port Authority or a Successor Governmental Entity is the fee owner of the premises, such proposed assignee shall be an Institutional Lender qualifying as such under the Office Tower Ground Lease, or (ii) if the Port Authority or a Successor Governmental Entity is not the fee owner of the premises, such proposed assignee is not a Prohibited Person, the Port Authority, such Successor Governmental Entity, or if neither the Port Authority nor a Successor Governmental Entity is then the fee owner of the premises, the fee owner of the premises, as the case may be, shall approve such proposed assignee within such fifteen (15) day period (and if the Port Authority, such Successor Governmental Entity, or if neither the Port Authority nor a Successor Governmental Entity is then the fee owner of the premises, the fee owner of the premises, shall not have notified the Lessee of its approval or disapproval within such fifteen (15) day period, it shall be deemed to have approved such proposed assignee). On the effective date of such assignment, or within five (5) days thereafter, the assignee shall deliver to the Port Authority, such Successor Governmental Entity or such fee owner of the premises, as the case may be, a conformed copy of the executed assignment of the Leasehold Mortgage. The assignee of a Leasehold Mortgagee shall have no greater rights or remedies under the Office Tower Ground Lease than those provided in the Office Tower Ground Lease for the Leasehold Mortgagee.

Leasehold Mortgage is Subject to Terms of Office Tower Ground Lease

The rights of the Leasehold Mortgagee are subject and subordinate to the terms, covenants, conditions and provisions set forth in the Office Tower Ground Lease. The terms, covenants, conditions and provisions of the Office Tower Ground Lease shall govern as between the Port Authority and the Lessee and a Leasehold Mortgagee in the event of any inconsistency between the terms, covenants, conditions and provisions of the Office Tower Ground Lease and of such Leasehold Mortgage. The Lessee is deemed to be the lessee under the Office Tower Ground Lease unless and until a Leasehold Mortgagee shall have acquired the Lessee's interest in the Office Tower Ground Lease or a new lease has been executed pursuant to this heading. Each Leasehold

Mortgage shall make reference to the provisions of the Office Tower Ground Lease and provide that such Leasehold Mortgage and the rights of the Leasehold Mortgagee thereunder are and shall be in all respects subject to the Office Tower Ground Lease.

Approvals by the Port Authority Are Limited

Any approval or consent by the Port Authority under the Office Tower Ground Lease, whether to a Leasehold Mortgage or to any assignment thereof, shall apply only to the specific transaction thereby authorized, and shall not relieve the Lessee or a Leasehold Mortgagee from the requirement of obtaining the prior approval or consent of the Port Authority, to the extent required under the Office Tower Ground Lease, to each and every further assignment of the Leasehold Mortgage.

Requests by Institutional Lender to Port Authority to Amend Office Tower Ground Lease

If the Port Authority is requested by a qualified Institutional Lender to amend the Office Tower Ground Lease as a condition to the issuance by such Institutional Lender of a commitment for a Leasehold Mortgage to the Lessee, it will not unreasonably refuse to consent to such amendment, provided that the proposed amendment does not, in the opinion of the Port Authority, adversely affect the Port Authority's rights under the Office Tower Ground Lease or the operation of the Facility in the manner contemplated by the Office Tower Ground Lease.

Interest Amounts; Inclusion of Debt Payments as a Gross Expense

(a) As to interest amounts accruing and unpaid under any Leasehold Mortgage obtained by the Lessee in connection with the construction of the Facility or the Initial Permanent Financing (hereinafter called the "interest amount"), during the period commencing with completion of construction of the Facility and ending four years thereafter, such interest amount shall be included in the Mortgage Amount, provided, however, that the total interest amount shall not exceed the sum of One Hundred Million Dollars and No Cents ($100,000,000.00), and provided, further, however, that payments by the Lessee to the Leasehold Mortgagee for such interest amount shall not be included as a Gross Expense. The Lessee may add such interest amount to the principal indebtedness of the existing Leasehold Mortgage obtained in connection with the construction of the Facility, or the Lessee may obtain one or more new Leasehold Mortgages from the same Institutional Lenders as are the holders of the Leasehold Mortgage obtained by the Lessee in connection with the construction of the Facility. If the Lessee secures Mezzanine Financing all of the proceeds of which are used to effectuate a Qualified Refinancing of a Leasehold Mortgage, then such interest amount may be included in the Mortgage Amount.

(b) In the event that (1) a Leasehold Mortgage obtained by the Lessee is extinguished in its entirety as a result of a foreclosure of such Leasehold Mortgage by the Leasehold Mortgagee in accordance with the terms and conditions of the Office Tower Ground Lease, (2) the Lessee was entitled to include all or a portion of the debt service payments made by the Lessee pursuant to such foreclosed Leasehold Mortgage, and (3) the Leasehold Mortgagee (or a subsidiary corporation wholly owned and controlled by the Leasehold Mortgagee) becomes the lessee under the Office Tower Ground Lease, then, for such period as such Leasehold Mortgagee is the lessee under the Office Tower Ground Lease (or for such period as a subsidiary corporation wholly owned and controlled by the Leasehold Mortgagee is the lessee under the Office Tower Ground Lease), the Lessee shall be entitled to include as a Gross Expense an imputed annual interest amount, said imputed annual interest amount to be the product obtained by multiplying the unpaid balance of that portion of the principal amount, if any, of the foreclosed Leasehold Mortgage as of the date immediately preceding the date of foreclosure, the debt service on which the Lessee was entitled to include as a Gross Expense pursuant to the provisions of the Office Tower Ground Lease, by the non-default annual interest rate which would have been payable by the Lessee under such foreclosed Leasehold Mortgage.

(c) In the event that (1) a Leasehold Mortgage obtained by the Lessee is extinguished in its entirety as a result of a foreclosure of such Leasehold Mortgage by the Leasehold Mortgagee in accordance with the terms and conditions of the Office Tower Ground Lease, (2) the Lessee was entitled to include in Gross Expenses all or a portion of the debt service payments made by the Lessee pursuant to such foreclosed Leasehold Mortgage, and (3) the Lessee's interest under the Office Tower Ground Lease is either assigned by the Leasehold Mortgagee to a third party purchaser or such third party purchaser acquires the Lessee's interest at a foreclosure sale, and in connection with such assignment or transfer, the said Leasehold Mortgagee receives a purchase money Leasehold Mortgage, then the new Lessee shall be entitled to include as a Gross Expense the lesser of (i) the payments of principal and interest made by such new Lessee on such purchase-money Leasehold Mortgage or (ii) in the event the Mortgage Amount of such purchase-money Leasehold Mortgage is in excess of the unpaid balance of that portion of the principal amount of the foreclosed Leasehold Mortgage as of the date immediately preceding the date of foreclosure, the debt service on which the Lessee was entitled to include as a Gross Expense, a portion of the payments of principal and interest made by such new Lessee on such purchase-money Leasehold Mortgage in an amount equal to the product derived by multiplying such principal and interest payments by a fraction, the numerator of which is the unpaid balance of that portion of the principal amount of the foreclosed Leasehold Mortgage as of the date immediately preceding the date of foreclosure, the debt service on which the Lessee was entitled to include as a Gross Expense, and the denominator of which is the Mortgage Amount of such purchase-money Leasehold Mortgage. Except as set forth above, no debt service payments on a purchase-money Leasehold Mortgage shall be included as a Gross Expense.

(d) In the event that (1) a Leasehold Mortgage obtained by the Lessee is extinguished in its entirety as a result of a foreclosure of such Leasehold Mortgage in accordance with the terms and conditions of the Office Tower Ground Lease, (2) the Lessee was entitled to include in Gross Expense all or a portion of the debt service payments made by the Lessee pursuant to such foreclosed Leasehold Mortgage and (3) a third party purchaser who meets all the requirements of this heading with regard to acquiring the Lessee's interest under the Office Tower Ground Lease acquires the Lessee's interest under the Office Tower Ground Lease, such third party purchaser (the new Lessee), in connection with the acquisition of the former Lessee's title, shall have the right, subject to compliance by such third party purchaser (the new Lessee) with the provisions of this heading, to obtain a Leasehold Mortgage of the Lessee's leasehold interest under the Office Tower Ground Lease. The new Lessee shall be entitled to include as a Gross Expense the lesser of (i) the payments of principal and interest made by such new Lessee on such Leasehold Mortgage or (ii) in the event the Mortgage Amount of such Leasehold Mortgage is in excess of the unpaid balance of that portion of the principal amount of the foreclosed Leasehold Mortgage as of the date immediately preceding the date of foreclosure, the debt service on which the Lessee was entitled to include as a Gross Expense, a portion of the payments of principal and interest made by such new Lessee on such Leasehold Mortgage in an amount equal to the product derived by multiplying such principal and interest payments by a fraction, the numerator of which is the unpaid balance of that portion of the principal amount of the foreclosed Leasehold Mortgage as of the date immediately preceding the date of foreclosure, the debt service on which the Lessee was entitled to include as a Gross Expense, and the denominator of which is the Mortgage Amount of such Leasehold Mortgage. Except as provided in this paragraph, no debt service payments on a Leasehold Mortgage obtained by such new Lessee shall be included as a Gross Expense.

Limitation on Mortgages of Lessee's Interest

Except as expressly authorized in the Office Tower Ground Lease, the Lessee shall not mortgage the Lessee's interest in the Office Tower Ground Lease or the letting thereunder in whole or in part.

Notices of Default by Port Authority to the Leasehold Mortgagee; Cure Rights

(a) If a 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, and a request for copies of notices of default, the Port Authority shall send to the Leasehold Mortgagee a copy of each notice of default

given under the heading below entitled *"Termination"* 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.

(b) If the Port Authority shall elect to terminate the letting under the heading below 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 (a) above, 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 twenty (20) days after the date of service of the Port Authority's notice of termination and shall simultaneously with the giving of its notice to the Port Authority pay to the Port Authority any and all arrears in the rental payable under the Office Tower Ground Lease as of the date of its notice to the Port Authority, as specified in the notice. 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 (90) day period and shall diligently continue such performance without interruption, the said ninety (90) 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.

(c) 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 (90) day period specified above 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: (1) the Leasehold Mortgagee shall deliver to the Port Authority within the ninety (90) day period set forth above a written instrument wherein the Leasehold Mortgagee unconditionally guarantees to the Port Authority that it 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 the Office Tower Ground Lease 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; (2) the Leasehold Mortgagee shall pay to the Port Authority any arrears in the rental payable under the Office Tower Ground Lease as of the date of its notice to the Port Authority as specified in the notice of termination; (3) 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 a purchaser at foreclosure acquires the Lessee's interest under the Office Tower Ground Lease or the notice of termination shall become null and void as provided below, 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 called "the extension period"), the Leasehold Mortgagee pays to the Port Authority in addition to the payment of any rental arrears, a minimum rental equal to the average basic rental rate per annum paid during the preceding two years (or portion thereof) which minimum rental shall be payable in equal monthly installments in advance on the effective date of termination stated in the notice of termination and on the first

day of each calendar month thereafter during the extension period; provided, however, that if the extension begins other than on the first day of a month, the minimum rental for the portion of the month during which the commencement date of the extension period shall be paid in advance and shall be the amount of the monthly installment of minimum rental set forth above prorated on a daily basis, and if the extension period expires on other than the last day of a month, the minimum rental for the portion of the month during which the expiration of the extension period shall fall shall be the amount of the monthly installment similarly prorated. During such period as the Port Authority is receiving the minimum rental set forth above, the Port Authority shall be entitled to receive on account of the annual percentage rental described under the subheading above entitled *"Rental Obligations — Operating Period Rental"*, the excess over the minimum rental of its portion of the Net Cash Flow arising during each annual period falling during the extension period; and (4) 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 the Office Tower Ground Lease 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 if, prior to completion of such proceedings or to obtaining such possession, the defaults specified in the Port Authority's notice of termination shall have been cured. In the event the foregoing conditions shall have been duly and timely fulfilled and the Leasehold Mortgagee, after obtaining possession of the premises, shall cure all defaults specified in the notice as are susceptible of being 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 the Office Tower Ground Lease. For those defaults specified in paragraphs (a), (b), (c), (d), (e), (g), (h) or (n) of the subheading below entitled *"Termination — Events of Default"*, the Leasehold Mortgagee shall not be required to comply with the condition set forth in clause (1) above, and, so long as the conditions specified in clauses (2) and (3) above are fulfilled and the Leasehold Mortgagee or its nominee or purchaser at a foreclosure sale acquire the Lessee's interest under the Office Tower Ground Lease and shall not itself be subject to any bankruptcy or other proceedings which would entitle the Port Authority to terminate the Office Tower Ground Lease pursuant to the above referenced paragraphs of the subheading below entitled *"Termination — Events of Default"*, the existence of bankruptcy or the other events of default described in paragraphs (a), (b), (c), (d), (e), (g), (h) or (n) of the subheading below entitled *"Termination — Events of Default"*, relating to the prior Lessee or to any guarantor referred to in subdivision (n) of such heading shall no longer be an event of default under the Office Tower Ground Lease. 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 the Office Tower Ground Lease in accordance with the notice.

(d) 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 provided above.

Foreclosure

(a) The Leasehold Mortgagee shall not be entitled to foreclose its mortgage or to have the Lessee's interest assigned to itself in lieu of such foreclosure unless, at least sixty (60) days prior to commencing such foreclosure or requesting such assignment in lieu of foreclosure, the Leasehold Mortgagee shall have given the Port Authority written notice of its intention to foreclose or to have the Office Tower Ground Lease assigned to itself, which notice shall state the then principal balance of the Leasehold Mortgage, the amount of accrued and unpaid interest thereon, and the per diem interest which will accrue on the Leasehold Mortgage from and after the giving of such notice and all other sums secured by the Leasehold Mortgage. The Port Authority shall have the right, 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 sixty (60) day period specified in the notice 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.

(b) No party other than an Institutional Lender (or a corporation wholly owned and controlled by the Leasehold Mortgagee) shall be entitled to become the owner of, or acquire any interest in, the Office Tower Ground Lease, 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 the Office Tower Ground Lease shall meet the following requirements and conditions:

(1) the proposed party or its managing agent (as approved under paragraph (5) below) shall have an established record and reputation of more than ten (10) years' experience in the operation of first-class multiple-occupancy office buildings containing not less than 500,000 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 Facility as a first-class office building in accordance with all the terms and conditions of the Office Tower Ground Lease;

(2) the financial standing of the proposed party as of the date of the acquisition of the leasehold is sufficient to assure the operation of the Facility in accordance with the standards and requirements of the Office Tower Ground Lease;

(3) 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 a defendant in major civil anti-trust or fraud litigation;

(4) 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;

(5) if the proposed party shall desire to use a managing agent for the operation of the Facility, 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 (1), (2) and (3) above are met,

provided, however, that such acquisition (sale or transfer) shall not be effective until an acquisition assumption agreement in form and substance satisfactory to the Port Authority has been executed by the Port Authority, the Lessee and the proposed party. "Wholly owned and controlled" shall mean one hundred percent (100%) ownership of all the capital stock and voting rights of the subsidiary corporation by the Leasehold Mortgagee, and if this relationship shall not continue for the entire term of the letting that the said subsidiary corporation is the Lessee under the Office Tower Ground Lease, then the Lessee shall be considered in default under the Office Tower Ground Lease and the Port Authority shall have the right to terminate the Office Tower Ground Lease and the letting, but any then Leasehold Mortgagee may still exercise its rights as described in this heading.

(b) The Port Authority reserves the right to bid 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.

(c) If there is more than one Leasehold Mortgagee at any one time, then the Port Authority agrees to give to each Leasehold Mortgagee who requests same pursuant to the Office Tower Ground Lease (at such addresses as the Leasehold Mortgagees shall specify) copies of notices of default given to the Lessee pursuant to the Office Tower Ground Lease. The holder of the Leasehold Mortgage junior in lien to any other Leasehold Mortgage shall have the right, but not the obligation, to exercise the rights of the Leasehold Mortgagee. If the holder of such junior Leasehold Mortgage fails to give the notice and make the payment required under this heading by the fifteenth (15th) day of the twenty (20) day period provided therein, or if after giving such notice and making such payment, such junior Leasehold Mortgagee fails to cure the default referred to in the Port Authority's notice within thirty (30) days, or if such default is not curable within said thirty (30) day period and such junior Leasehold Mortgagee fails to commence the curing of such default within such thirty (30) day period, or having commenced curing within said thirty (30) day period the junior Leasehold Mortgagee in the opinion of the Port Authority fails to diligently prosecute the curing of such default, the Port Authority shall notify the holders of the Leasehold Mortgages senior in lien of such failure. Upon receipt of notice from the Port Authority of the failure of such junior Leasehold Mortgagee to so exercise its curing rights, the holders of the Leasehold Mortgages in inverse order of seniority of lien to such junior Leasehold Mortgage shall have the right, but not the obligation, to exercise the rights of the Leasehold Mortgagee, such right to be exercised within ten (10) days after receipt of notice from the Port Authority of the failure of the holder of the Leasehold Mortgage immediately junior in lien to exercise the rights of the Leasehold Mortgagee. Subject to the above priorities, nothing in this paragraph shall be deemed to affect the time periods for the exercising of rights or to prevent any holder of a senior Leasehold Mortgage from curing any default.

(d) In the event that the Leasehold Mortgagee has extended the effective date of termination of the letting under the Office Tower Ground Lease, and if the Leasehold Mortgagee without fault on its part is prevented by directive of a court having jurisdiction from curing the Lessee's default, then and in such event the time period set forth under this heading within which the Lessee must cure such default to prevent termination of the letting. shall be extended by an amount of time equivalent to the duration that the court directive is effective, but the Leasehold Mortgagee agrees to act in good faith and use its best efforts to have such judicial directive voided.

(e) In the event the Office Tower Ground Lease is terminated by reason of the occurrence of any event of default under the heading below entitled *"Termination"*, 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 term of the letting, the Port Authority shall, 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 execution or delivering such new lease), prepare and deliver to the Leasehold Mortgagee a new lease for the balance of what would have been the remainder of the term of the Office Tower Ground Lease and including all rights of renewal therein contained, which new lease shall have the same priority as the Office Tower Ground Lease, modified or enlarged to reflect any changes in governmental regulations, codes, orders, ordinances and laws affecting the premises or their use, or any changes in the physical or title conditions thereof, as the same may exist at the time of delivery of the new lease, subject, however, to the rights, if any, of the parties then in possession of any part of the premises; 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 the Office Tower Ground Lease 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 the Office Tower Ground Lease 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. The granting of a new lease to the Leasehold Mortgagee shall not affect the survival of the Lessee's obligations under the Office Tower Ground Lease as provided below under the heading entitled *"Survival of the Obligation of the Lessee"*.

Exercise of Renewal Options by Leasehold Mortgagee

(a) In the event that the Lessee shall fail to exercise its option to renew any term of the Office Tower Ground Lease within the period prescribed therein, the Port Authority shall give prompt written notice of that fact to the Leasehold Mortgagee who shall have become entitled to notice under the Office Tower Ground Lease and, provided the Office Tower Ground Lease shall be in full force and effect, such Leasehold Mortgagee may, within thirty (30) days thereafter, exercise said option to renew by requesting in writing that a new lease be made either to itself or to its nominee covering the applicable renewal period, provided that (1) the duration of the Leasehold Mortgage shall extend into the proposed renewal period, and (2) the nominee shall meet all the conditions and requirements under paragraph (b) of the subheading above entitled *"Leasehold Mortgages — Foreclosure"*. The Port Authority shall, subject to the conditions set forth in paragraph (b) below, at such Leasehold Mortgagee's sole cost and expense, execute with and deliver to, such Leasehold Mortgagee or its nominee, as the case may be, not later than fifteen (15) days prior to the commencement of such renewal term, a new lease of the demised premises for the renewal term in question at the rent, and upon and subject to the same terms, agreements, conditions and limitations, including any remaining renewal option or options as provided in the Office Tower Ground Lease. Such new lease shall also include such additional terms, agreements, conditions and limitations as the Port Authority shall deem necessary to secure the timely discharge of all liabilities and the timely performance of all obligations of the next preceding Lessee which shall have accrued or which shall have originated prior to the execution and delivery of such new lease.

(b) Any exercise of an option in respect of a renewal term, and the renewal term created by such exercise of option, shall cease to be of any force or effect if, prior to the date upon which such renewal term would otherwise commence, the term of the Office Tower Ground Lease shall have been terminated, provided, however, that if a Leasehold Mortgagee shall have exercised the renewal option referred to above, or the Lessee shall have exercised a renewal option pursuant to the Office Tower Ground Lease, and, within the last two years of the then current term, the Office Tower Ground Lease shall have terminated and the Leasehold Mortgagee shall have become entitled to a new lease, the exercise of such option shall continue in full force and effect and the right to a renewal or a new lease arising out of such option shall inure to the benefit of the Leasehold Mortgagee.

Notice of Default to Leasehold Mortgagees Participating in Ownership of the Lessee

If a Leasehold Mortgagee or its nominee shall become a partner of the Lessee or shall otherwise participate in the ownership of the leasehold estate created by the Office Tower Ground Lease and shall give to the Port Authority notice of its status as such partner or participant and the address to which notices to it should be addressed, the Port Authority shall give to such Leasehold Mortgagee or its designated nominee notice of any default under the Office Tower Ground Lease concerning which the Port Authority shall have given notice of default to the Lessee.

No Obligation of Port Authority to Deliver Physical Possession of Premises

In the event of termination of the Office Tower Ground Lease and the execution and delivery of a new lease to the Leasehold Mortgagee, or in the event of the renewal of the Office Tower Ground Lease by the Leasehold Mortgagee, the Port Authority has no obligation to deliver physical possession of the premises to the Leasehold Mortgagee. The Port Authority agrees, at the sole cost and expense of the Leasehold Mortgagee, to cooperate in the prosecution of summary proceedings to evict the Lessee in the event of such termination or renewal.

Priority Among Leasehold Mortgages

If there is more than one Leasehold Mortgage at any one time, then the Leasehold Mortgagee who shall be able to exercise the rights of the Leasehold Mortgagee under this heading shall be the holder of the senior Leasehold Mortgage, unless the holder of a junior Leasehold Mortgage requests a new lease as provided above and, simultaneously with such request, furnishes to the Port Authority a written statement executed by the senior Leasehold Mortgagee consenting to the issuance of a new lease to the junior Leasehold Mortgagee requesting same. Notwithstanding the priorities set forth in this paragraph and under paragraph (c) under the subheading above entitled *"Leasehold Mortgages — Foreclosure"*, nothing in said provisions shall be construed to establish priorities among the Leasehold Mortgagees with regard to foreclosure of a Leasehold Mortgage or with regard to the exercise of any remedies under the Leasehold Mortgage with respect to such default (except as to such remedies for which priorities have been established within the Office Tower Ground Lease, provided, that such Leasehold Mortgage has been approved by the Port Authority, and the exercise of such remedies is consistent, all in accordance with the provisions of the Office Tower Ground Lease.

New Leases

(a) In the event that the Office Tower Ground Lease and the letting thereunder are terminated by the Port Authority pursuant to that heading below entitled *"Termination"*, and subsequent to such termination the Leasehold Mortgagee requests a new lease from the Port Authority, then, and in such case, and for the purpose of determining priority between the new lease and the fee mortgagee of the premises, if any, such new lease shall be deemed to have the same priority as the old lease would have had had it not been terminated.

(b) In the event the Office Tower Ground Lease and the letting thereunder are terminated under the circumstances described below in paragraphs (a) or (b) in that subheading below entitled *"Space Leases — Certain Required Provisions in a Space Lease"*, and, subsequent to the effective date of such termination, the Leasehold Mortgagee requests a new lease from the Port Authority, the Port Authority agrees to assign to the new Lessee all space leases, the tenants under which may have attorned to the Port Authority pursuant to such above-referenced paragraphs (a) or (b), as applicable.

Bankruptcy Rejection or Disaffirmance of Office Tower Lease

In the event that, as a result of bankruptcy proceedings and prior to termination of the Office Tower Ground Lease, the Office Tower Ground Lease is effectively rejected or disaffirmed, then such effective rejection or disaffirmance shall have the same effect as though the Office Tower Ground Lease and the letting thereunder had been terminated by the Port Authority, and the effective date of rejection or disaffirmance shall be deemed to be the effective date of termination.

Limitations on Rights of Leasehold Mortgagee to Transfer Office Tower Ground Lease

If the Leasehold Mortgagee shall acquire the title to the Lessee's interest under the Office Tower Ground Lease by foreclosure of the Leasehold Mortgage or by an assignment in lieu of foreclosure, or under a new lease, or if a purchaser at a foreclosure sale shall acquire such title, the Leasehold Mortgagee or such purchaser shall not assign, sell or transfer the Office Tower Ground Lease or such lease replacing the Office Tower Ground Lease except to a person who shall qualify as a successor party under paragraph (b) of the subheading above entitled *"Leasehold Mortgages — Foreclosure"*; provided, however, that no sale, assignment or transfer of the Office Tower Ground Lease or such new lease as shall replace the Office Tower Ground Lease shall occur or be effective in any way unless the seller, transferor or assignor shall first notify the Port Authority (so long as it is the lessor under the Office Tower Ground Lease) of the interest it proposes to sell, transfer or assign, and all of the terms and conditions of the proposed sale, transfer or assignment, but there shall be no obligation to disclose the name of the proposed transferee if one does exist. So long as the Port Authority is the lessor under the Office Tower Ground Lease, the Port Authority shall have sixty (60) days from the receipt of such notice to agree to purchase or acquire the said interest on the same terms and

conditions as set forth in the notice, or for a consideration which viewed in its entirety is as favorable to the seller, transferor or assignor as that 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 its interest within the aforesaid sixty (60) day period, then the interest may be sold, transferred or assigned free of the Port Authority's right to purchase under this paragraph no later than one year from the expiration of such sixty (60) day period, but only to a person who qualifies as a successor under paragraph (b) of the subheading above entitled *"Leasehold Mortgages — Foreclosure"*, and only on the same terms and conditions offered to the Port Authority, or only for a consideration which if viewed in its entirety is at least as favorable to the seller, transferor or assignor as the terms and conditions contained in the aforesaid notice to the Port Authority.

Refinancing of Leasehold Mortgages

(a) The Lessee may from time to time effect a Refinancing of a Leasehold Mortgage, provided, however, that during the period that the Port Authority or a Successor Governmental Entity is the fee owner of the premises, the aggregate principal indebtedness to be secured by the Refinancing of a Leasehold Mortgage, together with the unpaid principal balance of all other Leasehold Mortgages and Mezzanine Financing then encumbering the Lessee's interest in the Office Tower Ground Lease and in the premises and which are not satisfied out of such Refinancing, shall not, except as otherwise provided in paragraph (c) below, exceed the Maximum Mortgage Amount. In the event of a Refinancing of a Leasehold Mortgage, all Net Refinancing Proceeds shall be divided as follows: (1) if title to the World Trade Center (or the portion thereof comprising the demised premises) remains in the Port Authority, then sixty percent (60%) of the Net Refinancing Proceeds shall go to the Lessee and forty percent (40%) of the Net Refinancing Proceeds shall go to the Port Authority, or (2) if title to the World Trade Center (or the portion thereof comprising the demised premises) has been transferred, then fifty percent (50%) of the Net Refinancing Proceeds shall go to the Lessee and fifty percent (50%) of the Net Refinancing Proceeds shall go to the transferee.

(b) For purposes of this subheading, the following terms shall be defined as follows:

(1) "Refinancing Proceeds" shall mean the gross proceeds obtained by the Lessee from a Refinancing of a Leasehold Mortgage.

(2) "Mortgage Satisfaction Amount" shall be the amount, if any, equal to the sum of (i) the principal balance, or a portion of the principal balance, and any accrued interest thereon, of an existing Leasehold Mortgage being satisfied out of the Refinancing, and (ii) the principal balance, or portion of the principal balance of any existing Mezzanine Financing being satisfied out of the Refinancing; provided, however, that if the Lessee was not entitled, pursuant to the provisions of the Office Tower Ground Lease, to include as a Gross Expense debt service payments on the Leasehold Mortgage or Mezzanine Financing being satisfied out of the Refinancing Proceeds, the Mortgage Satisfaction Amount shall be zero, and provided, further, however, that if the Lessee was entitled pursuant to the provisions of the Office Tower Ground Lease to include as a Gross Expense only a portion of the debt service payments for such Leasehold Mortgage or Mezzanine Financing being satisfied out of the Refinancing Proceeds, then, and in such case, the Mortgage Satisfaction Amount shall be the product obtained by multiplying the principal balance of the Leasehold Mortgage or Mezzanine Financing being satisfied out of such Refinancing Proceeds by the fraction set forth above in paragraphs (b) or (c) under the subheading above entitled *"Leasehold Mortgages — Interest Amounts; Inclusion of Debt Service Payments as a Gross Expense"*, as the case may be, that was used to determine the portion of the debt service which the Lessee was entitled to include as a Gross Expense. Except with respect to a Leasehold Mortgage or Mezzanine Financing all of the proceeds of which are used to satisfy in whole the mortgage loans evidenced collectively by the Existing Notes and secured by the Current Mortgages (including any accrued interest amounts), the Lessee shall not be entitled to include in determining the Mortgage Satisfaction Amount accruals of interest (including, but not limited to, the "interest amount" as defined in paragraph (c) under the subheading above entitled *"Leasehold Mortgages — Interest Amounts; Inclusion of Debt Service Payments as a Gross*

Expense"), taxes, insurance premiums or other amounts which are expended by a Leasehold Mortgagee to comply with the provisions of the Office Tower Ground Lease or to protect or preserve the Facility.

(3) "Net Refinancing Proceeds" shall mean an amount equal to the Refinancing Proceeds less the sum of (i) the reasonable expenses incurred in procuring the Refinancing and (ii) an amount equal to the Mortgage Satisfaction Amount.

In the event of a sharing of the Net Refinancing Proceeds of a Leasehold Mortgage by the Port Authority or a successor owner of the fee pursuant to this heading with the Lessee, then, the Lessee shall have the right to include as a Gross Expense with respect to such Leasehold Mortgage, an amount equal to the payments of principal and interest made by the Lessee on such Leasehold Mortgage.

(c) In connection with any permitted assignment by the Lessee under the Office Tower Ground Lease, provided the Lessee shall have complied with the provisions of paragraph (d) below, the Lessee shall be permitted from time to time to execute subordinated purchase-money Leasehold Mortgages; provided, however, that during the period that the Port Authority or a Successor Governmental Entity is the fee owner of the premises, there shall be no more than one such subordinate purchase-money Leasehold Mortgage outstanding at any one time, and provided, further, that, if, at the time of the execution by the Lessee of such subordinated purchase-money Leasehold Mortgage, the Port Authority or a Successor Governmental Entity is the fee owner of the premises, such purchase money Leasehold Mortgage shall not impair or adversely affect the economic viability of the Facility operation, nor adversely affect the ability of the Lessee to operate the Facility in accordance with all the standards and requirements of the Office Tower Ground Lease. Except as and only to the extent provided in paragraph (b) under the subheading above entitled *"Leasehold Mortgages — Interest Amounts; Inclusion of Debt Service Payments as a Gross Expense"*, no debt service or any other payments or expenses of any kind whatsoever arising as a result of or in connection with any such purchase-money Leasehold Mortgage shall be includable as a Gross Expense, nor shall the proceeds of any Refinancing of a Leasehold Mortgage which are to be shared by the Lessee with the Port Authority (or the then owner of the Facility) be affected or diminished by the existence, repayment or satisfaction of any such purchase-money Leasehold Mortgage.

(d) The Port Authority or such Successor Governmental Entity shall notify the Lessee within the thirty (30) day period provided in paragraph (a) under the subheading above entitled *"Leasehold Mortgages — Proposal for Leasehold Mortgages"* if, in the Port Authority's or such Successor Governmental Entity's judgment such subordinated purchase-money Leasehold Mortgage would impair or adversely affect the economic viability of the Facility operation or adversely affect the ability of the Lessee to operate the Facility in accordance with all the standards and requirements of the Office Tower Ground Lease. If the Port Authority or such Successor Governmental Entity shall not have so notified the Lessee, the Lessee shall have the right to execute such subordinated purchase-money Leasehold Mortgage. If the Port Authority or such Successor Governmental Entity shall have notified the Lessee of its disapproval of such subordinated purchase-money Leasehold Mortgage within such thirty (30) day period, the Lessee shall have the right to request arbitration by notice to the Port Authority or such Successor Governmental Entity given within thirty (30) days thereafter. The decision of the arbitrators shall be binding upon the Port Authority or such Successor Governmental Entity, as the case may be, and the Lessee.

No Merger

No sale, transfer or assignment by the Lessee of its interest in the Office Tower Ground Lease 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 the Office Tower Ground Lease, whether for survived damages or otherwise.

Leasehold Mortgagee Consent to Amendments of Office Tower Ground Lease

No Leasehold Mortgage obtained by the Lessee will prevent the Lessee from amending the Office Tower Ground Lease without the approval of the Leasehold Mortgagee, unless the amendment or modification may have a material adverse impact on the interest of the Leasehold Mortgagee. As to amendments of the Office Tower Ground Lease 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 lease 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 the Office Tower Ground Lease and the Leasehold Mortgage approved by the Port Authority, and the Leasehold Mortgagee or an other entity succeeds to the Lessee's leasehold interest, then such modification or amendment shall not be binding on the Port Authority, the Leasehold Mortgagee or such other entity who has succeeded to the Lessee's leasehold interest.

Consent of Leasehold Mortgagee to Lessee's Right to Terminate Office Tower Ground Lease

Wherever in the Office Tower Ground Lease the Lessee has the right to terminate the Office Tower Ground Lease and the letting thereunder, the Lessee shall not have the right to terminate the Office Tower Ground Lease and the letting unless it also receives the prior written approval of the Leasehold Mortgagee.

Space Leases

Port Authority Consent to Space Leases

(a) The Lessee shall not enter into any space lease without the Port Authority's prior written consent, which consent shall not be withheld provided that each proposed space tenant shall, in the opinion of the Port Authority, be eligible, suitable and qualified as a World Trade Center tenant and in exercising its opinion with respect to a proposed space tenant, the Port Authority shall apply criteria no less favorable than the criteria used by it in making similar determinations with respect to Space Tenants at the World Trade Center prior to July 16, 2001, as established in the context of the nature of the business conducted by the tenants and the square footage occupied by such tenants, in each case at the World Trade Center prior to July 16, 2001.

(b) Further, the Lessee shall not enter into any space lease for the letting of a full floor or greater area (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 provided, however that the Port Authority will not arbitrarily withhold its consent.

(c) In connection with securing the Port Authority's consent to a space lease, the Lessee shall submit to the Port Authority a copy of the proposed space lease, including the specific lease provisions relating to the proposed space tenant's use of the premises, information regarding the nature and scope of the proposed operations and 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. No space tenant shall occupy any portion of the premises or conduct operations therein until Port Authority consent has been obtained by the Lessee.

(d) The Port Authority shall, within five (5) days after submission to it of all the information and data required above, give its written consent or state its objections to the proposed space tenant; provided, however, that in the case of paragraph (b) above, the Port Authority shall have seven (7) days after such submission to give its consent or state its objections to the proposed space lease.

Certain Requirements of Space Leases

(a) 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 paragraph (b) under the subheading *"Leasehold Mortgages — Foreclosure"* above) shall administer all space leases and each space lease shall contain provisions, among others, providing that the space tenant shall: (1) observe, be bound by and comply with all of the terms, provisions, covenants and conditions of the Office Tower Ground Lease affecting its operations under or in connection with the space lease and its occupancy of the premises; and (2) pay directly to the Port Authority on demand any rental, fee, charge or other amount due to the Lessee if the Lessee shall be under an uncured notice of default under the Office Tower Ground Lease.

(b) The Lessee covenants that each space lease:

(1) shall be subject and subordinate to the terms, covenants, conditions and provisions of the Office Tower Ground Lease and the rights of the Port Authority thereunder;

(2) shall not be materially changed or modified, discharged or extended without the prior written approval of the Port Authority, except that as to space leases for less than a full floor, approval shall be required only if the changes, modifications or extensions affect the requirements of paragraph (a) above and no approval shall be necessary for a discharge thereof, but this shall not be deemed to prevent the Lessee from exercising any of its remedies under any space lease following the occurrence of a default by the space tenant;

(3) shall terminate and expire, without notice to the space tenant, on the day preceding the date of expiration 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.

Covenant as to Users of Premises

The Lessee shall not suffer or permit any person to use, the premises or any portion thereof, except in accordance with this heading, *"Space Leases"*.

Lessee Not to Default With Respect to Any Space Lease

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.

Space Leases for Less Then Fair Market Rental Value

If, in the Port Authority's opinion, the Lessee has entered into a space lease covering less than a full floor for less than fair market rental value, then, the Port Authority may employ an independent qualified real estate appraiser having at least ten (10) years experience in commercial leasing in downtown Manhattan to establish the appropriate fair market rental value with respect to such space. In the event that within thirty (30) days after submission of the space lease to it, the Port Authority notifies the Lessee that such appraiser has determined that the rental set forth in the Lease is less than the fair market rental value, the issue shall be disposed of by arbitration. If the fair market rental value determined by the arbitrators is closer to the amount determined by the appraiser than that provided in the space lease, then there shall be included in Gross Revenue the fair market rental value of any such space as determined by the arbitrators retroactive to the date on which the space tenant commenced payment of rental.

Certain Required Provisions in a Space Lease

(a) Each space lease covering the letting of a full floor or more in the Facility shall contain a provision to the effect that the space tenant agrees that, if by reason of a default upon the part of the Lessee under the Office Tower Ground Lease or if for any other reason the Office Tower Ground Lease is terminated by summary dispossess proceeding or otherwise, the space tenant, shall attorn to and recognize the landlord under the Office Tower Ground Lease as the space tenant's landlord under the space lease.

If the Office Tower Ground Lease and the leasehold estate of the Lessee thereunder are terminated by summary dispossess proceeding or otherwise, the Port Authority accepts attornment by all space tenants under space leases covering a full floor or greater area in the Facility which space leases are in full force and effect at the date of termination of the Office Tower Ground Lease if such space lease shall have previously been approved in writing by the Port Authority. The Port Authority further agrees that so long as any such space tenant is not in default under its lease, it will not be named as a party respondent in any proceeding brought for the termination of the Office Tower Ground Lease.

(b) Each space lease covering the letting of less than a full floor in the Facility shall contain a provision to the effect that the space tenant agrees that, if by reason of a default upon the part of the Lessee under the Office Tower Ground Lease or if for any other reason the Office Tower Ground Lease is terminated by summary dispossess proceedings or otherwise, the space tenant shall attorn and recognize the landlord under the Office Tower Ground Lease as the space tenant's landlord under the space lease.

(c) In the event the Office Tower Ground Lease and the letting thereunder are terminated under the circumstances described in paragraphs (a) and (b) above and subsequent to the effective date of such termination the Leasehold Mortgagee requests a new Lease from the Port Authority, then, the Port Authority agrees to assign to the new Lessee all space leases which may have attorned to the Port Authority pursuant to paragraphs (a) and (b) above.

Assignment of Rents

The Lessee 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 under the Office Tower Ground Lease, the Lessee shall have the right to collect and receive such rents for its own uses and purposes. This assignment is subject to the rights of any Leasehold Mortgagee under a similar assignment of rents, provided that the Leasehold Mortgagee shall have exercised its rights to remedy the default of the Lessee and shall have made all payments required by the Office Tower Ground Lease to be made to the Port Authority and be otherwise diligently performing the conditions of the Office Tower Ground Lease. The effective date of the Port Authority's right to collect rents shall be the date of the happening of a default under the Office Tower Ground Lease. Thereupon, the Port Authority shall apply any net amount collected by it from space tenants to the rent or additional rent due under the Office Tower Ground Lease. No collection of rent by the Port Authority from an assignee of the Office Tower Ground Lease or from a space tenant shall constitute a waiver 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 the Office Tower Ground Lease. 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.

Transfer of Title by the Port Authority

In the event that the Port Authority transfers title to the fee of the premises to a new owner, then, from and after the effective date of the transfer of title, the consents of the Lessor required by this heading shall not be required nor shall the provisions under the subheading above entitled *"Space Leases — Space Lease for Less Than Fair Market Rental Value"* be applicable.

WTC Rent Reduction Agreement

The New York State Urban Development Corporation d/b/a Empire State Development ("ESDC") and the Port Authority entered into an agreement dated October 16, 2006 (the "WTC Rent Reduction Agreement") pursuant to which the ESDC has agreed to make certain payments to the Port Authority in connection with Qualifying Leases. In connection with the WTC Rent Reduction Agreement, the Port Authority acknowledges that the Lessee shall, from time to time, submit applications to the ESDC under the guidelines ("Guidelines") published in connection with the World Trade Center Rent Reduction Program (the "Program") established by the ESDC in accordance with legislation enacted by the New York State Legislature in Chapter 2 of the Laws of 2005 with respect to space leases entered into by the Lessee which qualify under the Guidelines for eligibility under the Program ("Qualifying Leases"). Upon receipt of a Program Eligibility Notice (as defined in the WTC Rent Reduction Agreement) from ESDC, the Port Authority shall forward a copy thereof to the Lessee. After receipt of a Program Eligibility Notice for any Approved Qualifying Lease (as defined in the WTC Rent Reduction Agreement), the Lessee shall submit to the ESDC on a monthly basis, a Payment Requisition and Certification in the form attached to the WTC Rent Reduction Agreement with respect to all such Approved Qualifying Leases.

The Port Authority agrees to provide a credit against the rental payments due from the Lessee under the Office Tower Ground Lease by the same amounts, and for the same term, as those set forth in each Program Eligibility Notice, provided that the Lessee provides a credit against the rental payments due under the space lease which corresponds to such Program Eligibility Notice in the same amount and for the same term. The Port Authority shall provide such credit to the Lessee on a monthly basis, in arrears. Each such monthly credit shall be equal to the amount of the ESDC Payment (as defined in the WTC Rent Reduction Agreement) actually received by the Port Authority from ESDC in a given calendar month with respect to Approved Qualifying Leases for the preceding month. The Lessee shall provide a credit against the rental payments due under each Qualifying Lease in the same amount of the corresponding credit the Lessee actually receives from the Port Authority with respect to such Qualifying Lease. Neither the Port Authority nor the Lessee shall have any obligation to provide the above rental credits if the ESDC shall have failed to fund the ESDC Payment (as defined in the WTC Rent Reduction Agreement) for such Approved Qualifying Leases.

If the Port Authority receives a notice that an Approved Qualifying Lease has been disqualified under the Program, the Port Authority shall promptly deliver a copy of such notice to the Lessee, and neither the Port Authority nor the Lessee shall have any obligation to provide the above rental credits with respect to such Approved Qualifying Lease.

Operation of Facility

(a) The Lessee shall cause the Facility to be operated as a first class office building in accordance with the standards of the New York City real estate industry. The Lessee shall not practice nor permit discrimination against any person on the grounds of race, creed, color, sex or national origin whether in the renting of the premises or use, occupancy or conduct of operations in the Facility. Similarly, the Lessee shall not practice nor permit the practice of any discrimination in employment practices or procedures nor in any operations or activities conducted under or in connection with the Office Tower Ground Lease.

(b) The Lessee will furnish and install in the Facility and the premises at all times all necessary, proper or desirable equipment, fixtures, furnishings, supplies and materials and improvements and replacement therefor all of which shall be of first-class material and design; all such fixtures and improvements (except trade fixtures removable without injury to the premises) shall on installation become a part of the Facility and of the premises and become the property of the Port Authority without the doing of any other act or thing.

(c) The Lessee shall cause to be maintained a full, adequate, experienced and proficient management staff all of whom (as well as all other employees on the premises) shall be reputable and of good character. No individual shall be knowingly employed or retained by or on behalf of the Lessee if he or she has

been convicted of a crime or is under trial or indictment for the same. The Lessee shall cause its operations to be conducted in a first class orderly manner so as not to annoy, disturb or be offensive to others at the Facility. The Lessee shall control the conduct, demeanor and appearance on the premises of its officers, members, employees, contractors, space tenants, guests, customers, invitees and those doing business with it and off the premises but elsewhere at the Facility of its officers, members, employees, agents, representatives and contractors. Upon objection from the Port Authority concerning the conduct, demeanor or appearance of any such, the Lessee shall immediately take steps necessary to remove the cause of the objection.

(d) 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 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 systems or portions thereof on the premises or elsewhere at the Facility, nor shall the Lessee do or permit to be done anything which may interfere with the effectiveness or accessibility thereof. 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.

(e) 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 reasonable opinion of the Port Authority, may constitute an extra-hazardous condition, 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 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, which may pertain or apply to the operations of the Lessee on the premises or to the Facility. The Lessee shall make any and all structural and non-structural improvements, alterations or repairs of the premises that may be required at any time 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 the Office Tower Ground Lease 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.

Compliance with the Reciprocal Easement Agreement

The Lessee shall comply with all provisions of the Reciprocal Easement Agreement which are to be complied with by it and grants the Port Authority all rights or remedies in respect of the Lessee's failure to observe or perform any covenant or obligation imposed upon the Lessee pursuant to the Reciprocal Easement Agreement to the extent that the Port Authority shall have the right pursuant to the applicable provisions of the Reciprocal Easement Agreement to enforce such covenant or obligation as against the Lessee. In the event that performance or compliance with any of the obligations under the Office Tower Ground Lease would result in a violation of the terms and provisions of the Reciprocal Easement Agreement, the party required to perform under the Office Tower Ground Lease shall be excused from performing or complying with such conflicting provisions of the Office Tower Ground Lease until such conflict is resolved by the parties hereto.

Maintenance, Repair and Rebuilding

(a) The Lessee assumes the entire responsibility for all care, maintenance, repair and rebuilding whatsoever in the premises, whether such maintenance, repair or rebuilding be ordinary or extraordinary,

partial or entire, foreseen or unforeseen, structural or otherwise; and without limiting the generality of the foregoing the Lessee shall:

(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;

(2) the Lessee shall take the same good care of the premises that would be taken by a prudent owner who desired to keep and maintain the same so that at the expiration or termination of the letting and at all times during the letting, the same (or a reconstruction of all or any part thereof) will be in first class operating order, condition and appearance; and the Lessee shall promptly make all necessary repairs and replacements, and do all necessary rebuilding with respect to the premises and all parts of the Facility (including any total destruction) without regard to the cause thereof, and whether or not caused by fire or other casualty, all of which shall be in quality equal to the original in materials and workmanship; and

(3) the Lessee shall be responsible for the maintenance and repair of all utilities service lines including but not limited to chilled and other water lines, steam, 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 or used in their operation.

(b) In the event the Lessee fails to so maintain, clean, repair, replace, rebuild or paint the Facility as and when required under the Office Tower Ground Lease, 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 part of the premises, and the cost thereof shall be payable by the Lessee upon demand.

Insurance

(a) 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:

(1) all risk property damage insurance covering the full replacement cost of the Facility and all structures, improvements, fixtures and equipment, furnishings and physical property owned, leased, or within the care, custody or control of the Lessee and now or in the future located on or constituting a part of the premises leased to the Lessee; full replacement cost shall be determined jointly by the Port Authority and the Lessee, from time to time, but not more frequently than once every two (2) years, provided, however, that if the Port Authority and the Lessee cannot jointly agree on said value, then said value shall be determined by an appraiser selected jointly by the Port Authority and the Lessee and whose fees shall be paid by the Lessee;

(2) all risk 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, in such amounts as the Port Authority may determine to be reasonable to provided all risk 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;

(3) Commercial general liability insurance, including coverage for explosion, collapse and underground damages and automotive liability covering the Lessee's operations, and including full contractual liability coverage covering the obligations assumed by the Lessee under the Office

Tower Ground Lease, with a minimum combined single limit coverage for bodily injury and property damage of $50,000,000.00 per occurrence/$50,000,000.00 in the aggregate; such policy or policies shall include blanket protective and products liability coverages, if appropriate; 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 person or shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, and against the Port Authority by the Lessee, but said endorsement shall not limit, vary, change or affect the protections afforded the Port Authority under the contractual endorsement referred to in this heading;

(4) automobile liability insurance with a minimum combined single limit coverage for bodily injury and property damage of $15,000,000.00 per occurrence/$15,000,000.00 in the aggregate;

(5) rent insurance covering loss of rents, fees and other revenues of the Lessee during the period when the Facility, or a portion thereof, is out of operation due to fire or any risk embraced by the all risk policy described in subparagraph (1) above;

(6) war risk insurance upon the Facility, 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;

(7) workers' Compensation and Employer's Liability Insurance as required by law;

(8) elevator Liability Insurance including coverage for escalators in such amounts as may from time to time be required by the Port Authority; and

(9) such other insurance, in such reasonable amounts as may from time to time be reasonably required by the Port Authority against other insurable hazards which at the time are applicable to a first class office building of the construction and type built and operated by the Lessee under the Office Tower Ground Lease.

(b) The Lessee shall not, on the Lessee's own initiative or pursuant to the request or requirement of any third party, including any leasehold mortgagee, take out separate insurance concurrent in form or contributing in the event of loss with that required in this heading to be furnished by the Lessee, or increase the amounts of any then existing insurance by securing an additional policy or additional policies, without the prior approval of the Port Authority.

(c) All insurance provided for in this heading shall be written by companies authorized to do business in the State of New York and approved in advance by the Lessee and the Port Authority. At any time any policy shall be or become unsatisfactory to the Lessee or the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Lessee or the Port Authority, the Lessee shall obtain a new and satisfactory policy in replacement with a carrier approved by the Port Authority.

(d) Unless otherwise directed by the Port Authority, all policies of insurance required by this heading (except for Commercial General Liability, Automobile and Workers' Compensation Insurance) shall name the Port Authority, the Lessee and the Leasehold Mortgagee (with insurance clauses consistent with the provisions of the Office Tower Ground Lease) as the insureds, as their respective interests may appear. Each such policy or certificate of insurance 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 (and to the Leasehold Mortgagee if it shall have previously requested such notice) and an endorsement to the effect that the insurance as to the interest of the Port Authority shall not be invalidated by any act or negligence of the Lessee or any other insured. Each certificate of insurance shall have attached thereto an endorsement that the Port Authority (and the Leasehold Mortgagee if it shall have requested such notice) 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, as the same may be from time to time extended.

(e) Each liability policy of insurance shall contain a provision if obtainable 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.

(f) Loss, if any, under any of the above mentioned policies (except Worker's Compensation, Rent Insurance and Comprehensive General and Automobile Liability Insurance) shall be adjusted with the insurance company by the Lessee and the Port Authority (and the Leasehold Mortgagee required by the provisions of the Leasehold Mortgage) and payable to the Lessee except under the circumstances described in the next heading, in which event the proceeds shall be directly deposited in the Insurance Trustee's account described below; all proceeds payable to the Lessee shall be applied by the Lessee strictly and solely as elsewhere required under the provisions of the Office Tower Ground Lease.

Fire and Other Casualty

(a) If the premises or the Facility 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 premises and the Facility and any structures, improvements, fixtures and equipment, furnishings and physical property located thereon in accordance with the plans and specifications for the same as they existed prior to such damage or destruction or with the consent in writing of the Port Authority make such other repairs, replacements, changes or alterations as is mutually agreed to by the Port Authority and 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 the Office Tower Ground Lease.

However, if such damage or destruction occurs during the last five (5) years of the term of the letting, and the cost of rebuilding, restoration, repair or replacement shall exceed ten percent (10%) of the then full insurable value of the Facility and all structures, improvements, fixtures and equipment, furnishings and physical property located on the premises immediately prior to such damage or destruction (as such insurable value shall have been determined in accordance with the provisions of the Office Tower Ground Lease), the Lessee shall have the option of either:

(1) performing all rebuilding, restoration, repairs, replacements or alterations required, in accordance with the provisions of the Office Tower Ground Lease, or

(2) terminating the letting under the Office Tower Ground Lease in its entirety by written notice to the Port Authority 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 the Office Tower Ground Lease or under notice of termination from the Port Authority, and (ii) the Office Tower Ground Lease and the Facility or any construction, buildings, structures, improvements, fixtures and equipment, furnishings and physical property located on the premises are unencumbered by any mortgage, security interest, judgments, or other liens 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.

(b) In the event of termination pursuant to the provisions of subparagraph (a)(2) above, the Lessee shall not be entitled to any portion of the proceeds of fire insurance, boiler and pressure vessel insurance, war, risk insurance and rent or rental value insurance if any, all of which shall become the sole property of the Port Authority. There shall be no apportionment of any items of additional rent paid by the Lessee covering a period of time extending beyond the date of such termination. Upon the effective date of such termination, the Lessee shall surrender and deliver up the premises, the Facility and all structures, improvements, fixtures and equipment, furnishings and other property located on the premises into the possession and use of the Port Authority, subject, however, to the then physical condition and state of repair thereof. Upon such termination, surrender and removal, the Lessee shall be released and discharged from any and all obligations under the Office Tower Ground Lease other than those which shall have accrued prior to the date of such termination or shall mature on such date.

(c) Except as provided in subparagraph (a)(2) above, no destruction of, or damage to the whole or any part of the premises or to any part of the Facility or any 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 the Office Tower Ground Lease or shall relieve the Lessee from its liability to make payment of any monies, charges, fees or rentals or additional rentals payable under the Office Tower Ground Lease or from any of its other obligations under the Office Tower Ground Lease. The Lessee waives any rights conferred by statute or otherwise to quit or surrender the premises and terminate the Office Tower Ground Lease or any part thereof, or to any suspension, diminution, abatement or reduction of rent on account of any destruction or damage. Neither Section 227 of the Real Property Law of New York nor those of any other statute shall extend or apply to the Office Tower Ground Lease.

(d) If such damage or destruction is covered by insurance, then, such proceeds shall be made available for and applied 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 the Office Tower Ground Lease.

(e) In the event that for any single casualty the insurance proceeds referred to above do not exceed in the aggregate 3% applied to Gross Revenue for the Annual Period immediately preceding the date of the casualty, such proceeds shall be made available directly to the Lessee. In the event that the insurance proceeds exceed in the aggregate 3% of such Gross Revenue, the proceeds shall be deposited in an interest bearing account with a bank or trust company selected by the Lessee and approved by the Port Authority or with the Leasehold Mortgagee if such is required as a condition of the Leasehold Mortgage, or with an institution which qualifies as an Institutional Lender and has its principal office in New York County as selected by the Senior Leasehold Mortgagee if such is required by the senior Leasehold Mortgage (which bank or trust company or Leasehold Mortgagee is called the "Insurance Trustee") having its principal office in New York County and having a capital and surplus of at least $50,000,000 to be disbursed by the Insurance Trustee from time to time as work progresses. If the proceeds of insurance held by the Insurance Trustee shall be insufficient to pay the entire cost of such rebuilding or restoration, the Lessee will pay the deficiency.

(f) Upon receipt by the Insurance Trustee and the Port Authority of satisfactory evidence that the rebuilding or restoration has been completed and paid for in full and that there are no liens of the character referred to therein, any balance of the insurance money at the time held by the Insurance Trustee shall be paid to the Lessee. Any such excess proceeds including accrued interest shall be considered as Net Cash Flow (as between the Lessee and the Port Authority only) in the annual period received and divided between the parties as elsewhere in the Office Tower Ground Lease provided.

Business Development

The Lessee shall take all reasonable measures in every proper manner to maintain, develop and increase the rental of the premises to space tenants.

Signs and Names

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 in the premises or elsewhere at the Facility; provided, however, that on those interior portions of the premises not visible from outside the premises, the Lessee shall be permitted without the Port Authority's prior consent to erect, maintain and display such signs, lettering and displays as are generally displayed in first-class office buildings in New York City. Any name, designation or service mark proposed to be used for or displayed on the Facility shall be approved in advance by the Port Authority. Upon the expiration or termination of the Office Tower Ground Lease, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end, and the Port Authority or its designee shall have the sole right to use such name, designation or service mark.

Indemnity

(a) 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 cost 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 (i) any default of the Lessee in performing or observing any term or provision of the Office Tower Ground Lease, or (ii) the use or occupancy of the premises by the Lessee, or others with its consent (including but not limited to space tenants), or (iii) the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and other persons who are doing business with the Lessee or who are at the premises with its consent (including but not limited to space tenants) 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.

(b) 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 provision of any statutes respecting suits against the Port Authority.

Alterations and Improvements by the Lessee

Except as expressly required in the Office Tower Ground Lease or with the prior approval of the Port Authority, the Lessee, so long as title to the World Trade Center or the premises remains in the Port Authority, shall not make any alterations, improvements, repairs or modifications to the premises which are (i) structural in nature, or (ii) affect the building exterior or design or (iii) will interfere with or affect utility systems elsewhere at the World Trade Center which are tied into or connected with the Lessee's utility systems, or (iv) affect substantially any of the fire safety system components at the premises, including but not limited to fire

alarm systems, sprinkler systems, elevator recall systems and smoke alarm systems. If title to the World Trade Center or the premises is transferred by the Port Authority to a third party, then the Lessee shall not, without prior approval of the new owner, make any alterations, improvements, repairs and modifications affecting the structural integrity of the Facility, the exterior walls, interior bearing walls or the exterior appearance or design of the building above the plaza level.

In the event the Lessee is required (or is permitted) to perform any of the above described work, the Lessee shall submit to the Port Authority for its approval a TAA together with appropriate plans and specifications setting forth in detail the work which the Lessee proposes to perform, and the manner of and estimated time periods for performing such work. No such work shall be commenced by the Lessee until the TAA, and the plans and specifications forming a part thereof, covering such work have been finally approved by the Port Authority.

Termination

Events of Default

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 petition in bankruptcy or a petition or answer seeking an arrangement 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 one hundred twenty (120) 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, if the Lessee is a corporation, 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, or under authority of any legislative acts, resolution or rule, or 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 under the Office Tower Ground Lease or the interest or estate of the Lessee under the Office Tower Ground Lease 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 corporation, except as provided in the headings above entitled *"Sale, Assignment, Transfer or Subleasing"*, *"Leasehold Mortgages"* or *"Space Leases"*, or except upon the written consent of the Port Authority; or

(f) The failure of any purchaser of the Office Tower Ground Lease at a foreclosure sale of the Leasehold Mortgage or the Leasehold Mortgagee or anyone else to whom the Leasehold Mortgage has been assigned or transferred in lieu of foreclosure, to execute and deliver to the Port Authority the assumption agreement as provided in the Office Tower Ground Lease, or the failure of any such purchaser, assignee or

transferee to make payment of any deficiencies, delinquencies or other monies then due under the Office Tower Ground Lease from the Lessee or from the purchaser; or of the Lessee); or

(g) the Lessee if a corporation shall, without the prior consent of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution (except when the resulting corporation 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 available capital, its current assets its ratio of fixed assets to fixed liabilities, and its net worth shall be at least as favorable as that of the Lessee); or

(h) The Lessee, if a partnership, shall be dissolved as a result of any act or omission of its partners or any of them, or by operation of law or by order or decree of any court having jurisdiction or for any other reason whatsoever, provided, however, that the retirement, death, bankruptcy, insanity or other legal disability of any partner shall not constitute an event of default under the Office Tower Ground Lease, provided that the remaining partners (and if such remaining partners so elect, together with the heirs or legal representatives of any deceased or disabled partner who will then continue as partners) shall continue the partnership business as the same or a successor legal entity with the remaining partner or partners, and provided, further, that if the Lessee then be such a successor legal entity an instrument of assignment and assumption in the form set forth in the Office Tower Ground Lease shall be executed and delivered to the Port Authority. In either event the Lessee shall notify the Port Authority within thirty (30) days after the happening above stated with respect to any such partner and of its intention with respect to the continuance of the partnership business; or

(i) Any lien is filed against the premises, the Facility or the Building because of any act or omission of the Lessee and is not removed or discharged within ninety (90) days after the Lessee has received notice thereof; or

(j) The Lessee shall fail to complete the design, construction and equipping of the Facility as required under the Office Tower Ground Lease; or

(k) The premises are voluntarily abandoned, deserted or vacated 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 from conducting its operations in the premises due to the fault of the Lessee; or

(1) The Lessee shall fail duly and punctually to pay the rentals, fees, charges or other monies payable under the Office Tower Ground Lease when due to the Port Authority and such default shall continue for a period of thirty (30) days after notice thereof from the Port Authority to the Lessee; or

(m) The Lessee shall fail to keep, perform and observe each and every promise, covenant and agreement set forth in the Office Tower Ground Lease 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 shall, subject to causes and conditions beyond the Lessee's control, diligently continue such performance without interruption); or

(n) If the Office Tower Ground Lease shall require a guarantor of one or more of the Lessee's obligations under the Office Tower Ground Lease and any of the events described in subdivisions (a), (b), (c), (d), (g) or (h) above shall occur with respect to the guarantor (whether or not they shall also occur to or with respect to the Lessee);

then upon the occurrence of any such event (sometimes hereinafter called "event of default") and at any time thereafter during the continuance thereof, the Port Authority may, on twenty (20) days notice to the Lessee

specifying such event of default, terminate the letting, such termination to be effective upon the date specified in the notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation. The Port Authority recognizes the right of a leasehold mortgagee in such event to obtain a new lease as provided in the heading above entitled *"Leasehold Mortgages"*.

No Deemed Waiver

(a) 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 in any of the terms, covenants and conditions 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.

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

Rights of Termination Not Sole Remedy

The rights of termination described above shall be in addition to any other rights of termination provided in the Office Tower Ground Lease and in addition to any right and remedies that the Port Authority would have at law or in equity consequent upon any breach of the Office Tower Ground Lease by the Lessee (subject to express rights given the Leasehold Mortgagee in the Office Tower Ground Lease) and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies.

Lessee Not to Interpose Any Counterclaim

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, but this provision shall not be applicable if the Leasehold Mortgagee is the Lessee.

Right of Re-Entry

The Port Authority (subject to express rights given the Leasehold Mortgagee in the Office Tower Ground Lease) shall, as an additional remedy upon the giving of a notice of termination as provided in the heading above, 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 the Office Tower Ground Lease, and shall in no event constitute an acceptance of surrender.

Survival of the Obligation of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided above, 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 heading above entitled *"Right of Re-entry"*, all the obligations of the Lessee under the Office Tower Ground Lease 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 the Office Tower Ground Lease, and the amount or amounts of

damages or deficiency shall become due and payable 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.

(b) Immediately upon any termination or cancellation pursuant to the heading above entitled *"Termination"*, or upon any re-entry, regaining or resumption of possession in accordance with the heading above entitled *"Right of Reentry"*, 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:

(1) the amount of all unfulfilled monetary obligations of the Lessee under the Office Tower Ground Lease, excluding those set forth in paragraphs (3) and (4) of this paragraph (b), but including without limitation thereto, all sums constituting additional rental under the Office Tower Ground Lease and the 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;

(2) 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 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

(3) subject to the provisions of paragraph (c) below, on account of the Lessee's basic rental obligations the greater of the following amounts:

(i) an amount equal to the then present value of all basic rental payable under paragraph (a) of the subheading above entitled *"Rental Obligations — Operating Period Rental"* for the entire term following the effective date of termination; or

(ii) an amount equal to Six Dollars and Seventy-five Cents ($6.75) applied to the number of rentable square feet in the Facility 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 such calculation, the 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 Facility 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.

(4) subject to the provisions of paragraph (c) below on account of the Lessee's percentage rental obligation, an amount equal to the total of the percentage stated to be paid to the Port Authority in paragraphs (b), (c) and (d) under the subheading above entitled *"Rental Obligations — Operating Period Rental"* applied to the amount of Net Cash Flow 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 such calculation, the amount of Net Cash Flow shall be derived by multiplying the number of Annual Periods in the balance of the term by the Lessee's average annual Net Cash Flow 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 (due adjustment shall be made for Annual Periods of less than one year's duration).

The statement of damages under the preceding subparagraphs (3) and (4) 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 resumption of possession) where no rentable square feet have been used or occupied at the Facility or where the Lessee has not received any actual Net Cash Flow under the Office Tower Ground Lease.

(5) 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 Facility in the event that the Lessee has failed to perform or complete the same on or prior to the effective date of termination, regardless of whether or not such termination results from the failure of the Lessee to so perform or complete the same.

(c) 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 (1) and (2) of paragraph (b) above and separate actions periodically to recover from time to time only such portion of the damages set forth in subparagraphs (3) and (4) of paragraph (b) above 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 subparagraphs (3) and (4) of paragraph (b) 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 the Office Tower Ground Lease during such period if a termination or cancellation had not taken place. In determining present value of rental an interest rate of 5% per annum shall be used.

Reletting by the Port Authority

The Port Authority, upon termination pursuant to the heading above entitled *"Termination"* or otherwise or upon any re-entry, regaining or resumption of possession pursuant to the heading above entitled *"Right of 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 concession 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 under the Office Tower Ground Lease remaining, and on terms and conditions and for purposes the same as or different from those set forth in the Office Tower Ground Lease. The Port Authority shall also upon such termination or upon its re-entry, regaining or resumption of possession pursuant to the heading above entitled *"Right of Reentry"*, 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 the Office Tower Ground Lease, without affecting, altering or diminishing the obligations of the Lessee under the Office Tower Ground Lease. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right to use and occupy not being sufficient however), there shall be credited to the account of the Lessee against its survived obligations under the Office Tower Ground Lease any net amount remaining after deducting from the amount actually received from any Lessee, licensee, permittee or other occupier as the rental or fee for the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in the Office Tower Ground Lease 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 or such use and occupancy shall be or be construed to be an acceptance of a surrender.

Waiver of Redemption

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

Surrender

The Lessee shall yield and deliver peaceably to the Port Authority possession of the premises and all Facility construction, buildings, structures, improvements and fixtures thereon on the date of the cessation of the letting under the Office Tower Ground Lease whether such cessation be by termination, expiration or otherwise, promptly and in first class operating order, condition and appearance (except upon termination due to fire or other casualty as provided above under the heading entitled *"Fire and Other Casualty"*) and all of such premises and Facility construction, buildings, structures, improvements and fixtures shall be free and clear of all liens, encumbrances, security interests and of any rights of any space tenants or occupants of the premises, except as may have been previously expressly agreed to by the Port Authority.

Removal of Facility Property

Unless the same are required for the performance by the Lessee of its obligations under the Office Tower Ground Lease, the Lessee shall have the right at any time during the letting to remove from the premises, and on or before the expiration or earlier termination of the letting, shall so remove its equipment, removable fixtures and other personal property, and all property of third persons for which it is responsible (including but not limited to space tenants) repairing all damages caused by such removal. If the Lessee shall fail to remove such property on or before the termination or expiration of the letting, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, 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 or the owner of the property. If the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

Rights of Entry Reserved

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 the Office Tower Ground Lease, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under the Office Tower Ground Lease or otherwise.

The Port Authority shall also have the right to maintain all existing and future duct, drain, utility, mechanical, electrical and other systems (including all lines, conduits and pipes therefor) at the premises and to enter upon the premises at all reasonable times to perform such maintenance, repairs, replacements or alterations

Acceptance of Surrender of Lease

No agreement of surrender or to accept a surrender shall be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representatives of the Port Authority, of the Leasehold Mortgagee, and of the Lessee.

Quiet Enjoyment

The Lessee, upon paying all rentals under the Office Tower Ground Lease and performing all the covenants, conditions and provisions of the Office Tower Ground Lease on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the premises free of any act or acts of the Port Authority or any successor landlord except as permitted in the Office Tower Ground Lease. The Port Authority's liability under the Office Tower Ground Lease shall obtain only so long as it remains the owner of the premises.

Additional Rent and Charges

If the Lessee shall fail or refuse to perform any of its obligations under the Office Tower Ground Lease, the Port Authority, in addition to all other remedies available to it, shall have the right to perform any of the same and the Lessee shall pay the Port Authority's cost thereof on demand. If the Port Authority had paid any sum or sums or has incurred any obligations, expense or cost 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, expense or cost 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 the Office Tower Ground Lease, or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, including any legal expense or cost in connection with any actions or proceeding brought by the Port Authority against the Lessee or by third parties against the Port Authority, the Lessee agrees to pay the sum or sums so paid or the expense and the Port Authority's cost so incurred, including all interest costs, damages and penalties, and the same may be added to any installment of rent thereafter due under the Office Tower Ground Lease 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 Office Tower Ground Lease.

"Cost" or "costs" of the Port Authority in the Office Tower Ground Lease shall mean and include (1) payroll costs including but not limited to contributions to the retirement system, or the cost of participation in other pension plans or systems, insurance costs, sick leave pay, holiday, vacation, authorized absence pay or other fringe benefits; (2) cost of materials, supplies and equipment used (including rental thereof); (3) payments to contractors; (4) any other direct costs; and (5) 35% of the foregoing.

Remedies to be Non-Exclusive

All remedies provided in the Office Tower Ground Lease shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any remedy available to the Port Authority at law or in equity. In the event of a breach or threatened breach by the Lessee of any term, covenant, condition or provision of the Office Tower Ground Lease, the Port Authority shall have the right of injunction and the right to invoke any other remedy allowed by law or in equity as if termination, re-entry, summary proceedings and any other specific remedies including without limitation thereto, indemnity and reimbursement, were not mentioned in the Office Tower Ground Lease, and neither the mention thereof nor the pursuance or exercise or failure to pursue or exercise any right or remedy shall preclude the pursuance or exercise of any other right or remedy.

Rules and Regulations

So long as the Port Authority is the owner of the World Trade Center, the Lessee shall observe and obey, and compel its officers, employees, agents, representatives, contractors, customers and invitees to observe and obey, such reasonable rules and regulations for the government of the conduct and operations of the Lessee as may from time to time be promulgated by the Port Authority. Nothing in any such rule or regulation shall be construed to preclude the Lessee from performing its operations under the Office Tower Ground Lease in accordance with the terms of the Office Tower Ground Lease, and in the event that any such Rule or Regulation, or any part thereof, is inconsistent with the rights granted to the Lessee under the Office

Tower Ground Lease or prevents the use of the premises for the purposes stated under the Office Tower Ground Lease, then, only to the extent of such inconsistency, it shall not apply to the Lessee, its agents, employees or invitees; but nothing contained in this heading shall limit the effectiveness of any rule or regulation promulgated by the Port Authority for reasons of safety, health or preservation of property at the Facility.

Condemnation

Definitions

(a) The phrase "temporary interest" shall mean an interest entitling the owner of such interest to the possession of the premises (whether or not such interest includes or is coextensive with the interest of the Lessee under the Office Tower Ground Lease), 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.

(b) The phrase "permanent interest," shall mean an interest entitling the owner of such interest to possession of the premises other than a temporary interest as above defined.

(c) The phrase "substantially all of the improvements" shall mean and refer to a taking wherein the remaining part of the Facility and premises not so taken cannot be adequately restored, repaired or reconstructed so as to constitute a complete and, based upon based solely on the portion of the Facility Improvements not taken, economically viable unit; should the Port Authority and the Lessee be unable to agree as to whether the part not taken is susceptible of adequate restoration, repair or reconstruction as aforesaid, such controversy shall be determined by arbitration.

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

(a) Upon the 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 Facility thereon (any such acquisition being referred to as a "permanent taking"), the Port Authority, the Lessee and the permanent leasehold mortgagee shall have the right to participate in any such condemnation proceeding for the purpose of protecting their interests under the Office Tower Ground Lease. Each party so participating shall pay its own expenses. In any such proceeding to determine the value of the land or the Facility improvements thereon, the Port Authority and the Lessee shall together make one claim for an award for their combined interest in the land, the improvements and the personal property therein (to the extent compensable) and the net award received shall be paid as hereinafter provided in this heading.

(b) In the event a permanent taking covers all or substantially all of the improvements, the Office Tower Ground Lease and the letting thereunder shall terminate and expire on the earlier of (1) the date the Lessee is deprived of physical possession of the improvements or (2) the date of such taking; all rentals, fees and payments due under the Office Tower Ground Lease shall be apportioned and paid by the Lessee to the date of such termination.

(c) In the event a permanent taking covers less than all or substantially all of the Facility improvements, the Office Tower Ground Lease and the term of the letting thereunder shall be deemed terminated as to the part so taken as of the earlier of (1) the date the Lessee is deprived of physical possession of such part of the improvements, or (2) the date of such taking; with respect to the part not taken the letting shall continue in full force and effect (subject to the provisions of subparagraph (e) below) and the Lessee shall continue to pay all sums, charge and fees, including rental provided to be paid by Lessee under the Office Tower Ground Lease, without any reduction or abatement.

(d) If the Facility improvements shall be damaged or partially destroyed by any permanent taking of less than all or substantially all thereof, the Lessee shall give the Port Authority prompt notice thereof and

shall proceed with diligence (except under the circumstances described in subparagraph (e) below) to perform any necessary demolition and to repair, replace or rebuild at the Lessee's own cost and expense any remaining part of the improvements so as to constitute such remaining part a complete and, based upon based solely on the portion of the Facility Improvements not taken, economically viable unit, for the operation therein of a first class office building, unless the parties to the Office Tower Ground Lease shall otherwise agree in advance. All work necessary to repair, replace and rebuild the Facility shall be performed in full compliance with the provisions of the Office Tower Ground Lease, including, but not limited to, those covering alterations and improvements by the Lessee.

(e) In the event of a permanent taking of less than substantially all of the improvements effective during the last five years of the term of the letting thereunder, the Lessee shall have the right to cancel the Office Tower Ground Lease in its entirety upon notice to the Port Authority given within thirty (30) days after such taking; such termination to be effective upon said notification by the Lessee to the Port Authority and to have the same effect as if the term of the letting had expired on such effective date except that the Lessee shall have no obligation to repair or restore the improvements, and the Port Authority shall be entitled to receive and retain the full amount of any and all award therefor, free of any claim of the Lessee or any other party claiming through the Lessee and to keep and retain the improvements and all contents thereof.

Taking of a Temporary Interest

If a temporary interest in the premises or the Facility improvements or in any part thereof shall be taken in or by condemnation or other eminent domain proceedings (such taking being referred to as "a temporary taking"), then the Office Tower Ground Lease 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 the Office Tower Ground Lease without any reduction or abatement therein. If such temporary taking is of a part only and the same shall damage the premises or improvements, the Lessee, at its cost and expense, shall diligently repair any such damage so that, after the completion of such repairs, the premises and the Facility improvements shall be as nearly as possible in the condition thereof immediately prior to such taking. The cost of such repairs shall be included as an item of Gross Expenses under the Office Tower Ground Lease.

Sharing and Distribution of Award

The rights of the Port Authority and the Lessee in and to the net award or awards upon any permanent or temporary taking of the Premises or any portion thereof shall be determined as follows and in the following order of priority:

(a) In the event of a permanent taking of all or substantially all of the premises and Facility, the Port Authority shall first be entitled to receive the sum of Eighteen Million Dollars and No Cents ($18,000,000.00); the Lessee shall be entitled to receive out of the balance of the award an amount equal to the sum of the following: (1) the remaining unpaid principal amount due to the Leasehold Mortgagee as of the effective date of such taking; and (2) a sum determined by subtracting the Mortgage Amount from the Lessee's initial cost of construction of the Facility (as said term is defined in the Office Tower Ground Lease) and the Lessee's cost of capital improvements thereafter. The portion of the Lessee's award representing the remaining unpaid principal amount due the Leasehold Mortgagee shall be paid to said mortgagee by the Lessee and the Leasehold Mortgage shall be satisfied and discharged of record. Any portion of the award remaining after the foregoing payments shall be divided between the Port Authority and the Lessee on the basis of 40% thereof to the Port Authority and 60% thereof to the Lessee;

(b) In the event of a permanent taking of less than all or substantially all of the premises and Facility improvements, the award upon any such taking shall be determined and distributed in accordance with the following:

(1) The Port Authority shall be entitled to receive and retain such portion of the award as shall be equal to Eighteen Million Dollars and No Cents ($18,000,000.00) multiplied by a fraction the numerator of which shall be the number of square feet in the premises taken pursuant to such taking and the denominator of which shall be the total number of square feet immediately prior to such taking;

(2) The balance of the net award shall be used for the repair or rebuilding of the Facility. Any portion of the award not used for the repair or rebuilding of the Facility shall be distributed as follows: The Lessee shall be entitled to retain out of such balance an amount equal to the Lessee's initial cost of construction (as defined in the Office Tower Ground Lease) multiplied by a fraction the numerator of which shall be the number of square feet in the Facility improvements taken pursuant to such taking and the denominator of which shall be the total number of square feet originally included therein; any balance of the net award remaining after the payments referred to herein shall be divided between the Port Authority and the Lessee as aforesaid.

(c) In the event of a temporary taking of all or any portion of the premises or of the Facility improvements, 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 original term of the letting which portion shall be paid to and retained solely by the Port Authority. The portions of the award received by the Lessee shall be distributed between the Lessee and the Port Authority as if such sum were Net Cash Flow occurring 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 paid to the Insurance Trustee pursuant to the provisions of the next heading to be allocated on a pro-rata basis to each Annual Period in the period of the temporary taking, and to be distributed between the Lessee and the Port Authority as though it were Net Cash Flow.

Fund For Repairs and Distribution

(a) In the event of a permanent taking of less than all or substantially all of the premises and Facility improvements as a result of which it is necessary for the Lessee to perform demolition, repair, replacement or rebuilding, the portion of any award receivable by the Lessee therefor shall be held by the Insurance Trustee in trust to apply the same to the cost and expense of the demolition, repair, replacement and rebuilding; provided, however, that if the estimated cost of such work shall be less than Two Hundred Fifty Thousand Dollars and No Cents ($250,000.00), no such deposit shall be required. The portion of the award deposited with the Insurance Trustee shall be subject to withdrawal upon the joint signature of the Lessee and the Port Authority, and shall be deposited in an interest bearing account with the interest thereon payable to the Port Authority and the Lessee as their interest in the award appear. In the event. the cost of the repairs exceeds the amount held by the Insurance Trustee, the Lessee shall pay such deficiency. Any excess in the fund after completion of all repairs shall be distributed in accordance with the provisions of paragraph (b) of the heading above entitled *"Sharing and Distribution of Award"*.

(b) In the event any award for a temporary taking shall be paid in a lump sum, such award shall be paid to the Insurance Trustee (as trustee) which shall hold the same in trust (with any interest earned thereon to be shared by the Port Authority and the Lessee), and shall disburse the sums due to the Port Authority and the Lessee respectively under paragraph (c) of the heading above entitled *"Sharing and Distribution of Award"*. Any portion of the award representing any period of the taking subsequent to the original term of the letting shall be paid solely to the Port Authority. If such temporary taking results in changes or alteration to the Facility improvements which would necessitate an expenditure, after repossession, to restore the same to its former condition, and the award or payment for such temporary taking includes an amount of compensation for such expenditure, then the amount of such award or payment specified as compensation for the expense of such restoration shall be paid to the Insurance Trustee, and if possession shall revert to the Lessee during the term of the Office Tower Ground Lease, such amount shall be applied by the Lessee solely to the cost of such restoration. If possession shall not revert to the Lessee prior to expiration of the term of the letting, such amount shall, on the effective date of expiration, be paid to the Port Authority. In the event that the portion of

such award which is to compensate for expenditures after reversion of possession is not specified, and the parties are unable to agree upon the amount of such portion within thirty (30) days after the award is made, the dispute shall be submitted to an arbitrator in accordance with paragraph (c) below.

(c) In the event of a disagreement between the parties as to whether or not any taking is of substantially all of the Facility improvements, or as to the portion of any award or payment for a temporary taking which represents compensation for the expense of restoration, after repossession by the Lessee or the Port Authority, either party may, within 30 days after such 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. 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.

Payments

No payment by the Lessee or receipt by the Port Authority of a lesser rental or other amount than that which is due and payable under the provisions of the Office Tower Ground Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest rental (or other actual amount 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 other amount or to pursue any other remedy provided in the Office Tower Ground Lease or by law.

Utilities and Services

The Lessee agrees that the Port Authority will not provide any services or utilities of any kind to the Lessee.

Estoppel Certificates

(a) The Lessee shall, without charge, at any time and from time to time, 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:

(1) that the Office Tower Ground Lease 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;

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

(3) the date, if any, to which the rental and other charges under the Office Tower Ground Lease have been paid.

(b) The Port Authority shall, without charge, at any time from time to time, within ten days after request by the Lessee or any Leasehold Mortgagee, certify by written instrument, duly executed, acknowledged and delivered, to the Lessee or any Leasehold Mortgagee or any other person, firm or corporation specified by the Lessee or any Leasehold Mortgagee:

(1) that the Office Tower Ground Lease 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;

(2) that the Port Authority, to the best of its knowledge, knows of no condition or event which constitutes a default under the Lessee's or any Leasehold Mortgagee's obligations under the Office Tower Ground Lease, 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

(3) the dates, if any, to which the rental and other charges under the Office Tower Ground Lease have been paid.

Lessee's Right to Extend the Letting

(a) During the first six (6) months of the last year of the initial term of the letting, if the letting shall then be in full force and effect, the Port Authority shall submit to the Lessee an offer to renew the term of the letting for a single additional twenty year term after the expiration date of the letting provided for, the offer to include the rental for such twenty year renewal period, such rental to be the fair market rental for the premises as determined by the Port Authority.

(b) In the event that the term of the letting has been extended pursuant to paragraph (a) above, then, during the first six (6) months of the last year of such twenty year extension, if the letting shall then be in full force and effect, the Port Authority shall submit to the Lessee an offer to renew the term of the letting for a single additional twenty year term after the expiration date of the letting as so extended by paragraph (a) above, the offer to include the rental for such twenty year renewal period, such rental to be the fair market rental for the premises as determined by the Port Authority.

(c) In the event that the term of the letting has been extended pursuant to paragraph (b) above, then, during the first six (6) months of the last year of such twenty year extension, if the letting shall then be in full force and effect, the Port Authority shall submit to the Lessee an offer to renew the term of the letting for a single additional twenty year term after the expiration date of the letting as extended by paragraph (b) above, the offer to include the rental for such twenty year renewal period, such rental to be the fair market rental for the premises as determined by the Port Authority.

(d) In the event the Port Authority shall have failed to submit to the Lessee an offer as provided in paragraphs (a), (b) or (c) above, the Lessee shall notify the Port Authority of such fact within two months after the expiration of the period within which the Port Authority is obligated to submit such offer. The Port Authority shall thereafter have a period of three months within which to submit to the Lessee such offer (such period being called the "Additional Offer Period"). If (i) the Lessee concludes that the rental set forth in any of the Port Authority's renewal offers pursuant to paragraphs (a), (b) or (c) above, or, during the Additional Offer Period, this paragraph (d), is unreasonable or (ii) the Port Authority shall have failed to submit to the Lessee an offer within the time periods set forth in paragraphs (a), (b) or (c) above, or the Additional Offer Period, as the case may be, the Lessee may, by notice to the Port Authority given within thirty (30) days after receipt of the offer of renewal or within thirty (30) days after the expiration of the Additional Offer Period, as the case may be, request arbitration.

(e) In determining fair market rental pursuant to paragraph (d) above, the arbitrators shall first determine the appraised value of the premises. "Appraised value of the premises" shall mean the value of the premises under the Office Tower Ground Lease, considered as vacant, unimproved and unencumbered by the Office Tower Ground Lease or the lien of any mortgage or other charge, and assuming that the highest and-best use of the premises is a building containing the rentable square footage of the Facility; provided, however, if at the time of such appraisal, construction of a building in excess of the rentable square footage of the Facility could, under applicable zoning regulations, be constructed on the premises, the highest and best use of

the premises shall be based upon the zoning applicable to the premises then in effect. The appraised value of the premises shall be determined as of the time of the arbitration proceedings. If at the time of the determination of the appraised value of the premises, the Port Authority is the fee owner of the premises, the arbitrators shall take into account the tax exempt status of the premises, the payments in-lieu of taxes required to be made by the Lessee pursuant to the provisions of the Office Tower Ground Lease, and the status and immunity of the Port Authority as it existed on the commencement date of the letting under the Office Tower Ground Lease (such tax exempt status, payments and status and immunity being herein called the "Port Authority's Status and Immunities"). The value attributable to the Port Authority's Status and Immunities shall be set forth by the arbitrators. "Fair market rental" shall mean the percentage of the appraised value of the premises that should be paid to the Port Authority as an annual rental during each year of the renewal period, which annual rental at the time of the arbitration proceedings would constitute for the twenty year renewal term a fair market rate of return to the owner of the fee of the premises demised by the Office Tower Ground Lease.

(f) If the Lessee requests arbitration and fails to notify the Port Authority in writing within forty-five (45) days after the rendering of the arbitrators' decision that the Lessee elects to extend the term of the letting, then the term of the letting shall not be extended beyond the original expiration date or if the letting has been previously extended, then the letting shall not be extended beyond the expiration date set forth in the Port Authority's last previous offer accepted by the Lessee. Notwithstanding the foregoing, if the arbitrators' decision is rendered with less than forty-five (45) days remaining in the term of the letting then the term of the letting shall be extended beyond the expiration date for an additional period of forty-five (45) days from the date the arbitrators render their decision.

(g) If the Lessee requests arbitration and notifies the Port Authority in writing that the Lessee elects to extend the term of the letting within forty-five (45) days after the rendering of the arbitrators' decision, then the rental for the renewal period shall be determined as follows:

(1) if the arbitrators' decision is that the rental offered by the Port Authority is the fair market rental for the premises, then the rental for the renewal period shall be such fair market rental; and

(2) if the arbitrators' decision is that the rental offered by the Port Authority is not the fair market rental, then the rental for the renewal period shall be the fair market rental determined by the arbitrators; provided, however, that the Port Authority may elect for any renewal period, by written notice to the Lessee given within thirty (30) days of receipt of the arbitrators' decision of fair market rental, to institute for the renewal period in question the basic and percentage rentals set forth in the Office Tower Ground Lease, and in such case the rental for the renewal period shall be the basic and percentage rental as set forth in the Office Tower Ground Lease.

(h) If the Lessee does not request arbitration within thirty (30) days after receipt of the Port Authority's offer made pursuant to paragraphs (a), (b), (c) or (d) above, as the case may be, then the Lessee may not request arbitration thereafter, and the Lessee shall have sixty (60) days from the date it receives the Port Authority's offer to extend the term of the letting by unconditional written acceptance thereof subscribed by an executive officer of the Lessee. If the Lessee fails to request arbitration within thirty (30) days after receipt of the Port Authority's offer and fails to notify the Port Authority in writing within sixty (60) days after receipt of said offer that it elects to extend the term of the letting, then the term of the letting shall expire on the original expiration date stated in the Office Tower Ground Lease or if the letting has been previously extended, then the letting shall not be extended beyond the expiration date set forth in the Port Authority's last previous offer accepted by the Lessee.

(i) The Lessee shall continue to pay during any renewal period, in addition to the rental, any and all fees, charges and taxes which may be provided for in the Office Tower Ground Lease.

(j) Arbitration pursuant to this heading shall be by three arbitrators; one being appointed by the Port Authority, one being appointed by the Lessee and the third being appointed by the other two arbitrators. In the event the arbitrator appointed by the Port Authority and the arbitrator appointed by the Lessee cannot, within thirty (30) days after their appointment, agree on the appointment of the third arbitrator, then such third neutral arbitrator shall be appointed in accordance with the then existing rules of the American Arbitration Association. Arbitration shall be in accordance with the then existing rules of the American Arbitration Association or any successor association. Each party shall pay the costs of the arbitrator such party selects, the cost of the third arbitrator to be borne equally by the Port Authority and the Lessee.

(k) Notwithstanding the above, the Port Authority shall not be required to submit an offer to renew (nor shall the Lessee have any renewal rights) if, at the time such offer would have been due, the Lessee is under a notice of termination from the Port Authority or if any of the grounds therefor specified in paragraphs (a), (b), (c) or (d) under the heading above entitled *"Termination"*.

(l) To the extent the premises shall be encumbered by a Leasehold Mortgage, the duration of which Leasehold Mortgage shall extend into the proposed renewal period, the Port Authority shall (1) deliver to such Leasehold Mortgagee, concurrently with the delivery to the Lessee, copies of its offer and all other notices required to be given by the Port Authority under this heading, (2) permit such Leasehold Mortgagee to present evidence, including witnesses, in any arbitration provided for in this heading, and (3) in the event the Lessee shall not have extended the term of the letting, enter into a new lease with such Leasehold Mortgagee in the same manner and subject to the same terms and conditions as provided under the heading above entitled *"Leasehold Mortgages"* in the event of termination of the Office Tower Ground Lease, provided such Leasehold Mortgagee shall have requested the Port Authority to do so by notice to the Port Authority given within thirty (30) days after the Port Authority shall have notified such Leasehold Mortgagee that the Lessee has not elected to renew the term of the letting."

(m) Provided (1) the Port Authority was the fee owner of the premises on the date of a determination of the rental by the arbitrators for a renewal period, and (2) the rental for such renewal period was the fair market rental determined by the arbitrators, then, if at any time during the remainder of such renewal period the Port Authority ceases to be the fee owner of the premises, commencing on the date the Port Authority ceases to be the fee owner of the premises and continuing for the remainder of such renewal period, the rental shall be adjusted by deducting from the appraised value of the premises which was used in determining the fair market rental for the renewal period, an amount equal to the value attributable to the Port Authority's Status and Immunities. The provisions of this paragraph (m) shall not be applicable in the event the Port Authority shall have elected pursuant to the Office Tower Ground Lease to institute for the renewal period in question the basic and percentage rentals set forth in the Office Tower Ground Lease.

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 Lessee with any liability or held personally liable under any term or provision of the Office Tower Ground Lease or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

Force Majeure

The Port Authority shall not be deemed to be in violation of the Office Tower Ground Lease if it is prevented from performing any of its obligations under the Office Tower Ground Lease by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which are not within its control.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RECIPROCAL EASEMENT AGREEMENT

The following is a brief summary of certain provisions of the Reciprocal Easement Agreement. This summary does not purport to be comprehensive or complete, and reference is made to the Reciprocal Easement Agreement for full and complete statements of all such provisions.

Defined Terms

Whenever used in the Agreement and the Exhibits thereto the following terms shall have the meanings specified below unless the context otherwise requires:

"Adverse Effect" shall have the meaning set forth under the heading below entitled *"Limitation of Use of Easement"*.

"Agreement" shall mean the Reciprocal Easement Agreement made the 15th day of March, 2005 (the "Agreement"), by and between the Tower 7 Lessee and Con Edison.

"Allocation Standards" shall mean the standards and methodology agreed to by the Tower 7 Lessee and Con Edison with respect to the allocation of costs and expenses for each element of the New Building in connection with the site preparation and initial construction thereof.

"Annual Operating Statement" shall have the meaning set forth in the subheading below entitled *"Cost Allocations and Cost Sharing - Common Area Maintenance Expenses Incurred by Tower 7 Lessee"*.

"Annual Reconciliation Statement" shall have the meaning set forth in the subheading below entitled *"Cost Allocations and Cost Sharing-Common Area Maintenance Expenses Incurred by Tower 7 Lessee"*.

"Arbitration Election Notice" shall have the meaning set forth under the heading below entitled *"Arbitration"*.

"Arbitration Panel" shall have the meaning set forth under the subheading below entitled *"Arbitration - Appointment of Arbitrators and Procedure"*.

"Common Areas" shall mean, in each case as more particularly shown in the New Building Plans and Specifications, (i) the curbs and sidewalks surrounding the New Building, (ii) all elements of the support structure of the New Building, and (iii) all demising walls which separate the Tower 7 Premises and the Con Edison Premises.

"Con Edison" shall mean Consolidated Edison Company of New York, Inc., a New York corporation.

"Con Edison Ground Lease" shall mean the Restated and Amended Agreement of Lease to be entered into between the Port Authority, as ground lessor, and Con Edison, as ground lessee.

"Con Edison Parking Area" shall mean the parking area situated next to the Tower 7 Loading Docks and more particularly shown by Exhibit to the Agreement.

"Con Edison Premises" shall mean the rebuilt Prior Con Edison Premises in accordance with the New Building Plans and Specifications.

"Default" shall have the meaning set forth under the subheading below entitled *"Operation of the New Building - Remedies for Adverse Effects"* hereof.

"Depositary" shall mean the institution appointed pursuant to the heading below entitled *"Depositary"*.

"Dispute Election Period" shall have the meaning set forth in the subheading below entitled *"Operation of the New Building - Remedies for Adverse Effects"*.

"Emergency" shall mean a situation (i) involving imminent danger to life, limb or property or (ii) which prevents the Tower 7 Lessee from operating the Tower 7 Premises, or Con Edison from operating the Con Edison Premises, in the normal course and manner that each is intended to be operated.

"Emergency Work" shall have the meaning set forth in paragraph (e)(i) under the subheading below entitled *"Damage to the Structure - Repair and Restoration"*.

"Environmental Claim" shall mean any claim, action, cause of action, investigation or written notice by any Person alleging potential liability (including potential liability for investigatory costs, cleanup costs, natural resource damages, property damages, personal injuries or penalties) arising out of, based upon or resulting from (i) the presence or release into the environment of any Hazardous Materials from or at the New Building, or (ii) the violation, or alleged violation, of any Environmental Law relating to the New Building.

"Environmental Law" shall mean any federal, state or local statute, regulation or ordinance or any judicial or administrative decree or decision, whether now existing or hereinafter enacted, promulgated or issued, with respect to the protection of human health, or the environment, or any Hazardous Materials, drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water run-off, waste emissions or wells. Without limiting the generality of the foregoing, the term shall encompass each of the following statutes, and regulations promulgated thereunder, and amendments and successors to such statutes and regulations, as may be enacted and promulgated from time to time: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified in scattered sections of 26 U.S.C.; 33 U.S.C.; 42 U.S.C. and 42 U.S.C. §9601 et seq.) (ii) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.); (iii) the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.); (iv) the Toxic Substances Control Act (15 U.S.C. §2061 et seq.); (v) the Clean Water Act (33 U.S.C. §1251 et seq.); (vi) the Clean Air Act (42 U.S.C. §7401 et seq.); (vii) the Safe Drinking Water Act (21 U.S.C. §349; 42 U.S.C. §201 and §300f et seq.); (viii) the National Environmental Policy Act of 1969 (42 U.S.C. §4321); (ix) the Superfund Amendment and Reauthorization Act of 1986 (codified in scattered sections of 10 U.S.C., 29 U.S.C., 33 U.S.C. and 42 U.S.C.); and (x) Title III of the Superfund Amendment and Reauthorization Act (40 U.S.C. §1101 et seq.).

"Excluded Property" shall mean (i) furniture, furnishings, fixtures or other personal property which are located in the lobbies or common areas of the New Building, and which do not constitute part of the New Building, (ii) furniture, furnishings, fixtures (including machinery and equipment) of Con Edison located in the Con Edison Premises, and (iii) furniture, furnishings, fixtures or other personal property which are located in space demised to space tenants at the Tower 7 Premises.

"Fitch" shall have the meaning set forth under the heading below entitled "*Depositary*".

"Governmental Agency" shall mean any court, board, agency, commission, office or other authority of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city or otherwise) including, without limitation, the Port Authority, and in all cases, whether now or hereafter in existence.

"Hazardous Materials" shall mean each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under any Environmental Law. Without limiting the generality of the foregoing, the term shall mean and include:

(i) "hazardous substances" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendment and Reauthorization Act of 1986, or Title III of the Superfund Amendment and Reauthorization Act, each as amended, and regulations promulgated thereunder; excluding,

however, common maintenance and cleaning products regularly found at properties with a standard of operation and maintenance comparable to the New Building;

(ii) "hazardous waste" and "regulated substances" as defined in the Resource Conservation and Recovery Act of 1976, as amended, and regulations promulgated thereunder;

(iii) "hazardous materials" as defined in the Hazardous Materials Transportation Act, as amended, and regulations promulgated thereunder; and

(iv) "chemical substance or mixture" as defined in the Toxic Substances Control Act, as amended, and regulations promulgated thereunder.

"Indemnifying Lessee" shall have the meaning set forth under the subheading below entitled "*Indemnity - Indemnification*".

"Independent Architect" shall mean any registered architects or architectural firms selected by a Lessee and reasonably approved by the other Lessee.

"Land" shall mean the parcel of land commonly known as 7 World Trade Center and more particularly described in Exhibit attached to the Agreement.

"Laws" shall mean all statutes, rules, ordinances, codes and regulations and legal requirements and standards issued thereunder of general application, now or hereafter enacted or promulgated, of (i) the United States of America, (ii) the State of New York, (iii) The City of New York and (iv) the Port Authority.

"Lessee" shall mean Con Edison, or the Tower 7 Lessee, individually, as the context shall require.

"Lessees" shall mean Con Edison and/or the Tower 7 Lessee, collectively, as the context shall require.

"Maintenance" as the context shall require, shall include maintenance (including, but not limited to, painting), inspection (including, but not limited to, inspection for the purpose of meter reading), testing, repair, replacement, restoration and/or cleaning (including, but not limited to, washing).

"Maintenance Expenses" shall have the meaning set forth under the subheading below entitled "*Cost Allocations and Cost Sharing - Maintenance and Capital Expenses*".

"Mechanical Room" shall mean that certain space shown on the New Building Plans and Specifications and identified as the *"Mechanical Room"*.

"Moody's" shall have the meaning set forth under the heading below entitled "*Depositary*".

"New Building" shall mean the Con Edison Premises together with the Tower 7 Premises.

"New Building Plans and Specifications" shall mean the plans and specifications for the New Building listed by Schedule to the Agreement, as such plans and specifications may be amended from time to time to reflect changes made during the course of construction, or to reflect a permissible alteration made pursuant to the Agreement. Such plans upon completion of the New Building shall be "as-built" plans.

"Non-Discretionary Expenditures" shall mean expenditures payable for increases over the amount set forth in the Annual Operating Statement for utilities, insurance premiums and labor costs.

"Notice of Breach" shall have the meaning set forth under the subheading below entitled "*Operation of the New Building - Remedies for Adverse Effects*".

"Operating Year" shall mean any calendar year.

"PA Use Permit" shall have the meaning set forth under the heading below entitled "*Use of Con Edison Premises and Tower Premises*".

"Permitted Investments" shall mean the following, subject to qualifications hereinafter set forth:

(i) obligations of, or obligations guaranteed as to principal and interest by, the U.S. government or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America;

(ii) federal funds, unsecured certificates of deposit, time deposits, banker's acceptances, and repurchase agreements having maturities of not more than 365 days of any bank, the short-term debt obligations of which are rated A-1+ (or the equivalent) by S&P, it being understood that the A-1+ benchmark rating and other benchmark ratings in the Agreement are intended to be the ratings, or the equivalent of ratings, issued by S&P;

(iii) deposits that are fully insured by the Federal Deposit Insurance Corp.;

(iv) debt obligations that are rated AA (or the equivalent) by either S&P or Moody's having maturities of not more than 365 days;

(v) commercial paper rated A-1+ (or the equivalent) by each of S&P and Moody's; and

(vi) investment in money market funds rated AAAm or AAAm-G (or the equivalent) by each of S&P and Moody's.

Notwithstanding the foregoing, "Permitted Investments" (i) shall exclude any security with the S&P's "r" symbol (or any other rating agency's corresponding symbol) attached to the rating (indicating high volatility or dramatic fluctuations in their expected returns because of market risk), as well as any mortgage-backed securities and any security of the type commonly known as "strips"; (ii) shall not have maturities in excess of one year; (iii) shall be limited to those instruments that have a predetermined fixed dollar of principal due at maturity that cannot vary or change; and (iv) shall exclude any investment where the right to receive principal and interest derived from the underlying investment provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment. Interest may either be fixed or variable, and any variable interest must be tied to a single interest rate index plus a single fixed spread (if any), and move proportionately with that index. No investment shall be made which requires a payment above par for an obligation if the obligation may be prepaid at the option of the issuer thereof prior to its maturity. All investments shall mature or be redeemable upon the option of the holder thereof on or prior to the earlier of (x) three months from the date of their purchase or (y) the business day preceding the day before the date such amounts are required to be applied under the Agreement.

"Port Authority" shall mean The Port Authority of New York and New Jersey, a body corporate and politic created by compact between the States of New York and New Jersey to which the Congress of the United States has consented.

"Premises" shall mean the Con Edison Premises and/or the Tower 7 Premises, individually or collectively, as the context shall require.

"Prior Building" shall mean the Prior Tower 7 Premises together with the Prior Con Edison Premises.

"Prior Con Edison Ground Lease" shall mean the Ground Lease dated as of December 31, 1980 between the Port Authority, as lessor, and the Tower 7 Lessee, as lessee, whereby the Tower 7 Lessee is the holder of certain leasehold interests in the Land pursuant to which the Tower 7 Lessee constructed, owned and operated the Prior Tower 7 Premises.

"Prior Con Edison Premises" shall mean the electrical sub-stations on the Land that Con Edison constructed, owned and operated pursuant to the Prior Con Edison Ground Lease.

"Prior Tower 7 Ground Lease" shall mean the Ground Lease dated as of December 31, 1980 between the Port Authority, as lessor, and the Tower 7 Lessee, as lessee, whereby the Tower 7 Lessee is the holder of certain leasehold interests in the Land pursuant to which the Tower 7 Lessee constructed, owned and operated the Prior Tower 7 Premises.

"Prior Tower 7 Premises" shall mean the first class commercial office tower constructed, owned and operated by the Tower 7 Lessee pursuant to the Prior Tower 7 Ground Lease.

"Progress Schedule" shall have the meaning set forth under the subheading below entitled "*Damage to the Structure - Repair and Restoration - Coordination of Work Between Lessees*".

"S&P" shall have the meaning set forth under the heading below entitled "*Depositary*".

"Scaffolding" shall have the meaning set forth under the subheading below entitled "*Operation of the New Building - Erection of Scaffolding*".

"Taxes" shall mean all taxes, charges, fees, levies or other assessments, including, without limitation, income and franchise taxes, gross receipts, sales, use, ad valorem, goods and services, capital, transfer, profits, license, withholding, payroll, employment, employer health, excise, estimated, severance, stamp, occupation, property or other taxes, customs duties, fees, assessments or charges of any kind whatsoever, any payments made in lieu of taxes and any charges or fees levied or imposed by business improvement districts, together with any interest and any penalties, additions to tax or additional amounts imposed by any taxing authority.

"Tower 7 Ground Lease" shall mean the Restated and Amended Agreement of Lease dated as of February 6, 2003 between the Port Authority, as ground lessor, and the Tower 7 Lessee, as ground lessee.

"Tower 7 Lessee" shall mean 7 World Trade Center II, LLC, a Delaware limited liability company.

"Tower 7 Loading Docks" shall mean the loading docks shown on the New Building Plans and Specifications and identified as the "Tower Loading Docks".

"Tower 7 Premises" shall mean the rebuilt Prior Tower 7 Premises in accordance with the New Building Plans and Specifications.

"Violations" shall have the meaning set forth under the subheading below entitled "*Operation of the New Building - Violations*".

"Visible Area" shall mean any portion of the facade or other area of the Con Edison Premises visible from the Tower 7 Premises or from the outside of the New Building, including glass enclosed areas and sidewalk areas.

Easements

Tower 7 Premises Easements

Con Edison grants to Tower 7 Lessee the following easements for ingress, egress and/or use (which ingress, egress and/or use shall be enjoyed by the Tower 7 Lessee in common with Con Edison, except as may be otherwise provided in the Agreement), each to the extent reasonably necessary in connection with the particular function or use described below:

(a) Mechanical Room - for entry upon and ingress and egress with persons, materials and equipment through the Con Edison Premises for access to the Mechanical Room;

(b) General Maintenance - for entry upon and ingress and egress with persons, materials and equipment through the Con Edison Premises for the performance by the Tower 7 Lessee of Maintenance of any fixtures, equipment, improvements or facilities in the New Building which service or benefit the Tower 7 Premises including, without limitation, all structural members, footings, foundations, columns and bracings shown in the New Building Plans and Specifications and supporting the Tower 7 Premises;

(c) Fire Safety System and Elevator Maintenance - for the installation and Maintenance in the Con Edison Premises of elevator shafts as shown on the New Building Plans and Specifications and all fire stairs or other fire safety installations as may be required in order to comply with all applicable Laws, as shown on the New Building Plans and Specifications;

(d) Utility Installation & Maintenance - for installation and Maintenance of any ducts and conduits for utility services, including without limitation water, electricity, telephone, gas, cable, television, sprinkler service, energy, sewerage and communication through the Con Edison Premises, all as shown on the New Building Plans and Specifications; such ducts and conduits to be for the exclusive use of the Tower 7 Lessee and to be installed and maintained in a manner which will not unreasonably interfere with the use of the Con Edison Premises by Con Edison;

(e) Installation of Structural Elements - for the installation of structural members, footings, foundations, columns and bracings located or to be placed by the Tower 7 Lessee on the Land as shown on the New Building Plans and Specifications (and such other easements as may be reasonably required to effectuate the New Building Plans and Specifications) in connection with the construction of the New Building and to the extent necessary for the support of the New Building and to be installed in a manner which will not unreasonably interfere with the use of the Con Edison Premises by Con Edison.

Easements to Con Edison

The Tower 7 Lessee grants to Con Edison the following easements for ingress, egress, and/or use (which ingress, egress, and/or use shall be enjoyed by Con Edison in common with the Tower 7 Lessee, except as may be otherwise provided in the Agreement), each to the extent reasonably necessary in connection with the particular function or use described below:

(a) Use of Fire Safety Installations - for access to and use by Con Edison of the fire stairs and other fire safety installations located in the Tower 7 Premises, as shown on the New Building Plans and Specifications, for emergency egress from the Con Edison Premises only; provided, however, that Con Edison shall be permitted to allow employees and contractors of Con Edison to use such fire stairs as convenience stairs for the Con Edison Premises so long as Con Edison installs the following equipment to the reasonable satisfaction of the Tower 7 Lessee: (i) security card access devices limiting access to the second and third floors of the New Building, (ii) door alarms at each access point from such fire stairs to the Con Edison Premises which shall be operative 24 hours per day, and (iii) a system to link such door alarm system to the security system servicing the Tower 7 Premises such that the Tower 7 Lessee shall receive a notification of each instance that such doors to the fire stairs are opened;

(b) Use of Mechanical Room - for access to and use of the telecommunication lines and any other building systems or services located in the Mechanical Room and serving or benefitting the Tower 7 Premises or any facility with respect to which the Tower 7 Lessee is granted an easement under any provision of the Agreement; and

(c) Use of Loading Dock Areas - for entry upon and ingress and egress through the Tower 7 Loading Docks with men, materials and equipment to (i) obtain access to the Con Edison Premises from the Con Edison Parking Area or other areas of the Con Edison Premises and (ii) gain access through the access points in the Tower 7 Loading Docks to the oil/water separating facility for the Con Edison Premises and to perform Maintenance thereon.

General Easements

Each Lessee grants to each other Lessee, the following additional easements (in connection with any easement so granted, the Lessee granting such easement, and the Lessee granted such easement, respectively, being referred to as the "Grantor" and the "Grantee," respectively) which easements shall be used by the Grantee in common with, and not to the exclusion of, the Grantor, each to the extent reasonably necessary in connection with the particular function or use described below:

(a) Building Systems. For use of all plumbing, electrical, telephone, water, heating, ventilating, air cooling, gas, steam, communication, mail, radio, data, television, exhaust, refuse, scaffolding, and other piping, lines, ducts, shafts and equipment, and for the use of all other facilities whatsoever, shown or indicated on the New Building Plans and Specifications as located within the Grantor's Premises and servicing or benefitting the improvements on the Grantee's Premises or serving or benefitting any facility with respect to which the Grantee is granted an easement under any provision of the Agreement;

(b) Structural Support. Of support in and to all structural members, footings and foundations shown on the New Building Plans and Specifications as located within the Grantor's Premises and which are necessary for support of the improvements on the Grantee's Premises or of any facility with respect to which the Grantee is granted an easement under any provision of the Agreement; provided, however, that nothing in the Agreement shall be construed to require either Con Edison or Tower 7 Lessee to erect, or permit the erection of, additional columns, bearing walls or other structures on their respective Premises for the support of the Tower 7 Premises;

(c) Encroachments. For the continued existence of *de minimis* encroachments in the event that, by reason of the construction of the New Building or the subsequent settling or shifting of the New Building, any part of the improvements on the Grantee's Premises encroaches or shall encroach upon any part on the Grantor's Premises. Such easement for the continued existence of encroachments on the Grantor's Premises shall exist only so long as all or any part of the encroachment shall remain; provided, however, that in no event shall an easement for any encroachment be created in favor of the improvements owned by the Grantee if such encroachment unreasonably interferes with the reasonable use and enjoyment of the Grantor's Premises;

(d) Maintenance. For entry upon, and for ingress and egress through the Grantor's Premises, with persons, materials and equipment, for the performance of the Maintenance of any facility, whether or not located within the Grantor's Premises, the Maintenance responsibility for which is to be borne by the Grantee under the Agreement or the Maintenance of which is otherwise required or permitted under the Agreement to be performed by the Grantee;

(e) Compliance With Laws. For entry upon and ingress and egress through the Grantor's Premises, with men, materials and equipment for the performance of any work necessary for the Grantee to cause its Premises to be in compliance with all Laws;

(f) Installation of New Building Systems. For entry upon and ingress and egress through the Grantor's Premises, with men, materials and equipment for the installation of any new building systems or facilities which service or benefit the Grantee's Premises, provided that each Lessee shall have the obligation to use all commercially reasonable efforts to install any new building systems or facilities within its own demised premises;

(g) Emergencies. For ingress and egress through the Grantor's Premises to the extent necessitated by an Emergency.

Operation of the New Building

Cooperation

Tower 7 Lessee and Con Edison agree to cooperate in good faith with each other in the construction and Maintenance by each Lessee of their respective Premises and the Common Areas.

Limitations on Use of Easements

Each Lessee agrees that it shall not utilize any of the easements granted by either Lessee under the Agreement or conduct activities or operations at the New Building (including, without limitation, Maintenance and alterations), or exercise any rights granted under the Agreement, in any way which would cause (i) any damage to any improvements constituting the Premises of the other Lessee, (ii) any interference with the occupation, operation, appearance, Maintenance or control of any portion of the Premises of the other Lessee or the use thereof by such Lessee, (iii) an adverse affect or disturbance of any improvements constructed or to be constructed in the New Building by either Lessee, (iv) material interference with any use contemplated under the Agreement or under either the Con Edison Ground Lease or the Tower 7 Ground Lease, (v) any unreasonable impairment of the other Lessee's access to its premises, (vi) any environmental liability of any nature whatsoever to be incurred or suffered by the other Lessee, (vii) the other Lessee to be subjected to liability or criminal prosecution, (viii) any violation of the PA Use Permit for the other Premises, or (ix) a violation of any Law with respect to the other Premises (each of the foregoing, an "Adverse Effect"); provided, however, that the Lessees agree that any electro-magnetic field radiation, noise, and vibrations within the standards set forth under all Laws applying to each Lessee shall not, in and of themselves, constitute an Adverse Effect. If either Lessee causes an Adverse Effect, then the other Lessee shall give written notice specifying in reasonable detail the nature of such Adverse Effect, and the Lessee causing such Adverse Effect shall proceed to remedy such Adverse Effect in accordance with the provisions of the subheading below entitled "*Remedies for Adverse Effects*".

Remedies for Adverse Effects

(a) Notice of Breach. Subject to paragraph (b) below, in the event that a Lessee (such Lessee being referred to in this subheading as the "non-defaulting Lessee") sends the other Lessee (such Lessee being referred to in this subheading as the "defaulting Lessee") written notice of the breach by the defaulting Lessee of any provision of this heading (a "Notice of Breach"), the defaulting Lessee shall have a period equal to ten (10) days after receipt of such Notice of Breach (the "Dispute Election Period") to elect to dispute such Notice of Breach and further agrees that if not timely exercised, such right shall be deemed waived with respect to the matters set forth in such Notice of Breach. In the event that the defaulting Lessee disputes such Notice of Breach as aforesaid, then in no event shall any such alleged breach constitute a default (a "Default") until a final decision is issued in favor of the non-defaulting Lessee. If the defaulting Lessee elects not to dispute, or fails to elect to dispute, with respect to such Notice of Breach within the Dispute Election Period, then the defaulting Lessee shall immediately commence to remedy such breach, and the defaulting Lessee's failure to so commence to remedy such breach shall constitute a Default under the Agreement. In connection with any remedial actions undertaken by the defaulting Lessee, the non-defaulting Lessee agrees to permit full and complete access to the non-defaulting Lessee's Premises so as to permit the defaulting Lessee to cure any Default under the Agreement to the extent reasonably necessary. The defaulting Lessee agrees that any such remedial actions so undertaken shall be performed under the same guidelines set forth in the Agreement, and that the defaulting Lessee shall be bound by all of the provisions of the Agreement in the performance of such remedial work. In the event the non-defaulting Lessee does not permit the defaulting Lessee to access those portions of the non-defaulting Lessee's Premises necessary to remedy any such Default, then the defaulting Lessee shall deliver to the non-defaulting Lessee a written demand for such access, setting forth the proposed date and time of entry and identifying the area of the non-defaulting Lessee's Premises to which the defaulting Lessee requires access, and in the event that the non-defaulting Lessee does not grant the defaulting Lessee such access within ten (10) days after such written demand, then the defaulting Lessee shall no longer be liable for any losses, costs, liabilities, expenses or damages incurred or suffered by the non-defaulting Lessee from and after the end of such ten (10) day period (provided that the defaulting Lessee shall continue to be responsible for remedying such Default), and in the

event that the non-defaulting Lessee does not grant the defaulting Lessee such access within ninety (90) days after such written demand, then the defaulting Lessee shall be released from the obligation under the Agreement to remedy such Default and such Default shall be deemed cured for purposes of the Agreement.

(b) Emergencies. If there shall occur an alleged breach of any obligation or undertaking on the part of a defaulting Lessee under this heading which gives rise to an Emergency, then the non-defaulting Lessee shall deliver notice thereof to the defaulting Lessee in such a manner as is commercially reasonable under such Emergency circumstances (including, without limitation, telephonic notice) and, notwithstanding the provisions of paragraph (a) above, the defaulting Lessee agrees that it shall immediately commence to remedy such alleged breach using its best efforts at its sole cost and expense, time being of the essence with respect to remedying such alleged breach; provided, however, that after the defaulting Lessee shall have remedied such alleged breach, the defaulting Lessee shall be permitted to dispute whether such alleged breach was caused by the defaulting Lessee, and in the event that a final decision is rendered in favor of the defaulting Lessee, then the non-defaulting Lessee shall immediately reimburse the defaulting Lessee for all out-of-pocket expenses incurred by the defaulting Lessee in remedying such alleged breach; provided, however, that if such decision determines that the defaulting Lessee was obligated to take remedial actions due to breach but that the same were not required to have been of an Emergency nature, then the non-defaulting Lessee shall only be obligated to reimburse the defaulting Lessee for the incremental cost increase of performing such remedial actions in an Emergency manner.

(c) Self-Help.

(i) If there shall occur (x) a Default under the Agreement or (y) a breach of any obligation or undertaking on the part of the defaulting Lessee under the Agreement which gives rise to an Emergency, then, if the breach giving effect to such Default or Emergency, as the case may be, is of any obligation under the Agreement which could reasonably be performed by the non-defaulting Lessee, then the non-defaulting Lessee may, but shall not be obligated to, on notice to the defaulting Lessee no fewer than ten (10) days prior to commencing such remediation and subject to the provisions of the subheading below entitled "*Operation of the New Building - Access to the Premises*", perform such obligation in accordance with the terms and conditions of the Agreement; provided, however, that in the event of an Emergency, the non-defaulting Lessee shall only be obligated to give such notice to the defaulting Lessee as is commercially reasonable under such Emergency circumstances (including, without limitation, telephonic notice) prior to commencing any such remediation.

(ii) If the non-defaulting Lessee elects to remedy such breach, then the cost and expense of doing so may be paid by the non-defaulting Lessee and shall be repaid to the non-defaulting Lessee by the defaulting Lessee upon demand, provided, however, that (x) if the non-defaulting Lessee incurs expenses as a result of exercising its rights under subheading (b) on the basis of an alleged Emergency, the existence of which the defaulting Lessee thereafter disputes, then the defaulting Lessee shall not have any obligation to reimburse the non-defaulting Lessee for any such expenditures until a final decision with respect to such dispute is issued, and (y) if such final decision determines that the breach was not of an Emergency nature, then the defaulting Lessee shall not be obligated to reimburse the non-defaulting Lessee for the incremental cost increase of performing such remedial actions in an Emergency manner. Each non-defaulting Lessee shall have the right to be promptly reimbursed for any amounts expended under this paragraph by the defaulting Lessee. If the defaulting Lessee fails to promptly reimburse the non-defaulting Lessee, such non-defaulting Lessee shall have the right to place a lien on such defaulting Lessee's Premises; provided, however, that any such lien shall be subject and subordinate to any leasehold mortgage on such Premises.

(d) Equitable Remedies; Cumulative Remedies.

(i) The non-defaulting Lessee shall have the right, at any time after sending the defaulting Lessee a Notice of Breach under the Agreement, to seek an injunction, temporary restraining order, or other equitable relief with respect to any breach under the Agreement, provided that (A) the non-defaulting Lessee delivers written notice to the defaulting Lessee prior to seeking any such equitable relief, and (B) in no event

shall (I) the Tower 7 Lessee be entitled to cause the electric substation located in the Con Edison Premises to cease providing electric current to Con Edison's customers, or (II) Con Edison be entitled to limit access to the Tower 7 Premises or to otherwise cause the Tower Premises to be made unavailable for the conduct of business in the ordinary course by the Tower 7 Lessee's space tenants.

(ii) The mention in the Agreement of any particular remedy shall not preclude the non-defaulting Lessee from any other remedy it might have either in law or in equity. Any right or remedy of the non-defaulting Lessee in the Agreement specified and any other right or remedy that the non-defaulting Lessee may have at law, in equity or otherwise, upon breach of any of the defaulting Lessee's obligations under the Agreement, shall be distinct, separate and cumulative rights or remedies, and no one of them, whether exercised by the non-defaulting Lessee or not, shall be deemed to be in exclusion of any other. Nothing contained in the Agreement shall be construed as limiting or precluding the recovery by the non-defaulting Lessee against the defaulting Lessee of any sums or damages to which the non-defaulting Lessee may lawfully be entitled.

Compliance with Law and Insurance Requirements

Each Lessee shall comply with all Laws relating to the ownership, Maintenance or use of the Premises leased by such Lessee, and of any facility within another Premises with respect to which such Lessee bears Maintenance responsibility pursuant to the Agreement, if noncompliance with such Law would (i) subject the other Lessee to liability or criminal prosecution, (ii) jeopardize the full force or effect of the certificates of occupancy for the New Building, the Tower 7 Premises or the Con Edison Premises, or portions thereof, or (iii) result in the imposition of a lien against the Premises of the other Lessee or would increase the rate of premiums on any public liability insurance policy maintained by the other Lessee or on any casualty insurance policy maintained pursuant to the provisions of the heading *"Subordination"* below. The provisions of this subheading shall not be deemed to relieve any Lessee of the obligation to perform any Maintenance which is the responsibility of such Lessee under the Agreement. Each Lessee shall comply in all material respects with the terms and conditions of such Lessee's ground lease with the Port Authority. In the event that the Port Authority succeeds to the interest of either Lessee under the Agreement, it shall not be bound to the covenant under the Agreement for compliance with all Laws.

Mechanic's and Other Liens

Each Lessee shall, within ninety (90) days after the filing thereof, remove of record any mechanic's, materialman's or other lien affecting the Premises of the other Lessee, arising by reason of any work or materials ordered by such Lessee or by any contractors performing work for such Lessee, or by reason of any act taken or suffered or omitted by such Lessee or any such contractors performing work for such Lessee; provided, however, that if such lien cannot reasonably be removed of record within such ninety (90) day period, and provided further that such Lessee shall have commenced to remove such lien of record within such ninety (90) day period and thereafter diligently proceeds to have the same removed of record, such ninety (90) period shall be extended for such time as is reasonably necessary for such Lessee in the exercise of due diligence to remove such lien of record, such additional period not to exceed ninety (90) days. Removal of record of such lien may be accomplished by means of the execution of a bond or undertaking, by deposit with the county clerk for the County of New York, or by payment into court, in such amounts as a court of competent jurisdiction shall direct, all as provided in Sections 19 and 20 of the Lien Law or a successor statute thereto. If such Lessee (for purposes of this subheading, the "Defaulting Lessee") fails to cause such lien to be so discharged, then the other Lessee (for purposes of this subheading, the "Curing Lessee") may, but shall not be obligated to, discharge the same. Any amount paid by the Curing Lessee and all costs and expenses incurred by such party in connection therewith, together with interest thereon at the rate per annum equal to two percent (2%) over the Prime Rate (but in no event in excess of the maximum rate permitted by law) (collectively, the "Cure Amount"), shall be paid by the Defaulting Lessee to the Curing Lessee on demand, and pending reimbursement by the Defaulting Lessee to the Curing Lessee, the Curing Lessee shall have the right to file a lien against the Premises owned by the Defaulting Lessee to secure repayment of such Cure Payment; provided, however, that any such lien shall be subject and subordinate to any leasehold mortgage on such Premises.

Erection of Scaffolding

(a) The Tower 7 Lessee shall have the right to construct and maintain a non-permanent scaffolding or sidewalk bridge (collectively, "Scaffolding") adjacent to the Con Edison Premises during the construction of the Tower 7 Premises, in connection with the performance of any Maintenance, or otherwise from time to time, provided that (i) the Tower 7 Lessee shall install, construct, maintain and dismantle the Scaffolding in a good and workmanlike manner so as to be in compliance with all applicable Laws; and (ii) the installation, construction and location of the Scaffolding will not prevent reasonable ingress and egress to and from the Con Edison Premises or materially interfere with the use thereof. If any Scaffolding (i) impedes access by Con Edison to portions of, or equipment or machinery situated in, the Con Edison Premises, or (ii) prevents Con Edison from repairing or replacing any equipment in the Con Edison Premises, in each case which constitutes an Emergency of the type described in clause (i) of the definition thereof, then upon receipt of written request therefor, and provided that the removal of such Scaffolding and the temporary cessation of the work which necessitated the installation of such Scaffolding is approved by the Port Authority (to the extent such approval is required) and any other governmental authorities, the Tower 7 Lessee shall promptly dismantle the Scaffolding for purposes of permitting Con Edison to access the Con Edison Premises or any exterior or open areas of the Con Edison Premises, and/or install, repair, replace or remove any equipment or machinery situated therein and upon completion of such work by Con Edison (which Con Edison agrees to perform with all reasonable diligence), the Tower 7 Lessee shall cause such Scaffolding to be replaced. The costs of removing and reinstalling any such Scaffolding pursuant to this paragraph shall be borne by Con Edison.

(b) Con Edison shall have the right to construct and maintain a non-permanent Scaffolding adjacent to the Con Edison Premises in connection with the performance of any Maintenance, provided that (i) Con Edison shall install, construct, maintain and dismantle the Scaffolding in a good and workmanlike manner so as to be in compliance with all applicable Laws, (ii) the installation, construction and location of the Scaffolding will not prevent reasonable ingress and egress to and from the Tower 7 Premises or materially interfere with the use thereof, and (iii) the construction of such Scaffolding shall be consistent with that associated with a first class commercial office tower. If any Scaffolding (i) impedes access by the Tower 7 Lessee to portions of, or equipment or machinery situated in, the Tower 7 Premises, or (ii) prevents the Tower 7 Lessee from repairing or replacing any equipment in the Tower 7 Premises, in each case which constitutes an Emergency of the type described in clause (i) of the definition thereof, then upon receipt of written request therefor, and provided that the removal of such Scaffolding and the temporary cessation of the work which necessitated the installation of such Scaffolding is approved by the Port Authority (to the extent such consent is required) and any other governmental authorities, Con Edison shall promptly dismantle the Scaffolding for purposes of permitting the Tower 7 Lessee to access the Tower 7 Premises and/or install, repair, replace or remove any equipment or machinery situated therein, and upon completion of such work by the Tower 7 Lessee (which the Tower 7 Lessee agrees to perform with all reasonable diligence), Con Edison shall cause such Scaffolding to be replaced. The costs of removing and reinstalling any such Scaffolding pursuant to this paragraph shall be borne by the Tower 7 Lessee.

Violations

If any violations issued by any Governmental Agency under any building code, fire code or other law, ordinance or regulation ("Violations") are filed against the Premises owned by one Lessee as a result of any action, or failure to act, by the other Lessee, or are filed against one Lessee or the other with respect to a Violation concerning the Common Areas, then, the Lessee causing the issuance of such violation (and in the case of the Common Areas, the Tower 7 Lessee) shall be responsible for performing all work and filing such applications as may be necessary with each Governmental Agency in order to remove any such Violations of record, at such Lessee's sole cost and expense (except in the case of the Common Areas, where the expense incurred by the Tower 7 Lessee in removing such Violation shall be paid by the Lessee that caused the issuance of such Violation). In the event of any breach under this paragraph by either Lessee (such Lessee being hereinafter referred to in this paragraph as the "defaulting Lessee"), the other Lessee shall give the defaulting Lessee written notice specifying in reasonable detail the nature of such breach, and the defaulting Lessee shall proceed to remedy such breach in accordance with the provisions of the subheading below entitled "*Cost Allocations and Cost Sharing - Common Area Maintenance Expenses Incurred by the Tower 7 Lessee*".

Non-Interference; Compliance With Lessees' Rules and Regulations

(a) Neither Lessee shall use or occupy or permit or suffer its Premises to be used or occupied in any manner which will: (1) materially and adversely affect (v) the appearance, character, reputation or first-class nature of the New Building, or (w) the proper or economic furnishing of services to space tenants in the New Building, or (x) the use and enjoyment of any other portion of the New Building by any space tenant(s), or (y) the proper and economic functioning of any of the building systems, or (z) either Lessee's ability to obtain from reputable insurance companies, at standard rates (unless the other Lessee agrees to pay any additional premiums), liability, elevator, boiler or other insurance required to be furnished to such Lessee under the terms of the Agreement; or (2) violate any Laws or the PA Use Permit; provided, however, that the Lessees agree that the operation by each of the Tower 7 Lessee and Con Edison of its respective Premises for the type of use described in the Tower 7 Lease and the Con Edison Lease, respectively, shall not give rise to any claim by the other Lessee under this subheading (a). The Lessees agree that any noise, vibrations and electromagnetic fields within the standards set forth under all Laws applying to each Lessee shall not constitute a violation of these provisions. The Lessees further agree that Con Edison will install shielding within that portion of the Con Edison Premises located on the Vesey Street side (the "Vesey Substation") at such time as Con Edison installs transformers in the Vesey Substation, and that such shielding shall be designed to reduce magnetic fields emanating from the Vesey Substation equipment to the same order of magnitude in the lobby area of the Tower 7 Premises as the shielding designed for the portion of the Con Edison Premises located on the Barclay Street side, which shielding is described in that certain Assessment of Magnetic Fields at the World Trade Center Substation, dated April, 2004, prepared for Con Edison by Electric Research & Management, Inc. attached to the Agreement.

(b) Any Lessee exercising any easement granted under the heading above entitled "*Easements*" shall use all reasonable efforts to interfere as little as possible with the use, occupation and enjoyment of the servient Premises, and shall perform its obligations under the Agreement, insofar as possible, in a manner which minimizes interference with the use of the other Lessee's premises. In the case of performing Maintenance obligations, if practicable, such Lessee shall confine Maintenance to the area of the particular facility the Maintenance of which is being carried out.

(c) Any Lessee exercising any easement granted under the heading above entitled "*Easements*" shall be required to comply with all rules and regulations applicable to each Lessee's premises (including, without limitation, complying with each Lessee's security protocol, as may be in effect from time to time), provided that each Lessee shall have provided copies of such rules and regulations to the other Lessee as and when the same are enacted and/or modified from time to time and provided that such rules and regulations shall be applied in a non-discriminatory manner.

(d) All work performed in each Lessee's premises shall be performed by contractors, subcontractors or mechanics who will not (if the same are non-union workers) result in jurisdictional disputes or cause disharmony with union workers employed at the New Building.

Access to Premises

Each Lessee shall have the right (but shall not be obligated) to enter the other Lessee's Premises at reasonable times, upon prior notice to the other Lessee (which notice may be telephonic or sent via facsimile or electronic mail transmission) in order to exercise its rights under the heading above entitled "*Easements*", or to perform any Maintenance obligations for which either such Lessee may be responsible pursuant to the terms of the Agreement, or to perform repair and/or restoration work in connection with a fire or other casualty as described in the heading below entitled "*Alterations*". Neither Lessee shall be permitted to access the other Lessee's Premises unless the Lessee whose Premises is being entered into has a representative present. Each Lessee agrees to make a representative available to the other Lessee at reasonable times provided the other Lessee gives prior notice (which may be telephonic) of such entry to the other Lessee. Notwithstanding the foregoing to the contrary, (i) no such notice shall be required from Con Edison, nor shall the Tower 7 Lessee have the right to require a representative of the Tower 7 Lessee be present, at such times as Con Edison is exercising its rights under subheading above entitled "*Easements - Easements to Con Edison*", (ii) no such notice shall be required from the Tower 7 Lessee, nor shall Con

Edison have the right to require a representative of Con Edison be present, in the event of an Emergency where the Tower 7 Lessee requires access to the Mechanical Room pursuant to the subheading above entitled "*Easements - Tower 7 Premises Easements*" and (iii) the Lessees shall cooperate in all reasonable respects to establish a system to permit regular building personnel employed by the Tower 7 Lessee or its property manager with access to certain areas of the Con Edison Premises to be mutually agreed upon by the Lessees acting reasonably without requiring advance notice or any type of supervision.

Emergencies

(a) In the event that either Lessee becomes aware of an Emergency situation that is occurring in, or is reasonably likely to affect, the other Lessee's Premises, then the Lessee first becoming aware of such Emergency situation shall immediately notify the other Lessee of such Emergency in accordance with the notification procedures to be adopted by the Lessees. The Lessee becoming aware of any such Emergency situation shall immediately notify all appropriate city, state and federal emergency personnel (including, without limitation, the Port Authority) and cooperate fully with such personnel in the mitigation of such Emergency situation.

(b) The Lessee with knowledge of any Emergency shall be permitted to provide access to the other Lessee's Premises by any city, state or federal emergency personnel, subject to such other Lessee's security systems and agreed upon emergency protocols with the New York City Fire Department and/or Police Department and the Port Authority Police Department.

(c) Neither Lessee shall have any liability to the other Lessee (i) as a result of notifying such Lessee of a potential Emergency or notifying applicable city, state or federal emergency personnel or (ii) in the event that any municipal emergency authority or the Port Authority Police Department enters the other Lessee's Premises, and each Lessee fully releases and discharges the other Lessee from all rights, claims, and actions which each such Lessee may have with respect to any such events.

Loading Dock Usage

(a) The Tower 7 Lessee shall keep and maintain the Tower 7 Loading Docks in a clean, orderly and secure manner. Upon reasonable advance notice and subject to reasonable coordination with the Tower 7 Lessee and the satisfaction of any reasonable requirements of the Tower 7 Lessee, Con Edison shall be entitled to use the Tower 7 Loading Dock on a 24 hour basis on every day of each calendar year; provided, however, that no such notice or coordination shall be required in order for Con Edison personnel to use the Tower 7 Loading Dock for passage from one part of the Con Edison Premises to another. The Tower 7 Lessee shall be responsible for the Maintenance of all security bollards in front of the Loading Docks and shall control all such security bollards (including, without limitation, the security bollards relating to the Con Edison Parking Area). Such control shall be from (i) the loading dock master's office, (ii) the concierge or front lobby desk and (iii) the building engineer's office.

(b) Each vehicle operated by a party other than Con Edison which enters the Tower 7 Loading Docks on behalf of Con Edison shall be subject to a security inspection by the Tower 7 Lessee security personnel. The Tower 7 Lessee shall charge Con Edison $20.00 per hour for the personnel conducting such security inspections (prorated based on the actual time spent by the Tower 7 Lessee's security personnel on each inspection), which such amount shall be subject to increase with the prior consent of Con Edison, such consent not to be unreasonably withheld.

Hazardous Materials

(a) Each Lessee agrees that it shall comply with all Environmental Laws. If at any time a Governmental Agency having jurisdiction over the New Building requires remedial action to correct the presence of Hazardous Materials in, around, or under the New Building, the Lessee with knowledge thereof shall deliver prompt notice of the occurrence of such event to the other Lessee. Within thirty (30) days after such Lessee has knowledge of the occurrence of such an event, such Lessee shall deliver to the other Lessee a written explanation of the event in

reasonable detail and, provided such Lessee shall have caused such event, setting forth the proposed remedial action, if any.

(b) Each Lessee (the "Indemnifying Lessee") shall protect, indemnify, save, defend, and hold harmless the other Lessee from and against any and all liability, loss, damage, actions, causes of action, costs or expenses whatsoever (including reasonable attorneys' fees and expenses) and any and all claims, suits and judgments which such other Lessee may suffer, as a result of or with respect to: (i) any Environmental Claim relating to or arising from such Lessee's Premises provided such Environmental Claim was caused by the Indemnifying Lessee; (ii) the violation of any Environmental Law in connection with such Lessee's Premises provided such Environmental Claim was caused by the Indemnifying Lessee; and (iii) the presence at, in, on or under, or the release, escape, seepage, leakage, discharge or migration at or from, such Lessee's Premises of any Hazardous Materials, whether or not such condition was known or unknown to Lessee, provided such Environmental Claim was caused by the Indemnifying Lessee.

Cost Allocations and Cost Sharing

Maintenance and Capital Expenses

(a) The Agreement sets forth the responsibility of each of the respective Lessees with regard to the performance of Maintenance and provisions for the allocation of the cost of performing such Maintenance ("Maintenance Expenses"). Each Lessee agrees to perform the Maintenance of all of those facilities the Maintenance responsibility for which, under the Agreement, is to be borne by such Lessee, and to pay all of the Maintenance Expenses required to be paid by such Lessee under the Agreement.

(b) If either Lessee (hereafter in this paragraph referred to as the "protesting Lessee") in good faith believes that any item of Maintenance Expenses is not fairly allocated between the Lessees under the Agreement, then the protesting Lessee may give to the other Lessee written notice of objection to such allocation. If, within thirty (30) days after the giving of such notice, the Lessees shall not have agreed upon the allocation of such Maintenance Expense, then their dispute shall be settled by arbitration in accordance with the heading below entitled "*Arbitration*". If the allocation of any Maintenance Expenses shall be revised as a result of such dispute, then the Lessees shall, upon request of either Lessee, execute, acknowledge and deliver to each other an instrument in recordable form modifying the Agreement to conform to such revision, but the failure of either Lessee to execute such a modification shall not affect the force or effect of any such revision made in accordance with this paragraph.

(c) Maintenance shall be performed by the Lessees, in the case of facilities relating to the Tower 7 Premises, in a manner equivalent to standards from time to time maintained in other distinguished first class office buildings in the City of New York and in the case of facilities relating to the Con Edison Premises, in such a good and workmanlike manner and taking into consideration the specific use of the Con Edison Premises and the location thereof underneath the Tower 7 Premises. However, neither Lessee shall have any liability to pay damages by reason of a failure to perform any such Maintenance unless attributable to a willful failure to perform following receipt of written notice from the other Lessee specifying the particular Maintenance work which such first mentioned Lessee shall have failed to perform and demanding that such first mentioned Lessee perform the same. Each Lessee performing any Maintenance in whole or in part for the benefit of the other Lessee shall have reasonable discretion with regard to the means and cost of performing the same.

Common Area Maintenance Expenses Incurred by Tower 7 Lessee

(a) Following substantial completion of the New Building, Con Edison shall pay on the first day of each calendar month during each Operating Year an amount equal to one-twelfth (1/12th) of Con Edison's proportionate share of the estimated Maintenance Expenses shown on the Annual Operating Statement.

(b) At least thirty (30) days prior to the beginning of the third Operating Year and each Operating Year thereafter, the Tower 7 Lessee shall furnish Con Edison with an operating statement (the "Annual Operating

Statement") setting forth the Tower 7 Lessee's reasonable good faith estimate of Con Edison's proportionate share of the costs and expenses associated with the Maintenance of the Common Areas for such Operating Year (collectively, "Maintenance Expenses"). Con Edison agrees to cooperate with the Tower 7 Lessee in providing such information as the Tower 7 Lessee may reasonably require so as to timely prepare the Annual Operating Statement. The Annual Operating Statement shall be subject to the approval of Con Edison, such approval not to be unreasonably withheld, provided, however, that in no event shall Con Edison be obligated to approve any such proposed Annual Operating Statement in less than thirty (30) days after receipt thereof from the Tower 7 Lessee.

(c) If Con Edison has not approved the Annual Operating Statement for any Operating Year, then, until the first day of the first month after which the Annual Operating Statement for any Operating Year has been approved in accordance with the terms of the Agreement, Con Edison shall continue to pay the Tower 7 Lessee in accordance with the last approved Annual Operating Statement, provided, however, that the Tower 7 Lessee shall be permitted to increase any line item therein by ten percent (10%) for the current Operating Year and shall be permitted to pay the full amount of any Non-Discretionary Expenditures. All disputes respecting said budget or with respect to estimates of such costs and expenses which may be contained therein shall be resolved by arbitration pursuant to the heading below entitled "*Arbitration*", and appropriate adjustment shall be made by the Lessees.

(d) Within one hundred twenty (120) days after the last day of the third Operating Year and each Operating Year thereafter, the Tower 7 Lessee shall furnish Con Edison a statement (the "Annual Reconciliation Statement") for the prior Operating Year, setting forth in reasonable detail the actual Maintenance Expenses for the prior Operating Year in contrast to the corresponding amounts set forth on the Annual Operating Statement for such Operating Year, Con Edison's proportionate share thereof, and such other data with respect to the statement as Con Edison may reasonably request. Within thirty (30) days after receiving the Annual Reconciliation Statement, and such other data, Con Edison shall pay the Tower 7 Lessee the amount by which Con Edison's proportionate share of the actual Maintenance Expenses for the Operating Year covered by the Annual Reconciliation Statement exceeds the aggregate of the estimated monthly installments of Maintenance Expenses actually paid by Con Edison, and in the case where the aggregate estimated monthly payments by Con Edison exceed Con Edison's proportionate share of the actual Maintenance Expenses for the prior Operating Year, the Tower 7 Lessee shall promptly refund such overpayment to Con Edison in one lump sum. The Tower 7 Lessee shall not be permitted to bill Con Edison for any Maintenance Expenses without providing Con Edison with an opportunity pursuant to the subheading below entitled "*Cost Allocations and Cost Sharing - Audit and Review*" to review and audit the Tower 7 Lessee's books and records with respect to such matter.

Audit and Review

(a) Con Edison may, at Con Edison's sole cost and expense, upon request, audit the Tower 7 Lessee's books and records as are directly relevant to the Annual Reconciliation Statement in question, together with reasonable supporting data therefor, at any time during an Operating Year (but not more than quarterly) and within six (6) months after the date Con Edison receives the Annual Reconciliation Statement pursuant to this subheading with respect to such Operating Year (including a partial Operating Year). Con Edison's request may be made after Con Edison is required to make a payment under this paragraph, but must be prior to the six (6) month anniversary of Con Edison's receipt of the Annual Reconciliation Statement. The Tower 7 Lessee agrees that it will make available to Con Edison and its designated auditors (including third party auditors provided Con Edison requires any such third party auditors involved with any such audit to execute a confidentiality agreement in form and substance reasonably satisfactory to the Tower 7 Lessee with respect to such audit), at the Tower 7 Lessee's office during business hours, all appropriate records or copies thereof required for the performance of the audit. Con Edison's access to these books and records may be restricted to periods of time during which the Tower 7 Lessee does not reasonably require access to them in connection with the operation or management of the Easement Areas and the Common Areas. If any audit reveals that the Maintenance Expenses for such Operating Year have been incorrectly computed, and if the Tower 7 Lessee agrees with such audit, the Tower 7 Lessee and Con Edison shall make appropriate reconciliation payments, in cash, between themselves based on the correct amount of Maintenance Expenses for such Operating Year such that each of the Tower 7 Lessee and Con Edison are paying for their pro rata share of such expenses as set forth in the Agreement. Con Edison shall keep confidential all information contained in the Tower 7 Lessee's books and records,

and Con Edison agrees to require any third party auditors involved with any such audit to execute a confidentiality agreement in form and substance reasonably satisfactory to the Tower 7 Lessee with respect to such audit.

(b) If the Lessees do not agree on whether any particular Maintenance is required to be performed pursuant to the Agreement, or do not agree whether the amount paid or incurred by any Lessee for any such work is substantially insufficient or excessive, or disagree with respect to any other provision under this heading, then their dispute shall be shall be settled by arbitration in accordance with the heading below entitled "*Arbitration*".

(c) The provisions of this heading relating to allocation of costs, shall not be deemed to release any Lessee (or such Lessee's liability insurer) from liability to the other Lessee for any tortious conduct of such first mentioned Lessee.

Remedies For Non-Payment

If either Lessee (the "defaulting Lessee") fails to promptly reimburse the other Lessee (the "non-defaulting Lessee") for any amounts due under this heading, such non-defaulting Lessee shall have the right to place a lien on such defaulting Lessee's Premises; provided, however, that each Lessee shall only have the right to file any such lien (i) where the amount in question is not the subject of an ongoing review, audit and/or arbitration proceeding, (ii) where the amount is material, and (iii) where the amount in question has been outstanding for at least thirty (30) days after the completion of any arbitration procedure to which such amount is subject. Any such lien shall be subject and subordinate to any leasehold mortgage on such Premises.

Subordination

The Lessees acknowledge and agree that the Tower 7 Ground Lease and the Con Edison Ground Lease each shall be and are subject and subordinate to the terms of the Agreement pursuant to a separate Subordination Agreement, dated as of the date of the Agreement, among the Tower 7 Lessee, Con Edison and the Port Authority (the "Subordination Agreement"), and intended to be recorded immediately after the recordation of the Agreement. Each of the Lessees further agree that the subordination of the Tower 7 Ground Lease and the Con Edison Ground Lease shall not in any way limit, curtail, diminish or otherwise affect the obligations of each Lessee to the Port Authority under and pursuant to its respective ground lease.

Insurance

Property Insurance

(a) The Tower 7 Lessee shall keep the entire New Building other than the Excluded Property insured under so called "All Risk" policies of insurance including flood, earthquake, vandalism, and malicious mischief, boiler and machinery (limited to the boiler and machinery located in the Tower 7 Premises), and such other insurable hazards as, under good insurance practices, from time to time are insured against for other property and buildings similar to the New Building in nature, use, location, height, and type of construction, and as may from time to time be carried by prudent owners of similar public utility buildings used for distribution and ancillary office purposes in New York City with respect to Con Edison's operations and first class commercial office buildings in the City of New York with respect to the Tower 7 Lessee's operations, in an amount equal to the full replacement value thereof, including cost of foundations, piers or other building structures which are below the surface forming the occupied sub-cellar of the New Building. Full replacement value of the New Building shall be determined by the Lessees and their respective insurance brokers and risk management consultants, each acting reasonably, and any dispute as to the determination of full replacement value shall be determined by arbitration in accordance with the heading below entitled "*Arbitration*". Such insurance policies shall also insure, subject to appropriate sublimits, the additional expense of demolition and debris removal, decontamination costs, inland transit, off-site storage, claim adjustment costs and "Building Ordinance" endorsements.

(b) The policies effecting such insurance shall provide as follows:

(i) All losses payable thereunder shall be paid to the Depositary provided for in the heading below entitled "*Depositary*", and shall be disbursed in accordance with the provisions of the heading below entitled "*Disbursement of Funds by Depositary*".

(ii) In the event of a casualty that affects both the Tower 7 Premises and the Con Edison Premises, the insurers shall, in their reasonable discretion, initially determine the allocation of the proceeds payable thereunder between the Tower 7 Premises and the Con Edison Premises. The Lessees and their respective insurance brokers and risk management consultants shall have the right to dispute such determination and/or arbitrate the allocation if no such determination is made by the insurers, and any such disagreement between the Lessees shall be determined by arbitration in accordance with the heading below entitled "*Arbitration*". Pending the resolution of any dispute over the allocation of insurance proceeds payable under any such policy of insurance, the disputed amounts shall not be disbursed by the Depositary until (i) each of the Tower 7 Lessee and Con Edison shall have consented thereto in writing or (ii) a decision is rendered in connection with a dispute arbitration regarding such proceeds directing the Depositary to so disburse such proceeds.

(iii) (A) The Tower 7 Lessee shall be identified as the first named insured; (B) Con Edison shall be identified as named insured thereunder; and (C) the Port Authority and, at the request of either of said Lessees, the mortgagee of all or any portion of the Premises owned by such Lessee, shall be identified as additional insureds under such policy.

(iv) At the request of either Lessee, such policies shall contain standard mortgagee clauses in favor of any mortgagee of all or any portion of the Premises owned by such Lessee and/or any holder of a mortgage on a leasehold interest in all or any portion of such Premises, as their interests may appear, provided nevertheless that all losses payable under such policies shall be payable to said Depositary, and provided further, that the cost of adding any standard mortgagee clause shall be borne by the Lessee requesting such addition.

(v) Each such policy of insurance under the Agreement shall provide that the acts of any insured party, including, without limitation, the first named insured, named insured, mortgagee or fee owner of the New Building, shall not invalidate the policy as against any other insured party or otherwise adversely affect the rights of any other insured party under the policy, and each such policy shall contain waivers of subrogation for the benefit of all Lessees, and waivers of any defense based on co-insurance on an agreed amount basis or other insurance with this insurance being deemed primary and non-contributory.

(vi) Such policies may not be cancelled or modified without at least thirty (30) days' prior written notice to all of the named insureds (except that the foregoing shall be ten (10) days' prior written notice in the case of non-payment of premiums).

(vii) Foreclosure, notice of sale or similar proceedings with respect to either Lessee's Premises, or portion thereof, or changes in use to a more hazardous occupancy, shall not invalidate insurance carried under paragraph (a) above. Each Lessee agrees to provide the insurer notice of any known change in ownership, occupancy, or hazard with respect to its own Premises and within ten (10) days of written request, shall pay the increased premium associated with such known change.

(viii) To the extent terrorism coverage is excluded or limited as part of the "All Risk" insurance policy, and provided that a stand-alone terrorism insurance policy is commercially available, the Lessees shall obtain "all risk" insurance against terrorism in an amount equal to one hundred percent (100%) of the replacement cost value of the New Building; provided, however, that the Lessees agree that they shall only be required to secure such coverage as is obtainable for a premium of (A) Three Hundred Thousand Dollars ($300,000) as long as the Terrorism Risk Insurance Act of 2002 or any substantially similar successor legislation is in effect (collectively, "TRIA") or (B) One Million Five Hundred Thousand Dollars ($1,500,000) if TRIA is not in effect.

(c) The Tower 7 Lessee and its insurance broker shall assume the lead role in initially obtaining and thereafter renewing the insurance coverage described under paragraph (a) above, provided, however, that the Tower 7 Lessee and its insurance broker shall seek the full participation, coordination and agreement of Con Edison and its risk management consultant in connection with obtaining and renewing such insurance and with respect to all preparatory work, market analyses, coverages and limits, including obtaining Con Edison's concurrence prior to the submission to the respective insurance markets for both the initial policy and all renewals. No less than sixty (60) days prior to initially obtaining, and thereafter no less than sixty (60) days prior to the expiration of any policies of such insurance from time to time procured and maintained pursuant to the provisions of paragraph (a) above, the Tower 7 Lessee with Con Edison's input, shall engage an insurance broker to represent it in connection with obtaining (or renewing) such policies of insurance, including soliciting bids for such coverage. Promptly after engaging such insurance broker, the Tower 7 Lessee and its insurance broker, with the full participation, coordination and involvement of Con Edison and Con Edison's risk management consultant, shall commence efforts to obtain (or renew) such policies of insurance. The brokers, prior to initially obtaining (or renewing) the insurance, shall provide the Tower 7 Lessee, Con Edison and Con Edison's risk management consultant with copies of all materials prepared in connection with obtaining all bids and copies of all proposals for insurance received by the insurance brokers. The Tower 7 Lessee and Con Edison, together with their respective broker and risk management consultant, respectively, shall determine the form, amount of full replacement value, deductibles or any other matter relating to the insurance required to be maintained by the Tower 7 Lessee under paragraph (a) above; provided, however, that all insurance provided for in this heading shall be effected under policies issued by insurers of recognized responsibility and which are rated no less than "A-" by S&P, Fitch or A.M. Best. The policies shall be written on an agreed amount basis with no co-insurance. No insurance provided for in this subheading shall be bound without the prior express approval of Con Edison; provided, however, that if Con Edison shall not agree with the Tower 7 Lessee on any particular aspect of such proposed insurance (assuming Con Edison shall not have elected to not procure insurance on a joint basis pursuant to paragraph (d) below), the Tower 7 Lessee shall have the right to obtain such insurance for the entire New Building on such terms and conditions as are customary and reasonable for the disputed terms and conditions, and as have been mutually agreed upon for the remaining undisputed terms, and to charge Con Edison for its proportionate share of the premium therefor, and any dispute as to the form, amount of full replacement value, deductibles or any other matter relating to such insurance, including the premium and the allocation thereof between the Tower 7 Lessee and Con Edison (which such allocation shall be fair and reasonable), shall be decided through arbitration in accordance with the heading below entitled "*Arbitration*". The insurance brokers shall provide certified copies of the all risk property insurance policies required under the Agreement to the Tower 7 Lessee within three months of the inception (or renewal) of the insurance policies, and the Tower 7 Lessee agrees to deliver certified copies of all policies of all risk insurance procured under the Agreement to Con Edison and to Con Edison's risk management consultant upon receipt thereof by the Tower 7 Lessee, or to cause its broker to deliver such policies to Con Edison and Con Edison's risk management consultant. In the event that the Tower 7 Lessee and Con Edison, through their selected broker and risk management consultant, respectively, cannot agree with respect to any material aspect of securing the all risk policies, including, but not limited to, carrier selection, deductibles, policy form, exclusions, the appropriate premiums, the amounts of coverage, or the allocation of costs between the parties, notwithstanding the good faith efforts of each Lessee's insurance broker and risk management consultant to agree on such matters, the dispute shall be decided through arbitration in accordance with the heading below entitled "*Arbitration*".

(d) On or prior to the date which is ninety (90) days prior to the expiration of any policy of insurance, either the Tower 7 Lessee or Con Edison may deliver written notice to the other Lessee electing not to obtain the insurance under paragraph (a) above on a joint basis. In such event, each Lessee shall be required to obtain the insurance or renewals thereof for its respective interest described in paragraph (a) above under separate and distinct insurance policies. In the event that the parties obtain separate and distinct insurance policies for their respective interests, such policies will include waivers of subrogation in favor of the other Lessee in such policies. In the event that the parties obtain separate and distinct insurance policies, the Con Edison policies will be payable to Con Edison, and not the Depository, unless the Con Edison Ground Lease provides otherwise. In the event that the parties obtain separate and distinct insurance policies for their respective interests, neither Lessee shall be obligated to name the other Lessee as an additional insured on the respective policies unless otherwise required by the Tower 7 Ground Lease or the Con Edison Ground Lease.

(e) To the extent that the insurance required under this subheading is obtained on a joint basis, each of the Tower 7 Lessee and Con Edison shall pay their agreed-upon proportionate share of the premium therefor, and if any such portion of the premium is the subject of a dispute, then the Tower 7 Lessee shall pay such disputed portion of the premium and may submit such dispute to arbitration in accordance with the terms of the Agreement. After the conclusion of any such arbitration, if the arbitration decision requires Con Edison to pay such amount to the Tower 7 Lessee, the Tower 7 Lessee shall have the right to collect the balance, if any, of Con Edison's proportionate share promptly after sending written request therefor. In the event that the Tower 7 Lessee fails to timely pay the premium, Con Edison may elect to pay the premium and then may seek to collect reimbursement from the Tower 7 Lessee for its proportionate share of the premium upon demand therefor. If, after at least fifteen (15) day's written notice given by either Lessee (which Lessee referred to as the "creditor Lessee"), which such notice shall include all supporting documentation relating thereto, the other Lessee (hereafter referred to as the "defaulting Lessee") shall fail to pay the defaulting Lessee's share of the cost of such insurance, or shall fail to effect any insurance required to be maintained pursuant to paragraph (a) above, then the creditor Lessee may effect such insurance and/or pay such share, and the defaulting Lessee shall reimburse the creditor Lessee, upon demand, for the defaulting Lessee's share of the cost of such insurance. Any additional costs associated with such insurance policy as a result of a premium financing program shall be borne by the Tower 7 Lessee unless Con Edison agrees to such premium financing program.

(f) With respect to any casualty that damages the Premises of only one Lessee, the affected Lessee shall, in good faith and in a commercially reasonable manner, prepare and file the adjustment with the insurers and shall have the sole authority to prosecute, compromise or settle any claim for insurance proceeds, and no other Lessee shall have the right to approve any such settlement, and no other Lessee or such other Lessee's mortgagee shall have any rights to such proceeds. The affected Lessee shall pay all out-of-pocket costs, fees and expenses incurred by such Lessee (including all reasonable attorneys' fees and expenses, the reasonable fees of insurance experts and adjusters, and reasonable costs incurred in any litigation or arbitration) and the deductible in connection with the settlement of any claim for insurance proceeds and seeking and obtaining of any payment on account thereof in accordance with the foregoing provisions. The unaffected Lessee shall, upon request, cooperate with the affected Lessee in filing for adjustment with the insurers and settling any claims, and shall endorse any checks for insurance proceeds payable to the affected Lessee, and file any proofs of claim reasonably required by the affected Lessee.

(g) With respect to any casualty that damages either the Common Areas or the Premises of both Lessees, the Tower 7 Lessee, with the participation and approval of Con Edison (to the extent provided for in the Agreement), shall have the sole authority and responsibility under the Agreement to file and prosecute, in good faith and in a commercially reasonable manner, the adjustment, compromise or settlement of any claim for insurance proceeds, and may settle any insurance claim with respect to insurance proceeds, and Con Edison shall not have the right to participate in or approve any such settlement except to the extent any portion of it relates to the damage caused to (i) the Common Areas or (ii) the Con Edison Premises; provided, however, that if the Tower 7 Lessee fails to submit any claim with respect to the Common Areas, Con Edison shall have the right to file and prosecute, in good faith and in a commercially reasonable manner, the adjustment, compromise or settlement of any claim for such insurance proceeds, and may settle any insurance claim with respect to such insurance proceeds. Any deductible to be paid by the Lessees in connection with any such casualty shall be paid by the Lessees pro rata in the same ratio as each Lessee's share of the insurance proceeds bears to the total insurance award; provided, however, that if it is determined that only one Lessee caused or was otherwise responsible for such casualty, then that Lessee shall be required to pay the entire deductible.

(h) All out-of-pocket costs, fees and expenses incurred by the Tower 7 Lessee and Con Edison (including all reasonable attorneys' fees and expenses, the reasonable fees of insurance experts and adjusters, and reasonable costs incurred in any litigation or arbitration) in connection with the settlement of any claim for insurance proceeds and seeking and obtaining any payment on account thereof in accordance with the foregoing provisions shall be borne by each of the Lessees pro rata in the same ratio as each Lessee's share of the insurance proceeds bears to the total insurance award; provided, however, that any dispute between the Lessees as to such out-of-pocket costs, fees and expenses shall be decided through arbitration in accordance with the heading below entitled "*Arbitration*".

(i) Each Lessee shall give the other Lessee prompt written notice of the occurrence of any event as a result of which such Lessee makes an insurance claim, and shall keep the other Lessee reasonably informed on a regular basis with respect to all adjustments, compromises or settlements of any claim for insurance proceeds. Each Lessee agrees to cooperate with the other Lessee in connection with the prosecution of any insurance claim under the Agreement relating to the coverage required under paragraph (a) above including, without limitation, endorsing checks from the insurance carrier which are made payable to both Lessees but which relate to a casualty occurring in only one Lessee's premises.

(j) Nothing contained in the Agreement shall limit or otherwise restrict the Tower 7 Lessee from obtaining, as a part of the "All Risk" policy of insurance, an endorsement or rider to such policy providing the Tower 7 Lessee with loss of rental value or business interruption insurance, provided that (i) any incremental increase in the premium for such "All Risk" insurance shall be paid entirely by the Tower 7 Lessee and (ii) Con Edison shall not be a named insured, additional insured or loss payee with respect to any such insurance proceeds or otherwise share or participate in such proceeds (or, to the extent Con Edison must be a named insured, additional insured or loss payee, then Con Edison shall not interfere with any claim with respect to loss of rental value insurance or business interruption insurance). Con Edison agrees to cooperate with the Tower 7 Lessee in connection with the prosecution of any insurance claim with respect to loss of rental value or business interruption insurance, including, without limitation, endorsing checks from the insurance carrier which are made payable to both Lessees but which relate only to the Tower 7 Lessee's loss of rental value or business interruption insurance. Con Edison's agreement to not interfere and to cooperate under the Agreement shall be conditioned on the insurers, in coordination with the loss adjusters, identifying any loss of rental value or business interruption insurance payments separately from other payments for claims relating to physical damage of any Premises.

Liability Insurance

(a) Each Lessee shall, at its sole cost and expense, maintain liability insurance against third party claims for personal injury, death or property damage occurring upon, in or about such Lessee's Premises and on, in or about the adjoining streets, sidewalks and passageways for which such Lessee has the Maintenance responsibility, such insurance not to include a "designated premises" restriction. Such liability insurance shall be in such amounts, with deductibles and in the form, as from time to time are carried by prudent owners of comparable buildings in the City of New York as pertains to the Tower 7 Lessee's operations and as may from time to time be carried by prudent owners of similar public utility buildings as pertains to Con Edison's operations, and each Lessee's insurance may consist of a variety of separate policies including but not limited to Commercial General Liability, business automobile liability and umbrella or excess liability forms; provided, however, that in no event shall the liability insurance required under the Agreement afford protection to the limit of less than $100,000,000.00 per occurrence/$100,000,000.00 in the aggregate.

(b) The policies effecting such liability insurance shall name as parties insured, (i) the Lessee carrying such policy of liability insurance (or any Affiliate of such Lessee) as the first named insured; (ii) the other Lessee as an additional insured thereunder; and (iii) the Port Authority and, at the request of either of said Lessees, the mortgagee of all or any portion of the Premises owned by such Lessee, and, at the request of either Lessee, the managing agent of the Premises owned by such Lessee, as additional insureds under such policy.

(c) Each such policy shall provide that the acts of any insured party shall not invalidate the policy as against any other insured party or otherwise adversely affect the rights of any other insured party under the policy, and each such policy shall contain waivers of subrogation for the benefit of all Lessees and the Port Authority, and waivers of any defense based on co-insurance or other insurance, and shall provide that such policies may not be cancelled or modified without at least thirty (30) days' prior written notice to all of the insureds.

(d) The Tower 7 Lessee shall be required to carry the foregoing insurance with respect to the Common Areas, and each Lessee's share of the premiums for such insurance shall be the same share of costs for inspection, testing, repair, replacement and restoration of sidewalks and curbs, as reflected in the Agreement. At policy initiation and renewal of such insurance, the Tower 7 Lessee shall endeavor to have its insurance carrier separately allocate and

identify that portion of the premium for such liability insurance which relates to the Common Areas, and such allocation shall be subject to the reasonable review and approval of each Lessee and their insurance broker and risk management consultant, and if the Lessees cannot agree, then such dispute shall settled by arbitration in accordance with heading below entitled "*Arbitration*". Con Edison shall be an additional named insured with respect to the liability insurance relating to occurrences on or in the Common Areas, and shall be entitled to have access to review and inspect the Tower 7 Lessee's policies of liability insurance as they relate to the Common Areas. With respect to liability insurance insuring the Common Areas, such liability insurance shall be primary and non-contributory.

(e) Either Lessee shall have the right to self-insure for the liabilities to be insured under the liability insurance and/or Worker's Compensation and Employer's Liability Insurance described in the Agreement, except that if any automobile, worker's compensation or other legally mandated insurance is self-insured, any required governmental self-insurer permit shall be obtained and a maximum self insured liability retention of $10 million shall be allowed, subject to a higher self insured liability retention if reasonably consistent with the creditworthiness of the entity seeking self insurance, above which a minimum of $100 million excess liability insurance aggregate shall be maintained, subject to higher limits if dictated by prevailing custom. In the event that either Lessee elects to self-insure instead of carrying the minimum required Commercial General Liability Insurance and/or Worker's Compensation and Employer's Liability Insurance under the Agreement, then such Lessee shall indemnify, defend and save harmless the other Lessee against and from any and all claims by or on behalf of any person, firm, corporation or governmental authority, arising from any event which would have otherwise been insured against had such Lessee carried the Commercial General Liability Insurance and/or Worker's Compensation and Employer's Liability Insurance described in the Agreement naming the other Lessee as an additional insured, and from and against all costs, reasonable counsel fees, reasonable expenses and liabilities incurred with respect to any such claim, action or proceeding brought thereon, and in case any action or proceeding be brought against the other Lessee or its property by reason of any such claim, the indemnifying Lessee, upon notice from the other Lessee, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to said Lessee against which such action or proceeding shall be brought.

Worker's Compensation and Employer's Liability Insurance

Each Lessee shall, at its sole cost and expense, maintain Worker's Compensation and Employer's Liability Insurance to the extent required by law. Said insurance shall be in such amounts as from time to time are required by applicable Laws. Alternatively, a Lessee may secure a state approval as a self-insurer for worker's compensation.

Builder's Risk Insurance

(a) At any time during which construction work is being performed at either of the Lessee's Premises (other than with respect to the initial construction of the New Building), and the construction costs exceed the Property policy's sublimits for new construction, the constructing Lessee shall be required to obtain Builder's Risk "All Risk" insurance in an amount not less than one hundred percent (100%) of the replacement cost value of all such improvements and betterments. Each such policy obtained pursuant to this subheading shall be written on a Builder's Risk Completed Value Form (100% non-reporting) or its equivalent and shall include coverage for loss by collapse, theft, flood, and earthquake. Such insurance policy shall also include, but not be limited to, coverage for:

(i) loss suffered with respect to materials, equipment, machinery, and supplies whether on-site, in transit, or stored off-site and with respect to temporary structures, hoists, sidewalks, retaining walls, and underground property;

(ii) soft costs, plans, specifications, blueprints and models in connection with any restoration following a casualty;

(iii) demolition and increased cost of construction, including, without limitation, increased costs arising out of changes in applicable laws and codes; and

(iv) costs incurred in connection with the operation of building laws.

(b) Each Lessee agrees that in the event that any work or improvements are being performed in both Lessees' Premises, they may, but shall not be obligated to, obtain a joint policy of Builder's Risk insurance, the terms, premium, coverage, form and every other matter thereof to be determined by the mutual agreement of the Lessees at such time.

(c) At any time during which construction work is being performed at either of the Lessee's Premises, such Lessee shall cause their contractor, and all of the contractor's subcontractors, to carry and maintain (i) commercial general liability insurance, including, but not limited to, premises, contractor's liability coverage, contractual liability coverage, completed operations coverage, products, broad form property damage endorsement and contractor's protective liability coverage, to afford protection with limits of not less than $1,000,000 per occurrence, $2,000,000 aggregate, and $5,000,000 umbrella or excess liability coverage with respect to personal injury, death and property damage, without deductible; and (ii) worker's compensation or similar insurance in form and amounts as required by law. With respect to any work being performed on Common Areas, such Lessee shall cause its contractors and their subcontractors to name the other Lessee and the Port Authority as additional insureds on their policies and said policies shall include waivers of subrogation.

Renewal Policies — Property Insurance

Prior to the expiration of any policy of property insurance from time to time maintained pursuant to the provisions of this heading, the Tower 7 Lessee, together with the participation and approval of Con Edison, as described in the subheading above entitled "*Property Insurance*", shall have its insurance broker deliver signed and complete binders, including the agreed policy wording, of the renewal policies to the other Lessee and other parties who are required to be covered thereby. The property insurance broker shall provide certified copies of the property insurance policies of the covered building within three (3) months after the renewal date of the insurance policies.

Renewal Policies — Liability Insurance

Prior to the expiration of any policy of liability insurance from time to time maintained pursuant to the provisions of this heading, each Lessee shall have its insurance brokers provide a certificate of insurance to the other Lessee, and other parties required to be named as additional insureds under the Agreement, as confirmation of the required liability insurance covering their portion of the New Building.

Tenant Insurance

The Tower 7 Lessee shall cause all tenants of the Tower 7 Premises to carry and maintain during the term of each tenant's respective lease, commercial general liability insurance upon such terms and in such limits as are commercially reasonable, and Tower 7 Lessee shall use commercially reasonable efforts to cause such tenants to name the Tower 7 Lessee and Con Edison as additional insureds on said policies and said policies shall include waivers of subrogation.

Insurance Disputes

Any disputes between the Lessees with respect to the matters set forth in this heading shall be settled by arbitration in accordance with the heading below entitled "*Arbitration*", but in no event shall the amounts of the insurance required under the Agreement be less than the minimum amounts above specified.

Damage to the Structure

Repair and Restoration

(a) Mandatory Repair and Restoration by Tower 7 Lessee. If any portion of:

(i) the Tower 7 Premises is damaged by fire or other casualty and there is damage (A) to any facility which serves the Con Edison Premises and is contained within the Tower 7 Premises, or (B) to any portion of the Tower 7 Premises which serves as structural support for the Con Edison Premises; or

(ii) the Tower 7 Premises or any portion of the Common Areas are damaged by fire or other casualty and, in the case of the Tower 7 Premises, there is damage which the Tower 7 Lessee is required under Law to repair; or

(iii) the Con Edison Premises is damaged by fire or other casualty and there is damage (A) to any facility which serves the Tower 7 Premises and is contained within the Con Edison Premises, (B) to any portion of the Con Edison Premises which serves as structural support for the Tower 7 Premises, or (C) to any Visible Area; then such portion of the Tower 7 Premises or the Con Edison Premises so damaged shall be repaired and restored by the Tower 7 Lessee in accordance with the then existing New Building Plans and Specifications (with such changes as are permitted by this subheading), and the Tower 7 Lessee shall, in accordance with the provisions of the heading below entitled "*Disbursement of Funds by Depositary*", be entitled to withdraw any insurance proceeds held by the Depositary by reason of such damage, for application to the cost and expense of such repair and restoration.

(b) Mandatory Repair and Restoration by Con Edison. If any portion of the Con Edison Premises is damaged by fire or other casualty other than as described in the immediately preceding paragraph above, and as a result of such damage, there exists an Emergency or there exists any damage which Con Edison is required under Law to repair, then such portion of the Con Edison Premises so damaged shall be repaired and restored by Con Edison in accordance with the then existing New Building Plans and Specifications (with such changes as are permitted by this subheading), and Con Edison shall, in accordance with the provisions of the heading below entitled "*Disbursement of Fund by Depositary*", be entitled to withdraw any insurance proceeds held by the Depositary by reason of such damage for application to the cost and expense of such repair and restoration.

(c) Self-Help. If at any time either Lessee (hereinafter the "non-performing Lessee") shall not be proceeding diligently with the work of repair and restoration required by the Agreement, then the other Lessee who would be benefitted by such repair and restoration may give written notice to the non-performing Lessee specifying the respect or respects in which such repair and restoration is not proceeding diligently and, if, upon expiration of sixty (60) days after the giving of such notice, the work of repair and restoration is not proceeding diligently, then, subject to the subheading above entitled "*Operation of the New Building - Access to Premises*", the Lessee giving such notice may perform such repair and restoration in accordance with the then existing New Building Plans and Specifications (thereby releasing the non-performing Lessee from any liability for the quality of such repair or restoration performed by said other Lessee) and may take all appropriate steps to carry out the same, including, without limitation, entry onto the Premises of the non-performing Lessee to the extent necessary to perform such repair and restoration, and the Lessee so performing such repair and restoration shall, in accordance with the heading below entitled "*Disbursement of Funds by Depositary*", be entitled to withdraw any insurance proceeds held by the Depositary by reason of such damage, for application to the cost and expense of such repair and restoration.

(d) Optional Repair and Restoration by Con Edison and Tower 7 Lessee. If any portion of the Tower 7 Premises or the Con Edison Premises is damaged by fire or other casualty and there is no damage of the type described in paragraphs (a) or (b) above, then the portion so damaged may, at the election of the Lessee of the Premises in which such fire or other casualty occurred, be repaired and restored by the Lessee of the damaged portion, and each Lessee shall, in accordance with the provisions of the heading below entitled "*Disbursement of Funds by Depositary*", be entitled to withdraw the portion of any insurance proceeds held by the Depositary by reason

of such damage which, in the determination of the insurers in coordination with the loss adjusters pursuant to the subheading above entitled "*Insurance - Property Insurance*", is allocable to the cost and expense of repair and restoration of such Lessee's Premises; provided, however, that the foregoing provisions shall not create any obligation on the part of either Lessee to cause such repair and restoration to be performed except to the extent required under the Tower 7 Ground Lease or the Con Edison Ground Lease, as applicable.

(e) Coordination of Work Between Lessees.

(i) If, during the performance of any repair and/or restoration work by the Tower 7 Lessee, Con Edison is performing any repair or restoration work in the Con Edison Premises as a result of such casualty, whether pursuant to paragraphs (b) or (d) above, then the Lessee performing work to remedy an Emergency situation ("Emergency Work") shall have priority over the Lessee performing any work which is not Emergency Work, and if both Lessees are performing Emergency Work, then they shall cooperate with each other and act in good faith to coordinate such Emergency Work by each of them.

(ii) In the case where both the Tower 7 Lessee and Con Edison are performing work at the New Building, each Lessee agrees to cooperate and work together closely in order to complete such work in a timely and efficient manner. Each Lessee will designate one person to serve as its respective project representative who will be present at the New Building during such period of coordinated work in order to facilitate efficient decision making among the parties.

(iii) In the event that the Tower 7 Lessee is performing work within the Con Edison Premises pursuant to paragraph (e)(i) above, the Tower 7 Lessee shall develop in good faith and deliver to Con Edison on a weekly basis a detailed progress schedule (a "Progress Schedule") showing the status of all work to be performed in the Con Edison Premises. If the work is not proceeding in accordance with the Progress Schedule, then, if there shall exist an Emergency, Con Edison shall have the right to demand that the Tower 7 Lessee accelerate such work; provided that any increase in the cost of performing such work incurred by the Tower 7 Lessee as a result of completing such work in advance of the Progress Schedule at the direction of Con Edison shall be paid for by Con Edison.

Application of Insurance Proceeds and Other Funds to Repair and Restoration

(a) Insufficient Insurance Proceeds. If the cost and expense of performing any repair and restoration provided for in the subheading above entitled "*Damage to the Structure- Repair and Restoration*" shall exceed the amount of insurance proceeds, if any, paid by reason of the damage being repaired and restored, then such excess cost and expense (or the entire cost and expense, if there be no insurance proceeds) shall be borne by the Lessees in proportion to the cost and expense of repairing and restoring the improvements within each of their respective Premises, except that the costs of restoration of those elements so specified in the Agreement shall be apportioned in accordance with the Agreement. To the extent that such insufficiency of insurance proceeds is the result of cost overruns in the performance by either Lessee of its repairs and/or restoration, then each Lessee shall be responsible for paying all cost overruns with respect to its portion of the repairs and/or restoration, and the same shall not be payable out of insurance proceeds.

(b) Excess Repair and Restoration Funds. Upon completion of the repair and restoration of any such damage to the New Building, any insurance proceeds paid and any deposits made with the Depositary by reason of such damage in excess of the cost and expense of performing such repair and restoration, shall be refunded to the said Lessees in the same proportions in which the Lessees would have been required to bear the cost and expense of such repair and restoration if no insurance proceeds had been paid by reason of such damage.

Legal Variances

(a) If, to perform any repair or restoration provided for in the subheading above entitled "*Damage to the Structure- Repair and Restoration*", it shall be necessary to obtain a variance, special permit or exception or change

in zoning or other Laws in order to repair or restore the New Building to its condition as described in the New Building Plans and Specifications immediately prior to such damage, and if either Lessee believes it is possible to obtain the same, and so notifies the other Lessee in writing, then each of the Lessees shall cooperate to obtain such variance, special permit or exception or change in law provided the Port Authority shall have consented thereto. The legal and architectural fees and all other costs and expenses of applying for and/or obtaining such variance, special permit or exception or change in law shall, for the purposes of the Agreement, be considered as a part of the cost and expense of carrying out such repair and restoration.

(b) If any repair or restoration to be performed pursuant to the subheading above entitled "*Damage to the Structure- Repair and Restoration*" cannot be carried out in compliance with law, and if a variance, special permit or exception or change in law is not obtained pursuant to the immediately preceding paragraph within 6 months of the date of the casualty, then necessary adjustments shall be made in the plans and specifications for such repair and restoration so that the New Building, as repaired and restored, shall comply with law; provided, however, that no substantial reduction in the floor area of the Con Edison Premises or of that portion of the Con Edison Premises which does not serve the Tower 7 Premises, and no substantial reduction in the floor area contained within the Tower 7 Premises or areas serving the Tower 7 Premises, shall be made without the consent of the Lessee who shall be affected by such reduction. If said Lessee shall be unwilling to so consent, and if it shall not be feasible to make such adjustments without substantially reducing said floor areas, then such repair and restoration shall not be performed pursuant to said subheading above entitled "*Damage to the Structure- Repair and Restoration*", and, subject to the provisions of the immediately following paragraph, any insurance proceeds, less costs and expenses paid or incurred in applying for a variance, special permit or exception or change in law, shall be paid out by the Depositary to the Lessees in proportion to the amount of such proceeds which shall have been paid for damage to improvements within the respective Premises of each of the Lessees, except that the amount of such proceeds paid for damage to any facility located within one Premises the cost of the maintenance of which facility, under the Agreement, is to be borne in whole or in part by the Lessee of the Premises, shall be paid to the Lessees in the same proportions in which such Lessees were obligated to bear the cost of the Maintenance of such facility immediately prior to the occurrence of such damage.

(c) If, pursuant to the immediately preceding paragraph, repair and restoration is not to be performed pursuant to the subheading above entitled "*Damage to the Structure- Repair and Restoration*", then, subject to each Lessee's ground lease, the improvements within each Premises shall be demolished, or repaired and restored, as the Lessee of each Premises shall elect, to such extent, if any, as may be necessary to comply with all applicable Laws. Such demolition, repair and/or restoration shall be mandatory and shall be performed by the Lessee of the damaged Premises, who shall be entitled to withdraw any insurance proceeds held by the Depositary by reason of such damage. The cost and expense of such demolition, repair and restoration shall be allocated among the Lessees in proportion with the cost and expense of repairing and restoring the improvements within each of their respective Premises, except that for the purpose of determining such proportions, the cost and expense of repairing or restoring any facility located within one Premises the cost of Maintenance of which facility, under the Agreement, would be borne in whole or in part by an owner of another Premises, shall be allocated to the Lessees in the proportions which shall be determined pursuant to the heading below entitled "*Standard of Allocation*". In the event that, pursuant to this subheading, repair or restoration is not to be performed, (i) Con Edison shall not demolish Visible Areas or such portion of the Con Edison Premises which shall serve as support for the Tower 7 Premises or any portions which contain facilities or areas which serve the Tower 7 Premises, unless such demolition shall be necessary to comply with applicable law or unless the Tower 7 Premises are to be demolished and (ii) the Tower 7 Lessee shall not demolish such portion of the Tower 7 Premises which shall serve as support for the Con Edison Premises, or any portions which contain facilities or areas which serve the Con Edison Premises, unless such demolition shall be necessary to comply with applicable law or unless the Con Edison Premises are to be demolished.

Alterations

(a) Subject to the limitations contained in the next succeeding sentences of this paragraph, either Lessee may at any time, at such Lessee's sole cost and expense, make alterations to the improvements within such Lessee's Premises, and in connection therewith, may relocate any easement within such Premises granted to the other Lessee

pursuant to the heading above entitled "*Easements*", provided that the fundamental purpose of such easement is not affected and such Lessee complies with the provisions of the subheading above entitled "*Operation of the New Building -Non-Interference; Compliance with Lessees' Rules and Regulation*". Each Lessee further agrees that it shall not make, nor permit to be made, any alteration of its respective Premises which shall necessitate the erection of additional columns, bearing walls, or other structures upon the other Lessee's Premises for the support of the other Lessee's Premises or the relocation of any existing columns, bearing walls, or other structures, without the other Lessee's consent, which consent may be withheld by such other Lessee in its reasonable discretion. Con Edison agrees that no relocation of any element of the Tower 7 Premises or of the structural supports therefor or of any facility in the Con Edison Premises that serves or benefits the Tower 7 Premises shall be made without the Tower 7 Lessee's consent, which consent may be withheld by the Tower 7 Lessee in its sole discretion. The Tower 7 Lessee agrees that no relocation of any element of the Con Edison Premises or of the structural supports therefor or of any facility in the Tower 7 Premises that serves or benefits the Con Edison Premises shall be made without Con Edison's consent, which consent may be withheld by Con Edison in its sole discretion. The Lessees agree that the Tower 7 Lessee shall be permitted, at its sole cost and expense, to make alterations to (i) the curbs and sidewalks surrounding the New Building, (ii) the exterior facade of the New Building enclosing the Tower 7 Premises, and (iii) all demising walls which separate the Tower 7 Premises and the Con Edison Premises, provided that such alterations, either during their construction or after completion, do not violate the provisions of the heading above entitled "*Operation of the New Building*" and do not alter the cost allocation methods set forth in the Agreement. The Lessees agree that Con Edison shall be permitted, at its sole cost and expense, to make alterations to all demising walls which separate the Tower 7 Premises and the Con Edison Premises, provided that such alterations, either during their construction or after completion, do not violate the provisions of the heading above entitled "*Easements*" and do not alter the cost allocation methods set forth in the Agreement. The Tower 7 Lessee and Con Edison further agree that no alteration to the exterior facade of the New Building enclosing the Con Edison Premises shall be made without the consent of each Lessee, which consent may be withheld by either Lessee in its sole discretion.

(b) If at any time either Lessee proposes to make any such alterations, and if such alterations will change the location of, reduce the area of, or otherwise affect, any easement granted to another Lessee pursuant to the heading above entitled "*Easements*", or such alteration is of the type referred to in the third or fourth sentences of the preceding paragraph, then, before commencing such alterations, the Lessee who proposes to make the same shall give to such other Lessee a copy of the plans and specifications showing the proposed alterations. If such other Lessee shall not, within forty-five (45) days after delivery of said plans and specifications, give the Lessee who proposes to make such alterations a written notice objecting to the proposed alterations, then the proposed alterations may be made at the cost of the Lessee who proposes same, provided the alterations actually made are shown on the plans and specifications furnished to such other Lessee. If such other Lessee gives a written notice as aforesaid, and if the Lessee who proposes to make such alterations and such other Lessee objecting thereto do not resolve their differences within fifteen (15) days after the giving of such notice, then the Lessee who proposes to make such alterations shall not commence the same until the dispute has been resolved.

(c) Any Lessee making alterations shall comply with all Laws and shall, within ninety (90) days after demand by the other Lessee, discharge, by the filing of a bond or otherwise, any mechanic's, materialman's or other lien asserted against the Premises of such other Lessee by reason of the making of such alterations. Any Lessee making an alteration shall provide to the other Lessee's architect a complete set of as-built plans with respect to the work performed. A Lessee shall, to the extent reasonably practicable, make alterations in such a manner as to minimize any noise or vibration or odor which would disturb an occupant or occupants of a Premises leased by the other Lessee.

(d) Upon completion of any alteration pursuant to this subheading, the New Building Plans and Specifications shall be amended to reflect such alteration "as-built".

CONDEMNATION

Payment to Depositary

Any awards for damage, direct and consequential, resulting from the taking, other than a temporary taking, by the exercise of the power of eminent domain, by any sovereign, municipality or other public or private authority, of all or any part of the New Building or the easements or other appurtenances thereto shall be paid to the Depositary provided for in the heading below entitled "*Depositary*".

Allocation of Awards

In the event that each Lessee is not granted its own separate and distinct award resulting from such taking, each award received by the Depositary pursuant to the paragraph above shall be allocated among the Lessees in that proportion which the damage to each Lessee's Premises and to all easements and other appurtenances thereto shall bear to the damage to all of the Premises and the easements and other appurtenances thereto, taking into account the allocation provided for in the heading below entitled "*Standard of Allocation*", and the award shall be distributed by the Depositary to the respective Lessees (or to any lessee or mortgagee to whom either Lessee's rights to such award are assigned), in accordance with such allocation, subject, however, to the provisions of the subheadings below entitled "*Condemnation - Allocation of Costs of Repair and Restoration*" and "*Restoration Not Feasible*". If the damage and consequential damage to each Lessee's Premises and the easements and other appurtenances thereto shall be determined by a court of law or equity in connection with the taking proceeding, then such determination shall be conclusive as to the proportions of the total award to be allocated to each of the Lessees pursuant to this subheading.

Repair and Restoration Following Condemnation

(a) Mandatory Repair and Restoration by the Tower 7 Lessee. If any portion of:

(i) the Tower 7 Premises is taken by a taking authority and as a result thereof there is taken (A) any facility which serves the Con Edison Premises and is contained within the Tower 7 Premises, or (B) any portion of the Tower 7 Premises which serves as structural support for the Con Edison Premises; or

(ii) the Con Edison Premises is taken by a taking authority and as a result thereof there is taken (A) any facility which serves the Tower 7 Premises and is contained within the Con Edison Premises, or (B) any portion of the Con Edison Premises which serves as structural support for the Tower 7 Premises, then, subject to the provisions of the subheading below entitled "*Condemnation - Restoration Not Feasible*", the repair and restoration of such improvements shall be performed by the Lessee of such improvements, and such Lessee shall be entitled to withdraw, for application to the cost of said repair and restoration, in accordance with the provisions of the heading below entitled "*Security*", that portion (which may be 100%) of any condemnation award or awards paid to the Depositary by reason of such taking which shall have been allocated to the Lessee of such improvements pursuant to the subheading above entitled "*Condemnation - Allocation of Awards*".

(b) Mandatory Repair and Restoration by Con Edison. If any portion of the Con Edison Premises is taken by a taking authority and, as a result thereof, there exists an Emergency, then, subject to the provisions of the subheading below entitled "*Condemnation - Restoration Not Feasible*", the repair and restoration of such improvements shall be performed by the Lessee of such improvements, and Con Edison shall be entitled to withdraw, for application to the cost of said repair and restoration, in accordance with the provisions of the heading below entitled "*Security*", that portion (which may be 100%) of any condemnation award or awards paid to the Depositary by reason of such taking which shall have been allocated to the Lessee of such improvements pursuant to the subheading above entitled "*Condemnation - Allocation of Awards*".

(c) Optional Repair and Restoration by Con Edison and the Tower 7 Lessee. If any portion of the Tower 7 Premises or Con Edison Premises is taken by a taking authority other than a taking of the type described in the

subheading above entitled "*Repair and Restoration Following Condemnation*", then the portion so taken may, at the election of the Lessee which owns the Premises in which is the subject of such taking, be restored by the Lessee of the taken portion, but neither the Tower 7 Lessee nor Con Edison shall have any obligation to cause such repair and restoration to be performed, except to the extent required under the Tower 7 Ground Lease or the Con Edison Ground Lease, as applicable.

Allocation of Costs of Repair and Restoration

(a) The cost and expense of performing the repair and restoration provided for in the subheading above entitled "*Repair and Restoration Following Condemnation*" shall be borne by the respective Lessees in that proportion which the cost and expense of repairing and restoring the improvements within the Premises of each Lessee, respectively, shall bear to the entire cost and expense of such repair and restoration, except that the cost and expense of repairing and restoring any facility located within one Premises the cost of the Maintenance of which facility, under the Agreement, is to be borne in whole or in part by the Lessee of another Premises, shall be allocated to the Lessees pursuant to the heading below entitled "*Standard of Allocation*".

(b) The Depositary shall withhold from the portion of any condemnation award or awards allocated to each of the respective Lessees pursuant to the subheading above entitled "*Allocation of Awards*" a sum equal to one hundred percent (100%) of an Independent Architect's estimate of such Lessee's portion of the cost and expense of performing the repair and restoration provided for in the subheading above entitled "*Repair and Restoration Following Condemnation*", and shall be disbursed in accordance with the procedures set forth in the heading below entitled "*Disbursement of Funds By Depositary*". The remainder of each Lessee's portion of any condemnation award or awards (or the entire amount of such Lessee's portion of the condemnation award or awards, if such Lessee is not required to bear any portion of the cost and expense of repair and restoration) shall be disbursed by the Depositary to the respective Lessees without awaiting completion of the work of repair and restoration. If that portion of the cost and expense of performing such repair and restoration which is allocated to either Lessee exceeds the condemnation award or awards allocated to such Lessee pursuant to the subheading above entitled "*Allocation of Awards*", then such Lessee shall, upon demand of the other Lessee, pay to the Depositary a sum of money equal to the amount of such excess. If either Lessee (hereafter referred to as the "defaulting Lessee") shall fail to pay, or, as the case may be, deposit, the defaulting Lessee's share of the cost and expense (or estimated cost and expense) of performing any repair or restoration, then the other Lessee or Lessees (hereafter referred to as the "creditor Lessee") may pay or deposit the same, and the defaulting Lessee shall, upon demand, reimburse the creditor Lessee for such payment or deposit.

Restoration Not Feasible

Subject to the provisions of the succeeding sentences of this subheading, if, by reason of such a taking, it is not feasible to repair and restore the structure so that there shall be no substantial reduction in the floor area of the Con Edison Premises, or of that portion of the Con Edison Premises which does not serve the Tower 7 Premises, or in the floor area contained within the Tower 7 Premises or areas in the Con Edison Premises which serve the Tower 7 Premises, then such repair and restoration need not be performed, and the condemnation award or awards paid for such taking shall be distributed in accordance with the provisions of the subheading above entitled "*Allocation of Awards*". However, in such event, the improvements within each Premises shall be demolished, or repaired and restored, as the Lessee of each Premises shall direct, to such extent, if any, as the Lessee of each Premises shall elect, or as may be necessary to comply with all applicable Laws. Such demolition, repair or restoration shall be deemed to be a repair or restoration to which the provisions of the subheading above entitled "*Repair and Restoration Following Condemnation - Optional Repair and Restoration by Con Edison and the Tower 7 Lessee*", and the provisions of the subheading above entitled "*Allocation of Costs of Repair and Restoration*", are applicable. In the event that, pursuant to this subheading, repair or restoration is not to be performed, (i) Con Edison shall not demolish Visible Areas or such portion of the Con Edison Premises which shall serve as support for the Tower 7 Premises or any portions which contain facilities or areas which serve the Tower 7 Premises, unless such demolition shall be necessary to comply with applicable law or unless the Tower 7 Premises is to be demolished and (ii) the Tower 7 Lessee shall not demolish such portion of the Tower 7 Premises which shall serve as support for the Con Edison Premises or any

portions which contain facilities or areas which serve the Con Edison Premises, unless such demolition shall be necessary to comply with applicable law or unless the Con Edison Premises is to be demolished.

Temporary Taking

In the event of a taking of the temporary use of any space, the respective Lessees shall be entitled to receive directly from the taking authority any award or awards for such taking of space within their respective Premises or within any easement or appurtenance, according to the law then applicable.

Security

Generally

Each Lessee shall be responsible for the installation, operation, Maintenance and monitoring of a security system (including fire and other emergency safety systems) (collectively, "Security Systems") relating to its own Premises. The Lessees acknowledge that all Security Systems, and any modifications thereto, shall be subject to the approval of the Port Authority in accordance with each such Lessee's ground lease.

Sharing of Design and Specifications

Each Lessee shall promptly provide any technical information regarding its Security System as the other Lessee may reasonably request in writing. In addition, in the event either Lessee shall update, modify or in any material manner change or alter its Security System, such Lessee shall give the other Lessee prior written notice thereof setting forth with reasonable specificity the nature of such changes, all relevant technical information in connection therewith, and the schedule for such modifications. Each Lessee shall cooperate with the other to ensure that each Security System continues to operate in an efficient manner with the other and that neither system adversely affects the other.

Cross-Monitoring

Each Lessee shall have the ability to monitor certain areas of the other Lessee's Premises and certain elements of the other Lessee's Security System; provided, however, that such right to monitor the other's Security System in no way creates any duty or obligation to so monitor such Security System, and the failure to so monitor the other's Security System shall not in any event or under any circumstance create any liability on the part of the Lessee which fails to so monitor such other Lessee's Security System, and each Lessee releases the other from any claim, loss, cost, liability or expense which the other Lessee may incur or otherwise suffer as a result of monitoring the other Lessee's Security System.

Notifications

Each Lessee shall immediately notify the other Lessee in the manner set forth in the protocol for Emergencies in the event that any element of such Lessee's Security System is triggered. Each such Lessee shall keep the other Lessee fully, completely and regularly informed as to the status of any alarms triggered under its Security System, including, without limitation, such Lessee's plan for eliminating the cause of such alarm trigger and resetting of the Security System.

Maintenance

Each Lessee shall, at its sole cost and expense, maintain its Security System and all components thereof in good working order and condition, and repair and replace same as necessary. In the event that either Lessee's security system malfunctions, or is otherwise not operating in accordance with its design and specifications, then such Lessee shall immediately deliver notice of such problem to the other Lessee, along with a plan and schedule for correcting the malfunction, and shall continue to keep the other Lessee reasonably informed as to the progress of such repairs.

Force Majeure

A Lessee (hereafter referred to as "the non-performing Lessee") shall not be deemed to be in default in the performance of any obligation on the non-performing Lessee's part to be performed under the Agreement, other than an obligation requiring the payment of a sum of money, if and so long as non-performance of such obligation shall be directly caused by fire or other unavoidable casualty, national emergency, Laws, governmental or municipal restrictions, enemy action, civil commotion, strikes, inability to obtain labor or materials (except where due to the economic inability of the non-performing Lessee for reasons other than the failure of the Depositary to disburse funds where the conditions for such disbursement have been satisfied) war or national defense preemptions, acts of God or other similar causes beyond the non-performing Lessee's control; provided, however, that within fifteen (15) days after the giving of any written notice by another Lessee (hereafter referred to as the "other Lessee") to the non-performing Lessee referring to non-performance by the non-performing Lessee of any such obligation, the non-performing Lessee shall notify the other Lessee in writing of the existence and nature of any such cause for non-performance which is beyond the non-performing Lessee's control, and the steps, if any, which the non-performing Lessee shall have taken to eliminate such cause for non-performance. Thereafter, the non-performing Lessee shall from time to time on written request of the other Lessee keep the other Lessee fully informed in writing, of all further developments concerning such cause for non-performance, and the efforts, if any, being made by the non-performing Lessee to end such cause for non-performance.

Depositary

(a) In any instance when a Depositary is to serve pursuant to any of the provisions of the Agreement, the holder of the most senior mortgage on the Tower 7 Lessee's leasehold interest shall be the Depositary under the Agreement, if it shall be willing to serve as such.

(b) If the Depositary is not selected pursuant to the immediately preceding paragraph, then the Depositary shall be a bank or trust company authorized to do business in the State of New York and having a principal office in the City of New York. The Tower 7 Lessee shall have the right to designate which bank or trust company shall act as Depositary. Any bank or trust company acting as Depositary under the Agreement shall have (a) either (i) a long-term unsecured debt rating of "A+" or higher by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") or (ii) if the long-term unsecured debt rating is "A" or lower by S&P, a short-term rating of not less than "A-1" from S&P; (b) a long-term unsecured debt rating of not less than "Aa3" by Moody's Investors Service, Inc. ("Moody's") and (c) if the bank or trust company is rated by Fitch Ratings Inc. ("Fitch"), either a long-term unsecured debt rating of not less than "A" from Fitch or a short-term unsecured debt rating of not less than "F-1" from Fitch. The Depositary may retain free of trust, from the monies held by it, the Depositary's reasonable fees and expenses for acting as Depositary, the costs of such Depositary's fees to be borne by the Tower 7 Lessee and Con Edison in the same proportion such Lessees' interests in the funds held by such Depositary.

(c) The Depositary shall be obligated to pay interest on all monies held by it. However, at the Tower 7 Lessee's direction, the Depositary shall invest the same in Permitted Investments, and the Depositary shall hold such securities in trust under the Agreement. Any interest paid or received by the Depositary on monies or securities held in trust, and any gain on the redemption or sale of any Permitted Investments, shall be added to the monies or securities so held in trust by the Depositary. Unless the Depositary shall have undertaken to pay interest thereon, monies received by the Depositary pursuant to any of the provisions of the Agreement shall not be mingled with the Depositary's own funds and shall be held by the Depositary in trust for the uses and purposes provided in the Agreement.

(d) The Depositary shall not be liable or accountable for any action taken or suffered by the Depositary, or for any disbursement of monies by the Depositary, in good faith in reliance on advice of legal counsel.

(e) The Depositary, as such, shall have no affirmative obligation to prosecute a determination of the amount of, or to effect the collection of, any insurance proceeds or condemnation award or awards, unless the Depositary shall have given an express written undertaking to do so.

(f) The Depositary may rely conclusively on any Independent Architect's certificate furnished to the Depositary in accordance with the provisions of the subheading below entitled "*Disbursement of Funds by Depositary - Disbursements*" and shall not be liable or accountable for any disbursement of funds made by it in reliance upon such certificate.

(g) All disbursements of funds made by the Depositary, shall be drawn from accounts maintained by it with member banks of the New York Clearing House Association.

Disbursement of Funds by Depositary

Disbursements

If, pursuant to the Tower 7 Ground Lease, that portion of the losses payable under any policy of all risk property insurance maintained under the first paragraph under the subheading above entitled "*Insurance - Property Insurance*" to the Tower 7 Lessee would be payable directly to the Tower 7 Lessee instead of a Depositary, and if, pursuant to the Con Edison Ground Lease, that portion of the losses payable under any policy of all risk property insurance maintained under the first paragraph under the subheading above entitled "*Insurance - Property Insurance*" to Con Edison would be payable directly to Con Edison instead of a Depositary, then such insurance proceeds shall be immediately paid over by the Depositary to the Tower 7 Lessee and/or Con Edison, as the case may be, for application in accordance with the terms of the Agreement and the Tower 7 Ground Lease or the Con Edison Ground Lease, as the case may be. Pending the resolution of any dispute over the allocation of insurance proceeds held by the Depositary, the disputed amounts shall not be disbursed by the Depositary until (i) each of the Tower 7 Lessee and Con Edison shall have consented thereto in writing or (ii) a decision is rendered in connection with a dispute regarding such proceeds directing the Depositary to so disburse such proceeds.

Officers Certificate

In any instance when, pursuant to any provision of the Agreement, the Depositary shall be required to disburse insurance proceeds, condemnation awards or other funds for application to the cost of repair, restoration and/or demolition, the Depositary shall not be required to make disbursements more often than at thirty (30) day intervals, and each request for disbursement shall be made in writing at least seven (7) days in advance. Each request for disbursement shall be accompanied by a certificate of the Lessee making the request for disbursement, dated not more than ten (10) days prior to the request for disbursement, setting forth that the sum then requested to be withdrawn either has been paid by or on behalf of such Lessee and/or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses shall be stated) who have rendered or furnished, or agreed to render or furnish, certain services, equipment, and materials.

Upon compliance with the foregoing provisions of this subheading, the Depositary shall, out of the moneys so held by the Depositary, pay or cause to be paid to the Lessees, contractors, subcontractors, materialmen, engineers, architects and other persons named in an Independent Architect's certificate the respective amounts stated in said certificate to be due them.

No Reliance by Contractors

No contractor, subcontractor, mechanic, materialman, laborer or any other person whatsoever, other than the Lessees and any mortgagee to whom a Lessee's rights shall have been assigned, shall have any interest in or rights to or lien upon any funds held by the Depositary. The Lessees and any such mortgagees by agreement among themselves, may at any time provide for a different disposition of funds than that provided for in the Agreement, without the necessity of obtaining the consent of any contractor, subcontractor, mechanic, materialman, laborer or any

other person whatsoever. If at any time the Lessees, and such mortgagees, if any, shall jointly instruct the Depositary with regard to the disbursement of any funds held by the Depositary, then the Depositary shall disburse said funds in accordance with said instructions, and the Depositary shall have no liability to anyone by reason of having so disbursed said funds in accordance with said instructions.

Arbitration

Notice to Arbitrate

If a dispute shall arise between or among the Lessees, and if, pursuant to any provision of the Agreement, such dispute is expressly stated to be settled by arbitration, then any such Lessee may serve upon the other Lessee involved in such dispute a written notice demanding that the dispute be arbitrated pursuant to this heading (an "Arbitration Election Notice"). The determination as to which, if any, particular disputes are subject to arbitration (other than those expressly stated to be determined by arbitration) is expressly reserved for the court of applicable jurisdiction under the Agreement.

Appointment of Arbitrators and Procedure

(a) Any disputes under the Agreement which are stated to be resolved by arbitration, shall be determined in (i) with respect to disputes of an aggregate monetary nature (including all related claims, counterclaims, cross claims, costs, fees and interest) of up to $75,000, in accordance with the Expedited Procedures provisions of the Commercial Arbitration Rules of the American Arbitration Association, as amended and effective July 1, 2003 (presently rules E-1 through E-10) and (ii) with respect to disputes of an aggregate monetary nature (including all related claims, counterclaims, cross claims, costs, fees and interest) in excess of $75,000, in accordance with the Procedures for Large Complex Commercial Disputes of the American Arbitration Association, as amended and effective July 1, 2003 (presently rules L-1 through L-4). All arbitration proceedings held under the Agreement shall be conducted in New York, New York.

(b) Arbitrators shall be selected as follows: each party to the arbitration shall select one person to act as an arbitrator within ten (10) Business Days following the delivery of an Arbitration Election Notice, and such two selected persons shall, within ten (10) Business Days after being selected, mutually agree on a third person with similar qualifications, and such three selected persons shall act as an arbitration panel (the "Arbitration Panel") for the purpose of deciding the matter submitted for arbitration. If the two (2) appointed arbitrators are unable to agree on the third arbitrator, then the Lessees shall have the American Arbitration Association appoint such third arbitrator meeting the criteria set forth in the Agreement. If any party fails to notify the other of the person it has selected to act as an arbitrator within ten (10) Business Days following the delivery of the Arbitration Election Notice in accordance with the provisions of this heading, then the arbitrator selected by the other Lessee within said ten (10) Business Days, shall serve as the sole arbitrator for purposes of deciding the matter submitted for arbitration. The persons so selected shall have no less than ten (10) years' experience related to the operation of commercial office buildings in New York City; provided, however, that if in connection with any arbitration (such as an arbitration required pursuant to the subheading above entitled "*Cost Allocations and Cost Sharing - Common Area Maintenance Expenses Incurred by the Tower 7 Lessee*"), it shall be necessary to determine the value of any Premises or portion thereof, the arbitrators who shall be selected shall be disinterested persons of recognized competence in the field of real estate appraisal and, provided, further, that if in connection with any arbitration relating to insurance matters, the arbitrators who shall be selected shall be disinterested persons of recognized competence in the field of real estate insurance.

(c) For purposes of arbitrations held under the Expedited Procedures provisions of the Commercial Arbitration Rules of the American Arbitration Association, the Notice of Hearing referred to in Rule E-8 shall be four (4) days in advance of the hearing date and the hearing shall be held within seven (7) days after the appointment of the third arbitrator. With respect to all arbitrations under the Agreement, the arbitrators shall make a determination and communicate such decision to the Lessees within ten (10) Business Days following said hearing, and the arbitrators shall have no right to award damages. In no circumstance shall the arbitrators be empowered to grant temporary or permanent provisional remedies of any kind such as, but not limited to, an injunction, stay, or

restraining order. Any determination under this heading shall be final and binding upon the parties, subject to any parties' right of judicial review allowed by applicable law.

(d) In making its determination, the Arbitration Panel shall not subtract from, add to, or otherwise modify any of the provisions of the Agreement, and the jurisdiction of the Arbitration Panel is limited accordingly. The parties to the Agreement agree that the arbitrators are empowered to issue subpoenas to a party or non-party as necessary for the defense, prosecution or resolution of a claim or dispute.

(e) The failure of either Lessee to participate in a duly held arbitration under the Agreement, which failure leads to the termination of such arbitration without a determination being made by the Arbitration Panel, shall be deemed a determination against such Lessee.

Fees and Expenses

The fees and expenses of the arbitrators shall be divided equally between or among such Lessees. If either Lessee (hereafter referred to as the "defaulting Lessee") shall fail to pay the defaulting Lessee's share of any fees or expenses of the arbitrators, then the other Lessee or Lessees (hereafter referred to as the "creditor Lessee") may pay the same, and the defaulting Lessee shall, upon demand, reimburse the creditor Lessee for such payment, and if the defaulting Lessee fails to promptly reimburse the creditor Lessee, the creditor Lessee shall have the right to place a lien on such defaulting Lessee's Premises; provided, however, that any such lien shall be subject and subordinate to any leasehold mortgage on such Premises. Each Lessee shall bear its own fees and expenses incurred in connection with any such arbitration.

Non-Applicability to Port Authority

In the event that the Port Authority succeeds to the interest of either Lessee, then the Port Authority shall not be bound to resolve any disputes under the Agreement by means of arbitration.

Debts; Interest

Each Claim Separate

Each claim of any party arising under the Agreement shall be separate and distinct, and no defense, set-off or counterclaim arising against the enforcement of any lien or other claim of any party to the Agreement shall thereby be or become a defense, set-off or counterclaim against the enforcement of any other lien or claim.

Interest

In each instance when either Lessee shall be obligated to pay any sum of money to another Lessee under the Agreement, interest shall accrue thereon and be payable under the Agreement at the rate of two percent (2%) over the Prime Rate (but in no event in excess of the maximum rate permitted by law), from the date such sum first became due under the Agreement.

Estoppel Certificates

Each Lessee agrees at any time and from time to time during the term of the Agreement (but not more often than once in each calendar quarter), within thirty (30) days after written request by the other Lessee or the Port Authority, to execute, acknowledge and deliver to such other Lessee or to any existing or prospective purchaser, mortgagee or lessee designated by such other Lessee, a certificate in recordable form stating: (a) that the Agreement is unmodified and, to the best of its knowledge, in force and effect, or if there has been a modification or modifications, that the Agreement is in force and effect, as modified, and identifying the modification agreement or agreements; (b) whether or not, to the best of its knowledge, there is any existing default under the Agreement by either Lessee in the payment of any sum of money owing to the Lessee executing such certificate, and whether or not

there is any existing default by either Lessee with respect to which a notice of default has been given or received by the Lessee executing such certificate, and if there is any such default, specifying the nature and extent thereof; (c) whether or not, to the best of its knowledge, there are any sums (other than those arising within the previous forty-five (45) days out of the normal course of operation of the New Building) which the Lessee executing such certificate is entitled to receive or demand from the other Lessee under the Agreement, and if there is any such sum, specifying the nature and extent thereof; (d) whether or not the Lessee executing such certificate has performed or caused to be performed, or is then performing or causing to be performed, any Maintenance or other work not in the normal course of operation of the New Building, the cost of which such Lessee is or may be entitled to charge in whole or in part to the other Lessee but has not yet charged to such other Lessee, and if there be any such Maintenance or other work, specifying the nature and extent thereof; (e) whether or not there are any set-offs, defenses or counterclaims then being asserted or otherwise known by the Lessee executing such certificate against enforcement of any obligations under the Agreement which are to be performed by the Lessee executing such certificate, and, if so, the nature and extent thereof; (f) whether or not, to the best of its knowledge, each of the Premises are then assessed separately at other than nominal valuations, and, if not, the allocation of assessments, taxes and charges between the Premises then in force under the subheading above entitled "*Cost Allocations and Cost Sharing - Common Area Maintenance Expenses Incurred by the Tower 7 Lessee*" and whether there are any disputes outstanding with respect to said assessments or the allocation thereof; (g) whether or not, to the best of its knowledge, there has been any revision in the allocation of any cost pursuant to the subheading above entitled "*Cost Allocations and Cost Sharing - Common Area Maintenance Expenses Incurred by the Tower 7 Lessee*" which has not been included in any modification referred to in clause (a) above, and if so, setting forth the revision or revisions; (h) whether or not the Lessee executing such certificate has given any notice making a demand or claim under the Agreement which has not yet been discharged or otherwise resolved, or given any notice of a dispute to be settled by arbitration in accordance with the provisions of the heading above entitled "*Arbitration*", and if so, a copy of any such notice shall be delivered with the certificate; (i) whether or not there is any pending dispute involving the Lessee executing such certificate which has been submitted for arbitration under the Agreement, and if so, specifying the nature of the dispute; (j) whether or not the Lessee executing such certificate has made any then outstanding assignment of rights, privileges, easements or rights of entry, and if so, identifying such assignment; (k) what agreements, if any, have been entered into by the Lessee executing such certificate which affect such Lessee's rights or obligations under the Agreement; and (l) the current address or addresses to which notices given to the Lessee executing such certificate are required to be mailed under the Agreement.

Termination

Duration and Termination of Easements

The Agreement, and the easements granted thereby, shall remain in force and effect in perpetuity, unless an agreement in recordable form providing for the termination of the Agreement shall be consented to and executed by all Lessees who shall own any Premises affected by the Agreement at the time of such termination.

No Termination of Lease Provisions

The termination of the Agreement pursuant to the preceding paragraph shall not be deemed to terminate the rights and obligations of the Lessees under their respective leases of their Premises, and said leases shall remain in force and effect and govern the rights and obligations of the Lessees in the event of such termination under the preceding paragraph.

Debts Survive

Notwithstanding the termination of the Agreement as provided in the paragraph above, if, at the time of such termination, either Lessee shall be obligated to pay any sum of money pursuant to the provisions of the Agreement, such obligations shall not be extinguished until such sum of money, together with any interest accruing thereon, shall be paid. In addition, such termination shall not relieve the Depositary of any obligation to disburse, in accordance with the provisions of the Agreement, any funds then held by the Depositary.

Heirs, Successors and Assigns

Provisions Run with the Land

The Agreement is intended to and shall, subject to the provisions of following paragraph, run with the real property benefitted and burdened by the Agreement, and shall bind and inure to the benefit of the parties to the Agreement and their successors in title.

Discharge and Release

In the event of any conveyance or divestiture of title to any Premises or portion thereof, the grantor or the person or persons, corporation or corporations or other entity or entities who are divested of title shall be entirely freed and relieved of all covenants and obligations thereafter accruing under the Agreement (provided there shall be no release of such grantor from its obligations accruing under the Agreement prior to the date of such conveyance or divestiture of title), unless (i) the grantee is a sovereign, government, international body, agency or other person or entity enjoying the privilege of diplomatic immunity or otherwise immune in whole or in part from enforcement against it of any of the rights, privileges, easements or rights of entry given to the other Lessee under the Agreement, or (ii) the conveyance or divestiture of title occurs by reason of a taking of the nature referred to in the heading above entitled "*Condemnation*" or imminent threat of such a taking by the grantee. In the event of any conveyance or divestiture of title to all or any portion of any Premises, the grantee or the person or persons, corporation or corporations, or other entity or entities who otherwise succeed to title shall be deemed to have assumed all of the covenants and obligations of the owner of such Premises or portion thereof, as the case may be, thereafter accruing under the Agreement, until such grantee or successor is freed and relieved therefrom pursuant to the first sentence of this subheading.

Assignment of Rights to Lessees, Mortgagees

Any Lessee may assign or otherwise transfer to any lessee of its entire Premises or to the holder of a first mortgage covering its entire Premises, all or any of the rights, privileges, easements and rights of entry given in the Agreement to such Lessee (including, without limitation, any right to make any election, to exercise any option or discretion, to give any notice, to perform any work of demolition, restoration, repair, replacement or rebuilding, to receive moneys from the Depositary and to receive any and all other moneys payable to such Lessee), and any such lessee may in turn assign or otherwise transfer all or any of such rights, privileges, easements and rights of entry to the holder of a first mortgage covering the leasehold estate of such lessee, and any such lessee or holder may exercise any such right, privilege, easement and right of entry so assigned or otherwise transferred to it to the same extent as if in each instance the Agreement specifically granted such right, privilege, easement or right of entry to such lessee or holder. No other Lessee (or the Depositary or any other person having any rights under the Agreement) shall be bound to recognize any assignment or other transfer referred to in this subheading, or the exercise or accrual of any rights pursuant to such assignment or other transfer, until such Lessee (or, as the case may be, the Depositary or such other person) is given written notice of such assignment or other transfer. Said notice shall be accompanied by an executed counterpart of the instrument effecting such assignment or other transfer, except that if an executed counterpart of said instrument is recorded and if the notice sets forth the place of recording, then a copy of said instrument will suffice in lieu of an executed counterpart. If the instrument effecting such assignment or other transfer shall provide that such lessee or holder shall receive copies of notices given under the Agreement to the assignor and if the above mentioned notice of assignment or other transfer given by such lessee or holder shall designate not more than two addresses, one of which shall be in the State of New York, to which such copies shall be sent, then either Lessee, the Depositary or other person who is given written notice as aforesaid of such assignment or other transfer, and any successor, personal representative, heir or assign of such Lessee or such other person, shall thereafter, simultaneously with the giving of any notice under the Agreement to such assignor or transferor, give to such lessee or holder a copy of such notice, and no such notice shall be effective against such lessee or holder unless a copy thereof is given to such lessee or holder as aforesaid. Any such lessee or holder to whom rights, privileges, easements or rights of entry are assigned or otherwise transferred pursuant to this paragraph shall, within ten (10) days after written request made by either Lessee (but not more than twice during each calendar year), execute, acknowledge and

deliver to such Lessee, or to any existing or prospective purchaser, mortgagee or lessee designated by such Lessee, an estoppel certificate in recordable form containing the statements called for in the subheading above entitled "*Estoppel Certificates*" except that (i) the statements called for in clause (a) of said subheading need be set forth only to the extent said lessee or holder has knowledge of the information required thereby, (ii) the words "the Lessee executing such certificate", wherever the same appear in said subheading above entitled "*Estoppel Certificates*", shall be deemed instead to refer to the lessee or holder executing such estoppel certificate.

Indemnity

Indemnification

Each Lessee (hereinafter the "Indemnifying Lessee") covenants and agrees, at its sole cost and expense, to indemnify, defend and save harmless the other Lessee (to the extent such other Lessee is not covered by insurance) against and from any and all claims by or on behalf of any person, firm, corporation or governmental authority, arising from the breach of the Agreement by the Indemnifying Lessee, and from and against all cost, reasonable counsel fees, reasonable expenses and liabilities incurred with respect to any such claim, action or proceeding brought thereon, and in case any action or proceeding be brought against the other Lessee or its property by reason of any such claim, Indemnifying Lessee, upon notice from the other Lessee, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to the Lessee against which such action or proceeding shall be brought.

Limitation on Liability

The liability of each Lessee for Lessee's obligations under the Agreement shall not exceed and shall be limited to Lessee's interest in its respective Premises and neither Lessee shall look to other property or assets of the other Lessee in seeking to satisfy a judgment for such Lessee's failure to perform such obligations.

Remedies

The remedies provided in the Agreement shall not be exclusive and, in the event of a breach of any of the terms, covenants and conditions thereof, the parties thereto shall be entitled to pursue any remedies available at law or in equity, including specific performance, in addition to or in lieu of any of the remedies provided in the Agreement. The parties to the Agreement mutually agree that a remedy at law may not be adequate to protect their respective interests in the Agreement. Notwithstanding anything to the contrary contained in the Agreement, in the event that the Port Authority succeeds to the interest of either Lessee under the Agreement, the other Lessee shall not have the right to enforce any equitable remedies against the Port Authority except as may be permitted pursuant to such Lessee's Ground Lease.

Use of Con Edison Premises and Tower Premises

Certificate of Occupancy

Neither Lessee will at any time use or occupy their Premises in violation of the permit to use and occupy (whether temporary or peunanent) issued for such Premises and/or the New Building by the Port Authority, as initially issued or thereafter amended or modified (as used in the Agreement, the "PA Use Permit"). In the event that any Governmental Agency shall hereafter contend or declare by notice, violation, order or in any other manner whatsoever that either Premises are used for a purpose which is a material violation of the PA Use Permit then in effect, the Lessee of such Premises, upon five (5) days written notice from the other Lessee or any Governmental Agency, shall immediately discontinue such use of such Premises, unless such Lessee is contesting such notice, violation or order in accordance with this subheading. Each Lessee may contest such notice, violation or order provided same is done with all reasonable promptness, does not subject the other Lessee to prosecution for a criminal offense, or constitute a default under any Ground Lease, or cause either Premises or any part thereof to be condemned or vacated.

Standard of Allocation

Whenever, pursuant to the Agreement, it shall be necessary to determine such proportion of the cost and expense of maintaining, repairing or restoring any facility located within one Premises which serves or benefits another Premises, which is to be borne by either Lessee, the following shall apply:

(a) The proportion to be borne by the Lessees of any Premises shall be determined in the same manner as set forth in the Agreement.

(b) In the event that any new facilities shall hereafter be constructed pursuant to the Agreement, or any alteration shall hereafter be made to any facility or other portion of any improvement located on any Premises, and such cost and expense is not addressed under paragraph (a) above, the cost of repair or restoration of such new or altered facility shall be allocated as determined by agreement of the Lessees, or, if the Lessees shall fail to agree, by arbitration in accordance with the provisions of the heading above entitled "*Arbitration*", and the arbitrator shall determine such allocation based upon the benefits derived from the facility (or portion thereof) which is to be repaired or restored.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST

The following is a brief summary of certain provisions of the Indenture. This summary does not purport to be comprehensive or complete, and reference is made to the Indenture for full and complete statements of all such provisions.

General Terms and Provisions of Bonds

Cancellation and Destruction of Bonds

All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Indenture Trustee when such payment or redemption is made, and such Bonds together with all Bonds redeemed by the Indenture Trustee, shall thereupon be promptly canceled. Bonds so canceled shall be held by the Indenture Trustee or, upon the written request of the Bond Issuer, delivered to the Bond Issuer. *(Section 3.08)*

Requirements With Respect to Transfers

In all cases in which the privilege of transferring Bonds is exercised, the Bond Issuer shall execute and the Indenture Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Indenture. All Bonds surrendered in any such transfer shall forthwith be canceled by the Indenture Trustee. For every such transfer of Bonds, the Bond Issuer or the Indenture Trustee may, as a condition precedent to the privilege of making such transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such transfer, which sum or sums shall be paid by the Person requesting such transfer. *(Section 3.09)*

Creation of Funds and Accounts

Pursuant to the Indenture, the following special trust Funds and Accounts are established and created:

Bond Fund
- Interest Account
- Redemption Account
- Sinking Fund Installment Account
- Principal Account

Rebate Fund
Purchase Fund

All of the funds and Accounts created under the Indenture or, except as may otherwise be provided in a Supplemental Indenture, under a Supplemental Indenture shall be held by the Indenture Trustee, or in one or more depositories in trust for the Indenture Trustee. All moneys and investments deposited with or in trust for the Indenture Trustee shall be held in trust and applied only in accordance with the Indenture and shall be trust funds for the purposes of the Indenture.

(Section 4.02)

Payments into Purchase Fund; Application of Purchase Fund

(a) Deposits into the Purchase Fund shall be made:

(i) by the Borrower in accordance with the Indenture in an amount equal to the Tender Price of Bonds to be purchased in lieu of optional redemption thereof; and

(ii) by the Indenture Trustee from amounts received from:

(A) the Permitted Mezzanine Lender in accordance with the Servicing Agreement in an amount equal to the Liberty Bonds Purchase Price (other than the portion thereof consisting of Borrower Reimbursable Expenses) and shall be applied by the Indenture Trustee for payment of the Tender Price with respect to the Bonds in accordance with the Servicing Agreement; and

(B) the Ground Lessor in accordance with the Servicing Agreement in an amount equal to the portion of Ground Lessor Purchase Price corresponding to the Liberty Bonds Loan in connection with the exercise by the Ground Lessor of the Ground Lessor Option to purchase the Obligations in the event of any foreclosure action proposed to be taken with respect to the Mortgaged Property and shall be applied by the Indenture Trustee for the payment of the Tender Price with respect to Bonds then Outstanding.

(b) Amounts in the Purchase Fund shall be held by the Indenture Trustee as agent and bailee of, and in escrow for the benefit of, the respective owners of the Bonds which shall have delivered Bonds subject to mandatory tender for purchase until moneys representing the Tender Price on such Bonds shall have been delivered to or for the amount of or the order of such owners. The Indenture Trustee shall have no lien on or security interest in any amounts deposited into the Purchase Fund except to the extent necessary to make payment to tendering owners of the Bonds subject to purchase.

(Section 4.03)

Payments into Rebate Fund; Application of Rebate Fund

(a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Indenture Trustee, the Collateral Agent, the Borrower, any Bondholder or any other Person.

(b) Deposits into the Rebate Fund shall be made pursuant to the Liberty Bonds Loan Agreement in an amount sufficient to meet the Rebate Requirement described in the Tax Certificate, the terms of which are incorporated by reference into the Indenture, and amounts on deposit in the Rebate Fund that are required to be paid to the United States Department of the Treasury pursuant to the Code shall be paid at the times and in the amounts set forth in or determined in accordance with the Tax Certificate.

(Section 4.04)

Bond Fund

(a) All loan payments payable pursuant to the Liberty Bonds Loan Agreement and received transferred to the Indenture Trustee by the Collateral Agent, the Master Servicer or the Special Servicer, as the case may be, pursuant to the Servicing Agreement and all other receipts when and if required pursuant to the Liberty Bonds Loan Agreement or the Indenture or by any other Liberty Bonds Loan and Collateral Document to be deposited into the Bond Fund shall be so deposited into the Bond Fund on the day received by the Indenture Trustee and shall be applied as provided below to pay (i) the principal, Sinking Fund Installments or Redemption Price of Bonds as they mature or become due and (ii) the interest on Bonds as it becomes payable.

(b) On each Monthly Transfer Date, the Indenture Trustee shall transfer from the Bond Fund for deposit on such day into the Interest Account, an amount equal to the Required Interest Deposit for such Monthly Transfer Date.

(c) On each Monthly Transfer Date, the Indenture Trustee shall promptly transfer from the Bond Fund for deposit on such day into the Sinking Fund Installment Account, an amount equal to the Required Sinking Fund Installment Deposit for such Monthly Transfer Date.

(d) On each Monthly Transfer Date, the Indenture Trustee shall promptly transfer from the Bond Fund for deposit on such day into the Principal Account, an amount equal to the Required Principal Deposit for such Monthly Transfer Date.

(e) On each Interest Payment Date, each Sinking Fund Installment Payment Date and each Principal Payment Date for each Series and/or Class of Bonds, the Indenture Trustee shall pay regularly scheduled interest, Sinking Fund Installments and principal due on such Series and/or Class of Bonds from the Interest Account, Sinking Fund Installment Account and Principal Account, respectively; provided, that such payments shall be prioritized in accordance with the Class Priority set forth in subheading (f) below.

(f) The payment of principal, Sinking Fund Installments and interest on each Series and/or Class of Bonds shall be prioritized. Each Class of Bonds will be identified by a number from 1 through x, with Class 1 having the highest payment priority, Class 2 having the second highest payment priority, Class 3 having the third highest payment priority, etc. Classes of Bonds may be created in the same Class Priority and shall be identified by the number of the Class and with a separate identifying letter, (e.g., Class 1-A); the identifying letter will have no effect on the priority of payment, which will be determined solely by Class number.

(g) Subject to the provisions of the Indenture, there shall be paid from the Sinking Fund Installment Account of the Bond Fund to the Paying Agents on each Sinking Fund Installment Payment Date in immediately available funds the amounts required, if any, with respect to Bonds that are to be redeemed from Sinking Fund Installments on such date (accrued interest on such Bonds being payable from the Interest Account of the Bond Fund). Such amounts shall be applied by the Paying Agents to the payment of such Sinking Fund Installment when due. The Indenture Trustee shall call for redemption, in the manner provided in the section governing Notices contained in the Indenture, Bonds in a principal amount equal to the Sinking Fund Installment then due with respect to such Bonds. Such call for redemption shall be made even though at the time of mailing of the notice of such redemption sufficient moneys therefor shall not have been deposited in the Redemption Account of the Bond Fund.

(g) Amounts in the Redemption Account of the Bond Fund to be applied to the redemption of Bonds shall be paid to the respective Paying Agents on or before the Redemption Date and applied by them on such Redemption Date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the Redemption Date (accrued interest on such Bonds being payable from the Interest Account of the Bond Fund). Amounts on deposit in the Redemption Account may also be applied by the Indenture Trustee to the purchase in lieu of redemption of Bonds pursuant to the Indenture, if so directed by the Borrower.

(Section 4.05)

Revenues to Be Held for All Bondholders; Certain Exceptions

Until applied as provided in the Indenture to the payment of Bonds or transferred to the Borrower pursuant to the Indenture, and subject to the Class Priority of payments set forth in the provisions of the Indenture summarized under "Bond Fund" above, Revenues shall be held by the Indenture Trustee in trust in the Bond Fund for the benefit of the Bondholders of all Outstanding Bonds, and any portion of the Revenues representing principal or Redemption Price of, Sinking Fund Installments for and interest on, any Bonds previously matured or called for redemption in accordance with the Indenture shall be held for the benefit of

the Bondholders of such Bonds only. Except as otherwise provided in the Indenture, none of the Borrower, or any guarantor of the Borrower, shall have any right, title or interest, in or to any of the moneys, investments or earnings in the Purchase Fund, Bond Fund or in any Accounts or sub-Accounts thereof, all of which shall be held in trust by the Indenture Trustee for the sole benefit of the Bondholders of Bonds. *(Section 4.06)*

Investment of Funds and Accounts

(a) Amounts in the Rebate Fund and the Bond Fund may, if and to the extent then permitted by law, be invested only in Permitted Investments. Amounts in the Purchase Fund shall be held uninvested. Any investment authorized by the Indenture is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. Such investments shall be made by the Indenture Trustee only at the written request (including by electronic means) of an Authorized Borrower Representative, such written request to specify the particular investment to be made. To the extent possible the Indenture Trustee shall make investments within one Business Day of such written request. Any investment under the Indenture shall be made in accordance with the Tax Certificate, and the Borrower shall so certify to the Indenture Trustee with each such investment direction as referred to below. Such investments shall mature no later than the times necessary to provide funds when needed to make payments from the applicable fund, Account or sub-Account. Net income or gain received and collected from such investments shall be credited and losses charged to the Fund, Account or sub-Account for which such investment shall have been made unless except that any investment earnings on the Bond Fund shall be disbursed to the Borrower within one Business Day following each Interest Payment Date; unless (i) an Event of Default shall have occurred and be continuing or (ii) such funds are needed to satisfy the Rebate Requirement described in the Tax Certificate in which case such investment earnings on the Bond Fund shall be transferred to the Rebate Fund.

(b) On the fifteenth (15th) day of each month, the Indenture Trustee shall also notify the Borrower of the amount of the net investment income available in the Bond Fund.

(c) The Indenture Trustee, after consultation with the Borrower, shall sell at the best price reasonably obtainable by it or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective funds, Accounts or sub-Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various funds, Accounts and sub-Accounts as may be required from time to time pursuant to the provisions of Article IV under the Indenture, certain sections of which are summarized herein. As soon as practicable after any such sale, redemption or exchange, the Indenture Trustee shall give notice thereof to the Bond Issuer, the Collateral Agent, the Master Servicer, the Special Servicer and the Borrower.

(d) Neither the Indenture Trustee nor the Bond Issuer shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the funds, Accounts and sub-Accounts shall be invested or from any other loss, fee, tax or charge in connection with any investment, reinvestment or liquidation of an investment under the Indenture. The investments authorized by the provisions of the Indenture summarized under this heading shall at all times be subject to the provisions of Applicable Law, as in effect from time to time.

(e) Permitted Investments shall be valued at the lesser of cost or market price, inclusive of accrued interest.

(Section 4.07)

Moneys to be Held in Trust.

All moneys required to be deposited with or paid to the Indenture Trustee for the credit of any fund, Account or sub-Account under any provision of the Indenture, other than the Rebate Fund, and all investments made therewith shall be held by the Indenture Trustee in trust for the benefit of the Bondholders, and while

held by the Indenture Trustee constitute part of the Indenture Trust Estate, other than the Purchase Fund and the Rebate Fund, and be subject to the Lien of the Indenture; provided that amounts in the Purchase Fund shall be held only for the benefit of the Bondholders to be paid the Tender Price therefrom. *(Section 4.08)*

Redemption of Bonds

Borrower Direction of Optional Redemption

The Indenture Trustee shall call Series and/or Classes of Bonds or portions thereof (in Authorized Denominations) for optional redemption when and only when it shall have been notified in writing by the Borrower to do so. Notice of any optional redemption shall specify the principal amount of the Series and/or Classes of Bonds to be redeemed and the Redemption Date. The Borrower shall give notice to the Indenture Trustee at least five (5) Business Days prior to the day on which the Indenture Trustee is required to give notice of such optional redemption to the affected Bondholders (or such later date as shall be acceptable to the Indenture Trustee). *(Section 5.02)*

Selection of Bonds to be Redeemed

(a) Unless otherwise specified in a Supplemental Indenture as to a particular Series and/or Class of Bonds, (i) in the event of a redemption of less than all the Outstanding Bonds of the same Series and/or Class, maturity and related interest rate, the particular Bonds or portions thereof of such Series and/or Class, maturity and related interest rate to be redeemed shall be selected by the Indenture Trustee by lot, using such method as it shall determine in its sole discretion and (ii) in the event of redemption of less than all the Outstanding Bonds of the same Series and/or Class stated to mature on different dates, the particular Bonds or portions thereof of such Series and/or Class to be redeemed shall be selected by the Indenture Trustee at the direction of the Borrower pursuant to an Officer's Certificate. The portion of Bonds of such Series and/or Class to be redeemed in part shall be in the principal amount of the minimum Authorized Denomination or some integral multiple thereof and, in selecting Bonds of such Series and/or Class for redemption, the Indenture Trustee shall treat each such Bond as representing that number of Bonds of such Series and/or Class of which is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination (referred to below as a "unit") then issuable rounded down to the integral multiple of such minimum Authorized Denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond of such Series and/or Class is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Bondholder of such Bond shall forthwith surrender such Bond to the Indenture Trustee for (a) payment to such Bondholder of the Redemption Price of the unit or units of principal amount called for redemption and (b) delivery to such Bondholder of a new Bond or Bonds of the same Series and/or Class and maturity as such Bond. New Bonds of the same Series and/or Class and maturity representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered Bondholder thereof, without charge therefor. If the Bondholder of any such Bond of an Authorized Denomination greater than a unit shall fail to present such Bond to the Indenture Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

In the case of the Series 2012 Liberty Bonds, unless otherwise accompanied by a No Downgrade Confirmation, (A) the Series 2012 Liberty Bonds to be redeemed shall be redeemed in order of Class priority commencing with Class 1 and (B) to the extent that the amount of Series 2012 Liberty Bonds of a Class to be redeemed is less than the aggregate principal amount of such Class of Series 2012 Liberty Bonds Outstanding, the Series 2012 Liberty Bonds to be redeemed of such Class will be selected in a manner so that, after giving effect to the redemption, the remaining principal amounts of any maturities Outstanding and the Sinking Fund Installments, if any, with respect to such Class are reduced *pro rata*.

(b) At its option, to be exercised on or before the 45th day next preceding any mandatory Sinking Fund Installment Redemption Date for Bonds pursuant to the applicable Supplemental Indenture, the Borrower

may deliver to the Indenture Trustee for cancellation Bonds of the appropriate Series, Class and maturity in any aggregate principal amount which have been purchased by the Borrower in the open market. Each Bond so delivered shall be credited by the Indenture Trustee at 100% of the principal amount thereof against the scheduled Sinking Fund Installment redemption requirement for the Bonds of such Series, Class and maturity on such Sinking Fund Installment Redemption Date in such chronological order as shall be directed in writing by the Borrower; and any excess of such amount shall be credited against future Sinking Fund Installments not otherwise directed by the Borrower in chronological order. The Borrower will, on or before the 45th day preceding each Sinking Fund Installment Redemption Date, furnish the Indenture Trustee with a certificate stating the extent to which the provisions of the first sentence of this paragraph are to be availed of with respect to such Sinking Fund Installments for such Redemption Date, and unless such certificate is so timely furnished to the Indenture Trustee, the Sinking Fund Installments for such Redemption Date shall not be reduced under the provisions of summarized in this paragraph.

(Section 5.03)

Payment of Redeemed Bonds

(a) Notice having been given in the manner provided in the Indenture, the Series and/or Classes of Bonds or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, plus interest accrued and unpaid to but not including the Redemption Date. If, on the Redemption Date, moneys for the redemption of all Series and/or Classes of Bonds or portions thereof to be redeemed, together with interest to the Redemption Date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the Redemption Date, interest on the Series and/or Classes of Bonds or portions thereof so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(b) Payment of the Redemption Price plus interest accrued to the Redemption Date shall be made to or upon the order of the registered owner only upon presentation of such Bonds for cancellation and exchange as provided in the provisions of the Indenture summarized under the subheading "Cancellation of Redeemed Bonds" below; provided, however, that any Bondholder of at least $1,000,000 in aggregate principal amount of Bonds to be redeemed may, by written request to the Indenture Trustee, received by the Indenture Trustee at least five (5) Business Days prior to the Redemption Date, direct that payments of Redemption Price and accrued interest to the Redemption Date be made by wire transfer in federal funds at such wire transfer address as the owner shall specify to the Indenture Trustee in such written request.

(Section 5.05)

Cancellation of Redeemed Bonds

(a) Each Bond redeemed in full under the provisions of the Indenture providing for redemption of the Bonds, shall forthwith be canceled and returned to the Bond Issuer and no Bonds shall be executed, authenticated or issued under the Indenture in exchange or substitution therefor, or for or in respect of any paid portion of such Bond

(b) If there shall be drawn for redemption less than all of a Bond, as described in provisions of the Indenture summarized under the heading entitled "Selection of Bonds to be Redeemed" above, the Bond Issuer shall execute and the Indenture Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds of the same Series and/or Class and maturity in any of the Authorized Denominations.

(Section 5.06)

Bond Issuer's Obligations Not to Create a Pecuniary Liability

Each and every covenant in the Indenture made, including all covenants made in the various sections of Article VI of the Indenture, certain sections of which are summarized herein, is predicated upon the condition that any obligation for the payment of money incurred by the Bond Issuer shall not create a debt of the State, the New York Job Development Authority or the New York State Urban Development Corporation and none of the State, the New York Job Development Authority or the New York State Urban Development Corporation shall be liable on any obligation so incurred by the Bond Issuer under the Indenture and shall not be payable out of any funds of the Bond Issuer other than those pledged therefor but shall be payable by the Bond Issuer solely from the loan payments, revenues and receipts derived from or in connection with the Facility and pledged to the payment thereof in the manner and to the extent in the Indenture specified and nothing in the Bonds, in the Liberty Bonds Loan Agreement, in the Liberty Bonds Note, in the Indenture or in any other Liberty Bonds Loan and Collateral Document shall be considered as pledging any other funds or assets of the Bond Issuer.

(Section 6.01)

Payment of Principal and Interest

The Bond Issuer will covenant that it will from the sources in the Indenture contemplated promptly pay or cause to be paid the principal, Tender Price in respect of a purchase in lieu of redemption, if any, and Redemption Price, if any, of, Sinking Fund Installments for and interest on the Bonds together with interest accrued to but not including the date of redemption or purchase in lieu of redemption, at the place, on the dates and in the manner provided in the Indenture, any Supplemental Indenture and in the Bonds according to the true intent and meaning thereof. All covenants, stipulations, promises, agreements and obligations of the Bond Issuer contained in the Indenture shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Bond Issuer and not of any member, officer, director, employee or agent thereof in his individual capacity, and no resort shall be had for the payment of the principal, the Tender Price, if any, Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds, or for any claim based thereon or under the Indenture against any such member, officer, director, employee or agent or against any natural person executing the Bonds. Neither the Bonds, the interest thereon, the Sinking Fund Installments for, the principal thereof, the Tender Price thereof, nor the Redemption Price thereof shall ever constitute a debt of the State, the New York Job Development Authority or the New York State Urban Development Corporation and none of the State, the New York Job Development Authority or the New York State Urban Development Corporation shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Bond Issuer other than those pledged therefor. The Bond Issuer shall not be required under the Indenture or the Liberty Bonds Loan Agreement or any other Liberty Bonds Loan and Collateral Documents to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the loan payments, revenues and receipts, rental income and other moneys pledged to the payment of the Bonds, and (iii) any income or gains therefrom.

(Section 6.02)

Liberty Bonds Loan Agreement

All covenants and obligations of the Borrower under the Liberty Bonds Loan Agreement shall be enforceable either by the Bond Issuer, the Indenture Trustee, the Master Servicer or the Special Servicer, as the case may be, to the extent permitted under Article VII of the Indenture, certain sections of which are summarized herein, to whom, in its own name or in the name of the Bond Issuer, is granted by the Indenture the right to enforce all rights of the Bond Issuer and all obligations of the Borrower under the Liberty Bonds Loan Agreement, whether or not the Bond Issuer is enforcing such rights and obligations. The Indenture Trustee, the Master Servicer or the Special Servicer, as the case be, to the extent permitted under Article VII of the Indenture, certain sections of which are summarized herein, shall take such action as directed in writing by the Master Servicer or the Special Servicer, as the case may be, in respect of any matter as is provided to be

taken by it in the Liberty Bonds Loan Agreement upon compliance or noncompliance by the Borrower or the Bond Issuer with the provisions of the Liberty Bonds Loan Agreement relating to the same. *(Section 6.05)*

Creation of Liens

The Bond Issuer shall not create or suffer to be created, or incur or issue any evidences of Indebtedness secured by, any Lien or charge upon or pledge of the loan payments derived pursuant to the Liberty Bonds Loan Agreement and the Liberty Bonds Note and assigned to the Indenture Trustee under the Indenture, except the Lien, charge and pledge created by the Indenture, the Liberty Bonds Note and the Liberty Bonds Loan Agreement.

(Section 6.06)

Consent of the Indenture Trustee

The Indenture Trustee may, at the written direction of the Master Servicer or the Special Servicer, seek direction from the Bondholders of a majority in aggregate principal amount of the Bonds Outstanding or rely upon an Opinion of Counsel to the effect that the Indenture Trustee is not required to obtain the consent of Bondholders in providing any such consent under the Indenture or any other Liberty Bonds Loan and Collateral Documents, and the Indenture Trustee shall have no liability for failure to take any action in connection with the Indenture or any other Liberty Bonds Loan and Collateral Document except to the extent that action shall otherwise be expressly required of the Indenture Trustee under the Indenture.

(Section 6.09)

Collateral Agency Agreement and Servicing Agreement

The Indenture Trustee will agree in the Indenture to cooperate with and assist the Collateral Agent, the Master Servicer and the Special Servicer in connection with the obligations of the Collateral Agent under the Collateral Agency Agreement and the obligations of the Master Servicer and the Special Servicer under the Servicing Agreement. The parties to the Indenture will acknowledge therein receipt of the Collateral Agency Agreement and of the Servicing Agreement and will agree that, notwithstanding anything to the contrary provided in the Indenture, the terms thereof shall apply to the Bonds including, but not limited to, that the payment of interest on, principal, Tender Price, if any, or Redemption Price, if any, of, and Sinking Fund Installments for the Bonds from Revenues is subject to the payment priorities set forth in the Servicing Agreement and that the Master Servicer and the Special Servicer have the authority to modify, waive or amend the terms of an Obligation as and to the extent provided in the Servicing Agreement.

(Section 6.10)

Arbitrage Covenants

The Bond Issuer will covenant and certify to and for the benefit of the Owners of the Tax-Exempt Bonds Outstanding that money on deposit in any Fund, Account or sub-Account in connection with the Tax-Exempt Bonds, whether or not such money was derived from proceeds of the sale of the Tax-Exempt Bonds or from any other source, will not be used in a manner which will cause the Tax-Exempt Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code or otherwise cause the interest on the Tax-Exempt Bonds to be included in gross income for Federal income tax purposes. Pursuant to such covenant, the Bond Issuer obligates itself to comply throughout the term of the Tax-Exempt Bonds with the requirements of Section 148 of the Code, as provided in the Tax Certificate. Further, the Bond Issuer shall make or cause to be made any and all payments required to be made to the United States Department of the Treasury in connection with the Tax-Exempt Bonds pursuant to Code Section 148(f) from amounts made available for such purpose by the Borrower. The Bond Issuer shall keep, or cause to be kept, accurate records of each investment

property (as that term is defined in Section 148 of the Code) acquired, directly or indirectly, with the proceeds of the Tax-Exempt Bonds. Notwithstanding any other provision of the Indenture to the contrary, so long as necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for Federal income tax purposes, the covenants contained in the provisions summarized under this heading shall survive the payment of the Tax-Exempt Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 10.01 of the Indenture summarized below under the heading "Defeasance".

(Section 6.11)

Events of Default; Acceleration of Due Date

(a) Each of the following events is defined in the Indenture as and shall constitute an "Event of Default:"

(i) Failure in the payment of the interest on any Bond when the same shall become due and payable;

(ii) Failure in the payment of the principal, Redemption Price, if any, Tender Price in respect of a purchase in lieu of redemption, if any, or a Sinking Fund Installment for any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption or purchase in lieu of redemption thereof or otherwise, or interest accrued thereon to but not including the date of redemption or purchase in lieu of redemption after notice of redemption or purchase in lieu of redemption therefor or otherwise;

(iii) Failure of the Bond Issuer to observe or perform any covenant, condition or agreement in the Bonds or under the Indenture on its part to be performed (except as set forth in subsections (a)(i) or (ii) under this heading) and (A) continuance of such failure for a period of thirty (30) days after receipt by the Bond Issuer and the Borrower of written notice specifying the nature of such default from the Indenture Trustee or the Bondholders of a majority of the aggregate principal amount of the Bonds Outstanding, or (B) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Bond Issuer or the Borrower fails to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same, provided, however, that no default under this subsection (a)(iii), other than a default as shall cause an Adverse Liberty Bonds Event, shall constitute an Event of Default unless the Master Servicer or the Special Servicer shall have given written notice to the Indenture Trustee consenting thereto; or

(iv) The occurrence of an "Event of Default" under, and as defined in, the Liberty Bonds Loan Agreement; provided, however, that no default under this subsection (a)(iv), other than a default (A) under the Liberty Bonds Loan Agreement with respect to a failure to pay the Liberty Bonds Debt, or (B) that would cause an Adverse Liberty Bonds Event, shall constitute an Event of Default unless the Master Servicer or the Special Servicer shall have given written notice to the Indenture Trustee consenting thereto.

(b) Upon the happening and continuance of any Event of Default specified in subsection (a)(iii) or (iv) under this heading (but subject to the Enforcement of Remedies summarized below), and if the principal of all the Bonds shall have not prior thereto become due and payable, then, either the Indenture Trustee (by notice in writing to the Bond Issuer, the Master Servicer, the Special Servicer, the Collateral Agent, the Operating Advisor and the Borrower) or the Bondholders of a majority of the aggregate principal amount of the Bonds Outstanding (by notice in writing to the Bond Issuer, the Master Servicer, the Special Servicer, the Collateral Agent, the Borrower, the Liberty Bonds Advisor and the Indenture Trustee), in each case with the prior written consent of the Special Servicer, may declare the principal of all the Bonds then Outstanding and the interest accrued thereon, to be due and payable immediately, and upon such declaration the same shall

become and be immediately due and payable, anything in the Indenture or in any of the Bonds contained to the contrary notwithstanding.

(c) Upon the happening and continuance of any Event of Default specified in clause (i) or (ii) of subsection (a) above under this heading (but subject to the provisions summarized under "Enforcement of Remedies" below) and a Liquidation, the Indenture Trustee shall declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable. The obligation of the Indenture Trustee to make such declaration shall be absolute and shall be exercised, notwithstanding any objection of the Borrower, the Bond Issuer, the Collateral Agent, any Bondholder, or any other Person.

(d) Upon the happening and continuance of any Event of Default, all remedies available to the Indenture Trustee or the Bondholders of any of the Bonds, with respect to the Collateral Documents, or otherwise pursuant to the Liberty Bonds Loan and Collateral Documents (except for the Reserved Rights), shall be subject to the Servicing Agreement, including, in all cases, the ability to enforce any remedy with respect to the Collateral documents.

(e) The right of the Indenture Trustee or of the Bondholders of a majority in aggregate principal amount of Bonds Outstanding to make any such declaration of acceleration as aforesaid (but not the Indenture Trustee's obligations under subsections (b), (c) or (d) under this heading), in each case subject to the prior written consent of the Special Servicer thereto, however, is subject to the condition that if, at any time before such declaration, all overdue installments of principal of and interest on all of the Bonds which shall have matured by their terms, the unpaid Redemption Price of the Bonds or principal portions thereof to be redeemed has been paid by or for the account of the Bond Issuer and the unpaid Tender Price in respect of a purchase in lieu of redemption of the Bonds has been paid by or for the account of the Bond Issuer, and all other Events of Default have been otherwise remedied, and the reasonable and proper charges, expenses and liabilities of the Indenture Trustee, shall either be paid by or for the account of the Bond Issuer or provision satisfactory to the Indenture Trustee shall be made for such payment, and the Facility shall not have been sold or relet or otherwise encumbered, and all defaults have been otherwise remedied as provided in Article VII of the Indenture, certain sections of which are summarized herein, as summarized herein, then and in every such case any such default and its consequences shall ipso facto be deemed to be annulled, but no such annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

(f) Pursuant to the Liberty Bonds Loan Agreement, the Bond Issuer has granted the Borrower full authority for the account of the Bond Issuer to perform any covenant or obligation of the Bond Issuer the non-performance of which is alleged in any notice received by the Borrower to constitute a default under the Indenture, in the name and stead of the Bond Issuer with full power to do any and all things and acts to the same extent that the Bond Issuer could do and perform any such things and acts with power of substitution. The Indenture Trustee will agree to accept such performance by the Borrower as performance by the Bond Issuer.

(Section 7.01)

Enforcement of Remedies

(a) Upon the occurrence and continuance of any Event of Default, then and in every case the Indenture Trustee shall proceed to protect and enforce its rights and the rights of the Bondholders under the Bonds, the Liberty Bonds Loan Agreement, the Liberty Bonds Note, the Indenture and under any other Liberty Bonds Loan and Collateral Document if and to the extent directed in writing by the Special Servicer in accordance with the provisions of the Servicing Agreement, forthwith by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in the Indenture or in any Liberty Bonds Loan and Collateral Document or in aid of the execution of any power granted in the Indenture or in any other Liberty Bonds Loan and Collateral Document or for the enforcement of any legal or equitable

rights or remedies as the Indenture Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under the Indenture or under any other Liberty Bonds Loan and Collateral Document. In addition to any rights or remedies available to the Indenture Trustee under the Indenture or elsewhere, upon the occurrence and continuance of an Event of Default, the Indenture Trustee may take such action, without notice or demand, as it deems advisable, with the prior written consent of the Special Servicer.

(b) In the enforcement of any right or remedy under the Indenture or under any other Liberty Bonds Loan and Collateral Document, if directed in writing by the Special Servicer, the Indenture Trustee, subject to the provisions summarized under this heading, shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Bond Issuer, for principal, interest, Sinking Fund Installments, Redemption Price, Tender Price in respect of a purchase in lieu of redemption or otherwise, under any of the provisions of the Indenture, of any other Liberty Bonds Loan and Collateral Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under the Indenture, under any such other Liberty Bonds Loan and Collateral Document and under the Bonds, without prejudice to any other right or remedy of the Indenture Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Bond Issuer, but solely as provided in the Servicing Agreement, the Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available therefor to the extent provided in the Indenture) in any manner provided by applicable law, the moneys adjudged or decreed to be payable. At the direction of the Special Servicer, the Indenture Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee and the Bondholders allowed in any judicial proceedings relative to the Borrower or the Guarantor.

(c) Regardless of the occurrence of an Event of Default, the Indenture Trustee, if directed in writing by the Special Servicer, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture or under any other Liberty Bonds Loan and Collateral Document by any acts which may be unlawful or in violation of the Indenture or of such other Liberty Bonds Loan and Collateral Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Indenture Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided however, that such request shall not be otherwise than in accordance with the provisions of Applicable Law, of the Servicing Agreement and of the Indenture and shall not be unduly prejudicial to the interests of the Bondholders not making such request. All related cost and expenses shall be for the account of the requesting party or group.

(Section 7.02)

Indenture Trustee to Cooperate with Servicers

The Indenture Trustee will agree in the Indenture to cooperate with and assist the Master Servicer and the Special Servicer in connection with the rights of the Master Servicer and the Special Servicer under the Servicing Agreement, including, without limitation, in connection with calculating Voting Rights as set forth in the Indenture. In furtherance thereof, the Indenture Trustee is authorized in the Indenture to enter into the Servicing Agreement, and the Indenture Trustee will agree in the Indenture to follow the written directions of the Master Servicer and the Special Servicer to the extent set forth in the Servicing Agreement or the Indenture.

(Section 7.03)

Application of Revenues and Other Moneys After Default or Liquidation

(a) All moneys received by the Indenture Trustee pursuant to any right given or action taken under the provisions of Article VII of the Indenture, certain sections of which are summarized herein, or under the Collateral Agency Agreement, the Servicing Agreement or any other Liberty Bonds Loan and Collateral Document during the occurrence and continuance of an Event of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Indenture Trustee, be deposited in a special account of the Bond Fund to be created by the Indenture Trustee (the "Holding Account"), and all moneys so deposited and available for payment of the Series and/or Classes of Bonds shall be applied, subject to the Servicing Agreement and subject to the Indenture, as follows:

(A) Prior to a Liquidation, from moneys received by the Indenture Trustee pursuant to the Servicing Agreement,

First, to the payment to the Bondholders of Class 1 Bonds, of the interest then due and unpaid upon such Class of Bonds and, if applicable, to the interest portion of the Redemption Price of such Class of Bonds,

Second, to the payment to the Bondholders of Class 1 Bonds, of the principal then due and unpaid upon such Class of Bonds and, if applicable, to the principal portion of the Redemption Price of such Class of Bonds,

Third, to the payment to the Bondholders of Class 1 Bonds, of any amounts due in respect of any Deferred Interest,

Fourth, to the payment to the Bondholders of Class 2 Bonds, of the interest then due and unpaid upon such Class of Bonds and, if applicable, to the interest portion of the Redemption Price of such Class of Bonds,

Fifth, to the payment to the Bondholders of Class 2 Bonds, of the principal then due and unpaid upon such Class of Bonds and, if applicable, to the principal portion of the Redemption Price of such Class of Bonds,

Sixth, to the payment to the Bondholders of Class 2 Bonds, of any amounts due in respect of any Deferred Interest,

Seventh, to the payment to the Bondholders of Class 3 Bonds, of the interest then due and unpaid upon such Class of Bonds and, if applicable, to the interest portion of the Redemption Price of such Class of Bonds,

Eighth, to the payment to the Bondholders of Class 3 Bonds, of the principal then due and unpaid upon such Class of Bonds and, if applicable, to the principal portion of the Redemption Price of such Class of Bonds, and

Ninth, to the payment to the Bondholders of Class 3 Bonds, of any amounts due in respect of any Deferred Interest.

(B) After a Liquidation, from moneys received by the Indenture Trustee pursuant to the Servicing Agreement,

First, to the payment to the Bondholders of Class 1 Bonds, of the interest then due and unpaid upon such Class of Bonds and, if applicable, to the interest portion of the Redemption Price of such Class of Bonds,

Second, to the payment to the Bondholders of Class 1 Bonds, of any amounts due in respect of any Deferred Interest,

Third, to the payment to the Bondholders of Class 1 Bonds, of the principal then due and unpaid upon such Class of Bonds and, if applicable, to the principal portion of the Redemption Price of such Class of Bonds,

Fourth, to the payment to the Bondholders of Class 2 Bonds, of the interest then due and unpaid upon such Class of Bonds and, if applicable, to the interest portion of the Redemption Price of such Class of Bonds,

Fifth, to the payment to the Bondholders of Class 2 Bonds, of any amounts due in respect of any Deferred Interest,

Sixth, to the payment to the Bondholders of Class 2 Bonds, of the principal then due and unpaid upon such Class of Bonds and, if applicable, to the principal portion of the Redemption Price of such Class of Bonds,

Seventh, to the payment to the Bondholders of Class 3 Bonds, of the interest then due and unpaid upon such Class of Bonds and, if applicable, to the interest portion of the Redemption Price of such Class of Bonds,

Eighth, to the payment to the Bondholders of Class 3 Bonds, of any amounts due in respect of any Deferred Interest, and

Ninth, to the payment to the Bondholders of Class 3 Bonds, of the principal then due and unpaid upon such Class of Bonds and, if applicable, to the principal portion of the Redemption Price of such Class of Bonds.

(C) If the principal of all the Bonds and interest thereon shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of Article VII of the Indenture, certain sections of which are summarized herein, then, subject to the provisions of subheading (a)(B) above which shall be applicable in the event that the principal of all the Bonds and interest thereon shall later become due and payable, the moneys shall be applied in accordance with the provisions of subheading (a)(A) above.

(b) Whenever moneys are to be applied pursuant to the provisions summarized under this heading, such moneys shall be applied at such times, and from time to time, as the Indenture Trustee shall determine, having due regard to the amount of such moneys available in the future. Whenever the Indenture Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Indenture Trustee shall give such written notice to the Bondholders as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Bondholder of any Bond until such Bond shall be presented to the Indenture Trustee for appropriate endorsement or for cancellation if fully paid.

(Section 7.04)

Actions by Indenture Trustee

All rights of actions under the Indenture, under any other Liberty Bonds Loan and Collateral Document or under any of the Bonds may be enforced by the Indenture Trustee, as and to the extent permitted under the Indenture and under the Servicing Agreement, without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Indenture Trustee shall be brought in its name as Indenture Trustee without the necessity of joining as plaintiffs or defendants any Bondholders, and any recovery of judgment shall, subject to the provisions summarized under the heading "Application of Revenues and Other Moneys After Default or Liquidation" above and the Servicing Agreement, be for the equal benefit of the Bondholders of the Outstanding Bonds.

(Section 7.05)

Individual Bondholder Action Restricted

(a) No Bondholder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provisions of the Indenture or the execution of any trust under the Indenture, unless such Bondholder shall have previously given to the Indenture Trustee written notice of the occurrence of an Event of Default as provided in Article VII of the Indenture, and the Holders of a majority of the aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Indenture Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in the Indenture or by the laws of the State to institute such action, suit or proceeding in its own name, and unless such Bondholders shall have offered to the Indenture Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Indenture Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Bondholders shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture except in the manner in provided in the Indenture; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided in the Indenture, to the extent directed in writing by the Special Servicer , and, subject to the provisions summarized under the headings "Enforcement of Remedies' and "Application of Revenues and Other Moneys After Default or Liquidation" above, be for the equal benefit of all Bondholders of the Outstanding Bonds.

(b) Notwithstanding anything in the Indenture to the contrary, any vote to direct the Indenture Trustee to waive the prohibition in Section 3.20(a) of the Servicing Agreement against any modification, waiver or amendment of the Liberty Bonds Loan Agreement or the Liberty Bonds Note that would result in an Adverse Liberty Bonds Event shall require the written consent of the Bondholders of one hundred percent (100%) in aggregate principal amount of the Bonds then Outstanding.

(Section 7.06)

Waivers of Default

Except as provided below under the subheading entitled "*Modifications, Amendments and Waivers*", the Indenture Trustee shall, at the direction of the Special Servicer, waive any Event of Default under the Indenture and its consequences and rescind any declaration of acceleration.

(Section 7.11)

Modifications, Amendments and Waivers

Notwithstanding anything to the contrary provided in the Indenture, the terms of the Bonds and of the Indenture shall be deemed modified or amended, and a default under the Bonds or the Indenture shall be deemed waived, in each case to the extent the Servicer waives, modifies or amends the Liberty Bonds Loan effected pursuant to the Servicing Agreement. Each of the Bond Issuer and the Indenture Trustee covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such further acts, instruments and transfers as may be reasonably required to effectuate the purposes of this paragraph. Each Bondholder shall be deemed to have consented to any such modification, amendment or waiver effected pursuant to the Servicing Agreement and this paragraph. Upon the Indenture Trustee's receipt from the Master Servicer or the Special Servicer of the terms of any waiver, modification or amendment of the Liberty Bonds Loan as provided above, the Indenture Trustee shall promptly deliver written notice to all Bondholders, with a copy to the parties to the Servicing Agreement, that certain provisions of the Liberty Bonds Loan, the Indenture and the Bonds have been so waived, modified or amended.

(Section 7.12)

Amendments and Supplements Without Bondholders' Consent

The Indenture and any Supplemental Indenture may be amended or supplemented at any time and from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by a resolution of the Bond Issuer, executed by the Bond Issuer and the Indenture Trustee and filed with the Indenture Trustee, for one or more of the following purposes:

(i) to add additional covenants of the Bond Issuer or to surrender any right or power in the Indenture conferred upon or retained by the Bond Issuer;

(ii) for any purpose not inconsistent with the terms of the Indenture or to cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any Supplemental Indenture which may be defective or inconsistent with any other provision contained in the Indenture or in any Supplemental Indenture, or to make such other provisions in regard to matters or questions arising under the Indenture that shall not adversely affect the interests of the Bondholders, provided that there is delivered to the Indenture Trustee a No Downgrade Confirmation;

(iii) to permit the Bonds to be converted to certificated securities to be held by the registered owners thereof;

(iv) to permit the appointment of a co-trustee under the Indenture;

(v) to authorize different authorized denominations of the Bonds of a Series and/or Class and to make correlative amendments and modifications to the Indenture regarding exchangeability of Bonds of a Series and/or Class of different authorized denominations, redemption of portions of a Series and/or Class of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(vi) to modify, alter, supplement or amend the Indenture in such manner as shall permit the qualification of the Indenture under the Trust Indenture Act or to permit the registration of the Bonds or any other security under the Securities Act if such amendment or supplement does not adversely affect the security for the Bonds;

(vii) to modify, alter, amend or supplement the Indenture in any other respect that is not materially adverse to the Bondholders, provided that there is delivered to the Indenture Trustee a No Downgrade Confirmation;

(viii) to grant to or confer upon the Indenture Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred, which are not contrary to or inconsistent with the Indenture as theretofore in effect, and which are not to the material prejudice of the Indenture Trustee or the Bondholders;

(ix) to confirm, as further assurance, any pledge under, and the subjection to any Lien or pledge created or to be created by, the Indenture, of the properties of the Mortgaged Property, or revenues or other income from or in connection with the Mortgaged Property or of any other moneys, securities or funds, or to subject to the Lien or pledge of the Indenture additional revenues, properties or collateral;

(x) to modify or amend such provisions of the Indenture as shall, in the Opinion of Bond Counsel, be necessary to assure the Federal tax exemption of the interest on the Tax-Exempt Bonds;

(xi) to authorize the issuance of a Series and/or Class of Bonds and prescribe the terms, forms and details thereof including redemption and tender for purchase thereof not inconsistent with the Indenture, including but not limited to provisions relating to the issuance of Bonds which bear interest at rates other than a Fixed Rate, which may be either Taxable Bonds or Tax-Exempt Bonds and which may be issued for any lawful purpose, including but not limited to, financing improvements to the Facility or Refunding Bonds; or

(xii) to make any change not restricted by the provisions of summarized under the heading "Supplemental Indentures With Bondholders' Consent" below requested by the Borrower provided that there is delivered to the Indenture Trustee a No Downgrade Confirmation and an Opinion of Bond Counsel to the effect that such amendment or change will not cause interest on the Tax-Exempt Bonds to become includable in gross income for Federal income tax purposes.

No such amendment that is reasonably believed by the Indenture Trustee, the Master Servicer, the Special Servicer or the Collateral Agent to adversely affect its rights, immunities and duties under the Indenture shall be effective without the written consent thereto of the Indenture Trustee, the Master Servicer, the Special Servicer or the Collateral Agent, as applicable.

Before the Bond Issuer and the Indenture Trustee shall enter into any Supplemental Indenture pursuant to the provisions summarized under this heading, there shall have been delivered to the Indenture Trustee an opinion of Bond Counsel stating that such Supplemental Indenture is authorized under the Indenture, and that such Supplemental Indenture will, upon the execution and delivery thereof, be valid and binding upon the Bond Issuer in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on any Outstanding Tax-Exempt Bond.

(Section 9.01)

Supplemental Indentures With Bondholders' Consent

(a) Subject to the terms and provisions contained in Article IX of the Indenture, certain sections of which are summarized herein, the Bondholders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, to consent to and approve the entering into by the Bond Issuer and the Indenture Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Bond Issuer for the purpose of modifying, altering, amending, adding to or rescinding any of

the terms or provisions contained in the Indenture; provided, however, in case less than all of the Bonds then Outstanding are affected by such modification, alteration, amendment, addition to or rescission of any such terms or provisions, consent shall be given by the Bondholders of at least a majority in principal amount of the Bonds so affected and Outstanding at the time such consent is given. Nothing contained in the Indenture shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal Redemption Price, if any, or Tender Price, if any, of Sinking Fund Installments for, or interest on any Outstanding Bonds, a change in the terms of redemption, purchase or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, (ii) the creation of a Lien upon or pledge of loan payments under the Liberty Bonds Loan Agreement or the Liberty Bonds Note other than the Lien or pledge created by the Indenture, except as provided in a Supplemental Indenture with respect to a Series and/or Class of Bonds, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, except as otherwise permitted under the Indenture, or (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth in this subsection (a), without, in the case of items (ii) through and including (v) of this subsection (a), the written consent of one hundred per centum (100%) of the Bondholders of the Outstanding Bonds.

(b) If at any time the Bond Issuer shall determine to enter into any Supplemental Indenture for any of the purposes of the provisions summarized under this heading, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to all Notice Parties, all Bondholders and all Rating Agencies. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Indenture Trustee for inspection by all Bondholders.

(c) Subject to the terms and provisions contained in Article IX of the Indenture, certain sections of which are summarized herein, within the period of time set forth in such notice, the Bond Issuer and the Indenture Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if there shall have first been filed with the Indenture Trustee (i) the written consents of Bondholders of not less than a majority or 100%, as the case may be, in aggregate principal amount of the Bonds then Outstanding or of the Bonds so affected, (ii) an Opinion of Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Bond Issuer in accordance with its terms, (iii) an opinion of Bond Counsel to the effect that such Supplemental Indenture will not cause the interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes, nor adversely affect the validity of the Bonds, (iv) a No Downgrade Confirmation, and (v) if such Supplemental Indenture is reasonably believed by the Indenture Trustee, the Master Servicer, the Servicer or the Collateral Agent to adversely affect its rights, immunities and duties under the Indenture, such Supplemental Indenture shall not be effective without the written consent thereto of the Indenture Trustee, the Master Servicer, the Servicer or the Collateral Agent, as applicable. Each valid consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates by the Indenture Trustee that it has examined such proof and that such proof is sufficient in accordance with the Indenture shall be conclusive that the consents have been given by the Bondholders described in such certificate or certificates. Any such consent shall be binding upon the Bondholder of the Bonds giving such consent and upon any subsequent Bondholder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Bondholder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder of such Bonds giving such consent or a subsequent Bondholder thereof by filing such revocation with the Indenture Trustee prior to the execution of such Supplemental Indenture.

(d) If the Bondholders of not less than the percentage of Bonds required by the provisions summarized under this heading, shall have consented to and approved the execution thereof as provided in the Indenture, no Bondholder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any

manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Issuer from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Indenture pursuant to the provisions summarized under this heading, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Bond Issuer, the Collateral Agent, the Master Servicer, the Special Servicer, the Indenture Trustee, the Operating Advisor and all Bondholders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

(Section 9.02)

Amendments of Liberty Bonds Loan and Collateral Documents Not Requiring Consent of Bondholders

Except as provided in the provisions of the Indenture summarized under the heading "Modifications, Amendments and Waivers", the Bond Issuer and the Indenture Trustee may consent, without the consent of or notice to the Bondholders, to any amendment, change or modification of any of the Liberty Bonds Loan and Collateral Documents for any of the following purposes: (i) to cure any ambiguity, inconsistency, formal defect or omission therein; (ii) to grant to or confer upon the Indenture Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred, so long as such amendment, change or modification does not adversely affect the rights, if any, of the Master Servicer, the Special Servicer or the Collateral Agent under such Liberty Bonds Loan and Collateral Document; (iii) to subject thereto additional revenues, properties or collateral; (iv) to provide for the issuance of a Series and/or Class of Bonds; (v) to evidence the succession of a successor Indenture Trustee or to evidence the appointment of a separate or a co-Indenture Trustee or the succession of a successor separate or co-Indenture Trustee; and (vi) to make any other change that, in the judgment of the Indenture Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of engineers, accountants or other experts and receipt of a No Downgrade Confirmation) does not materially adversely affect the Bondholders, the Master Servicer, the Special Servicer or the Collateral Agent. Before the Bond Issuer or the Indenture Trustee shall enter into or consent to any amendment, change or modification to any of the Liberty Bonds Loan and Collateral Documents, there shall be filed with the Indenture Trustee (a) the written consent of the Master Servicer or Special Servicer, as applicable, and (b) an Opinion of Bond Counsel to the effect that such amendment, change or modification will not adversely affect the exclusion from federal income taxation of interest on any Series and/or Class of Tax-Exempt Bonds Outstanding or the validity of any of the Outstanding Bonds. The Indenture Trustee shall have no liability to any Bondholder or any other person for any action taken by it in good faith pursuant to the above. The Bond Issuer shall cause prior notice to be sent to the Rating Agencies of any such amendment, change or modification to any Liberty Bonds Loan and Collateral Document. *(Section 9.05)*

Amendments of Liberty Bonds Loan and Collateral Documents Requiring Consent of Bondholders

Except as provided in the provisions of the Indenture summarized under the headings "Modifications, Amendments and Waivers" and "Amendments of Liberty Bonds Loan and Collateral Documents Not Requiring Consent of Bondholders" above, the Bond Issuer and the Indenture Trustee shall not consent to any amendment, change or modification of any of the Liberty Bonds Loan and Collateral Documents, without mailing of notice and the written approval or consent of the Bondholders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding. If at any time the Borrower shall request the consent of the Indenture Trustee to any such proposed amendment, change or modification, the Indenture Trustee shall cause notice of such proposed amendment, change or modification to be mailed in the same manner as is provided in the provisions of the Indenture summarized under the heading "Supplemental Indentures With Bondholders' Consent" above. Such notice shall be prepared by the Borrower and shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the designated corporate trust office of the Indenture Trustee

for inspection by all Bondholders. Before the Indenture Trustee shall enter into or consent to any amendment, change or modification to any of the Liberty Bonds Loan and Collateral Documents, there shall be filed with the Indenture Trustee (a) the written consent of the Master Servicer or Special Servicer, as applicable, and (b) an Opinion of Bond Counsel to the effect that such amendment, change or modification will not will not cause the interest on any Outstanding Tax-Exempt Bonds to become includable in gross income for federal income tax purposes or affect the validity of any Outstanding Bond. *(Section 9.06)*

Defeasance

(a) If the Bond Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of all Bonds then Outstanding, the principal, or Redemption Price, if applicable, thereof and interest to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then, at the option of the Bond Issuer, the covenants, agreements and other obligations of the Bond Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Bond Issuer shall execute and file with its records relating to the Bonds all such instruments as may be desirable to evidence such discharge and satisfaction and the Indenture Trustee and any Paying Agents, if any, shall pay over or deliver to the Borrower all moneys, securities and funds held by them pursuant to the Indenture which are not required for the payment, or redemption, of Bonds not theretofore surrendered for such payment or redemption or required for payments, fees and expenses due under the Indenture.

(b) Bonds, or portions of Bonds, for the payment or redemption of which moneys shall have been set aside and shall be held by the Indenture Trustee (through deposit by the Bond Issuer of funds for such payment or otherwise) at the maturity date or Redemption Date of such Bonds shall be deemed to have been paid within the meaning of subsection (a) under this heading. Any Bonds, or portions of Bonds, of any Series and/or Class shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) under this heading if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Bond Issuer shall have given to the Indenture Trustee in form satisfactory to it irrevocable instructions to provide to Bondholders notice of redemption of such Bonds in accordance with Article V of the Indenture, certain sections of which are summarized herein, on said date or dates of such Bonds, (ii) there shall have been irrevocably deposited by the Bond Issuer with the Indenture Trustee for deposit into the Redemption Account either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited by the Bond Issuer with the Indenture Trustee at the same time, shall be sufficient to pay when due the principal, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date, as the case may be, (iii) the Borrower shall have furnished to the Bond Issuer and the Indenture Trustee a report or opinion of an independent verification agent or firm of independent verification agents to the effect that such moneys and/or Government Obligations deposited with the Indenture Trustee are sufficient to pay when due the principal, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date, as the case may be, and (iv) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, shall give the Indenture Trustee irrevocable instructions to give a notice of redemption in accordance with Article V of the Indenture, certain sections of which are summarized herein, to the Bondholders of such Bonds, that the deposit required by this subsection (a) above has been made and that said Bonds are deemed to have been paid in accordance with the provisions summarized under this heading and stating such maturity date or Redemption Date upon which moneys are to be available for the payment of the principal, or Redemption Price, if applicable, and Sinking Fund Installments, on said Bonds. Neither Government Obligations or moneys deposited pursuant to subheading (a) above nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, or Redemption Price, if applicable, if Sinking Fund Installments for, and interest on said Bonds; provided that any moneys received from such principal or interest payments on such Government Obligations so deposited, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal, or Redemption Price, if applicable, of Sinking Fund

Installments for, and interest to become due on said Bonds on and prior to such Redemption Date, payment date or maturity date thereof, as the case may be. Any income or interest earned by, or increment to, the investment of any such moneys so deposited shall, to the extent in excess of the amounts required in the Indenture as summarized above to pay principal, or Redemption Price, if applicable, of, Sinking Fund Installments, and interest on such Bonds, as realized, be applied as follows: first to the Rebate Fund, the amount, if any, required to be deposited therein; and, then the balance thereof to the Borrower, and any such moneys so paid shall be released of any trust, pledge, lien, encumbrance or security interest created by the Indenture. Prior to applying any such excess amounts pursuant to this subsection or subsection (c) under this heading, the Bond Issuer shall obtain written confirmation from an Independent verification agent that the amounts remaining on deposit and held in trust are sufficient to pay the obligations set forth above.

(c) Prior to any defeasance becoming effective as provided in subsection (b) under this heading, there shall have been delivered to the Bond Issuer, the Indenture Trustee, the Master Servicer, the Special Servicer and the Collateral Agent, (i) a No Downgrade Confirmation, and (ii) an opinion of Bond Counsel, addressed to the Bond Issuer, the Indenture Trustee, the Master Servicer, the Special Servicer and the Collateral Agent, to the effect that interest on any Tax-Exempt Bonds being discharged by such defeasance will not become included in gross income for federal income tax purposes by reason of such defeasance.

(d) No provision summarized under this heading, including any defeasance of Bonds, shall limit the rights of the Indenture Trustee or the Paying Agents to compensation in accordance with its agreements theretofore existing, until such Bonds shall have been paid in full. Bonds delivered to the Indenture Trustee for payment shall be canceled by the Indenture Trustee pursuant to provisions of the Indenture.

(e) The Indenture Trustee shall hold in trust moneys and/or Government Obligations deposited with it pursuant to the provisions summarized under this heading and shall apply the deposited money and the money from the Government Obligations in accordance with the Indenture only to the payment of principal of, interest on, Sinking Fund Installments for, or Redemption Price of, the Bonds of such Series and/or Class defeased in accordance with the provisions summarized under this heading.

(Section 10.01)

Limitation on Liability of Servicers

Neither the Master Servicer, the Special Servicer nor any of their respective directors, officers, employees, Affiliates or agents shall have any liability to the Bondholders for any action taken, suffered or omitted under the Indenture if such action or inaction is in accordance with the Servicing Standard and in the Servicing Agreement. Section 6.03 of the Servicing Agreement shall be deemed incorporated by reference in the Indenture, with the same force and effect as if the provisions of said section were more fully and at length set forth in the Indenture. *(Section 11.10)*

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This **Continuing Disclosure Agreement** (the "Agreement"), dated as of April 5, 2012, by and between **7 World Trade Center II, LLC,** a Delaware limited liability company (the "Borrower") and **The Bank of New York Mellon**, as trustee (the "Indenture Trustee") under an Indenture of Trust, as supplemented by a First Supplemental Indenture of Trust, each between New York Liberty Development Corporation (the "Issuer") and the Indenture Trustee and each dated as of the date hereof (collectively, the "Indenture"), is executed and delivered in connection with the issuance of the Issuer's $450,290,000 principal amount of Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project) (the "Bonds"). The proceeds of the Bonds are being loaned by the Issuer to the Borrower pursuant to a Liberty Bonds Loan Agreement, dated as of the date hereof, between the Issuer and the Borrower (the "Liberty Bonds Loan Agreement"). Capitalized terms used in this Agreement which are not otherwise defined in the Indenture shall have the respective meanings specified in Article IV hereof.

ARTICLE I

The Undertaking

Section 1.1. Purpose; No Issuer Responsibility or Liability. This Agreement is being executed and delivered solely to assist J.P. Morgan Securities LLC, on behalf of itself and the other Underwriters of the Bonds (the "Underwriters"), in complying with subsection (b)(5) of the Rule. The Borrower and the Indenture Trustee acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Agreement, and shall have no liability to any person, including any holder of the Bonds, with respect to any such reports, notices or disclosures.

Section 1.2. Required Information. (a) The Borrower shall provide Annual Financial Information to the Indenture Trustee (who shall have responsibility to convert it into an electronic format as prescribed by the MSRB), with respect to each Fiscal Year of the Borrower, commencing with the Fiscal Year ending December 31, 2012, by no later than one hundred twenty (120) days after the end of the respective Fiscal Year (the "Submission Date"). The Indenture Trustee shall provide notice in writing to the Borrower that such Annual Financial Information is required to be provided by such date, at least thirty (30) days but not more than sixty (60) days in advance of such Submission Date, but the failure of the Indenture Trustee to deliver such notice shall not be a defense to the above obligation of the Borrower. The Indenture Trustee shall provide such Annual Financial Information to (i) the MSRB and (ii) the Issuer, in each case on or before four (4) Business Days following the Submission Date (the "Report Date") while any Series 2012 Liberty Bonds are Outstanding or, if not received by the Indenture Trustee by the Submission Date, then within three (3) Business Days after its receipt by the Indenture Trustee. It shall be sufficient if the Borrower provides to the Indenture Trustee and the Indenture Trustee provides to the MSRB and the Issuer the Annual Financial Information by specific reference to documents available to the public on the MSRB's Internet web site or previously filed with the SEC. The Borrower shall submit to the Indenture Trustee by the Submission Date Audited Financial Statements for each Fiscal Year beginning on or after December 31, 2011, when and if available while any Series 2012 Liberty Bonds are Outstanding, whether as part of the Annual Financial Information or separately, which Audited Financial Statements the Indenture Trustee shall then provide to (i) the MSRB and (ii) the Issuer, in each case by the Report Date. If Audited Financial Statements for any Fiscal Year are not so provided to the Indenture Trustee by the Submission Date, the Borrower shall provide to the Indenture Trustee (i) by the Submission Date, Unaudited Financial Statements for such Fiscal Year as part of the Annual Financial Information required to be delivered hereunder, and (ii) when available, Audited

Financial Statements for such Fiscal Year, which Audited Financial Statements the Indenture Trustee shall provide to (i) the MSRB and (ii) the Issuer, in each case within three (3) Business Days after its receipt thereof.

(b) The Borrower shall provide to the Indenture Trustee the Supplemental Information by no later than the respective reporting deadlines set forth in Section 4.1(10). The Indenture Trustee shall provide notice in writing to the Borrower that such Supplemental Information is required to be provided by such date, at least five (5) Business Days but not more than ten (10) Business Days in advance of such date, but the failure of the Indenture Trustee to deliver such notice shall not be a defense to the above obligation of the Borrower. The Indenture Trustee shall provide such Supplemental Information to (i) the MSRB and (ii) the Issuer, in each case within five (5) Business Days after receipt by the Indenture Trustee.

(c) The Indenture Trustee shall provide, in a timely manner not in excess of five (5) Business Days after the occurrence of such failure, notice of any failure by the Borrower or the Indenture Trustee to provide the Annual Financial Information or Supplemental Information by the dates specified in subsections (a), (b) and (c) above, or a notice of a Notice Event as required by Section 1.3 below, in each case to (i) the MSRB and (ii) the Issuer, and, (iii) if such failure is by the Borrower, the Borrower.

Section 1.3. Notice Event. (a) If a Notice Event occurs, the Borrower shall provide, in a timely manner, not in excess of nine (9) Business Days after the occurrence of such Notice Event, notice of such Notice Event to the Indenture Trustee. The Indenture Trustee shall provide notice of each such Notice Event to (i) the MSRB and (ii) the Issuer, in each case within one Business Day after receipt by the Indenture Trustee.

(b) Any notice of a defeasance of the Series 2012 Liberty Bonds shall state whether the Series 2012 Liberty Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

(c) The Indenture Trustee shall promptly advise the Borrower and the Issuer whenever, in the course of performing its duties as Indenture Trustee under the Indenture, the Indenture Trustee has actual notice of an occurrence which would require the Borrower to provide notice of a Notice Event hereunder; provided, however, that the failure of the Indenture Trustee so to advise the Borrower or the Issuer shall not constitute a breach by the Indenture Trustee of any of its duties and responsibilities under this Agreement or the Indenture.

Section 1.4. Additional Information. Nothing in this Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any notice of a Notice Event hereunder, in addition to that which is required by this Agreement. If the Borrower chooses to do so, the Borrower shall have no obligation under this Agreement to update such additional information or include it in any future notice of a Notice Event hereunder.

Section 1.5. Change in Fiscal Year, Submission Date and Report Date. The Borrower may adjust the Submission Date and the Report Date if the Borrower changes its Fiscal Year by providing written notice of such change in Fiscal Year and the new Submission Date and Report Date to the Indenture Trustee, which written notice the Indenture Trustee shall then promptly deliver to (i) the MSRB and (ii) the Issuer; provided, however, that the new Submission Date shall be no more than one hundred twenty (120) days after the end of such new Fiscal Year and the Report Date shall be no more than four (4) Business Days following the new Submission Date, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new Fiscal Year shall not exceed one year in duration.

Section 1.6. Additional Disclosure Obligations. The Borrower acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Borrower and that, under some circumstances, compliance with this Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the Borrower under such laws.

Section 1.7. No Previous Non-Compliance. The Borrower represents that in the previous five years it has not failed to comply in all material respects with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

ARTICLE II

Operating Rules

Section 2.1. Dissemination Agents. The Indenture Trustee, with the prior written consent of the Borrower in each instance, may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Borrower under this Agreement, and revoke or modify any such designation.

Section 2.2. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current Internet Web address of which is www.emma.msrb.org.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

ARTICLE III

Effective Date, Termination, Amendment and Enforcement

Section 3.1. Effective Date, Termination. (a) This Agreement shall be effective upon the issuance of the Series 2012 Liberty Bonds.

(b) The Borrower's and the Indenture Trustee's obligations under this Agreement shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Series 2012 Liberty Bonds.

(c) If the obligations of the Borrower under the Liberty Bonds Loan Agreement are assumed in full by some other entity or entities, such entity or entities shall be responsible for compliance with this Agreement in the same manner as if it or they were the original Borrower, and thereupon the original Borrower shall have no further responsibility hereunder.

Section 3.2. Amendment. (a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Series 2012 Liberty Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Borrower or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Borrower shall have delivered to the Indenture Trustee an opinion of Counsel, addressed to the Borrower, the Issuer and the Indenture Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Borrower shall have delivered to the Indenture Trustee an opinion of Counsel or a determination by an entity, in each case unaffiliated with the Issuer or the Borrower (such as Bond Counsel or the Indenture Trustee), addressed to the Borrower, the Issuer and the Indenture Trustee, to the effect that the amendment does not materially impair the interests of the holders of the Series 2012 Liberty Bonds or (ii) the holders of the Series 2012 Liberty Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of holders of Series 2012 Liberty Bonds pursuant to the Indenture as in effect at the time of the amendment, and (5) the Indenture Trustee shall have delivered copies of such opinion(s) and amendment to (i) the MSRB and (ii) the Issuer. The Indenture Trustee shall so deliver such opinion(s) and amendment within three (3) Business Days after receipt by the Indenture Trustee.

(b) In addition to subsection (a) above, this Agreement may be amended by written agreement of the parties, without the consent of the holders of the Series 2012 Liberty Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Borrower shall have delivered to the Indenture Trustee an opinion of Counsel, addressed to the Borrower, the Issuer and the Indenture Trustee, to the effect that performance by the Borrower and the Indenture Trustee under this Agreement as so amended will not result in a violation of the Rule and (3) the Indenture Trustee shall have delivered copies of such opinion and amendment to (i) the MSRB and (ii) the Issuer. The Indenture Trustee shall so deliver such opinion and amendment within three (3) Business Days after receipt by the Indenture Trustee.

(c) In the event of any amendment specifying the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. In the event of any such change in accounting principles, the Borrower shall deliver notice of such change in a timely manner to the Indenture Trustee, upon receipt of which the Indenture Trustee shall promptly deliver such notice to (i) the MSRB and (ii) the Issuer.

Section 3.3. Benefit; Third Party Beneficiaries; Enforcement. (a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Series 2012 Liberty Bonds, except that (i) beneficial owners of Series 2012 Liberty Bonds shall be third party beneficiaries of this Agreement and (ii) the Issuer shall be deemed to be a third party beneficiary of this Agreement and shall be entitled to enforce the rights of the Indenture Trustee under this Agreement to the extent the Indenture Trustee shall fail or refuse or shall be unable to take any enforcement action hereunder. The provisions of this Agreement shall create no rights in any person or entity except as provided in this subsection (a) and in subsection (b) of this Section.

(b) The obligations of the Borrower to comply with the provisions of this Agreement shall be enforceable, in the case of enforcement of obligations to provide notices, by any holder of Outstanding Series 2012 Liberty Bonds, or by the Indenture Trustee on behalf of the holders of Outstanding Series 2012

Liberty Bonds; provided, however, that the Indenture Trustee shall not be required to take any enforcement action except at the direction of the Issuer (but the Issuer shall have no obligation to take any such action), or the holders of not less than 25% in aggregate principal amount of the Series 2012 Liberty Bonds at the time Outstanding, who shall have provided the Indenture Trustee with adequate security and indemnity. The holders' and Indenture Trustee's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Borrower's obligations under this Agreement. In consideration of the third party beneficiary status of beneficial owners of Series 2012 Liberty Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Series 2012 Liberty Bonds for purposes of this subsection (b).

(c) Any failure by the Borrower or the Indenture Trustee to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV

Definitions

Section 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) "Annual Financial Information" means, collectively, (i) the Audited Financial Statements for the preceding Fiscal Year (commencing with the Fiscal Year ending December 31, 2012), and Unaudited Financial Statements for such Fiscal Year if such Audited Financial Statements are unavailable, and (ii) the Supplemental Information.

(2) "Audited Financial Statements" means the annual consolidated financial statements, if any, of the Borrower, its sole member, and the sole member of the Borrower's sole member, audited by such auditor selected by the Borrower, prepared on an income tax basis or in accordance with generally accepted accounting principles, as determined by the Borrower; provided, that the Borrower, if required by federal or state legal requirements, may from time to time modify the basis upon which its financial statements are prepared so long as notice of any such modification referencing the specific federal or state law or regulation describing such accounting basis is provided to the Indenture Trustee which shall promptly deliver such notice to (i) the MSRB and (ii) the Issuer.

(3) "Counsel" means Winston & Strawn LLP or other nationally recognized bond counsel or counsel expert in federal securities laws.

(4) "Fiscal Year" means each year of twelve months commencing on January 1 of each year.

(5) "MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

(6) "Notice Event" means any of the following events with respect to the Series 2012 Liberty Bonds (the "security" or "securities" under the Rule), whether relating to the Borrower, the Guarantor or the Issuer (the "obligated persons" under the Rule) or otherwise:

(i) principal and interest payment delinquencies;

(ii) non payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(7) "Official Statement" means the Official Statement, dated March 22, 2012, of the Issuer and the Borrower relating to the Series 2012 Liberty Bonds.

(8) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(9) "SEC" means the United States Securities and Exchange Commission.

(10) "Supplemental Information" means:

(i) within forty-five (45) calendar days following the end of each fiscal quarter of the Borrower (each a "Reporting Date") and for the period (the first period beginning on the date of delivery of the Series 2012 Liberty Bonds) since the preceding related Reporting Period and ending on each such Report Date:

(A) if a new Lease at the Facility has been executed in the preceding fiscal quarter, the name of the tenant, the date of lease execution, the net rentable square feet ("NRSF") for such Lease, the percentage of total NRSF of the Facility, the expected date of commencement of rental payments, the lease expiration date or the term of the Lease, and the tenant improvement allowance);

(B) whether or not a new Lease at the Facility has been executed in the preceding fiscal quarter, (i) a summary of material litigation affecting the Facility which is not otherwise fully covered by insurance; (ii) a rent roll for the subject quarter; and (iii) quarterly (comprised of three (3) monthly) and year-to-date operating statements (including capital expenditures) prepared for each calendar quarter, noting net operating income, gross income, and operating expenses, and other information necessary and sufficient to fairly represent the financial position and results of operation of the Facility during such calendar quarter, and containing a comparison of budgeted income and expenses and the actual income and expenses. The description contained in this definition of financial information and operating data are of general categories of financial information and operating data. When the financial information or operating data referred to herein no longer can be generated because the operations to which they relate have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Supplemental Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided;

(ii) by no later than one hundred twenty (120) days after each Fiscal Year of the Borrower, commencing with the Fiscal Year ending December 31, 2012, updating information in the Official Statement under the subheadings entitled "DESCRIPTION OF THE FACILITY — "Tenants at the Facility", and – "Lease Expiration Schedule"; and

(iii) within ten (10) calendar days following the date of occurrence, of each of the following:

(A) the delivery of a Replacement Joinder by a Replacement Guarantor;

(B) a default in payment to the Ground Lessor of any amount required to be so paid under the Office Tower Ground Lease;

(C) the receipt of a written notice of default from the Ground Lessor under the Ground Lease or from Con Ed under the REA;

(D) the incurrence of Permitted Mezzanine Financing;

(E) the default by the Borrower of its covenant under the Liberty Bonds Loan Agreement to be a Special Purpose Entity;

(F) the occurrence of a Transfer under the Liberty Bonds Loan Agreement;

(G) the default by the Borrower under any of its insurance requirements under the Liberty Bonds Loan Agreement, the Ground Lease or the REA;

(H) the commencement of litigation against the Borrower, or its sole member, or the sole member of the Borrower's sole member, or against the Guarantor, with respect to which the amount claimed is at least $20,000,000 (and which is not otherwise fully covered by insurance), and the final judgment in any such litigation;

(I) default in payment of the principal of, Sinking Fund Installments or interest on the Series 2012 Liberty Bonds, any Taxable Loan or any Permitted Mezzanine Financing;

(J) the occurrence of an "Event of Default" under the Liberty Bonds Loan Agreement or the Mortgage;

(K) the incurring by the Borrower of any of the "Borrower's Recourse Liabilities" as so defined under the Liberty Bonds Loan Agreement;

(L) the filing of bankruptcy or insolvency in federal or state court by or against the Guarantor, the Borrower, the sole member of the Borrower or the sole member of the Borrower's sole member; or

(M) any assignment of the Ground Lease or change in the Ground Lessor.

(11) "Unaudited Financial Statements" means the same as Audited Financial Statements, except that they shall not have been audited.

ARTICLE V

Miscellaneous

Section 5.1. Duties, Immunities and Liabilities of Indenture Trustee. Article VIII of the Indenture is hereby made applicable to this Agreement as if this Agreement were, solely for this purpose, contained in the Indenture. The Indenture Trustee shall have only such duties under this Agreement as are specifically set forth in this Agreement, and the Borrower agrees to indemnify and save the Indenture Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Indenture Trustee's default, gross negligence or willful misconduct in the performance of its duties hereunder. Such indemnity shall be separate from and in addition to that provided to the Indenture Trustee under the Indenture or the Liberty Bonds Loan Agreement. The obligations of the Borrower under this Section shall survive resignation or removal of the Indenture Trustee and payment of the Series 2012 Liberty Bonds.

Section 5.2. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives, all as of the date first above written.

APPROVED:

7 WORLD TRADE CENTER II, LLC, a Delaware limited liability company

By: 7 World Trade Center, LLC, a Delaware limited liability company, its sole member

By: 7 World Trade Company, L.P., a Delaware limited partnership, its sole member

By: Silverstein — 7 World Trade Company, Inc., a Delaware corporation, its general partner

_____
Michael Levy
Vice President-Finance

Acknowledged:

THE BANK OF NEW YORK MELLON,
as Indenture Trustee

By:_____
An Authorized Officer

APPENDIX F

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF 7 WORLD TRADE COMPANY, L.P. AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND DECEMBER 31, 2010

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APPENDIX F

7 WORLD TRADE COMPANY, L.P.

CONSOLIDATED FINANCIAL STATEMENTS
(INCOME TAX BASIS)

YEARS ENDED DECEMBER 31, 2011 AND 2010

AND

INDEPENDENT AUDITORS' REPORT

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7 WORLD TRADE COMPANY, L.P.

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FRIEDMAN LLP

ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Partners
7 World Trade Company, L.P.

We have audited the accompanying consolidated statements of assets, liabilities and partners' capital deficiency of 7 World Trade Company, L.P. as of December 31, 2011 and 2010, and the related consolidated statements of revenues and expenses, changes in partners' capital deficiency and cash flows for the years then ended (all of which have been prepared on an income tax basis). These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, these consolidated financial statements were prepared on the basis of accounting the Partnership uses for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities and partners' capital deficiency of 7 World Trade Company, L.P. as of December 31, 2011 and 2010, and its revenues and expenses, cash flows and changes in partners' capital deficiency for the years then ended, on the basis of accounting described in Note 2.

Friedman LLP

March 16, 2012

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7 WORLD TRADE COMPANY, L.P.

CONSOLIDATED STATEMENTS OF ASSETS, LIABILITIES AND PARTNERS' CAPITAL DEFICIENCY - INCOME TAX BASIS

	December 31,	
	2011	2010
ASSETS		
Property and improvements - carryover basis and cost, less accumulated depreciation	$ 91,446,847	$ 96,503,701
Cash and cash equivalents	29,574,596	8,204,275
Restricted cash	15,445,321	43,326,839
Receivable from tenants	3,148,289	3,109,661
Other receivables	12,571,437	1,017,529
Prepaid leasing costs	3,854,371	-
Prepaid insurance and other assets	1,173,504	1,383,454
Deferred financing costs	5,859,414	6,763,206
	$ 163,073,779	$ 160,308,665
LIABILITIES AND PARTNERS' CAPITAL DEFICIENCY		
Liabilities		
Liberty Bonds payable	$ 475,000,000	$ 475,000,000
Accrued interest payable	10,104,167	10,104,167
Insurance proceeds received in excess of replacement property	19,513,720	21,100,850
Accounts payable and accrued expenses	6,412,545	5,643,973
	511,030,432	511,848,990
Partners' capital deficiency	(347,956,653)	(351,540,325)
	$ 163,073,779	$ 160,308,665

See notes to consolidated financial statements.

7 WORLD TRADE COMPANY, L.P.

CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES - INCOME TAX BASIS

	Year Ended December 31,	
	2011	2010
Revenues		
Rents	$ 73,218,876	$ 72,291,386
Interest	54,009	73,452
	73,272,885	72,364,838
Expenses		
Advertising	15,608	40,167
Administrative	3,145,496	3,192,746
Operating	17,910,429	17,182,308
Maintenance	3,374,152	2,999,444
PILOT taxes	1,503,580	2,694,234
Ground rent	6,858,447	6,572,410
	32,807,712	32,681,309
Excess of revenues over expenses before financing costs and depreciation and amortization	40,465,173	39,683,529
Financing costs	31,303,396	31,225,527
Excess of revenues over expenses before depreciation and amortization	9,161,777	8,458,002
Depreciation and amortization	5,578,105	5,156,627
Excess of revenues over expenses	$ 3,583,672	$ 3,301,375

See notes to consolidated financial statements.

7 WORLD TRADE COMPANY, L.P.

CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL DEFICIENCY - INCOME TAX BASIS

		General Partner	Limited Partners	
	Total	Silverstein - 7 World Trade Company, Inc.	Silverstein Development Corporation	Klara Silverstein
Balance, January 1, 2010	$(354,841,700)	$ (1,231,767)	$(173,537,700)	$ (180,072,233)
Excess of revenues over expenses	3,301,375	33,015	1,617,673	1,650,687
Balance, December 31, 2010	(351,540,325)	(1,198,752)	(171,920,027)	(178,421,546)
Excess of revenues over expenses	3,583,672	35,836	1,755,999	1,791,837
Balance, December 31, 2011	$(347,956,653)	$ (1,162,916)	$(170,164,028)	$ (176,629,709)

See notes to consolidated financial statements.

7 WORLD TRADE COMPANY, L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS - INCOME TAX BASIS

	Year Ended December 31,	
	2011	2010
Cash flows from operating activities		
Excess of revenues over expenses	$ 3,583,672	$ 3,301,375
Adjustments to reconcile to net cash provided by operating activities		
Depreciation - property and improvements	5,526,238	5,156,627
Amortization		
Leasing costs	51,867	-
Deferred financing costs	990,896	990,893
Changes in assets and liabilities		
Restricted cash	27,881,518	-
Receivable from tenants	(38,628)	(1,362,997)
Other receivables	382,676	(54,457)
Prepaid leasing costs	(3,906,238)	-
Prepaid insurance and other assets	209,950	(147,222)
Accounts payable and accrued expenses	514,693	(913,961)
Net cash provided by operating activities	35,196,644	6,970,258
Cash flows from investing activities		
Replacement property	(13,269,835)	(6,526,926)
Acquisition of property and improvements	(469,384)	-
Restricted cash	-	1,008,220
Net cash used in investing activities	(13,739,219)	(5,518,706)
Cash flows from financing activities		
Financing costs	(87,104)	-
Net increase in cash and cash equivalents	21,370,321	1,451,552
Cash and cash equivalents, beginning of year	8,204,275	6,752,723
Cash and cash equivalents, end of year	$ 29,574,596	$ 8,204,275
Supplemental cash flow disclosures		
Interest paid, net of capitalized interest of $77,866 in 2010	$ 30,312,500	$ 30,234,634
Noncash investing activities		
Replacement property included in accounts payable and accrued expenses	253,879	-
Receivable from related party for replacement property	11,936,584	-

See notes to consolidated financial statements.

7 WORLD TRADE COMPANY, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - ORGANIZATION AND NATURE OF BUSINESS

On November 29, 1993, 7 World Trade Company, L.P., a Delaware limited partnership (the "Partnership"), was organized to be the successor to 7 World Trade Company, L.P., a New York limited partnership, which was organized on January 1, 1981 to acquire the leasehold located at 7 World Trade Center, New York, New York, upon which to construct and operate an office building. The ground lease agreement with the Port Authority of New York and New Jersey ("PA Ground Lease") is described in Note 7. The original building was placed in service on January 1, 1988 and destroyed on September 11, 2001. In accordance with the PA Ground Lease, the Partnership constructed a new building which was placed in service on January 1, 2006. Tenants began occupying the building in May 2006.

On January 19, 2005, 7 World Trade Center, LLC ("7 WTC") was formed as a single-purpose limited liability company, whose sole member is the Partnership, to own the interest under the PA Ground Lease and develop and operate the new building. On March 21, 2005, as part of the debt refinancing described in Note 5, the Partnership contributed the property to 7 WTC in exchange for 100% of the interest. At the same time, the Partnership agreement was amended and restated. Silverstein Development Corporation contributed approximately $51 million as preferred capital and will receive 100% of all distributions until the return of the preferred capital and a cumulative preferred return of 8.5% a year is paid. Thereafter, distributions to the partners will be pro rata based on the specified percentages as set forth in the agreement. Profits and losses of the Partnership for each fiscal year are allocated among partners in accordance with Section 704(b) of the Internal Revenue Code of 1986. The Partnership agreement terminates on December 31, 2080 or on the date the property is sold, if sooner.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting used by the Partnership for federal income tax purposes. Accordingly, differences from financial statements prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") exist with respect to the reporting periods in which certain revenues and expenses are recognized and the capitalizing or expensing of certain costs. Such differences consist primarily of recognizing, for income tax purposes only, rents received in advance, not recognizing, for income tax purposes, scheduled rent increases and deferred rent concessions on a straight-line basis over the lease term as required by GAAP, differences in depreciation, and a difference related to the events of September 11, 2001 with respect to accounting for destroyed property. In addition, GAAP requires a long-lived asset to be evaluated for recoverability whenever events or conditions indicate possible impairment. Management is not required to perform such an evaluation under the income tax basis of accounting.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Consolidation
The accompanying consolidated financial statements include the accounts of the Partnership and its wholly owned single-member limited liability company, 7 WTC. All intercompany transactions and balances have been eliminated in consolidation. Although the financial statements are consolidated for financial reporting purposes, the assets of 7 WTC, the legal property owner, are not available to satisfy the debts and other obligations of the Partnership.

Use of Estimates
Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. For purposes of the statement of cash flows, the Partnership considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Restricted Cash
Restricted cash is funds held in escrow as required by the lender.

Receivable from Tenants
The Partnership uses the specific chargeoff method to write off uncollectible receivables.

Depreciation and Amortization
The financial statements reflect the carrying amounts of property, improvements and equipment at September 11, 2001, when the Partnership ceased all depreciation. Beginning January 1, 2006, the Partnership resumed recording depreciation. Depreciation of the replacement property is computed in accordance with the rules prescribed by Treasury Regulation 1.168(i)(6).

For the acquired assets, depreciation and amortization have been computed using methods and recovery periods permitted under the Internal Revenue Code.

Leasing costs, which are not considered replacement property, are amortized on a straight-line basis over the terms of the related tenant leases and are included in depreciation and amortization. Deferred financing costs are amortized over the term of the mortgage and are included in financing costs.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes
The Partnership is not a taxpaying entity for income tax purposes and, accordingly, no provision has been made for income taxes. The partners' allocable shares of the Partnership's income or loss are reportable on their income tax returns.

Federal, state and local income tax returns for years subsequent to 2007 are subject to examination by tax authorities. The 2007 federal partnership tax return was examined by the Internal Revenue Service ("IRS"). On October 19, 2010, the Partnership received a letter stating that there are no adjustments to the 2007 return.

Sales Tax
New York City and New York State (the "State") impose a tax on the sale of sub-metered electricity and other specified services. The Company collects the sales tax from tenants and remits the amounts to the State. The Company's accounting policy is to exclude the tax collected and remitted to the State from revenues and expenses.

Reclassifications
Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent Events
These financial statements were approved by management and available for issuance on March 16, 2012. Management has evaluated subsequent events through this date.

3 - PROPERTY AND IMPROVEMENTS

The Partnership had depreciated the property, equipment, furniture and fixtures through September 11, 2001. Beginning January 1, 2006, the Partnership resumed depreciating the property and improvements. In 2011, the Partnership incurred costs for tenant improvements, which are not considered to be replacement property.

	December 31,	
	2011	2010
Property and improvements, carryover basis	$130,329,437	$130,329,437
Tenant improvements	469,384	-
	130,798,821	130,329,437
Less - Accumulated depreciation	39,351,974	33,825,736
	$ 91,446,847	$ 96,503,701

4 - INSURANCE PROCEEDS RECEIVED IN EXCESS OF REPLACEMENT PROPERTY

Insurance proceeds received in excess of replacement property at December 31, 2011 and 2010 are determined as follows:

	December 31,	
	2011	2010
Insurance proceeds	$ 641,260,364	$ 629,323,780
Less - Cost of replacement property to date	621,746,644	608,222,930
	$ 19,513,720	$ 21,100,850

The Partnership placed the building in service on January 1, 2006 and continues to incur additional expenditures for tenant procurement and improvements costs. Pursuant to Section 1033 of the Internal Revenue Code, gain from this transaction is not recognized as taxable income, provided the cost of the replacement property equals or exceeds the amount of the insurance proceeds received. The period of time to replace the property has been extended by the IRS annually since December 31, 2006. The Partnership has received an extension of time to December 31, 2012 to replace the property.

5 - LIBERTY BONDS PAYABLE

The debt consists of Series A and B New York City Industrial Development Agency Liberty Revenue Bonds ("Bonds") totaling $475,000,000. The Series A Serial Bonds total $275,000,000, bear interest at 6.25% a year and mature on March 1, 2015. The Series A Term Bonds total $150,000,000, bear interest at 6.5% a year and mature on March 1, 2035. The Series B Serial Bonds total $50,000,000, bear interest at 6.75% a year and mature on March 1, 2015.

Interest on the Bonds is payable each March 1 and September 1. The Bonds are redeemable at the option of the Partnership at a 1% premium through February 29, 2012 and at par thereafter. If not redeemed, the Series A Term Bonds are scheduled for repayment from March 1, 2015 through March 1, 2035. The payment of the Bonds is secured by a mortgage on the property.

5 - LIBERTY BONDS PAYABLE (Continued)

The proceeds derived from the sale of the Bonds were used to finance and/or reimburse a portion of the costs of the development and construction of the commercial rental space, to pay capitalized interest on the Bonds and to pay certain costs of issuance relating to the Bonds. In addition, a debt service reserve of approximately $15 million was established and will be released when certain criteria are achieved or it is replaced by a letter of credit. Also, a lockbox account has been established for the receipt of rents, which are to be disbursed by the Master Trustee in accordance with the agreement. Under certain circumstances, excess amounts in the lockbox account, which are otherwise payable to 7 WTC, will be restricted, as defined in the agreement.

Total interest for each of the years ended December 31, 2011 and 2010 was $30,312,500, of which $77,866 was capitalized in 2010.

The Partnership expects to complete a refinancing of the Bonds in April 2012. The current Bonds will be refunded through the sale of 2012 Liberty Bonds and there will be an additional financing of approximately $125 million through taxable commercial mortgage-backed securities.

6 - RELATED PARTY TRANSACTIONS

Management and Leasing

Management and leasing services are provided to the Partnership by SPI, a corporation whose stockholder is also the sole stockholder of the Partnership's general partner. A summary of the compensation for these services for the years ended December 31, 2011 and 2010 is as follows:

	December 31,	
	2011	2010
Management fees	$ 1,745,982	$ 2,094,837
Leasing commissions	2,287,975	4,077

Management fees are computed at 2-1/2% of gross rents, including business interruption insurance proceeds. However, pursuant to Section 267 of the Internal Revenue Code, unpaid management fees of $147,798 and $56,293 for the years ended December 31, 2011 and 2010, respectively, and unpaid leasing commissions of $684,111 for the year ended December 31, 2011 are not reflected in the financial statements and are not included in the above summary of compensation.

6 - RELATED PARTY TRANSACTIONS (Continued)

Management and Leasing (Continued)
SPI receives event management fees of 25% of event income, which are included in management fees. Unpaid event management fees of $68,930 for the year ended December 31, 2011 have been excluded in accordance with Section 267 of the Internal Revenue Code.

Leasing
The Partnership and SPI entered into a lease for approximately 2% of total square footage for the period May 22, 2006 to June 30, 2017, with SPI having the right to terminate the lease at any time after the fifth anniversary of the occupancy date. In addition to base rents, SPI is required to pay its proportionate share of increases in taxes and operating expenses over base period amounts. Rents and contingent rents include approximately $1,861,000 and $1,872,000 from SPI for the years ended December 31, 2011 and 2010, respectively.

The Partnership and World Trade Center Properties LLC ("WTCP") entered into two leases for approximately 2% of total square footage for the period January 1, 2007 to December 31, 2012 and the period January 1, 2007 to September 30, 2008, which is now on a month-to-month basis. The sole stockholder of the Partnership's general partner is a member of the managing member of WTCP. In addition to base rents, WTCP is required to pay its proportionate share of increases in taxes and operating expenses over base period amounts. Rents and contingent rents include approximately $1,996,000 and $2,002,000 from WTCP for the years ended December 31, 2011 and 2010, respectively. Approximate minimum future rentals required under this noncancelable operating lease through expiration in 2012 are $1,408,000.

Development Fees
Silverstein Development Corporation, a limited partner of the Partnership and a corporation whose sole shareholder is the sole stockholder of the Partnership's general partner, receives development fees of 4% of landlord contributions for tenant improvements that are replacement property. For the year ended December 31, 2010, the Partnership incurred fees of $232,240, which are included in replacement property cost.

Due from Affiliate
Included in other receivables at December 31, 2011 is approximately $11.9 million due from SPI for replacement property which was received on January 5, 2012.

7 - GROUND LEASE

The PA Ground Lease was amended and restated as of February 6, 2003 in order to facilitate construction of the new building and redevelopment of the surrounding area. In general, the agreement reconfigures the leased land, sets forth new insurance requirements, and revises the calculation of additional rent.

7 - GROUND LEASE (Continued)

The lease expires December 31, 2026 and is renewable for three periods of 20 years each. The annual base rental is $6.75 per occupied square foot, based on the 1968 "Standard Method of Floor Measurement of Office Buildings Approved by the Real Estate Board of New York", and additional rent of 40% of the excess of net cash flow, as defined, over the base rent is also required. No additional rent was payable for 2011 or 2010. Total ground rent for the years ended December 31, 2011 and 2010 was $6,858,447 and $6,572,410, respectively.

Approximate future noncancelable minimum ground lease payments required during the lease, assuming in-place occupancy based on current tenant leases, are as follows:

Year Ending December 31,	
2012	$ 7,587,000
2013	8,485,000
2014	8,485,000
2015	8,319,000
2016	8,231,000
Thereafter	81,537,000
	$122,644,000

8 - EASEMENT AGREEMENT

The building is constructed on and around an electrical substation which was built and is owned by Consolidated Edison, Inc. ("Con Edison") under a separate ground lease with the Port Authority of New York and New Jersey ("Port Authority"). The Con Edison substation and the building are separate and distinct structures that share certain structural support elements. 7 WTC and Con Edison have entered into a Reciprocal Easement Agreement ("REA") which details certain rights, easements and interests with respect to the building and the portions ground leased to each party. The REA sets forth the responsibility of each party for the maintenance, repair and/or cleaning of the premises and provides for the allocation of the costs. With the exception of certain maintenance of the improvements on the Con Edison premises, all of the maintenance is to be performed by 7 WTC.

9 - LEASE ARRANGEMENTS

The Partnership leases office space to a number of tenants under operating leases. Most of these leases include renewal options and provisions for additional rent based on increases in PILOT and expenses over base period amounts, as defined in the lease agreements.

9 - LEASE ARRANGEMENTS (Continued)

As of December 31, 2011 and 2010, the property was approximately 89% and 80% leased, respectively. Significant tenants for the year ended December 31, 2011 are as follows:

Business	% of Total Building Area	% of Base Rents	Lease End Date	Early Termination
Financial Services	39%	43%	2027	12% of leased space in 2017
Financial Institution	8	14	2025	None
Financial Institution	8	11	2022	None

As of December 31, 2011, the Partnership has committed approximately $24 million for tenant improvements pursuant to four tenant leases.

Approximate noncancelable minimum future rentals, including related party rentals described in Note 6, required under operating leases are as follows:

Year Ending December 31,	
2012	$ 70,494,000
2013	86,570,000
2014	87,364,000
2015	85,703,000
2016	84,943,000
Thereafter	804,852,000
	$ 1,219,926,000

Contingent rents included in rent income were $2,069,384 and $2,877,238 for the years ended December 31, 2011 and 2010, respectively.

The Partnership is holding approximately $15.2 million in the form of letters of credit as security deposits.

10 - CONTINGENCIES

The Port Authority had been sued by the insurance carriers of Con Edison (which maintained an electrical substation beneath the building) for damages as a result of the events of September 11, 2001. The Port Authority had claimed that, under the lease for the building, the Partnership is obligated to indemnify the Port Authority against claims arising out of the Partnership's use and occupancy of the building. The Partnership's liability carrier had been defending the Port Authority. The case was settled in February 2012 and a formal dismissal is pending.

In addition, Con Edison's insurance carriers are also seeking to recover from the Partnership costs incurred as a result of damage sustained when the building collapsed. The Partnership is being defended by its liability carrier. On September 23, 2011, the Partnership's motion to dismiss was granted and on February 14, 2012 an appeal was filed by the plaintiff.

In October 2008, the Partnership was named in a multi-party lawsuit which seeks damages for the September 11, 2001 related clean-up of a nonadjacent site. The Partnership's environmental carrier has agreed to defend the Partnership. On September 21, 2010, the court granted the Partnership's motion to dismiss and an appeal was filed by the plaintiff on October 24, 2010. The appellate hearing is scheduled to take place on April 25, 2012.

The Partnership believes it has adequate protection from its liability coverage and the liability cap pursuant to Section 201 of the Aviation and Transportation Security Act, enacted by Congress on November 16, 2001. This provision, which amended Section 408 of the Air Transportation Safety and System Stabilization Act, provides a limitation on liability arising from the terrorist-related aircraft crashes of September 11, 2001 to persons with a property interest in the World Trade Center in an amount equal to the amount of liability coverage available.

APPENDIX G

FORM OF BOND COUNSEL OPINION

[Date of Closing]

New York Liberty Development Corporation
633 Third Avenue
New York, New York 10017

Ladies and Gentlemen:

We have examined a record of proceedings of the New York Liberty Development Corporation (the "Issuer"), a not-for-profit local development corporation organized and existing under Section 1411 of the New York Not-for-Profit Corporation Law, being Chapter 35 of the Consolidated Laws of the State of New York (the "Act"), created by action of the New York Job Development Authority established under Section 1802, Subtitle I, Title 8, Article 8, of the New York Public Authorities Law, and other proofs submitted to us relative to the issuance and sale of the Issuer's $450,290,000 aggregate principal amount of Liberty Revenue Refunding Bonds, Series 2012 (7 World Trade Center Project) (the "Series 2012 Liberty Bonds").

The Series 2012 Liberty Bonds are issued under and pursuant to the Act and Section 1400L(d) of the Internal Revenue Code of 1986, as amended, as added by the Job Creation and Worker Assistance Act of 2002, as amended, and under and pursuant to an Indenture of Trust, dated as of April 5, 2012, as supplemented by that certain First Supplemental Indenture of Trust, dated as of April 5, 2012 (collectively, the "Indenture"), by and between the Issuer and The Bank of New York Mellon, as trustee (the "Indenture Trustee") and a resolution of the Issuer adopted on February 21, 2012 authorizing the Series 2012 Liberty Bonds and the taking of certain actions relating thereto (the "Bond Resolution"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in Annex A to the Indenture.

The Series 2012 Liberty Bonds are dated, mature on the dates and bear interest at the rates from their date of issuance until their respective maturity dates as set forth in the Series 2012 Liberty Bonds and the Indenture. The Series 2012 Liberty Bonds are issued in class priority as set forth in the Indenture. The Series 2012 Liberty Bonds are issuable as fully registered bonds, without coupons, in such authorized denominations as set forth in the Series 2012 Liberty Bonds and the Indenture.

The Series 2012 Liberty Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption and purchase in lieu of redemption, and to mandatory tender, prior to maturity, all in the manner and upon the terms and conditions set forth in the Indenture.

The Series 2012 Liberty Bonds are issued in order to refund in whole the $475,000,000 Liberty Revenue Bonds, Series A and B (7 World Trade Center, LLC Project) issued by the New York City Industrial Development Agency (collectively, the "Prior Bonds"), which Prior Bonds were issued to finance a portion of the costs relating to the development and construction of the upper 42 floors of a 52-story office building in Lower Manhattan within The City of New York and known as 7 World Trade Center (the "Facility"), substantially all for use and occupancy by office tenants.

The proceeds of the Series 2012 Liberty Bonds will be loaned by the Issuer to 7 World Trade Center II, LLC, a limited liability company organized under the laws of the State of Delaware (the "Borrower") pursuant to that certain Liberty Bonds Loan Agreement, dated as of April 5, 2012, between the Issuer and the Borrower, as joined in by Larry A. Silverstein (the "Loan Agreement"), which loan will be evidenced by a promissory note of the Borrower (the "Note"), and used to refund the Prior Bonds. The Series 2012 Liberty Bonds are secured by a pledge and

assignment of the Note and the Loan Agreement pursuant to the Indenture and a pledge of moneys and securities held in certain funds and accounts established under the Indenture, subject to disbursements therefrom in accordance with the provisions of the Indenture.

Concurrently with the issuance of the Series 2012 Liberty Bonds, 7 WTC CMBS Lender, LLC, a Delaware limited liability company affiliated with the Borrower (the "CMBS Lender") will make a loan (the "CMBS Loan") to the Borrower in the principal amount of $125,000,000 pursuant to a loan agreement (the "CMBS Loan Agreement") between the Borrower and the CMBS Lender, which CMBS Loan will share collateral with the Series 2012 Liberty Bonds and be evidenced by a promissory note of the Borrower (the "CMBS Note"). Payments made by the Borrower under the Loan Agreement and the CMBS Loan Agreement are to be applied in accordance with the priority of payments established under the Servicing Agreement referred to below.

In order to further secure certain of its payment obligations under the Loan Agreement and the CMBS Loan Agreement, the Borrower and Citibank, N.A., as Collateral Agent (the "Collateral Agent"), and Wells Fargo Bank National Association, as Cash Management Bank (the "Cash Management Bank"), will enter into a Collateral Agency Agreement, dated as of April 5, 2012 (the "Collateral Agency Agreement"), pursuant to which the Collateral Agent will authenticate the Obligations of the Borrower under the Loan Agreement, the Note, the CMBS Loan Agreement and the CMBS Note. Subject to the provisions of the Loan Agreement, the Borrower may incur additional obligations under the Collateral Agency Agreement on a parity with the Loan Agreement and the Note.

In addition, pursuant to the Mortgage, the Borrower will grant to the Collateral Agent as security for the Obligations, including the Series 2012 Liberty Bonds, (i) a mortgage lien on the Borrower's leasehold interest under the Ground Lease in the Facility, (ii) a pledge and assignment of all tenant leases and rents from the Facility, (iii) a lien and security interest in all personal property of the Borrower, (iv) a pledge and assignment of the property management agreement with the property manager for the Facility, and (v) funds or assets from time to time on deposit in certain reserve accounts.

In order to administer the Obligations authenticated under the Collateral Agency Agreement, the Collateral Agent, the 17g-5 Information Provider, the Indenture Trustee, the CMBS Trustee, the Master Servicer, the Special Servicer and the Operating Advisor will enter into a Servicing Agreement, dated as of April 5, 2012 (the "Servicing Agreement").

We are of the opinion that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Series 2012 Liberty Bonds by the Issuer pursuant to the laws of the State of New York, including particularly the Act, and other applicable provisions of law and the Bond Resolution, and under and pursuant and subject to the provisions, terms and conditions of the Indenture.

2. The Issuer has the right and power to enter into the Indenture and the Loan Agreement, and each of the Indenture and the Loan Agreement has been duly authorized, executed and delivered by the Issuer, and assuming due authorization, execution and delivery by the other parties thereto, are in full force and effect in accordance with their terms and are valid and binding upon the Issuer and enforceable in accordance with their terms, and no other authorization for the Indenture or the Loan Agreement is required.

3. The Indenture creates the valid pledge which it purports to create of the loan payments, revenues and receipts payable or receivable under the Loan Agreement and the Note and the moneys and securities from time to time held by the Indenture Trustee under the terms of the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

4. The Issuer has the right and power to authorize, execute and deliver the Series 2012 Liberty Bonds, and the Series 2012 Liberty Bonds have been duly authorized, executed and delivered by the Issuer.

The Series 2012 Liberty Bonds are valid and binding special limited revenue obligations of the Issuer, are enforceable in accordance with their terms and the terms of the Indenture and are payable as to principal, Sinking Fund Installments, Redemption Price, and interest from moneys on deposit in the funds and accounts maintained under the Indenture. The Series 2012 Liberty Bonds are entitled to the benefits of the Indenture and of the Act.

5. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Series 2012 Liberty Bonds for interest on the Series 2012 Liberty Bonds to be and remain not includable in gross income of the owners thereof under Section 103 of the Code. Included among the continuing requirements are certain restrictions and prohibitions on the use of bond proceeds, restrictions on the investment of proceeds and other amounts, and the rebate to the United States of certain earnings in respect of investments. Failure to comply with these continuing requirements may cause the interest on the Series 2012 Liberty Bonds to be includable in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs. In the Indenture, the Issuer has covenanted to comply with certain procedures designed to assure compliance with the requirements of the Code. In addition, in the Loan Agreement, the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 of the Issuer and the Borrower (the "Tax Certificate"), and accompanying documents, exhibits, and certificates, the Issuer and the Borrower have covenanted to comply with certain procedures, and they have made certain representations and certifications, designed to assure compliance with the requirements of the Code.

Assuming continuing compliance by the Issuer and the Borrower (and their successors) with the covenants, and the accuracy of the representations referenced above, under existing statutes, regulations, rulings, and court decisions, interest on the Series 2012 Liberty Bonds is not includable in gross income for federal income tax purposes; except that no opinion is expressed as to the exclusion of interest on any Series 2012 Liberty Bond from gross income for federal income tax purposes during the period that such Series 2012 Liberty Bond is held by a "substantial user" of the facilities refinanced by the Series 2012 Liberty Bonds or a "related person" within the meaning of Section 147(a) of the Code.

Interest on the Series 2012 Liberty Bonds (including any accrued original issue discount) is not an "item of tax preference" for purposes of the federal alternative minimum tax on individuals and corporations; however, such interest is includable in the calculation of adjusted current earnings for purposes of calculating the alternative minimum tax imposed on corporations (but not individuals).

The Series 2012 Liberty Bonds maturing on September 15, 2035 have been initially offered to the public at a price less than the principal amount thereof payable at maturity. If the first price at which a substantial amount of such maturity of the Series 2012 Liberty Bonds is sold in the initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of Underwriters, placement agents or wholesalers) is less than the principal amount thereof payable at maturity, the difference between such price and principal amount constitutes original issue discount with respect to each Series 2012 Liberty Bond of the same maturity (the "Discount Series 2012 Liberty Bonds"). Original issue discount, as it accrues, is not includable in gross income for federal income tax purposes to the same extent as interest on the Series 2012 Liberty Bonds. The owner of a Discount Series 2012 Liberty Bond who purchases it in the initial offering at the initial offering price is deemed to accrue in each taxable year original issue discount over the term of such bond under the "constant yield method" described in regulations interpreting Section 1272 of the Code with certain adjustment.

The Series 2012 Liberty Bonds maturing in the years 2028-2032, 2040, 2043 and 2044 have been initially offered to the public at a price in excess of the principal amount thereof and such excess will constitute bond premium in the case of said maturities of the Series 2012 Liberty Bonds sold at their initial offering price (the "Premium Bonds"). An initial purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) with an initial

adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium that is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of such Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning Premium Bonds.

6. Assuming continuing compliance by the Issuer and the Borrower (and their successors) with the covenants, and the accuracy of the representations referenced in the first subparagraph of paragraph 5 above, under existing statutes, regulations, rulings and court decisions, interest on the Series 2012 Liberty Bonds (including any accrued original issue discount) is not included in taxable income for purposes of personal income taxes imposed by the State of New York, The City of New York and the City of Yonkers, New York, except that no opinion is expressed as to the exclusion of interest (and any original issue discount) on any Series 2012 Liberty Bond from such taxable income during the period that such Series 2012 Liberty Bond is held by a "substantial user" of the facilities refinanced by the Series 2012 Liberty Bonds or a "related person" within the meaning of Section 147(a) of the Code.

Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2012 Liberty Bonds.

We have examined one of each Class of the Series 2012 Liberty Bonds in fully registered form, and, in our opinion, the forms of said Series 2012 Liberty Bonds is regular and proper.

The opinions expressed herein with respect to the Indenture, the Series 2012 Liberty Bonds and the Loan Agreement are qualified to the extent that enforceability of the Indenture, the Series 2012 Liberty Bonds and the Loan Agreement may be limited by any applicable bankruptcy, insolvency, debt adjustment, moratorium, reorganization, or other similar laws or equitable principles affecting creditors' rights generally or as to the availability of any particular remedy.

In rendering this opinion, we express no opinion with respect to the due recording of the Mortgage, or the due filing and sufficiency of financing statements under the New York State Uniform Commercial Code. We understand you have received the opinions of the Deputy General Counsel of the Issuer, and of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Borrower, each dated the date hereof, with respect to such matters.

In rendering this opinion, we have reviewed the opinions of Jonathan Knipe, Esq., general counsel to the Borrower, and Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Borrower, each dated the date hereof, as to certain matters relating to the Borrower, and have assumed the due authorization, execution and delivery of the Loan Agreement, the Note, the Tax Certificate, the Mortgage and the Collateral Agency Agreement by the Borrower. We understand that you have received the opinions of the Borrower's general counsel, Jonathan Knipe, Esq., and its special counsel, Skadden, Arps, Slate, Meagher & Flom LLP, each dated the date hereof, with respect to such matters.

Certain requirements and procedures contained or referred to in the Indenture, the Loan Agreement, the Tax Certificate and other relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally-recognized bond counsel. We express no opinion as to the effect on the exclusion from gross income for federal tax purposes, and as to the effect on the non-inclusion in taxable income for purposes of personal income taxes imposed by the State of New York, The City of New York and

the City of Yonkers, New York, of interest on the Series 2012 Liberty Bonds of any such change occurring, or such action or other action taken or not taken, after the date hereof, upon the advice or approval of bond counsel other than Winston & Strawn LLP. Furthermore, the opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any matters come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Series 2012 Liberty Bonds has concluded with their issuance, and we disclaim any obligations to update this letter.

Very truly yours,

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APPENDIX H

THE APPRAISAL

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PHASE I ENVIRONMENTAL ASSESSMENT

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PROPERTY CONDITION ASSESSMENT REPORT

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ANNEX

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