

contained in any enforceable written agreements or instruments executed simultaneously herewith or hereafter by the parties hereto.

Section 17.08 Construction of Terms and Words. All terms and words used in this Agreement regardless of the number and gender in which they are used shall be deemed and construed to include any other gender, masculine, feminine or neuter, as the context or sense may require, with the same effect as if such numbers and words had been fully and properly written in the required number and gender.

Section 17.09 Invalidity of Certain Provisions. The provisions of this Agreement are intended to be severable. If any term or provision of this Agreement or the application thereof to any Person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this Agreement, and the application of such term or provision to Persons or circumstances other than those as to which it is held invalid and unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 17.10 No Agency. Neither Developer, its Affiliates nor any of their employees, contractors or subcontractors is, and Developer and its Affiliates shall not, and shall not permit any of its employees, contractors or subcontractors to, represent that he, she or it is, an agent, servant or employee of ESDC by virtue of this Agreement or by virtue of any approval, permit, license, grant, right or authorization given by the ESDC or any of their officers, agents or employees. Developer and its Affiliates shall be solely responsible for the work, direction, compensation and personal conduct of its officers, agents, employees, contractors and subcontractors.

Section 17.11 Third Party Beneficiaries. The City and EDC shall be third party beneficiaries of this Agreement. No Person claiming by, through or under ESDC, the City or EDC shall be deemed to be a third party beneficiary of this Agreement or entitled to enforce any provision of this Agreement. No Person claiming by, through or under Developer shall be deemed to be a third party beneficiary of this Agreement or entitled to enforce any provision of this Agreement.

Section 17.12 No Partnership or Joint Venture. Nothing herein contained shall be construed in any manner to create any partnership or joint venture between ESDC and Developer and ESDC and Developer will not be considered partners or co-venturers for any purpose.

Section 17.13 Consents and Approvals.

(a) Effect of Granting or Failure to Grant Approvals or Consents. All consents and approvals that may be given under this Agreement shall, as a condition of their effectiveness, be in writing. The granting of any consent or approval by a party to perform any act requiring consent or approval under the terms of this Agreement, or the failure on the part of a party to object to any such action taken without the required consent or approval, shall not, except where expressly stated otherwise, be deemed a waiver by the party whose consent was required of its right to require such consent or approval for any further similar act. The foregoing shall not

limit the effect of any provision of this Agreement by which consent is deemed granted, if objection is not made within a specified period.

(b) Remedy for Refusal to Grant Consent or Approval. If, pursuant to the terms of this Agreement, any consent or approval by ESDC is not to be unreasonably withheld or is subject to a specified standard, then in the event there shall be a final judgment beyond any right of appeal that the consent or approval was unreasonably withheld or that such specified standard has been met so that the consent or approval should have been granted, the consent or approval shall be deemed granted and such granting of the consent or approval shall be the only remedy to the party requesting or requiring the consent or approval.

(c) No Unreasonable Delay; Reasonable Satisfaction; Discretion. Wherever this Agreement provides that ESDC's consent or approval is not to be unreasonably withheld, such consent or approval also shall not be unreasonably delayed or conditioned. Any matter required to be done satisfactorily or to the satisfaction of a party need only be done reasonably satisfactorily or to the reasonable satisfaction of that party. Unless specifically stated otherwise, all consents or approvals of ESDC required under this Agreement shall be granted in ESDC's sole and absolute discretion, and if granted, may be subject to such conditions as ESDC as the case may be, may impose in their respective absolute discretion.

Section 17.14 "Including". **"Including,"** as used in this Agreement, shall be deemed to mean "including, without limitation."

Section 17.15 Successors and Assigns. The agreements, terms, covenants and conditions herein shall be binding upon, and inure to the benefit of, ESDC and Developer and ESDC's successors and assigns. In no event shall Developer be permitted to assign any of its rights or obligations hereunder, other than to assign Developer's rights under the Purchase Agreement to an Institutional Lender.

Section 17.16 Joint and Several. Brooklyn Arena, LLC and Atlantic Yards Development Company LLC shall each be jointly and severally liable for each and every obligation of Developer contained herein.

Section 17.17 Counterparts. This Agreement may be executed in one or more counterparts which, when taken together, shall constitute one and the same.

Section 17.18 Maximum Interest Rate. In the event that any interest payable under this Agreement shall be deemed to exceed the maximum rate permitted by law, then the amount of interest to be paid shall be the maximum rate so permitted.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a THE EMPIRE STATE DEVELOPMENT CORPORATION

By: Anita W. Laremont
Name: Anita W. Laremont
Title: Senior Vice President and General Counsel

BROOKLYN ARENA, LLC, a Delaware limited liability company

By: _____
Name:
Title:

ATLANTIC YARDS DEVELOPMENT COMPANY, LLC, a Delaware limited liability company

By: _____
Name:
Title:

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

On the 10th day of September in the year 2007 before me, the undersigned personally appeared Anita W. Laremont, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



Signature and Office of individual taking acknowledgment

SUZANNA BLASKOVIC
NOTARY PUBLIC, State of New York
No. 01BL5079348
Qualified in Queens County
Commission Expires June 2, 2011

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the _____ day of _____ in the year _____ before me, the undersigned personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual taking acknowledgment

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the _____ day of _____ in the year _____ before me, the undersigned personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual taking acknowledgment

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

On the 10th day of September in the year 2007 before me, the undersigned personally appeared Anita W. Laremont, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



Signature and Office of individual taking acknowledgment

SUZANNA BLASKOVIC
NOTARY PUBLIC, State of New York
No. 01BL5079348
Qualified in Queens County
Commission Expires June 2, 2011

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the _____ day of _____ in the year _____ before me, the undersigned personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual taking acknowledgment

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the _____ day of _____ in the year _____ before me, the undersigned personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

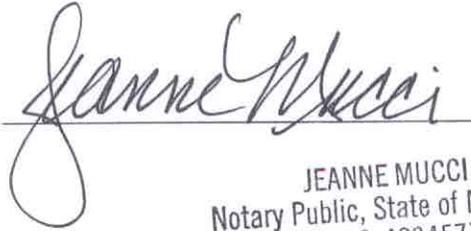
Signature and Office of individual taking acknowledgment

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

On the ___ day of September in the year 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Anita W. Laremont personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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

On the 5th of September ^{KINGS} in the year 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared David L. Belney personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



JEANNE MUCCI
Notary Public, State of New York
No. 30-4834577
Qualified in Nassau County
Commission Expires March 30, 2011

EXHIBIT A

Approved Soft Costs

(see attached)

EXHIBIT A – APPROVED SOFT COSTS

Vendor Name	Incurred (As of 5/31/2007)	Approved by ESDC
Mueser Rutledge	\$3,281,059.57	
Parsons Brinkeroff	\$5,364,151.75	
Roux Associates	\$ 908,293.73	
The McKissack Group	\$2,517,616.03	
Volmer Associates	\$5,289,903.99	
Vollmuth & Brush	\$ 465,732.49	
Thorton Tomasetti	\$1,846,410.88	
Total	\$19,673,168.44	\$15,000,000.00

EXHIBIT B
PURCHASE AND SALE AGREEMENT

(see attached)

ARENA LAND PURCHASE AND SALE AGREEMENT

Between

**BROOKLYN ARENA, LLC and ATLANTIC
YARDS DEVELOPMENT COMPANY, LLC,**

collectively, SELLERS,

and

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE
STATE DEVELOPMENT CORPORATION,**

PURCHASER

September __, 2007

TABLE OF CONTENTS

	Page
1. DEFINITIONS.....	2
2. PURCHASE AND SALE.....	4
3. CONDEMNATION.....	4
4. PURCHASE PRICE AND DEPOSITS.....	5
5. STATUS OF TITLE.....	6
6. TITLE; LIENS.....	7
7. APPORTIONMENTS.....	10
8. NO CONFLICTS.....	11
9. COVENANTS.....	11
10. CONDITIONS TO CLOSING.....	12
11. CONDITION OF THE PROPERTY; REPRESENTATIONS.....	13
12. DAMAGE AND DESTRUCTION.....	17
13. LEASES.....	17
14. BROKERS AND ADVISORS.....	17
15. TAX REDUCTION PROCEEDINGS.....	18
16. TRANSACTION COSTS.....	18
17. DELIVERIES TO BE MADE ON THE CLOSING DATE.....	18
18. CLOSING DATE.....	19
19. NOTICES.....	20
20. DEFAULT BY PURCHASER OR SELLERS.....	22
21. FIRPTA COMPLIANCE.....	23
22. ENTIRE AGREEMENT.....	23
23. AMENDMENTS.....	23

24.	WAIVER.....	23
25.	PARTIAL INVALIDITY	23
26.	SECTION HEADINGS	24
27.	GOVERNING LAW	24
28.	PARTIES; ASSIGNMENT AND RECORDING.	24
29.	EXCULPATION.....	24
30.	FURTHER ASSURANCES	25
31.	THIRD PARTY BENEFICIARY	26
32.	JURISDICTION AND SERVICE OF PROCESS.....	26
33.	WAIVER OF TRIAL BY JURY	27
34.	MISCELLANEOUS	27

Schedules

- A. Property and Recognized Costs
- B. Litigation
- C. Title Reports

Exhibits

- 1. Form of Deed
- 2. Form of Bill of Sale
- 3. Form of FIRPTA Affidavit
- 4. Form of Agreement and Acknowledgement