

**Guidelines for the
World Trade Center Rent Reduction Program
(adopted January 18, 2006; amended as of November 15, 2007, December 18, 2008 and July
16, 2015)**

Program

The World Trade Center Rent Reduction Program (the “Program”) is a program established by the New York State Urban Development Corporation d/b/a the Empire State Development (“ESD”) consistent with Chapter 2 of the Laws of 2005. The purpose of the Program is to create an incentive for the leasing of commercial office space at 1 WTC (a/k/a the Freedom Tower), 2 World Trade Center (“2 WTC”), 3 World Trade Center (“3 WTC”), 4 World Trade Center (“4 WTC”), 5 World Trade Center (“5 WTC”) (the Freedom Tower, 2 WTC, 3 WTC, 4 WTC and 5 WTC are collectively referred to as the “WTC” and will be located on the WTC site, defined below) and 7 World Trade Center (“7 WTC”).

The WTC site (with the current exception of the 5 WTC site) and 7 WTC are owned by the Port Authority of New York and New Jersey (“Port Authority”). It is expected that the Port Authority will acquire the 5 WTC site from the Lower Manhattan Development Corporation. Each of the WTC buildings and 7 WTC is or shall be subject to a ground lease or other similar instrument (each a “Ground Lease”) with a sub-lessor (a “Sub-Lessor”). Each Sub-Lessor intends to enter into one or more leases with sub-tenants (the “Lessees”) for occupancy of the WTC and 7 WTC. The specific aim of the Program is to reduce the effective rent paid by qualified Lessees of commercial office space at the WTC site and 7 WTC site to encourage Lessees to make an early commitment to lease space at the WTC or 7 WTC.

Program Location

The WTC site in Lower Manhattan consists of (i) the site bounded by West, Vesey, Church and Liberty Streets and (ii) the adjacent “Southern Site” which consists of two city blocks, one bounded by Liberty, Washington, Albany and Greenwich Streets and the other bounded by Liberty, West, Cedar and Washington Streets.

7 World Trade Center is the building located at 250 Greenwich Street in Lower Manhattan.

Program Funding

The maximum amount of funding available for the Program is \$115 million dollars, to be allocated as set forth below. Funding for the Program is being made available from certain payments that the Port Authority has agreed to make to the State of New York and that the State of New York, in turn, has assigned to ESD. The portion of the \$115 million to be paid to the Port Authority to implement the Program is referred to hereinafter as the “ESD Payment”.

Conditions Precedent

Program assistance is subject to (i) ESD and the Port Authority entering into a satisfactory agreement(s) for the ESD Payment; and (ii) the Port Authority and a Sub-Lessor entering into an agreement(s) to reduce the amount of payments in lieu of taxes that are made by the Sub-Lessor to the Port Authority under the Ground Lease by an amount equal to the ESD Payment; and (iii) the Sub-Lessor and Lessees entering into a Qualifying Lease. The Program has been approved by the Public Authorities Control Board.

Qualifying Leases

A qualifying lease (“Qualifying Lease”) between the Sub-Lessor and Lessee under the Program must meet the following criteria:

- (i) the lease must be for space that is either:
 - (a) within the first 750,000 square feet of commercial office space rented in the WTC or the first 750,000 square feet of commercial office space rented within 7 WTC (based on the earlier of the execution of a term sheet committing the Lessee to the space or an executed lease) or
 - (b) for commercial office space rented in the WTC that is executed after an amendment of a previously awarded Qualifying Lease results in the reduction of rentable square feet ;
- (ii) the lease must be for a minimum term of 10 years;
- (iii) the lease must be primarily for commercial office space (i.e. minimum of 75% of the rented space is dedicated for office purposes including, exhibition space, trading floors, or other typical ancillary uses);
- (iv) the lease must commence no earlier than December 15, 2005 and the space must be delivered by the Sub-Lessor to the Lessee by no later than December 31, 2020, unless extended, in writing, by ESD;
- (v) the Lessee must be unaffiliated with the Sub-Lessor;
- (vi) the lease must reflect that rent payments under the lease shall be reduced to the extent of Program assistance being made available by the State of New York, acting through ESD;
- (vii) the lease must be in full force and effect; and
- (viii) the Lessee, or any sub-lessee of substantially all of the leased space must not be a Prohibited Party, as defined below
- (ix) For purposes of this Program square footage will be based on REBNY space measurement guidelines (as currently set forth in the REBNY guidelines entitled “Recommended Method of Floor Measurement for Office Buildings, Effective January 1, 1987; revised December, 2003”) and all submissions and leases will report space based on such guidelines.

Prohibited Party shall mean any individual, corporation, partnership or similar entity, or any affiliate or principal of the foregoing, that (i) has ever been convicted of a felony or any crime of moral turpitude or that is an organized crime figure or reputed organized crime figure; (ii) with respect to whom any notice of default remains uncured that has been given by the State of New York or any subdivision thereof, or any agency, department, public benefit corporation or public authority thereof, including without limitation, ESD and the Port Authority.

Program Assistance

Subject to the Program funding limitations set forth above, Program assistance, on an annual basis, shall equal \$3.80 per square rented under a Qualifying Lease for 7 WTC and \$5 per square foot rented under a Qualifying Lease at the WTC. Program assistance shall be provided for the term of the Qualifying Lease, not to exceed 20 years, or such shorter period of time if the total amount of Program funding set forth above has been expended. Program assistance shall not be made available with regard to option periods under a Qualifying Lease, unless requested by the Sub-Lessor and agreed to by ESD at the time of application.

For each Qualifying Lease, Program funds, computed as set forth above, shall be paid or reassigned to the Port Authority on a monthly or quarterly basis, subject to the Port Authority agreeing to provide the same benefit to the Sub-Lessor pursuant to its Ground Lease, or other agreement with the Sub-Lessor, and the Sub-Lessor agreeing to provide the same benefit to the applicable Lessee.

Applications & Additional Certifications

The Sub-Lessor and Lessee must co-apply for assistance under the Program. The application will be in form provided by ESD. Each application must include a copy of the executed lease that is conditioned only upon such terms and conditions deemed acceptable by ESD (or a term sheet or unexecuted lease that is conditioned only upon such terms and conditions deemed acceptable by ESD, in which case the Sub-Lessor shall provide ESD with a copy of the executed lease immediately after its execution) and such other documentation that ESD may require. On an annual basis after an application is deemed eligible, the Sub-lessor will be required to certify to ESD the status of each lease (i.e. that the lease is in full force and effect). Applicants will also be required to make annual certifications to ESD with respect to continued Program eligibility, in form provided by ESD. In the event the Ground Lease or Qualifying Lease is assigned, the new Sub-Lessor or Lessee must affirm the existing application and agree to make the on-going certification to continue to receive the benefits hereunder.

In the event that the term sheet or unexecuted lease does not result in a Qualifying Lease within one year of approval of a Program application (unless such period is extended by ESD, acting in its sole discretion), or if a Qualifying Lease expires or is terminated, or if such lease no longer constitutes a Qualifying Lease, or if Sub-Lessor or Lessee fail to submit a required certification, then Program assistance for such applicant shall cease without a reallocation of Program assistance unless ESD, in its sole discretion, determines to reallocate such funds.

In the event that an amendment to a previously approved Qualifying Lease results in a reduction of the amount of rentable square footage previously awarded by ESD for Program assistance, ESD, at its sole discretion, may reallocate Program assistance in the form of square feet (up to the aforementioned square footage reduction) to a Qualifying Lease that is executed after the aforementioned lease amendment. ESD's criteria for determining this reallocation of Program assistance to new Qualifying Leases will include a requirement of significant job creation associated with the Lessee's relocation to and projected subsequent growth at the WTC, the Lessee's ability to achieve the aforementioned relocation and job growth and the degree to which the Lessee will diversify the Lower Manhattan business community. In such a case, Program assistance, in the form of eligible square feet, will be allocated, at ESD's sole discretion, to the new Qualifying lease until a total of 750,000 square feet has been allocated to all Qualifying Leases at the WTC.

Application Submissions

Applications for Program assistance must be submitted not later than three months after execution of a Qualifying Lease and will be accepted by ESD until, as applicable, 750,000 square feet of commercial office space has been leased (or has been committed to pursuant to an accepted term sheet) at each of the WTC or 7 WTC. Within thirty days of receipt of a complete application, ESD shall notify the co-applicants as to the status of their application. Program assistance shall be retroactive to the commencement date of the Qualifying Lease. Notwithstanding anything to the contrary hereinabove, applications will not be accepted after December 31, 2016.

Applications must be submitted to:

Empire State Development Corporation
World Trade Center Rent Reduction Program
633 Third Avenue
New York, New York 10017

As of the date of these Amended Guidelines, applications have been received and approved for the entire 750,000 square feet of space at 7 WTC.

Appeal Process

If an applicant has submitted an application for assistance under the Program and believes that its application was unfairly denied, in whole or in part, it may appeal such decision within twenty business days of receipt of written notification that its application has been denied. Such appeal must be made in writing to ESD, at the address set forth above, and include such information as the applicant would like to be considered. A three member ESD appeal committee, consisting of the Senior Vice President – Loans and Grants, General Counsel and Chief Financial Officer, or their designees, will consider all appeals. All decisions by the appeal committee shall be final.

The appeal committee will be the sole arbiter in interpreting the intent and implementation of the Program and these Guidelines.

To the extent an application meets the technical requirements of the Program, as set forth in these Guidelines, but is inconsistent with the goals and the spirit of the Program, the appeal committee shall have the discretion to reject such application.

Maintenance of Records & Audit and Control

Each applicant is obligated to maintain books and records that relate to the Program assistance for a period extending three years beyond the last benefit received under the Program (the “Audit Period”). At the request of ESD, each of the co-applicants shall provide at any time during the Audit Period, additional information that ESD may reasonably request. ESD, or its designees may audit applicants on a random or targeted basis for the Audit Period.

Non-Discrimination

Applicants must agree not to discriminate based on race, creed, color, national origin, sex, age or with respect to any otherwise qualified handicapped person, to be eligible for assistance under the Program.

Amendments to Guideline

ESD may amend these Guidelines from time to time and impose additional or alternative requirements with respect to prospective applications.

Additional Information

The application form and instructions, these Guidelines, any amendments to these Guidelines and additional information about the Program can be obtained by contacting Empire State Development Corporation at the address set forth above.

Effective Date

These Guidelines shall be effective immediately. Any application for Program assistance submitted to, and accepted by, ESD prior to the date of these amended Guidelines shall be governed by the Guidelines in effect at such time.