UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): APRIL 25, 2001

BOSTON PROPERTIES, INC.
(Exact name of registrant as specified in charter)

DELAWARE	1-13087	04-2473675
(State or other jurisdiction of incorporation)	(Commission file number)	(IRS employer identification no.)

800 BOYLSTON STREET, SUITE 400
BOSTON, MASSACHUSETTS 02109-8001

(Address of principal executive offices) (Zip Code)

(617) 236-3300

(Registrant's telephone number, including area code)

ITEM 2. ACQUISITION OF ASSETS

On April 25, 2001, Boston Properties Limited Partnership, the operating partnership subsidiary (together with its direct and indirect wholly-owned subsidiaries, "BPLP") of Boston Properties, Inc. (the "Company"), completed the acquisition of the 59-story, 1.6 million square foot Citigroup Center in New York City at a purchase price of approximately $725 million. BPLP completed the acquisition through a joint venture with affiliates of Allied Partners, a private family-owned real estate investment company founded in 1993 (together with its affiliates, "Allied"). The sellers were Dai-Ichi Life Investment Properties, Inc and Citibank, N.A. pursuant to contracts that were assigned to the joint venture as part of a series of transactions leading to the closing of the acquisition. Allied invested $35 million in common equity in the joint venture. BPLP invested the balance of approximately $195 million of equity required to complete the transaction, with approximately $66.5 million in common equity and the balance in preferred equity.

Citigroup Center, the 59-story, 1.6 million square foot skyline building known for its distinctive cantilevered structure and angled top, was built in 1977 and was designed by Hugh Stubbins & Associates and Emery Roth & Sons. The atrium, open-air plaza and office tower lobby were renovated in 1997. The property is 100% leased and the tenants include Citigroup, O'Melveny & Myers, Kirkland & Ellis and AT Kearney, among other well-known tenants. Citigroup Center provides direct access to New York City's transit system through its prime location atop a major subway station.

The transaction was consummated through a newly-formed Delaware limited liability company, of which BPLP is the managing member. The total acquisition cost of approximately $755 million, including purchase price, closing costs and mortgage-recording taxes, was funded through a $525 million first mortgage provided by an affiliate of Deutsche Bank and equity investments in the limited liability company by BPLP and Allied. Giving effect to the closing and all related transactions, BPLP holds a $66.5 million Class A common equity interest and a $128.5 million preferred equity interest in the limited liability company. Allied as non-managing member holds a $35.0 million Class B common equity interest. In addition, BPLP and Allied hold residual membership interests equal to 65.5% and 34.5%, respectively, in the joint venture. BPLP funded its $195 million investment in common and preferred equity interests in the joint venture through borrowings under its existing unsecured revolving line of credit and available cash.

The preferred equity and Class A common equity interests held by BPLP will earn a cumulative compounding 10% priority return (the "BPLP Priority Return") which, for a period up to 10 years after the closing, will be paid out of cash flow or will accrue and be paid out of the proceeds of any capital transaction. The Class B common equity interest held by Allied will earn no return for the first 10 years. If any portion of the preferred equity interest remains outstanding after the tenth anniversary of the closing, thereafter Allied's Class B common equity interest will earn a cumulative compounding 10% return (the "Allied Priority Return"), which will be payable out of cash flow or the proceeds of any capital transaction before the BPLP Priority Return for the same period and any accumulated unpaid portion of the BPLP Priority Return for the first 10 years can be paid. During the first 10 years, BPLP's preferred equity investment and any accumulated unpaid portion of the BPLP Priority Return will be payable first out of the proceeds

of any refinancing of the property and any additional refinancing proceeds will be used to repay the Class A and Class B common equity investments proportionately. After the tenth anniversary of the closing, refinancing proceeds will be used first to pay the Allied Priority Return, then to pay the BPLP Priority Return (including any accumulated unpaid amount accrued during the first 10 years), then to repay BPLP's preferred investment, and finally to repay the Class A and Class B common equity investments proportionately. Thereafter, BPLP and Allied will share in cash flow and proceeds from any capital transaction in proportion to their respective residual membership interests.

In connection with the acquisition of Citigroup Center, BPLP has entered into agreements with Allied that generally provide that, for a period of fifteen years, BPLP may not sell or otherwise transfer the assets received in the acquisition of Citigroup Center without the consent of Allied and will maintain agreed upon levels of recourse or other indebtedness outstanding and available to be guaranteed by Allied. In addition, in connection with the transaction, Allied acquired 26,821 common units of limited partnership of BPLP, valued at approximately $1 million on the date of issuance (based on a price of $37.28 per common unit, the average closing price of a share of common stock of the Company during the ten trading days preceding the closing). The common units may be redeemed by the holder for cash equal to the then current value of a share of common stock of the Company or, at the Company's election, for one share of common stock of the Company.

This report contains forward-looking statements within the meaning of the Federal securities laws. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company's control and could materially affect actual results, performance or achievements. These factors include, without limitation, the ability to enter into new leases or renew leases on favorable terms, dependence on tenants' financial condition, the uncertainties of real estate development and acquisition activity, the ability to effectively integrate acquisitions, the costs and availability of financing, the effects of local economic and market conditions, regulatory changes and other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(a) Financial Statements under Rule 3-14 of Regulation S-X

Financial statements for Citigroup Center will be filed by amendment as soon as practicable, but in no event later than July 9, 2001.

(b) Pro Forma Financial Information

Pro forma financial information will be filed by amendment as soon as practicable, but in no event later than July 9, 2001.

(c) Exhibits

Exhibit No.	
99.1	Contract of Sale, dated as of February 6, 2001, by and between Dai-Ichi Life Investment Properties, Inc., as seller, and Skyline Holdings LLC, as purchaser.
99.2	Agreement to Enter Into Assignment and Assumption of Unit Two Contract of Sale, dated as of February 6, 2001, by and between Dai-Ichi Life Investment Properties, Inc., as assignor, and Skyline Holdings II LLC, as assignee.
99.3	Contract of Sale, dated as of November 22, 2000, by and between Citibank, N.A., as seller, and Dai-Ichi Life Investment Properties, Inc., as purchaser.
99.4	Assignment and Assumption Agreement, dated as of April 25, 2001, by and between Skyline Holdings LLC, as assignor, and BP/CGCenter I LLC, as assignee.
99.5	Assignment and Assumption Agreement, dated as of April 25, 2001, by and between Skyline Holdings II LLC, as assignor, and BP/CGCenter II LLC, as assignee.
99.6	Assignment and Assumption of Contract of Sale, dated as of April 25, 2001, by and among Dai-Ichi Life Investment Properties, Inc., as assignor, BP/CGCenter II LLC, as assignee, and Citibank, N.A., as seller.
99.7	Amended and Restated Operating Agreement of BP/CGCenter Acquisition Co. LLC, a Delaware limited liability company.

SIGNATURES

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

Date: May 10, 2001

BOSTON PROPERTIES, INC.

By: /s/ William J. Wedge

William J. Wedge
Senior Vice President

EXHIBIT 99.1

CONTRACT OF SALE

BETWEEN

DAI-ICHI LIFE INVESTMENT PROPERTIES, INC., AS SELLER

and

SKYLINE HOLDINGS LLC, AS PURCHASER

AS OF FEBRUARY 6, 2001

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THIS AGREEMENT (this "AGREEMENT") made as of the 6th day of February, 2001 between DAI-ICHI LIFE INVESTMENT PROPERTIES, INC., a Delaware corporation, having an office at 399 Park Avenue, 24th Floor, New York, New York 10022 ("SELLER") and SKYLINE HOLDINGS LLC, a Delaware limited liability company, having an office at c/o Allied Partners Inc., 770 Lexington Avenue, New York, New York 10021, Attention Eric D. Hadar ("PURCHASER").

W I T N E S S E T H :

WHEREAS, the premises described in EXHIBIT A, together with the improvements erected thereon (collectively, "CITIGROUP CENTER") are subject to condominium form of ownership pursuant to the terms of that certain Amended and Restated Declaration of Condominium dated as of August 22, 2000 (the "CONDOMINIUM DECLARATION");

WHEREAS, Seller, Citibank, N.A., and St. Peter's Lutheran Church of Manhattan (the "CHURCH") are the owners of the fee title interest in and to the condominium units in the Citigroup Center created pursuant to the Condominium Declaration;

WHEREAS, Seller is the fee owner of the premises described in EXHIBIT B, together with the improvements erected thereon and referred to as "CITIGROUP CENTER OFFICE UNIT ONE" in the Condominium Declaration (the "UNIT");

WHEREAS, Seller has agreed to sell to Purchaser the Unit and Purchaser has agreed to acquire the same;

WHEREAS, it is the intent of the parties that such sale and purchase will occur simultaneously with an assignment by Seller to Purchaser's Affiliate of all of Seller's right title and interest, as purchaser, in and to that certain Contract of Sale (the "UNIT TWO CONTRACT") between Citibank, N.A., as Seller, and Dai-ichi Life Investment Properties, Inc., as Purchaser, for Citigroup Center Office Unit Two ("UNIT TWO"); and

WHEREAS, the parties hereto are desirous of setting forth their respective rights and obligations with respect to the transactions contemplated by this Agreement,

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this Agreement by this reference, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, it is agreed as follows:

1. DEFINITIONS. (a) As used herein, the following terms shall have the following respective meanings:

AAA: The term "AAA" shall mean the American Arbitration Association in New York City or its successor.

AGREEMENT: The term "Agreement" is defined in the Preamble.

APPORTIONMENT DATE: The term "Apportionment Date" shall mean Eleven Fifty-Nine P.M. (11:59 P.M.) on the day immediately preceding the Closing Date.

APPROVED ESTOPPEL: The term "Approved Estoppel" shall mean with respect to any tenant of space in the Building, a tenant estoppel certificate dated not more than ninety (90) days prior to the Closing Date, that (i) contains the information and language in such tenant's Specific Estoppel, or if none, in the Standard Estoppel, irrespective of the information requested by, and/or language in, the Requested Estoppel Form forwarded to such tenant; (ii) contains no materially adverse factual deviations (from the Purchaser's point of view) from those matters set forth in such tenant's Requested Estoppel Form (to the extent such factual information is required by that tenant's Specific Estoppel or the Standard Estoppel, as appropriate) and (iii) is otherwise consistent with (y) Seller's representations and warranties in SECTION 11(a), and (z) the information contained in the due diligence materials made available to Purchaser and/or its advisors, agents or contractors. Without limitation of the foregoing, any tenant may make changes to its Requested Estoppel Form to better conform it to its Specified Form or the Standard Form, as appropriate, including, for example, by deleting language regarding successors and assigns.

APPROVED NEW LEASE: The term "Approved New Lease" shall mean any new Lease (i) the terms of which have been approved by Seller as of the date hereof, but which Lease has not been executed and delivered as of the date hereof and (ii) identified on EXHIBIT C. EXHIBIT C also contains a description of the anticipated major economic terms of each Approved New Lease.

APPROVED SNDA: The term "Approved SNDA" shall mean, with respect to a subordination, non-disturbance and attornment agreement to be executed by any tenant, a subordination, non-disturbance and attornment agreement that contains the matters required to be furnished by such tenant pursuant to its Lease, and if a form of such an agreement is attached to such Lease, in substantially the form of such attached form; PROVIDED, HOWEVER, that in the case of any subordination, non-disturbance and attornment agreement executed by (i) O'Melveny & Myers LLP or by (ii) Jones Lang LaSalle Management Services, Inc., such document shall state in effect that if Purchaser's lender or its successor becomes the landlord under such tenant's lease, such lender or its successor will not then be bound by any amendment or modification of such lease made without the consent of such lender or its successor.

ASSIGNMENT AND ASSUMPTION AGREEMENTS: The term "Assignment and Assumption Agreements" shall mean, collectively, the assignment and assumption agreements identified in CLAUSES (vi) - (viii of SECTION 10(c), together with the Master Assignment and Assumption Agreement.

BILL OF SALE: The term "Bill of Sale" is defined in SECTION 10(a)(ii).

BOARD OF MANAGERS: The term "Board of Managers" shall mean the Board of Managers of The Citigroup Center Condominium.

BREACH CLAIM: The term "Breach Claim: is defined in SECTION 25(f)(i).

BUDGETED REPAIRS: The term "Budgeted Repairs" shall mean those material Capital Expenditures consisting of the repairs, replacements, and improvements to the Unit or the Common Elements described in SCHEDULE 1(a), either currently in progress or that are anticipated as of the date hereof to be incurred by Seller over the normal course of operation of the Unit during the next three (3) calendar years.

BUILDING: The term "Building" shall mean the Unit and Unit Two collectively.

CAPITAL EXPENDITURES: The term "Capital Expenditures" shall mean (i) the costs and expenses incurred by Seller relating to base building capital improvements for the Unit generally but excluding costs and expenses for Tenant Allowances in connection with the leasing of space in the Unit for a particular tenant and (ii) Seller's share of the costs and expenses incurred by the Board of Managers relating to capital improvements for the Common Elements.

CHURCH: The term "Church" is defined in the second WHEREAS clause.

CITIBANK SNDA: The term "Citibank SNDA" is defined in SECTION 10(b)(v).

CITIGROUP CENTER: The term "Citigroup Center" is defined in the first WHEREAS clause.

CITY TRANSFER TAX: The term "City Transfer Tax" is defined in SECTION 9(b)(i).

CLOSING: The term "Closing" shall mean the consummation of the sale and purchase described in this Agreement.

CLOSING DATE: The term "Closing Date" shall mean the date upon which the Closing shall occur, which date shall in no event or under any circumstance be later than March 14, 2001, TIME BEING OF THE ESSENCE with respect to such Closing Date except as expressly provided in SECTION 13 strictly in accordance with the terms thereof.

CODE: The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

COMMON ELEMENTS: The term "Common Elements" shall have the meaning given to such term in the Condominium Declaration, which term shall be deemed to include, for all purposes of this Agreement, Seller's right, title and interest in and to any "Limited Common Elements" appurtenant to, or used in connection with, the Unit.

CONDOMINIUM: The term "Condominium" shall mean the property submitted to condominium ownership pursuant to the Condominium Declaration.

CONDOMINIUM DECLARATION: The term "Condominium Declaration" is defined in the first WHEREAS clause.

CONFIDENTIALITY AGREEMENT: The term "Confidentiality Agreement" shall mean, collectively, (i) that certain Confidentiality Agreement dated December 18, 2000 by Allied Partners, Inc., (ii) that certain Confidentiality Agreement dated December 20, 2000 by Purchaser's Mortgage Broker, and (iii) all related confidentiality agreements signed at any time by any Person affiliated with Seller or otherwise acting as a "Requestor Party" as such term is defined in the documents referred to in CLAUSE (i) and CLAUSE (ii).

CONFIDENTIAL PARTY: The term "Confidential Party" is defined in SECTION 21(a).

CONTRACTS: The term "Contracts" shall mean the service, supply, management, leasing, franchise, maintenance, security and all other agreements or contracts entered into in connection with the operation, leasing, maintenance and repair of the Unit by or on behalf of Seller including (i) the construction contracts and other agreements with respect to work that is normally capitalized instead of expensed in accordance with generally accepted accounting principles consistently applied, which is being performed or to be performed at the Unit (collectively, the "CONSTRUCTION CONTRACTS"), (ii) any leases of any of the personal property included in this transaction, (iii) any contracts pertaining to displays of artwork or similar matters, (iv) any contracts with The City of New York or any other municipal, governmental or quasi-governmental entity or agency relating to the Unit or its use, operation, leasing, maintenance or repair, and (v) an undivided interest attributable to Seller's interest in all Contracts entered into by the Board of Managers.

CONTRACTUAL RIGHT LEASE EVENT: The term "Contractual Right Lease Event" shall mean a Lease Event that occurs as the result of a tenant under an Existing Lease exercising a contractual right thereunder (including entering into any sublease, assignment, expansion, renewal or any other matter with respect to which the tenant may seek the landlord's consent and which is contemplated by such Existing Lease).

CUSTOMARY ADJUSTMENT: The term "Customary Adjustment" shall mean the adjustment of income and expenses with respect to the Unit as set forth in SECTION 6 and calculated as of the Apportionment Date.

DEPOSIT: The term "Deposit" is defined in SECTION 2(b).

ESCROW AGENT: The term "Escrow Agent" is defined in SECTION 2(b).

EXCLUDED DECISIONS: The term "Excluded Decisions" shall mean, with respect to the Unit during the Interim Period, all non-discretionary, day-to-day administrative decisions made in the ordinary course of business or, subject to the provisions of SECTION 8(a)(i), decisions to take such actions (i) as may be reasonably necessary to comply with the terms of any Lease (including decisions relating to the granting or withholding of a consent right with respect to a material matter under any Lease as to which the landlord is required to be "reasonable" or is required "not to unreasonably withhold" consent), (ii) as may be necessary to protect or preserve life, health and safety of persons and/or

property, (iii) as may be reasonably necessary to insulate Seller from material liability to any third party, and (iv) as may be reasonably necessary for Seller to comply with its obligations under the Condominium Declaration.

EXISTING LEASES: The term "Existing Leases" shall mean those Leases set forth on SCHEDULE 11(a)(x)(1).

EXPEDITED ARBITRATION: The term "Expedited Arbitration" is defined in SECTION 25(f)(i).

FAILING PARTY: The term "Failing Party" is defined in SECTION 25(f)(ii).

FIRPTA AFFIDAVIT: The term "FIRPTA Affidavit" is defined in SECTION 10(a)(vii).

INITIAL MINIMUM NET WORTH: The term "Initial Minimum Net Worth" is defined in SECTION 11(e).

INTERIM PERIOD: The term "Interim Period" shall mean the period commencing upon the execution and delivery of this Agreement and ending at 11:59 p.m. of the day immediately preceding the Closing Date.

INVOLUNTARY LEASE EVENT: The term "Involuntary Lease Event" shall mean a Lease Event that occurs as the result of a unilateral action or inaction on the part of a tenant under an Existing Lease in violation of such Existing Lease (E.G., bankruptcy of tenant, vacation of space prior to scheduled lease expiration or non-payment of rent).

JLL: The term "JLL" is defined in SECTION 5(a).

LAWS: The term "Laws" is defined in SECTION 14(a).

LEASE EVENT: The term "Lease Event" shall mean the modification, amendment termination, cancellation, surrender or assignment of an Existing Lease (or the sublease of the premises demised thereunder or any portion thereof) during the Interim Period or the occurrence of an event during the Interim Period that has the effect of modifying, terminating, canceling or resulting in the surrender of, an Existing Lease.

LEASES: The term "Leases" shall mean all space leases, licenses, occupancy or other agreements to which Seller is a party, granting any rights of use, occupancy or possession in or to the Unit or any portion thereof, and shall include all guaranties of such agreements, as all of the same may have been amended.

LEASING COMMISSIONS: The term "Leasing Commissions" shall mean the cost of all leasing commissions, referral fees and legal fees incurred by the landlord of the Unit in connection with the leasing of space in the Unit.

LETTER OF CREDIT: The term "Letter of Credit" is defined in SECTION 2(b).

LIGHTING EASEMENT: The term "Lighting Easement" shall mean that certain Grant of Easement between the board of managers of The 399 Park Avenue Condominium, as grantor, and the Board of Managers, as grantee, in the form of EXHIBIT D.

LIMITED COMMON AREA LICENSE AGREEMENT: The term "Limited Common Area License Agreement" shall mean that certain Limited Common Elements License Agreement between the Board of Managers, Purchaser and Seller in the form of EXHIBIT E.

MAJOR CASUALTY: The term "Major Casualty" is defined in SECTION 16.

MAJOR CONDEMNATION: The term "Major Condemnation" is defined in SECTION 17.

MAJOR TENANT ESTOPPELS: The term "Major Tenant Estoppels" is defined in SECTION 25(k).

MANDATORY ESTOPPEL CONDITION: The term "Mandatory Estoppel Condition" shall mean Approved Estoppels from tenants of the Building whose demised premises collectively comprise 75% of the net rentable area of the Building, inclusive of the Major Tenant Estoppels.

MANDATORY TENANT COVERAGE CONDITION: The term "Mandatory Tenant Coverage Condition" is defined in SECTION 25(k)(ii).

MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT: The term "Master Assignment and Assumption Agreement" shall mean that certain assignment and assumption agreement by which Seller assigns and Purchaser assumes all of Seller's obligations under the Master License Agreement, the Master Side Letter and the Systems Agreement.

MASTER LICENSE AGREEMENT: The term "Master License Agreement" shall mean that certain License Agreement dated as of November 22, 2000, between the Board of Managers and Seller.

MASTER SIDE LETTER: The term "Master Side Letter" shall mean that certain letter agreement dated as of November 22, 2000, between Seller and Citibank, N.A.

MINIMUM NET WORTH: The term "Minimum Net Worth" is defined in SECTION 11(e).

NET REFUND: The term "Net Refund" is defined in SECTION 8A(b)(2).

NET WORTH RETENTION PERIOD: The term "Net Worth Retention Period" is defined in SECTION 11(e).

OUTSIDE CLOSING DATE: The term "Outside Closing Date" is defined in SECTION 13(a).

PERMITTED ENCUMBRANCES: The term "Permitted Encumbrances" is defined in SECTION 4(a).

PERSON: The term "Person" shall mean a natural person, firm, corporation, partnership, limited liability corporation, limited liability partnership, joint venture, trust (including any beneficiary thereof), association, unincorporated association or other form of business or legal entity, as the case may be.

PROPERTY INFORMATION: The term "Property Information" is defined in SECTION 21(d).

PROTEST PROCEEDINGS: The term "Protest Proceedings" is defined in SECTION 8A(b)(1).

PURCHASE PRICE: The term "Purchase Price" shall be Five Hundred Twenty Million Dollars ($520,000,000.00), as the same may be adjusted in accordance with Customary Adjustments set forth in SECTION 6, and the adjustments set forth in SECTION 7 and SECTION 8A, respectively, as applicable.

PURCHASER: The term "Purchaser" shall mean the Person so named in the Preamble of this Agreement, it being expressly understood and agreed that such named Person shall at all times remain liable for the obligations of the purchaser under this Agreement and shall at no time be released therefrom, irrespective of any assignment or other designation.

PURCHASER CONSENT ACTION: The term "Purchaser Consent Action" shall mean, with respect to the Unit during the Interim Period, all decisions (other than Excluded Decisions) relating to Existing Leases, all decisions relating to new Leases, all decisions relating to Lease amendments, Lease renewals, Lease surrender agreements, Contracts, Capital Expenditures, capital repairs, casualties, condemnation proceedings and settlement of Protest Proceedings or any other litigation with respect to the Unit, and all decisions by or on behalf of Seller relating to the use, operation, leasing, maintenance and repair of the Common Elements.

PURCHASER INDEMNIFIED PARTIES: The term "Purchaser Indemnified Parties" shall mean Purchaser and any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate of Purchaser (other than Purchaser's Affiliate), or any officer, director, employee, trustee, shareholder, partner or principal of any such shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate or any advisor or consultant of any of the foregoing.

PURCHASER'S AFFILIATE: The term "Purchaser's Affiliate" shall mean Skyline Holdings II LLC, a limited liability company duly organized, validly existing and in good standing under the laws of Delaware.

PURCHASER'S MORTGAGE BROKER: The term "Purchaser's Mortgage Broker" is defined in SECTION 5(a).

RECEIVABLES: The term "Receivables" shall mean all rental payments, expense reimbursements and other monetary obligations of any kind due and owing or to become due and owing to Seller for the period prior to and including the Apportionment Date under (i) the Leases (including expired or terminated Leases) and (ii) all space leases, licenses, occupancy or other agreements granting any rights of use, occupancy or

possession in or to the Common Elements or any portion thereof, and shall include all guaranties of such agreements, as all of the same may have been amended.

REPRESENTATIVES: The term "Representatives" shall mean, with respect to any Person, such Person's agents or representatives, including its directors, officers, employees, affiliates, partners, agents, contractors, engineers, attorneys, accountants, consultants, brokers or financial advisors.

REQUESTED ESTOPPEL FORMS: The term "Requested Estoppel Forms" shall mean collectively, the forms of proposed tenant estoppel certificates for each tenant of the Building annexed hereto as EXHIBIT U.

REQUESTED SNDA FORMS: The term "Requested SNDA Forms" shall mean collectively, the forms of proposed subordination, non-disturbance and attornment agreements for (i) Citibank, N.A. with respect to its lease of space in Unit Two; (ii) Citibank, N.A., with respect to its lease of space in the Unit; (iii) Jones Lang LaSalle Management Services, Inc.; and (iv) O'Melveny & Myers LLP, respectively annexed hereto as EXHIBIT V.

SELLER: The term "Seller" is defined in the Preamble.

SELLER INDEMNIFIED PARTIES: The term "Seller Indemnified Parties" shall mean Seller and any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate of Seller, or any officer, director, employee, trustee, shareholder, partner or principal of any such shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate or any advisor or consultant of any of the foregoing.

SELLER'S CERTIFICATE: The term "Seller's Certificate" shall mean a certificate in the form of EXHIBIT Z with respect to any lease of space in the Building.

SELLER'S KNOWLEDGE: The term "Seller's Knowledge" or words of similar import shall be deemed to mean, and shall be limited to, the actual (as distinguished from implied or constructive) knowledge of Hitoshi Yamauchi without such individual having any obligation to make an independent inquiry or investigation.

SPECIFIC ESTOPPEL: The term "Specific Estoppel" shall mean, with respect to any tenant's lease, the form of estoppel certificate annexed to such lease or, as appropriate, the form and/or content of any estoppel certificate required to be given by such tenant in accordance with such tenant's lease.

STANDARD TENANT ESTOPPEL: The term "Standard Tenant Estoppel" shall mean an estoppel certificate in the form of EXHIBIT W.

STATE TRANSFER TAX: The term "State Transfer Tax" is defined in SECTION 9(b)(i).

SURVIVAL PERIOD: The term "Survival Period" is defined in SECTION 11(d).

SURVIVAL TERMINATION DATE: The term "Survival Termination Date" is defined in SECTION 23.

SURVIVING REPRESENTATIONS: The term "Surviving Representations" is defined in SECTION 11(e).

SYSTEMS AGREEMENT: The term "Systems Agreement" shall mean that certain Systems Agreement dated as of November 22, 2000, among Seller, Purchaser, the Board of Managers and the board of managers of The 399 Park Avenue Condominium.

TENANT ALLOWANCES: The term "Tenant Allowances" shall mean all tenant improvement expenses (including all hard and soft construction costs, whether payable to the contractor or to the tenant), tenant allowances, moving expenses and other out-of-pocket costs incurred by the landlord of the Unit in connection with the leasing of space in the Unit.

TITLE EXCEPTIONS: The term "Title Exceptions" shall mean any lien, encumbrance, security interest, charge, reservation, lease, tenancy, easement, right-of-way, encroachment, restrictive covenant, condition or limitation affecting the Unit taken as an exception to the title policy issued or to be issued by the Title Insurer.

TITLE INSURER: The term "Title Insurer" shall mean any reputable title insurer (or title insurers in the case of co-insurance) licensed to do business by the State of New York, as specified by Purchaser, acting in its reasonable discretion, by written notice to Seller given not less than thirty-five (35) days prior to the Closing.

TRANSFER TAX FORMS: The term "Transfer Tax Forms" is defined in SECTION 10(c).

UNANTICIPATED CAPITAL EXPENDITURES: The term "Unanticipated Capital Expenditures" shall mean those Capital Expenditures incurred with respect to the Unit during the Interim Period that are (i) not the cost of performing Budgeted Repairs, (ii) unknown and unanticipated on the date hereof, and (iii) not covered by insurance required to be maintained by Seller in accordance with the terms of this Agreement.

UNANTICIPATED CAPITAL IMPROVEMENTS: The term "Unanticipated Capital Improvements" shall mean those capital improvements the cost of which is properly categorized as an Unanticipated Capital Expenditure.

UNIT: The term "Unit" is defined in the third WHEREAS clause.

UNIT DEED: The term "Unit Deed" is defined in SECTION 10(a)(i).

UNIT ONE CITIBANK LEASE: The term "Unit One Citibank Lease" shall mean that certain Office Space Lease dated August 19, 1994 between Dai-ichi Life (U.S.A.) Inc. (predecessor-in-interest to Purchaser), as landlord, and Seller, as tenant, with respect to floors 23-25 in the Unit, as amended by the Unit One Citibank Lease Amendment.

UNIT ONE CITIBANK LEASE AMENDMENT: The term "Unit One Citibank Lease Amendment" shall mean that certain First Lease Amendment in the form of EXHIBIT I.

UNIT TWO: The term "Unit Two" is defined in the fifth WHEREAS clause of this Agreement.

UNIT TWO CONTRACT: The term "Unit Two Contract" is defined in the fifth WHEREAS clause of this Agreement.

UNIT TWO CONTRACT ASSIGNMENT AND ASSUMPTION AGREEMENT: The term "Unit Two Contract Assignment and Assumption Agreement" is defined in SECTION 2(d).

VOLUNTARY LEASE EVENT: The term "Voluntary Lease Event" shall mean a Lease Event that is not a sublease, assignment, termination, exercise of an expansion or renewal option or other matter specifically provided for and contemplated by an Existing Lease and that is approved by Purchaser as a Purchaser Consent Action.

(b) All exhibits and schedules attached to this Agreement are incorporated herein and by this reference made a part hereof. References to "Exhibits" or "Schedules" shall be to Exhibits and Schedules attached to this Agreement except where the context requires otherwise.

(c) References to "Articles," "Sections," "Subsections," and "clauses" shall be to Articles, Sections, Subsections and clauses, respectively, of this Agreement unless otherwise specifically provided. The Table of Contents, captions, headings and titles of this Agreement are solely for convenience of reference and shall not affect its interpretation. The terms "hereto", "herein", "hereof" and "hereunder" and words of similar import refer to this Agreement generally, rather than to the Article, Section or Subsection in which such terms are used, unless otherwise specifically provided. Unless the context otherwise requires, singular nouns and pronouns, when used herein, shall be deemed to include the plurals of such nouns or pronouns and pronouns of one gender shall be deemed to include the equivalent pronouns of the other gender. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party drafting a document. It shall be construed neither for nor against Seller or Purchaser, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the parties. References to agreements and other contractual instruments shall be deemed to include all subsequent amendments, restatements, supplements and other modifications thereto, but only to the extent such amendments, restatements, supplements and other modifications are not prohibited by the terms of this Lease. References to Citigroup Center, the Common Elements, the Limited Common Elements, the Unit and similar references (including references to any item included within any of the foregoing terms) shall be construed as if such references were followed by the words "or any part thereof or interest therein", except where the context requires otherwise. The term "including" shall mean "including, but not limited to," except where the context requires otherwise.

2. PURCHASE AND SALE.

(a) Subject to the terms and provisions set forth in this Agreement, on the Closing Date: (i) Seller shall transfer, assign and convey the Unit to Purchaser, and (ii) Purchaser shall pay the Purchase Price in cash, as described in SECTIONS 2(b) and 2(c).

(b) Upon the date hereof, and as a condition precedent to the effectiveness of this Agreement, Purchaser shall deposit (the "DEPOSIT") Thirty-Six Million Two Hundred Fifty Thousand Dollars ($36,250,000.00) in the form of an unconditional, irrevocable letter of credit issued by a financial institution reasonably satisfactory to Seller, meeting the requirements of SECTION 24, and otherwise in form and substance reasonably satisfactory to Seller (such letter of credit together with any amendments, modifications, extensions, renewals or replacements thereof, the "LETTER OF CREDIT"), with O'Melveny & Myers LLP, as escrow agent (in such capacity, the "ESCROW AGENT"). The Deposit shall be non-refundable except as herein provided and shall be held and delivered by Escrow Agent in accordance with the provisions of SECTION 24.

(c) Upon the Closing, Purchaser shall pay to Seller (i) the Purchase Price (it being understood that the Letter of Credit, if not theretofore converted to cash, shall be returned by Escrow Agent to Purchaser at the Closing without any credit against the Purchase Price), PLUS (ii) any other amounts required to be paid by Purchaser at the Closing. All amounts to be paid by Purchaser to Seller shall be paid in U.S. dollars by wire transfer of immediately available funds to an account or accounts designated by Seller no later than 11 a.m. Eastern Time on the Closing Date.

(d) Simultaneously with the execution of this Agreement, Seller and Purchaser's Affiliate have entered into a certain "Agreement to Enter Into Assignment and Assumption of Unit Two Contract of Sale" whereby Seller agrees to assign and Purchaser's Affiliate agrees to assume Seller's obligations under the Unit Two Contract pursuant to a certain "UNIT TWO CONTRACT ASSIGNMENT AND ASSUMPTION AGREEMENT". It is the intention of the parties hereto that the transactions contemplated in this Agreement and in the Unit Two Contract Assignment and Assumption Agreement close simultaneously; PROVIDED THAT the failure of Purchaser's Affiliate to perform thereunder shall not excuse Purchaser's performance hereunder, unless the failure of Purchaser's Affiliate is directly and solely caused by (i) the default of either Seller, as assignor pursuant to the terms of the Unit Two Contract Assignment and Assumption Agreement or (ii) the default by seller under the Unit Two Contract pursuant to the terms of the Unit Two Contract or its failure to convey title as set forth in such contract.

(e) Included in the sale of the Unit is all of the right, title and interest of Seller in and to the following:

(i) an undivided interest in the Common Elements;

(ii) all easements, covenants, servitudes and other rights and interests now belonging or appertaining to, or comprising a part of, the Unit, and all right, title and interest of Seller in and to any land lying in the bed of any street, road,

avenue or alley, open or closed, in front of or behind or otherwise adjoining the Unit and to the center line thereof;

(iii) the buildings, structures, fixtures and other improvements, and the furniture, equipment, supplies, tools, machinery, security systems, computer software (to the extent permitted by applicable licenses and registrations and to the extent such software is not used for the joint operation of the Condominium with 399 Park Avenue) and other personal property (excluding items owned, or leased from leasing companies, by any tenants or any property manager and also excluding the lobby building directory) that are now located on or attached to the Unit, and any leases under which any of the same may be under lease to Seller for use at the Unit (to the extent the same are assignable);

(iv) to the extent they may be transferred under applicable law, all licenses, permits, approvals and authorizations required for the use and operation of all or any part of the Unit;

(v) the assignable Contracts (other than those terminated in accordance with SECTION 11(a)(x));

(vi) to the extent they may be transferred, warranties covering any portion of the Unit or any of the other property included in the transaction contemplated by this Agreement;

(vii) the Leases, together with all security deposits paid under the Leases, subject to the limitations set forth in SECTION 5(c);

(viii) all existing surveys, operation surveys, management reports, equipment operation standards, blueprints, drawings, plans and specifications (including structural, HVAC, mechanical and plumbing plans and specifications) pertaining to the Unit or the Condominium in the possession or control of Seller;

(ix) all available tenant lists, lease files, correspondence, documents, booklets, manuals and promotional and advertising materials concerning the Unit or used in connection with the operation of the Unit or the Condominium, or any part thereof, to the extent any of the foregoing are located at the Unit (or any of Seller's offices) or any property manager's office or otherwise in Seller's actual possession, and shall specifically exclude any internal books and records of Seller (except to the extent relating to the operation of the Unit) maintained at any of Seller's offices, internal and external appraisals of the Unit and any other privileged or proprietary information not otherwise in the possession of Seller; and

(x) all other intangible personal property owned by Seller or in which Seller otherwise has an interest and used solely in connection with or arising solely in connection with the business conducted on or from the Unit or any part thereof, including, if available, telephone exchange numbers, specifically excluding, however, any names or marks of Seller or any affiliates of Seller.

Seller shall deliver or cause to be delivered to Purchaser at the Closing such deeds, bills of sale, assignments or other transfer documents necessary to transfer Seller's interest in and to all of the foregoing property to Purchaser consistent with the terms of this Agreement.

(f) Seller and Purchaser acknowledge and agree that the value of the personal property that is included in the transaction contemplated by this Agreement is DE MINIMIS and no part of the Purchase Price is allocable thereto.

3. INTENTIONALLY OMITTED.

4. STATUS OF TITLE; TITLE INSURANCE AND SURVEY COSTS.

(a) The Unit shall be conveyed to Purchaser, subject only to (i) the standard exceptions and provisions contained in the form of 1992 ALTA owner's title insurance policy employed by the Title Insurer, (ii) those matters set forth on SCHEDULE 4(a), (iii) any Title Exceptions that are created, allowed or suffered to exist by the Board of Managers (subject to the provisions of the second sentence of SECTION 4(b)), and (iv) any Title Exceptions that are approved or waived by Purchaser in writing (collectively, the "PERMITTED ENCUMBRANCES"). Mechanics liens and other liens or encumbrances related to proposed or actual work with respect to the Unit on behalf of Seller or the Board of Managers (as opposed to any tenant or occupant in its capacity as such) shall not constitute Permitted Encumbrances. Seller shall use its good faith commercially reasonable efforts to cause all open building permits with respect to the Unit (other than those that are the responsibility of any tenant or other occupant of the Unit) to be closed out on or before the Closing Date. Notwithstanding the foregoing, if such permits (other than those that are the responsibility of any tenant or occupant of the Unit) have not been closed out on or before the Closing Date, Seller shall deliver an undertaking to Purchaser at Closing to cause such open building permits to be closed out.

(b) Seller shall not create or allow or suffer to exist any Title Exception with respect to the Unit that is not a Permitted Encumbrance without the consent of Purchaser. During the period prior to the Closing, Seller shall (i) cause its representatives to the Board of Managers to approve Title Exceptions affecting either the Unit or Unit Two only after obtaining the prior consent of Purchaser, and (ii) use good faith reasonable efforts to cause Citibank, N.A. to satisfy its obligations as seller with respect to the creation, allowance or sufferance of title exceptions that may adversely affect Unit Two pursuant to Section 4(b) of the Unit Two Contract. If on the Closing Date, there are any Title Exceptions that are not Permitted Encumbrances, Purchaser shall, to the extent necessary or required, cooperate with Seller in removing such Title Exceptions or causing such Title Exceptions to be removed, and Seller shall be obligated to pay, discharge and/or otherwise remove such Title Exceptions (other than those created or allowed or suffered to exist by Purchaser or the Board of Managers) or to cause any such Title Exceptions to be removed irrespective of the cost therefor, and Purchaser shall have such rights of action against Seller, at law or in equity, to cause Seller to convey title to the Unit subject only to Permitted Encumbrances. Notwithstanding the foregoing, Purchaser may elect to accept such title as Seller can convey, notwithstanding the existence of Title Exceptions that are not Permitted Encumbrances. In such event, this Agreement shall remain in effect and the parties shall proceed to Closing, but Purchaser shall not be entitled to any credit or allowance of

any kind or any claim or right of action against Seller for damages or otherwise by reason of the existence of any Title Exceptions which are not Permitted Encumbrances.

(c) The costs of examination of title (including all UCC, tax and other searches) and title premiums for the issuance by the Title Insurer of policies of title insurance insuring Purchaser's fee interest in the Unit, conforming to the requirements of Purchaser (other than endorsements, if any, required to be obtained by Seller pursuant to SECTION 4(b) to omit Title Exceptions that are not Permitted Encumbrances from the title policy to be issued by the Title Insurer or additional title premiums payable by Seller, if any, in connection with the omission of such Title Exceptions), shall be paid by Purchaser. The cost of obtaining new or updated surveys for the Unit shall be paid by Purchaser.

(d) If any title report discloses judgments, bankruptcies or other returns against other Persons having names the same as, or similar to, that of Seller, Seller on request, shall deliver to the Title Insurer affidavits showing that such judgments, bankruptcies or other returns are not against Seller in order to induce the Title Insurer to omit exceptions with respect to such judgments, bankruptcies or other returns or to insure over same. In addition, Seller, on request, shall deliver to the Title Insurer, all customary affidavits reasonably required by the Title Insurer to omit (i) exceptions with respect to municipal emergency repairs, (ii) exceptions with respect to (y) retroactive street vault charges, together with interest and penalties thereon, and (z) work done by The City of New York upon the Unit or the Common Elements or any demand made by The City of New York for any such work that may result in charges by The New York City Department of Environmental Protection for water tap closings or any related work, (iii) exceptions with respect to fees for inspections, reinspections, examinations and services performed by the Department of Buildings or for permits issued by the Department of Buildings to Seller and (iv) any other exceptions of a similar type of which Seller has actual knowledge and which relate to the Unit. Seller, on request, shall also deliver to the Title Insurer all customary affidavits reasonably required by the Title Insurer to modify or omit (in accordance with the customary practice in New York City) those standard printed exceptions to title contained in the form of 1992 ALTA owner's title insurance policy employed by the Title Insurer, so customarily modified or omitted.

5. BROKERS AND ADVISORS.

(a) Purchaser represents and warrants that it has not dealt or negotiated with any broker with respect to the transactions contemplated by this Agreement other than Jones Lang LaSalle and LaSalle Investment Management, Inc. (collectively, "JLL") and Cooper-Horowitz, Inc. ("PURCHASER'S MORTGAGE BROKER") and Purchaser shall pay, or shall cause third parties other than Seller or its affiliates to pay, all fees due to Purchaser's Mortgage Broker in connection therewith, if any, pursuant to a separate agreement. Purchaser shall indemnify, defend and hold Seller harmless from and against any claims by Purchaser's Mortgage Broker for any brokerage commission or other fee due to Purchaser's Mortgage Broker in connection with the transactions contemplated by this Agreement. Purchaser shall also indemnify, defend and hold Seller harmless, from and against any and all loss, cost, damage, claim, liability and expense (including reasonable attorneys' fees) resulting from a breach of the foregoing representation and warranty.

(b) Seller represents and warrants that it has not dealt or negotiated with any broker with respect to the transactions contemplated by this Agreement other than JLL and Purchaser's Mortgage Broker and Seller shall pay all fees due to JLL in connection therewith pursuant to a separate agreement. Seller shall indemnify, defend and hold Purchaser harmless, from and against any and all loss, cost, damage, claim, liability and expense (including, without limitation, reasonable attorneys' fees) resulting from a breach of the foregoing representation, warranty and covenant.

(c) Purchaser shall be responsible for the payment of all professionals and advisors retained by Purchaser in connection with the transactions contemplated by this Agreement. Seller shall be responsible for the payment of all professionals and advisors retained by Seller in connection with the transactions contemplated by this Agreement.

(d) The provisions of this SECTION 5 shall survive the Closing for a period without expiration.

6. CUSTOMARY CLOSING ADJUSTMENTS.

(a) The following are to be apportioned for the Unit as of the Apportionment Date (subject to the rights of tenants under their respective Leases and the rights of the Board of Managers generally), and shall (except as expressly set forth herein) constitute an adjustment with respect to the Purchase Price as of the Apportionment Date:

(i) real estate taxes, personal property taxes and all assessments (special and general) for the current tax fiscal period in progress on the Apportionment Date (it being agreed that the same shall be adjusted on an accrual basis). If the rate or amount of such taxes shall not be fixed prior to the Closing Date, the adjustment thereof as of the Apportionment Date shall be upon the basis of the rate for the preceding tax fiscal period applied to the latest assessed valuation (or, if none, other basis of valuation, including written opinions of tax adjusters or as otherwise agreed to by Seller and Purchaser), and the same shall be further adjusted no later than thirty (30) days after the date on which the taxes for the current tax fiscal period in progress on the Apportionment Date are paid;

(ii) unless final meter readings are obtained on the Apportionment Date (for which Seller shall be solely responsible), vault charges, water and sewer service charges, and charges for all other public utilities, including steam, electricity and gas (to the extent the Unit owner is responsible for the payment thereof). The rights to the return of any deposits with utility companies shall be retained by Seller. Purchaser shall promptly, upon request of Seller, put up any replacement deposit on or about the Closing Date that may be required by a utility company as a precondition to the release of Seller's deposit;

(iii) base rents, fixed rents, additional rents, escalation rents, percentage rents and any other rents (exclusive of advance rents and security deposits) paid or payable for the billing period in progress as of the Apportionment Date in accordance with SECTION 8A; it being agreed that to the extent, on the

Apportionment Date, additional rents, escalation rents, percentage rents or other rents have not been collected for such billing period, then each such item shall be adjusted retroactively to the Apportionment Date in accordance with SECTION 8A and this SECTION 6 no later than thirty (30) days after each such item has been collected. Percentage rent, payments or reimbursements on account of operating expenses and real estate taxes, utility charges and any other payments, reimbursements or contributions by tenants under the Leases shall be prorated as follows: (y) with respect to percentage rents (if any), Purchaser shall furnish to Seller promptly upon receipt copies of all sales reports from tenants who owe percentage rent for any period prior to the Apportionment Date, whereupon the percentage rent due (if any) shall be promptly calculated and the proration between Seller and Purchaser computed as of the Apportionment Date; and (z) the amount of any other rents, payments, reimbursements or contributions to be made by any tenant shall be computed in accordance with such tenant's Lease as existing as of the Apportionment Date; and (PROVIDED THAT such tenant's rent payments are not in arrears) Purchaser shall remit to Seller Seller's pro rata portion of such percentage rents (if any) and any other rents, payments, reimbursements or contributions (based upon apportionment being made as of the Apportionment Date) promptly after such rents, payments, reimbursements or contributions have been collected by Purchaser from such tenant. If Seller has collected estimated amounts of prepayments in excess of the amounts properly payable under any tenant's Lease, (1) Seller shall promptly remit such excess to Purchaser after notice from Purchaser and after such excess is verified by a review or analysis of estimated prepayments in accordance with such tenant's Lease, (2) Purchaser shall promptly remit to the applicable tenant any such excess paid over to Purchaser pursuant to the preceding clause (1), and (3) Purchaser shall indemnify and hold Seller harmless from all claims, demands, causes of actions, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and disbursements) asserted against or incurred by Seller in connection with or arising out of Purchaser's failure to fulfill its obligations pursuant to the preceding CLAUSE (2);

(iv) permit fees and license fees with respect to any assigned permits and licenses;

(v) charges and payments under assignable Contracts (other than those terminated in accordance with SECTION 11(a)(x)) or permitted renewals or replacements thereof; and

(vi) insurance premiums and other similar prepaid expenses (to the extent Purchaser is able to retain the same and elects to do so), Common Charges and Limited Common Charges (as such terms are defined in the Condominium Declaration) and any Grand Central Partnership payments or dues applicable to the Unit, operating agreement payments (if such agreements are assumed by Purchaser) and such other items that, in New York, New York, are customarily prorated, adjusted or paid in accordance with the "customs in respect to title closings" recommended by The Real Estate Board of New York, Inc., as amended

and in effect on the date of Closing, in connection with the sale or exchange of property similar to the Unit, consistent with the terms and provisions of this Agreement.

(b) All funds in any operating accounts, reserve accounts or any other accounts pertaining to the Unit on the Apportionment Date, whether in the name of Seller or any property manager of the Unit, shall (subject to the terms of any applicable Leases and the adjustments required under this Agreement) be retained by Seller or applied as Seller shall direct, and all cash, coins and petty cash to which Seller is entitled (including cash in coin operated machines, if any) located in the Unit shall be counted by Seller or any such property manager on the Apportionment Date and the same shall be retained by Seller or remitted to Seller by any such property manager.

(c) The security deposits and advance rents with respect to the Leases (together with any interest thereon required pursuant to the terms of the Leases or applicable law) shall not be pro-rated, but instead shall be paid over to Purchaser on the Closing Date, PROVIDED THAT, if such security deposits or advance rents are in the possession or control of any property manager, at Purchaser's request, Seller shall direct such property manager in writing to retain possession or control thereof for the benefit of Purchaser. Promptly after the Closing (irrespective of when such Closing occurs), Seller shall transfer or cause to be transferred to Purchaser any and all letters of credit and Seller's interest in any certificates of deposit held by Seller as security for a tenant's performance under any of the Leases being assigned to Purchaser. If any such letter of credit is non-transferable, Seller shall use its good faith efforts to have such letter of credit reissued in the name of Purchaser (at Seller's sole cost and expense), and failing that, Seller agrees to continue holding any such non-transferable letter of credit and agrees to present the letter of credit for payment or to release the letter of credit on the written instructions of Purchaser and will remit any funds collected thereunder to Purchaser (less any reasonable costs of collection), PROVIDED THAT Seller is indemnified and held harmless by Purchaser from and against any liability, cost or expense as a result thereof.

(d) Purchaser shall be entitled to a credit at Closing in the amount of $170,400.00 in respect of costs that Purchaser will incur as a result of it having assumed Seller's obligations under the Systems Agreement pursuant to the Master Assignment and Assumption Agreement.

(e) Seller shall be responsible for the payment of all Unanticipated Capital Expenditures incurred and actually required to be paid for Unanticipated Capital Expenditures incurred during the Interim Period. If on the Closing Date any Unanticipated Capital Improvements have not been completed and/or funded by Seller, then Purchaser shall receive a credit at Closing in an amount equal to the cost to complete any such unfunded work as reasonably estimated by Seller.

(f) Seller and Purchaser shall each be responsible for the payment of those (i) Leasing Commissions relating to Existing Leases and Approved New Leases allocable to each such party as set forth on SCHEDULE 6(f)(i), (ii) Tenant Allowances that are the obligation of the landlord under the Existing Leases and the Approved New Leases allocable to each such party as set forth on SCHEDULE 6(f)(ii), and (iii) Seller shall be responsible for the Budgeted Repairs allocated to Seller set forth on SCHEDULE 6(f)(iii), as such payments come due, and Purchaser

shall from and after the Closing Date be responsible for all other repairs, whether Budgeted Repairs or otherwise. If any amount of Budgeted Repairs required to be paid by Seller pursuant to SCHEDULE 6(f)(iii) has not been paid on or before the Closing Date, Purchaser shall be entitled to a credit at Closing in such amount. Seller shall not delay any planned payment or planned work in respect of Budgeted Repairs for the sole purpose of allocating the responsibility for such payment to Purchaser.

(g) Intentionally Omitted.

(h) Seller and Purchaser agree to use reasonable efforts to calculate all adjustments required under this SECTION 6 that are ascertainable on the Apportionment Date by the Apportionment Date but not later than the sixty (60) days after the Apportionment Date. Each other item of income and expense that is subject to adjustment under this SECTION 6 but that is not ascertainable on the Apportionment Date will be adjusted retroactive to the Apportionment Date, and the payment made on such adjustment within sixty (60) days after the date that such adjustment becomes ascertainable (I.E., the date by which each party, in its good faith business judgment, has sufficient information to make such adjustment). The parties agree that each party shall have the right, during the period commencing on the Closing Date and terminating at the close of business on the one hundred eightieth (180th) day after the Closing Date, on reasonable advance written notice to the other, from time to time during regular business hours, to review the books and records of such other party pertaining solely to the operations of the Unit to the extent necessary to confirm the amounts of adjustments payable to Seller and/or Purchaser following the Apportionment Date and in furtherance thereof the parties shall, upon reasonable advance written notice, make their respective books and records available for the other during regular business hours and shall use their good faith commercially reasonable efforts to cause the managing agent of the Common Elements to make available the applicable portion of its books and records for such purpose. Seller and Purchaser shall cooperate as necessary following the Closing Date in order to promptly and in good faith discharge their respective obligations under this SECTION 6. Notwithstanding the foregoing, any claim for an adjustment under SECTION 6(a) will be valid if made in writing with reasonable specificity within one (1) year after the Closing Date, except in the case of items of adjustment which at the expiration of such period are subject to pending litigation or administrative proceedings. Claims with respect to items of adjustment that are subject to litigation or administrative proceedings will be valid if made on or before the later to occur of (i) the date that is one (1) year after the Closing Date and (ii) the date that is one hundred eighty (180) days after a final non-appealable order shall have issued in such litigation or administrative hearing. Both parties shall use good faith efforts to resolve any disputed claims promptly. The provisions of this SECTION 6 shall survive the Closing. Purchaser shall notify, or shall cause any property manager retained by it to notify, Seller of any reimbursement adjustment to which Seller becomes entitled under the provisions of this SECTION 6 promptly after Purchaser or such property manager determines that such reimbursement adjustment is due to Seller.

7. EFFECT OF CERTAIN LEASE EVENTS.

(a) In addition to the Customary Adjustment being calculated as of the Apportionment Date with respect to the Unit in accordance with the provisions of SECTION 6 and

the adjustments set forth in SECTION 8A, the adjustments set forth in this SECTION 7 shall, to the extent applicable, be made on the Closing Date.

(b) If a Contractual Right Lease Event occurs with respect to an Existing Lease during the Interim Period, then (i) during the Interim Period, Seller alone shall continue to be responsible for the payment of all costs and expenses attributable to such Existing Lease required to be paid during the Interim Period (as adjusted for the effect of the Contractual Right Lease Event) and Seller alone shall continue to be entitled to the receipt of all income generated from such Existing Lease (as adjusted for the effect of the Contractual Right Lease Event) and (ii) from and after the Closing Date, Purchaser alone shall be responsible for the payment of all costs and expenses attributable to such Existing Lease (as adjusted for the effect of the Contractual Right Lease Event) and Purchaser alone shall be entitled to the receipt of all income generated from such Existing Lease (as adjusted for the effect of the Contractual Right Lease Event). Without limiting the generality of the foregoing, if upon the occurrence of a Contractual Right Lease Event that results in the termination of any Existing Lease, any fee or other payment required to be made by the applicable tenant under such Existing Lease is in fact paid during the Interim Period as a condition to the termination of such Existing Lease, such fee or other payment shall belong exclusively to Seller. Any subsequent re-leasing of the space (or any portion thereof) previously demised under such terminated Existing Lease during the Interim Period shall constitute a Purchaser Consent Action, subject to the provisions of Section 8(a)(i), it being the intention of the parties that Purchaser shall ultimately bear all the risks and rewards of such re-leasing; PROVIDED, HOWEVER, (y) during the Interim Period, subject to the following provisions of this Section, Seller alone shall be responsible for the payment of all costs and expenses of re-leasing the space in question that are required to be paid during the Interim Period (including all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) and Seller alone shall be entitled to the receipt of all income therefrom and (z) from and after the Closing Date, Purchaser alone shall be responsible for the payment of all costs and expenses of re-leasing the space in question (including all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) and Purchaser alone shall be entitled to the receipt of all income therefrom. Notwithstanding the foregoing, (1) if the expenses incurred by Seller during the Interim Period in connection with such re-leasing of the space (or any portion thereof) previously demised under an Existing Lease exceeds the gross income received by Seller during the Interim Period as the result of such re-leasing, then Seller shall receive a credit at Closing in the amount of such excess and (2) if the gross income received by Seller during the Interim Period as the result of such re-leasing of the space (or any portion thereof) previously demised under an Existing Lease exceeds the expenses incurred by Seller during the Interim Period in connection with such re-leasing, then Purchaser shall receive a credit at Closing in the amount of such excess. Notwithstanding the foregoing, with respect to any Contractual Right Lease Event that does not result in the termination of an Existing Lease, at Closing, Seller shall also receive a credit in an amount equal to all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees incurred in connection with such Contractual Right Lease Event.

(c) If an Involuntary Lease Event occurs with respect to an Existing Lease during the Interim Period, then (i) during the Interim Period, Seller alone shall continue to be responsible for the payment of all costs and expenses attributable to such Existing Lease required to be paid during such Interim Period (as adjusted for the effect of the Involuntary Lease Event) and Seller alone shall be entitled to the receipt of all income generated from such Existing Lease (as adjusted for the effect of the Involuntary Lease Event)

and (ii) from and after the Closing Date Purchaser alone shall continue to be responsible for the payment of all costs and expenses attributable to such Existing Lease (as adjusted for the effect of the Involuntary Lease Event) and Purchaser alone shall thereafter be entitled to all income generated therefrom. Following the occurrence of an Involuntary Lease Event during the Interim Period that results in a tenant vacating the space demised under an Existing Lease prior to the scheduled expiration thereof, any subsequent re-leasing of the space (or any portion thereof) previously demised under such Existing Lease during the Interim Period shall constitute a Purchaser Consent Action, subject to the provisions of SECTION 8(a)(i), it being the intention of the parties that Purchaser shall ultimately bear all the risks and rewards of such re-leasing; PROVIDED, HOWEVER, (y) during the Interim Period, subject to the following provisions of this Section, Seller alone shall be responsible for the payment of all costs and expenses of re-leasing the space in question that are required to be paid during such Interim Period (including all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) and Seller alone shall be entitled to the receipt of all income therefrom and (z) from and after the Closing Date, Purchaser alone shall be responsible for the payment of all costs and expenses of re-leasing the space in question (including all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) and Purchaser alone shall be entitled to the receipt of all income therefrom. Notwithstanding the foregoing, (1) if the expenses incurred by Seller during the Interim Period in connection with such re-leasing of the space (or any portion thereof) previously demised under an Existing Lease exceeds the gross income received by Seller during the Interim Period as the result of such re-leasing, then Seller shall receive a credit at Closing in the amount of such excess and (2) if the gross income received by Seller during the Interim Period as the result of such re-leasing of the space (or any portion thereof) previously demised under an Existing Lease exceeds the expenses incurred by Seller during the Interim Period in connection with such re-leasing, then Purchaser shall receive a credit at Closing in the amount of such excess. The collection of Receivables and other amounts due from tenants as the result of an Involuntary Lease Event shall be undertaken in accordance with the provisions of SECTION 8A and any sums actually collected as a result thereof shall be applied in the manner prescribed in such Section.

(d) If a Voluntary Lease Event occurs with respect to an Existing Lease during the Interim Period, then, subject to the following provisions of this Section, (i) during the Interim Period, Seller alone shall continue to be responsible for the payment of those costs and expenses that are required to be paid during such Interim Period (including all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) attributable to such Existing Lease (as adjusted for the effect of the Voluntary Lease Event), and Seller alone shall continue to be entitled to the receipt of all income generated from such Existing Lease (as adjusted for the effect of the Voluntary Lease Event), and (ii) from and after the Closing Date, Purchaser alone shall be responsible for the payment of all costs and expenses (including all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) attributable to such Existing Lease (as adjusted for the effect of the Voluntary Lease Event) and Purchaser alone shall be entitled to the receipt of all income from such Existing Lease (as adjusted for the effect of the Voluntary Lease Event). At Closing, Seller shall receive a credit in an amount equal to all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees incurred during the Interim Period as the result

of any Voluntary Lease Event with respect to an Existing Lease, including all such tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees incurred in connection with the re-leasing of any space that is vacated as a result of such Voluntary Lease Event.

(e) The provisions of this SECTION 7 shall survive the Closing for a period of two (2) years.

8. OPERATION OF THE UNIT PRIOR TO CLOSING.

During the Interim Period, Seller shall have the right and the obligation to continue to operate and maintain the Unit, subject to the limitations set forth in the Condominium Declaration. In connection therewith:

(a) From the date hereof until the Closing, Seller shall not take, or allow any property manager retained by it to take, any Purchaser Consent Action, without the prior written consent of the Purchaser (which consent may be withheld in Purchaser's sole and absolute discretion). With respect to any proposed Purchaser Consent Action to be submitted to Purchaser for its consent pursuant to the preceding sentence, Purchaser shall consent or deny its consent, within five (5) business days following receipt by Purchaser of Seller's notice requesting Purchaser's consent to the proposed action and providing Purchaser with all background information necessary for Purchaser to make its decision. Failure to respond within such five (5) business day period shall be deemed to be an approval of the Purchaser Consent Action in question. It is understood that a non-discretionary lease renewal, expansion, surrender of space, sublease or assignment right or other similar right expressly set forth in an Existing Lease in favor of a tenant shall not be deemed to be a Purchaser Consent Action to the extent that the specific terms therefor are embodied in the lease in question and are non-subjective in nature. For example, if a renewal has been granted in favor of a tenant for a specific term and at a specified fixed dollar rent per square foot, such renewal will not be a Purchaser Consent Action. On the other hand, if a renewal has been granted to a tenant for a specific term and at a fair market rent to be mutually agreed upon by the Seller and tenant, the ability of Seller to agree upon a fair market rent shall be a Purchaser Consent Action. In addition to the foregoing, Seller shall not take, or allow any property manager retained by it to take, any actions contained in clause (i) of the definition of Excluded Decisions to the extent such action relates to the granting or withholding of a consent right with respect to a material matter under any Lease or involves the incurrence of a material expenditure, obligation or other liability without first providing written notice to Purchaser of its intention to do so, and the reasons therefor; PROVIDED, HOWEVER, Seller agrees that, to the extent requested in writing by Purchaser within three (3) business days after receipt by Purchaser of such notice from Seller, Seller shall refrain from taking any such contemplated action, PROVIDED THAT Purchaser agrees to indemnify and hold Seller harmless from any loss, cost, damage, claim, liability and expense (including reasonable attorneys' fees) which Seller shall incur resulting from Seller's failure to take any such action.

(b) Intentionally Omitted.

(c) From the date hereof until the Closing, Seller shall not take, or omit to take, any action that would have the effect of violating in any material respect any of the representations, warranties, covenants and agreements of Seller contained in this Agreement. Nothing contained in the foregoing sentence shall be construed to preclude Seller from taking, or omitting to take, any action that is (x) approved in writing by Purchaser (whether as a Purchaser Consent Action or otherwise), (y) required or permitted to be taken pursuant to this Agreement, or (z) pertaining to the Common Elements and approved by the Board of Managers. From the date hereof until the Closing, Purchaser shall not take, or omit to take, any action that would have the effect of violating in any material respect any of the representations, warranties, covenants and agreements of Purchaser contained in this Agreement.

(d) From the date hereof until the Closing, Seller shall not sell, assign, or convey any right, title or interest whatsoever in or to the Unit, or create or to Seller's Knowledge permit to exist any lien, security interest, easement, encumbrance, charge or condition affecting the Unit (other than a Permitted Encumbrance), without the prior consent of Purchaser except to the extent relating to (x) leasing of the Unit or portions thereof as permitted in accordance with this Agreement, (y) items affecting the Common Elements approved by the Board of Managers, or (z) items approved in writing by Purchaser (whether as a Purchaser Consent Action or otherwise).

(e) From the date hereof until the Closing, Seller shall promptly deliver to Purchaser copies of (x) written default notices, notices of lawsuits and notices of violations affecting the Unit that are sent or actually received by Seller, (y) without duplication of anything contained in the preceding CLAUSE (x), any notice received from The City of New York, any taxing authority and any other municipal, governmental or quasi-governmental entity or agency pertaining to the Unit, and any notices received from the Grand Central Partnership, and (z) monthly operating statements for the Unit after the same have been created.

(f) From the date hereof until the Closing, Seller shall maintain in full force and effect business interruption insurance to cover loss of rental income in an amount not less than twelve (12) months' projected gross income of the Unit and the other insurance polices described in SCHEDULE 11(a)(xv), and shall otherwise continue to operate the Unit in substantially the same manner as it operated the Unit prior to the execution and delivery of this Agreement, and shall pay all operating expenses and real estate taxes that are the responsibility of the owner of the Unit during the Interim Period.

(g) From the date hereof until the Closing, Seller shall deliver to Purchaser, promptly after the execution and delivery thereof by all parties thereto, copies of all agreements pertaining to Lease Events.

(h) From the date hereof until the Closing, Seller and Purchaser shall convene (by phone or in person) not less frequently than once per calendar week to discuss any and all matters relating to the operation, management, leasing, maintenance or repair of the Unit.

(i) From the date hereof until the Closing, Seller will use reasonable efforts to enforce its rights as landlord under the Lease with Merrill, Lynch, Pierce, Fenner & Smith Incorporated to cause such tenant to perform such work, obtain such permits or consents or to otherwise act in a fashion to obtain its public assembly permit and to facilitate the issuance of a permanent certificate of occupancy for the Building.

8A. TREATMENT OF CERTAIN MATTERS.

(a) COLLECTION OF RECEIVABLES, CURRENT SUMS AND ARREARAGES.

(1) Seller shall, until the Closing Date, undertake its customary collection efforts to collect all Receivables and other amounts due from tenants (subject to the limitations provided in SECTION 8A(a)(5)), which may include the submission of monthly invoices and follow-up invoices, and may (but need not) include the commencement or continuation of litigation or other proceedings, it being agreed that any monies received by Seller as a result of such collection efforts (net of the reasonable costs allocable to the collection of the same) attributable to the period prior to the Closing Date shall (except as specifically provided to the contrary in SECTIONS 7(b), (c) and (d)) belong to Seller and shall not constitute a credit against the Purchase Price.

(2) Purchaser shall, from and after the Closing Date, undertake its customary collection efforts on behalf of Seller to collect all Receivables for a period of six (6) months after the Closing Date (subject to the limitations provided in SECTION 8A(a)(5)), which may include the submission of monthly invoices and follow-up invoices, and may (but need not) include the commencement or continuation of litigation or other proceedings, it being agreed that in such cases any monies received by Purchaser from and after the Closing Date from any party liable for any portion of the Receivables to be collected by Purchaser shall be applied in the following order:

FIRST — to the payment pro-rata (on the basis of costs incurred) of all reasonable costs of collection, including reimbursement to Seller or Purchaser of any legal fees or collection costs reasonably incurred by either of them and allocable to the collection of such Receivables pursuant to the foregoing provisions of this Section,

SECOND — to the payment of monies owed to Seller and Purchaser for the billing period in progress on the Closing Date,

THIRD — to Purchaser for sums owed to Purchaser relating to billing periods after the billing period in progress as of the Closing Date, and

LAST to the balance of any Receivables.

(3) If within six (6) months following the Closing Date, any of the Receivables to be collected by Purchaser that are payable to Seller in accordance with the terms of this SECTION 8A(a) have not been collected and remitted to Seller, or Purchaser has not commenced litigation to collect such Receivables, then Seller may undertake its own efforts to collect such Receivables, including the commencement of litigation and other proceedings (but Seller shall not seek to evict any tenant or terminate any Lease), and in which event all sums collected by Seller as a result of such litigation (after payment of all costs and expenses) shall be applied in full satisfaction of the subject Receivables, it being agreed that Seller shall refrain from taking any such efforts during the six (6) month period following the Closing Date.

(4) With respect to any pending litigation or other proceedings to collect any Receivables from tenants in occupancy on the Closing Date, Purchaser shall have the option on the Closing Date of either (i) continuing such litigation or proceedings (the costs of which shall be equitably apportioned between Seller and Purchaser, based upon the amounts ultimately paid to each, and reimbursed out of the first monies collected, if any) and Purchaser shall be substituted as the plaintiff, if necessary, or (ii) not continuing the litigation, whereupon Seller may continue such litigation in its own name and at its sole cost and expense, PROVIDED THAT such litigation shall not result in the eviction of the tenant or the termination of its Lease without Purchaser's consent, and in which event all sums collected by Seller as a result of such litigation (after payment of all actual out-of-pocket costs and expenses) shall be applied in full satisfaction of the subject Receivables.

(5) Notwithstanding anything hereinabove provided, (i) during the Interim Period, Seller shall not settle or compromise any claims against any tenants of the Unit without Purchaser's prior written approval, it being agreed that the settlement or compromise of any such claims shall constitute a Purchaser Consent Action, subject to the provisions of SECTION 8(a) of this Agreement, (ii) after the Closing, neither Seller nor Purchaser shall settle or compromise any claims against any tenants of the Unit that include both Receivables payable to Seller and amounts payable to Purchaser without the other party's prior written approval, which approval shall not be unreasonably withheld or delayed, and (iii) to the extent the Receivables that are subject to collection are the Receivables identified in clause (ii) of the definition of Receivables, the rights and obligations of Seller and Purchaser shall be qualified to provide that such parties shall use commercially reasonable good faith efforts to cause the Board of Managers to comply with the relevant provisions of SECTION 8A. Notwithstanding the foregoing, Purchaser shall have the right to settle or compromise a claim against a tenant of the Unit without the consent of (but after prior notice to) Seller to the extent such claim relates solely to the period of time after the Closing and provided that the settlement or compromise of such claim does not have a material adverse effect on any claim that Seller may have against such tenant.

(6) Notwithstanding anything to the contrary hereinabove provided, Seller shall retain the sole right to collect (in such manner as it shall deem appropriate) those Receivables, if any, listed on SCHEDULE 8A(a)(6) as well as Receivables with respect to any tenant whose lease has terminated prior to the Apportionment Date and has vacated its demised premises, it being further agreed that Purchaser shall not be required to undertake any collection efforts with respect to such Receivables.

(7) Any monies received by Seller or Purchaser that are to be applied to sums owed to the other party hereto hereunder (whether on account of Receivables, current sums due, arrearages or otherwise) shall be held in trust by Seller or Purchaser, as the case may be, for the benefit of the other party and remitted to such other party promptly after receipt. Seller and Purchaser shall reasonably cooperate with each other in the collection of Receivables and, provided there is no liability or material expense associated therewith, shall execute any documents reasonably requested by the other to collect such Receivables.

(b) PROTEST PROCEEDINGS.

(1) GENERALLY. As of the date of this Agreement, Seller has engaged various law firms or consultants to protest the valuation of the Unit ("PROTEST PROCEEDINGS") for the purpose of protesting the amount of ad valorem taxes for certain tax fiscal periods, some of which taxes may have been paid by Seller and some of which taxes either are not yet due and payable or have not been paid. With respect to the tax year in which the Closing occurs, and all prior tax years, Seller is hereby authorized to continue any Protest Proceeding for the Unit, it being acknowledged that the trial or settlement of any such Protest Proceeding during the Interim Period shall constitute a Purchaser Consent Action, subject to the provisions of SECTION 8(a) (other than settlements that have been accepted by Seller but are pending governmental approval as described in SCHEDULE 11(a)(ix), as to which no Purchaser Consent is required). All Net Refunds and credits attributable to any tax year prior to the tax year in which the Closing occurs shall belong to and be the property of Seller, subject to the rights of tenants under their respective Leases. All Net Refunds and credits attributable to any tax year subsequent to the tax year in which the Closing occurs shall belong to and be the property of Purchaser, subject to the rights of tenants under their respective Leases. All Net Refunds and credits attributable to any tax year not described in the preceding two (2) sentences shall be divided between Seller and Purchaser in accordance with the apportionment of taxes set forth in SECTION 8A(b)(2). Seller and Purchaser shall cooperate with one another in connection with the prosecution of any such proceedings and to take all reasonable steps, whether before or after the Closing Date, as may be reasonably necessary to carry out the intention of the foregoing, including to the extent in a party's possession, the delivery to the party pursuing the appeal of any relevant books and records, including receipted tax bills and canceled checks used in payment of such taxes, and, provided that there is no liability or material expense to the party delivering such materials in doing so, the execution of any and all consents or other documents, and the undertaking of any act necessary for the collection of such refund. The parties agree to keep one another apprised of all such proceedings, to provide one another (except to the extent that the attorney-client privilege or work product immunity may be adversely affected) with copies of all relevant books, records and documentation relating to any such proceeding, and with respect to any course of action which the pursuing party could reasonably expect to have a material impact on any proceeding or on the outcome of any proceeding, such party agrees to consult with the other party and to obtain such party's consent (which consent shall not be unreasonably withheld or delayed) before proceeding with any such action.

Notwithstanding the foregoing limitation, Seller agrees that neither Seller nor its representatives will withhold, because of the attorney-client privilege or work product immunity, from Purchaser or its representatives any relevant information received by Seller or its representatives from, or delivered by Seller or its representatives to, the New York City taxing authorities. If either party hereto shall receive any refund payments contemplated by this SECTION 8A(b) that are properly payable to the other party, such payments shall be held in trust by such party, for the benefit of the other, and remitted to such other party promptly after receipt.

(2) The Net Refund payable by virtue of a favorable determination resulting from any Protest Proceeding with respect to the tax fiscal period in progress on the Apportionment Date shall be prorated between Seller and Purchaser on a per diem basis, with Seller being entitled to receive the portion thereof allocated to the portion of such tax fiscal period up to and including the Apportionment Date.

The term "NET REFUND" as used herein shall mean the portion of any refund (including any interest payable thereon) that is payable by virtue of a favorable determination resulting from any Protest Proceeding and that is entitled to be retained by the party so entitled thereto pursuant to the foregoing provisions after (i) payment or reimbursement (on a pro-rata basis) of all fees and out-of-pocket expenses including counsel fees and disbursements and consultant's fees incurred in obtaining such refund, the allocation of such expenses to be based upon the total refund obtained in such proceeding and in any other proceeding simultaneously involved in the trial or settlement and (ii) the refunding by such party of the portion of any such refund, if any, owing to tenants under the Leases (whether or not the same then are in effect) on account of such refund attributable to the applicable periods covered thereby.

(3) Intentionally Omitted.

(4) CONTROL OF PROTEST PROCEEDINGS, SETTLEMENT AND COMPROMISE. In connection with any Protest Proceeding for the tax fiscal period in progress on the Closing Date, at Purchaser's request Seller shall, if possible, cause Purchaser to be substituted for Seller in such Protest Proceeding and any other pending Protest Proceedings for tax fiscal periods commencing prior to the tax fiscal period in progress on the Closing Date (except those as to which settlement is now pending), or if not possible, Seller shall permit Purchaser to control the conduct of all such Protest Proceedings. Notwithstanding anything hereinabove provided, (i) during the Interim Period, Seller shall not settle or compromise any Protest Proceedings in which taxes for any tax fiscal period in progress on or prior to the Closing are being adjudicated (other than those as to which settlement is now pending) without Purchaser's prior written approval, it being agreed that the settlement or compromise of any Protest Proceedings (except those as to which settlement is now pending) shall constitute a Purchaser Consent Action, subject to the provisions of SECTION 8(a) and (ii) after the Closing, neither Seller nor

Purchaser shall settle or compromise any Protest Proceedings pending on the Closing Date in which taxes for any tax fiscal period in progress on or prior to the Closing Date are being adjudicated (except those as to which settlement is now pending) without the other party's prior written approval, which approval shall not be unreasonably withheld or delayed. Seller and Purchaser shall otherwise cooperate with each other in all reasonable respects with respect to all Protest Proceedings. From and after the Closing Date, Purchaser shall have the right, subject to the above provisions of this SECTION 8A(b)(4) and subject to the terms and provisions of the Condominium Declaration, to withdraw, compromise, settle, try or otherwise deal with such petitions or applications with respect to the Unit as Purchaser in the exercise of its sole judgment shall deem appropriate.

(c) SURVIVAL. The provisions of this SECTION 8A shall survive the Closing for a period without expiration.

9. RECORDING CHARGES, TRANSFER AND CONVEYANCE TAXES; WITHHOLDING; INTERNAL REVENUE SERVICE REPORTING REQUIREMENTS.

(a) RECORDING CHARGES; TAXES GENERALLY. Purchaser shall pay all recording charges and fees and sales taxes, if any, imposed in connection with the conveyance of the Unit to Purchaser. All real estate transfer and conveyance taxes paid or payable in connection with the transactions herein contemplated shall be paid by Seller and/or Purchaser in the manner hereinafter provided in this SECTION 9.

(b) TRANSFER TAXES.

(i) Seller shall pay the New York State Real Estate Transfer Tax (the "STATE TRANSFER TAX") in accordance with Article 31 of the Tax Law of the State of New York, and the New York City Real Property Transfer Tax (the "CITY TRANSFER TAX") imposed by Chapter 21, Title 11 of the Administrative Code of the City of New York, in connection with the conveyance of the Unit to Purchaser in accordance with the provisions of this Agreement. Seller shall defend, indemnify and hold harmless Purchaser from and against any loss, cost, damage, claim, liability and expense (including reasonable attorneys' fees) that may be suffered or incurred by Purchaser by reason of the failure of Seller to pay the State Transfer Tax and the City Transfer Tax, if applicable, as pertains to this transaction, as provided in this SECTION 9(b), it being understood that the foregoing indemnification shall not apply to any tax liability resulting from an actual disposition of the Unit by Purchaser following its acquisition thereof at the Closing.

(ii) Intentionally Omitted.

(iii) Seller and Purchaser shall each execute and/or swear to the returns or statements required in connection with the State Transfer Tax and the City Transfer Tax, and any other taxes referred to in this SECTION 9(b) or otherwise

applicable to the transactions contemplated by this Agreement, and shall deliver same, together with the check or checks of Seller and/or Purchaser, as the case may be, in payment thereof which are required of such party, to the Title Insurer on the Closing Date. All such tax payments shall be made by certified or bank check payable directly to the order of the appropriate governmental officer, or in such manner as the Title Insurer shall reasonably require and accept.

(c) FIRPTA COMPLIANCE. Seller shall comply with the provisions of Section 1445 of the Code, or any successor or similar Laws.

(d) 1099 COMPLIANCE. Seller and Purchaser shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with Section 6045(e) of the Code, as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions. The parties designate the Title Insurer as the responsible party for reporting this information as required by Law.

(e) SURVIVAL. The provisions of this SECTION 9 shall survive the Closing for a period without expiration.

10. CLOSING DATE DELIVERIES.

(a) SELLER'S DELIVERIES. Seller shall, pursuant to the provisions of this Agreement, deliver or cause to be delivered to Purchaser on the Closing Date the following items:

(i) a bargain and sale deed for the Unit with covenants against grantor's acts and otherwise in accordance with all requirements of the Condominium Declaration and applicable law (the "UNIT DEED"), in the form of EXHIBIT L.

(ii) a bill of sale covering the personal property at the Unit in the form of EXHIBIT M (the "BILL OF SALE");

(iii) at Purchaser's request, an assignment or substitution of Seller's interest or position in the litigation and proceedings, if any, described on SCHEDULE 10(a)(iii);

(iv) a duly executed and sworn Secretary's Certificate certifying that the Board of Directors of Seller has duly adopted resolutions authorizing the within transaction and an executed and acknowledged incumbency certificate certifying to the authority of the officers of such entity to execute the documents to be delivered by such entity on the Closing Date;

(v) Intentionally Omitted;

(vi) a certificate of Good Standing for Seller from the Secretary of State of Delaware and such other corporate documentation of Seller if and to the extent required by the Title Insurer in order to insure fee title to the Unit in the manner required by SECTION 4;

(vii) a "non-foreign person" certification from Seller pursuant to Section 1445 of the Code in the form of EXHIBIT N (the "FIRPTA AFFIDAVIT");

(viii) a resignation by the representatives of Seller (currently Hirotaka Maeda, Hitoshi Yamauchi and Anthony C. O'Malley) from the Board of Managers in the form of EXHIBIT O;

(ix) evidence of payment in full to the Board of Managers of all unpaid Common Charges and Limited Common Charges theretofore assessed against the Unit or otherwise payable by Seller under the Condominium Declaration;

(x) any bonds, warranties or guarantees, and any licenses and permits, that are applicable to the Unit or any part thereof in the possession or control of Seller;

(xi) all tenant files (including computer disks containing any such files to the extent providing the same is permitted under applicable computer software licenses, but excluding any proprietary or confidential information), architectural, mechanical or electrical plans and specifications, interior floor plans, "as built" plans and surveys relating to the Unit and/or any tenant spaces, the construction plans and specifications for any improvements located in the Unit (including the Common Elements related thereto) as well as all changes thereto, in the actual possession of Seller;

(xii) notices to all tenants of the Unit informing them of the sale of the Unit to Purchaser in the form of EXHIBIT P;

(xiii) a certificate, dated as of the Closing Date, stating that the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing Date (except to the extent Seller has identified any such representations and warranties that are not, or are then no longer, true and correct and the state of facts giving rise to the change do not constitute a breach by Seller of its obligations hereunder);

(xiv) all original Leases and all original Contracts with respect to the Unit (other than Contracts terminated pursuant to the terms hereof or not assignable to Purchaser); PROVIDED, HOWEVER, that if an original thereof is not in Seller's possession or under Seller's control, Seller shall deliver a copy thereof to Purchaser certified to be true and complete;

(xv) all information attributable to Seller's period of ownership as is reasonably necessary to enable Purchaser to properly bill tenants in the Unit for their respective "Tenant's Share" of real estate taxes and operating expenses that may thereafter become due and payable under the Leases; PROVIDED THAT if such information is not fully available on the Closing Date, Seller shall furnish the same as soon as thereafter possible, and in any event within forty-five (45) days after the later to occur of (y) the Closing Date or (z) the date upon which Seller obtains such information (which obligation shall survive the Closing);

(xvi) a certified true and correct copy of the rent roll for the Unit and, to Seller's knowledge, for the Limited Common Areas, in the form of SCHEDULE 11(a)(xi), dated as of a date within ten (10) days of the Closing Date, which rent roll shall identify all of the tenants and other occupants (other than subtenants of tenants) of the Unit and the Limited Common Areas and will accurately set forth as of the date thereof, the information contained therein;

(xvii) Subordination, non-disturbance and attornment agreements executed by the tenants in question, sufficient to satisfy Seller's obligations to deliver Approved SNDAs pursuant to SECTION 25(l);

(xviii) an estoppel certificate required pursuant to the Unit One Citibank Lease in the form of EXHIBIT X (the "UNIT ONE CITIBANK ESTOPPEL");

(xix) tenant estoppel certificates, sufficient, together with the estoppel certificate referred to in SECTION 10(a)(xviii), to satisfy Seller's obligations to deliver estoppel certificates, if any, in SECTION 25(k).

(xx) all letters of credit or other non-cash security deposits with respect to the Leases, subject to and in accordance with the provisions of SECTION 6(c);

(xxi) Intentionally Omitted;

(xxii) Intentionally Omitted;

(xxiii) Intentionally Omitted;

(xxiv) any affidavits, certifications, proofs or similar documents addressing matters reasonably requested by the Title Insurer in connection with the Closing or the issuance of title insurance to Purchaser; and

(xxv) such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions that are the subject of this Agreement in accordance with the terms of this Agreement.

(b) PURCHASER'S DELIVERIES. Purchaser shall, pursuant to the provisions of this Agreement, deliver or cause to be delivered to Seller on the Closing Date the following items:

(i) the Purchase Price (as adjusted in accordance with the provisions of this Agreement);

(ii) a duly executed and sworn Certificate by Purchaser's managing member certifying that the members of Purchaser have duly authorized the within transaction and an executed and acknowledged incumbency certificate or its equivalent certifying to the authority of the Persons to execute the documents to be delivered by such entity on the Closing Date;

(iii) a certified copy of a certificate of incorporation or other appropriate formation document of Purchaser;

(iv) a certificate of Good Standing for Purchaser from the Secretary of State or other appropriate official of the State of Purchaser's formation and the State of New York;

(v) a subordination, non-disturbance and attornment agreement among the Board of Managers, Purchaser's Affiliate, as the owner of Citigroup Center Office Unit Two, and Citibank, N.A. in the form of Exhibit P-1 to that certain lease between Purchaser's Affiliate, as the owner of Citigroup Center Office Unit Two and Citibank, N.A. (as tenant) (the "CITIBANK SNDA");

(vi) that certain Unit Owner Consent and Recognition Agreement among Purchaser, Purchaser's Affiliate and Citibank, N.A. in the form of Exhibit P-2 to that certain lease between Purchaser's Affiliate (as owner of Citigroup Center Office Unit Two) and Citibank, N.A. (as tenant);

(vii) the Unit One Citibank Lease Amendment;

(viii) the Limited Common Area License Agreement;

(ix) a certificate, dated as of the Closing Date, stating that the representations and warranties of Purchaser contained in this Agreement are true and correct in all material respects as of the Closing Date;

(x) Approved SNDAs referred to in SECTION 25(l) duly executed by Purchaser and its mortgage lenders or if Purchaser's mortgage lenders fail or refuse to execute such Approved SNDAs, Purchaser shall return to Seller such Approved SNDAs (in which case Purchaser, and not Seller, shall be solely liable for any related issues raised by tenants who had executed Approved SNDAs or any other consequences of the failure to obtain fully executed Approved SNDAs at the Closing); and

(xi) such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions that are the subject of this Agreement in accordance with the terms of this Agreement.

(c) DOCUMENTS JOINTLY EXECUTED BY SELLER AND PURCHASER: Seller and Purchaser shall each execute and deliver the following documents:

(i) the City Transfer Tax and State Transfer Tax returns provided for in SECTION 9(b) (collectively, the "TRANSFER TAX FORMS"), to be delivered to the Title Insurer;

(ii) a Master Assignment and Assumption Agreement in the form of EXHIBIT Y;

(iii) Intentionally Omitted;

(iv) Intentionally Omitted;

(v) Intentionally Omitted;

(vi) an assignment and assumption of the Leases in the form of EXHIBIT R;

(vii) an assignment and assumption of the Construction Contracts in the form of EXHIBIT S;

(viii) an assignment and assumption of all other Contracts that are assignable by their respective terms that have not theretofore been terminated pursuant to the terms of this Agreement in the form of EXHIBIT T;

(ix) the documentation necessary to comply with SECTION 9(d);

(x) Intentionally Omitted;

(xi) the Lighting Easement; and

(xii) such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions that are the subject of this Agreement.

11. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS.

(a) REPRESENTATIONS AND WARRANTIES BY SELLER. Seller hereby represents, warrants and covenants to Purchaser as of the date hereof that:

(i) Seller is a corporation, duly organized, validly existing under the laws of the State of Delaware;

(ii) Seller has the legal right, power and authority to enter into this Agreement and perform all of its obligations hereunder, and the execution and delivery of this Agreement and the performance by Seller of its obligation hereunder, (x) has been duly authorized, and (y) will not conflict with, or result in a breach of, any of the terms, conditions and provisions of its organizational and governance documents or any law, statute, rule or regulation, or order, judgment, writ, injunction or decree of any court or governmental instrumentality, or any contract, agreement or instrument to which it is a party or by which it is bound, or to which it or any portion of its property is subject, and (z) will not require the consent, approval, authority or order of any court or governmental agency that has not been previously obtained in writing or delivered to Purchaser;

(iii) there is no litigation, and there are no governmental or administrative proceedings or arbitrations presently pending or threatened in writing with respect

to the Unit or, to Seller's Knowledge, the Condominium, that if successful could adversely affect the rights or obligations of Seller or Purchaser to the Unit, including its interest in the Common Elements (exclusive of the proceedings, if any, set forth on SCHEDULE 11(a)(iii)). Purchaser shall have no liability under, or any obligation to pursue, such litigation or proceedings, except to the extent required under SECTION 8A;

(iv) Seller has not received written notice of any pending condemnation, eminent domain or similar proceedings with respect to the Unit, except for the proceedings described on SCHEDULE 11(a)(iv), and to Seller's Knowledge, no such proceedings are threatened or contemplated. Seller has received no written notice of any plan, study or effort by any governmental authority or agency that in any way adversely affects or would adversely affect the present use or zoning of the Unit, except as may be set forth in SCHEDULE 11(a)(iv), and to Seller's Knowledge no such plans, study or effort is being contemplated;

(v) there are no unrecorded rights of first offer to purchase, rights of first refusal to purchase, purchase options or similar purchase rights or contractually required consents to transfer pertaining to the Unit which would be breached by this Agreement or the consummation of the transactions provided for herein;

(vi) the fixtures, furniture, furnishings, equipment, machinery and other personal property attached to, appurtenant to or located in the Unit (other than personal property owned or leased by tenants or the property manager of the Unit) have been fully paid for and are owned by Seller free and clear of all liens and encumbrances;

(vii) there are no direct employees of Seller working at the Unit (including security personnel) whose employment will be required to be transferred to Purchaser as a result of the transactions contemplated by this Agreement;

(viii) to Seller's Knowledge, all monetary obligations with respect to the installation of any utilities servicing the Unit, including all connection, hook-up and tap fees, have been satisfied. Seller has received no written notice of any default with respect to any of its obligations concerning such utilities. Seller has not received notice, and to Seller's Knowledge there are no threats, of any curtailment of utility services to the Unit or any part thereof;

(ix) a true and complete list of the Protest Proceedings, if any, and the law firms or consultants representing Seller with respect thereto, and descriptions of the fee arrangements with such law firms and consultants are set forth in SCHEDULE 11(a)(ix). Seller has not received any notice of any increase in the assessed valuation of the Unit (as it pertains to real, personal or other taxes payable with respect to the Unit) or the real estate or personal property taxes payable in respect thereof. There are no special assessments outstanding with regard to the Unit;

(x) SCHEDULE 11(a)(x)(1) contains a true and complete description of the Existing Leases and SCHEDULE 11(a)(x)(2) contains a true and complete description of the Contracts. Seller has delivered, or otherwise made available, to Purchaser true and complete copies of all documents comprising the Existing Leases and the Contracts and all other reports, information and correspondence relating to the Unit in the possession of Seller and/or any property manager retained by Seller for the management of the Unit, including books and records, tenant files, budgets and third-party reports. Prior to the Closing Date, Seller shall use reasonable efforts to deliver, or to make available to Purchaser, copies of documents in its files or in the files of any property manager retained by Seller for the management of the Unit, reports, information and correspondence related to the operation of the Condominium. Seller acknowledges and agrees that Purchaser shall have the right to cause Seller to terminate, effective as of the Closing Date, any Contracts designated by Purchaser in a written notice given to Seller not less than forty (40) days prior to the Closing PROVIDED THAT such Contracts may, by their terms, be terminated on thirty (30) days' notice or less. Purchaser acknowledges that certain of the Contracts described in SCHEDULE 11(a)(x)(2) are not by their terms assignable, or will automatically terminate upon the effectuation of the transactions described herein and in the Unit Two Contract Assignment and Assumption Agreement;

(xi) the rent roll attached hereto as SCHEDULE 11(a)(xi) is true and complete in all material respects as of the date hereof. To Seller's Knowledge, there exists no uncured material default under any Lease on the part of any tenant except for past due rents specified on SCHEDULE 11(a)(xi). All security or other deposits paid prior to the date hereof with respect to the Leases are accurately specified on SCHEDULE 11(a)(xi). Except as disclosed on SCHEDULE 11(a)(xi), Seller has not received any written notice in which any tenant has asserted any defense, setoff or counterclaim with respect to its tenancy or its obligations under its Lease;

(xii) there are no Leasing Commissions or Tenant Allowances now or hereafter payable by the landlord of the Unit with respect to the current or any renewal term of, or the exercise of expansion rights by tenants under, or upon the failure by any tenant to exercise any option to cancel, any of the Leases other than those set forth on SCHEDULES 6(f)(i) and 6(f)(ii). There are no written promises, understandings or commitments in effect with respect to the leasing, occupancy or ownership of the Unit other than those contained in the Leases and written agreements with respect to the Leasing Commissions;

(xiii) Seller has not received any written notice with respect to a default by Seller under any of the Existing Leases, the Contracts or the Condominium Declaration except as disclosed in SCHEDULE 11(a)(xi) or SCHEDULE 11(a)(iii), and, to Seller's Knowledge, Seller is not in default under any of the foregoing;

(xiv) none of the Leases or rents thereunder has been, or at the time of Closing will have been, assigned, pledged, hypothecated or otherwise encumbered

by Seller. Except as set forth on SCHEDULE 11(a)(xiv), no rent has been, or at the time of Closing will have been, prepaid under any of the Leases;

(xv) SCHEDULE 11(a)(xv) contains a list of all insurance policies (other than title insurance policies) currently maintained by Seller with respect to the Unit;

(xvi) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986;

(xvii) this Agreement constitutes, and when duly executed and delivered by Seller, any and all documents, instruments and agreements contemplated hereunder to be executed and delivered by Seller will constitute, the valid and binding obligations of Seller, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy laws and other laws or equitable principles affecting the rights of contracting parties generally;

(xviii) to Seller's Knowledge, Seller has not received any written notice with which it has not complied, from any governmental entity or agency having jurisdiction over the Unit to the effect that the improvements comprising the Unit or the present use of the Unit fail to comply, in any material respect, with any applicable legal requirements with regard to the use and occupancy thereof (including zoning and building laws and ordinances, environmental protection laws and other similar rules, regulations and orders of any governmental entity or agency having jurisdiction over the Unit) or with any requirements with respect to any building, occupancy or other permit, license or approval of any such governmental entity or agency with respect to the Unit except as set forth in SCHEDULE 11(a)(xviii)(1). To Seller's Knowledge, SCHEDULE 11(a)(xviii)(2) contains a complete list of all zoning, use or similar agreements between Seller and any governmental or quasi-governmental entities or agencies that affect the Unit or the Common Elements or any portion of either of them;

(xix) to Seller's Knowledge, all licenses, permits and approvals, if any, necessary in connection with the use or occupancy of the Unit (other than licenses, permits and approvals for which tenants or the Board of Managers are responsible) have been, and at the time of Closing will have been, obtained and are, and will then be, in full force and effect;

(xx) no unused transferable development rights appurtenant to the Unit have been assigned or transferred to any other Person by Seller; and

(xxi) Seller does not have any ownership interest in any building systems or equipment located in the Common Elements other than such interests as may have been created pursuant to the Master License Agreement or the Systems Agreement.

(b) REPRESENTATIONS AND WARRANTIES BY PURCHASER. Purchaser hereby represents, warrants and covenants to Seller as of the date hereof that:

(i) Each of Purchaser and Purchaser's Affiliate is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Neither Citibank, N.A. nor any of its affiliates has any ownership or equity interest in Purchaser or Purchaser's Affiliate (other than as may result from a foreclosure or assignment in lieu of foreclosure following a default under any mezzanine financing provided by Citibank, N.A. structured as a loan). Allied Partners Inc. and/or members of the Hadar family (or trusts for the benefit of such family members) are now and at Closing (or following the closing of the property for which the Unit and Unit Two are being exchanged) will be affiliates of, and/or members of, entities that have a direct or indirect interest in Purchaser and Purchaser's Affiliate;

(ii) Purchaser has the legal right, power and authority to enter into this Agreement and perform all of its obligations hereunder, and the execution and delivery of this Agreement and the performance by Purchaser of its obligations hereunder, (x) has been duly authorized, and (y) will not conflict with, or result in a breach of, any of the terms, conditions and provisions of its organizational and governance documents or any law, statute, rule or regulation, or order, judgment, writ, injunction or decree of any court or governmental instrumentality, or any contract, agreement or instrument to which it is a party or by which it is bound, or to which it or any portion of its property is subject, and (z) will not require the consent, approval, authority or order of any court or governmental agency that has not been previously obtained in writing or delivered to Seller;

(iii) this Agreement constitutes, and when duly executed and delivered by Purchaser, any and all documents, instruments and agreements contemplated hereunder to be executed and delivered by Purchaser will constitute, the valid and binding obligations of Purchaser, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy laws and other laws or equitable principles affecting the rights of contracting parties generally; and

(iv) Purchaser is not aware, after due investigation, of any fact or condition (or absence of any fact or condition) that would make any representation or warranty made by Seller herein untrue, inaccurate or incomplete in any material respect.

(c) REPRESENTATIONS NOT CONDITIONS TO CLOSING. The representations and warranties set forth in this SECTION 11 and all other representations and warranties contained in this Agreement shall be true and correct in all material respects as of the Closing Date (except to the extent any such representations and warranties expressly relate to an earlier date and with such changes as are permitted under, or result by reason of the effect of, this Agreement); it being agreed, however, that if any of such representations and warranties shall not be true and correct in all material respects as of the Closing Date, same shall not (except to the extent otherwise provided herein) be conditions precedent to closing the transactions contemplated herein (and the parties shall continue to be absolutely and unconditionally obligated to consummate the transactions contemplated under this Agreement), but the non-breaching party's

sole rights and remedies with respect to such breach shall be as set forth in the succeeding subsection. If Purchaser determines that any representation or warranty made by Seller is inaccurate, misleading or incomplete in any respect or could otherwise provide the basis for a Breach Claim, Purchaser shall inform the Seller of the same within ten (10) days of making such determination, or the related Breach Claim shall be deemed waived.

(d) DAMAGES FOR BREACH OF REPRESENTATIONS. In the event of a material breach with respect to any representation or warranty made by Seller or Purchaser under this Agreement, the non-breaching party shall be entitled to pursue a claim with respect to such breach if and only if (i) the non-breaching party treats such claim as a Breach Claim, files and serves upon the breaching party a statement of claim in arbitration setting forth with particularity the details of such claim, the damages alleged and detailed information supporting the same prior to the expiration of the applicable Survival Period for the representation in question, (ii) the non-breaching party diligently pursues Expedited Arbitration in respect of such Breach Claim until resolution of such Breach Claim, and (iii) the liability and losses arising out of such Breach Claim, when aggregated with all other breaches, if any, of representations and warranties by the same party under this Agreement, and in the case of Seller, pursuant to Seller's Certificate, shall exceed $2,000,000. Notwithstanding the foregoing, if the rent roll attached hereto as part of SCHEDULE 11(a)(xi) overstates the rent actually due under one or more leases, Seller shall be liable to Purchaser for the net present value (assuming a discount rate of 7.1%) of the difference by which the rent roll overstates such rental amounts, PROVIDED THAT in the aggregate such overstatements (after giving credit for all understatements of the rent actually due under one or more leases) have a net present value equal to or in excess of $200,000; PROVIDED FURTHER THAT Purchaser gives written notice of any such overstatement, which notice must contain a reasonably detailed description of the facts giving rise to the assertion of an overstatement prior to the date that is the first anniversary of the Closing Date. "SURVIVAL PERIOD" shall mean: with respect to the representations and warranties in SECTIONS 11(a)(i), (ii), (xvi) and (xvii) and 11(b)(i), (ii), (iii) and (iv) a period without expiration, and with respect to all other representations and warranties, a period of one (1) year commencing on the Closing Date. The provisions of this SECTION 11(d) shall survive the Closing.

(e) NET WORTH. During the period commencing on the Closing Date and ending on the day preceding the first anniversary of the Closing Date, Seller shall maintain a net worth of not less than $30,000,000 in cash or other liquid assets (the "INITIAL MINIMUM NET WORTH"). If prior to the expiration of the Survival Period for any representation made by Seller herein, Purchaser asserts a Breach Claim against Seller with respect to such representation and the liability and losses with respect thereto, when aggregated with other Breach Claims against Seller with respect to this Agreement and all Seller's Certificates are alleged to exceed $2,000,000, Seller shall, if such Breach Claim remains unsettled as of the expiration of the applicable Survival Period, maintain a net worth comprised of cash or other liquid assets (the "MINIMUM NET WORTH") in an amount equal to the lesser of (i) $30,000,000 or (ii) 125% of the aggregate amount of the alleged Breach Claims then pending, but not less than $1,000,000. Seller shall retain the Minimum Net Worth for a period (the "NET WORTH RETENTION PERIOD") until, with respect to any such Breach Claim, the resolution of such Breach Claim either by (y) agreement of Seller and Purchaser or (z) the decision by the arbitrators with respect to the Breach Claim before them, AND if Seller shall be determined by the arbitrators to be liable for the Breach Claim in question, until the payment to Purchaser of the damages awarded by the arbitrators

(which shall include all reasonable attorneys' fees, costs and expenses of Purchaser related solely to such Breach Claim). The provisions of this SECTION 11(e) shall survive the Closing for a period without expiration.

(f) LIMITATIONS ON CLAIMS. Purchaser shall not be entitled to assert any claim in respect of a representation set forth in this Contract or any Seller's Certificate if Purchaser knew or should have known (had it conducted its due diligence prudently and in a reasonable manner), on or before the date the representation in question is made, any fact or condition that would have made such representation untrue, inaccurate or incomplete in any material respect. The provisions of this SUBSECTION 11(f) shall survive the Closing for a period without expiration.

(g) ACKNOWLEDGMENTS OF PURCHASER. Purchaser acknowledges and agrees for the benefit of Seller that:

(i) EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT OR IN ANY AGREEMENT OR INSTRUMENT EXECUTED AND DELIVERED BY SELLER TO PURCHASER CONTEMPORANEOUSLY HEREWITH, INCLUDING BUT NOT LIMITED TO REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 11 OF THIS AGREEMENT AND THE LIMITED WARRANTY OF TITLE EXPRESSLY SET FORTH IN THE UNIT DEED (HEREINAFTER COLLECTIVELY REFERRED TO IN THIS SECTION 11(G) AS THE "SURVIVING REPRESENTATIONS"), SELLER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE UNIT, AND PURCHASER AGREES TO ACCEPT THE UNIT "AS IS, WHERE IS, WITH ALL FAULTS". WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE OR ANY OTHER DISCLAIMER SET FORTH HEREIN, SELLER AND PURCHASER HEREBY AGREE THAT, EXCEPT FOR THE SURVIVING REPRESENTATIONS, SELLER HAS NOT MADE AND IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AS TO (A) THE NATURE OR CONDITION, PHYSICAL OR OTHERWISE, OF THE UNIT OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF HABITABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, OR THE ABSENCE OF REDHIBITORY OR LATENT VICES OR DEFECTS IN THE UNIT, (B) THE NATURE OR QUALITY OF CONSTRUCTION, STRUCTURAL DESIGN OR ENGINEERING OF THE IMPROVEMENTS OR THE STATE OF REPAIR OR LACK OR REPAIR OF ANY OF THE IMPROVEMENTS, (C) THE QUALITY OF THE LABOR OR MATERIALS INCLUDED IN THE IMPROVEMENTS, (D) THE SOIL CONDITIONS, DRAINAGE CONDITIONS, TOPOGRAPHICAL FEATURES, ACCESS TO PUBLIC RIGHTS-OF-WAY, AVAILABILITY OF UTILITIES OR OTHER CONDITIONS OR

CIRCUMSTANCES WHICH AFFECT OR MAY AFFECT THE UNIT OR ANY USE TO WHICH THE UNIT MAY BE PUT, (E) ANY CONDITIONS AT OR WHICH AFFECT OR MAY AFFECT THE UNIT WITH RESPECT TO ANY PARTICULAR PURPOSE, USE, DEVELOPMENT POTENTIAL OR OTHERWISE, (F) THE AREA, SIZE, SHAPE, CONFIGURATION, LOCATION, CAPACITY, QUANTITY, QUALITY, CASH FLOW, EXPENSES OR VALUE OF THE UNIT OR ANY PART THEREOF, (G) THE NATURE OR EXTENT OF TITLE TO THE UNIT, OR ANY EASEMENT, SERVITUDE, RIGHT-OF-WAY, POSSESSION, LIEN, ENCUMBRANCE, LICENSE, RESERVATION, CONDITION OR OTHERWISE THAT MAY AFFECT TITLE TO THE UNIT, (H) ANY ENVIRONMENTAL, GEOLOGICAL, STRUCTURAL, OR OTHER CONDITION OR HAZARD OR THE ABSENCE THEREOF HERETOFORE, NOW OR HEREAFTER AFFECTING IN ANY MANNER THE UNIT, INCLUDING BUT NOT LIMITED TO, THE PRESENCE OR ABSENCE OF ASBESTOS OR ANY ENVIRONMENTALLY HAZARDOUS SUBSTANCE ON, IN, UNDER OR ADJACENT TO THE UNIT, (I) THE COMPLIANCE OF THE UNIT OR THE OPERATION OR USE OF THE UNIT WITH ANY APPLICABLE RESTRICTIVE COVENANTS, OR WITH ANY LAWS, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL BODY (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, ANY ZONING LAWS OR REGULATIONS, ANY BUILDING CODES, ANY ENVIRONMENTAL LAWS, AND THE AMERICANS WITH DISABILITIES ACT OF 1990, 42 U.S.C. SECTION 12101 ET SEQ.). THE PROVISIONS OF THIS SECTION 11(G) SHALL BE BINDING ON PURCHASER AND SHALL SURVIVE THE CLOSING.

(ii) PURCHASER HAS BEEN GIVEN THE OPPORTUNITY TO INSPECT THE UNIT, AND THE EXISTING LEASES, THE CONTRACTS AND OTHER MATERIALS (INCLUDING TITLE MATERIALS AND FINANCIAL REPORTS) RELATING TO THE UNIT THAT PURCHASER DEEMED NECESSARY TO INSPECT AND REVIEW IN CONNECTION WITH THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, AND PURCHASER HAS RETAINED SUCH ENVIRONMENTAL CONSULTANTS, STRUCTURAL ENGINEERS AND OTHER EXPERTS AS IT DEEMED NECESSARY TO INSPECT THE UNIT AND REVIEW SUCH MATERIALS. PURCHASER IS RELYING ON ITS OWN INVESTIGATION AND THE ADVICE OF ITS EXPERTS REGARDING THE UNIT, AND UPON ITS REVIEW OF EXISTING LEASES, CONTRACTS, AND OTHER MATERIALS, AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF SELLER (OTHER THAN THE SURVIVING REPRESENTATIONS). PURCHASER ACKNOWLEDGES THAT SELLER MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION, REPORTS OR OTHER MATERIALS DELIVERED TO PURCHASER EXCEPT AS

MAY BE EXPRESSLY SET FORTH IN THE SURVIVING REPRESENTATIONS.

12. CONDITIONS PRECEDENT TO CLOSING.

(a) The obligation of Purchaser to consummate the transactions hereunder shall be contingent upon (i) Seller's delivery of the documents and instruments required to be delivered by Seller pursuant to SECTIONS 10(a) and 10(c), (ii) the simultaneous closing of the transactions described in the Unit Two Contract Assignment and Assumption Agreement, PROVIDED THAT if Seller or Citibank, N.A. elects to postpone the closing of the transactions described in the Unit Two Contract Assignment and Assumption Agreement beyond July 9, 2001, then Purchaser shall, within ten (10) business days of receipt of notice of such election, have the right to terminate this Agreement and receive a return of the Deposit and PROVIDED FURTHER THAT the failure of Purchaser's Affiliate to perform with respect to the transactions contemplated in the Unit Two Assignment and Assumption Agreement shall not excuse Purchaser's performance hereunder or otherwise form the basis of any claim by Purchaser that there is a failure of a condition precedent to the Closing of the transactions contemplated in this Agreement (unless the failure of Purchaser's Affiliate is directly and solely caused by (y) the default of either Seller, as assignor pursuant to the terms of the Unit Two Contract Assignment and Assumption Agreement, or (z) the default by seller under the Unit Two Contract pursuant to the terms of the Unit Two Contract or its failure to convey title as set forth in such contract), and (iii) Seller not being the subject of any pending voluntary or involuntary reorganization, liquidation, receivership or other insolvency proceedings under any federal, state, foreign or local bankruptcy, insolvency, liquidation, reorganization or similar type laws.

(b) The obligation of Seller to consummate the transactions hereunder shall be contingent upon (i) Purchaser's delivery of the Purchase Price and the documents and instruments required to be delivered by Purchaser pursuant to SECTIONS 10(b) and 10(c), (ii) the simultaneous closing of the transactions under the Unit Two Contract Assignment and Assumption Agreement (including the assignment of the Unit Two Contract to Purchaser's Affiliate; PROVIDED THAT the failure of Purchaser's Affiliate to close such transaction shall not excuse Purchaser's performance hereunder and shall not form the basis of any claim or assertion by Purchaser of a failure of a condition precedent to Closing, unless the failure of Purchaser's Affiliate is directly and solely caused by (y) the default of either Seller, as assignor pursuant to the terms of the Unit Two Contract Assignment and Assumption Agreement, or (z) the default by seller under the Unit Two Contract pursuant to the terms of the Unit Two Contract or its failure to convey title as set forth in such contract, and (iii) Purchaser not being the subject of any pending voluntary or involuntary reorganization, liquidation, receivership or other insolvency proceedings under any federal, state, foreign or local bankruptcy, insolvency, liquidation, reorganization or similar type laws.

(c) Each of Seller and Purchaser expressly acknowledges and agrees that, subject to satisfaction of the conditions set forth in SUBSECTIONS 12(a) and 12(b), and subject to the provisions of SECTIONS 16, 17 and 18, (i) it is absolutely and unconditionally obligated to fulfill its respective obligation to convey and acquire the Unit in the manner contemplated by this Agreement, (ii) it is absolutely and unconditionally obligated to otherwise close the transactions in the time and manner contemplated by this Agreement and (iii) this Agreement is not subject to

any conditions or contingencies. Without limiting the generality of the foregoing and notwithstanding any mention of Purchaser's lender or lenders in this Agreement, Purchaser's obligations hereunder shall not under any circumstances be contingent on Purchaser obtaining financing or any lender or investor funding all or any portion of the Purchase Price or other sums, whether due hereunder or otherwise.

13. CLOSING DATE.

(a) The Closing Date shall be a date mutually satisfactory to the parties but not later than March 14, 2001, TIME BEING OF THE ESSENCE in any and all circumstances. Without limitation of the immediately preceding sentence, the Closing Date may be postponed (i) by Purchaser by written notice made to Seller on or before February 21, 2001, to March 20, 2001, TIME BEING OF THE ESSENCE, unless Purchaser exercises its further extension rights as set forth in SECTION 13(b), in which case, the Closing Date may be postponed in accordance with SECTION 13(b), (ii) by Seller if the closing under the Unit Two Contract is postponed pursuant to Section 16(b) of such Contract or otherwise (subject to the limitations set forth in SECTION 12(a)(ii)), or (iii) by Seller, if in the exercise of Seller's reasonable judgment, it determines that it will be unable to satisfy the Mandatory Estoppel Condition by the Closing Date, to a date not later than April 30, 2001 (the "OUTSIDE CLOSING DATE"); PROVIDED, HOWEVER, that if the Closing Date had theretofore been adjourned by Seller pursuant to this CLAUSE (iii), Seller shall have the right on not less than fifteen (15) business days prior written notice to accelerate the Outside Closing Date to a date specified in such notice that is not earlier than March 20, 2001 (or to such later date to which Purchaser may have theretofore postponed the Closing Date). Under no circumstances shall Seller be obligated to postpone the Closing Date if Seller determines that it is or may be unable to satisfy the Mandatory Estoppel Condition on or before the Closing Date.

(b) If Purchaser exercised its right to postpone the Closing Date pursuant to SECTION 13(a)(i), Purchaser may, by written notice made not later than February 27, 2001 and the indefeasible payment to Seller of an extension fee of $100,000, postpone the Closing Date to March 27, 2001, TIME BEING OF THE ESSENCE, except as expressly set forth below. If Purchaser properly exercised its right to postpone the Closing Date in accordance with the immediately preceding sentence, Purchaser may, by written notice made not later than March 6, 2001 and the indefeasible payment to Seller of an additional extension fee of $250,000, postpone the Closing Date to April 25, 2001, TIME BEING OF THE ESSENCE. Seller shall be entitled to retain the aforementioned extension fees whether or not the Closing actually occurs, the parties agreeing that such fees represent fair and adequate consideration paid for Seller's Agreement to permit Purchaser to postpone the Closing.

(c) The Closing of the transactions contemplated hereby shall take place at 10:00 A.M. on the Closing Date, at (i) Seller's option, either at the offices of O'Melveny & Myers LLP, 153 East 53rd Street, New York, New York 10022, of the offices of Paul, Hastings, Janofsky & Walker LLP, 75 East 55th Street, New York, New York 10022 or (ii) if required by Purchaser's lender, if any, at the offices of such Purchaser's lender or such lender's counsel in Midtown Manhattan.

14. VIOLATIONS.

(a) Except as provided in SECTION 14(b), all notices of violations of laws or governmental ordinances, rules, regulations, orders or requirements (collectively, "LAWS") issued by any governmental authority having jurisdiction over the Unit and that relate to the period of time prior to the Closing Date shall be the responsibility of Seller irrespective of whether or not notices of such violations are issued or noted prior to the Closing Date and irrespective of whether or not actually received by Seller prior to the Closing Date. Any such notices of violations that are actually received by Seller prior to the Closing Date shall be removed or complied with by Seller on or before the Closing Date. Notwithstanding the foregoing provisions of this SECTION 14(a) to the contrary, if such removal or compliance has not been completed on or before the Closing Date, Seller may elect to either (i) deliver an undertaking to Purchaser at Closing to diligently cause such violations to be removed post-Closing or (ii) pay to Purchaser at the Closing (or credit Purchaser at Closing as an adjustment to the Purchase Price payable to Seller pursuant to SECTION 3 of this Agreement) an amount sufficient, in the reasonable judgment of Seller and Purchaser, to pay for the performance of the work and provision of the materials necessary to effect or complete such removal or compliance, and upon Seller making such payment or giving such credit, Purchaser shall be required to accept title to the Unit subject to such notices of violations and (except for notices of violations of Laws that are issued by any governmental authority having jurisdiction over the Unit and that relate to the period of time prior to the Closing Date but are not actually received by Seller prior to the Closing Date) Seller shall have no further obligation to remove or comply with such notices of violations. Purchaser shall deliver to Seller copies of any notices of violations of Laws that are issued by any governmental authority having jurisdiction over the Unit that are received by Purchaser after the Closing Date but that relate to the period of time prior to the Closing Date and Seller shall, subject to the provisions of this SECTION 14, diligently cause such notices to be removed or complied with.

(b) Notwithstanding anything in this SECTION 14 to the contrary, Seller shall not be obligated to remove or comply with any notices of violations to the extent such notices relate to any of the following violations:

(i) Any violation that is the obligation of any tenant or other occupant under a Lease in effect at the Closing to remedy, it being understood that, until the Closing Date, Seller shall use commercially reasonable good faith efforts to cause such tenant or other occupant to remedy the same; and

(ii) Any violations relating to the sidewalks abutting Citigroup Center or relating to the Common Elements (except to the extent that such violations relate to matters within the reasonable control of Seller PROVIDED THAT Purchaser cooperates with Seller in connection therewith to the extent reasonably requested by Seller), it being understood that, until the Closing Date, Seller shall use its commercially reasonable good faith efforts to cause the Board of Managers to remedy or commence to remedy the same.

Purchaser shall accept title to the Unit subject to all violations not required to be removed pursuant to this SECTION 14.

(c) The provisions of this SECTION 14 shall survive the Closing for a period of two (2) years.

15. NOTICES.

All notices, demands, requests, approvals or other communications ("NOTICES") required to be given or that may be given hereunder shall be in writing and shall be given by personal delivery with receipt acknowledged or by United States registered or certified mail, return receipt requested, postage prepaid or by FedEx or other reputable national overnight courier service, and shall be deemed given when received or refused at the following addresses:

If to Seller:

Dai-Ichi Life Investment Properties, Inc.
399 Park Avenue, 24th Floor
New York, New York 10022
Attention: Mr. Hitoshi Yamauchi
Senior Vice President

With copies to:

O'Melveny & Myers LLP
One Citigroup Center
153 East 53rd Street
New York, New York 10022
Attention: Jacqueline A. Weiss, Esq.

and

LaSalle Investment Management, Inc.
399 Park Avenue, 24th Floor
New York, New York 10022
Attention: Ms. Kim G. Leshman

If to Purchaser:

Skyline Holdings LLC
c/o Allied Partners Incorporated
770 Lexington Avenue
New York, New York 10021
Attention: Mr. Eric D. Hadar

With copies to:

Olshan Grundman Frome Rosenzweig & Wolosky LLP
505 Park Avenue
New York, New York 10022
Attention: Eric L. Goldberg, Esq.

Each party may designate a change of address (or additional or substitute parties for notice) by notice to the other party, given at least fifteen (15) days before such change of address is to become effective.

16. CASUALTY.

(a) If during the Interim Period there shall occur a fire or other casualty resulting in the damage or destruction of fifty percent (50%) or more of the floor space of Citigroup Center (a "MAJOR CASUALTY"), either party shall have the right, exercisable by giving written notice to the other within ten (10) days after receiving written notice of such fire or other casualty, to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder except such obligations which expressly survive the termination of this Agreement. If either party elects to terminate this Agreement, all agreements with respect to the Unit Two Assignment and Assumption Agreement shall automatically be terminated. If, between the date hereof and the Closing, there shall occur a fire or other casualty affecting all or any part of the Unit or any other portion of Citigroup Center other than a Major Casualty, neither Seller nor Purchaser shall have the right to terminate this Agreement, and in such event, or in the event of a Major Casualty as to which neither party shall have exercised the termination option contained in the first sentence of this SECTION 16(a), then (i) the parties shall proceed to the Closing without reduction of or offset against any amounts payable hereunder or any other claim against the other, (ii) at the Closing, Seller shall (y) pay over to Purchaser the proceeds of any insurance collected by Seller less the amount of all costs incurred by Seller in connection with the repair of such damage or destruction, all of which costs incurred by Seller shall be a Purchaser Consent Action and (z) assign and transfer to Purchaser, subject to the terms of the Condominium Declaration, all right, title and interest of Seller in and to any uncollected insurance proceeds that Seller may be entitled to receive from such damage or destruction, and (iii) the parties hereto shall cooperate in all reasonable respects in order to effectuate such intent. The provisions of this SECTION 16 shall survive the Closing for a period without expiration.

(b) The parties hereto expressly intend that the provisions of this SECTION 16 and not Section 5-1311 of the New York General Obligations Law shall govern in the event of a fire or other casualty.

17. CONDEMNATION.

(a) If, between the date hereof and the Closing, fifty percent (50%) or more (measured by square footage) of the floor space of Citigroup Center shall be subject to a permanent taking or appropriation for public or quasi-public use under the power of eminent domain or a condemnation proceeding (a "MAJOR CONDEMNATION"), each of Purchaser and Seller shall have the right, exercisable by giving written notice to the other within ten (10) days after receiving written notice of such taking or appropriation, to terminate this Agreement, in

which case neither party shall have any further rights or obligations hereunder except such obligations which expressly survive the termination of this Agreement. If, between the date hereof and the Closing, any condemnation or eminent domain proceedings are initiated which would result in the taking of all or any portion of the Unit, or any other portion of Citigroup Center other than a Major Condemnation, neither Seller nor Purchaser shall have the right to terminate this Agreement. In such event, or in the event of a Major Condemnation as to which neither party shall exercise the termination option contained in the first sentence of this subsection, then (i) the parties shall proceed to the Closing without reduction of or offset against any amounts payable hereunder or any other claim against the other, (ii) at the Closing, Seller shall assign and turn over, and Purchaser shall be entitled to receive and keep any condemnation proceeds in respect thereof, subject to the terms of the Condominium Declaration, and (iii) the parties hereto shall cooperate in all reasonable respects in order to effectuate such intent. The provisions of this SECTION 17 shall survive the Closing for a period without expiration.

(b) The parties hereto expressly intend that the provisions of this SECTION 17 and not Section 5-1311 of the New York State General Obligations Law, shall govern in the event of a taking.

18. REMEDIES.

(a) If on or prior to the Closing Date, (i) Purchaser is in default of any of its material obligations hereunder, or (ii) the Closing otherwise fails to occur by reason of Purchaser's failure or refusal to perform its obligations hereunder in a prompt and timely manner or Purchaser's Affiliate's failure or refusal to perform its obligations under the Unit Two Assignment and Assumption Agreement in a prompt and timely manner, then Seller may elect to either (y) terminate this Agreement by written notice to Purchaser, or (z) proceed to close the transactions contemplated herein. If this Agreement is so terminated, then Seller shall be entitled to the Deposit and may request that Escrow Agent deliver the Deposit to Seller pursuant to the terms of SECTION 24, whether held as cash or as a Letter of Credit, as liquidated damages, and thereafter neither party to this Agreement shall have any further rights or obligations hereunder other than any arising under any Section herein that expressly provides that it survives the termination of this Agreement.

(b) If at the Closing, (i) Seller is in default of any of its material obligations hereunder, or (ii) the Closing otherwise fails to occur by reason of Seller's failure or refusal to perform its obligations hereunder in a prompt and timely manner, then Purchaser may elect, as its sole and exclusive remedy, to (x) terminate this Agreement by written notice to Seller, promptly after which the Deposit shall be returned to Purchaser, (y) waive the condition or event in question and proceed to close the transactions contemplated herein, or (z) seek specific performance of the condition of event in question. As a condition precedent to Purchaser exercising any right it may have to bring an action for specific performance hereunder, Purchaser must commence such an action within thirty (30) days after the occurrence of Seller's default. Purchaser agrees that its failure to timely commence such an action for specific performance within such thirty (30) day period shall be deemed a waiver by it of its right to commence an action for specific performance as well as a waiver by it of any right it may have to file or record a notice of lis pendens or notice of pendancy of action or similar notice against any portion of the Unit.

(c) Nothing in this SECTION 18 shall be deemed to limit the rights and remedies of the parties set forth in SECTION 11(d) for the breach of a representation or warranty, subject to the provisions of SECTION 11(f).

19. INDEMNITIES.

(a) SELLER'S INDEMNITY. Seller hereby agrees to indemnify Purchaser and the other Purchaser Indemnified Parties against, and to hold Purchaser and the other Purchaser Indemnified Parties harmless from, all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and disbursements) asserted against or incurred by Purchaser or any of the other Purchaser Indemnified Parties in connection with or arising out of (i) acts or omissions of Seller or Seller's Representatives, or other matters or occurrences that take place before the Closing and relate to the ownership, maintenance or operation of the Unit that could not be discoverable by a prospective purchaser in the prudent conduct of due diligence in connection with a transaction such as the one contemplated hereby (except to the extent caused by Purchaser's veto of any matter that is submitted to Purchaser as a Purchaser Consent Action) including all losses, costs, damages and expenses incurred by Purchaser and the other Purchaser Indemnified Parties arising from audits performed by current or former tenants of the Unit relating to escalations and pass-throughs charged by Seller prior to the Closing, (ii) a breach of any material representation, warranty or covenant of Seller contained in this Agreement or (iii) the breach of any material representation, warranty or covenant of Seller, as purchaser, contained in the Unit Two Contract. Seller's obligations under this SECTION 19(a) shall survive the Closing for a period of one (1) year. Notwithstanding the foregoing, if a Breach Claim related to a representation made by Seller under this Agreement had been commenced prior to the expiration of the such one (1) year period and is still pending on such date, Seller's obligations with respect solely to the representation underlying the Breach Claim shall survive the Closing until the expiration of the Net Worth Retention Period applicable to such Breach Claim.

(b) PURCHASER'S INDEMNITY. Purchaser hereby agrees to indemnify Seller and the other Seller Indemnified Parties against, and to hold Seller and the other Seller Indemnified Parties harmless from, all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and disbursements) asserted against or incurred by Seller or any of the other Seller Indemnified Parties in connection with or arising out of (i) acts or omissions of Purchaser or Purchaser's Representatives, or other matters or occurrences that take place after the Closing and relate to the ownership, maintenance or operation of the Unit, or (ii) a breach of any material representation, warranty or covenant of Purchaser contained in this Agreement. Purchaser's obligations under this SECTION 19(b) shall survive the Closing for a period of one (1) year. Notwithstanding the foregoing, if a Breach Claim related to a representation made by Seller is still pending upon the expiration of such one (1) year period, Purchaser's obligations with respect to its representation in SECTION 11(b)(iv) (or any similar representation in any other document) as the same relates to the Breach Claim shall survive the Closing until the expiration of the Net Worth Retention Period applicable to the Breach Claim in question.

(c) NOTICE OF CLAIMS TO BE INDEMNIFIED. Whenever in this Agreement it is provided that any party shall indemnify and hold harmless the other party, then, as a condition to

such indemnity the terms of this SECTION 19(c) shall apply. The party indemnified shall promptly give written notice to the indemnitor of any claim or demand made upon it is or may be indemnified against. The indemnitor shall have the right to defend against such claim or demand by counsel selected by indemnitor's liability insurer or such other counsel selected by indemnitors, in any case, and reasonably satisfactory to the indemnified party. The indemnified party shall reasonably cooperate with indemnitor, at indemnitor's expense. The indemnified party shall not settle or approve the settlement of any claim without the approval of the indemnitor, which approval shall not be unreasonably withheld or delayed. Any separate counsel retained by the indemnified party shall be at its own expense.

20. ASSIGNMENT AND RECORDING.

(a) Except as set forth in the next succeeding sentence, neither this Agreement nor any of the rights or obligations hereunder may be assigned without the prior written consent of the other party hereto, which consent may be withheld in either party's sole discretion. Notwithstanding the foregoing, Seller shall have the right, at any time after the Closing Date, to assign its obligations under this Agreement to any United States Person that is a direct or indirect affiliate of Seller PROVIDED such Person agrees to (i) assume all of Seller's obligations hereunder, (ii) designate a registered agent in New York to receive service of process, and (iii) maintain the requisite Minimum Net Worth for the requisite time period.

(b) Neither this Agreement nor any memorandum of this Agreement may be recorded without the prior written consent of the parties hereto, which may be withheld in either party's sole discretion.

21. PROPERTY INFORMATION AND CONFIDENTIALITY.

(a) Each of Seller and Purchaser (for purposes of this SECTION 21, each a "CONFIDENTIAL PARTY") agrees that, prior to the Closing, all Property Information shall be kept strictly confidential and shall not, without the prior consent of the other, be disclosed by such Confidential Party or such Confidential Party's Representatives, in any manner whatsoever, in whole or in part, and will not be used by such Confidential Party or such Confidential Party's Representatives, directly or indirectly, for any purpose other than evaluating and consummating the transactions contemplated by this Agreement. Moreover, each Confidential Party agrees that without limitation of any obligation on the part of Purchaser or any Person by or through Purchaser or any so-called "Requestor Party" as set forth in the Confidentiality Agreement, prior to the Closing, the Property Information will be transmitted only to such Confidential Party's Representatives who need to know the Property Information for the purpose of evaluating the transactions contemplated by this Agreement or the financing thereof, and who are informed by such Confidential Party of the confidential nature of the Property Information. The provisions of this SECTION 21 shall in no event apply to Property Information that is a matter of public record and shall not prevent a Confidential Party from complying with any laws or governmental ordinances, rules, regulations, orders or requirements, including governmental regulatory, disclosure, tax and reporting requirements.

(b) Each of Seller and Purchaser, for the benefit of the other, hereby agrees that between the date hereof and the Closing Date, it will not release or cause or permit to be released

any press notices, publicity (oral or written) or advertising promotion relating to, or otherwise announce or disclose or cause or permit to be announced or disclosed, in any manner whatsoever, the terms, conditions or substance of this Agreement or the transactions contemplated herein, without first obtaining the written consent of the other party hereto, which consent shall not be unreasonably withheld, conditioned or delayed. It is understood that the foregoing shall not preclude Seller or Purchaser from discussing the substance or any relevant details of the transactions contemplated in this Agreement, subject to the terms of SECTION 21(a) and the Confidentiality Agreement, with any of its attorneys, accountants, professional consultants or potential lenders, as the case may be, or prevent Seller or Purchaser from complying with any laws or governmental ordinances, rules, regulations, orders or requirements, including governmental regulatory, disclosure, tax and reporting requirements.

(c) Without limitation of anything to the contrary in the Confidentiality Agreement, if this Agreement is terminated, each Confidential Party and such Confidential Party's Representatives shall promptly deliver to the other party to this Agreement all originals and copies of the Property Information referred to in SECTION 21(d)(i) in the possession of such Confidential Party and such Confidential Party's Representatives.

(d) As used in this Agreement, the term "PROPERTY INFORMATION" shall mean (i) all information and documents in any way relating to the Unit, the operation thereof or the sale thereof (including Leases and Contracts) furnished to, or otherwise made available for review by, a Confidential Party or its Representatives, by the other party to this Agreement, or any of such other party's affiliates, or their agents or representatives, including, without limitation, their contractors, engineers, attorneys, accountants, consultants, brokers or advisors, and (ii) all analyses, compilations, data, studies, reports or other information or documents prepared or obtained by a Confidential Party or such Confidential Party's Representatives containing or based, in whole or in part, on the information or documents described in the preceding CLAUSE (i).

(e) The provisions of this SECTION 21 shall survive the termination of this Agreement and the Closing.

22. ERISA.

Purchaser represents and warrants to Seller that Purchaser is not an employee benefit plan or a governmental plan, or a party in interest of either of such plans, and that the funds being used to acquire the Unit are not plan assets or subject to state laws regulating investment of, and fiduciary obligations with respect to, a governmental plan. As used in this SECTION 22, the terms "employee benefit plan," "party in interest," "plan assets" and "governmental plan" shall have the respective meanings assigned to them in the Employee Retirement Income Security Act of 1974, as amended, and the Regulations promulgated in connection therewith. The representations and warranties contained in this SECTION 22 shall survive the Closing for a period without expiration.

23. SURVIVAL.

Except as otherwise expressly provided in this Agreement, no representations, warranties, covenants or other obligations of Seller or Purchaser set forth in this Agreement shall survive the Closing (the last day of any applicable survival period pertaining to any particular representation, warranty, covenant or other obligation set forth in any provision of this Agreement being a "SURVIVAL TERMINATION DATE"), and no action or proceeding based upon any such representation, warranty, covenant or other obligation that survives the Closing shall be commenced after the applicable Survival Termination Date, if any.

24. ESCROW.

(a) The Deposit, together with any interest earned thereon, shall be held by Escrow Agent, in trust, and disposed of only in accordance with the following provisions:

(i) Escrow Agent shall invest the Deposit, if converted to cash pursuant to SUBSECTION 24(d)(v)(z), in an interest-bearing account, and shall not commingle the Deposit with any funds of Escrow Agent or others. Escrow Agent shall not be obligated to achieve any particular return on the Deposit nor shall it be liable for any loss as a result of the action or inaction of the depository institution.

(ii) If the Closing occurs, Escrow Agent shall deliver the Deposit, if the same is then held as cash, to or upon the instructions of Seller on the Closing Date. If the Deposit is held as a Letter of Credit, then on the Closing Date Escrow Agent shall return the Letter of Credit to Purchaser.

(iii) If for any reason the Closing does not occur, Escrow Agent shall deliver the Deposit (and all interest earned thereon if the same is then held in cash) to Seller or Purchaser only upon receipt of a written demand therefor from such party, subject to the following provisions of this SUBSECTION 24(a)(iii) or of SUBSECTION 24(d), as applicable. If for any reason the Closing does not occur and Escrow Agent receives a written demand for payment of the Deposit (and all interest earned thereon if the same is then held in cash) or a written demand for delivery of the Letter of Credit, as the case may be, Escrow Agent shall give written notice to the other party of such demand. If Escrow Agent does not receive a written objection from the other party to either the proposed payment or the proposed delivery of the Letter of Credit within ten (10) days after the giving of such notice, Escrow Agent is hereby authorized to make such payment or deliver the Letter of Credit to the party making the demand. If Escrow Agent does receive such written objection within such period, Escrow Agent shall continue to hold the Deposit until otherwise directed by written instructions signed by Seller and Purchaser or a final judgment of a court, or may, at its option, deposit the same with a court of competent jurisdiction. If the Closing does not occur by a date that is thirty (30) days or fewer prior to the expiration date of the Letter of Credit and no replacement Letter of Credit has theretofore been delivered to Escrow Agent, Seller shall be entitled to make a written demand upon Escrow Agent (or the court which is holding the Letter of Credit if the same had theretofore been deposited with a court) for delivery of the Letter of Credit for the purposes of drawing upon the same pursuant to SECTION 24(d) and Escrow Agent or such court, as the case may be, shall be entitled to act in accordance with such demand without providing notice thereof to Purchaser.

(b) The parties acknowledge that Escrow Agent (i) may represent Seller in the matters contemplated in this Agreement notwithstanding its acting as an escrow agent, (ii) is acting solely as a stakeholder at the request of the parties and for their convenience, (iii) shall not be deemed to be the agent of either of the parties, and (iv) shall not be liable to either of the parties for any action or omission on its part taken or made in good faith, and not in willful or grossly negligent disregard of this Agreement. Seller and Purchaser shall jointly and severally indemnify and hold Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or made by Escrow Agent in bad faith, in willful disregard of this Agreement or involving gross negligence on the part of Escrow Agent.

(c) Purchaser shall pay any income taxes on any interest earned on and any other income derived from the Deposit. Purchaser's taxpayer identification number is pending. Purchaser shall obtain its taxpayer identification number prior to the Closing and provide the same to Seller and Escrow Agent.

(d) The Letter of Credit delivered as the Deposit pursuant to SECTION 2.2 shall (i) be delivered to Escrow Agent, (ii) be payable to Seller as beneficiary, (iii) have an expiration date not earlier than June 15, 2001, (iv) be in a face amount of the Deposit, (v) be drawable by Seller upon presentation to the issuer of a writing signed by a duly authorized officer of Seller stating either that (y) the beneficiary is entitled to receipt of the Deposit pursuant to the terms of this Agreement or (z) the Letter of Credit will expire within thirty (30) days of the date on which the drawing is made and no replacement Letter of Credit has been delivered to Escrow Agent, and (vi) shall constitute an irrevocable obligation by the issuer to make payment to Seller in the full amount outstanding under such Letter of Credit upon receipt of a writing described in CLAUSE (v). If Seller draws upon the Letter of Credit in the circumstances described in CLAUSE (z), Seller shall be obligated to deliver the proceeds thereof to Escrow Agent, who, promptly upon receipt, will hold the same as if the Deposit were made in cash pursuant to the terms of this Agreement.

(e) Escrow Agent has executed this Agreement in the place indicated on the signature pages hereof in order to confirm that Escrow Agent has received the Letter of Credit and shall hold the Letter of Credit until the Closing or demand is made upon Escrow Agent for the Letter of Credit pursuant to this SECTION 24.

25. MISCELLANEOUS PROVISIONS.

(a) ENTIRE AGREEMENT. This Agreement and each of the Exhibits and Schedules, contains all of the terms agreed upon between the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings between the parties with respect to the matters contained herein. The parties hereto acknowledge that no oral or other agreements, understandings, representations or warranties exist with respect to this Agreement or with respect to the obligations of the parties hereto under this Agreement, except those specifically set forth in this Agreement.

(b) AMENDMENTS. This Agreement may not be changed, modified or terminated, except by an instrument executed by the parties hereto.

(c) RIGHTS CUMULATIVE; WAIVERS. The rights of each of the parties under this Agreement are cumulative and may be exercised as often as any party considers appropriate. The rights of any of the parties hereunder shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing executed by all of the parties hereto. Failure to exercise or any delay in exercising any of such rights also shall not operate as a waiver or variation of that or any other such right. Defective or partial exercise of any of such rights shall not preclude any other or further exercise of that or any other such right. No act or course of conduct or negotiation on the part of any party shall in any way preclude such party from exercising any such right or constitute a suspension or any variation of any such right.

(d) PARTIAL INVALIDITY. If any term or provision of this Agreement or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(e) Intentionally Omitted.

(f) (i) All matters in dispute in respect of this Agreement, all claims of breach of any representation herein that survive the Closing, and any claim against Seller alleging a breach of a representation in a Seller's Certificate shall be resolved by arbitration and commenced by filing and serving upon the party a statement of claim in arbitration setting forth with particularity (A) the details of the claim, (B) the damages alleged and (C) detailed information supporting such damages (any such dispute or claim commenced in such a manner, a "BREACH CLAIM"). The arbitration process and proceeding described in this SECTION 25(f) is referred to herein as "EXPEDITED ARBITRATION".

(ii) If the parties shall not have agreed on a choice of an arbitrator within twenty (20) days after the service of such statement of claim in arbitration, then each party shall, within ten (10) days thereafter appoint an arbitrator, and advise the other party of the arbitrator so appointed. A third arbitrator shall, within ten (10) days following the appointment of the two (2) arbitrators, be appointed by the two arbitrators so appointed or by the AAA, if the two arbitrators are unable, within such ten (10) day period, to agree on the third arbitrator. If either party fails to appoint an arbitrator (herein called the "FAILING PARTY"), the other party shall provide an additional notice to the Failing Party requiring the Failing Party's appointment of an arbitrator within ten (10) days after the Failing Party's receipt thereof. If the Failing Party fails to notify the other party of the appointment of its arbitrator within such ten (10) day period, the appointment of the second arbitrator shall be made by the AAA in the same manner as hereinabove provided for the appointment of a third arbitrator in a case where the two arbitrators appointed hereunder are unable to agree upon such appointment. In the absence, failure, refusal or inability of the AAA to act within twenty (20) days, then either party, on behalf of both, may apply to a Justice of the Supreme Court of New York, New York County, for the appointment of the third arbitrator, and the other party shall not raise any question as to the court's full power and jurisdiction to entertain the application and make the appointment on an expedited basis. The three (3) arbitrators shall render a resolution of

such dispute or make the determination in question. In the event of the absence, failure, refusal or inability of an arbitrator to act, a successor shall be appointed within ten (10) days as hereinabove provided. Any arbitrator acting under this SECTION 25(f) shall have not less than ten (10) years' continuous experience before the date of appointment relating to the leasing, management or operation of commercial office space in Class A buildings in Manhattan.

(iii) All arbitrators chosen or appointed pursuant to this SECTION 25(f) shall (A) be sworn fairly and impartially to perform their respective duties as such arbitrator, (B) not be an employee or past employee or present or past director or partner, consultant or independent contractor of Seller, Purchaser or any of Purchaser's lenders or of any other Person that controls, is controlled by or is under common control with Seller, Purchaser or any of Purchaser's lenders, and (C) in the case of the third arbitrator, never have represented or been retained for any reason whatsoever by Seller, Purchaser or any of Purchaser's lenders or any other Person that controls, is controlled by or is under common control with Seller, Purchaser or any of Purchaser's lenders. Within ninety (90) days after the appointment of such arbitrators, such arbitrators shall determine the matter that is the subject of the arbitration and shall issue a written opinion. The decision of the arbitrators shall be conclusively binding upon the parties, and judgment upon the decision may be entered in any court having jurisdiction. Seller and Purchaser shall each pay (1) the fees and expenses of the arbitrator selected by it, and (2) fifty (50%) percent of the fees and expenses of the third arbitrator appointed by the parties' appointed arbitrators or by the AAA. The losing party shall reimburse the prevailing party for the reasonable counsel fees and disbursements incurred by the prevailing party in connection with such arbitration.

(iv) Seller and Purchaser agree to sign all documents and to do all other things necessary to submit any such matter to arbitration and further agree to, and hereby do waive, any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. For such period, if any, that this agreement to arbitrate and to abide by the decision rendered thereunder.

(v) The arbitrators shall, in rendering any decision pursuant to this Section, answer only the specific question or questions presented to them. In answering such question or questions (and rendering their decision), the arbitrators shall be bound by the provisions of this Agreement and, as applicable, the Seller's Certificate in question, and shall not add to, subtract from or otherwise modify such documents.

(vi) Judgment may be had on the decision and award of an arbitrator rendered pursuant to the provisions of this Section and may be enforced in accordance with the Laws of the State of New York. The Expedited Arbitration shall be conducted under the rules of the AAA and conducted in New York County.

(vii) The provisions of this SECTION 25(f) shall survive the Closing or earlier termination of this Contract for a period without expiration.

(g) GOVERNING LAW. This Agreement shall be governed by the Laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York, without regard to principles of conflict of Laws.

(h) JURISDICTION; VENUE. For the purposes of any suit, action or proceeding involving this Agreement, the parties hereto hereby expressly submit to the jurisdiction of all federal and state courts sitting in New York County in the State of New York and consent that any order, process, notice of motion or other application to or by any such court or a judge thereof may be served within or without such court's jurisdiction by registered mail or by personal service, PROVIDED THAT a reasonable time for appearance is allowed, and the parties hereto agree that such court shall have exclusive jurisdiction over any such suit, action or proceeding commenced under this Agreement. Each party hereby irrevocably waives any objection that it may have now or hereafter to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any federal or state court sitting in New York County in the State of New York and hereby further irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(i) NO THIRD-PARTY BENEFICIARIES. No Person other than the parties hereto (and, to the extent provided herein, the Seller Indemnified Parties and the Purchaser Indemnified Parties) and their respective permitted assignees, if any, shall have any rights or claims under this Agreement. The representations, warranties, covenants and indemnities of each party hereunder shall run to the benefit of the parties hereto (and, to the extent provided herein, the Seller Indemnified Parties and the Purchaser Indemnified Parties) and their respective successors in interest (whether by merger, dissolution, operation of law or otherwise) and permitted assignees, if any.

(j) FURTHER ASSURANCES; COOPERATION. The parties will execute, acknowledge and deliver all and every such further acts, deeds, conveyances, assignments, notices, transfers and assurances as may be reasonably required for the better assuring, conveying, assigning, transferring and confirming unto Purchaser the Unit and for carrying out the intentions or facilitating the consummation of the transactions contemplated by this Agreement. In furtherance thereof, the parties hereto shall cooperate with each other to effectuate the transactions contemplated by this Agreement and to minimize transaction costs. Notwithstanding anything to the contrary contained herein, the obligations of Seller to sell, and Purchaser to purchase, the Unit in accordance with the terms and provisions of this Agreement and to otherwise consummate the transactions contemplated by this Agreement, shall be contingent upon a simultaneous closing of the transactions contemplated in the Unit Two Contract Assignment and Assumption Agreement. The provisions of this subsection shall survive the Closing for a period without expiration.

(k) TENANT ESTOPPELS. (i) Seller shall deliver to each tenant under a Lease in the Unit a proposed estoppel certificate in the form of its respective Requested Estoppel Form and Seller shall exercise reasonable good faith efforts to cause such tenants to furnish executed Approved Estoppels; PROVIDED, HOWEVER, in no event shall Seller be obligated to obtain executed estoppel certificates from any such tenant except as set forth in the balance of this SECTION 25(k). Seller will use good faith efforts to obtain cooperation from Citibank, N.A. to deliver to each

tenant under a lease in Unit Two (other than Citibank, N.A.) a proposed estoppel certificate in the form of its respective Requested Estoppel Form and to exercise good faith efforts to cause such tenants to furnish executed Approved Estoppels; PROVIDED, HOWEVER, that in no event shall Seller be obligated to obtain executed estoppel certificates from any tenant of Unit Two (other than Citibank, N.A.).

(ii) As a condition to Closing, (the "MANDATORY TENANT COVERAGE CONDITION"), Seller shall be obligated to (x) deliver (A) the Unit One Citibank Estoppel, (B) a Specific Tenant Estoppel from Citibank, N.A. with respect to its lease for office space in Unit Two to be executed on the Closing Date, the form of which is attached as an Exhibit to the Unit Two Contract, (C) an Approved Estoppel from O'Melveny & Myers, LLP, (D) an Approved Estoppel from Jones Lang LaSalle Management Services, Inc., (E) an Approved Estoppel from Kirkland & Ellis; (F) an Approved Estoppel from A.T. Kearney, Inc., (G) an Approved Estoppel from Ziff Brothers Investments, Inc., and (H) an Approved Estoppel from Schlumberger Limited (the estoppel certificates referred to in CLAUSES (A) through (H), collectively, the "MAJOR TENANT ESTOPPELS"), (y) Approved Estoppels from sufficient tenants of the Unit and Unit Two such that Seller shall have delivered to Purchaser Approved Estoppels, when also taking into account the Major Tenant Estoppels, covering at least 75% of the net rentable square feet in the Building (Approved Estoppels from tenants whose demised premises collectively comprise 75% of the net rentable square feet of the Building inclusive of Major Tenant Estoppels, is the "MANDATORY ESTOPPEL CONDITION"); and (z) Approved Estoppels from other tenants of the Unit and/or Unit Two whose demised premises comprise an additional 10% of the net rentable square footage of the Building; PROVIDED, HOWEVER, that Seller may satisfy all or any part of its obligations under this CLAUSE (Z) by providing Seller's Certificates covering Leases of such other tenants of the Building, as Seller shall determine in its sole discretion. If at any time and from time to time hereafter, Seller receives an Approved Estoppel from any tenant with respect to whose lease a Seller's Certificate was delivered, Seller shall have the right to deliver the same to Purchaser and upon such delivery, such Seller's Certificate shall be automatically void.

(iii) If Seller receives from any tenant an executed estoppel reflecting modifications to such tenant's Requested Estoppel Form that might disqualify the certificate as an Approved Estoppel, Seller shall promptly deliver the same to Purchaser. Purchaser shall, within two (2) business days of receipt of any estoppel delivered to it, advise Seller whether such estoppel certificate is acceptable and would therefore constitute an Approved Estoppel or is rejected and shall not be considered an Approved Estoppel. Any rejection of a tenant estoppel certificate as aforesaid shall be done in a writing delivered to Purchaser that briefly describes the reasons for such rejection. If Purchaser does not indicate rejection of an estoppel certificate delivered to it within such two (2) business day period, it will automatically be deemed acceptable and shall constitute an Approved Estoppel.

(iv) Purchaser's sole and exclusive remedy for Seller's failure to satisfy the Mandatory Tenant Coverage Condition on or before the Closing Date will be to terminate this Agreement and receive a return of the Deposit. Nothing herein shall limit any rights or remedies Purchaser may have under this Agreement, under applicable Laws or otherwise if it is determined by arbitrators pursuant to Expedited Arbitration that Seller failed to exercise

reasonable good faith efforts to cause tenants to furnish Approved Estoppels pursuant to SECTION 25(k)(i).

(v) The provisions of this SECTION 25(k) shall survive the Closing or the earlier termination of this Contract for a period without expiration.

(l) TENANT SNDAS. Seller shall deliver to each of (i) Citibank, N.A. (in respect of its Lease of space in Unit One), (ii) Citibank, N.A. (in respect of its proposed Lease for office space in Unit Two to be executed on the Closing Date); (iii) O'Melveny & Myers LLP, and (iv) Jones Lang LaSalle Management Services, Inc., a proposed subordination, non-disturbance and attornment agreement in the form of its respective Requested SNDA Form, and Seller shall exercise reasonable good faith efforts to cause such tenants to furnish their respective Approved SNDAs on or before the Closing Date. Purchaser' sole and exclusive remedy for Seller's failure to deliver Approved SNDAs executed by each of the tenants referred to in this SECTION 25(l) on or before the Closing Date will be to terminate the Contract and receive a return of the Deposit.

(m) COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and either party hereto may execute this Agreement by signing any such counterpart.

(n) WAIVER OF TRIAL BY JURY. THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT AND AGREE THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed by their respective duly authorized representatives as of the day and year first above written.

DAI-ICHI LIFE INVESTMENT
PROPERTIES, INC., Seller

By: /s/ HITOSHI YAMAUCHI

Name: Hitoshi Yamauchi
Title: Senior Vice President

SKYLINE HOLDINGS LLC, Purchaser

By: /s/ ERIC HADAR

Name: Eric Hadar
Title: Authorized Agent

ACKNOWLEDGED AS TO SECTION 24:

ESCROW AGENT:

O'Melveny & Myers LLP

By: /s/ JACQUELINE A. WEISS

Name: Jacqueline A. Weiss
Title: Member

EXHIBIT 99.2

AGREEMENT TO ENTER INTO ASSIGNMENT AND ASSUMPTION OF UNIT TWO CONTRACT OF SALE

This AGREEMENT TO ENTER INTO ASSIGNMENT AND ASSUMPTION OF UNIT TWO CONTRACT OF SALE (this "AGREEMENT") is made and entered into as of the 6th day of February, 2001, by and between DAI-ICHI LIFE INVESTMENT PROPERTIES, INC., a Delaware corporation (the "ASSIGNOR"), and SKYLINE HOLDINGS II LLC, a Delaware limited liability company ("ASSIGNEE").

W I T N E S S E T H

WHEREAS, the premises described in EXHIBIT A, together with the improvements erected thereon (collectively, "CITIGROUP CENTER") are subject to condominium form of ownership pursuant to the terms of that certain Amended and Restated Declaration of Condominium dated as of August 22, 2000 (the "CONDOMINIUM DECLARATION"; and the condominium created thereby, the "CITIGROUP CENTER CONDOMINIUM");

WHEREAS, Assignor, Citibank, N.A. ("SELLER"), and St. Peter's Lutheran Church of Manhattan are the owners of the fee title interest in and to the condominium units in the Citigroup Center created pursuant to the Condominium Declaration;

WHEREAS, Seller is the fee owner of the premises described in EXHIBIT B, together with the improvements erected thereon and referred to as "CITIGROUP CENTER OFFICE UNIT TWO" in the Condominium Declaration (the "UNIT");

WHEREAS, Seller, as seller, and Assignor, as purchaser, executed a Contract of Sale, dated as of November 22, 2000 (which, together with all modifications, amendments and assignments thereto or thereof, is hereinafter referred to collectively as the "CONTRACT OF SALE"), a copy of which is attached hereto as EXHIBIT C, pursuant to which Seller has agreed to sell its fee interest in the Unit, to Assignor, or Assignor's assignee, upon the terms and conditions set forth therein;

WHEREAS, Assignor and Assignee desire that, among other things, Assignee shall acquire from Assignor all of Assignor's rights to purchase the Unit pursuant to and under the Contract of Sale, and that Assignee shall assume certain liabilities and obligations from Assignor, including Assignor's liabilities and obligations under the Contract of Sale;

WHEREAS, in furtherance of such acquisition, it is the intent of the parties hereto that Assignor shall convey its interest in Citigroup Center Office Unit One (as defined in the Unit One Contract) to an affiliate of Assignee (the "UNIT ONE SALE") pursuant to that certain Contract of Sale dated as of the date hereof (the "UNIT ONE CONTRACT") between Assignor, as Seller, and Skyline Holdings LLC ("ASSIGNEE'S AFFILIATE"), as Purchaser, subject to the terms and conditions set forth therein;

WHEREAS, Assignor desires to assign the Contract of Sale to Assignee simultaneously with the Unit One Sale, and Assignee desires to accept the assignment of the

Contract of Sale from Assignor, to assume and be bound by all of the terms, conditions, provisions, obligations, covenants and duties of Assignor under the Contract of Sale, from and after the Closing Date (as defined in the Contract of Sale) and to take title to the Unit pursuant to and upon the terms and conditions of the Contract of Sale on the Closing Date; and

WHEREAS, the parties hereto are desirous of setting forth their respective rights and obligations with respect to the transactions contemplated by this Agreement,

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this Agreement by this reference, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, it is agreed as follows:

1. Assignor and Assignee hereby agree to enter into a certain Unit Two Contract Assignment and Assumption Agreement with respect to the Contract of Sale (the "Assignment") substantially in the form of EXHIBIT D on the Closing Date.

2. Each of Assignor's and Assignee's obligation to enter into the Assignment shall be conditioned upon (a) the payment to Assignor of the sum of $20,000,000.00, (b) the simultaneous closing of the transaction contemplated in the Contract of Sale on the Closing Date including the payment of the purchase price as set forth therein by Assignee to the Exchange Intermediary (as defined in the Contract of Sale), (c) the simultaneous closing of the Unit One Sale on the Closing Date pursuant to the terms of the Unit One Contract (PROVIDED THAT the failure of Assignee's Affiliate to perform thereunder shall not excuse Assignee's performance hereunder or otherwise form the basis of any claim by Assignee that there is a failure of a condition precedent to the Assignment or the transactions contemplated thereby), and (d) receipt of a consent to the Assignment by Seller, as required pursuant to Section 20(b) of the Contract of Sale.

3. (a) Assignor and Assignee each represents and warrants to the other that it has not dealt or negotiated with any broker with respect to the transactions contemplated by this Agreement other than Jones Lang LaSalle and LaSalle Investment Management, Inc. (collectively, "JLL") and Cooper-Horowitz, Inc. ("ASSIGNEE'S MORTGAGE BROKER"). Assignor shall pay all fees due to JLL in connection therewith pursuant to a separate agreement and Assignee shall pay all fees due to Assignee's Mortgage Broker pursuant to a separate agreement. Each of Assignor and Assignee shall indemnify, defend and hold the other party harmless, from and against any and all loss, cost, damage, claim, liability and expense (including, without limitation, reasonable attorneys' fees) resulting from a breach of its foregoing representation, warranty and covenant.

(b) Assignee shall be responsible for the payment of all professionals and advisors retained by or on behalf of Assignee in connection with the transactions contemplated by this Agreement. Assignor shall be responsible for the payment of all professionals and advisors retained by Assignor in connection with the transactions contemplated by this Agreement.

(c) The provisions of this SECTION 3 shall survive the transaction effectuated by the Assignment for a period without expiration.

4. (a) REPRESENTATIONS AND WARRANTIES BY ASSIGNOR. Assignor hereby represents, warrants and covenants to Assignee as of the date hereof that:

(i) Assignor is a corporation, duly organized, validly existing under the laws of the State of Delaware;

(ii) Assignor has the legal right, power and authority to enter into this Agreement and perform all of its obligations hereunder, and the execution and delivery of this Agreement and the performance by Assignor of its obligation hereunder, (x) has been duly authorized, and (y) will not conflict with, or result in a breach of, any of the terms, conditions and provisions of its organizational and governance documents or any law, statute, rule or regulation, or order, judgment, writ, injunction or decree of any court or governmental instrumentality, or any contract, agreement or instrument to which it is a party or by which it is bound, or to which it or any portion of its property is subject, and (z) will not require the consent, approval, authority or order of any court or governmental agency that has not been previously obtained in writing or delivered to Assignee;

(iii) Assignor has not undertaken any Purchaser Consent Action (as defined in the Contract of Sale), except with respect to the termination of the retail lease dated as of May 15, 2000 with Tealuxe, Inc. and the surrender of the space leased in the Unit thereunder by Tealuxe, Inc., and Assignor will not take any other Purchaser Consent Action under the Contract of Sale without the prior consent of Assignee, PROVIDED THAT such consent shall not be unreasonably withheld and if Assignee fails to deliver its disapproval to Assignor within three (3) business days of the request for consent by Assignor, then Assignee shall be deemed to have granted such consent, AND FURTHER provided THAT Assignee hereby consents to Assignor taking a Purchaser Consent Action in respect of (x) the termination of the retail lease dated as of August 7, 1997 with Pretzel Express, Inc. and the surrender of the space leased in the Unit thereunder by Pretzel Express, Inc. (y) expansion by Cucina at Citicorp, Inc. (d/b/a Cucina Too) or an affiliate thereof into the space to be vacated by Pretzel Express, Inc. and (z) a lease with Mrs. Fields Cookies, Inc. for approximately 308 rentable square feet in the retail portion of the Unit and approximately 200 square feet of storage space upon terms and conditions substantially similar to those in SCHEDULE 1;

(iv) Assignor has delivered to Assignee copies of all written notices sent or delivered under the Contract of Sale as of the date hereof to Assignee or its counsel, Eric L. Goldberg, Esq., and will from and after the date hereof deliver to Assignee's counsel, Eric L. Goldberg, Esq., by fax or by e-mail or by any method permitted under SECTION 7, copies of all notices delivered or received by Assignor under the Contract of Sale within five (5) days of its delivery or receipt thereof, as applicable; -

(v) Assignor has delivered a true and complete copy of the Contract of Sale to Assignee, the Contract of Sale is in full force and effect and the Contract of Sale has not been materially modified, amended or terminated, nor have any material provisions thereof been waived that would have an adverse effect on the value of the Unit, PROVIDED THAT Assignee acknowledges and agrees that (y) all Purchaser Consent Actions heretofore taken by Assignor and described in CLAUSE (iii) or to be taken from and after the date hereof and consented to by

Assignee pursuant to CLAUSE (iii) and (z) modifications referred to or permitted pursuant to CLAUSE (vii), shall not be deemed to have violated the representations and warranties of this CLAUSE (v);

(vi) Assignor has not, to its knowledge, approved or waived any Title Exceptions under the Contract of Sale, other than (y) Permitted Encumbrances (as defined in the Contract of Sale), and (z) subordination, nondisturbance and attornment agreements with tenants or subtenants of the Unit;

(vii) Assignor will not, to its knowledge, materially modify or terminate the Contract of Sale without the written consent of Assignee, which consent shall not be unreasonably withheld or delayed, except that Assignor may (y) cause the schedules and exhibits to the Contract of Sale to be modified and updated, PROVIDED THAT no such modification shall have an adverse effect on the value of the Unit (the parties acknowledging that all modifications that are (A) a result of a Purchaser Consent Action permitted by CLAUSE (iii), (B) necessary to eliminate certain items of personal property from the schedules of personalty to be transferred, or (C) necessary to add matters to the Schedule 11(a)(xviii)(1) thereof as set forth as SCHEDULE 2 and to add other matters as may arise between now and closing provided that the same do not have a material adverse affect on the value of the Unit) and (z) terminate the Contract of Sale after or in connection with a termination of the Unit One Contract;

(viii) Assignor shall perform all of its obligations under the Other Agreement (as defined in the Contract of Sale) and shall not take any, or omit to take, any action that would have the effect of violating in any material respect any of the representations, warranties covenants and agreements of Assignor set forth in the Other Agreement;

(ix) from the date hereof until the Closing, Assignor will cause the members designated by it to serve on the Board of Managers of the Citigroup Center Condominium not to take any material action without the approval of Assignee, which such approval shall not be unreasonably withheld or delayed, PROVIDED THAT Assignor shall not be obligated to obtain Assignee's approval if the failure of Assignor's member to take such action would result in the breach of Assignor's fiduciary duty to any third party, a breach under the Contract of Sale or a breach under any lease for space in Citigroup Center; and

(x) from the date hereof until the Closing, Assignor will cause the members designated by it to serve on the Board of Managers of the Citigroup Center Condominium to oppose the creation, or the allowing or suffering to exist, of any Title Exceptions, except for Permitted Encumbrances (as defined in the Contract of Sale) and subordination, nondisturbance and attornment agreements with tenants or subtenants of the Unit.

(b) REPRESENTATIONS AND WARRANTIES BY ASSIGNEE. Assignee hereby represents, warrants and covenants to Assignor as of the date hereof that:

(i) Each of Assignee and Assignee's Affiliate is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Neither Citibank, N.A. nor any of its affiliates has any ownership or equity interest in Assignee or Assignee's Affiliate (other than as may result from a foreclosure or assignment in lieu of

foreclosure following a default under any mezzanine financing provided by Citibank, N.A. and structured as a loan). Allied Partners Inc. and/or members of the Hadar family (or trusts for the benefit of such family members) are now and at Closing (or following the Closing of the property for which the Unit and Unit One are being exchanged) will be affiliates of, and/or members of, entities that have an interest, directly or indirectly, in Assignee and Assignee's Affiliate;

(ii) Assignee has the legal right, power and authority to enter into this Agreement and perform all of its obligations hereunder, and the execution and delivery of this Agreement and the performance by Assignee of its obligations hereunder, (x) has been duly authorized, and (y) will not conflict with, or result in a breach of, any of the terms, conditions and provisions of its organizational and governance documents or any law, statute, rule or regulation, or order, judgment, writ, injunction or decree of any court or governmental instrumentality, or any contract, agreement or instrument to which it is a party or by which it is bound, or to which it or any portion of its property is subject, and (z) will not require the consent, approval, authority or order of any court or governmental agency that has not been previously obtained in writing or delivered to Assignor; and

(iii) this Agreement constitutes, and when duly executed and delivered by Assignee, any and all documents, instruments and agreements contemplated hereunder to be executed and delivered by Assignee will constitute, the valid and binding obligations of Assignee, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy laws and other laws or equitable principles affecting the rights of contracting parties generally.

5. Notwithstanding the foregoing, Assignee may terminate this Agreement if Citibank, N.A., as seller under the Contract of Sale, elects, pursuant to Section 16(b) of the Contract of Sale, to delay the Closing (as defined in the Contract of Sale) beyond July 9, 2001 by providing Assignor with written notice of such termination within ten (10) business days of Assignee's receipt from Assignor of notice that the Closing has been so delayed.

6. Assignee shall not be responsible for real estate transfer taxes due in connection with the assignment to be effectuated by the Assignment pursuant to Article 31 of the Tax Law of the State of New York (the "STATE TRANSFER TAX") and/or pursuant to Chapter 21, Title 11 of the Administrative Code of The City of New York. Assignor shall defend, indemnify and hold harmless Purchaser from and against any loss, costs, damage, claim, liability and expense (including reasonable attorneys' fees) that may be suffered or incurred by Assignee by reason of the failure of Assignor to pay the State Transfer Tax, if any, due pertaining to the assignment to be effectuated by the Assignment. Assignor and Assignee shall each execute and/or swear to returns or statements in connection with transfer taxes applicable to the assignment to be effectuated by the Assignment. The provisions of this SECTION 6 will survive the transaction to be effectuated by the Assignment.

7. All notices, demands, requests, approvals or other communications ("NOTICES") required to be given or that may be given hereunder shall be in writing and shall be given by personal delivery with receipt acknowledged or by United States registered or certified mail, return receipt

requested, postage prepaid or by FedEx or other reputable national overnight courier service, and shall be deemed given when received or refused at the following addresses:

If to Assignor:

Dai-ichi Life Investment Properties, Inc.
399 Park Avenue, 24th Floor
New York, New York 10022
Attention: Mr. Hitoshi Yamauchi
Senior Vice President

With copies to:

O'Melveny & Myers LLP
One Citigroup Center
153 East 53rd Street
New York, New York 10022
Attention: Jacqueline A. Weiss, Esq.

and

LaSalle Investment Management, Inc.
399 Park Avenue, 24th Floor
New York, New York 10022
Attention: Ms. Kim G. Leshman

If to Assignee:

Skyline Holdings II LLC
c/o Allied Partners Incorporated
770 Lexington Avenue
New York, New York 10021
Attention: Mr. Eric D. Hadar

With copies to:

Olshan Grundman Frome Rosenzweig & Wolosky LLP
505 Park Avenue
New York, New York 10022
Attention: Eric L. Goldberg, Esq.

Each party may designate a change of address (or additional or substitute parties for notice) by notice to the other party, given at least fifteen (15) days before such change of address is to become effective.

Notwithstanding the foregoing, Assignor may deliver any notices required to be delivered under SECTION 4(a)(iv) in accordance with the requirements thereof.

8. This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

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

IN WITNESS WHEREOF, the parties hereto have executed this Assignment by their respective duly authorized representatives as of the date first above written.

ASSIGNOR:

DAI-ICHI LIFE INVESTMENT PROPERTIES, INC.

By: /s/ HITOSHI YAMAUCHI

Name: Hitoshi Yamauchi
Title: Senior Vice President

ASSIGNEE:

SKYLINE HOLDINGS II LLC

By: /s/ ERIC HADAR

Name: Eric Hadar
Title: Authorized Agent

EXHIBIT 99.3

CONTRACT OF SALE

Between

CITIBANK, N.A., AS SELLER

and

DAI-ICHI LIFE INVESTMENT PROPERTIES, INC., AS PURCHASER

As of November 22, 2000

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THIS AGREEMENT (this "Agreement") made as of the 22nd day of November, 2000 between CITIBANK, N.A., a national banking association having an office at 599 Lexington Avenue, New York, New York 10022 ("Seller"), and DAI-ICHI LIFE INVESTMENT PROPERTIES, INC., a Delaware corporation having an office at 399 Park Avenue, 24th Floor, New York, New York 10022 ("DLIP").

W I T N E S S E T H:

WHEREAS, the premises described in Exhibit A attached hereto, together with the improvements erected thereon (collectively, the "Citigroup Center") are subject to the condominium form of ownership pursuant to the terms of that certain Amended and Restated Declaration of Condominium dated as of August 22, 2000 (the "Condominium Declaration");

WHEREAS, Seller, DLIP and St. Peter's Lutheran Church of Manhattan (the "Church") are the owners of the fee title interest in and to the condominium units in the Citigroup Center created pursuant to the Condominium Declaration;

WHEREAS, Seller is the fee owner of the premises described in Exhibit B attached hereto, together with the improvements erected thereon and referred to as "Citigroup Center Office Unit Two" in the Condominium Declaration (the "Unit");

WHEREAS, it is the intent of Seller to sell the Unit in exchange for DLIP's ownership interests in Unit 1 in The 399 Park Avenue Condominium in a manner that will qualify for deferred tax treatment under Section 1031 of the Code, and it is the intent of DLIP to facilitate such exchange by assigning its rights under this Agreement to a third party purchaser (it being understood, however, that no such assignment shall relieve DLIP of its obligations under this Agreement) and to accomplish through the Exchange Intermediary a transaction whereby (a) the Unit will be transferred to such third party purchaser for cash, (b) Unit 1 in The 399 Park Avenue Condominium will be transferred to Seller, and (c) cash from the third party purchaser will be paid to DLIP;

WHEREAS, Purchaser has agreed to lease to Seller, and Seller has agreed to hire from Purchaser, a portion of the Unit (the "Citibank Leased Premises") in the manner hereinafter set forth; and

WHEREAS, the parties hereto are desirous of setting forth their respective rights and obligations with respect to the transactions contemplated by this Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this Agreement by this reference, and the mutual

covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, it is agreed as follows:

1. DEFINITIONS. As used herein, the following terms shall have the following meanings:

ADJUSTED NOI: The term "Adjusted NOI" shall mean the Pro Forma NOI as adjusted to take into account any Leasing Event.

AGREEMENT: The term "Agreement" is defined in the Preamble to this Agreement.

APPORTIONMENT DATE: The term "Apportionment Date" as used in this Agreement shall mean Eleven Fifty-Nine P.M. (11:59 P.M.) on the day immediately preceding the Closing Date.

APPROVED NEW LEASE: The term "Approved New Lease" shall mean any new Lease (i) the terms of which have been approved by Seller as of the date hereof, but which Lease has not been executed and delivered as of the date hereof and (ii) identified on Exhibit C attached hereto. Exhibit C also contains a description of the anticipated major economic terms of each Approved New Lease.

ASSIGNMENT AND ASSUMPTION AGREEMENTS: The term "Assignment and Assumption Agreements" shall mean, collectively, the four (4) assignment and assumption agreements identified in clauses (vi) - (ix) of Section 10(c) of this Agreement.

BILL OF SALE: The term "Bill of Sale" is defined in Section 10(a) of this Agreement.

BOARD OF MANAGERS: The term "Board of Managers" shall mean the Board of Managers of The Citigroup Center Condominium.

BREAKPOINT DATE: The term "Breakpoint Date" is defined in Section 16(b) of this Agreement.

BUDGETED REPAIRS: The term "Budgeted Repairs" shall mean those Capital Expenditures consisting of the repairs, replacements, and improvements to the Unit described in Schedule 1(a) attached hereto, either currently in progress or that are anticipated to be incurred by Seller over the normal course of operation of the Unit during the Interim Period.

CAPITAL EXPENDITURES: The term "Capital Expenditures" shall mean (i) the costs and expenses incurred by Seller relating to base building capital improvements for the Unit

generally but excluding costs and expenses for Tenant Allowances in connection with the leasing of space in the Unit for a particular tenant and (ii) Seller's share of the costs and expenses incurred by the Board of Managers relating to capital improvements for the Common Elements.

CASUALTY REPAIR PERIOD COMMENCEMENT DATE: The term "Casualty Repair Period Commencement Date" is defined in Section 16(b) of this Agreement.

CHURCH: The term "Church" is defined in the second WHEREAS clause of this Agreement.

CHURCH LEASE: The term "Church Lease" shall mean that certain Agreement of Lease dated as of July 1, 1977, as amended by Amendment of Lease dated as of March 23, 1981 between the Church, as landlord, and Seller, as tenant, with respect to a portion of the Church Unit (as such term is defined in the Condominium Declaration), as the same may hereafter be amended.

CITIBANK LEASE: The term "Citibank Lease" is defined in Section 3 of this Agreement.

CITIBANK LEASED PREMISES: The term "Citibank Leased Premises" is defined in the fifth WHEREAS clause of this Agreement.

CITIBANK SNDA: The term "Citibank SNDA" is defined in Section 10(c) of this Agreement.

CITIGROUP CENTER: The term "Citigroup Center" is defined in the first WHEREAS clause of this Agreement.

CITY TRANSFER TAX: The term "City Transfer Tax" is defined in Section 9(b)(i) of this Agreement.

CLOSING: The term "Closing" shall mean the consummation of the sale and purchase described in this Agreement.

CLOSING DATE: The term "Closing Date" shall mean the date upon which the Closing shall occur, which date shall in no event or under any circumstance be later than April 1, 2002, TIME BEING OF THE ESSENCE with respect to such April 1, 2002 Closing Date.

CODE: The term "Code" is defined in Section 14(b) of this Agreement.

COMMON ELEMENTS: The term "Common Elements" shall have the meaning given to such term in the Condominium Declaration, which term shall be deemed to include, for all purposes of this Agreement, Seller's right, title and interest in and to any "Limited Common Elements" appurtenant to or used in connection with the Unit.

CONDOMINIUM: The term "Condominium" shall mean the property submitted to condominium ownership pursuant to the Condominium Declaration.

CONDOMINIUM DECLARATION: The term "Condominium Declaration" is defined in the first WHEREAS clause of this Agreement.

CONFIDENTIAL PARTY: The term "Confidential Party" is defined in Section 21(a) of this Agreement.

CONTRACTS: The term "Contracts" shall mean the service, supply, management, leasing, franchise, maintenance, security and all other agreements or contracts entered into in connection with the operation, leasing, maintenance and repair of the Unit including, without limitation, (i) the construction contracts and other agreements with respect to work that is normally capitalized instead of expensed in accordance with generally accepted accounting principles consistently applied, which is being performed or to be performed at the Unit (collectively, the "Construction Contracts"), (ii) any leases of any of the personal property included in this transaction, (iii) any contracts pertaining to displays of artwork or similar matters, (iv) any contracts with the City of New York or any other municipal, governmental or quasi-governmental entity or agency relating to the Unit or its use, operation, leasing, maintenance or repair and (v) an undivided interest attributable to Seller's interest in all contracts entered into by the Board of Managers.

CONTRACTUAL RIGHT LEASE EVENT: The term "Contractual Right Lease Event" shall mean a Lease Event that occurs as the result of a tenant under an Existing Lease exercising a contractual right thereunder (including entering into any sublease, assignment, expansion, renewal or any other matter with respect to which the tenant may seek the landlord's consent and which is contemplated by such Existing Lease).

CUSTOMARY ADJUSTMENT: The term "Customary Adjustment" shall mean the adjustment of income and expenses with respect to the Unit as set forth in Section 6 of this Agreement and calculated as of the Apportionment Date.

DEFAULTING PARTY: The term "Defaulting Party" is defined in Section 18 of this Agreement.

DLIP: The term "DLIP" is defined in the Preamble to this Agreement.

ESTIMATED REPAIR PERIOD: The term "Estimated Repair Period" is defined in Section 16(b) of this Agreement.

EXCHANGE AGREEMENT: The term "Exchange Agreement" is defined in Section 2(c) of this Agreement.

EXCHANGE INTERMEDIARY: The term "Exchange Intermediary" is defined in Section 2(c) of this Agreement.

EXCHANGE OPTION: The term "Exchange Option" is defined in Section 2(c) of this Agreement.

EXCLUDED DECISIONS: The term "Excluded Decisions" shall mean, with respect to the Unit during the Interim Period, all non-discretionary, day-to-day administrative decisions made in the ordinary course of business or, subject to the provisions of Section 8(a)(i) of this Agreement, decisions to take such actions (i) as may be reasonably necessary to comply with the terms of any Lease (including, without limitation, decisions relating to the granting or withholding of a consent right with respect to a material matter under any Lease as to which the landlord is required to be "reasonable" or is required "not to unreasonably withhold" consent), (ii) as may be necessary to protect or preserve life, health and safety of persons and/or property, (iii) as may be reasonably necessary to insulate Seller from material liability to any third party, and (iv) as may be reasonably necessary for Seller to comply with its obligations under the Condominium Declaration.

EXISTING LEASES: The term "Existing Leases" shall mean those Leases set forth on Schedule 11(a)(x)(1) attached hereto.

FIRPTA AFFIDAVIT: The term "FIRPTA Affidavit" is defined in Section 10(a) of this Agreement.

ICIP: The term "ICIP" is defined in Section 8(a)(vi) of this Agreement.

INTERIM PERIOD: The term "Interim Period" shall mean the period commencing upon the execution and delivery of this Agreement and ending on the day immediately preceding the Closing Date.

INVOLUNTARY LEASE EVENT: The term "Involuntary Lease Event" shall mean a Lease Event that occurs as the result of a unilateral action or inaction on the part of a tenant under an Existing Lease in violation of such Existing Lease (e.g., bankruptcy of tenant, vacation of space prior to scheduled lease expiration or non-payment of rent).

JLL: The term "JLL" is defined in Section 5(a) of this Agreement.

LAWS: The term "Laws" is defined in Section 14(a) of this Agreement.

LEASE EVENT: The term "Lease Event" shall mean the modification, amendment termination, cancellation, surrender or assignment of an Existing Lease (or the sublease of the premises demised thereunder or any portion thereof) during the Interim Period or the occurrence of an event during the Interim Period which has the effect of modifying, terminating, cancelling or resulting in the surrender of, an Existing Lease.

LEASES: The term "Leases" shall mean all space leases, licenses, occupancy or other agreements to which Seller is a party granting any rights of use, occupancy or possession in or to the Unit or any portion thereof, and shall include, without limitation, all guaranties of such agreements, as all of the same may have been amended.

LEASING COMMISSIONS: The term "Leasing Commissions" shall mean the cost of all leasing commissions, referral fees and legal fees incurred by the landlord of the Unit in connection with the leasing of space in the Unit.

LIGHTING EASEMENT: The term "Lighting Easement" shall mean that certain Grant of Easement between the Other Board of Managers, as grantor, and the Board of Managers, as grantee, in the form of Exhibit D attached hereto.

LIMITED COMMON AREA LICENSE AGREEMENT: The term "Limited Common Area License Agreement" shall mean that certain Limited Common Elements License Agreement between the Board of Managers, Purchaser and Seller in the form of Exhibit E attached hereto.

MAJOR CASUALTY: The term "Major Casualty" is defined in Section 16 of this Agreement.

MAJOR CONDEMNATION: The term "Major Condemnation" is defined in Section 17 of this Agreement.

MASTER LICENSE AGREEMENT: The term "Master License Agreement" shall mean that certain License Agreement dated as of the date hereof between the Board of Managers and Seller.

MASTER SIDE LETTER: The term "Master Side Letter" shall mean that certain letter agreement dated as of the date hereof between DLIP and Seller.

NEGATIVE NOI ADJUSTMENT: The term "Negative NOI Adjustment" is defined in Section 7 of this Agreement.

NET REFUND: The term "Net Refund" is defined in Section 8A(b)(2) of this Agreement.

NON-DEFAULTING PARTY: The term "Non-Defaulting Party" is defined in Section 18 of this Agreement.

NYCDF: The term "NYCDF" is defined in Section 8(a)(vi) of this Agreement.

OTHER AGREEMENT: The term "Other Agreement" shall mean that certain Contract of Sale of even date herewith, between Seller and DLIP pursuant to which DLIP has agreed to sell, and Seller has agreed to purchase, Unit 1 in The 399 Park Avenue Condominium.

OTHER BOARD OF MANAGERS: The term "Other Board of Managers" shall mean the Board of Managers of The 399 Park Avenue Condominium.

PERMITTED ENCUMBRANCES: The term "Permitted Encumbrances" is defined in Section 4(a) of this Agreement.

POSITIVE NOI ADJUSTMENT: The term "Positive NOI Adjustment" is defined in Section 7 of this Agreement.

PRO FORMA NOI : The term "Pro Forma NOI" shall mean the pro forma net operating income of the Unit determined by calculating (a) the aggregate annual rents and other payments payable under the Existing Leases and the Approved New Leases, if any, as set forth on Schedule 1(c) attached hereto, and by subtracting therefrom (b) the pro forma operating expenses for the Interim Period as set forth in the budget attached hereto as Schedule 1(d).

PROPERTY INFORMATION: The term "Property Information" is defined in Section 21(d) of this Agreement.

PROTEST PROCEEDINGS: The term "Protest Proceedings" is defined in Section 8A(b)(1) of this Agreement.

PURCHASE PRICE: The term "Purchase Price" shall, subject to the immediately following sentence, mean One Hundred Eighty-Five Million and 00/100 Dollars ($185,000,000.00), as the same may be adjusted in accordance with Customary Adjustments set forth in Section 6 of this Agreement, the adjustments set forth in Section 7 of this Agreement and the adjustments set forth in Section 8A of this

Agreement. If the Approved New Lease described on Exhibit C attached hereto is not executed and delivered on or prior to the Closing Date, the Purchase Price shall be reduced in accordance with Exhibit C-1 attached hereto.

PURCHASER: The term "Purchaser" as used in this Agreement shall be deemed to mean DLIP and any immediate assignee or designee of DLIP permitted under Section 20(a) of this Agreement, it being expressly understood and agreed that DLIP shall at all times remain liable for the obligations of Purchaser under this Agreement and shall at no time be released therefrom irrespective of any such assignment or designation permitted under Section 20(a) of this Agreement.

PURCHASER CONSENT ACTION: The term "Purchaser Consent Action" shall mean, with respect to the Unit during the Interim Period, all decisions (other than Excluded Decisions) relating to Existing Leases, all decisions relating to new Leases, all decisions relating to Lease amendments, Lease renewals, Lease surrender agreements, Contracts, Capital Expenditures, capital repairs, casualties, condemnation proceedings and settlement of Protest Proceedings or any other litigation with respect to the Unit, and all decisions by or on behalf of Seller relating to the use, operation, leasing, maintenance and repair of the Common Elements.

PURCHASER INDEMNIFIED PARTIES: The term "Purchaser Indemnified Parties" shall mean Purchaser and any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate of Purchaser, or any officer, director, employee, trustee, shareholder, partner or principal of any such shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate or any advisor or consultant of any of the foregoing.

RECEIVABLES: The term "Receivables" shall mean all rental payments, expense reimbursements and other monetary obligations of any kind due and owing or to become due and owing to Seller for the period prior to and including the Apportionment Date under (i) the Leases and (ii) all space leases, licenses, occupancy or other agreements granting any rights of use, occupancy or possession in or to the Common Elements or any portion thereof, and shall include, without limitation, all guaranties of such agreements, as all of the same may have been amended.

REPRESENTATIVES: The term "Representatives" shall mean, with respect to any person or entity, such person's or entity's agents or representatives, including, without limitation, its directors, officers, employees, affiliates, partners, agents, contractors, engineers, attorneys, accountants, consultants, brokers or financial advisors.

SELLER: The term "Seller" is defined in the Preamble to this Agreement.

SELLER INDEMNIFIED PARTIES: The term "Seller Indemnified Parties" shall mean Seller and any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate of Seller, or any officer, director, employee, trustee, shareholder, partner or principal of any such shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate or any advisor or consultant of any of the foregoing.

SELLER'S KNOWLEDGE: The term "Seller's Knowledge" or words of similar import shall be deemed to mean, and shall be limited to, the actual (as distinguished from implied or constructive) knowledge of Brian McDonald, Thomas Zizzi and Leslie Heifetz without such persons having any obligation to make an independent inquiry or investigation.

SSB: The term "SSB" is defined in Section 5(a) of this Agreement.

STANDARD TENANT ESTOPPEL: The term "Standard Tenant Estoppel" is defined in Section 23(j) of this Agreement.

STATE TRANSFER TAX: The term "State Transfer Tax" is defined in Section 9(b)(i) of this Agreement.

SYSTEMS AGREEMENT: The term "Systems Agreement" shall mean that certain Systems Agreement dated as of the date hereof among Seller, Purchaser, the Board of Managers and the Other Board of Managers.

TENANT ALLOWANCES: The term "Tenant Allowances" shall mean all tenant improvement expenses (including all hard and soft construction costs, whether payable to the contractor or to the tenant), tenant allowances, moving expenses and other out-of-pocket costs incurred by the landlord of the Unit in connection with the leasing of space in the Unit.

THE 399 PARK AVENUE CONDOMINIUM: The term "The 399 Park Avenue Condominium" shall mean the condominium created pursuant to the terms of The 399 Park Avenue Condominium Declaration.

THE 399 PARK AVENUE CONDOMINIUM DECLARATION: The term "The 399 Park Avenue Condominium Declaration" shall mean that certain Second Amended and Restated Declaration of Condominium dated as of January 1, 1995 Establishing a Plan for Condominium Ownership of the Premises known as 399 Park Avenue.

TITLE EXCEPTIONS: The term "Title Exceptions" shall mean any lien, encumbrance, security interest, charge, reservation, lease, tenancy, easement, right-of-way, encroachment, restrictive covenant, condition or limitation affecting the Unit.

TITLE INSURER: The term "Title Insurer" shall mean any reputable title insurer (or title insurers in the case of co-insurance) licensed to do business by the State of New York, as specified by Purchaser, acting in its reasonable discretion, by written notice to Seller given not less than forty-five (45) days prior to the Closing, which notice to Seller shall contain the written agreement of any such title insurer(s) to execute and deliver the Exchange Agreement substantially in the form of Exhibit J attached hereto.

TRANSFER TAX FORMS: The term "Transfer Tax Forms" is defined in Section 10(c) of this Agreement.

UNANTICIPATED CAPITAL EXPENDITURES: The term "Unanticipated Capital Expenditures" shall mean those Capital Expenditures incurred with respect to the Unit during the Interim Period that are (i) not the cost of performing Budgeted Repairs, (ii) unknown and unanticipated on the date hereof, and (iii) not covered by insurance required to be maintained by Seller in accordance with the terms of this Agreement.

UNANTICIPATED CAPITAL IMPROVEMENTS: The term "Unanticipated Capital Improvements" shall mean those capital improvements the cost of which is properly categorized as an Unanticipated Capital Expenditure.

UNIT: The term "Unit" is defined in the third WHEREAS clause of this Agreement.

UNIT DEED: The term "Unit Deed" is defined in Section 10(a) of this Agreement.

UNIT ONE CITIBANK LEASE: The term "Unit One Citibank Lease" shall mean that certain Office Space Lease dated August 19, 1994 between Dai-ichi Life (U.S.A.) Inc. (predecessor-in-interest to Purchaser), as landlord, and Seller, as tenant, with respect to floors 23-25 in Citigroup Center Office Unit One (as such term is defined in the Condominium Declaration), as amended by the Unit One Citibank Lease Amendment.

UNIT ONE CITIBANK LEASE AMENDMENT: The term "Unit One Citibank Lease Amendment" shall mean that certain First Lease Amendment in the form of Exhibit I attached hereto.

VOLUNTARY LEASE EVENT: The term "Voluntary Lease Event" shall mean a Lease Event which is not a sublease, assignment, termination, exercise of an expansion or renewal option or other matter specifically provided for and contemplated by an Existing Lease and which is approved by Purchaser as a Purchaser Consent Action.

2. PURCHASE AND SALE.

(a) Subject to the terms and provisions set forth in this Agreement, on the Closing Date: (i) Seller shall transfer, assign and convey the Unit to Purchaser, and (ii) Purchaser shall pay the Purchase Price to the Exchange Intermediary as provided in subsection (b) below.

(b) The Purchase Price (as adjusted in accordance with the Customary Adjustments set forth in Section 6 and the adjustments set forth in Section 7 and Section 8A) is payable by Purchaser in full on the Closing Date. The payment of the Purchase Price to be made pursuant to the preceding sentence shall be paid by wire transfer to an account or accounts of Exchange Intermediary or as specified in writing by Seller or Exchange Intermediary.

(c) Purchaser acknowledges that, irrespective of whether DLIP assigns its rights under this Agreement to, or designates the right to take title to the Unit to, a third party, it is the intention of Seller to convey the Unit to Purchaser in exchange for Unit 1 in The 399 Park Avenue Condominium and DLIP's ownership interests in the Common Elements (as such term is defined in the Other Agreement), which shall be transferred to Seller pursuant to the Other Agreement, in a manner that qualifies for non-recognition treatment under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code") and should be interpreted consistent with such section (or any successor section) and any Treasury Regulations promulgated thereunder. Such conveyance to Purchaser shall be made in consideration of Purchaser acknowledging all agreements (including, without limitation, an exchange agreement substantially in the form of Exhibit J attached hereto (the "Exchange Agreement")) necessary for First American Exchange Corporation, or such other reputable, nationally recognized exchange intermediary selected by Seller (the "Exchange Intermediary") to effectuate a "like-kind" exchange (the "Exchange Option"). The provisions of the Exchange Agreement shall be deemed incorporated into this Agreement in their entirety. Seller agrees that Purchaser's cooperation with respect to the Exchange Option shall not modify the rights or obligations of either party to this Agreement, except as set forth in the Exchange Agreement and the other documents that will be required to be executed pursuant to the Exchange Agreement in connection with the Exchange Option. In the event that any provision of the Exchange Agreement conflicts with any subsequent changes in Section 1031 of the Code or regulations thereunder, Seller and Purchaser agree to amend or modify such provision to the extent necessary to permit the transaction contemplated thereby to qualify for non-recognition treatment under Section 1031 of the Code provided that neither Seller nor Purchaser is adversely affected by such amendment or modification.

(d) Included in the sale of each Unit is all of the right, title and interest of Seller in and to the following:

(i) an undivided interest in the Common Elements;

(ii) all easements, covenants, servitudes and other rights and interests now belonging or appertaining to, or comprising a part of, the Unit, and all right, title and interest of Seller in and to any land lying in the bed of any street, road, avenue or alley, open or closed, in front of or behind or otherwise adjoining the Unit and to the center line thereof;

(iii) the buildings, structures, fixtures and other improvements (including, without limitation, escalators), and the furniture, equipment, supplies, tools, machinery, security systems, computer software and other personal property (excluding items owned, or leased from leasing companies, by any tenants or any property manager who is not an affiliate of Seller and also excluding the lobby building directory) which are now located on or attached to the Unit, and any leases under which any of the same may be under lease to Seller for use at the Unit;

(iv) to the extent they may be transferred under applicable law, all licenses, permits, approvals and authorizations required for the use and operation of all or any part of the Unit;

(v) the assignable Contracts (other than those terminated in accordance with Section 11(a)(x) of this Agreement);

(vi) to the extent they may be transferred, warranties covering any portion of the Unit or any of the other property included in the transaction contemplated by this Agreement;

(vii) the Leases, together with all security deposits paid under the Leases;

(viii) all existing surveys, operation surveys, management reports, equipment operation standards, blueprints, drawings, plans and specifications (including, without limitation, structural, HVAC, mechanical and plumbing plans and specifications) pertaining to the Unit or the Condominium in the possession or control of Seller;

(ix) all available tenant lists, lease files, correspondence, documents, booklets, manuals and promotional and advertising materials concerning the Unit or used in connection with the operation of the Unit or the Condominium, or any part thereof, to the extent any of the foregoing are located at the Unit (or any of Seller's offices) or any property manager's office or otherwise in possession of Seller, and shall specifically exclude any internal books and records of Seller (except to the extent relating to the operation of the Unit) maintained at any of Seller's offices, internal and external appraisals of the Unit and any other privileged or proprietary information not otherwise in the possession of Seller; and

(x) all other intangible personal property owned by Seller or in which Seller otherwise has an interest, and used solely in connection with or arising in connection with the business conducted on or from the Unit or any part thereof, including, if available, telephone exchange numbers, specifically excluding, however, any names or marks of Seller or any affiliates of Seller.

Seller shall deliver or cause to be delivered to Purchaser at the Closing such deeds, bills of sale, assignments or other transfer documents necessary to transfer Seller's interest in and to all of the foregoing property to Purchaser consistent with the terms of this Agreement, which obligation shall survive the Closing for a period of one (1) year.

(e) Seller and Purchaser acknowledge and agree that the value of the Church Lease and the personal property that is included in the transaction contemplated by this Agreement is DE MINIMIS and no part of the Purchase Price is allocable thereto.

3. THE CITIBANK LEASE. On the Closing Date, Purchaser shall lease to Seller and Seller shall hire from Purchaser, the Citibank Leased Premises, pursuant to the terms and conditions of the lease attached hereto as Exhibit K (the "Citibank Lease").

4. STATUS OF TITLE; TITLE INSURANCE AND SURVEY COSTS

(a) The Unit shall be conveyed to Purchaser, subject only to (i) the standard exceptions and provisions contained in the form of 1992 ALTA owner's title insurance policy employed by the Title Insurer, (ii) those matters set forth on Schedule 4(a) to this Agreement, (iii) any Title Exceptions that are created, allowed or suffered to exist by Purchaser or the Board of Managers and (iv) any Title Exceptions that are approved or waived by Purchaser in writing (collectively, the "Permitted Encumbrances"). Mechanics liens and other liens or encumbrances related to proposed or actual work with respect to the Unit shall not in any circumstance constitute Permitted Encumbrances. Seller shall use its good faith commercially

reasonable efforts to cause all open building permits with respect to the Unit (other than those which are the responsibility of any tenant or other occupant of the Unit) to be closed out on or before the Closing Date. Notwithstanding the foregoing, if such permits have not been closed out on or before the Closing Date, Seller shall deliver an undertaking to Purchaser at Closing to cause such open building permits to be closed out.

(b) Seller shall not create or allow or suffer to exist any Title Exception which is not a Permitted Encumbrance without the consent of Purchaser. Each of Seller and Purchaser agree that during the period prior to the Closing its representatives to the Board of Managers will approve Title Exceptions only with the contemporaneous unanimous approval of the other party's representatives to the Board of Managers. If on the date of the Closing, there are any Title Exceptions that are not Permitted Encumbrances, Purchaser shall, to the extent necessary or required, cooperate with Seller in removing such Title Exceptions or causing such Title Exceptions to be removed, and Seller shall be absolutely and unconditionally obligated to pay, discharge and/or otherwise remove such Title Exceptions (other than those created or allowed or suffered to exist by Purchaser or the Board of Managers) or to cause any such Title Exceptions to be removed irrespective of the cost therefor, and the Purchaser shall have such rights of action against Seller, at law or in equity, to cause Seller to convey title to the Unit subject only to Permitted Encumbrances. Notwithstanding the foregoing, Purchaser may elect to accept such title as Seller can convey, notwithstanding the existence of Title Exceptions that are not Permitted Encumbrances. In such event, this Agreement shall remain in effect and the parties shall proceed to Closing, but Purchaser shall not be entitled to any credit or allowance of any kind or any claim or right of action against Seller for damages or otherwise by reason of the existence of any Title Exceptions which are not Permitted Encumbrances.

(c) The costs of examination of title (including all UCC, tax and other searches) and title premiums for the issuance by the Title Insurer of policies of title insurance insuring Purchaser's fee interest in the Unit, conforming to the requirements of Purchaser (other than endorsements required to be obtained by Seller pursuant to Section 4(b) to remove Title Exceptions that are not Permitted Encumbrances or additional title premiums payable in connection with the removal of such Title Exceptions by Seller), shall be paid by Purchaser. The cost of obtaining new or updated surveys for the Unit, conforming to the requirements of Purchaser or its assignee or designee shall be paid by Purchaser.

(d) If any title report discloses judgments, bankruptcies or other returns against other persons having names the same as, or similar to, that of Seller, Seller on request, shall deliver to the Title Insurer affidavits showing that such judgments, bankruptcies or other returns are not against Seller in order to induce the Title Insurer to omit exceptions with respect to such judgments, bankruptcies or other returns or to insure over same. In addition, Seller, on request, shall deliver to the Title Insurer, all customary affidavits reasonably required by the Title Insurer to omit (i) exceptions with respect to municipal emergency

repairs, (ii) exceptions with respect to (A) retroactive street vault charges, together with interest and penalties thereon, and (B) work done by the City of New York upon the Unit or the Condominium or any demand made by the City of New York for any such work that may result in charges by the New York City Department of Environmental Protection for water tap closings or any related work, (iii) exceptions with respect to fees for inspections, reinspections, examinations and services performed by the Department of Buildings or for permits issued by the Department of Buildings and (iv) any other exceptions of a similar type. Seller, on request, shall also deliver to the Title Insurer all customary affidavits reasonably required by the Title Insurer to modify or omit (in accordance with the customary practice in New York City) the standard printed exceptions to title contained in the form of 1992 ALTA owner's title insurance policy employed by the Title Insurer.

(e) To the extent necessary or required, Purchaser shall cooperate with Seller and, upon request of Seller, deliver to the Title Insurer such affidavits as may be required by the Title Insurer (by virtue of the fact that the Unit is subject to the condominium form of ownership) to enable the Title Insurer to insure Purchaser's title to the Unit in the manner required by this Agreement.

5. BROKERS AND ADVISORS.

(a) Purchaser represents and warrants that it has not dealt or negotiated with any broker with respect to the transactions contemplated by this Agreement other than Jones Lang LaSalle and LaSalle Investment Management, Inc. (collectively, "JLL") and Salomon Smith Barney Inc. ("SSB") and Purchaser shall pay all fees due to JLL in connection therewith pursuant to a separate agreement. Purchaser shall indemnify, defend and hold Seller harmless, from and against any and all loss, cost, damage, claim, liability and expense (including, without limitation, reasonable attorneys' fees) resulting from a breach of the foregoing representation and warranty.

(b) Seller represents and warrants that it has not dealt or negotiated with any broker with respect to the transactions contemplated by this Agreement other than JLL and SSB and Seller shall pay all fees due to SSB in connection therewith pursuant to a separate agreement. Seller shall indemnify, defend and hold Purchaser harmless, from and against any and all loss, cost, damage, claim, liability and expense (including, without limitation, reasonable attorneys' fees) resulting from a breach of the foregoing representation and warranty.

(c) Purchaser shall be responsible for the payment of all professionals and advisors retained by Purchaser in connection with the transactions contemplated by this Agreement. Seller shall be responsible for the payment of all professionals and

advisors retained by Seller in connection with the transactions contemplated by this Agreement.

(d) The provisions of this Section 5 shall survive the Closing for a period without expiration.

6. CUSTOMARY CLOSING ADJUSTMENTS.

(a) The following are to be apportioned for the Unit as of the Apportionment Date (subject to the rights of tenants under their Leases), and shall (except as expressly set forth herein) constitute an adjustment with respect to the Purchase Price as of the Apportionment Date:

(i) real estate taxes, personal property taxes and all assessments (special and general) for the current tax fiscal period in progress on the Apportionment Date (it being agreed that the same shall be adjusted on an accrual basis). If the rate or amount of such taxes shall not be fixed prior to the Closing Date, the adjustment thereof as of the Apportionment Date shall be upon the basis of the rate for the preceding tax fiscal period applied to the latest assessed valuation (or, if none, other basis of valuation, including without limitation, written opinions of tax adjusters or as otherwise agreed to by Seller and Purchaser), and the same shall be further adjusted no later than thirty (30) days after the date on which the taxes for the current tax fiscal period in progress on the Apportionment Date are paid;

(ii) unless final meter readings are obtained on the Apportionment Date (for which Seller shall be solely responsible), vault charges, water and sewer service charges, and charges for all other public utilities, including, without limitation, steam, electricity and gas (to the extent the Unit owner is responsible for the payment thereof). The rights to the return of any deposits with utility companies shall be retained by Seller. Purchaser shall promptly upon request of Seller put up any replacement deposit on or about the Closing Date which may be required by a utility company as a precondition to the release of Seller's deposit;

(iii) base rents, fixed rents, additional rents, escalation rents, percentage rents and any other rents (exclusive of advance rents and security deposits) paid or payable for the billing period in progress as of the Apportionment Date in accordance with Section 8A of this Agreement; it being agreed that to the extent, on the Apportionment Date, additional rents, escalation rents, percentage rents or other rents have not been collected for such billing period, then each such item shall be adjusted retroactively to the Apportionment Date in

accordance with Section 8A and this Section 6 no later than thirty (30) days after each such item has been collected. Percentage rent, payments or reimbursements on account of operating expenses and real estate taxes, utility charges and any other payments, reimbursements or contributions by tenants under the Leases shall be prorated as follows: (y) with respect to percentage rents (if any), Purchaser shall furnish to Seller promptly upon receipt copies of all sales reports from tenants who owe percentage rent for any period prior to the Apportionment Date, whereupon the percentage rent due (if any) shall be promptly calculated and the proration between Seller and Purchaser computed as of the Apportionment Date; and (z) the amount of any other rents, payments, reimbursements or contributions to be made by any tenant shall be computed in accordance with such tenant's Lease as existing as of the Apportionment Date; and (provided that such tenant's rent payments are not in arrears) Purchaser shall remit to Seller Seller's pro rata portion of such percentage rents (if any) and any other rents, payments, reimbursements or contributions (based upon apportionment being made as of the Apportionment Date) promptly after such rents, payments, reimbursements or contributions have been collected by Purchaser from such tenant. If Seller has collected estimated amounts of prepayments in excess of the amounts properly payable under any tenant's Lease, (i) Seller shall promptly remit said excess to Purchaser after notice from Purchaser and after such excess is verified by a review or analysis of estimated prepayments in accordance with such tenant's Lease, (ii) Purchaser shall promptly remit to the applicable tenant any such excess paid over to Purchaser pursuant to the preceding clause (i), and (iii) Purchaser shall indemnify and hold Seller harmless from all claims, demands, causes of actions, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) asserted against or incurred by Seller in connection with or arising out of Purchaser's failure to fulfill its obligations pursuant to the preceding clause (ii) of this sentence;

(iv) permit fees and license fees with respect to any assigned permits and licenses;

(v) charges and payments under assignable Contracts (other than those terminated in accordance with Section 11(a)(x) of this Agreement) or permitted renewals or replacements thereof; and

(vi) insurance premiums and other similar prepaid expenses (to the extent Purchaser retains the same), Common Charges and Limited Common Charges (as such terms are defined in the Condominium Declaration) and any Grand Central Partnership payments or dues applicable to the Unit, operating agreement payments (if such agreements are assumed by Purchaser) and such

other items that, in New York, New York, are customarily prorated, adjusted or paid in accordance with the "customs in respect to title closings" recommended by The Real Estate Board of New York, Inc., as amended and in effect on the date of Closing, in connection with the sale or exchange of property similar to the Unit, consistent with the terms and provisions of this Agreement.

(b) All funds in any operating accounts, reserve accounts or any other accounts pertaining to the Unit on the Apportionment Date, whether in the name of Seller or any property manager of the Unit, shall (subject to the terms of any applicable Leases and the adjustments required under this Agreement) be retained by Seller or applied as Seller shall direct, and all cash, coins and petty cash to which Seller is entitled (including, without limitation, cash in coin operated machines, if any) located in the Unit shall be counted by Seller or any such property manager on the Apportionment Date and the same shall be retained by Seller or remitted to Seller by any such property manager.

(c) The security deposits and advance rents with respect to the Leases (together with any interest thereon required pursuant to the terms of the Leases or applicable law) shall not be pro-rated, but instead shall be paid over to Purchaser on the Closing Date, provided that, if such security deposits or advance rents are in the possession or control of any property manager, at Purchaser's request Seller shall direct such property manager in writing to retain possession or control thereof for the benefit of Purchaser. Promptly after the Closing (irrespective of when such Closing occurs), Seller shall transfer or cause to be transferred to Purchaser any and all letters of credit and Seller's interest in any certificates of deposit held by Seller as security for a tenant's performance under any of the Leases being assigned to Purchaser. If any such letter of credit is non-transferable, Seller shall use its good faith efforts to have such letter of credit reissued in the name of Purchaser (at Seller's sole cost and expense), and failing that, Seller agrees to continue holding any such non-transferable letter of credit and agrees to present the letter of credit for payment or to release the letter of credit on the written instructions of Purchaser and will remit any funds collected thereunder to Purchaser (less any reasonable costs of collection), provided that Seller is indemnified and held harmless by Purchaser from and against any liability, cost or expense as a result thereof.

(d) INTENTIONALLY OMITTED.

(e) UNANTICIPATED CAPITAL EXPENDITURES. Seller shall be responsible for the payment of all Unanticipated Capital Expenditures incurred during the Interim Period. If on the Closing Date any Unanticipated Capital Improvements have not been completed and/or funded by Seller, then Purchaser shall receive a credit at Closing in an amount equal to the amount of any such unfunded items and the cost to complete any such unfunded work.

(f) LEASING COMMISSIONS, TENANT ALLOWANCES AND BUDGETED REPAIRS. Seller and Purchaser shall each be responsible for the payment of those (i) Leasing Commissions relating to Existing Leases and Approved New Leases allocable to each such party as set forth on Schedule 6(f)(i) attached to this Agreement, (ii) Tenant Allowances that are the obligation of the landlord under the Existing Leases and the Approved New Leases allocable to each such party as set forth on Schedule 6(f)(ii) attached to this Agreement and (iii) Budgeted Repairs under Construction Contracts allocable to each such party as set forth on Schedule 6(f)(iii) attached to this Agreement. If on the Closing Date any items allocable to Seller on any of the foregoing Schedules 6(f)(i)-(iv) in respect of Budgeted Repairs, Leasing Commissions or Tenant Allowances have not been completed and/or funded by Seller, then Purchaser shall receive a credit at Closing in an amount equal to the amount of any such unfunded items and the cost to complete any such unfunded work.

(g) INTENTIONALLY OMITTED.

(h) SURVIVAL. Seller and Purchaser agree to use reasonable efforts to calculate all adjustments required under this Section 6 with respect to those items of income and expense that are ascertainable on the Apportionment Date by no later than the sixty (60) days after the Apportionment Date. Each other item of income and expense that is subject to adjustment under this Section 6 but that is not ascertainable on the Apportionment Date will be adjusted retroactive to the Apportionment Date, and the payment made on such adjustment within sixty (60) days after the date that such adjustment becomes ascertainable (I.E., the date by which each party, in its good faith business judgment, has sufficient information to make such adjustment). The parties agree that each party shall have the right, during the period commencing on the Closing Date and terminating at the close of business on the one hundred eightieth (180th) day after the Closing Date, on reasonable advance written notice to the other, from time to time during regular business hours, to review the books and records of such other party pertaining solely to the operations of the Unit to the extent necessary to confirm the amounts of adjustments payable to Seller and/or Purchaser following the Apportionment Date and in furtherance thereof the parties shall, upon reasonable advance written notice, make their respective books and records available for the other during regular business hours and shall use their good faith commercially reasonable efforts to cause the managing agent of the Common Elements to make available the applicable portion of its books and records for such purpose. Seller and Purchaser shall cooperate as necessary following the Closing Date in order to promptly and in good faith discharge their respective obligations under this Section 6. Notwithstanding the foregoing, any claim for an adjustment under Section 6(a) will be valid if made in writing with reasonable specificity within one (1) year after the Closing Date, except in the case of items of adjustment which at the expiration of such period are subject to pending litigation or administrative proceedings. Claims with respect to items of adjustment that are subject to litigation or administrative proceedings will be valid if made on or before the later to occur of (i) the date that is one (1) year after the Closing Date and (ii) the date that is one hundred eighty (180) days after a final non-appealable order shall have issued in such litigation

or administrative hearing. Both parties shall use good faith efforts to resolve any disputed claims promptly. The provisions of this Section 6 shall survive the Closing. Purchaser shall notify, or shall cause any property manager retained by it to notify, Seller of any reimbursement adjustment to which Seller becomes entitled under the provisions of this Section 6 promptly after Purchaser or such property manager determines that such reimbursement adjustment is due to Seller.

7. EFFECT OF CERTAIN LEASE EVENTS.

(a) In addition to the Customary Adjustment being calculated as of the Apportionment Date with respect to the Unit in accordance with the provisions of Section 6 above and the adjustments set forth in Section 8A, the adjustments set forth in this Section 7 shall, to the extent applicable, be made on the Closing Date.

(b) If a Contractual Right Lease Event occurs with respect to an Existing Lease during the Interim Period, then (i) during the Interim Period, Seller alone shall continue to be responsible for the payment of all costs and expenses attributable to such Existing Lease (as adjusted for the effect of the Contractual Right Lease Event) and Seller alone shall continue to be entitled to the receipt of all income generated from such Existing Lease (as adjusted for the effect of the Contractual Right Lease Event) and (ii) from and after the Closing Date, Purchaser alone shall be responsible for the payment of all costs and expenses attributable to such Existing Lease (as adjusted for the effect of the Contractual Right Lease Event) and Purchaser alone shall be entitled to the receipt of all income generated from such Existing Lease (as adjusted for the effect of the Contractual Right Lease Event). If the Contractual Right Lease Event results in an Adjusted NOI which exceeds the Pro Forma NOI (a "Positive NOI Adjustment"), then the Positive NOI Adjustment shall inure to the benefit of Seller from and after the occurrence of the Contractual Right Lease Event up to and including the Apportionment Date. If the Contractual Right Lease Event results in a Positive NOI Adjustment, then the Positive NOI Adjustment shall inure to the benefit of Purchaser from and after the Closing Date. Conversely, if a Contractual Right Lease Event occurs during the Interim Period and such Contractual Right Lease Event results in an Adjusted NOI which is less than the Pro Forma NOI (a "Negative NOI Adjustment"), then the Negative NOI Adjustment shall be borne by Seller from and after the occurrence of the Contractual Right Lease Event up to and including the Apportionment Date and shall be borne by Purchaser from and after the Closing Date. Without limiting the generality of the foregoing, if upon the occurrence of a Contractual Right Lease Event which results in the termination of any Existing Lease, any fee or other payment required to be made by the applicable tenant under such Existing Lease is in fact paid during the Interim Period as a condition to the termination of such Existing Lease, such fee or other payment shall belong exclusively to Seller. Any subsequent re-leasing of the space (or any portion thereof) previously demised under such terminated Existing Lease during the Interim Period shall constitute a Purchaser Consent Action, subject to the provisions of Section 8(a)(i) of this Agreement, it being the intention of

the parties that Purchaser shall ultimately bear all the risks and rewards of such re-leasing; provided, however, (i) during the Interim Period, subject to the following provisions of this Section, Seller alone shall be responsible for the payment of all costs and expenses of re-leasing the space in question (including, without limitation, all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) and Seller alone shall be entitled to the receipt of all income therefrom and (ii) from and after the Closing Date, Purchaser alone shall be responsible for the payment of all costs and expenses of re-leasing the space in question (including, without limitation, all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) and Purchaser alone shall be entitled to the receipt of all income therefrom. Notwithstanding the foregoing, (i) if the expenses incurred by Seller during the Interim Period in connection with such re-leasing of the space (or any portion thereof) previously demised under an Existing Lease exceeds the gross income received by Seller during the Interim Period as the result of such re-leasing, then Seller shall receive a credit at Closing in the amount of such excess and (ii) if the gross income received by Seller during the Interim Period as the result of such re-leasing of the space (or any portion thereof) previously demised under an Existing Lease exceeds the expenses incurred by Seller during the Interim Period in connection with such re-leasing, then Purchaser shall receive a credit at Closing in the amount of such excess. Notwithstanding the foregoing, with respect to any Contractual Right Lease Event that does not result in the termination of an Existing Lease, at Closing, Seller shall also receive a credit in an amount equal to all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees incurred in connection with such Contractual Right Lease Event.

(c) If an Involuntary Lease Event occurs with respect to an Existing Lease during the Interim Period, then during the Interim Period, Seller alone shall continue to be responsible for the payment of all costs and expenses attributable to such Existing Lease (as adjusted for the effect of the Involuntary Lease Event) and Seller alone shall be entitled to the receipt of all income generated from such Existing Lease (as adjusted for the effect of the Involuntary Lease Event). If the Involuntary Lease Event results in a Negative NOI Adjustment, then the Negative NOI Adjustment shall be borne by Seller from and after the occurrence of the Involuntary Lease Event up to and including the Apportionment Date and shall be borne by Purchaser from and after the Closing Date. Following the occurrence of an Involuntary Lease Event during the Interim Period which results in a tenant vacating the space demised under an Existing Lease prior to the scheduled expiration thereof, any subsequent re-leasing of the space (or any portion thereof) previously demised under such Existing Lease during the Interim Period shall constitute a Purchaser Consent Action, subject to the provisions of Section 8(a)(i) of this Agreement, it being the intention of the parties that Purchaser shall ultimately bear all the risks and rewards of such re-leasing; provided, however, (i) during the Interim Period, subject to the following provisions of this Section, Seller alone shall be responsible for the payment of all costs and expenses of re-leasing the space in question (including, without limitation, all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) and Seller alone shall be entitled

to the receipt of all income therefrom and (ii) from and after the Closing Date, Purchaser alone shall be responsible for the payment of all costs and expenses of re-leasing the space in question (including, without limitation, all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) and Purchaser alone shall be entitled to the receipt of all income therefrom. Notwithstanding the foregoing, (i) if the expenses incurred by Seller during the Interim Period in connection with such re-leasing of the space (or any portion thereof) previously demised under an Existing Lease exceeds the gross income received by Seller during the Interim Period as the result of such re-leasing, then Seller shall receive a credit at Closing in the amount of such excess and (ii) if the gross income received by Seller during the Interim Period as the result of such re-leasing of the space (or any portion thereof) previously demised under an Existing Lease exceeds the expenses incurred by Seller during the Interim Period in connection with such re-leasing, then Purchaser shall receive a credit at Closing in the amount of such excess. The collection of Receivables and other amounts due from tenants as the result of an Involuntary Lease Event shall be undertaken in accordance with the provisions of Section 8A and any sums actually collected as a result thereof shall be applied in the manner prescribed in such Section.

(d) If a Voluntary Lease Event occurs with respect to an Existing Lease during the Interim Period, then, subject to the following provisions of this Section, (i) during the Interim Period, Seller alone shall continue to be responsible for the payment of those costs and expenses (including, without limitation, all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) attributable to such Existing Lease (as adjusted for the effect of the Voluntary Lease Event), and Seller alone shall continue to be entitled to the receipt of all income generated from such Existing Lease (as adjusted for the effect of the Voluntary Lease Event), and (ii) from and after the Closing Date, Purchaser alone shall be responsible for the payment of all costs and expenses (including, without limitation, all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees) attributable to such Existing Lease (as adjusted for the effect of the Voluntary Lease Event) and Purchaser alone shall be entitled to the receipt of all income from such Existing Lease (as adjusted for the effect of the Voluntary Lease Event). Notwithstanding the foregoing, (A) if the Pro Forma NOI which is allocable to an Existing Lease (as adjusted to reflect the actual Closing Date) is increased as the result of a Voluntary Lease Event, then Purchaser shall receive a credit at Closing in the amount of such excess and (B) if the Pro Forma NOI which is allocable to an Existing Lease (as adjusted to reflect the actual Closing Date) is decreased as the result of a Voluntary Lease Event, then Seller shall receive a credit at Closing in the amount of such shortfall. At Closing, Seller shall also receive a credit in an amount (without duplication of any operating expense item included in the calculation of Pro Forma NOI pursuant to the immediately preceding sentence) equal to all tenant improvement expenses, tenant allowances, leasing commissions, referral fees and legal fees incurred during the Interim Period as the result of any Voluntary Lease Event with respect to an Existing Lease, including, without limitation, all such tenant improvement expenses,

tenant allowances, leasing commissions, referral fees and legal fees incurred in connection with the re-leasing of any space which is vacated as a result of such Voluntary Lease Event.

(e) The provisions of this Section 7 shall survive the Closing for a period of two (2) years.

8. OPERATION OF THE UNIT PRIOR TO CLOSING.

(a) OPERATION OF THE UNIT DURING THE INTERIM PERIOD. During the Interim Period, Seller shall have the right and the obligation to continue to operate and maintain the Unit, subject to the limitations set forth in the Condominium Declaration. In connection therewith:

(i) From the date hereof until the Closing, Seller shall not take, or allow any property manager retained by it to take, any Purchaser Consent Action, without the prior written consent of the Purchaser (which consent may be withheld in Purchaser's sole and absolute discretion). With respect to any proposed Purchaser Consent Action to be submitted to Purchaser for its consent pursuant to the preceding sentence, Purchaser shall consent or deny its consent, within five (5) business days following receipt by Purchaser of Seller's notice requesting Purchaser's consent to the proposed action and providing Purchaser with all background information necessary for Purchaser to make its decision. Failure to respond within such five (5) business day period shall be deemed to be an approval of the Purchaser Consent Action in question. It is understood that a non-discretionary lease renewal, expansion, surrender of space, sublease or assignment right or other similar right expressly set forth in an Existing Lease in favor of a tenant shall not be deemed to be a Purchaser Consent Action to the extent that the specific terms therefor are embodied in the lease in question and are non-subjective in nature. For example, if a renewal has been granted in favor of a tenant for a specific term and at a specified fixed dollar rent per square foot, such renewal will not be a Purchaser Consent Action. On the other hand, if a renewal has been granted to a tenant for a specific term and at a fair market rent to be mutually agreed upon by the Seller and tenant, the ability of Seller to agree upon a fair market rent shall be a Purchaser Consent Action. In addition to the foregoing, Seller shall not take, or allow any property manager retained by it to take, any actions contained in clause (i) of the definition of Excluded Decisions to the extent such action relates to the granting or withholding of a consent right with respect to a material matter under any Lease or involves the incurrence of a material expenditure, obligation or other liability without first providing written notice to Purchaser of its intention to do so, and the reasons therefor; provided, however, Seller agrees that, to the extent requested in writing by Purchaser within three (3) business days after receipt by Purchaser of such

notice from Seller, Seller shall refrain from taking any such contemplated action, provided that Purchaser agrees to indemnify and hold Seller harmless from any loss, cost, damage, claim, liability and expense (including, without limitation, reasonable attorneys' fees) which Seller shall incur resulting from Seller's failure to take any such action.

(ii) Intentionally Omitted

(iii) From the date hereof until the Closing, Seller shall not take, or omit to take, any action that would have the effect of violating in any material respect any of the representations, warranties, covenants and agreements of Seller contained in this Agreement. Nothing contained in the foregoing sentence shall be construed to preclude Seller from taking, or omitting to take, any action that is (x) approved in writing by Purchaser (whether as a Purchaser Consent Action or otherwise), (y) required to be taken pursuant to this Agreement, or (z) pertaining to the Common Elements and approved by the Board of Managers. From the date hereof until the Closing, Purchaser shall not take, or omit to take, any action that would have the effect of violating in any material respect any of the representations, warranties, covenants and agreements of Purchaser contained in this Agreement.

(iv) From the date hereof until the Closing, Seller shall not sell, assign, or convey any right, title or interest whatsoever in or to the Unit, or create or permit to exist any lien, security interest, easement, encumbrance, charge or condition affecting the Unit (other than a Permitted Encumbrance), without the prior consent of Purchaser except to the extent relating to (w) actions reasonably necessary or desirable in connection with the marketing and sale of the Unit to the Purchaser pursuant to the Exchange Agreement contemplated by this Agreement, (x) leasing of the Unit or portions thereof as permitted in accordance with this Agreement, (y) items affecting the Common Elements approved by the Board of Managers or (z) items approved in writing by Purchaser (whether as a Purchaser Consent Action or otherwise).

(v) From the date hereof until the Closing, Seller shall promptly deliver to Purchaser copies of (a) written default notices, notices of lawsuits and notices of violations affecting the Unit that are sent or actually received by Seller, (b) without duplication of anything contained in the preceding clause (a), any notice received from the City of New York, any taxing authority and any other municipal, governmental or quasi-governmental entity or agency pertaining to the Unit, and any notices received from the Grand Central Partnership and (c) monthly operating statements for the Unit.

(vi) From the date hereof until the Closing, Seller shall maintain in full force and effect business interruption insurance to cover loss of rental income in an amount not less than twelve (12) months' projected gross income of the Unit and the other

insurance polices described in Schedule 11(a)(xv) attached hereto and shall otherwise continue to operate the Unit in substantially the same manner as it operated the Unit prior to the execution and delivery of this Agreement and otherwise in a first-class manner, and shall pay all operating expenses and real estate taxes which are the responsibility of the owner of the Unit during the Interim Period.

(vii) From the date hereof until the Closing, Seller and Purchaser shall convene (by phone or in person) not less frequently than once per calendar week to discuss any and all matters relating to the operation, management, leasing, maintenance or repair of the Unit. Each party hereto shall exercise its rights and obligations under this Agreement in a manner which is consistent with the rights and obligations of the parties under the Condominium Declaration.

(viii) From the date hereof until the Closing, Seller shall file with the New York City Department of Finance ("NYCDF"), at such times and in such manner as may be required under New York City Administrative Codess.11-256 et. seq., the Industrial and Commercial Incentive Program ("ICIP"), a Certificate of Continuing Use and such other documentation as the NYCDF may reasonably require.

(ix) From the date hereof until the Closing, Seller shall deliver to Purchaser, promptly after the execution and delivery thereof by all parties thereto, copies of all agreements pertaining to Lease Events.

8A. TREATMENT OF CERTAIN MATTERS.

(a) COLLECTION OF RECEIVABLES, CURRENT SUMS AND ARREARAGES.

(1) Seller shall, until the Closing Date, undertake its customary collection efforts to collect all Receivables and other amounts due from tenants (subject to the limitations provided in Section 8A(a)(5) below), which may include the submission of monthly invoices and follow-up invoices, and may (but need not) include the commencement or continuation of litigation or other proceedings, it being agreed that any monies received by Seller as a result of such collection efforts (net of the reasonable costs allocable to the collection of the same) attributable to the period prior to the Closing Date shall (except as specifically provided to the contrary in Sections 7(b), (c) and (d)) belong to Seller and shall not constitute a credit against the Purchase Price.

(2) Purchaser shall, from and after the Closing Date, undertake its customary collection efforts on behalf of Seller to collect all Receivables for a period of six (6) months after the Closing Date (subject to the limitations provided in Section 8A(a)(5) below), which may include the submission of monthly invoices and follow-up invoices, and may (but need

not) include the commencement or continuation of litigation or other proceedings, it being agreed that in such cases any monies received by Purchaser from and after the Closing Date from any party liable for any portion of the Receivables to be collected by Purchaser shall be applied in the following order:

FIRST	to the payment pro-rata (on the basis of costs incurred) of all reasonable costs of collection, including reimbursement to Seller or Purchaser of any legal fees or collection costs reasonably incurred by either of them and allocable to the collection of such Receivables pursuant to the foregoing provisions of this Section,
SECOND	to the payment of monies owed to Seller and Purchaser for the billing period in progress on the Closing Date,
THIRD	to Purchaser for sums owed to Purchaser relating to billing periods after the billing period in progress as of the Closing Date, and
LAST	to the balance of any Receivables.

(3) If within six (6) months following the Closing Date, any of the Receivables to be collected by Purchaser that are payable to Seller in accordance with the terms of this Section 8A(a) have not been collected and remitted to Seller, or Purchaser has not commenced litigation to collect such Receivables, then Seller may undertake its own efforts to collect such Receivables, including the commencement of litigation and other proceedings (but Seller shall not seek to evict any tenant or terminate any Lease), and in which event all sums collected by Seller as a result of such litigation (after payment of all costs and expenses) shall be applied in full satisfaction of the subject Receivables, it being agreed that Seller shall refrain from taking any such efforts during the six (6) month period following the Closing Date.

(4) With respect to any pending litigation or other proceedings to collect any Receivables from tenants in occupancy on the Closing Date, Purchaser shall have the option on the Closing Date of either (i) continuing such litigation or proceedings (the costs of which shall be equitably apportioned between Seller and Purchaser, based upon the amounts ultimately paid to each, and reimbursed out of the first monies collected, if any) and Purchaser shall be substituted as the plaintiff, if necessary, or (ii) not continuing the litigation, whereupon Seller may continue such litigation in its own name and at its sole cost and expense, provided that such litigation shall not result in the eviction of the tenant or the termination of its Lease without Purchaser's consent, and in which event all sums collected by Seller as a result of such litigation (after payment of all actual out-of-pocket costs and expenses) shall be applied in full satisfaction of the subject Receivables.

(5) Notwithstanding anything hereinabove provided, (i) during the Interim Period, Seller shall not settle or compromise any claims against any tenants of the Unit without Purchaser's prior written approval, it being agreed that the settlement or compromise of any such claims shall constitute a Purchaser Consent Action, subject to the provisions of Section 8(a) of this Agreement, (ii) after the Closing, neither Seller nor Purchaser shall settle or compromise any claims against any tenants of the Unit which include both Receivables payable to Seller and amounts payable to Purchaser without the other party's prior written approval, which approval shall not be unreasonably withheld or delayed and (iii) to the extent the Receivables that are subject to collection are the Receivables identified in clause (ii) of the definition of Receivables, the rights and obligations of Seller and Purchaser shall be qualified to provide that such parties shall use commercially reasonable good faith efforts to cause the Board of Managers to comply with the relevant provisions of Section 8A of this Agreement. Notwithstanding the foregoing, Purchaser shall have the right to settle or compromise a claim against a tenant of the Unit without the consent of (but after prior notice to) Seller to the extent such claim relates solely to the period of time after the Closing and provided that the settlement or compromise of such claim does not have a material adverse effect on any claim that Seller may have against such tenant.

(6) Notwithstanding anything to the contrary hereinabove provided, Seller shall retain the sole right to collect (in such manner as it shall deem appropriate) those Receivables, if any, listed on Schedule 8A(a)(6) attached hereto as well as Receivables with respect to any tenant whose lease has terminated prior to the Apportionment Date and has vacated its demised premises, it being further agreed that Purchaser shall not be required to undertake any collection efforts with respect to such Receivables.

(7) Any monies received by Seller or Purchaser that are to be applied to sums owed to the other party hereto hereunder (whether on account of Receivables, current sums due, arrearages or otherwise) shall be held in trust by Seller or Purchaser, as the case may be, for the benefit of the other party and remitted to such other party promptly after receipt. Seller and Purchaser shall reasonably cooperate with each other in the collection of Receivables and, provided there is no liability or material expense associated therewith, shall execute any documents reasonably requested by the other to collect such Receivables.

(b) PROTEST PROCEEDINGS.

(1) GENERALLY. As of the date of this Agreement, Seller may have engaged various law firms or consultants to protest the valuation of the Unit ("Protest Proceedings") for the purpose of protesting the amount of ad valorem taxes for certain tax fiscal periods, some of which taxes may have been paid by Seller and some of which taxes either are not yet due and payable or have not been paid. With respect to the tax year in which the Closing occurs, and all prior tax years, Seller is hereby authorized (during the Interim Period) to continue any Protest Proceeding for the Unit,

it being acknowledged that the trial or settlement of any such Protest Proceeding during the Interim Period shall constitute a Purchaser Consent Action, subject to the provisions of Section 8(a) of this Agreement. All net tax refunds and credits attributable to any tax year prior to the tax year in which the Closing occurs shall belong to and be the property of Seller, subject to the rights of tenants under their respective Leases. All net tax refunds and credits attributable to any tax year subsequent to the tax year in which the Closing occurs shall belong to and be the property of Purchaser, subject to the rights of tenants under their respective Leases. All net tax refunds and credits attributable to any tax year not described in the preceding two (2) sentences shall be divided between Seller and Purchaser in accordance with the apportionment of taxes set forth in Section 8A(b)(2) below. Seller and Purchaser agree to cooperate with one another in connection with the prosecution of any such proceedings and to take all reasonable steps, whether before or after the Closing Date, as may be reasonably necessary to carry out the intention of the foregoing, including, without limitation, to the extent in a party's possession, the delivery to the party pursuing the appeal of any relevant books and records, including receipted tax bills and canceled checks used in payment of such taxes, and, provided that there is no liability or material expense to the party delivering such materials in doing so, the execution of any and all consents or other documents, and the undertaking of any act necessary for the collection of such refund. The parties agree to keep one another apprised of all such proceedings, to provide one another (except to the extent that the attorney-client privilege would be violated) with copies of all relevant books, records and documentation relating to any such proceeding, and with respect to any course of action which the pursuing party could reasonably expect to have a material impact on any proceeding or on the outcome of any proceeding, such party agrees to consult with the other party and to obtain such party's consent (which consent shall not be unreasonably withheld or delayed) before proceeding with any such action. Notwithstanding the foregoing limitation, Seller agrees that neither Seller nor its representatives will withhold, because of the attorney-client privilege or work product immunity, from Purchaser or its representatives any relevant information received by Seller or its representatives from, or delivered by Seller or its representatives to, the New York City taxing authorities. If either party hereto shall receive any refund payments contemplated by this subsection 8A(b) which are properly payable to the other party, such payments shall be held in trust by such party, for the benefit of the other, and remitted to such other party promptly after receipt.

(2) The Net Refund (as hereinafter defined) payable by virtue of a favorable determination resulting from any Protest Proceeding with respect to the tax fiscal period in progress on the Apportionment Date shall be prorated between Seller and Purchaser on a per diem basis, with Seller being entitled to receive the portion thereof allocated to the portion of such tax fiscal period up to and including the Apportionment Date.

The term "Net Refund" as used herein shall mean the portion of any refund (including, without limitation, any interest payable thereon) that is payable by virtue of a favorable determination resulting from any Protest Proceeding and that is entitled to be retained by the party so entitled thereto pursuant to the foregoing provisions after (i) payment or reimbursement (on a pro-rata basis) of all fees and out-of-pocket expenses including, without limitation, counsel fees and disbursements and consultant's fees incurred in obtaining such refund, the allocation of such expenses to be based upon the total refund obtained in such proceeding and in any other proceeding simultaneously involved in the trial or settlement and (ii) the refunding by such party of the portion of any such refund, if any, owing to tenants under the Leases on account of such refund attributable to the applicable periods covered thereby.

(3) Intentionally Omitted.

(4) CONTROL OF PROTEST PROCEEDINGS, SETTLEMENT AND COMPROMISE. In connection with any Protest Proceeding for the tax fiscal period in progress on the Closing Date, at Purchaser's request Seller shall, if possible, cause Purchaser to be substituted for Seller in such Protest Proceeding and any other pending Protest Proceedings for tax fiscal periods commencing prior to the tax fiscal period in progress on the Closing Date, or if not possible, Seller shall permit Purchaser to control the conduct of all such Protest Proceedings. Notwithstanding anything hereinabove provided, (i) during the Interim Period, Seller shall not settle or compromise any Protest Proceedings in which taxes for any tax fiscal period in progress on or prior to the Closing are being adjudicated without Purchaser's prior written approval, it being agreed that the settlement or compromise of any such Protest Proceedings shall constitute a Purchaser Consent Action, subject to the provisions of Section 8(a) of this Agreement and (ii) after the Closing, neither Seller nor Purchaser shall settle or compromise any Protest Proceedings pending on the Closing Date in which taxes for any tax fiscal period in progress on or prior to the Closing Date are being adjudicated without the other party's prior written approval, which approval shall not be unreasonably withheld or delayed. Seller and Purchaser shall otherwise cooperate with each other in all reasonable respects with respect to all Protest Proceedings. From and after the Closing Date, Purchaser shall have the right, subject to the above provisions of this Section 8A(b)(4) and subject to the terms and provisions of the Condominium Declaration, to withdraw, compromise, settle, try or otherwise deal with such petitions or applications with respect to the Unit as Purchaser in the exercise of its sole judgment shall deem appropriate.

(c) SURVIVAL. The provisions of this Section 8A shall survive the Closing for a period without expiration.

9. RECORDING CHARGES, TRANSFER AND CONVEYANCE TAXES; WITHHOLDING; INTERNAL REVENUE SERVICE REPORTING REQUIREMENTS.

(a) RECORDING CHARGES; TAXES GENERALLY. Purchaser shall pay all recording charges and fees and sales taxes, if any, imposed in connection with the conveyance of the Unit to Purchaser. All real estate transfer and conveyance taxes paid or payable in connection with the transactions herein contemplated shall be paid by Seller and/or Purchaser in the manner hereinafter provided in this Section 9.

(b) TRANSFER TAXES.

(i) Seller shall pay the New York State Real Estate Transfer Tax (the "State Transfer Tax") in accordance with Article 31 of the Tax Law of the State of New York, and the New York City Real Property Transfer Tax (the "City Transfer Tax") imposed by Chapter 21, Title 11 of the Administrative Code of the City of New York, in connection with the conveyance of the Unit to Purchaser in accordance with the provisions of this Agreement. Seller shall defend, indemnify and hold harmless Purchaser from and against any loss, cost, damage, claim, liability and expense (including, without limitation, reasonable attorneys' fees) that may be suffered or incurred by Purchaser by reason of the failure of Seller to pay the State Transfer Tax and the City Transfer Tax, if applicable, as pertains to this transaction, as provided in this Section 9(b), it being understood that the foregoing indemnification shall not apply to any tax liability resulting from an actual disposition of the Unit by Purchaser following its acquisition thereof at the Closing.

(ii) In addition to the foregoing, Seller shall defend, indemnify and hold harmless Purchaser from and against any additional State Transfer Tax and/or City Transfer Tax (inclusive of interest and penalties thereon) that may be suffered or incurred by Purchaser by reason of the assertion by any taxing authority having jurisdiction over the subject matter thereof that (i) the conveyance of the Unit to DLIP's assignee in the manner contemplated by this Agreement constitutes a "double transfer" or (ii) the purchase price for the Unit under this Agreement should have been in excess of $185,000,000.

(iii) Seller and Purchaser shall each execute and/or swear to the returns or statements required in connection with the State Transfer Tax and the City Transfer Tax, and any other taxes referred to in this Section 9(b) or otherwise applicable to the transactions contemplated by this Agreement, and shall deliver same, together with the check or checks of Seller and/or Purchaser, as the case may be, in payment thereof which are required of such party, to the Title Insurer on the Closing Date. All such tax payments shall be made by certified or bank check payable directly to the order of the

appropriate governmental officer, or in such manner as the Title Insurer shall reasonably require and accept.

(iv) In the event that any taxing authority shall commence or file, or threaten to commence or file, any lawsuit or proceeding, which pending or threatened lawsuit or proceeding may result in any loss, liability or damage subject to indemnification under Section 9(b)(ii) above (collectively, a "Transfer Tax Proceeding"), then Purchaser will give prompt written notice of such Transfer Tax Proceeding to Seller (a "Notice of Transfer Tax Proceeding"), and Seller shall have the right, upon written notice to Purchaser, within thirty (30) days of receipt of such Notice of Transfer Tax Proceeding, to undertake the defense thereof by tax representatives chosen by Seller and approved by Purchaser (which approval shall not be unreasonably withheld or delayed). If Seller gives written notice that Seller accepts responsibility to contest, and/or defend Purchaser against, such Transfer Tax Proceeding within thirty (30) days of receipt of a Notice of Transfer Tax Proceeding, (i) Seller shall be obligated to diligently contest, and/or defend Purchaser against, such Transfer Tax Proceeding at Seller's own expense, and to keep Purchaser apprised of the current status of such Transfer Tax Proceeding at all times (except to the extent the attorney-client privilege would be violated), (ii) Seller will not be liable to Purchaser for separate legal or other expenses incurred by Purchaser in connection with such contest and/or defense, (iii) Purchaser shall cooperate in all reasonable respects with Seller in the contest and/or defense of such Transfer Tax Proceeding, and shall promptly send to Seller copies of any documents received by Purchaser which relate to such Transfer Tax Proceeding and (iv) Purchaser shall have the right, but not the obligation to retain separate tax representatives at Purchaser's own cost and expense and (provided the attorney-client privilege would not be violated) to attend meetings (including, without limitation, with the taxing authority and the tax representatives retained by Seller) and to otherwise monitor the Transfer Tax Proceeding. Notwithstanding the foregoing limitation, Seller agrees that neither Seller nor its tax representatives will withhold, because of the attorney-client privilege or work product immunity, from Purchaser or its tax representatives any relevant information received by Seller or its tax representatives from, or delivered by Seller or its tax representatives to, the New York City and New York State taxing authorities. If Seller, within thirty (30) days after receipt of any Notice of Transfer Tax Proceeding, fails to elect in writing to contest, and/or defend Purchaser against, any such Transfer Tax Proceeding, or if Seller defaults in its obligation to diligently contest, and/or defend Purchaser against, any such Transfer Tax Proceeding at any time subsequent to Seller's acceptance of such obligation, and if such failure or such default shall continue for five (5) business days after notice by Purchaser to Seller thereof, Purchaser shall thereafter have the right, but not the obligation, to undertake the defense, compromise or settlement of such Transfer Tax Proceeding on behalf of Seller, it being understood that Seller shall thereafter reimburse Purchaser, upon demand, for all costs, expenses and

liabilities incurred by Purchaser in connection with such defense, compromise or settlement, including, without limitation, reasonable attorneys' fees. If and to the extent any liability hereunder has been insured through contractual indemnity insurance, the amount available for recovery by Purchaser hereunder shall be reduced by such amounts as are recovered and received by Purchaser through such insurance.

(c) FIRPTA COMPLIANCE. Seller shall comply with the provisions of Section 1445 of the Code, or any successor or similar law.

(d) 1099 COMPLIANCE. Seller and Purchaser shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with Section 6045(e) of the Code, as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions. The parties designate the Title Insurer as the responsible party for reporting this information as required by law.

(e) SURVIVAL. The provisions of this Section 9 shall survive the Closing for a period without expiration.

10. CLOSING DATE DELIVERIES.

(a) SELLER'S DELIVERIES: Seller shall, pursuant to the provisions of this Agreement, deliver or cause to be delivered to Purchaser on the Closing Date the following items:

(i) a bargain and sale deed for the Unit with covenants against grantor's acts and otherwise in accordance with all requirements of the Condominium Declaration and applicable law (the "Unit Deed"), in the form attached hereto as Exhibit L.

(ii) a bill of sale covering the personal property at the Unit in the form attached hereto as Exhibit M (the "Bill of Sale");

(iii) at Purchaser's request, an assignment or substitution of Seller's interest or position in the litigation and proceedings, if any, described on Schedule 10(a)(iii) attached hereto;

(iv) a duly executed and sworn Secretary's Certificate certifying that the Board of Directors of Seller has duly adopted resolutions authorizing the within transaction and an executed and acknowledged Incumbency Certificate certifying to the authority of the officers of such entity to execute the documents to be delivered by such entity on the Closing Date;

(v) Intentionally Omitted;

(vi) a certificate of Good Standing for Seller from the Secretary of State of New York and such other corporate documentation of Seller if and to the extent required by the Title Insurer in order to insure fee title to the Unit in the manner required by Section 4 of this Agreement;

(vii) a "non-foreign person" certification from Seller pursuant to Section 1445 of the Code in the form attached hereto as Exhibit N (the "FIRPTA Affidavit");

(viii) a resignation by the representative of Seller (currently Thomas Zizzi) from the Board of Managers in the form attached hereto as Exhibit O;

(ix) evidence of payment in full to the Board of Managers of all unpaid Common Charges and Limited Common Charges theretofore assessed against the Unit or otherwise payable by Seller under the Condominium Declaration;

(x) any bonds, warranties or guarantees, and any licenses and permits, which are in any way applicable to the Unit or any part thereof in the possession or control of Seller;

(xi) all tenant files, architectural, mechanical or electrical plans and specifications, interior floor plans, "as built" plans and surveys relating to the Citigroup Center (including, without limitation, the construction remedial plans with respect to work performed in 1978 with respect to Citigroup Center's system of wind braces) and/or any tenant spaces, the construction plans and specifications for any improvements located in the Citigroup Center (including all Common Elements thereof) as well as all changes thereto, in the possession or control of Seller;

(xii) notices to all tenants of the Unit informing them of the sale of the Unit to Purchaser in the form attached hereto as Exhibit P;

(xiii) a certificate, dated as of the Closing Date, stating that the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing Date (except to the extent Seller has identified any such representations and warranties which are not, or are then no longer, true and correct and the state of facts giving rise to the change do not constitute a breach by Seller of its obligations hereunder);

(xiv) all original Leases and all original Contracts with respect to the Unit; provided, however, that if an original thereof is not in Seller's possession or

under Seller's control, Seller shall deliver a copy thereof to Purchaser certified to be true and complete;

(xv) all information attributable to Seller's period of ownership as is reasonably necessary to enable Purchaser to properly bill tenants in the Unit for their respective "Tenant's Share" of real estate taxes and operating expenses that may thereafter become due and payable under the Leases; provided that if such information is not fully available on the Closing Date, Seller shall furnish the same as soon as thereafter possible, and in any event within forty-five (45) days after the later to occur of (1) the Closing Date or (2) the date upon which Seller obtains such information (which obligation shall survive the Closing);

(xvi) a certified true and correct copy of the rent roll for the Unit, in the form annexed hereto as Schedule 11(a)(xi), dated as of a date within ten (10) days of the Closing Date, which rent roll shall identify all of the tenants and other occupants (other than subtenants of tenants) of the Unit and will accurately set forth as of the date thereof, the information contained therein;

(xvii) an estoppel certificate in the form attached to the Citibank Lease (with such changes as may be required by Purchaser in accordance with Section 24(k) of this Agreement), dated as of the Closing Date, duly executed by Seller as the tenant under the Citibank Lease which estoppel shall, except as otherwise contemplated by Section 16 of this Agreement, confirm that as of the Closing Date, Seller has taken possession of the space demised under the Citibank Lease and shall confirm that Seller is then currently paying the full amount of base rent set forth therein (the "Unit Two Citibank Estoppel"), together with such estoppel certificates as Seller may have received from tenants of the Unit in the form attached hereto as Exhibit W in accordance with the provisions of Section 24(k) of this Agreement;

(xviii) an estoppel certificate in the form required under the Unit One Citibank Lease (with such changes as may be required by an assignee or designee of DLIP in accordance with Section 24(k) of this Agreement), dated as of the Closing Date, duly executed by Seller as the tenant under the Unit One Citibank Lease (the "Unit One Citibank Estoppel");

(xix) all letters of credit or other non-cash security deposits with respect to the Leases, subject to and in accordance with the provisions of Section 6(c);

(xx) an ICIP amended application form and/or such other documentation as is reasonably necessary to transfer the ICIP tax exemption applicable to the Unit, to the extent the same is transferrable;

(xxi) Intentionally Omitted;

(xxii) Intentionally Omitted;

(xxiii) the consent of the Church to the assignment and assumption of the Church Lease contemplated by Section 10(c)(ix);

(xxiv) any affidavits, certifications, proofs or similar documents addressing matters reasonably requested by the Title Insurer in connection with the Closing or the issuance of title insurance to Purchaser or its permitted assignee or designee; and

(xxv) such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions that are the subject of this Agreement.

(b) PURCHASER'S DELIVERIES: Purchaser shall, pursuant to the provisions of this Agreement, deliver or cause to be delivered to Seller on the Closing Date the following items:

(i) the Purchase Price (as adjusted in accordance with the Customary Adjustments set forth in Section 6 and the other adjustments set forth in Section 8A) pursuant to Section 2(b) of this Agreement;

(ii) a duly executed and sworn Secretary's Certificate certifying that the Board of Directors of Purchaser has duly adopted resolutions authorizing the within transaction and an executed and acknowledged Incumbency Certificate certifying to the authority of the officers of such entity to execute the documents to be delivered by such entity on the Closing Date;

(iii) a certified copy of a Certificate of Incorporation or other appropriate formation document from Purchaser;

(iv) a certificate of Good Standing for Purchaser from the Secretary of State or other appropriate official of the State of Purchaser's incorporation or formation and the State of New York, if different;

(v) if Purchaser is other than DLIP, an assignment and assumption by DLIP and Purchaser of the obligations of DLIP under the Master License Agreement;

(vi) if Purchaser is other than DLIP, an assignment and assumption by DLIP and Purchaser of the obligations of DLIP under the Master Side Letter;

(vii) if Purchaser is other than DLIP, an assignment and assumption by DLIP and Purchaser of the obligations of DLIP under the Systems Agreement;

(viii) the Limited Common Area License Agreement;

(ix) a certificate, dated as of the Closing Date, stating that the representations and warranties of Purchaser contained in this Agreement are true and correct in all material respects as of the Closing Date; and

(x) such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions that are the subject of this Agreement.

(c) DOCUMENTS JOINTLY EXECUTED BY SELLER AND PURCHASER: Seller and Purchaser shall each execute and deliver the following documents:

(i) the City Transfer Tax and State Transfer Tax returns provided for in Section 9(b) above (collectively, the "Transfer Tax Forms"), to be delivered to the Title Insurer;

(ii) the Citibank Lease;

(iii) a Memorandum of the Citibank Lease, in proper statutory form for recording;

(iv) a subordination, non-disturbance and attornment agreement among the Board of Managers, Seller, Purchaser and the owner of Citigroup Center Office Unit One (if different from Purchaser) in the form attached as Exhibit Q to the Citibank Lease (the "Citibank SNDA");

(v) the Unit One Citibank Lease Amendment;

(vi) an assignment and assumption of the Leases in the form attached hereto as Exhibit R;

(vii) an assignment and assumption of the Construction Contracts in the form attached hereto as Exhibit S;

(viii) an assignment and assumption of all other Contracts in the form attached hereto as Exhibit T;

(ix) an assignment and assumption of the Church Lease in the form attached hereto as Exhibit U;

(x) the documentation necessary to comply with Section 9(d) of this Agreement;

(xi) the Master Side Letter;

(xii) Intentionally Omitted;

(xiii) the Lighting Easement; and

(xiv) such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions that are the subject of this Agreement.

11. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS.

(a) REPRESENTATIONS AND WARRANTIES BY SELLER. Seller hereby represents, warrants and covenants to Purchaser as of the date hereof that:

(i) Seller is a national banking association, duly organized, validly existing under the laws of the United States of America;

(ii) Seller has the legal right, power and authority to enter into this Agreement and perform all of its obligations hereunder, and the execution and delivery of this Agreement and the performance by Seller of its obligation hereunder, (x) has been duly authorized, and (y) will not conflict with, or result in a breach of, any of the terms, conditions and provisions of its organizational and governance documents or any law, statute, rule or regulation, or order, judgment, writ, injunction or decree of any court or governmental instrumentality, or any contract, agreement or instrument to which it is a party or by which it is bound, or to which it or any portion of its property is subject and (z) will not require the consent, approval, authority or order of any court or governmental agency that has not been previously obtained in writing or delivered to Purchaser;

(iii) there is no litigation, and there are no governmental or administrative proceedings or arbitrations presently pending or threatened in writing with respect to the Unit or, to Seller's Knowledge, the Condominium that if successful could adversely affect the rights or obligations of Seller or Purchaser to the Unit, including its interest in the Common Elements (exclusive of the proceedings, if any, set forth on Schedule

11(a)(iii) hereto). Purchaser shall have no liability under, or any obligation to pursue, such litigation or proceedings, except to the extent required under Section 8A hereof;

(iv) Seller has not received written notice of any pending condemnation, eminent domain or similar proceedings with respect to the Unit, except for the proceedings described on Schedule 11(a)(iv) attached hereto, and to Seller's Knowledge, no such proceedings are threatened or contemplated. Seller has received no written notice of any plan, study or effort by any governmental authority or agency that in any way adversely affects or would adversely affect the present use or zoning of the Unit, except as may be set forth in Schedule 11(a)(iv) attached hereto, and to Seller's Knowledge no such plans, study or effort is being contemplated;

(v) except for the right of first offer to purchase the Unit in favor of Purchaser (which right has been or is being waived by Purchaser contemporaneously herewith), there are no unrecorded rights of first offer to purchase, rights of first refusal to purchase, purchase options or similar purchase rights or contractually required consents to transfer pertaining to the Unit which would be breached by this Agreement or the consummation of the transactions provided for herein;

(vi) the fixtures, furniture, furnishings, equipment, machinery and other personal property attached to, appurtenant to or located on the Unit (other than personal property owned or leased by tenants or any property manager) have been fully paid for and are owned by Seller free and clear of all liens and encumbrances;

(vii) there are no direct employees of Seller working at the Unit (including, without limitation, security personnel) whose employment will be required to be transferred to Purchaser as a result of the transactions contemplated by this Agreement;

(viii) to Seller's Knowledge, all monetary obligations with respect to the installation of any utilities servicing the Unit, including all connection, hook-up and tap fees, have been satisfied. Seller has received no written notice of any default with respect to any of its obligations concerning such utilities. Seller has not received notice, and to Seller's Knowledge there are no threats, of any curtailment of utility services to the Unit or any part thereof;

(ix) a true and complete list of the Protest Proceedings, if any, and the law firms or consultants representing Seller with respect thereto, and descriptions of the fee arrangements with such law firms and consultants are attached hereto as Schedule 11(a)(ix). Seller has not received any notice of any increase in the assessed valuation of the Unit (as it pertains to real, personal or other taxes payable with respect to the Unit) or the real estate or personal property taxes payable in respect thereof. There are no special assessments outstanding with regard to the Unit. Seller has provided Purchaser

with true and correct copies of all agreements and documentation pertaining to (i) the applicability of the ICIP tax abatement to the Unit and (ii) to the extent applicable, the transferability of the benefits of such tax abatement to Purchaser at the Closing;

(x) Schedule 11(a)(x)(1) contains a true and complete description of the Existing Leases and Schedule 11(a)(x)(2) contains a true and complete description of the Contracts. Seller has delivered, or otherwise made available, to Purchaser true and complete copies of all documents comprising the Existing Leases and the Contracts and all other reports, information and correspondence relating to the Unit in the possession of Seller and/or any property manager retained by Seller for the management of the Unit, including, without limitation, books and records, tenant files, budgets and third-party reports. Seller acknowledges and agrees that Purchaser shall have the right to cause Seller to terminate, effective as of the Closing Date, any Contracts designated by Purchaser in a written notice given to Seller not less than forty-five (45) days prior to the Closing provided that such Contracts may be terminated on thirty (30) days' notice or less;

(xi) the rent roll attached hereto as Schedule 11(a)(xi) is true and complete in all material respects as of the date hereof. To Seller's Knowledge, there exists no uncured material default under any Lease on the part of any tenant except for past due rents specified on Schedule 11(a)(xi). All security or other deposits paid prior to the date hereof with respect to the Leases are accurately specified on Schedule 11(a)(xi). Except as disclosed on Schedule 11(a)(xi), Seller has not received any written notice in which any tenant has asserted any defense, setoff or counterclaim with respect to its tenancy or its obligations under its Lease;

(xii) there are no Leasing Commissions or Tenant Allowances now or hereafter payable by the landlord of the Unit with respect to the current or any renewal term of, or the exercise of expansion rights by tenants under, or upon the failure by any tenant to exercise any option to cancel, any of the Leases other than those set forth on Schedules 6(f)(i) and 6(f)(ii) attached hereto. There are no written promises, understandings or commitments in effect with respect to the leasing, occupancy or ownership of the Unit other than those contained in the Leases and written agreements with respect to the Leasing Commissions;

(xiii) Seller has not received any written notice with respect to a default by Seller under any of the Existing Leases, the Contracts or the Condominium Declaration and, to Seller's knowledge, Seller is not in default under any of the foregoing;

(xiv) none of the Leases or rents thereunder has been, or at the time of Closing will have been, assigned, pledged, hypothecated or otherwise encumbered by

Seller. Except as set forth on Schedule 11(a)(xiv), no rent has been, or at the time of Closing will have been, prepaid under any of the Leases;

(xv) Schedule 11(a)(xv) contains a list of all insurance policies (other than title insurance policies) currently maintained by Seller with respect to the Unit;

(xvi) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986;

(xvii) this Agreement constitutes, and when duly executed and delivered by Seller, any and all documents, instruments and agreements contemplated hereunder to be executed and delivered by Seller will constitute, the valid and binding obligations of Seller, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy laws and other laws or equitable principles affecting the rights of contracting parties generally;

(xviii) Seller has not received any notice, with which it has not complied, from any governmental entity or agency having jurisdiction over the Unit to the effect that the improvements comprising the Unit or the present use of the Unit fail to comply, in any material respect, with any applicable legal requirements with regard to the use and occupancy thereof (including, without limitation, zoning and building laws and ordinances, environmental protection laws and other similar rules, regulations and orders of any governmental entity or agency having jurisdiction over the Unit) or with any requirements with respect to any building, occupancy or other permit, license or approval of any such governmental entity or agency with respect to the Unit except as set forth in Schedule 11(a)(xviii)(1). Schedule 11(a)(xviii)(2) contains a complete list of all zoning, use or similar agreements between Seller and any governmental or quasi-governmental entities or agencies that affect the Unit or the Common Elements or any portion of either of them;

(xix) to Seller's Knowledge, all licenses, permits and approvals, if any, necessary in connection with the use or occupancy of the Unit have been, and at the time of Closing will have been, obtained and are, and will then be, in full force and effect;

(xx) no unused transferable development rights appurtenant to the Unit have been assigned or transferred to any other person or entity by Seller;

(xxi) to Seller's Knowledge, Seller is in compliance with all of the rules, regulations and requirements promulgated by the NYCDF under the ICIP relating to

ICIP Application Numbers 4066 and 6052, which are the only ICIP Application Numbers pertaining to the ICIP tax exemption applicable to the Unit; and

(xxii) Seller does not have any ownership interest in any building systems or equipment located in the Common Elements other than such interests as may have been created pursuant to the Master License Agreement.

(b) REPRESENTATIONS AND WARRANTIES BY PURCHASER. Purchaser hereby represents, warrants and covenants to Seller as of the date hereof that:

(i) Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware or, if this Agreement is assigned pursuant to Section 20(a), Purchaser is duly organized, validly existing and in good standing under the laws of the state of its formation;

(ii) Purchaser has the legal right, power and authority to enter into this Agreement and perform all of its obligations hereunder, and the execution and delivery of this Agreement and the performance by Purchaser of its obligations hereunder, (x) has been duly authorized, and (y) will not conflict with, or result in a breach of, any of the terms, conditions and provisions of its organizational and governance documents or any law, statute, rule or regulation, or order, judgment, writ, injunction or decree of any court or governmental instrumentality, or any contract, agreement or instrument to which it is a party or by which it is bound, or to which it or any portion of its property is subject and (z) will not require the consent, approval, authority or order of any court or governmental agency that has not been previously obtained in writing or delivered to Seller; and

(iii) this Agreement constitutes, and when duly executed and delivered by Purchaser, any and all documents, instruments and agreements contemplated hereunder to be executed and delivered by Purchaser will constitute, the valid and binding obligations of Purchaser, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy laws and other laws or equitable principles affecting the rights of contracting parties generally.

(c) REPRESENTATIONS NOT CONDITIONS TO CLOSING. The representations and warranties set forth herein above and all other representations and warranties contained in this Agreement shall be true and correct in all material respects as of the Closing Date (except to the extent any such representations and warranties expressly relate to an earlier date and with such changes as are permitted under, or result by reason of the effect of, this Agreement); it being agreed, however, that if any of such representations and warranties shall not be true and correct in all material respects as of the Closing Date, same shall not (except to the extent otherwise provided herein) be conditions precedent to closing the transactions contemplated

herein (and the parties shall continue to be absolutely and unconditionally obligated to consummate the transactions contemplated under this Agreement), but the non-breaching party's sole rights and remedies with respect to such breach shall be as set forth in the succeeding subsection.

(d) DAMAGES FOR BREACH OF REPRESENTATIONS. In the event of a material breach with respect to any representation or warranty made by Seller or Purchaser under this Agreement, the non-breaching party shall be entitled to pursue a claim with respect to such breach if and only if (i) written notice of such breach is given to the breaching party on or prior to the expiration of the applicable Survival Period (as hereinafter defined) for such breach, which notice must contain a reasonably detailed description of the facts relating to the claimed breach and (ii) the liability and losses arising out of such breach, when aggregated with all other breaches, if any, of representations and warranties under this Agreement, shall exceed $2,000,000. For purposes of this Section 11(d), "Survival Period" shall mean: with respect to the representations and warranties in Sections 11(a)(i), (ii), (xvi) and (xvii) and 11 (b)(i), (ii) and (iii), a period without expiration, and with respect to all other representations and warranties, a period of one (1) year commencing on the day following the Closing Date. The provisions of this Section 11(d) shall survive the Closing.

(e) ACKNOWLEDGMENTS OF PURCHASER. Purchaser acknowledges and agrees for the benefit of Seller that:

(i) EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT OR IN ANY AGREEMENT OR INSTRUMENT EXECUTED AND DELIVERED BY SELLER TO PURCHASER CONTEMPORANEOUSLY HEREWITH, INCLUDING BUT NOT LIMITED TO REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 11 OF THIS AGREEMENT AND THE LIMITED WARRANTY OF TITLE EXPRESSLY SET FORTH IN THE UNIT DEED (HEREINAFTER COLLECTIVELY REFERRED TO IN THIS SECTION 11(E) AS THE "SURVIVING REPRESENTATIONS"), SELLER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE UNIT, AND PURCHASER AGREES TO ACCEPT THE UNIT "AS IS, WHERE IS, WITH ALL FAULTS". WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE OR ANY OTHER DISCLAIMER SET FORTH HEREIN, SELLER AND PURCHASER HEREBY AGREE THAT, EXCEPT FOR THE SURVIVING REPRESENTATIONS, SELLER HAS NOT MADE AND IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AS TO (A) THE NATURE OR CONDITION, PHYSICAL OR OTHERWISE, OF THE UNIT OR ANY ASPECT THEREOF, INCLUDING,

WITHOUT LIMITATION, ANY WARRANTIES OF HABITABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, OR THE ABSENCE OF REDHIBITORY OR LATENT VICES OR DEFECTS IN THE UNIT, (B) THE NATURE OR QUALITY OF CONSTRUCTION, STRUCTURAL DESIGN OR ENGINEERING OF THE IMPROVEMENTS OR THE STATE OF REPAIR OR LACK OR REPAIR OF ANY OF THE IMPROVEMENTS, (C) THE QUALITY OF THE LABOR OR MATERIALS INCLUDED IN THE IMPROVEMENTS, (D) THE SOIL CONDITIONS, DRAINAGE CONDITIONS, TOPOGRAPHICAL FEATURES, ACCESS TO PUBLIC RIGHTS-OF-WAY, AVAILABILITY OF UTILITIES OR OTHER CONDITIONS OR CIRCUMSTANCES WHICH AFFECT OR MAY AFFECT THE UNIT OR ANY USE TO WHICH THE UNIT MAY BE PUT, (E) ANY CONDITIONS AT OR WHICH AFFECT OR MAY AFFECT THE UNIT WITH RESPECT TO ANY PARTICULAR PURPOSE, USE, DEVELOPMENT POTENTIAL OR OTHERWISE, (F) THE AREA, SIZE, SHAPE, CONFIGURATION, LOCATION, CAPACITY, QUANTITY, QUALITY, CASH FLOW, EXPENSES OR VALUE OF THE UNIT OR ANY PART THEREOF, (G) THE NATURE OR EXTENT OF TITLE TO THE UNIT, OR ANY EASEMENT, SERVITUDE, RIGHT-OF-WAY, POSSESSION, LIEN, ENCUMBRANCE, LICENSE, RESERVATION, CONDITION OR OTHERWISE THAT MAY AFFECT TITLE TO THE UNIT, (H) ANY ENVIRONMENTAL, GEOLOGICAL, STRUCTURAL, OR OTHER CONDITION OR HAZARD OR THE ABSENCE THEREOF HERETOFORE, NOW OR HEREAFTER AFFECTING IN ANY MANNER THE UNIT, INCLUDING BUT NOT LIMITED TO, THE PRESENCE OR ABSENCE OF ASBESTOS OR ANY ENVIRONMENTALLY HAZARDOUS SUBSTANCE ON, IN, UNDER OR ADJACENT TO THE UNIT, (I) THE COMPLIANCE OF THE UNIT OR THE OPERATION OR USE OF THE UNIT WITH ANY APPLICABLE RESTRICTIVE COVENANTS, OR WITH ANY LAWS, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL BODY (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, ANY ZONING LAWS OR REGULATIONS, ANY BUILDING CODES, ANY ENVIRONMENTAL LAWS, AND THE AMERICANS WITH DISABILITIES ACT OF 1990, 42 U.S.C. 12101 ET SEQ.). THE PROVISIONS OF THIS SECTION 11(E) SHALL BE BINDING ON PURCHASER AND SHALL SURVIVE THE CLOSING.

(ii) PURCHASER HAS BEEN GIVEN THE OPPORTUNITY TO INSPECT THE UNIT, AND THE EXISTING LEASES, THE CONTRACTS AND OTHER MATERIALS (INCLUDING, WITHOUT LIMITATION, TITLE MATERIALS AND FINANCIAL REPORTS) RELATING TO THE UNIT THAT PURCHASER DEEMED NECESSARY TO INSPECT AND REVIEW IN

CONNECTION WITH THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, AND PURCHASER HAS RETAINED SUCH ENVIRONMENTAL CONSULTANTS, STRUCTURAL ENGINEERS AND OTHER EXPERTS AS IT DEEMED NECESSARY TO INSPECT THE UNIT AND REVIEW SUCH MATERIALS. PURCHASER IS RELYING ON ITS OWN INVESTIGATION AND THE ADVICE OF ITS EXPERTS REGARDING THE UNIT, AND UPON ITS REVIEW OF EXISTING LEASES, CONTRACTS, AND OTHER MATERIALS, AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF SELLER (OTHER THAN THE SURVIVING REPRESENTATIONS). PURCHASER ACKNOWLEDGES THAT SELLER MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION, REPORTS OR OTHER MATERIALS DELIVERED TO PURCHASER EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THE SURVIVING REPRESENTATIONS.

12. CONDITIONS PRECEDENT TO CLOSING.

(a) The obligation of Purchaser to consummate the transactions hereunder shall be contingent upon (i) Seller's delivery of the documents and instruments required to be delivered by Seller pursuant to Section 10(a) of this Agreement, (ii) the simultaneous closing of the transaction under the Other Agreement, and (iii) Seller not being the subject of any pending voluntary or involuntary reorganization, liquidation, receivership or other insolvency proceedings under any federal, state, foreign or local bankruptcy, insolvency, liquidation, reorganization or similar type laws.

(b) The obligation of Seller to consummate the transactions hereunder shall be contingent upon (i) Purchaser's delivery of the Purchase Price and the documents and instruments required to be delivered by Purchaser pursuant to Section 10(b) of this Agreement, (ii) the simultaneous closing of the transaction under the Other Agreement, and (iii) Purchaser not being the subject of any pending voluntary or involuntary reorganization, liquidation, receivership or other insolvency proceedings under any federal, state, foreign or local bankruptcy, insolvency, liquidation, reorganization or similar type laws.

(c) Each of Seller and Purchaser expressly acknowledges and agrees that, subject to satisfaction of the conditions set forth in subsections (a) and (b) above and subject to the provisions of Sections 16, 17 and 18, (i) it is absolutely and unconditionally obligated to fulfill its respective obligation to convey and acquire the Unit in the manner contemplated by this Agreement, (ii) it is absolutely and unconditionally obligated to otherwise close the transactions in the time and manner contemplated by this Agreement and (iii) this Agreement is not subject to any conditions or contingencies.

(d) Seller acknowledges that JLL will on behalf of Purchaser promptly after the execution of this Agreement seek bids from third parties for the acquisition of the Unit and the other unit contained in Citigroup Center which is owned by Purchaser and referred to as "Citigroup Center Office Unit One" in the Condominium Declaration, it being agreed that a closing of the transactions contemplated hereby on or before April 1, 2002 shall in no event or under any circumstances be conditioned or contingent upon Purchaser arranging for a third party purchaser of the Unit and/or Citigroup Center Office Unit One. Notwithstanding the foregoing, Seller shall reasonably cooperate with DLIP and provide a prospective assignee or designee of Purchaser's rights under this Agreement access to the Unit, accompanied by a representative of Seller, on reasonable notice during normal business hours including access to lease files for due diligence, without limitation, Seller's files containing the items described in clauses (x), (xi) and (xiv) of Section 10(a) for due diligence purposes.

13. CLOSING DATE.

Purchaser shall have the right, subject to the provisions of this Section, to set the Closing Date. Purchaser shall furnish Seller not less than fifteen (15) business days' prior notice of the date on which the Closing is to occur, it being agreed that such date shall in no event be later than April 1, 2002, TIME BEING OF THE ESSENCE in any and all circumstances. If for any reason such notice is not delivered on or before March 15, 2002 or if the Closing does not occur on or before March 31, 2002, then the Closing shall occur on April 1, 2002, TIME BEING OF THE ESSENCE in any and all circumstances with respect to such April 1, 2002 Closing Date. Without limitation of the immediately preceding sentence, the Closing Date may be postponed in certain circumstances by Seller pursuant to Section 16(b) of this Agreement. The Closing of the transactions contemplated hereby shall take place at 10:00 A.M. on the Closing Date, at the offices of Paul, Hastings, Janofsky & Walker LLP, 75 East 55th Street, New York, New York 10022 or, if Purchaser is a person or party other than DLIP, at the offices of such purchaser's lender or such lender's counsel.

14. VIOLATIONS.

(a) Except as provided in Section 14(b) below, all notices of violations of laws or governmental ordinances, rules, regulations, orders or requirements (collectively, "Laws") issued by any governmental authority having jurisdiction over the Unit and that relate to the period of time prior to the Closing Date shall be the responsibility of Seller irrespective of whether or not notices of such violations are issued or noted prior to the Closing Date and irrespective of whether or not actually received by Seller prior to the Closing Date. Any such notices of violations that are actually received by Seller prior to the Closing Date shall be removed or complied with by Seller on or before the Closing Date. Notwithstanding the foregoing provisions of this Section 14(a) to the contrary, if such removal or compliance has not been completed on or before the Closing Date, Seller may elect to either (i) deliver an undertaking to Purchaser at Closing to diligently cause such violations to be removed post-

Closing or (ii) pay to Purchaser at the Closing (or credit Purchaser at Closing as an adjustment to the Purchase Price payable to Seller pursuant to Section 3 of this Agreement) an amount sufficient, in the reasonable judgment of Seller and Purchaser, to pay for the performance of the work and provision of the materials necessary to effect or complete such removal or compliance, and upon Seller making such payment or giving such credit, Purchaser shall be required to accept title to the Unit subject to such notices of violations and (except for notices of violations of Laws that are issued by any governmental authority having jurisdiction over the Unit and that relate to the period of time prior to the Closing Date but are not actually received by Seller prior to the Closing Date) Seller shall have no further obligation to remove or comply with such notices of violations. Purchaser shall deliver to Seller copies of any notices of violations of Laws that are issued by any governmental authority having jurisdiction over the Unit that are received by Purchaser after the Closing Date but that relate to the period of time prior to the Closing Date and Seller shall, subject to the provisions of this Section 14, diligently cause such notices to be removed or complied with.

(b) Notwithstanding anything in this Section 14 to the contrary, Seller shall not be obligated to remove or comply with any notices of violations to the extent such notices relate to any of the following violations:

(i) Any violation which is the obligation of any tenant or other occupant under a Lease in effect at the Closing (other than Seller) to remedy, it being understood that, until the Closing Date, Seller shall use commercially reasonable good faith efforts to cause such tenant or other occupant to remedy the same; and

(ii) Any violations relating to the sidewalks abutting Citigroup Center or relating to the Common Elements (except to the extent that such violations relate to exterior signage or matters within the reasonable control of Seller provided that Purchaser cooperates with Seller in connection therewith to the extent reasonably requested by Seller), it being understood that, until the Closing Date, Seller and Purchaser shall cooperate with each other and shall use their commercially reasonable good faith efforts to cause the Board of Managers to remedy the same.

Purchaser shall accept title to the Unit subject to all violations not required to be removed pursuant to this Section 14.

(c) The provisions of this Section 14 shall survive the Closing for a period of two (2) years.

15. NOTICES.

All notices, demands, requests, approvals or other communications ("notices") required to be given or which may be given hereunder shall be in writing and shall be given by personal delivery with receipt acknowledged or by United States registered or certified mail, return receipt requested, postage prepaid or by Federal Express or other reputable national overnight courier service, and shall be deemed given when received or refused at the following addresses:

If to Purchaser:

Dai-Ichi Life Investment Properties, Inc.
399 Park Avenue, 24th Floor
New York, New York 10022
Attention: Mr. Hitoshi Yamauchi

With copies to:

O'Melveny & Myers LLP
One Citigroup Center
153 East 53rd Street
New York, New York 10022
Attention: Jacqueline A. Weiss, Esq.

LaSalle Investment Management, Inc.
399 Park Avenue, 24th Floor
New York, New York 10022
Attention: Mr. Anthony C. O'Malley

If to Seller:

Citigroup
1 Sansome Street
7th Floor
San Francisco, California 94101
Attention: Mr. David Cumming

With copies to:

Citigroup
One Court Square
8th Floor
Long Island City, New York 11120
Attention: Ms. Leslie Heifetz

and

Citigroup
599 Lexington Avenue
New York, New York 10022
Attention: Michael Broido, Esq.

and

Paul, Hastings, Janofsky & Walker LLP
75 East 55th Street
New York, New York 10022
Attention: Dean A. Stiffle, Esq.

Each party may designate a change of address (or additional or substitute parties for notice) by notice to the other party, given at least fifteen (15) days before such change of address is to become effective.

16. CASUALTY.

(a) If, between the date hereof and the Closing, there shall occur a fire or other casualty resulting in the damage or destruction of fifty percent (50%) or more of the floor space of Citigroup Center (a "Major Casualty"), Purchaser shall have the right, exercisable by giving written notice to Seller within ten (10) days after receiving written notice of such fire or other casualty, to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder except such obligations which expressly survive the termination of this Agreement. If, between the date hereof and the Closing, there shall occur a fire or other casualty affecting all or any part of the Unit or any other portion of Citigroup Center other than a Major Casualty, neither Seller nor Purchaser shall (except as specifically provided to the contrary in subsection (b) below) have the right to terminate this Agreement, and in such event, or in the event of a Major Casualty as to which Purchaser shall not exercise the termination option contained in the first sentence of this subsection, then (i) the parties shall proceed to Closing without reduction of or offset against any amounts payable hereunder or any other claim against the other, (ii) at the Closing, Seller shall (x) pay over to Purchaser the proceeds of any insurance collected by Seller less the amount of all costs incurred by Seller in connection with the repair of such damage or destruction, all of which costs incurred by Seller shall be a Purchaser Consent Action and (y) assign and transfer to Purchaser, subject to the terms of the Condominium Declaration, all right, title and interest of Seller in and to any uncollected insurance proceeds which Seller may be entitled to receive from such damage or destruction and (iii) the parties hereto shall cooperate in all reasonable respects in order to

effectuate such intent. The provisions of this Section 16 shall survive the Closing for a period without expiration.

(b) In addition to and supplementing the provisions of subsection (a) above, the following provisions of this subsection shall be applicable if a fire or other casualty resulting in the damage or destruction of the Unit shall occur between the date hereof and the Closing (whether or not such fire or other casualty constitutes a Major Casualty):

(i) If more than 44.4% of the Citibank Leased Premises (i.e., 195,000 rentable square feet) is damaged or destroyed and if the estimated period (the "Estimated Repair Period") for the completion of the required repair and restoration of the Unit, as determined in accordance with the provisions of subsection (b)(vi) below, exceeds 720 days from the Casualty Repair Period Commencement Date (as hereinafter defined), Seller shall have the absolute and unconditional right at its option to terminate this Agreement by notice given to Purchaser not later than fifteen (15) business days after the Estimated Repair Period is so determined. If the damage or destruction of the Unit occurs prior to the Breakpoint Date (as hereinafter defined), the "Casualty Repair Period Commencement Date" shall, for the purposes of this subsection (b), be the earlier to occur of the Breakpoint Date or the Closing Date, and if the damage or destruction shall occur on or subsequent to the Breakpoint Date, the "Casualty Repair Period Commencement Date" shall, for the purposes of this subsection (b), be the date upon which the damage or destruction shall have occurred. The term "Breakpoint Date", as used in this subsection (b), shall mean July __, 2001.

(ii) If more than 44.4% of the Citibank Leased Premises (i.e., 195,000 rentable square feet) is damaged or destroyed and if the Estimated Repair Period, as determined in accordance with the provisions of this subsection hereinafter set forth, exceeds 720 days from the Casualty Repair Period Commencement Date, but Seller does not elect to terminate this Agreement pursuant to subsection (b)(i) above, and if this Agreement is not otherwise terminated by Purchaser in accordance with the provisions of subsection (a) above, this Agreement shall remain in full force and effect, and Seller shall (except as otherwise expressly provided to the contrary in subsection (v) below) be absolutely and unconditionally obligated to execute and deliver the Citibank Lease on the Closing Date in accordance with the provisions of this Agreement irrespective of whether the required repair and restoration of the Unit have been completed as of the Closing Date.

(iii) If Seller does not have the right to terminate this Agreement because less than 44.4% (i.e., 195,000 rentable square feet) of the Citibank Leased Premises is damaged or destroyed, or if more than 44.4% (i.e., 195,000 rentable square feet) of the Citibank Leased Premises is damaged or destroyed, but Seller does not have the right to terminate this Agreement because the Estimated Repair Period is equal to or

less than 720 days, and if this Agreement is not otherwise terminated by Purchaser in accordance with the provisions of subsection (a) above, this Agreement shall remain in full force and effect, and Seller shall (except as otherwise expressly provided to the contrary in subsection (v) below) be absolutely and unconditionally obligated to execute and deliver the Citibank Lease on the Closing Date in accordance with the provisions of this Agreement irrespective of whether the required repair and restoration of the Unit have been completed as of the Closing Date.

(iv) If the Unit and/or Citigroup Center is damaged or destroyed by fire or other casualty between the date hereof and the Closing, and if this Agreement is not terminated in accordance with the provisions of subsection (a) or subsection (b) set forth above, and if the required repair and restoration of the Unit have not been completed as of the Closing Date, the rights and obligation of Citibank under the Citibank Lease shall, without further act or instrument, be deemed modified and qualified as follows until such time as the required repairs and restoration of the Unit shall have been completed in accordance with the provisions of this Section hereinafter set forth:

(1) Notwithstanding anything to the contrary set forth in the Citibank Lease, including, without limitation, Section IX of the Citibank Lease, neither the Base Rent nor the Additional Rent (as defined in the Citibank Lease) shall be abated with respect to the portion of the Unit so damaged or destroyed, it being the intent that Seller shall be obligated to pay Base Rent and Additional Rent with respect to all of the Unit, including without limitation, the portions thereof which have been so damaged or destroyed.

(2) Notwithstanding anything to the contrary contained in the Citibank Lease, Seller shall not have any further right to terminate the Citibank Lease as a result of the occurrence of any such fire or other casualty prior to the date of the Closing.

(v) Notwithstanding anything to the contrary set forth above in this Section 16 or elsewhere in this Agreement, if the Unit and/or Citigroup Center is damaged or destroyed by fire or other casualty prior to the Closing, and if this Agreement is not terminated in accordance with the provisions of subsection (a) or this subsection (b) above, and if the required repair and restoration of the Unit have not been completed as of the date upon which the Closing has been scheduled by Purchaser in accordance with the provisions of Section 13 of this Agreement, Seller shall (except as specifically provided to the contrary in the next sentence of this subsection) have the absolute and unconditional right at its option, by written notice given to Purchaser on or prior to the date such Closing has been scheduled to occur, to postpone the Closing until the earlier to occur of the date upon which the required repair and restoration

shall have been completed in accordance with the standards set forth in subsection (iv)(2) above or April 1, 2002. If three floors or less of the Unit shall have been damaged or destroyed by fire or other casualty, Seller shall not have the right pursuant to the preceding sentence of this subsection to postpone a Closing which has been scheduled by Purchaser in accordance with the provisions of Section 13 of this Agreement. If such repair and restoration have not been completed by April 1, 2002, the Closing shall occur on April 1, 2002 (unless otherwise agreed to the contrary by Seller and Purchaser) in which case the provisions of subsections (iv)(1) and (iv)(2) above, as applicable, shall be in effect.

(vi) As promptly as possible after the occurrence of any damage or destruction to the Unit, Seller and Purchaser shall take such steps as may be commercially reasonable to determine the period of time that will be necessary to effect the required repair and restoration to the Unit, including, without limitation, the hiring at the shared cost and expense of Seller and Purchaser of such engineers, architects and other consultants as may be reasonably necessary to make such determination. Seller and Purchaser shall take all steps as may be commercially reasonable to promptly commence and to diligently pursue to completion the required repairs and restoration of the Unit (including, without limitation, by causing the Board of Managers to take such actions and/or prosecute such insurance claims as may be reasonably necessary or desirable in connection therewith) both before and after the Closing Date, and shall cooperate with one another in all reasonable respects in connection therewith. If the Unit and/or Citigroup Center shall be damaged or destroyed by fire or other casualty prior to the Closing, and if this Agreement is not terminated in accordance with the provisions of subsection (a) or this subsection (b) above, Seller and Purchaser shall cause the Board of Managers to retain Seller, as its agent, to effect all repairs and restoration to Citigroup Center and/or the Unit which are required to be effected by the Board of Managers on behalf of the unit owners in Citigroup Center in accordance with the provisions of the Condominium Declaration. The retention of Seller as such agent, and Seller's agreement to act as such agent and to effect the completion of such repairs and restoration, shall be evidenced by an agreement in writing in form and substance reasonably satisfactory to Seller and Purchaser to be entered into among Seller, Purchaser and the Board of Managers, which agreement shall remain in full force and effect until all the required repairs and restoration shall have been completed and irrespective of whether the required repairs and restoration are completed before or after the Closing. Seller shall have the right under the terms of such retention agreement to take all steps as may be reasonably necessary to effect the expeditious completion of the required repairs and restoration, including without limitation, the hiring at the shared pro rata cost and expense of Seller and Purchaser (as determined on the basis of their respective ownership interest in Citigroup Center as of the date of this Agreement) of such architects, engineers, consultants, contractors, materialmen and subcontracts as may be necessary to effect the completion of the required repairs

and restoration. Seller shall be obligated at all times to act in good faith and in a commercially reasonable fashion in effecting the required repairs and restoration in a timely and expeditious manner, including without limitation, effecting the required repairs and restoration at commercially reasonable and competitive prices taking into account the scope and severity of the damage or destruction and the necessity to complete required repairs and restoration as quickly and expeditiously as possible. In this regard, Seller agrees that construction contracts will be let on an arms-length basis after competitive bidding, it being agreed, however, that Seller shall have the right in its reasonable and good faith discretion to select the contractors which in its opinion are most qualified to complete the required repairs and restoration notwithstanding the fact that such contractors may have submitted bids in excess of those submitted by other contractors. Seller shall keep Purchaser and the Board of Managers up to date and fully informed on the status, timing and cost of effecting the required repairs and restoration, and shall upon request of Purchaser or the Board of Managers provided such information with respect thereto as may be reasonably requested from time to time by the Purchaser or the Board of Managers. The Citigroup Center shall be repaired and restored to a condition substantially conforming to the plans and specifications therefor in effect immediately prior to such fire or other casualty (except for commercially reasonable deviations therefrom required for upgrades to the Citigroup Center, as shall be determined by Seller and Purchaser, each in the exercise of its reasonable discretion, or as required to conform to applicable laws) or, to the extent that Seller and Purchaser shall both agree, in accordance with new plans and specifications, which plans and specifications may be prepared by or at the request of Seller, PROVIDED THAT the same are prepared in accordance with the requirements of Paragraph 2.1 of Exhibit O of the Citibank Lease as to the submission of plans and specifications, and FURTHER PROVIDED THAT such plans and specifications shall be subject to the approval of Purchaser, which approval shall not be unreasonably withheld or delayed. Insurance proceeds which are available to cover the costs of such repairs and restoration shall be paid over to Seller as collected from the applicable insurance companies, which proceeds shall be used by Seller solely to cover the payment of actual costs and expenses incurred in connection with the making of the required repairs and restoration, it being agreed that (1) Seller and Purchaser shall share on a pro rata basis (as determined in accordance with their respective ownership interests in Citigroup Center as of the date of this Agreement) all costs and expenses which are incurred in connection with the making of such required repairs and restoration to the extent that the available insurance proceeds are not sufficient to cover the cost thereof, and (2) the remaining balance, if any, of such insurance proceeds after the payment of all costs and expenses incurred in connection with the making of the required repairs and restoration shall be shared by Seller and Purchaser on a pro rata basis (as determined in accordance with their respective ownership interests in Citigroup Center as of the date of this Agreement). Notwithstanding anything to the contrary herein above set forth in this subsection, it is agreed that (x) insurance proceeds which are

paid under insurance policies covering tenant improvements in the space currently occupied by Seller shall be allocated and available solely to cover the cost of repairing and restoring such tenant improvements, (y) to the extent such insurance proceeds are not sufficient to cover the cost of repairing and restoring such tenant improvements, all of such excess costs shall be covered solely by Seller, and (z) the remaining balance, if any, of such insurance proceeds after the payment of all costs and expenses incurred in connection with the making of such repairs and restoration shall belong solely to Seller. Notwithstanding anything to the contrary herein above set forth in this subsection, it is agreed that (A) at Purchaser's option, each of the tenants in Citigroup Center Office Unit One may be permitted to be responsible for the repair and restoration of its tenant improvements, including the selection and hiring of contractors, subcontractors and other professionals, all in accordance with the terms of its lease, (B) insurance proceeds which cover tenant improvements in Citigroup Center Office Unit One shall be allocated and available solely to cover the cost of repairing and restoring such tenant improvements, (C) to the extent such insurance proceeds are not sufficient to cover the cost of repairing and restoring such tenant improvements, all of such excess costs shall be covered by Purchaser and/or the tenants occupying space in Citigroup Center Office Unit One, and (D) the remaining balance, if any, of such insurance proceeds after the payment of all costs and expenses incurred in connection with the making of such repairs and restoration shall belong solely to Purchaser and/or such tenants, as applicable. Seller and Purchaser shall cooperate in all reasonable ways to effect the timely commencement and completion of all such required repairs and restoration.

(vii) The provisions of this subsection (b) shall to the full extent applicable, and for so long as the same shall be applicable, survive the Closing under this Agreement. From and after the Closing Date, the provisions of subsection (iv) above shall to the full extent applicable, and for so long as the same shall be applicable, be deemed without further act or instrument incorporated by reference in the Citibank Lease as if set forth at length therein. Upon the request of either party, Seller and Purchaser shall enter into a written amendment to the Citibank Lease memorializing the incorporation therein of any provisions deemed incorporated into the Citibank Lease pursuant to the preceding sentence, provided that the failure of the parties to enter into any such written amendment shall not affect the validity or applicability of any such provisions.

(c) The parties hereto expressly intend that the provisions of this Section 16 and not Section 5-1311 of the New York State General Obligations Law, shall govern in the event of a fire or other casualty.

17. CONDEMNATION.

(a) If, between the date hereof and the Closing, fifty percent (50%) or more (measured by square footage) of the floor space of Citigroup Center shall be subject to a permanent taking or appropriation for public or quasi-public use under the power of eminent domain or a condemnation proceeding (a "Major Condemnation"), each of Purchaser and Seller shall have the right, exercisable by giving written notice to the other within ten (10) days after receiving written notice of such taking or appropriation, to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder except such obligations which expressly survive the termination of this Agreement. If, between the date hereof and the Closing, any condemnation or eminent domain proceedings are initiated which would result in the taking of all or any portion of the Unit, or any other portion of Citigroup Center other than a Major Condemnation, neither Seller nor Purchaser shall have the right to terminate this Agreement. In such event, or in the event of a Major Condemnation as to which neither party shall exercise the termination option contained in the first sentence of this subsection, then (i) the parties shall proceed to Closing without reduction of or offset against any amounts payable hereunder or any other claim against the other, (ii) at the Closing, Seller shall assign and turn over, and Purchaser shall be entitled to receive and keep any condemnation proceeds in respect thereof, subject to the terms of the Condominium Declaration, and (iii) the parties hereto shall cooperate in all reasonable respects in order to effectuate such intent. The provisions of this Section 17 shall survive the Closing for a period without expiration.

(b) The parties hereto expressly intend that the provisions of this Section 17 and not Section 5-1311 of the New York State General Obligations Law, shall govern in the event of a taking.

18. REMEDIES.

If the Closing fails to occur by reason of the failure or refusal of either party to perform its obligations hereunder (for purposes of this Section 18, the "Defaulting Party"), then the other party (for purposes of this Section 18, the "Non-Defaulting Party") may terminate this Agreement by notice to the Defaulting Party and/or the Non-Defaulting Party may avail itself of all rights and remedies at law or in equity, including, without limitation, the remedy of specific performance. Nothing contained in this Section shall be construed to limit either party's right to enforce any covenant or indemnity which, pursuant to the provisions of this Agreement, is specified to survive the Closing, nor to prevent either party from proceeding against the other in an action at law for the recovery of actual damages (but not punitive damages) suffered as a result of the inaccuracy of any representation or warranty

which, pursuant to the provisions of this Agreement, is specified to survive the Closing, subject to any other limitations contained herein.

19. INDEMNITIES.

(a) SELLER'S INDEMNITY . Seller hereby agrees to indemnify Purchaser and the other Purchaser Indemnified Parties against, and to hold Purchaser and the other Purchaser Indemnified Parties harmless from, all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) asserted against or incurred by Purchaser or any of the other Purchaser Indemnified Parties in connection with or arising out of (i) acts or omissions of Seller or Seller's Representatives, or other matters or occurrences that take place before the Closing and relate to the ownership, maintenance or operation of the Unit (except to the extent caused by Purchaser's veto of any matter that is submitted to Purchaser as a Purchaser Consent Action) including, without limitation, all losses, costs, damages and expenses incurred by Purchaser and the other Purchaser Indemnified Parties arising from audits performed by current or former tenants of the Unit relating to escalations and pass-throughs charged by Seller prior to the Closing, or (ii) a breach of any representation, warranty or covenant of Seller contained in this Agreement. Seller's obligations under this Section 19(a) shall survive the Closing for a period of two (2) years.

(b) PURCHASER'S INDEMNITY . Purchaser hereby agrees to indemnify Seller and the other Seller Indemnified Parties against, and to hold Seller and the other Seller Indemnified Parties harmless from, all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) asserted against or incurred by Seller or any of the other Seller Indemnified Parties in connection with or arising out of (i) acts or omissions of Purchaser or Purchaser's Representatives, or other matters or occurrences that take place after the Closing and relate to the ownership, maintenance or operation of the Unit, or (ii) a breach of any representation, warranty or covenant of Purchaser contained in this Agreement. Purchaser's obligations under this Section 19(b) shall survive the Closing for a period of two (2) years.

(c) NOTICE OF CLAIMS TO BE INDEMNIFIED. Whenever in this Agreement it is provided that any party shall indemnify and hold harmless the other party, then, as a condition to such indemnity the terms of this Section 19(c) shall apply. The party indemnified shall promptly give written notice to the indemnitor of any claim or demand made upon it which is or may be indemnified against. The indemnitor shall have the right to defend against such claim or demand by counsel selected by indemnitor's liability insurer or such other counsel selected by indemnitor and reasonably satisfactory to the indemnified party. The indemnified party shall reasonably cooperate with indemnitor, at indemnitor's expense. The indemnified

party shall not settle or approve the settlement of any claim without the approval of the indemnitor, which approval shall not be unreasonably withheld or delayed. Any separate counsel retained by the indemnified party shall be at its own expense.

20. ASSIGNMENT AND RECORDING.

(a) Except as hereinafter provided, neither this Agreement nor any of the rights or obligations hereunder may be assigned without the prior written consent of the other parties hereto. Seller shall be entitled, without the need for further notice to any other party, to assign its interests in this Agreement to the Exchange Intermediary in the manner contemplated by the Exchange Agreement. DLIP (but no other person or party which may hereafter be deemed to be the "Purchaser" under this Agreement) shall be entitled, upon giving prior written notice to Seller, to either assign its rights under this Agreement to any person or entity provided such person or entity expressly assumes the obligations of Purchaser hereunder pursuant to a written instrument in form and substance reasonably satisfactory to Seller (but expressly excluding therefrom any approval rights as to the identity of any assignee of Purchaser) or to otherwise designate a person or party to whom title to the Unit shall be conveyed, it being further understood and agreed that notwithstanding such assignment and assumption or designation, as the case may be, Purchaser shall not be relieved of any of its obligations under this Agreement and Seller shall need only to look to DLIP and no other person or party for the performance of Purchaser's obligations hereunder.

(b) Neither this Agreement nor any memorandum of this Agreement may be recorded without the prior written consent of the parties hereto.

21. PROPERTY INFORMATION AND CONFIDENTIALITY.

(a) Each of Seller and Purchaser (for purposes of this Section 21, each a "Confidential Party") agrees that, prior to the Closing, all Property Information shall be kept strictly confidential and shall not, without the prior consent of the other, be disclosed by such Confidential Party or such Confidential Party's Representatives, in any manner whatsoever, in whole or in part, and will not be used by such Confidential Party or such Confidential Party's Representatives, directly or indirectly, for any purpose other than evaluating and consummating the transactions contemplated by this Agreement (including, with respect to Purchaser, any assignment or designation described in subsection 20(a)). Moreover, each Confidential Party agrees that, prior to the Closing, the Property Information will be transmitted only to such Confidential Party's Representatives (and, in the case of DLIP, any permitted potential assignee or designee of DLIP's rights under this Agreement and such assignee's or designee's Representatives and the Representatives of such assignee's or designee's potential lenders) who need to know the Property Information for the purpose of evaluating the transactions contemplated by this Agreement or the financing thereof, and who

are informed by such Confidential Party of the confidential nature of the Property Information (and, in the case of any permitted potential assignee or designee of DLIP's rights under this Agreement, who have entered into a confidentiality agreement substantially in the form of Exhibit V attached hereto or in such other form as is mutually and reasonably acceptable to Seller and DLIP). The provisions of this Section 21 shall in no event apply to Property Information which is a matter of public record and shall not prevent a Confidential Party from complying with any laws or governmental ordinances, rules, regulations, orders or requirements, including, without limitation, governmental regulatory, disclosure, tax and reporting requirements.

(b) Each of Seller and Purchaser, for the benefit of the other, hereby agrees that between the date hereof and the Closing Date, it will not release or cause or permit to be released any press notices, publicity (oral or written) or advertising promotion relating to, or otherwise announce or disclose or cause or permit to be announced or disclosed, in any manner whatsoever, the terms, conditions or substance of this Agreement or the transactions contemplated herein, without first obtaining the written consent of the other party hereto, which consent shall not be unreasonably withheld, conditioned or delayed. It is understood that the foregoing shall not preclude Seller or Purchaser from discussing the substance or any relevant details of the transactions contemplated in this Agreement, subject to the terms of Section 21(a) above, with any of its attorneys, accountants, professional consultants or potential lenders, as the case may be, or prevent Seller or Purchaser from complying with any laws or governmental ordinances, rules, regulations, orders or requirements, including, without limitation, governmental regulatory, disclosure, tax and reporting requirements.

(c) In the event this Agreement is terminated, each Confidential Party and such Confidential Party's Representatives shall promptly deliver to the other party to this Agreement all originals and copies of the Property Information referred to in clause (i) of Section 21 (d) below in the possession of such Confidential Party and such Confidential Party's Representatives.

(d) As used in this Agreement, the term "Property Information" shall mean (i) all information and documents in any way relating to the Unit, the operation thereof or the sale thereof (including, without limitation, Leases and Contracts) furnished to, or otherwise made available for review by, a Confidential Party or its Representatives (or, in the case of DLIP, any permitted potential assignee or designee of DLIP's rights under this Agreement and such assignee's or designee's Representatives and the Representatives of such assignee's or designee's potential lenders), by the other party to this Agreement, or any of such other party's affiliates, or their agents or representatives, including, without limitation, their contractors, engineers, attorneys, accountants, consultants, brokers or advisors, and (ii) all analyses, compilations, data, studies, reports or other information or documents prepared or obtained by a Confidential Party or such Confidential Party's Representatives containing or

based, in whole or in part, on the information or documents described in the preceding clause (i).

(e) Seller shall refer to JLL all calls and inquiries from prospective third-party purchasers who express an interest in purchasing Citigroup Center and Seller shall not discuss any such purchase with any prospective third-party purchasers. DLIP shall not have any obligation to advise Seller of the identity of any prospective third-party purchasers of Citigroup Center unless this Agreement is terminated pursuant to Section 16 of this Agreement. DLIP shall not have any obligation to deliver copies of any confidentiality agreements to Seller PROVIDED THAT all such confidentiality agreements which are in fact executed and delivered are substantially in the form of Exhibit V attached hereto without any material modification thereto, it being understood that, without limiting what may constitute a material modification, any modification to the form of confidentiality agreement that affects Seller's status as one of the "Seller Parties" therein or that affects the rights or obligations of such "Seller Parties" shall constitute a material modification of the confidentiality agreement.

(f) The provisions of this Section 21 shall survive the termination of this Agreement and the Closing.

22. ERISA.

Purchaser represents and warrants to Seller that Purchaser is not an employee benefit plan or a governmental plan, or a party in interest of either of such plans, and that the funds being used to acquire the Unit are not plan assets or subject to state laws regulating investment of, and fiduciary obligations with respect to, a governmental plan. As used in this Section 22, the terms "employee benefit plan", "party in interest", "plan assets" and "governmental plan" shall have the respective meanings assigned to them in the Employee Retirement Income Security Act of 1974, as amended, and the Regulations promulgated in connection therewith. The representations and warranties contained in this Section 22 shall survive the Closing for a period without expiration.

23. SURVIVAL.

Except as otherwise provided in this Agreement, no representations, warranties, covenants or other obligations of Seller or Purchaser set forth in this Agreement shall survive the Closing (the last day of any applicable survival period pertaining to any particular representation, warranty, covenant or other obligation set forth in any provision of this Agreement being a "Survival Termination Date"), and no action or proceeding based upon any such representation, warranty, covenant or other obligation which survives the Closing shall be commenced after the applicable Survival Termination Date, if any.

24. MISCELLANEOUS PROVISIONS.

(a) ENTIRE AGREEMENT. This Agreement, together with the Other Agreement, the Exchange Agreement, the Master License Agreement, the Master Side Letter, the Systems Agreement and each of the exhibits attached hereto and thereto, contains all of the terms agreed upon between the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings between the parties with respect to the matters contained herein. The parties hereto acknowledge that no oral or other agreements, understandings, representations or warranties exist with respect to this Agreement or with respect to the obligations of the parties hereto under this Agreement, except those specifically set forth in this Agreement.

(b) AMENDMENTS. This Agreement may not be changed, modified or terminated, except by an instrument executed by the parties hereto.

(c) RIGHTS CUMULATIVE; WAIVERS . The rights of each of the parties under this Agreement are cumulative and may be exercised as often as any party considers appropriate. The rights of any of the parties hereunder shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing executed by all of the parties hereto. Failure to exercise or any delay in exercising any of such rights also shall not operate as a waiver or variation of that or any other such right. Defective or partial exercise of any of such rights shall not preclude any other or further exercise of that or any other such right. No act or course of conduct or negotiation on the part of any party shall in any way preclude such party from exercising any such right or constitute a suspension or any variation of any such right.

(d) PARTIAL INVALIDITY . If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(e) CONSTRUCTION . Unless the context otherwise requires, singular nouns and pronouns, when used herein, shall be deemed to include the plurals of such nouns or pronouns and pronouns of one gender shall be deemed to include the equivalent pronouns of the other gender.

(f) SECTION HEADINGS . The headings of the various sections of this Agreement have been inserted only for the purposes of convenience, and are not a part of this Agreement

and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

(g) GOVERNING LAW . This Agreement shall be governed by the laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York, without regard to principles of conflict of laws.

(h) JURISDICTION; VENUE . For the purposes of any suit, action or proceeding involving this Agreement, the parties hereto hereby expressly submit to the jurisdiction of all federal and state courts sitting in New York County in the State of New York and consent that any order, process, notice of motion or other application to or by any such court or a judge thereof may be served within or without such court's jurisdiction by registered mail or by personal service, PROVIDED that a reasonable time for appearance is allowed, and the parties hereto agree that such court shall have exclusive jurisdiction over any such suit, action or proceeding commenced under this Agreement. Each party hereby irrevocably waives any objection that it may have now or hereafter to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any federal or state court sitting in New York County in the State of New York and hereby further irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(i) NO THIRD_PARTY BENEFICIARIES . No person, firm or other entity other than the parties hereto (and, to the extent provided herein, the Seller Indemnified Parties and the Purchaser Indemnified Parties) and their respective permitted assignees or designees shall have any rights or claims under this Agreement. The representations, warranties, covenants and indemnities of each party hereunder shall run to the benefit of the parties hereto (and, to the extent provided herein, the Seller Indemnified Parties and the Purchaser Indemnified Parties) and their respective successors in interest (whether by merger, dissolution, operation of law or otherwise) and permitted assignees and designees.

(j) FURTHER ASSURANCES; COOPERATION . The parties will execute, acknowledge and deliver all and every such further acts, deeds, conveyances, assignments, notices, transfers and assurances as may be reasonably required for the better assuring, conveying, assigning, transferring and confirming unto Purchaser the Unit and for carrying out the intentions or facilitating the consummation of the transactions contemplated by this Agreement. In furtherance thereof, the parties hereto shall cooperate with each other to effectuate the transactions contemplated by this Agreement and to minimize transaction costs. Notwithstanding anything to the contrary contained herein, the obligations of Seller to sell, and Purchaser to purchase, the Unit in accordance with the terms and provisions of this Agreement and to otherwise consummate the transactions contemplated by this Agreement, shall be contingent upon a simultaneous closing under the Other Agreement. The provisions of this subsection shall survive the Closing for a period without expiration.

(k) TENANT ESTOPPELS . Seller shall request each tenant under a Lease in the Unit to deliver an estoppel certificate in the form attached hereto as Exhibit W (the "Standard Tenant Estoppel") and Seller shall exercise good faith, commercially reasonable efforts to cause such tenants to furnish executed Standard Tenant Estoppels and to deliver the same to Purchaser; provided, however, in no event shall Seller be obligated to obtain executed estoppel certificates from any such tenant (other than Seller's obligation to deliver the Unit One Citibank Estoppel and the Unit Two Citibank Estoppel. With respect to Seller's obligation to deliver the Unit One Citibank Estoppel and the Unit Two Citibank Estoppel, Seller further agrees that it will reasonably cooperate with any reasonable request for modifications thereto to the extent such requested modifications are made by an assignee or designee of DLIP.

(l) WAIVER OF TRIAL BY JURY . THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT AND AGREE THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

(m) WAIVER OF RIGHT OF FIRST OFFER . Each of the parties hereto hereby waives any right of first offer it may have to purchase the Unit or Citigroup Center Office Unit One in connection with the sale of the Unit in the manner provided herein and the sale of Citigroup Center (i.e., the Unit and Citigroup Center Office Unit One) by DLIP in the manner contemplated hereby.

(n) COUNTERPARTS . This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and either party hereto may execute this Agreement by signing any such counterpart.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed by their respective duly authorized representatives as of the day and year first above written.

CITIBANK, N.A.

By: /s/ MICHAEL W. BROIDO

Name: Michael W. Broido
Title: Vice President

DAI-ICHI LIFE INVESTMENT PROPERTIES, INC.

By: /s/ HITOSHI YAMAUCHI

Name: Hitoshi Yamauchi
Title: Senior Vice President

EXHIBIT 99.4

ASSIGNMENT AND ASSUMPTION AGREEMENT
(Re: Contract of Sale of CGC Unit One)

KNOW THAT, SKYLINE HOLDINGS LLC, a Delaware limited liability company having an office c/o Boston Properties Limited Partnership, 599 Lexington Avenue, New York, New York 10022 (the "ASSIGNOR") for One ($1.00) Dollar and other good and valuable consideration paid to it by BP/CGCENTER I LLC, a Delaware limited liability company having an office c/o Boston Properties Limited Partnership, 599 Lexington Avenue, New York, New York 10022 ("ASSIGNEE") hereby assigns unto the Assignee all of its right, title and interest, as purchaser, in, to and under that certain Agreement, dated as of February 6, 2001, between Dai-Ichi Life Investment Properties, Inc. ("SELLER"), as seller, and Assignor, as purchaser (the "CONTRACT"), including all of Assignor's right, title and interest in and to the deposit made pursuant to the Contract, with respect to premises known as Unit One of Citigroup Center, New York, New York.

The Assignee accepts from Assignor all of Assignor's right, title and interest, as purchaser, in, to and under the Contract and hereby assumes the performance of all of the terms, covenants and conditions of the Contract to be performed by the purchaser thereunder.

Assignor and Assignee agree to indemnify, hold harmless and defend (with counsel reasonably satisfactory to Seller) Seller Indemnified Parties (defined below) from and against all claims, demands, causes of action, liabilities, loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and disbursements), in connection with or arising from the failure of Assignor and/or Assignee to pay New York City Real Property Transfer Taxes and New York State Real Estate Transfer Taxes, if applicable, due in connection with this assignment or any transfer of membership interests in Assignor or Assignee.

SELLER INDEMNIFIED PARTIES means Seller, Citibank, N.A., any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate of Seller or Citibank, N.A., or any officer, director, employee, trustee, shareholder, partner or principal of any such shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate or any advisor or consultant of any of the foregoing.

This Assignment and Assumption Agreement may be signed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Assignor and Assignee have duly executed this Assignment by their respective duly authorized representatives as of the 25th day of April, 2001.

SKYLINE HOLDINGS LLC, a Delaware limited liability company

By: /s/ ROBERT E. SELSAM

Robert E. Selsam
Authorized Signatory

BP/CGCENTER I LLC, a Delaware limited liability company

By: /s/ ROBERT E. SELSAM

Robert E. Selsam
Vice President

AGREED TO AND ACCEPTED BY:

DAI-ICHI LIFE INVESTMENT PROPERTIES, INC.

By: /s/ HITOSHI YAMAUCHI

Name: Hitoshi Yamauchi
Title: Senior Vice President

EXHIBIT 99.5

ASSIGNMENT AND ASSUMPTION AGREEMENT
(Re: Agreement to Enter Into Assignment
and Assumption of Unit Two Contract of Sale)

KNOW THAT, SKYLINE HOLDINGS II LLC, a Delaware limited liability company having an office c/o Boston Properties Limited Partnership, 599 Lexington Avenue, New York, New York 10022 (the "ASSIGNOR") for One ($1.00) Dollar and other good and valuable consideration paid to it by BP/CGCENTER II LLC, a Delaware limited liability company having an office c/o Boston Properties Limited Partnership, 599 Lexington Avenue, New York, New York 10022 ("ASSIGNEE") hereby assigns unto the Assignee all of its right, title and interest, as assignee, in, to and under that certain Agreement to Enter Into Assignment and Assumption of Unit Two Contract of Sale, dated as of February 6, 2001, between Dai-Ichi Life Investment Properties, Inc. ("SELLER"), as assignor, and Assignor, as assignee (the "AGREEMENT TO ENTER INTO ASSIGNMENT"), with respect to a Contract of Sale, dated November 22, 2000 between Citibank, N.A., as seller, and Dai-Ichi Life Investment Properties, Inc., as purchaser, with respect to premises known as Unit Two of Citigroup Center, New York, New York.

The Assignee accepts from Assignor all of Assignor's right, title and interest, as assignee, in, to and under the Agreement to Enter Into Assignment and hereby assumes the performance of all of the terms, covenants and conditions of the Agreement to Enter Into Assignment to be performed by the assignee thereunder.

Assignor and Assignee agree to indemnify, hold harmless, and defend (with counsel reasonably satisfactory to Seller) Seller Indemnified Parties (defined below) from and against all claims, demands, causes of action, liabilities, loss, cost, damage and expense (including reasonable attorneys' fees and disbursements), in connection with or arising from the failure of Assignor and Assignee to pay New York City Real Property Transfer Taxes and New York State Real Estate Transfer Taxes, if applicable, due in connection with this assignment of the Agreement to Enter Into Assignment or any transfer of membership interests in Assignor or Assignee.

SELLER INDEMNIFIED PARTIES means Seller, Citibank, N.A., any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate of Seller or Citibank, N.A., or any officer, director, employee, trustee, shareholder, partner or principal of any such shareholder, partner, principal, parent, subsidiary or other direct or indirect affiliate or any advisor or consultant of any of the foregoing.

This Assignment and Assumption Agreement may be signed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Assignor and Assignee have duly executed this Assignment by their respective duly authorized representatives as of the 25th day of April, 2001.

SKYLINE HOLDINGS II LLC, a Delaware limited liability company

By: /s/ ROBERT E. SELSAM

Robert E. Selsam
Authorized Signatory

BP/CGCENTER II LLC, a Delaware limited liability company

By: /s/ ROBERT E. SELSAM

Robert E. Selsam
Vice President

AGREED TO AND ACCEPTED BY:

DAI-ICHI LIFE INVESTMENT PROPERTIES, INC.

By: /s/ HITOSHI YAMAUCHI

Name: Hitoshi Yamauchi
Title: Senior Vice President

EXHIBIT 99.6

UNIT TWO CONTRACT ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION OF CONTRACT OF SALE (this "ASSIGNMENT") is made and entered into as of the 25th day of April 2001, by and among DAI-ICHI LIFE INVESTMENT PROPERTIES, INC., a Delaware corporation (the "ASSIGNOR"), BP/CGCENTER II LLC, a Delaware limited liability company ("ASSIGNEE"), and CITIBANK, N.A., a national banking association ("SELLER").

W I T N E S S E T H

WHEREAS, the premises described in EXHIBIT A, together with the improvements erected thereon (collectively, "CITIGROUP CENTER") are subject to condominium form of ownership pursuant to the terms of that certain Amended and Restated Declaration of Condominium dated as of August 22, 2000 (the "CONDOMINIUM DECLARATION");

WHEREAS, Assignor, Seller and St. Peter's Lutheran Church of Manhattan are the owners of the fee title interest in and to the condominium units in the Citigroup Center created pursuant to the Condominium Declaration;

WHEREAS, Seller is the fee owner of the premises described in EXHIBIT B, together with the improvements erected thereon and referred to as "CITIGROUP CENTER OFFICE UNIT TWO" in the Condominium Declaration (the "UNIT");

WHEREAS, Seller, as Seller, and Assignor, as Purchaser, executed a Contract of Sale, dated as of November 22, 2000 (which, together with all modifications, amendments and assignments thereto or thereof, is hereinafter referred to collectively as the "CONTRACT OF SALE"), a copy of which is attached hereto as EXHIBIT C, pursuant to which Seller has agreed to sell its fee interest in the Unit to Assignor, or Assignor's assignee, upon the terms and conditions set forth therein;

WHEREAS, Assignor and Assignee desire that, among other things, Assignee shall acquire from Assignor Assignor's right to purchase the Unit pursuant to and under the Contract of Sale, and that Assignee shall assume certain liabilities and obligations from Assignor, including Assignor's liabilities and obligations under the Contract of Sale;

WHEREAS, in furtherance thereof, Assignor agreed, pursuant to that certain Agreement to Enter Into Unit Two Contract Assignment and Assumption Agreement dated as of February 6, 2001 between Assignor and Assignee, to assign the Contract of Sale to Assignee, and Assignee agreed to accept the assignment of the Contract of Sale from Assignor and to assume and be bound by all of the terms, conditions, provisions, obligations, covenants and duties of Assignor under the Contract of Sale from and after the date hereof upon and subject to the terms of this Agreement;

WHEREAS, Seller has agreed to enter into this Assignment for the sole purposes of (a) agreeing to be bound by the provisions of SECTION 5 and (b) consenting to this Assignment, as required pursuant to Section 20(a) of the Contract of Sale; and

WHEREAS, the parties hereto are desirous of setting forth their respective rights and obligations with respect to the transactions contemplated by this Assignment,

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated into the operative provisions of this Assignment by this reference, mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby covenant and agree as follows:

1. DEFINITIONS. Capitalized terms used in this Assignment without definition shall have the respective meanings ascribed to them in the Contract of Sale.

2. ASSIGNMENT. Assignor hereby grants, assigns and transfers to Assignee, its successors and assigns, all of Assignor's right, title and interest in, to and under the Contract of Sale (except as expressly limited by the terms of this Assignment), and Assignee accepts from Assignor all of Assignor's right, title and interest in, to and under the Contract of Sale (except as expressly limited by the terms of this Assignment).

3. ASSUMPTION OF OBLIGATIONS. Assignee hereby assumes and agrees to be bound by and to perform and fulfill all of the terms, conditions, provisions, obligations, covenants and duties required to be performed and fulfilled by Assignor under the Contract of Sale from and after the date of this Assignment as if Assignee was an original party thereto (except as expressly limited by the terms of this Assignment), including, without limitation, the obligation to make all payments due or payable under the Contract of Sale to be made by the Purchaser as they become due and payable.

4. ASSIGNOR NOT RELIEVED OF ITS OBLIGATIONS. Notwithstanding the assumption by Assignee set forth in SECTION 2, nothing in this Assignment shall be deemed to relieve Assignor of any obligations it may have to Seller under the Contract of Sale.

5. RETAINED RIGHTS OF ASSIGNOR. Assignor and Assignee hereby agree that, notwithstanding the other provisions of this Assignment, from and after the date hereof, (a) Assignor shall retain its obligations to pay any fees due to JLL pursuant to Section 5(a) of the Contract of Sale, (b) Assignor shall retain its rights under Section 6(h) of the Contract of Sale and Assignor and Assignee shall thereafter each have the right granted pursuant to Section 6(h) of the Contract of Sale to review the books and records of Seller, subject to the terms and conditions set forth therein, and (c) Seller's indemnification obligations under Sections 5(b) and 9(b) of the Contract of Sale shall run in favor of both Assignor and Assignee. Seller, by executing this Assignment below, hereby consents to the provisions of this SECTION 5 and agrees to be bound hereby.

6. ASSIGNMENT WITHOUT WARRANTY OR REPRESENTATION BY OR RECOURSE AGAINST ASSIGNOR. The assignment is made by Assignor without warranty or representation by, or recourse against, Assignor, except as to the validity of this Assignment and Assignor's authority to enter into it.

7. SUCCESSORS AND ASSIGNS. This Assignment shall be binding on and inure to the benefit of the parties hereto, and their respective successors and assigns, PROVIDED THAT this SECTION 7 shall not be construed to permit any future assignments of the Contract of Sale.

8. COUNTERPARTS. This Assignment may be signed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

9. GOVERNING LAW. This Assignment shall be governed by and construed in accordance with the Laws of the State of New York.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment by their respective duly authorized representatives as of the date first above written.

ASSIGNOR:

DAI-ICHI LIFE INVESTMENT PROPERTIES, INC.

By: /S/ HITOSHI YAMAUCHI

Name: Hitoshi Yamauchi
Title: Senior Vice President

ASSIGNEE:

BP/CGCENTER II LLC,
a Delaware limited liability company

By: /s/ ROBERT E. SELSAM

Name: Robert E. Selsam
Title: Vice President

AGREED TO AND ACCEPTED BY:

CITIBANK, N.A.

By: /s/ MICHAEL W. BROIDO

Name: Michael W. Broido
Title: Vice President

EXHIBIT 99.7

AMENDED AND RESTATED OPERATING AGREEMENT OF BP/CGCENTER ACQUISITION CO. LLC, A DELAWARE LIMITED LIABILITY COMPANY

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AMENDED AND RESTATED
OPERATING AGREEMENT
OF
BP/CGCENTER ACQUISITION CO. LLC

This AMENDED AND RESTATED OPERATING AGREEMENT OF BP/CGCENTER ACQUISITION CO. LLC (this "AGREEMENT") is entered into and shall be effective as of the 25th day of April, 2001, by and between CEPPETO ENTERPRISES LLC, a Delaware limited liability company ("CEPPETO"), CEPPETO SKYLINE HOLDING LLC, a Delaware limited liability company ("CEPPETO HOLDINGS"), BP/CG MEMBER I LLC, a Delaware limited liability company ("BP MEMBER"), BP/CG MEMBER II LLC, a Delaware limited liability company ("BP MEMBER II") and BP/CG MEMBER III LLC, a Delaware limited liability company ("BP MEMBER III") as the members of BP/CGCenter Acquisition Co. LLC (the "COMPANY"). Ceppeto, Ceppeto Holdings, BP Member, BP Member II and BP Member III are sometimes referred to in this Agreement collectively as the "MEMBERS" and each individually as a "MEMBER." Ceppeto and Ceppeto Holdings are sometimes referred to in this Agreement collectively as the "CEPPETO MEMBERS." BP Member, BP Member II and BP Member III are sometimes referred to in this Agreement collectively as the "BOSTON PROPERTIES MEMBERS." BP Member is sometimes referred to in this Agreement as the "MANAGING MEMBER."

RECITALS

A. 57th Street Acquisition Co. LLC, a New York limited liability company (the "ORIGINAL COMPANY") was formed as a limited liability company under the laws of the State of New York by the filing of its Articles of Organization with the New York Secretary of State on February 7, 2000. At the time of formation, Kenneth J. Natori was the sole member of the Original Company. Kenneth J. Natori subsequently contributed his interest in the Original Company to Natori 57 Street Investors LLC, and pursuant to an Amended and Restated Operating Agreement of the Company dated March 2000 (the "ORIGINAL AGREEMENT"), the Original Company admitted Ceppeto Corp. and Ceppeto as members of the Original Company.

B. In connection with a First Amendment to Amended and Restated Operating Agreement of the Original Company dated April 16, 2001 (the "FIRST AMENDMENT") and an Assignment of Limited Liability Company Interest dated as of April 16, 2001, Ceppeto Holdings acquired the interests in the Original Company held by Natori 57 Street Investors LLC and Ceppeto Corp. and was admitted as a member of the Original Company, with the result that Ceppeto and Ceppeto Holdings were the sole members of the Original Company.

C. Skyline Holdings LLC, a Delaware limited liability company ("SKYLINE I"), has entered into that certain Contract of Sale dated as of February 6, 2001 with Dai-Ichi Life Investment Properties, Inc. (the "UNIT 1 CONTRACT"), and Skyline Holdings II LLC, a Delaware limited liability company ("SKYLINE II"), has entered into that certain Agreement to Enter Into

Assignment and Assumption of Unit Two Contract of Sale dated as of February 6, 2001 with Dai-Ichi Life Investment Properties, Inc. (the "UNIT 2 CONTRACT" and together with the Unit 1 Contract, the "PURCHASE CONTRACTS") pursuant to which Skyline I has the right to acquire that certain real property known as condominium Unit #1 at Citigroup Center, New York, New York, and Skyline II has the right to acquire, in accordance with that certain Contract of Sale between Citibank, N.A. and Dai-Ichi Life Investment Properties, Inc. dated as of November 22, 2000, that certain real property known as condominium Unit #2 at Citigroup Center, New York, New York (such Units collectively, the "PROPERTY"). Pursuant to those certain Operating Agreements for each of Skyline I and Skyline II, each dated as of February 6, 2001, the members of each of Skyline I and Skyline II were, as of such date, Ceppeto Holding Enterprises LLC, a Delaware limited liability company and an affiliate of the Ceppeto Members ("CHE"), holding a one percent (1%) non-managing member interest, and Skyline Holdings MM, LLC, a Delaware limited liability company and an affiliate of the Boston Properties Members ("SHMM"), holding a ninety-nine percent (99%) managing member interest. Pursuant to and in accordance with that certain letter agreement dated March 30, 2001 by and among BPLP, Allied Partners, Inc. and certain of their respective affiliates, CHE delivered those certain Assignment of Membership Interests to SHMM, pursuant to which CHE's one percent (1%) non-managing member interests in each of Skyline I and Skyline II were assigned to SHMM as of April 3, 2001, with the result that SHMM was the sole member and manager of each of Skyline I and Skyline II as of such date. Prior to the admission of the Boston Properties Members to the Company (as described below), the Ceppeto Members were admitted to each of SHMM and BP/CGMM2, holding an aggregate 34.5% non-managing member interest in each of SHMM and BP/CGMM2, and immediately thereafter each of Skyline I and Skyline II conveyed its respective rights to acquire the Property pursuant to the Unit 1 Contract and the Unit 2 Contract to BP/CGCenter I LLC, a Delaware limited liability company ("BP/CG I") and BP/CGCenter II LLC, a Delaware limited liability company ("BP/CG II"), respectively. Pursuant to those certain Operating Agreements for each of BP/CG I and BP/CG II, each dated as of April 25, 2001, BP/CGCenter MM LLC, a Delaware limited liability company ("BP/CGMM") was the sole member of each of BP/CG I and BP/CG II as of such date. Pursuant to that certain Operating Agreement of BP/CGMM dated as of April 25, 2001, BP/CGCenter MM2 LLC, a Delaware limited liability company ("BP/CGMM2") was the sole member of BP/CGMM as of such date.

D. On April 16, 2001, the Original Company sold that certain real property located at One East 57th Street, New York, New York (the "SALE PROPERTY") and $150,891,083.78 in net proceeds from such sale (the "SALE PROPERTY PROCEEDS") have been deposited with the Qualified Intermediary (as defined below), to facilitate a tax-deferred like-kind exchange of real property (the "EXCHANGE TRANSACTION") under Section 1031 of the Internal Revenue Code of 1986, as amended (the "CODE").

E. The Company was formed as a limited liability company under the laws of the State of Delaware by the filing of its Certificate of Formation with the Delaware Secretary of State on April 18, 2001. At the time of its formation, Ceppeto and Ceppeto Holdings were the sole members of the Company, and Ceppeto and Ceppeto Holdings entered into that certain Operating Agreement of the Company dated April 18, 2001 (the "COMPANY'S OPERATING AGREEMENT").

F. In connection with and pursuant to that certain Agreement and Plan of Merger (the "MERGER AGREEMENT") of 57th Street Acquisition Co. LLC, a New York limited liability company into BP/CGCenter Acquisition Co. LLC, a Delaware limited liability company, that certain Certificate of Merger (the "CERTIFICATE OF MERGER") of 57th Street Acquisition Co. LLC, a New York limited liability company into BP/CGCenter Acquisition Co. LLC, a Delaware limited liability company, and certain related instruments, the Original Company was merged into the Company, effective April 20, 2001 (the "EFFECTIVE DATE OF THE MERGER"), with the result that the Company is the surviving limited liability company of the merger, and will continue its existence as the surviving limited liability company under its present name from and after the Effective Date of the Merger pursuant to the provisions of the Act (as defined below).

G. The Company desires to admit BP Member, BP Member II and BP Member III as members of the Company, and each of BP Member, BP Member II and BP Member III desires to be admitted as a member of the Company, on the terms and conditions set forth in this Agreement and the Members desire to amend and restate in its entirety the Company's Operating Agreement in order to reflect the admission of the BP Member, the BP Member II and BP Member III as members of the Company, and to make such other amendments and modifications to the Company's Operating Agreement as the Members deem necessary and desirable, all as more particularly set forth in this Agreement. In connection with the BP Members' admission to the Company, BP Member and BP Member III shall make cash contributions to the Company as provided herein and immediately thereafter (but substantially simultaneously therewith) Ceppeto will assign 100% of the Contributed Preferred Units (as defined in the Master Transaction Agreement) to BPLP who will, immediately thereafter, contribute 100% of the Contributed Preferred Units to BP Member II, all as more particularly set forth in the Master Transaction Agreement.

H. Immediately after the admission of BP Member, BP Member II and BP Member III to the Company, the Boston Properties Members and the Ceppeto Members will cause one hundred percent (100%) of the membership interests in BP/CGMM2 to be contributed to the Company (such contribution will have an agreed value of zero), with the result that (i) BP/CGMM will continue to be the sole member of each of BP/CG I and BP/CG II, (ii) BP/CGMM2 will continue to be the sole member of BP/CGMM, and (iii) the Company, indirectly through one or more wholly owned and controlled subsidiary entities (including without limitation, through BP/CGMM2), will be the sole indirect beneficial owner of each of BP/CG I and BP/CG II. BP/CG I and BP/CG II will immediately thereafter acquire the Property pursuant to the Purchase Contracts.

I. In connection with the sale of the Sale Property, the consummation of the merger pursuant to the Merger Agreement, the admission of BP Member, BP Member II and BP Member III as members of the Company and the acquisition of the Property through the Exchange Transaction, the Members (i) desire to enter into this Agreement and to continue the Company in accordance with the terms of this Agreement and the provisions of the Act, including without limitation, to recapitalize the Company and to set forth their agreements with respect to the ownership and operation of the Property and the Company as provided in this Agreement, and (ii) have, simultaneously herewith, entered into the Master Transaction

Agreement and the Tax Protection Agreement (each as defined below), together with certain of their respective affiliates.

NOW, THEREFORE, in order to carry out their intent as expressed above and in consideration of the mutual agreements and covenants contained in this Agreement, the Members hereby covenant and agree as follows.

ARTICLE 1. DEFINITIONS

1.1. DEFINITIONS. Capitalized terms used in this Agreement have the meanings given in this SECTION 1.1, or in the Sections of this Agreement indicated in this Section 1.1.

"ACT" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

"ACTUAL DELIVERY DATE" has the meaning given in SECTION 10.7(c).

"ADDITIONAL PREFERRED EQUITY" means funds contributed to the Company pursuant to SECTION 4.6, which contributed funds are, for purposes of distributions, senior in priority to Preferred Equity and Common Equity and junior in priority to Senior Preferred Equity.

"ADDITIONAL PREFERRED EQUITY RETURN" has the meaning given in SECTION 4.4(c).

"ADJUSTED PREFERRED BALANCE" means an amount, to be calculated as of the Flip Date, equal to the sum of (i) the outstanding Preferred Equity as of the Flip Date, (ii) the Preferred Return accrued (and compounded) through and including the Flip Date, but unpaid as of the Flip Date, and (iii) the Class A Common Return accrued (and compounded) through and including the Flip Date, but unpaid as of the Flip Date. The Adjusted Preferred Balance will be allocated to the Members in proportion to their respective unpaid Preferred Equity, unpaid Preferred Return and unpaid Class A Common Return, if any, as of the Flip Date.

"ADJUSTED PREFERRED BALANCE RETURN" has the meaning given in SECTION 4.4(f).

"AFFILIATE" means, with respect to any Person, a Person who or which, directly or indirectly, controls, is controlled by or is under common control with, such Person. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"AGREEMENT" means this Amended and Restated Operating Agreement, as the same may from time to time be modified, supplemented, amended or amended and restated.

"ANNUAL BUDGET" has the meaning given in SECTION 6.1(d).

"APPRAISAL" has the meaning given in SECTION 10.7(a).

"APPRAISAL NOTICE" has the meaning given in SECTION 12.2(a).

"BOSTON PROPERTIES" means Boston Properties, Inc., a Delaware corporation, or any successor to Boston Properties pursuant to any merger, consolidation, business combination, reclassification or reorganization.

"BOSTON PROPERTIES MEMBERS" has the meaning given in the introductory paragraph.

"BP/CG I" has the meaning given in RECITAL C.

"BP/CG II" has the meaning given in RECITAL C.

"BP/CGMM" means BP/CGCenter MM LLC, a Delaware limited liability company, the sole member of which is BP/CGMM2, and which is the sole member of BP/CG I and BP/CG II.

"BP/CGMM2" means BP/CGCenter MM2 LLC, a Delaware limited liability company, the sole member of which (in connection with and pursuant to the transactions described in Recital H) as of the Effective Date, is the Company, and which is the sole member of BP/CGMM.

"BPLP" means Boston Properties Limited Partnership, a Delaware limited partnership.

"BPLP INDEMNIFIED PARTIES" means the Company, Skyline I, Skyline II, BP/CG I, BP/CG II, BP/CGMM, BP/CGMM2, BP Member, BP Member II, BP/CG Member III, BPLP, Boston Properties, and their respective officers, directors, employees, agents, consultants, representatives, subsidiaries, Affiliates, stockholders, partners and attorneys (excluding, however, the Ceppeto Members and any Person claiming by, through or under either of them).

"BP MEMBER" has the meaning given in the introductory paragraph.

"BP MEMBER II" has the meaning given in the introductory paragraph.

"BP MEMBER III" has the meaning given in the introductory paragraph.

"BREACH NOTICE" has the meaning given in SECTION 6.7

"BUSINESS DAY" means any weekday that is not an official holiday in the State of New York.

"BXP STOCK" means Boston Properties' common stock, par value $.01 per share, or the common stock of any successor to Boston Properties pursuant to any merger, consolidation, business combination, reclassification or reorganization.

"CAPITAL ACCOUNT" has the meaning given in SECTION 7.9(a).

"CAPITAL CONTRIBUTION" means, for each Member, the aggregate of sums contributed to the Company (or deemed contributed in accordance with SECTION 4.1) by such Member pursuant to ARTICLE 4 of this Agreement, including such Member's Initial Capital Contribution and such Member's Additional Preferred Equity, if any.

"CAPITAL EVENT" means one or more of the following: (i) sale of all or any part of or interest in the Company's assets (including the Property), exclusive of sales or other dispositions of tangible personal property in the ordinary course of business; (ii) placement and funding of any indebtedness of the Company secured by some or all of its assets (including the Property) with respect to borrowed money, excluding short term borrowing in the ordinary course of business; (iii) condemnation of all or any material part of or interest in the Property through the exercise of the power of eminent domain or any conveyance in lieu thereof; or (iv) any unrestored loss of the Company's assets (including the Property) or any part thereof or interest therein by casualty, failure of title or otherwise.

"CAPITAL EVENT PROCEEDS" has the meaning given in SECTION 9.2(b).

"CASH AND CASH EQUIVALENTS" means (i) cash (in U.S. Dollars), (ii) direct obligations of the United States of America, including without limitation, treasury bills, notes and bonds, (iii) interest bearing or discounted obligations of Federal agencies and United States government sponsored entities or pools of such instruments offered by banks rated AA or better by Standard and Poor's Rating Services ("S&P") or Aa2 by Moody's Investors Service Inc. ("MOODY'S"), including, without limitation, Federal Home Loan Mortgage Corporation participation sale certificates, Government National Mortgage Association modified pass-through certificates, Federal National Mortgage Association bonds and notes, and Federal Farm Credit System securities, (iv) time deposits, domestic and Eurodollar certificates of deposit, bankers acceptances, commercial paper rated at least A-1 by S&P and P-1 by Moody's, and/or guaranteed by an Aa rating by Moody's, an AA rating by S&P, or better rated credit, floating rate notes, other money market instruments and letters of credit each issued by banks which have a long-term debt rating of at least AA by S&P or Aa2 by Moody's, (v) obligations of domestic corporations, including, without limitation, commercial paper, bonds, debentures, and loan participations, each of which is rated at least AA by S&P, and/or Aa2 by Moody's, and/or unconditionally guaranteed by an AA rating by S&P, an Aa2 rating by Moody's, or better rated credit and (vi) shares of any mutual fund that has its assets primarily invested in the types of investments referred to in clauses (i) through (v).

"CEPPETO" has the meaning given in the introductory paragraph.

"CEPPETO HOLDINGS" has the meaning given in the introductory paragraph.

"CEPPETO INDEMNITORS" has the meaning given in SECTION 13.5(a).

"CEPPETO MEMBERS" has the meaning given in the introductory paragraph.

"CEPPETO MEMBERS' EQUITY INTEREST" means the aggregate interest of the Ceppeto Members in the Company, including the Class B Common Equity.

"CERTIFICATE OF FORMATION" has the meaning given in SECTION 2.1.

"CERTIFICATE OF MERGER" has the meaning given in RECITAL F.

"CHE" has the meaning given in RECITAL C.

"CLASS A COMMON EQUITY" means the BP Member's Common Equity in the Company.

"CLASS A COMMON RETURN" has the meaning given in SECTION 4.4(d).

"CLASS B COMMON EQUITY" means the Ceppeto Members' Common Equity in the Company.

"CLASS B COMMON RETURN" has the meaning given in SECTION 4.4(e).

"CLOSING DATE" has the meaning given in SECTION 10.3(c).

"CODE" has the meaning given in RECITAL D.

"COMMON EQUITY" means, collectively, the Class A Common Equity and the Class B Common Equity.

"COMMON RETURN" means, collectively, the Class A Common Return and the Class B Common Return.

"COMPANY" has the meaning given in the introductory paragraph, PROVIDED, HOWEVER, that for all purposes of this Agreement, including without limitation, with respect to the representations and warranties and indemnification obligations contained in this Agreement and/or in the other Transaction Documents, the term Company shall also include (and be deemed to include) the Original Company; except only in the RECITALS, SECTION 2.1 and the first sentence of SECTION 5.1(a), where the terms "Company" and "Original Company" clearly and unambiguously refer only to the Company and Original Company, respectively.

"COMPANY'S OPERATING AGREEMENT" has the meaning given in RECITAL E.

"COMPETITOR" means any of the following types of entities (or any entity that is directly or indirectly owned or controlled by any of the following types of entities), whether domestic or foreign: (i) a publicly traded real estate investment trust whose shares are traded on

the New York Stock Exchange, American Stock Exchange or NASDAQ or (ii) a privately held real estate investment trust having a net asset value in excess of $250 million, in each case owning Class A office buildings in New York City with an aggregate of not less than 2,000,000 rentable square feet.

"CONVERSION RIGHT" has the meaning given in SECTION 10.7(a).

"DELAY NOTICE" has the meaning given in SECTION 10.7(b).

"DETERMINATION DATE" has the meaning given in SECTION 10.7(a).

"EFFECTIVE DATE" means April 25, 2001.

"EFFECTIVE DATE OF THE MERGER" has the meaning given in RECITAL F.

"ENTIRE BP INTEREST" has the meaning given in SECTION 10.1A(a).

"ENTIRE INTEREST" has the meaning given in SECTION 10.7(a).

"EQUITY INTEREST" has the meaning given in SECTION 10.1(b).

"EQUITY TRANSFER" has the meaning given in SECTION 10.2(a).

"EXCHANGE TRANSACTION" has the meaning given in RECITAL D.

"EXERCISE NOTICE" has the meaning given in SECTION 10.7(a).

"EXERCISING MEMBER" has the meaning given in SECTION 10.7(a).

"FAIR MARKET VALUE" has the meaning given in SECTION 12.2(a).

"FAIR MARKET VALUE OF ONE OP UNIT" means the product of (x) the average of the Market Prices of a share of BXP Stock for the ten (10) consecutive trading days immediately preceding the date upon which the Fair Market Value of One OP Unit is determined (i.e., the Actual Delivery Date (which would be the Original Delivery Date if not postponed or otherwise extended)) multiplied by (y) the number of shares of BXP Stock into which each OP Unit is convertible or redeemable on the Actual Delivery Date.

"FIRST AMENDMENT" has the meaning given in RECITAL B.

"FIRST OFFER NOTICE" has the meaning given in SECTION 10.3(a).

"FLIP DATE" means the first day of the first calendar month after the date which is the tenth (10th) anniversary of the Effective Date.

"HSR ACT" means the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"INDEMNITEE" has the meaning given in SECTION 13.5(d)(1).

"INDEMNITOR" has the meaning given in SECTION 13.5(d)(1).

"INITIAL CAPITAL CONTRIBUTIONS" has the meaning given in SECTION 4.1.

"INITIATING MEMBER" has the meaning given in SECTION 10.3(a).

"INSTITUTIONAL HOLDER" means any of the following types of entities (or any entity that is directly or indirectly owned or controlled by any of the following types of entities), whether domestic or foreign: (i) a publicly traded real estate investment trust whose shares are traded on the New York Stock Exchange, American Stock Exchange or NASDAQ; (ii) a privately held real estate investment trust having a net asset value in excess of $250 million; (iii) a commercial bank, trust company (whether acting individually or in a fiduciary capacity for another entity that constitutes an Institutional Holder), savings and loan association, savings bank, financing company or similar institution; (iv) an insurance company; (v) an investment bank; (vi) an employee's welfare, benefit, profit-sharing, pension or retirement trust, fund or system (whether federal, state, municipal, private or otherwise); (vii) a religious, educational or eleemosynary institution or foundation; (viii) a hedge fund, opportunity fund or similar type of fund; (ix) a governmental agency; (x) a credit union, trust or endowment fund; (xi) an entity not referred to in the foregoing provisions of this definition that is subject to supervision and regulation by the insurance or banking department of any of the United States, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or by any successor hereafter exercising similar functions; (xii) any owner or operator of commercial real property assets having a net equity value in excess of $250 million and having experience owning and operating first-class office buildings in major metropolitan areas in the United States; and (xiii) any combination of one or more of the foregoing entities.

"LIMITED SURVIVAL REPRESENTATIONS" has the meaning given in SECTION 13.5(b).

"LIQUIDATING MEMBER" means the Member in sole charge of winding up the Company and having the powers described in ARTICLE 12.

"LOSSES" means any and all claims, losses, damages, costs, liabilities and expenses, including attorneys' fees and disbursements, but excluding in all events lost profits, consequential or expectation damages.

"MANAGEMENT AGREEMENT" has the meaning given in SECTION 6.4(a).

"MANAGING MEMBER" has the meaning given in the introductory paragraph, and shall also mean any other or replacement Managing Member of the Company appointed pursuant to SECTION 6.1.

"MARKET PRICE" means, with respect to BXP Stock for any trading day, the last reported sale price regular way or, in case no such reported sale takes place on such day, the

average of the closing bid and asked prices regular way for such day, in either case on the New York Stock Exchange Composite Transactions tape, or if the BXP Stock is not reported on the New York Stock Exchange Composite Transactions tape, on the principal national securities exchange on which the BXP Stock is listed or admitted to trading, or if the BXP Stock is not listed or admitted to trading on any national securities exchange, but is traded in the over-the-counter market, the closing sale price of the BXP Stock or, in case no sale is publicly reported, the average of the closing bid and asked quotations for the BXP Stock on the NASDAQ or any comparable system.

"MASTER TRANSACTION AGREEMENT" means that certain Master Transaction and Contribution Agreement of even date herewith, by and among Ceppeto, Ceppeto Holdings, BPLP, Boston Properties, BP Member, BP Member II and BP Member III.

"MEMBER(S)" has the meaning given in the introductory paragraph.

"MERGER AGREEMENT" has the meaning given in RECITAL F.

"NON-EXERCISING MEMBER" has the meaning given in SECTION 10.7(a).

"NOTICE OF CLAIM" has the meaning given in SECTION 13.5(d)(1).

"OFFERED INTEREST" has the meaning given in SECTION 10.3(a).

"OFFERED PRICE" has the meaning given in SECTION 10.3(a).

"OFFERED PRICE DEPOSIT" has the meaning given in SECTION 10.3(a).

"OP UNITS" means "PARTNERSHIP UNITS" in BPLP, as such term is defined in the Partnership Agreement of BPLP.

"OPERATING CASH FLOW" has the meaning given in SECTION 9.2(a).

"OPERATING EXPENSE RESERVE" means, a reserve maintained on the books of the Company which, as of the Effective Date, shall be in an amount equal to $3,691,083.78.

"ORGANIZATIONAL DOCUMENTS" means, with respect to any Person, (i) if such Person is a limited partnership, such Person's limited partnership agreement and certificate of limited partnership, (ii) if such Person is a corporation, such Person's certificate or articles of incorporation and by-laws, and (iii) if such Person is a limited liability company, such Person's operating agreement and certificate of formation or articles of organization.

"ORIGINAL AGREEMENT" has the meaning given in RECITAL A.

"ORIGINAL AMENDED AGREEMENT" means the Original Agreement as amended by the First Amendment.

"ORIGINAL COMPANY" has the meaning given in RECITAL A.

"ORIGINAL DELIVERY DATE" has the meaning given in SECTION 10.7(d).

"OTHER MEMBER'S SALE DEPOSIT" has the meaning given in SECTION 10.1A(b)(2).

"PARTNERSHIP AGREEMENT" means the Second Amended and Restated Agreement of Limited Partnership of Boston Properties Limited Partnership dated as of June 29, 1998, as amended.

"PARTNERSHIP CLAIM" means any actual or threatened claim or other action of any Person (including any direct or indirect owners of any membership interests in the Original Company or the Ceppeto Members), based on any state of facts occurring on or prior to the Effective Date, (i) that either Ceppeto Member and/or any direct or indirect owner of either Ceppeto Member or any Affiliate of any of them has (or may have) breached any fiduciary or other obligations owing to such Person (including obligations arising under any applicable organizational documents or other contractual agreements or obligations of full and fair disclosure) and whether arising out of the transactions contemplated by this Agreement (including the Exchange Transaction) or the Transaction Documents or otherwise, or (ii) that the benefits derived by either Ceppeto Member and/or by any direct or indirect owner of either Ceppeto Member or any Affiliate of any of them in connection with the transactions contemplated by this Agreement (including the Exchange Transaction) or the Transaction Documents is contrary to agreements between such Person and either Ceppeto Member and/or any direct or indirect owner of either Ceppeto Member or any Affiliate of any of them, or is otherwise improper, or (iii) with respect to or under the terms of any organizational documents of the Original Company or of either Ceppeto Member and/or any direct or indirect owner of either Ceppeto Member or any Affiliate of any of them.

"PAST COMPANY ACTIONS" means any and all acts or omissions by or on behalf of the Company or otherwise binding on the Company that occurred from the date of the Company's formation up until (and including) the Effective Date, including actions taken in respect of the acquisition of the Sale Property, the ownership, management, maintenance, leasing, financing and operation thereof, the disposition thereof in the Exchange Transaction, and the direct and indirect ownership (or other similar or dissimilar rights based, in part or in whole, on any actual or claimed interests in and to the Company and/or the Sale Property) of the Company, but shall not include any acts and omissions by or on behalf of the Company that occurred solely (i) pursuant to the Purchase Contracts in connection with the acquisition of the Property, (ii) pursuant to the Senior Loan and any other loan or financing arrangement entered into by the BP Members or their Affiliates in connection with the Deposit LC (as defined in the Master Transaction Agreement) and (iii) as a result of any and all acts or omissions of the BP Members by or on behalf of the Company occurring on and after the Effective Date.

"PAST COMPANY AGREEMENTS" means any and all agreements, letters, documents, notes, mortgages and other instruments entered into by the Company from the date of its formation up until (and including) the Effective Date.

"PERCENTAGE INTEREST" has the meaning given in SECTION 9.1.

"PERMITTED EQUITY TRANSFER" has the meaning given in SECTION 10.2(b).

"PERSON" means any individual or entity, including a partnership, corporation, limited liability company, association or trust.

"PREFERRED EQUITY" means Company equity which is evidenced by Preferred Units (or partial Preferred Units, as applicable) and which earns a priority return over the Common Equity, excluding in all events, the Additional Preferred Equity and the Senior Preferred Equity.

"PREFERRED RETURN" has the meaning given in SECTION 4.4(a).

"PREFERRED UNITS" means units of membership interest in the Company issued in consideration of Preferred Equity and/or Senior Preferred Equity contributions, as applicable. Each Preferred Unit shall be evidence of $1,000,000 of preferred equity capital in the Company, with partial Preferred Units being evidence of proportionate increments of $1,000,000.

"PRIORITY PAYMENT CESSATION DATE" means the first date on or after the Flip Date on which the sum of the Adjusted Preferred Balance plus the aggregate amount of all accrued (and compounded) but unpaid (i) Adjusted Preferred Balance Return, and (ii) the Class A Common Return for the period commencing on the Flip Date and ending on such first date after the Flip Date, is equal to zero; it being understood that the Priority Payment Cessation Date shall be the Flip Date if the Adjusted Preferred Balance is equal to zero as of the Flip Date.

"PROPERTY" has the meaning given in RECITAL C.

"PROPERTY MANAGER" has the meaning given in SECTION 6.4(a).

"PROPERTY TRANSFER" has the meaning given in SECTION 10.1(a).

"PURCHASE CONTRACTS" has the meaning given in RECITAL C.

"QUALIFIED BUYER" has the meaning given in SECTION 10.3(d).

"QUALIFIED INTERMEDIARY" means Chicago Deferred Exchange Corporation, in its capacity as "qualified intermediary" as defined in the Regulations for purposes of the Exchange Transaction.

"REFINANCING" has the meaning given in SECTION 6.8.

"REGULATIONS" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"REGULATORY ALLOCATIONS" has the meaning given in SECTION 9.5(f).

"RESPONDING MEMBER" has the meaning given in SECTION 10.3(a).

"RESPONSE PERIOD" has the meaning given in SECTION 10.3(a).

"SALE NOTICE" has the meaning given in SECTION 10.1A(a).

"SALE PROPERTY" has the meaning given in RECITAL D.

"SALE PROPERTY PROCEEDS" has the meaning given in RECITAL D.

"SALES PERIOD" has the meaning given in SECTION 10.3(d).

"SENIOR LOAN" means that certain first mortgage loan and, if any, mezzanine loan, in the maximum aggregate amount of $525,000,000, entered into on the Effective Date by BP/CG I and BP/CG II, as borrowers, and German American Capital Corporation, and others, as lenders.

"SENIOR PREFERRED EQUITY" means Company equity which is evidenced by Preferred Units (or partial units, as applicable) but which does not earn a return. As of the Effective Date, the Senior Preferred Equity shall be (i) held by Ceppeto, (ii) in an amount equal to $3,691,083.78 and (iii) shall be evidenced by 3.69108378 Preferred Units. In no event shall any Capital Contributions made after the Effective Date constitute Senior Preferred Equity.

"SHMM" has the meaning given in RECITAL C.

"SKYLINE I" has the meaning given in RECITAL C.

"SKYLINE II" has the meaning given in RECITAL C.

"STATED PRICE" has the meaning given in SECTION 10.1A(a).

"TAX MATTERS PARTNER" has the meaning given in SECTION 7.6.

"TAX PROTECTION AGREEMENT" means that certain Tax Protection Agreement of even date herewith by and between Ceppeto, Ceppeto Holdings and BPLP.

"TAX PROTECTION PERIOD" has the meaning given to such term in the Tax Protection Agreement.

"TERM" has the meaning given in SECTION 3.1.

"THIRD-PARTY BUYER" has the meaning given in SECTION 10.3(d).

"TRANSACTION DOCUMENTS" means the documents listed on SCHEDULE 1 attached hereto.

"UNIT 1 CONTRACT" has the meaning given in RECITAL C.

"UNIT NUMBER" has the meaning given in SECTION 10.7(c).

"UNIT 2 CONTRACT" has the meaning given in RECITAL C.

1.2. RULES OF CONSTRUCTION. The definitions in this ARTICLE 1 will apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

The words "include," "includes," and "including" and words of similar import are deemed to be followed by the phrases "without limitation" or "but not limited to." The words "herein," "hereafter" and "hereto" refer to this Agreement as a whole and not to any particular Section or subsection.

1.3. SECTIONS; SCHEDULES AND EXHIBITS. References to Sections, Schedules and Exhibits are to Sections of and Schedules and Exhibits attached to this Agreement, unless otherwise indicated. The Schedules and Exhibits to this Agreement are fully incorporated and made a part of the operative provisions of this Agreement.

ARTICLE 2. THE COMPANY

2.1. CONTINUATION OF LIMITED LIABILITY COMPANY; MERGER OF ORIGINAL COMPANY INTO THE COMPANY; ADMISSION OF BOSTON PROPERTIES MEMBERS. The Company was formed as a limited liability company under the Act by the filing of its Certificate of Formation with the Secretary of State of the State of Delaware on April 18, 2001 (such Certificate of Formation, as the same may from time to time be amended in accordance with this Agreement, the "CERTIFICATE OF FORMATION"). The Original Company merged into and with the Company as of the Effective Date of the Merger, pursuant to the Merger Agreement, with the Company being the surviving limited liability company of the merger, and the Original Company ceasing to separately exist. The Certificate of Merger was filed with the Secretary of State of the State of Delaware on April 20, 2001 and with the Secretary of State of the State of New York on April 20, 2001, which filing of the Certificate of Merger with the Secretary of State of the State of New York is effective as the articles of dissolution of the Original Company pursuant to Section 1004(d) of the New York Limited Liability Company Law. The Company shall continue as a Delaware limited liability company for the purposes and on the terms and conditions set forth in this Agreement. The Members agree and acknowledge that for tax purposes, the Company is a continuation of the Original Company and is not a newly formed entity. The Members agree to execute, acknowledge, swear to, file and publish any documents required under applicable law to preserve the existence of the Company as a limited liability company and to cause the Company to be duly recognized and qualified as such in all jurisdictions in which it conducts business. The Boston Properties Members are hereby admitted as Members of the Company as of the

Effective Date, and the Ceppeto Members hereby consent to the admission of the Boston Properties Members as Members of the Company. This Agreement amends, supersedes and wholly replaces any and all prior operating agreements or other similar agreements of the Company, including without limitation, the Company's Operating Agreement.

2.2. NAME OF COMPANY. The Company will continue to conduct its business under the name "BP/CGCenter Acquisition Co. LLC". All business of the Company will be conducted in its name or in such other name as the Managing Member may from time to time determine. The Managing Member shall provide written notice to the Ceppeto Members of any change in the name of the Company.

2.3. PURPOSE OF COMPANY. The purposes of the Company are to acquire, directly or indirectly, an interest in the Property and to thereafter own (directly or indirectly), operate, manage, finance, lease, mortgage, pledge, encumber, maintain, redevelop, exchange, transfer, sell and/or otherwise deal with and dispose of the Property and/or any direct or indirect debt and/or equity interest in the Property, and to own any interests or properties or to engage in any activities necessary, convenient or incidental thereto. The Company is authorized to take any legal measures which will assist it in accomplishing its purposes or benefit the Company, but shall have no power or purpose to engage in any activity or business that is not consistent with or related to the foregoing.

2.4. PRINCIPAL AND REGISTERED OFFICE. The principal office of the Company shall be c/o Boston Properties, Inc., 599 Lexington Avenue, New York, New York 10022 or such other place in the City of New York as the Managing Member may from time to time determine. The registered address of the Company shall be c/o National Corporate Research, Ltd., 615 South DuPont Highway, City of Dover, Delaware 19901. The registered agent of the Company at such address shall be National Corporate Research, Ltd. The Managing Member may elect to change the Company's registered agent and the Company's registered and principal offices by complying with the relevant requirements of the Act.

2.5. FURTHER ASSURANCES. The parties hereto will execute whatever certificates and documents, and will file, record and publish such certificates and documents, which are required to operate a limited liability company under the laws of the State of Delaware and the laws of the state in which the Property is located. The parties hereto will also execute and file, record and publish such certificates and documents as they, upon advice of counsel, may deem necessary or appropriate to comply with other applicable laws governing the operation of a limited liability company.

2.6. CERTAIN EXPENSES OF MEMBERS. Each Member shall bear its own expenses in connection with its consideration of an investment in the Company, formation of the Company and its acquisition of a membership interest in the Company, including the fees of any attorney, financial advisor or other consultant, except as this Agreement or the Master Transaction Agreement may otherwise expressly provide.

2.7. NO INDIVIDUAL AUTHORITY. Except as otherwise expressly provided in this Agreement or as from time to time authorized in writing by the Managing Member, neither Ceppeto nor Ceppeto Holdings, acting jointly or individually, will have authority to act for or bind, or undertake, incur or assume any obligations or responsibility on behalf of, Managing Member, any Boston Properties Member or the Company.

2.8. NO RESTRICTIONS. Nothing contained in this Agreement shall be construed so as to prohibit any Member or any Affiliate of any Member from owning, operating, or investing in any real estate or real estate development not owned or operated by the Company, wherever located. Each Member agrees that the other Members and the Affiliates, directors, officers, employees, partners and other Persons related to the other Members may engage in or possess an interest in another business venture or ventures of any nature and description, independently or with others, including the ownership, financing, leasing, operation, management, syndication, brokerage and development of real property. Without limiting the generality of the foregoing, nothing in this Agreement shall prohibit any Member or any Affiliate of any Member from owning and operating or investing in any real property that is competitive with the Property, or from taking any action or failing to take any action, which action or failure to act would be competitive with or detrimental to the Property or the Company. Neither the Company nor the Members shall have any rights by virtue of this Agreement in and to any of such independent ventures of any Member or any such Member's Affiliates or to the income or profits derived therefrom.

2.9. NEITHER RESPONSIBLE FOR OTHER'S COMMITMENTS. Neither the Members nor the Company shall be responsible or liable for any indebtedness or obligation of a particular Member incurred either before or after the execution of this Agreement, except as to those joint responsibilities, liabilities, debts or obligations incurred pursuant to the terms of this Agreement, and each Member indemnifies and agrees to hold the other Members and the Company harmless from such obligations and debts of such Member, except as aforesaid.

2.10. AFFILIATES. Any and all activities to be performed by BP Member (including in its capacity as Managing Member), BP Member II or BP Member III under this Agreement may be performed by officers or employees of one or more of their Affiliates.

2.11. OPERATIONS IN ACCORDANCE WITH THE ACT: OWNERSHIP. Except as otherwise expressly set forth in this Agreement, the rights and obligations of the Members and the administration, operation and termination of the Company shall be governed by the Act. The interest of each Member in the Company shall be deemed personal property for all purposes. All real and other property owned by the Company is deemed owned by the Company as a company, and no Member, individually, shall be deemed to have any ownership interest therein.

ARTICLE 3. TERM

3.1. TERM. Unless otherwise terminated or extended by the Managing Member, the term of the Company (the "TERM") shall continue until the first to occur of the following:

(a) April 24, 2100;

(b) the sale or other similar disposition of all or substantially all of the Property, other than to a nominee or trustee of the Company for financial or other business purposes;

(c) dissolution of the Company pursuant to the express provisions of ARTICLE 11 and/or ARTICLE 12; or

(d) the occurrence of any event or circumstance that would cause the dissolution of the Company under the Act.

ARTICLE 4. CAPITALIZATION OF THE COMPANY; CONTRIBUTIONS

4.1. CAPITAL CONTRIBUTIONS. Upon execution of this Agreement, each of the Members has contributed or is deemed to have contributed capital to the Company as follows (the "INITIAL CAPITAL CONTRIBUTIONS").

(a) The Sale Property Proceeds have been deposited with the Qualified Intermediary, with the result that the total capital in the Company immediately prior to the Effective Date is zero (excluding such Sale Property Proceeds which are then held by the Qualified Intermediary for the benefit of the Company). The Company, at the Ceppeto Members request, shall cause the Qualified Intermediary to apply (and the BP Members hereby consent to such application) $150,891,083.78 of the Sale Property Proceeds toward the acquisition of the Property by the Company (it being acknowledged that any interest earned thereon may be disbursed directly by the Qualified Intermediary to the Ceppeto Members, in accordance with the Master Transaction Agreement). Accordingly, Ceppeto Holdings and Ceppeto are deemed to have contributed $1,659,801.92 and $149,231,281.86, respectively, to the capital of the Company. In consideration of such deemed contribution, the Company has issued 115.89108378 Preferred Units to Ceppeto, and Ceppeto holds $33,340,198.08 in Class B Common Equity and Ceppeto Holdings holds $1,659,801.92 in Class B Common Equity.

(b) BP Member made a cash contribution to the Company in the amount of $66,449,275. In consideration of such contribution, BP Member holds $66,449,275 in Class A Common Equity. BP Member III has made a cash contribution to the Company in the amount of $16,350,725. In consideration of such contribution, the Company has issued 16.350725 Preferred Units to BP Member III.

(c) Immediately following, but substantially simultaneously with, BP Member's and BP Member III's cash contribution to the Company, Ceppeto contributed to BPLP 112.2 Preferred Units issued to Ceppeto by the Company in accordance with SECTION 4.1(a) (including the Preferred Equity in connection therewith in the amount of $112,200,000), in consideration of an aggregate amount of $112,200,000 in OP Units to be issued by BPLP to Ceppeto pursuant to the Master Transaction Agreement, and BPLP has immediately thereafter contributed such 112.2 Preferred Units (including the Preferred Equity in connection therewith in the amount of $112,200,000) to BP Member II. Immediately following such contribution by Ceppeto, the remaining Preferred Units (and Preferred Equity) then held by Ceppeto are reclassified as Senior Preferred Equity, evidenced by such Preferred Units. As a result of such contribution and reclassification, Ceppeto continued to hold 3.69108378 Preferred Units, which Preferred Units are evidence of $3,691,083.78 of Senior Preferred Equity. For all purposes of this Agreement, BP Member II is treated as having made an Initial Capital Contribution that is deemed to be the value of the Preferred Units contributed to BPLP by Ceppeto, and BP Member II is the holder of 112.2 Preferred Units (including the Preferred Equity in connection therewith in the amount of $112,200,000). As of the Effective Date, neither Ceppeto nor Ceppeto Holdings holds any Class A Common Equity or Preferred Equity and neither BP Member II nor BP Member III holds any Class A Common Equity. Ceppeto does, however, hold Preferred Units evidencing Senior Preferred Equity as provided herein.

Each Member's Initial Capital Contribution will constitute such Member's Capital Account.

4.2. CAPITALIZATION. After giving effect to the transactions described in SECTION 4.1 and the admission of BP Member, BP Member II and BP Member III to the Company, the resulting capital structure of the Company and Capital Accounts of the Members, as of the Effective Date are as follows:

MEMBER	COMMON EQUITY	PREFERRED UNITS	SENIOR PREFERRED EQUITY/PREFERRED EQUITY
Ceppeto Holdings	$ 1,659,801.92 Class B	--	--
Ceppeto	$33,340,198.08 Class B	3.69108378 Units	$3,691,083.78 Senior Preferred Equity
BP Member	$66,449,275 Class A	--	--
BP Member II	--	112.2 Units	$112,200,000 Preferred Equity
BP Member III	--	16.350725 Units	$16,350,725 Preferred Equity

4.3. NO OTHER CONTRIBUTIONS. Except as set forth in SECTION 4.6, no Member will have any obligation to make any additional contribution or to advance any funds to the Company.

4.4. RETURNS. The Members will, to the extent of legally available funds, be entitled to returns on their Capital Contributions as set forth in this SECTION 4.4 and payable in accordance with ARTICLE 9 (or, in the event of a liquidation or dissolution of the Company in accordance with the terms of this Agreement, ARTICLE 12). Calculation of the returns to which each Member is entitled shall take into account all distributions made to such Member. The Managing Member shall calculate the returns, and such calculations will be binding on all Members and the Company absent manifest error.

(a) PREFERRED EQUITY. Commencing on and as of the Effective Date and continuing until the Flip Date, each Member's Preferred Equity will accrue a return at a rate of 10% per annum, compounded annually to the extent unpaid (the "PREFERRED RETURN").

(b) SENIOR PREFERRED EQUITY. In no event shall there be any return attributable to or accruing on the Senior Preferred Equity.

(c) ADDITIONAL PREFERRED EQUITY. Each Member's Additional Preferred Equity, if any, will accrue a return to the extent unpaid at a rate of (i) 10% per annum, compounded annually until the tenth (10th) anniversary of the Effective Date and (ii) thereafter at the greater of (x) 10% per annum, compounded annually or (y) 4.8% per annum in excess of the yield on 10-year U.S Treasury Securities as of the first day of each calendar month, compounded annually, as determined by the Managing Member in its reasonable discretion (the "ADDITIONAL PREFERRED EQUITY RETURN").

(d) CLASS A COMMON EQUITY. Commencing on and as of the Effective Date and continuing until the later to occur of (1) the Flip Date, or (2) the Priority Payment Cessation Date, Class A Common Equity will accrue a return at a rate of 10% per annum, compounded annually to the extent unpaid (the "CLASS A COMMON RETURN").

(e) CLASS B COMMON EQUITY. If on and as of the Flip Date (1) the Preferred Equity has not been redeemed in its entirety and (2) the accrued (and compounded) Preferred Return and the accrued (and compounded) Class A Common Return have not been paid in full, then commencing on and as of the Flip Date and continuing until the Priority Payment Cessation Date, the Class B Common Equity will accrue a return at a rate of 10% per annum, compounded annually to the extent unpaid (the "CLASS B COMMON RETURN").

(f) ADJUSTED PREFERRED BALANCE. Commencing on and as of the Flip Date, the Adjusted Preferred Balance, if any, will accrue a return at a rate of ten percent (10%) per

annum, compounded annually to the extent unpaid (the "ADJUSTED PREFERRED BALANCE RETURN").

Notwithstanding anything to the contrary in this Agreement, (i) the Class A Common Equity will accrue the Class A Common Return for at least ten (10) years following the Effective Date, (ii) the Class B Common Equity will in no event accrue any return at any time prior to the Flip Date, and (iii) the Common Equity shall not accrue a Common Return after the later of (x) the Flip Date or (y) the date on which the Adjusted Preferred Balance and accrued (and compounded) Adjusted Preferred Balance Return, if any, have been paid in full.

4.5. NO WITHDRAWALS. No Capital Contributions may be withdrawn, except as hereinafter expressly stipulated.

4.6. ADDITIONAL CONTRIBUTIONS.

If the Managing Member determines in its good faith business judgment that the Company is in need of additional funding for owning, maintaining, managing, leasing or otherwise operating the Property or for necessary capital improvements at the Property or for any other permitted purpose as determined by the Managing Member, and the amounts required for such funding are not borrowed by the Company from a third party lender on reasonably satisfactory terms, as determined by the Managing Member (provided however, in no event (except only in connection with a Refinancing) shall the Company borrow such amounts prior to the fifteenth (15th) anniversary of the Effective Date if the rate of interest payable thereon is in excess of the then applicable Additional Preferred Equity Return rate), then BP Member III (and not the Managing Member or BP Member II) may contribute all such required funds as Additional Preferred Equity on the date designated by the Managing Member.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES OF CEPPETO MEMBERS

In order to induce (i) the Boston Properties Members to make the contributions to the Company and to become Members of the Company on the terms and conditions set forth herein and (ii) to enter into and to cause BPLP to enter into the Master Transaction Agreement and the Tax Protection Agreement, the Ceppeto Members, Richard Hadar and Eric Hadar, jointly and severally, hereby make the following representations and warranties to the Boston Properties Members, the remedy for any breach of which shall be as set forth in SECTION 13.5. The representations and warranties set forth in this Agreement will survive the Effective Date as set forth in SECTION 13.5(b)(1), notwithstanding the dissolution or termination of the Company or any redemption, transfer or other termination of the Ceppeto Members' interests in the Company.

5.1. ORGANIZATION AND POWER.

(a) The Original Company was, at all times on or prior to the Effective Date of the Merger, a limited liability company duly organized, validly existing and in good

standing under the laws of the State of New York; a Certificate of Merger has been filed with the Secretary of State of the State of Delaware on April 20, 2001, and a Certificate of Merger has been filed with the Secretary of State of the State of New York, on April 20, 2001; and the Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to do business and is in good standing in the State of New York. The Company had all requisite limited liability company power and authority to take the Past Company Actions, to enter into the Past Company Agreements, and to own and convey the Sale Property, and, as of the date hereof, has all requisite limited liability company power and authority to acquire and hereafter own the Property, to carry on its business as previously and presently conducted and as contemplated by this Agreement, and to perform the acts to be performed by it under this Agreement, including the issuance of the Preferred Units and the Common Equity as described herein. All Persons acting by and on behalf of the Company (including without limitation, all members and managers of the Company) prior to the Effective Date had all requisite limited liability company (or other applicable entity) power and authority to take the Past Company Actions, to enter into the Past Company Agreements, and to cause the Company to own and convey the Sale Property, and had all requisite limited liability company (or other applicable entity) power and authority to cause the Company to acquire and hereafter own the Property, to carry on its business as presently conducted and as contemplated by this Agreement, and to cause the Company to perform the acts to be performed by it under this Agreement, including the issuance of the Preferred Units and the Common Equity as described herein. The Organizational Documents of the Company (other than this Agreement), as amended to date, which have been furnished to the Boston Properties Members, are correct and complete and no amendments thereto are pending, except as specifically contemplated by this Agreement. The Company is not now and has never been in violation of its Organizational Documents as in effect from time to time.

(b) Ceppeto is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Ceppeto has all requisite limited liability company power and authority to own its interest in the Company, to carry on its business as presently conducted and as contemplated by this Agreement, and to perform the acts to be performed by it under this Agreement, including the acquisition of Preferred Units and Class B Common Equity and the contribution of Preferred Equity to BPLP contemplated hereby. Ceppeto had all requisite limited liability company power and authority to take any actions taken by it and to execute and deliver (and perform all obligations under) all documents executed by it on and prior to the Effective Date. Ceppeto's Organizational Documents, as amended to date, which have been furnished to the Boston Properties Members, are correct and complete and no amendments thereto are pending. Ceppeto is not now and has never been in violation of its Organizational Documents as in effect from time to time.

(c) Ceppeto Holdings is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Ceppeto Holdings has all requisite limited liability company power and authority to own its interest in the

Company, to carry on its business as presently conducted and as contemplated by this Agreement, and to perform the acts to be performed by it under this Agreement, including the acquisition of Class B Common Equity contemplated hereby. Ceppeto Holdings had all requisite limited liability company power and authority to take any actions taken by it and to execute and deliver (and perform all obligations under) all documents executed by it prior to the Effective Date. Ceppeto Holdings' Organizational Documents, as amended to date, which have been furnished to the Boston Properties Members, are correct and complete and no amendments thereto are pending. Ceppeto Holdings is not now and has never been in violation of its Organizational Documents as in effect from time to time.

(d) As of February 7, 2001, Skyline I and Skyline II were each limited liability companies duly organized, validly existing and in good standing under the laws of the State of Delaware. As of February 7, 2001, Skyline I and Skyline II each had all requisite limited liability company power and authority to own its respective assets (including without limitation, its respective interests in the Property), to carry on its business as presently conducted and as contemplated by this Agreement and the Transaction Documents, and to perform the acts to be performed by it under this Agreement and the Transaction Documents. Skyline I and Skyline II each had all requisite limited liability company power and authority to take any actions taken by it prior to February 7, 2001, and to execute and deliver (and perform all obligations under) all documents and agreements executed by them prior to February 7, 2001. Skyline I's and Skyline II's Organizational Documents, as amended to February 7, 2001, which have been furnished to the Boston Properties Members, are correct and complete and no amendments thereto were pending as of such date. As of February 7, 2001, neither Skyline I nor Skyline II had ever been in violation of its Organizational Documents as in effect from time to time.

5.2. AUTHORIZATION.

(a) The execution, delivery and performance by each of the Ceppeto Members of this Agreement and the Transaction Documents have been duly authorized by all necessary limited liability company or other action of each of the Ceppeto Members. This Agreement and the Transaction Documents and all documents executed by the Ceppeto Members, or any of them, pursuant hereto or thereto are valid and binding obligations of the Ceppeto Members, enforceable against the Ceppeto Members in accordance with their terms.

(b) The execution, delivery and performance by the Company of the Past Company Agreements have been duly authorized by all necessary limited liability company or other action of the Company and all constituent members of the Company. The Past Company Agreements are valid and binding obligations of the Company, enforceable in accordance with their terms.

(c) As of February 7, 2001, the execution, delivery and performance by Skyline I and Skyline II of all prior documents or other agreements to which they are a party have been duly authorized by all necessary limited liability company or other action of Skyline I or Skyline II and all constituent members of the Skyline I and Skyline II. All such documents or other agreements are identified on the attached SCHEDULE 5.2(c) and are valid and binding obligations of Skyline I and Skyline II, enforceable in accordance with their terms.

5.3. ABSENCE OF LIABILITIES. Except only pursuant to the Purchase Contracts, the documents evidencing the Senior Loan, the Tax Protection Agreement, the Master Transaction Agreement and as otherwise set forth on the attached SCHEDULE 5.3, none of the Company or, as of February 7, 2001, Skyline I or Skyline II, has or is subject to, any liability, obligation, claim, lien or encumbrance of any kind or nature, whether accrued, absolute, contingent or otherwise, asserted or unasserted, including liabilities as guarantor or otherwise with respect to obligations of others, or liabilities for taxes due or then accrued and no Ceppeto Member or any constituent member of either Ceppeto Member has or is subject to, any liability, obligation, claim, lien or encumbrance of any kind or nature, whether accrued, absolute, contingent or otherwise, asserted or unasserted, including liabilities as guarantor or otherwise with respect to obligations of others, or liabilities for taxes due or then accrued which would adversely effect the Company, Skyline I, Skyline II, BP/CG I or BP/CG II. None of the Company or, as of February 7, 2001, Skyline I or Skyline II, is or was in violation, breach or default, and there exist or existed no events or circumstances with respect to any of them that, with notice or the passage of time or both, would constitute defaults, in respect of or under any preexisting agreement or obligation binding on such parties or otherwise affecting Skyline I, Skyline II, BP/CG I or BP/CG II, including without limitation, any Past Company Actions or Past Company Agreements and none of the Ceppeto Members or any constituent member of either Ceppeto Member is in violation, breach or default, and there exist no events or circumstances with respect to any of them that, with notice or the passage of time or both, would constitute defaults, in respect of or under any preexisting agreement or obligation binding on or otherwise affecting Skyline I, Skyline II, BP/CG I or BP/CG II, including without limitation, any Past Company Actions or Past Company Agreements which would adversely effect the Company, Skyline I, Skyline II, BP/CG I or BP/CG II. Any and all obligations and liabilities of the Company, Skyline I or Skyline II (or contractual or other similar rights, including any rights based, in part or in whole, upon the assets of Skyline I, Skyline II or the Company, including the Sale Property), whether arising from Past Company Actions and Past Company Agreements or otherwise, have been satisfied in full and there exist no claims or potential claims against the Company, Skyline I, Skyline II, BP/CG I, BP/CG II, or, to the extent the same would have an adverse effect on the Company, the Ceppeto Members or any other holders of equity interests in the Company in respect thereof (except only (a) pursuant to the Transaction Documents, (b) with respect to Skyline I and Skyline II only, for obligations and liabilities created by the Boston Properties Members or any of their Affiliates after February 7, 2001) and (c) with respect to BP/CG I and BP/CG II only, for obligations and liabilities created by the Boston Properties Members or any of their Affiliates). As of the Effective Date there are no agreements or obligations of any kind, including Past Company Agreements, to which the Company, Skyline I or Skyline II is a party or by which the Company, Skyline I or Skyline II is bound (or pursuant to

which the Company has or may have any liability or obligation) except only (a) as set forth on the attached SCHEDULE 5.3 and (b) with respect to Skyline I and Skyline II only, for obligations and liabilities created by the Boston Properties Members or any of their Affiliates after February 7, 2001.

5.4. LITIGATION. Except only as set forth on the attached SCHEDULE 5.4, there is no claim, litigation or governmental proceeding or investigation asserted, pending or to the knowledge of the Ceppeto Members, threatened against the Company, Skyline I, Skyline II, either Ceppeto Member or any constituent member of either Ceppeto Member or to the knowledge of the Ceppeto Members, asserted, pending or threatened against BP/CG I or BP/CG II, or affecting any of their respective properties or assets, including any litigation or governmental proceeding or investigation that (a) arises out of Past Company Actions or Past Company Agreements, and/or (b) may call into question the validity or hinder the enforceability of this Agreement or any of the Transaction Documents or the transactions contemplated hereby or thereby, except, and with respect only to Skyline I, Skyline II, BP/CG I and BP/CG II, no such representation is made in respect of claims of third-parties unaffiliated with the Ceppeto Members or any constituent member of either Ceppeto Member, first arising or created by the Boston Properties Members or any of their Affiliates after February 7, 2001. No act or omission on the part of the Ceppeto Members or their Affiliates has occurred and no circumstances exist on account of any act or omission on the part of the Ceppeto Members or their Affiliates that could form the basis of any such claim, litigation, proceeding or investigation which could have an adverse effect on the Company, Skyline I, Skyline II, BP/CG I or BP/CG II.

5.5. NON-CONTRAVENTION. The execution, delivery and performance by the Ceppeto Members of this Agreement, and by the Ceppeto Members, the Company, and, as of February 7, 2001, Skyline I and Skyline II, of each of the other agreements, documents and instruments (including without limitation, the Transaction Documents) to be executed and delivered by such parties as contemplated hereby, and the consummation of the transactions contemplated hereby and by the other Transaction Documents, do not and will not (a) violate or conflict with, or result in a default (whether after the giving of notice, lapse of time or both) or loss of a material benefit under, any contract or obligation to which the Company or, to the extent entered into prior to February 7, 2001, Skyline I or Skyline II or, to the knowledge of the Ceppeto Members, BP/CG I or BP/CG II, is a party or by which any of its assets are bound (including any Past Company Agreement), or any provision of the Organizational Documents of either Ceppeto Member, the Company or, to the extent entered into prior to February 7, 2001, Skyline I or Skyline II, (b) violate or result in a violation of, or constitute a default under, any provision of any law, regulation or rule, or any order of, or any restriction imposed by, any court or governmental agency applicable to the Company, Skyline I or Skyline II or to the knowledge of the Ceppeto Members, BP/CG I or BP/CG II, or (c) accelerate any obligation under or give rise to a right of termination of or result in a loss of a material benefit under any indenture or loan or credit agreement or any other agreement, contract, instrument, mortgage, lien, lease, permit, authorization, order, writ, judgment, injunction, decree, determination or arbitration award to which the Company, or, to the extent in effect on or prior to February 7, 2001, Skyline I, Skyline II or to the knowledge of the Ceppeto Members, BP/CG I or BP/CG II, is a party or by which the property of the Company, BP/CG I, BP/CG II, Skyline I, Skyline II, either Ceppeto

Member or any constituent member of either Ceppeto Member, is bound or affected, or result in the creation or imposition of any mortgage, pledge, lien, security interest or other charge or encumbrance on any of the assets of the Company, BP/CG I, BP/CG II, Skyline I or Skyline II. Neither the Past Company Actions nor the execution, delivery and performance of the Past Company Agreements violated or resulted in a violation of, or constituted a default under, any provision of any law, regulation or rule, or any order of, or any restriction imposed by, any court or governmental agency applicable to Skyline I, Skyline II, the Company or its members.

5.6. OWNERSHIP OF DIRECT AND INDIRECT INTERESTS IN THE COMPANY.

(a) Immediately prior to the effectiveness of this Agreement, the capital structure of the Company was as set forth in SCHEDULE 5.6(a), and the Ceppeto Members were the sole members of the Company. Each Ceppeto Member is the sole legal and beneficial owner of its interest in the Company, free and clear of any lien, claim, pledge, easement, restrictive covenant, hypothecation, assignment, preference, priority, security interest, option, right of first refusal or offer, or other encumbrance or charge, and no party other than the Ceppeto Members and, as of the date hereof, the Boston Properties Members, has any right, title, claim or interest (i) in and to the equity interests in the Company (or has any other direct or indirect rights or interest in and to the Company of any kind or nature, including without limitation, any options, warrants, rights to acquire, profit-sharing, cash-flow, participation or other similar or dissimilar interests, or any other convertible or exchangeable rights for interests in the Company) or (ii) in and to the Sale Property or any proceeds therefrom.

(b) Eric Hadar, Richard Hadar, immediate family members of Eric Hadar or Richard Hadar and trusts for the benefit of Eric Hadar, Richard Hadar or immediate family members of Eric Hadar or Richard Hadar hold all beneficial interest in Ceppeto. The capital structures of Ceppeto and of each direct or indirect holder of beneficial interest in Ceppeto are as set forth in SCHEDULE 5.6(b), and except for the Persons named on SCHEDULE 5.6(b), no Person has any direct or indirect right, title or interest in or to the equity interests in Ceppeto (or has any other direct or indirect rights or interest in and to Ceppeto of any kind or nature, including without limitation, any options, warrants, rights to acquire, profit-sharing, cash-flow, participation or other similar or dissimilar interests, or any other convertible or exchangeable rights for interests in Ceppeto).

(c) Eric Hadar, Richard Hadar, immediate family members of Eric Hadar or Richard Hadar and trusts for the benefit of Eric Hadar, Richard Hadar or immediate family members of Eric Hadar or Richard Hadar hold all beneficial interest in Ceppeto Holdings. The capital structures of Ceppeto Holdings and of each direct or indirect holder of beneficial interest in Ceppeto Holdings are as set forth in SCHEDULE 5.6(c), and except for the Persons named in SCHEDULE 5.6(c), no Person has any direct or indirect right, title or interest in or to the equity interests in Ceppeto Holdings (or has any other direct or indirect rights or interest in and to Ceppeto Holdings of any kind or nature, including without limitation, any options, warrants, rights to acquire, profit-sharing, cash-

flow, participation or other similar or dissimilar interests, or any other convertible or exchangeable rights for interests in Ceppeto Holdings).

(d) As of February 7, 2001, the capital structures of Skyline I and Skyline II and of each direct or indirect holder of beneficial interest in Skyline I and Skyline II were as set forth in SCHEDULE 5.6(d), and except for the Persons named in SCHEDULE 5.6(d), no Person had any direct or indirect right, title or interest in or to the equity interests in either Skyline I or Skyline II (or had any other direct or indirect rights or interest in and to either Skyline I or Skyline II of any kind or nature, including without limitation, any options, warrants, rights to acquire, profit-sharing, cash-flow, participation or other similar or dissimilar interests, or any other convertible or exchangeable rights for interests in either Skyline I or Skyline II).

(e) Each applicable Ceppeto Member owned beneficially and on the records of BP/CGMM2, and assigned, contributed and otherwise transferred to the Company, free and clear of any and all liability, lien, claim, pledge, voting agreement, option, charge, security interest, mortgage, deed of trust, encumbrance, right of assignment, purchase right or other restriction of any kind, nature or description, its entire interest (representing an aggregate 34.5% interest) in BP/CGMM2. Ceppeto Holding Enterprises LLC owned beneficially and on the records of each of Skyline I and Skyline II, and assigned, contributed and otherwise transferred to SHMM, free and clear of any and all liability, lien, claim, pledge, voting agreement, option, charge, security interest, mortgage, deed of trust, encumbrance, right of assignment, purchase right or other restriction of any kind, nature or description, its entire interest (representing an aggregate 1% interest in each) in each of Skyline I and Skyline II.

ARTICLE 6. MANAGEMENT OF THE COMPANY

6.1. MANAGEMENT.

(a) BP Member is hereby appointed to serve as Managing Member of the Company. The name and address of the Managing Member shall be listed on EXHIBIT A, which shall be amended from time to time by the Managing Member to reflect the resignation of the Managing Member or the appointment of a new Managing Member pursuant to this Agreement. The Managing Member of the Company shall be a Member, and shall hold office until its resignation in accordance with SECTION 6.1(b). For so long as (x) Boston Properties or its Affiliates is a direct or indirect beneficial owner of any interest in the Company and (y) Boston Properties and its Affiliates and one or more Institutional Holder(s) collectively own, directly or indirectly, more than twenty-five percent (25%) of either (1) the Percentage Interests in the Company or (2) the aggregate then unreturned Capital Contributions, the Managing Member shall be BP Member or an Affiliate of Boston Properties. At any time during which the Managing Member of the Company is BP Member or an Affiliate of Boston Properties, all covenants of the

Managing Member hereunder shall be joint and several obligations of BP Member, BP Member II and BP Member III. The Managing Member shall devote such time to the business and affairs of the Company as is reasonably necessary for the performance of its duties, but shall not be required to devote full time to the performance of such duties and may delegate its responsibilities hereunder. The Managing Member shall have full and exclusive authority, responsibility and discretion in the day-to-day management, supervision and control of the Company. The Managing Member shall be responsible for the establishment of policy and operating procedures respecting the business affairs of the Company and all of its activities. Except as otherwise expressly provided in this Agreement (including without limitation, SECTION 10.1(a) with respect to a Property Transfer), the Managing Member shall have the authority to make all decisions for or affecting, and to take or fail to take any and all actions on behalf of, the Company, including all such decisions or actions necessary to cause the acquisition, financing, operation, management and sale of the Property by BP/CG I and BP/CG II (directly and indirectly), and any and all actions and decisions with respect to the admission of new or additional Members to the Company as may be permitted or contemplated under this Agreement provided, however, that the Managing Member shall pay all operating expenses which are payable by the Company out of funds maintained in the Operating Expense Reserve prior to paying any such amounts from the cash receipts of the Company from Property operations or Additional Preferred Equity or other reserves. No action shall be taken, obligations incurred or amounts expended by the Company without the consent of the Managing Member. If any provision of this Agreement requires an act or decision of "the Members" such act or decision shall take place or be made by the Managing Member on behalf of the Members and the Company. Any action taken by the Managing Member, and the signature of the Managing Member on any agreement, contract, instrument or other document on behalf of the Company, shall be sufficient to bind the Company and shall conclusively evidence the authority of the Managing Member and the Company with respect thereto. Any Person dealing with the Company, the Managing Member or any Member may rely upon a certificate signed by the Managing Member as to (i) the identity of the Managing Member or any Member; (ii) any factual matters relevant to the affairs of the Company; (iii) the Persons who are authorized to execute and deliver any document on behalf of the Company; or (iv) any act or omission by the Company, the Managing Member or any Member.

(b) The Managing Member may resign upon at least thirty (30) days' notice to the other Members (unless notice is waived by them). If the Managing Member (or any successor Managing Member) resigns then either (i) the Managing Member can appoint its successor or (ii) if the Managing Member elects not to appoint its successor, a new Managing Member can be appointed by the Members. In the event that the Ceppeto Members or their designee acquire the Entire BP Interest pursuant to ARTICLE 10 of this Agreement, the Ceppeto Members may replace the Managing Member. The Managing Member shall be entitled to reimbursement for out-of-pocket expenses (other than overhead or general administrative expenses not solely and directly allocable to the Property) incurred in managing and conducting the business and affairs of the Company.

(c) No Managing Member, nor any officer, director, employee, Affiliate, shareholder, partner, member, manager, agent or other representative of Managing Member, shall be obligated personally for any debt, obligation or liability of the Company or of any Member, whether arising in contract, tort or otherwise, solely by reason of being or acting as Managing Member of the Company, as distinct from the Managing Member's contractual obligations arising under the terms of this Agreement. No Managing Member, nor any officer, director, employee, Affiliate, shareholder, partner, member, manager, agent or other representative of Managing Member, shall be personally liable to the Company or to its Members for acting in good faith reliance upon the provisions of this Agreement, or for breach of any fiduciary or other duty to the Members, as distinct from the Managing Member's contractual obligations arising under the terms of this Agreement. To the extent of the Company's assets, and to the maximum extent permitted by law, the Company shall indemnify and hold the Managing Member and its officers, directors, employees, Affiliates, shareholders, partners, members, managers, agents and other representatives harmless from and against all liability, claim, loss, damage or expense, including reasonable attorneys' fees, incurred or sustained by Managing Member or any of them, arising out of, relating to or by reason of any act or omission of the Managing Member made in good faith on behalf of the Company, except only with respect to any such liability, claim, loss, damage or expense incurred by the Managing Member solely as a result of a breach by the Managing Member of its obligations under this Agreement or such Managing Member's gross negligence or willful misconduct.

(d) Prior to the beginning of each fiscal year of the Company, the Managing Member shall develop the annual operating and capital expenditure budget (the "ANNUAL Budget") for the Property for such upcoming fiscal year, which Annual Budget shall include annual leasing guidelines for the leasing and marketing of the Property. In connection with the development of each Annual Budget, the Managing Member shall distribute a preliminary draft of the Annual Budget to the Ceppeto Members for review and shall consult with the Ceppeto Members in finalizing each Annual Budget, PROVIDED, HOWEVER, that the Managing Member may finalize and adopt the Annual Budget without the approval of the Ceppeto Members, notwithstanding any objections or concerns raised during such consultation or the fact that such consultation did not occur.

(e) There is no requirement that the Members hold a meeting in order for the Company to take action on any matter. The Managing Member may call meetings of the Members periodically to review the day-to-day operations of the Property or for any other purpose, but the Managing Member shall have no obligation to do so. The Managing Member shall endeavor in good faith to hold such meetings on a monthly basis. Any Member shall have the right, from time, to time, to call a meeting of the Members for such purposes during any calendar quarter in which no such meeting has been held.

6.2. BANK ACCOUNTS. The Company will maintain separate bank accounts in such banks as the Managing Member may approve exclusively for the deposit and disbursement

of all funds of the Company. All funds of the Company shall be promptly deposited in such accounts. The Managing Member from time to time shall approve signatories for such accounts. Upon written request by the Ceppeto Members, the Managing Member shall notify the Ceppeto Members as to the location and account numbers for such accounts.

6.3. REIMBURSEMENT FOR COSTS AND EXPENSES.(a) Subject to the terms of SECTION 6.4, the Managing Member will fix the amounts, if any, by which the Company will reimburse each Member for any costs and expenses incurred by such Member on behalf and for the benefit of the Company; PROVIDED, HOWEVER, that (a) all costs incurred by either Member in connection with the acquisition of the Property shall be reimbursed by the Company and (b) no overhead or general administrative expenses of any Person (other than overhead or general administrative expenses solely and directly allocable to the Property), shall be allocated to the operation of the Company, and no salaries, fees, commissions or other compensation shall be paid by the Company to any Affiliate of any Member or to any partner, officer or employee of any Member or its Affiliates for any services rendered to the Company, except as expressly provided in this Agreement or in the separate agreements entered into from time to time consistent with the terms of this Agreement. In no event shall any employee, officer or director of Boston Properties or BPLP be entitled to receive any fees or other compensation as an officer or board member of any subsidiary of the Company, including without limitation, BP/CG I, BP/CG II, BP/CGMM and BP/CGMM2.

6.4. MANAGEMENT AGREEMENT.

(a) The Company shall enter into a management and leasing agreement with BPLP or its Affiliate (the "PROPERTY MANAGER") in substantially the form attached hereto as EXHIBIT B (the "MANAGEMENT AGREEMENT"). The Managing Member shall be entitled to receive under this Agreement, for its own account and in addition to any and all other amounts which the Managing Member is entitled to receive under this Agreement, a leasing override payment equal to $1.00 per net rentable square foot of leased space, including space demised under renewals or expansions, whether pursuant to options or otherwise, in consideration of the leasing services to be provided by the Property Manager pursuant to the Management Agreement (but only as and to the extent Property Manager is not entitled to receive such payment under the Management Agreement. Should the Management Agreement terminate for any reason, the Company shall enter into an agreement for management and leasing services for the Property with such operator or operators, and on such terms, as are satisfactory to the Managing Member in its sole and absolute discretion (but subject to SECTION 6.6 with respect to any such agreement with an Affiliate of the Managing Member, and provided that in no event shall the fees payable under any applicable management agreement with any such Affiliate of the Managing Member differ from those set forth in this SECTION 6.4(a) without the prior written consent of all Members). Any such replacement management agreement with an Affiliate of the Managing Member shall not be on materially different terms with respect to the level of services, standards and obligations to be provided by the property manager thereunder, than the original Management Agreement. The Managing Member agrees

(on behalf of itself and the Property Manager) that, although the Management Agreement will provide for management fees payable to the Property Manager of not more than 2.00% of the Property's gross rental revenue, any such management fees which are in excess of 1.25% of the Property's gross rental revenue shall only be payable to the Property Manager to the extent paid by tenants (including, for such purpose, payments by tenants under so-called "gross leases"). The Property Manager shall also be entitled to receive reimbursements under the Management Agreement (in excess of the management fees payable thereunder) for the costs of Property Manager's on-site personnel up to and including the level of property manager. Such on-site personnel may consist of full-time staff as well as operating personnel who may spend time at the Property and at other properties, in which event the reimbursement shall be limited to the allocable share of such personnel's time spent at the Property. Property Manager shall not be reimbursed for any corporate overhead associated with its corporate offices. All such reimbursement amounts shall at all times to be consistent with the then current practices of the Property Manager and its Affiliates with respect to such matters on properties similar to the Property. The Managing Member shall enforce the foregoing terms of the Management Agreement on behalf of the Company.

(b) As the Managing Member considers the type and scope of leasing guidelines to adopt for the Property from time to time, the Managing Member may consult with the Ceppeto Members with respect to the material issues related thereto; PROVIDED, HOWEVER, that the Managing Member may adopt such guidelines in its sole and absolute discretion without the approval of the Ceppeto Members, notwithstanding any objections or other concerns relating to such consultation or the fact that such consultation did not occur. The Members acknowledge that Jones Lang LaSalle shall be engaged as the exclusive leasing agent for the Property for a three (3) year term commencing on the Effective Date, on such other terms and conditions and pursuant to such agreement as shall be mutually acceptable to the Managing Member and Jones Lang LaSalle. The Managing Member shall have the right to cause the Company to obtain additional financing in its sole and absolute discretion to pay for all or a portion of the costs associated with leasing space at the Property or for any other working capital needs of the Company, PROVIDED that such financing is permitted under the terms of the Senior Loan and PROVIDED FURTHER that, in no event (except only in connection with a Refinancing) shall the Company borrow such amounts prior to the fifteenth (15th) anniversary of the Effective Date if the rate of interest payable thereon is in excess of the then applicable Additional Preferred Equity Return rate. Upon the written request of the Ceppeto Members, the Managing Member shall provide to the Ceppeto Members copies of all material documents relating to such financing. In the event that Managing Member elects to cause the Company to obtain such additional financing, the Managing Member (or its Affiliates) shall have the right to provide such financing in an amount and on terms and conditions no less favorable than the Company would have obtained from an unaffiliated third-party lender (but subject to the provisos set forth in the third sentence of this SECTION 6.4(b)), PROVIDED, HOWEVER, that if the Managing Member (or its Affiliates) elects to provide such financing directly, the Managing Member shall give written notice of such election to the Ceppeto Members, which notice shall specify the material terms

and conditions of such proposed financing (which terms and conditions shall be no less favorable than the Company could have obtained from an unaffiliated third-party lender, as determined by the Managing Member, and the Ceppeto Members shall have the right to provide their proportionate share of such financing (based upon the then applicable Percentage Interests), such election to be made, in writing, within thirty (30) days after the date on which the Ceppeto Members shall have received such written notice from the Managing Member. In the event that the Ceppeto Members do not timely make such election, they shall be deemed to have elected not to provide their proportionate share of such financing. Any such loan made by the Managing Member shall be on terms substantially the same as those contained in the applicable notice provided to the Ceppeto Members, and shall close no later than 180 days after the date of such notice. If the financing does not close within such time, and the Managing Member still intends to provide such financing, the Managing Member shall so notify the Ceppeto Members and again allow the Ceppeto Members the option to participate in such financing on the terms set forth above.

6.5. MAJOR DECISIONS. The Managing Member may consult with the Ceppeto Members with respect to matters relating to the Company and the Property, which matters shall include the following specific actions; PROVIDED that the Managing Member is hereby authorized to cause the Company to take any such action in its sole and absolute discretion, without the approval of the Ceppeto Members, notwithstanding any objections or other concerns raised during such consultation or the fact that such consultation did not occur:

(a) subject to SECTION 10.1(a), the sale, directly or indirectly, of all or any portion of the Property;

(b) borrowing money or amending the terms and conditions of any financing (including the Senior Loan) or making elections with respect to interest periods, interest rates, prepayment or other material provisions under any financing, including the Senior Loan;

(c) granting any mortgage, security interest or other lien or encumbrance affecting all or part of the Company's assets, including the Property;

(d) SUBJECT TO SECTION 10.1(a), entering into any transaction involving the merger, consolidation or restructuring of the Company;

(e) substantial modifications to the Annual Budget (or any material component thereof); or

(f) the admission of any new or additional Member(s) to the Company.

Notwithstanding anything to the contrary contained in this Agreement, in the event that both (1) the aggregate Percentage Interests held by (i) the Boston Properties Members and their Affiliates and (ii) the Institutional Holder(s), if any, and (2) the quotient of (x) the aggregate then unreturned Capital Contributions made by the Boston Properties Members and their Affiliates

and the Institutional Holder(s), if any, and (y) the aggregate then unreturned Capital Contributions made by the Members, is less than twenty-five percent (25%) at any time, then during such time: (A) the Managing Member shall not (1) take any of the actions described in clauses (a) through (f) above, (2) enter into an agreement with one of its Affiliates pursuant to SECTION 6.6 or (3) adopt any Annual Budget pursuant to SECTION 6.1(d), without in each instance first obtaining the written approval of the Ceppeto Members, which approval shall not be unreasonably delayed, conditioned or withheld by the Ceppeto Members; and (B) the Ceppeto Members shall have the sole right to enforce, on behalf of the Company, any and all contracts with Affiliates of the Managing Member in the event of a material breach thereof by such Affiliates of the Managing Member, including the Management Agreement.

6.6. CONTRACTS WITH AFFILIATES. In addition to the Management Agreement, the Managing Member, on behalf of the Company, may enter into any agreement in the ordinary course of managing the Property with one of its Affiliates, provided that the terms of any such agreement (including any replacement of the Management Agreement, which shall, in all events be subject to SECTION 6.4(a) of this Agreement) are no less favorable than the Company would have obtained in a like transaction negotiated at arms-length with an unaffiliated third party. The Managing Member shall notify the Ceppeto Members of the material terms of any such agreements and shall enforce the economic terms of all such agreements.

6.7. NON-INTERFERENCE COVENANT. Subject to the Ceppeto Members' rights, if any, under the final paragraph of SECTION 6.5, each Ceppeto Member agrees that it will not (i) interfere or attempt to interfere (and will cause its Affiliates, and all Persons claiming by or through any of them, not to interfere) directly or indirectly with the conduct of the business of the Company by the Managing Member or the right of the Managing Member to control and manage the Company, the Company's business and the Property, or the taking or failure to take any action by the Managing Member hereunder or (ii) take any action which the Managing Member is authorized or otherwise permitted to take under this Agreement. If either Ceppeto Member or any of its Affiliates or any Person claiming by or through any of them, breaches the foregoing covenant, then the Managing Member shall have the right to deliver a written notice of such breach to the Ceppeto Members at any time within ninety (90) days after such breach (each, a "BREACH Notice"). If either Ceppeto Member or any of its Affiliates or any Person claiming by or through any of them, breaches the foregoing covenant at any time after the Managing Member shall have previously delivered two (2) valid, bona fide Breach Notices, then the Managing Member shall have the option, exercisable by giving notice to the Ceppeto Members at any time within ninety (90) days after such breach, to acquire the Ceppeto Members' entire interest in the Company for a purchase price equal to ninety-five percent (95%) of the amount that would have been distributable to the Ceppeto Members under SECTION 9.3(b) or 9.4(b), as applicable, if the Property had been sold at Fair Market Value as of the date such notice of acquisition is given by the Managing Member, as determined by an appraiser selected in accordance with the procedure set forth in SECTION 12.2, less (i) the amount of any reserves established by the Managing Member, in its reasonable discretion, in consideration of any potential indemnification obligations of the Ceppeto Indemnitors' pursuant to SECTION 13.5 and (ii) the sum of applicable transfer taxes incurred as a result of such sale plus three percent (3%) of the distributable amount, which the parties hereto unconditionally agree is a reasonable estimate and

approximation of customary closing costs which would be associated with similar transactions (provided however, that in consideration of the agreed upon reduction of such Fair Market Value by the amount of the transfer taxes which would be incurred in connection with a sale of the Property for such amount, the Managing Member agrees to pay any transfer taxes actually payable in connection with the conveyance contemplated hereunder, and shall indemnify the Ceppeto Members from and against any cost or expense resulting from the failure to pay such amounts as and when due). Any such reserves shall be retained by the BP Member as collateral for the Ceppeto Indemnitors' indemnification obligations under SECTION 13.5 and shall be maintained in an interest-bearing account (all such interest to be retained in such account, and to be earned for the benefit of the Ceppeto Members) at a commercial bank, trust company, savings bank or other similar institutions selected by the BP Member and reasonably acceptable to the Ceppeto Members. Any and all risk of loss with respect to such account shall be borne solely and exclusively by the Ceppeto Members. All amounts contained in such account will be remitted to the Ceppeto Members if, as and when the pledge of the Ceppeto Members' Equity Interest would have been released pursuant to SECTION 13.5(e)(3). Nothing contained in this SECTION 6.7 shall limit or otherwise affect the Ceppeto Indemnitors' indemnification obligations contained in SECTION 13.5. The Ceppeto Members shall assign their entire equity interest in the Company to the Managing Member, or its designee, free and clear of any and all claims, liens, pledges, restrictive covenants, charges, hypothecations, preferences, priorities, security interests or other encumbrances of any kind or nature, and shall provide customary representations and indemnifications in connection therewith. The closing of such assignment shall occur on a date determined by the Managing Member, which date shall be within thirty (30) days after the determination, as set forth above, of the amount to be paid for the Ceppeto Members' equity interest. Upon the consummation of any such assignment of the Ceppeto Members' equity interest, the Ceppeto Members shall be deemed to have withdrawn from the Company and shall have no further right, claim or interest in and to the Company. The grant of this option to the Managing Member is intended to establish a measure of liquidated damages for the costs, expenses and damages that would be suffered by the Boston Properties Members in the event of a breach by either Ceppeto Member of the covenant set forth in this SECTION 6.7, since the actual damages that might be sustained by the Boston Properties Members in such event would be extremely difficult if not impossible to ascertain having regard to the long-term impact on the Boston Properties Members' economic interests, the potential dislocation of its resources and the potential damage to reputation that might result from such a breach. The Ceppeto Members acknowledge that the exercise of such option would afford the Boston Properties Members a reasonable measure of damages under the circumstances. it is the intent of the parties to this Agreement that the requirements or obligations of the Ceppeto Members to sell its equity interest in the Company to the Managing Member, or its designee, hereunder shall be enforceable by an action for specific performance of a contract relating to the purchase of real property or an interest therein. In the event that the Ceppeto Members shall have created or suffered any unauthorized liens, encumbrances or other adverse interests against either the Property or the Ceppeto Members' interests in the Company, the Managing Member shall be entitled either to an action for specific performance to compel the Ceppeto Members to have such defects removed, at the Ceppeto Members' expense, in which case the closing shall be adjourned for such purpose,

or, at the Managing Members' option, to an appropriate offset against the purchase price, which offset shall include all reasonable costs associated with enforcement of this Section.

6.8. PROCEEDS OF ADDITIONAL FINANCING. In connection with any refinancing of the Senior Loan (the "REFINANCING"), the Managing Member intends to use commercially reasonable efforts to maximize the net proceeds from such Refinancing so as to allow the repayment in full of the Preferred Equity upon the making of distributions in connection with such Refinancing in accordance SECTION 9.3(b); PROVIDED, HOWEVER, that the Managing Member shall have no obligation to enter into any particular Refinancing agreement (or enter into any Refinancing at all), or to obtain any specific loan amount upon Refinancing or to otherwise accept any terms, conditions or other provisions (including financial and other covenants, interest rate, loan to value and/or debt service coverage ratios) that are not acceptable to the Managing Member in its sole and absolute discretion. Without limiting the generality of the foregoing, the Managing Member shall in no event be obligated to enter into any Refinancing, the terms of which would require (a) the Company or any direct or indirect beneficial owner of the Company to provide guaranties or incur recourse obligations of any kind or nature, except for environmental indemnities and then-customary carve-outs or exceptions for commercial non-recourse loans, or (b) the payment of interest at a rate that is higher than the lower of (1) the interest rate payable on the Senior Loan or (2) then prevailing interest rates for comparable first mortgage loans (without equity participations or similar features). The Managing Member intends to structure the Refinancing in consideration of the tax consequences of such Refinancing to the Ceppeto Members, provided that such structure (i) does not adversely impact the Boston Properties Members or their Affiliates, the Property or the Refinancing (all as determined by the Managing Member) and (ii) does not cause the Boston Properties Members or their Affiliates or the Property in connection with the contemplated Refinancing, to incur any additional cost or other liability. Notwithstanding the foregoing, in the event and to the extent any such Refinancing or any subsequent refinancing thereof is treated as a recourse liability under Regulations Section 1.752-1(a)(1) allocable to the Boston Properties Members, the Ceppeto Members or their designees (in such proportion among themselves as they shall determine) shall have the right to guarantee a portion of such loan in an amount up to the amount of such Refinancing which is otherwise allocable to the Boston Properties Members under Section 752 of the Code multiplied by the Ceppeto Members' Percentage Interests in the Company in such a manner that results in such portion of the loan being allocated to the Ceppeto Members under Section 752 of the Code. Such guaranty shall be in a form reasonably acceptable to the applicable lender, the Ceppeto Members and the Managing Member. The Managing Member shall notify the Ceppeto Members not less than fifteen (15) Business Days prior to the anticipated date of any Refinancing which the Managing Member, in good faith, believes is available to be guaranteed by the Ceppeto Members hereunder, which notice shall specify (i) the expected date of such Refinancing, (ii) the Managing Member's good faith estimate of the amount available to be guaranteed by the Ceppeto Members thereunder (which estimate shall not be binding upon the Managing Member) and (iii) such other matters as the Managing Member shall determine. The Ceppeto Members shall notify the Managing Member, within four (4) Business Days after its receipt of such notice of its intention to provide such guaranty. In the event that the Ceppeto Members elect to provide such guaranty, the Managing Member and the Ceppeto Members shall thereafter cooperate in good faith in connection with

the consummation of such Refinancing and the delivery of any applicable guaranties. The Managing Member shall notify the Ceppeto Members not less than fifteen (15) Business Days prior to the anticipated date of any Refinancing, which notice shall, if an executed commitment or detailed term sheet in lieu of a commitment with respect to such proposed Refinancing has then been entered into, describe the material terms of such Refinancing (or, if no such commitment or detailed term sheet then exists, but is subsequently entered into, the Managing Member shall promptly thereafter notify the Ceppeto Members of the material terms of such Refinancing). Notwithstanding anything to the contrary, the Managing Member shall have the right to consummate the Refinancing (or to not consummate the Refinancing) on terms satisfactory to the Managing Member in its sole discretion provided that this sentence shall not limit or affect the Ceppeto Members right, if and when applicable, to provide a guaranty of any applicable recourse Refinancing, as provided above.

ARTICLE 7. BOOKS AND RECORDS, AUDITS, TAXES, ETC.

7.1. BOOKS; STATEMENTS. In addition to the establishment and maintenance of Capital Accounts pursuant to SECTION 7.9, the Company shall keep such other books and records as the Managing Member shall determine. The financial statements of the Company shall be prepared in accordance with generally accepted accounting principles consistently applied and, if and to the extent required by any applicable Senior Lender, shall be audited by the Company's independent accountants.

Following the Effective Date, and at the Company's expense:

(a) the Company shall prepare or cause to be prepared a statement setting forth the calculation of Operating Cash Flow for each period of time, but not less often than monthly, at the end of which the Company is to make periodic distributions of Operating Cash Flow as and to the extent provided in SECTION 9.3 or 9.4, as applicable, and the Company shall furnish a copy of such cash flow statement to each Member within twenty-one (21) days after the end of such period;

(b) no later than the fifteenth day of each January, April, July and October during the term of this Agreement, the Company shall prepare and submit or cause to be prepared and submitted to each Member, an accrual basis balance sheet dated as of the end of the preceding month together with an accrual basis profit and loss statement for the three calendar month period next preceding with a cumulative calendar year accrual basis profit and loss statement to date, and a statement of change in each Member's capital for the quarter and year to date;

(c) as soon as practicable after the end of each fiscal year of the Company, a general accounting shall be taken and made by independent certified public accountants of recognized standing, selected by the Tax Matters Partner in accordance with SECTION 7.6 and retained by the Company, which accounting and/or audit shall cover the assets, properties, liabilities and net worth of the Company, and its dealings, transactions

and operations during such fiscal year, and all matters and things customarily included in such accountings and audits, and a full, detailed certified statement shall be furnished to each Member within ninety (90) days after the end of such fiscal year, showing on an accrual basis the assets, liabilities, properties, net worth, profits, losses, net income, Operating Cash Flow, changes in the financial condition of the Company for such fiscal year and each Member's capital in the Company and amounts of Common Equity, Preferred Equity, Additional Preferred Equity and Senior Preferred Equity then outstanding, and, if applicable, a full and complete report of the audit scope and audit findings in the form of a management audit report with an internal control memorandum; and

(d) the Company shall deliver to the Ceppeto Members any financial statements or reports regarding the Company, its subsidiaries or the Property that are provided to the lender under the Senior Loan, concurrently with delivery of such statements or reports to the lender.

7.2. WHERE MAINTAINED. The books, accounts and records of the Company shall be at all times maintained at its principal office. Each Member shall, at reasonable times and upon reasonable prior notice, have the right to inspect such books, accounts and records and shall have access to the same.

7.3. AUDITS. Either Member may, at its option and at its own expense, conduct internal audits of the books, records and accounts of the Company. Audits may be on either a continuous or a periodic basis or both and may be conducted by employees of either Member, or an Affiliate of either Member, or by independent auditors retained by the Company or by either Member.

7.4. INTENTIONALLY OMITTED.

7.5. TAX RETURNS. The Company shall be treated and shall file its tax returns as a partnership for Federal, state, municipal and other governmental income tax and other tax purposes. The Company shall prepare or cause to be prepared, on an accrual basis, all Federal, state and municipal partnership tax returns required to be filed by it. Unless otherwise determined by the Managing Member, such tax returns shall be prepared by independent certified public accountants selected pursuant to SECTION 7.6, who shall sign such returns as preparers. The Company shall submit the returns to each Member for review and approval (which approval shall not be unreasonably withheld, conditioned or delayed) no later than thirty (30) days prior to the due date of the returns, but in no event later than March 15th of each year. All Members shall be entitled to participate in any meetings or conferences with the Internal Revenue Service with respect to matters affecting the Company (including for this purpose the Original Company) or such Member, and in the event of an audit of the Company's (including for this purpose the Original Company) tax returns to approve the terms of any settlement in respect thereof (which approval shall not be unreasonably withheld, conditioned or delayed). Each Member shall notify the other Member(s) upon receipt of any notice of tax examination of the Company (including for this purpose the Original Company) by Federal, state or local

authorities. For tax purposes, the Company shall report the acquisition of the Property as the tax-free acquisition of replacement property by the Company under Section 1031 of the Code with respect to the disposition of the Sale Property.

7.6. TAX MATTERS PARTNER. The Managing Member shall be the tax matters partner as defined in Section 6231 (a)(7) of the Code (in such capacity, the "TAX MATTERS Partner"). The Tax Matters Partner shall comply with the requirements of Section 6221 through 6232 of the Code. The Tax Matters Partner shall have the authority, to select and appoint independent certified public accountants to prepare tax returns and annual audited financial statements for the Company, the expense of which shall be borne by the Company. The Members acknowledge that, immediately prior to the Effective Date, Ceppeto was the Tax Matters Partner for the Original Company and the Company, and shall continue as the Tax Matters Partner for the Original Company (but not for the Company) for the period ending December 31, 2000, and shall, subject to obtaining the prior written consent of the Managing Member with respect thereto, which consent shall not be unreasonably withheld or delayed, be responsible for the filing of the 2000 tax returns for the Original Company for the period ending on December 31, 2000, PROVIDED HOWEVER, that Ceppeto shall comply with the requirements of Section 6221 through 6232 of the Code with respect to such prior periods and in no event shall the Tax Matters Partner (from and after the Effective Date) or the Company be bound by any election or position taken by Ceppeto in connection with the preparation of or filing of the tax returns and annual audited financial statements for the Company, nor shall Ceppeto take any position or make any election in connection therewith which would bind the Company or the Tax Matters Partner from and after the Effective Date without the consent of the Tax Matters Partner, which consent shall not be unreasonably withheld.

7.7. TAX POLICY. The Company shall make any and all tax accounting and reporting elections and adopt such procedures as the Managing Member, in its reasonable judgment may determine.

7.8. SECTION 754 ELECTION. At the request of a Member, the Company shall make and file a timely election under Section 754 of the Code (and a corresponding election under applicable state or local law) in the event of a transfer of an interest in the Company permitted hereunder or the distribution of property to a Member. The Members agree that the Company shall make and file such election for the tax year ending December 31, 2001. Any adjustments resulting from such an election shall be reflected in the Capital Accounts of the Members in accordance with Treasury Regulation Section 1.704-l(b)(2)(iv)(m). Any Member or transferee first requesting an election hereunder shall reimburse to the Company the reasonable out-of-pocket expenses incurred by the Company in connection with such election including any legal or accountants' fees. Thereafter, each transferee shall reimburse such expenses with respect to adjustments under Section 743 of the Code in the proportion which the interest of each transferee bears to the sum of the interests of all transferees.

7.9. CAPITAL ACCOUNTS.

(a) There shall be established on the books of the Company a single capital account (the "CAPITAL ACCOUNT") for each Member. As of the Effective Date, the Members agree and acknowledge that the balance of each Member's Capital Account shall be (i) as to BP Member, $66,449,275, all of which is allocable to Class A Common Equity; (ii) as to BP Member II, $112,200,000, all of which is allocable to Preferred Equity, (iii) as to BP Member III, $16,350,725, all of which is allocable to Preferred Equity, (iv) as to Ceppeto Holdings, $1,659,801.92, all of which is allocable to Class B Common Equity; and (v) as to Ceppeto, $33,340,198.08, which is allocable to Class B Common Equity and $3,691,083.78 which is allocable to Senior Preferred Equity.

(b) The Capital Account of each Member shall be maintained for each Member in accordance with the rules of Regulations Section 1.704-1(b)(2)(iv), and this SECTION 7.9 shall be interpreted and applied in a manner consistent with said Section of the Regulations. The Company may adjust the Capital Accounts of its Members to reflect revaluations of the Company property whenever the adjustment would be permitted under Regulations Section 1.704-1(b)(2)(iv)(f). In the event that the Capital Accounts of the Members are so adjusted, (1) the Capital Accounts of the Members shall be adjusted in accordance with Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain or loss, as computed for book purposes, with respect to such property, and (2) the Members' distributive shares of depreciation, depletion, amortization and gain or loss, as computed for tax purposes, with respect to such property shall be determined so as to take account of the variation between the adjusted tax basis and book value of such property in the same manner as under Section 704(c) of the Code.

(c) In the event that Code Section 704(c) applies to Company property, the Capital Accounts of the Members shall be adjusted in accordance with Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain and loss, as computed for book purposes, with respect to such property.

(d) The Capital Account of a Member shall carry over to the transferee of the Member to the extent of the interest assigned.

7.10. PURCHASE PRICE ALLOCATIONS. Provided and to the extent it is permitted under the Code and Regulations thereunder, (as determined by the Managing Member)

(a) Not less than 15% of the purchase price for the Property shall be allocated to land.

(b) Less than 15% of the purchase price of the Property shall be allocated to items of personal property.

ARTICLE 8. FISCAL YEAR

8.1. CALENDAR YEAR. The fiscal year of the Company shall be the calendar year, unless (subject to obtaining consent of the Internal Revenue Service, if required) the Managing Member otherwise requires.

ARTICLE 9. DISTRIBUTIONS AND ALLOCATIONS

9.1. PERCENTAGE INTERESTS. The initial Percentage Interests (the "PERCENTAGE INTERESTS") of BP Member, Ceppeto and Ceppeto Holdings are sixty-five and 5/10ths percent (65.5%), thirty-two and 8639/10000ths percent (32.8639%) and one and 6361/10000ths percent (1.6361%) respectively. The Percentage Interests shall be adjusted as provided under this Agreement.

9.2. CERTAIN DEFINITIONS. The following terms shall have the following meanings when used herein:

(a) "OPERATING CASH FLOW" means the net income or loss of the Company for the fiscal period in question, as determined in accordance with generally accepted accounting principles, consistently applied and adjusted as follows or as otherwise determined by the Managing Member:

(1) ADDITIONS. There shall be added to such net income or subtracted from such loss (A) the amount charged for depreciation, amortization or any other deduction not involving a cash expenditure, (B) the amount of Capital Contributions to the Company to the extent not used in connection with the acquisition of the Property or the creation of the Operating Expense Reserve, (C) the costs and expenses attributable to a Capital Event to the extent deducted in the determination of net income or loss, and (D) any amount by which cash reserves previously established by the Managing Member from Operating Cash Flow in order to retain sufficient working capital in the Company or to properly reserve for actual or contingent obligations of the Company or improvements to the Property have been reduced (other than through the payment of such obligations).

(2) DEDUCTIONS. There shall be subtracted from such net income or added to such loss (A) payments of principal made on account of the Senior Loan and any other loans made to the Company, (B) funds disbursed for capital expenditures, leasing commissions, tenant finish or any other similar expenses that are required to be capitalized, (C) the proceeds of a Capital Event to the extent included in net income or loss, (D) the fees paid pursuant to the Management Agreement to the extent not previously deducted in calculating net income or loss, and (E) any amount to establish or increase cash reserves pursuant to a determination of the Managing Member that such reserve or increase to an

existing reserve is necessary or appropriate in order to retain sufficient working capital in the Company or to properly reserve for other actual or contingent obligations of the Company or improvements to the Property, including without limitation, reserves required pursuant to the documents evidencing the Senior Loan.

(b) "CAPITAL EVENT PROCEEDS" means the gross cash receipts of the Company from a Capital Event as reduced by (1) the costs and expenses incurred by the Company in connection with such Capital Event, including title, survey, appraisal, recording, escrow, transfer tax and similar costs, brokerage expense and attorneys and other professional fees, and amounts spent on reconstruction or repair, (2) funds reserved pursuant to a determination of the Managing Member that such reserves are required or appropriate to provide for actual or contingent obligations of the Company or improvements to the Property, and (3) funds applied to pay or prepay any indebtedness of the Company in connection with such Capital Event. To the extent that any amount received pursuant to a Capital Event has been set aside as a reserve for expenses relating to a Capital Event and the Managing Member thereafter determines that all or a portion of such amount is not required for such purposes, such amount shall be included in Operating Cash Flow when the Managing Member determines that it is no longer necessary or appropriate to retain such amount as a reserve. Any non-cash consideration received pursuant to a Capital Event, including promissory notes or deferred payment obligations, shall only be deemed to be included in Capital Event Proceeds when converted into cash by the Company; PROVIDED that in the discretion of the Managing Member, such non-cash assets may be distributed in kind to the Members, in lieu of cash, treating the fair market value of such non-cash assets at the date of distribution as Capital Event Proceeds. Any in-kind distributions shall, to the maximum extent applicable, be made pari passu based on the aggregate distributions payable to each Member in respect of such Capital Event (but shall, in any event, be distributed only in accordance with the distributions set forth in SECTIONS 9.3 and 9.4).

9.3. DISTRIBUTIONS PRIOR TO THE FLIP DATE.

(a) OPERATING CASH FLOW. For each month prior to the Flip Date in which the Managing Member determines that there is Operating Cash Flow (based on the Managing Member's estimate of Operating Cash Flow for the current fiscal year), the Company shall make distributions to the Members, as and to the extent declared by the Managing Member, within twenty-one (21) days after the end of such month, as follows:

(1) FIRST, (A) to the Members in respect of Senior Preferred Equity, if any, on a pari passu basis in proportion to the sum of each such Member's aggregate unreturned Senior Preferred Equity until such Members have received distributions equal to their respective aggregate unreturned Senior Preferred Equity, provided however that notwithstanding the foregoing, (i) no more than $307,590.31 may be distributed in any one month (plus any portion of such amounts (i.e., $307,590.31) not distributed during any prior month) and (ii) in no

event shall the aggregate distributions in consideration of Senior Preferred Equity at any time exceed amounts expended by the Company out of the Operating Expense Reserve prior to the date of such distribution, AND THEN (B) to the Members in respect of Additional Preferred Equity, if any, on a pari passu basis in proportion to the sum of each such Member's aggregate unreturned Additional Preferred Equity and accrued (and compounded but) unpaid Additional Preferred Equity Return, until such Members have received distributions equal to their respective aggregate unreturned Additional Preferred Equity and aggregate accrued (and compounded but) unpaid Additional Preferred Equity Return;

(2) SECOND, to the holders of Preferred Equity and Class A Common Equity, on a pari passu basis in proportion to each such holder's accrued (and compounded but) unpaid Preferred Return and accrued (and compounded but) unpaid Class A Common Return, until each holder has received distributions equal to its respective aggregate accrued (and compounded but) unpaid Preferred Return and Class A Common Return;

(3) THIRD, to the Members to repay the Preferred Equity on a pari passu basis in proportion to the Preferred Equity held by each Member until the Preferred Equity has been repaid in its entirety; and

(4) THEREAFTER, to the Members in accordance with their Percentage Interests.

To the extent that distributed Operating Cash Flow for any given month pursuant to this SECTION 9.3 and SECTION 9.4 below, as applicable, is insufficient to pay the accrued Additional Preferred Equity Return, Preferred Return, Adjusted Preferred Balance Return, the Class A Common Return or the Class B Common Return, each as and when applicable, on a current basis, such unpaid amounts will accrue, compound (as applicable) and be payable out of the next succeeding months' Operating Cash Flow (in the order of priority set forth in SECTION 9.3(a) and 9.4(a) of this Agreement, as applicable) and/or from Capital Event Proceeds, until paid in full.

(b) CAPITAL EVENT PROCEEDS. The Company shall distribute Capital Event Proceeds within three (3) Business Days after the Company receives Capital Event Proceeds from any Capital Event that occurs prior to the Flip Date to the Members as follows:

(1) FIRST, (A) to the Members in respect of Senior Preferred Equity, if any, on a pari passu basis in proportion to the sum of each such Member's aggregate unreturned Senior Preferred Equity until such Members have received distributions equal to their respective aggregate unreturned Senior Preferred Equity, provided however that notwithstanding the foregoing, (i) no more than $307,590.31 may be distributed in any one month (plus any portion of such amounts (i.e., $307,590.31) not distributed during any prior month) and (ii) in no

event shall the aggregate distributions in consideration of Senior Preferred Equity at any time exceed amounts expended by the Company out of the Operating Expense Reserve prior to the date of such distribution, AND THEN (B) to the Members in respect of Additional Preferred Equity, if any, on a pari passu basis in proportion to the sum of each such Member's aggregate unreturned Additional Preferred Equity and accrued (and compounded but) unpaid Additional Preferred Equity Return, until such Members have received distributions equal to their respective aggregate unreturned Additional Preferred Equity and aggregate accrued (and compounded but) unpaid Additional Preferred Equity Return;

(2) SECOND, to the holders of Preferred Equity and Class A Common Equity, on a pari passu basis in proportion to each such holder's accrued (and compounded but) unpaid Preferred Return and accrued (and compounded but) unpaid Class A Common Return, until each holder has received distributions equal to its respective aggregate accrued (and compounded but) unpaid Preferred Return and Class A Common Return;

(3) THIRD, to the Members to repay the Preferred Equity on a pari passu basis in proportion to the Preferred Equity held by each Member until the Preferred Equity has been repaid in its entirety;

(4) FOURTH, to the Members to repay the Common Equity on a pari passu basis in proportion to the Common Equity held by each Member until the Common Equity has been repaid in its entirety;

(5) THEREAFTER, to the Members in accordance with their Percentage Interests.

9.4. DISTRIBUTIONS AFTER THE FLIP DATE.

(a) OPERATING CASH FLOW. For each month subsequent to the Flip Date in which the Managing Member determines that there is Operating Cash Flow (based on the Managing Member's estimate of Operating Cash Flow for the current fiscal year), the Company shall make distributions to the Members, as and to the extent declared by the Managing Member, within twenty-one (21) days after the end of such month, as follows:

(1) FIRST, (A) to the Members in respect of Senior Preferred Equity, if any, on a pari passu basis in proportion to the sum of each such Member's aggregate unreturned Senior Preferred Equity until such Members have received distributions equal to their respective aggregate unreturned Senior Preferred Equity, provided however that notwithstanding the foregoing, (i) no more than $307,590.31 may be distributed in any one month (plus any portion of such amounts (i.e., $307,590.31) not distributed during any prior month) and (ii) in no event shall the aggregate distributions in consideration of Senior Preferred Equity at any time exceed amounts expended by the Company out of the Operating

Expense Reserve prior to the date of such distribution, AND THEN (B) to the Members in respect of Additional Preferred Equity, if any, on a pari passu basis in proportion to the sum of each such Member's aggregate unreturned Additional Preferred Equity and accrued (and compounded but) unpaid Additional Preferred Equity Return, until such Members have received distributions equal to their respective aggregate unreturned Additional Preferred Equity and aggregate accrued (and compounded but) unpaid Additional Preferred Equity Return;

(2) SECOND, to the holders of Class B Common Equity on a pari passu basis until such holders have received distributions equal to the aggregate accrued (and compounded but) unpaid Class B Common Return, if any;

(3) THIRD, to the holders of Preferred Equity and Class A Common Equity, on a pari passu basis until each such holder has received distributions equal to the sum of its aggregate accrued (and compounded but) unpaid shares of (i) the Adjusted Preferred Balance Return and (ii) the Preferred Return and Class A Common Return as of the Flip Date and (iii) the Class A Common Return for the period commencing on the Flip Date and ending on the Priority Payment Cessation Date;

(4) FOURTH, to the Members to repay the Preferred Equity on a pari passu basis in proportion to the Preferred Equity held by each Member until the Preferred Equity has been repaid in its entirety; and

(5) THEREAFTER, to the Members in accordance with their Percentage Interests.

(b) CAPITAL EVENT PROCEEDS. The Company shall distribute Capital Event Proceeds within three (3) Business Days after the Company receives Capital Event Proceeds from any Capital Event that occurs subsequent to the Flip Date to the Members as follows:

(1) FIRST, (A) to the Members in respect of Senior Preferred Equity, if any, on a pari passu basis in proportion to the sum of each such Member's aggregate unreturned Senior Preferred Equity until such Members have received distributions equal to their respective aggregate unreturned Senior Preferred Equity, provided however that notwithstanding the foregoing, (i) no more than $307,590.31 may be distributed in any one month (plus any portion of such amounts (i.e., $307,590.31) not distributed during any prior month) and (ii) in no event shall the aggregate distributions in consideration of Senior Preferred Equity at any time exceed amounts expended by the Company out of the Operating Expense Reserve prior to the date of such distribution, AND THEN (B) to the Members in respect of Additional Preferred Equity, if any, on a pari passu basis in proportion to the sum of each such Member's aggregate unreturned Additional Preferred Equity and accrued (and compounded but) unpaid Additional Preferred

Equity Return, until such Members have received distributions equal to their respective aggregate unreturned Additional Preferred Equity and aggregate accrued (and compounded but) unpaid Additional Preferred Equity Return;

(2) SECOND, to the holders of Class B Common Equity on a pari passu basis until such holders have received distributions equal to the aggregate accrued (and compounded but) unpaid Class B Common Return, if any;

(3) THIRD, to the holders of Preferred Equity and Class A Common Equity, on a pari passu basis until each such holder has received distributions equal to the sum of its aggregate accrued (and compounded but) unpaid shares of (i) the Adjusted Preferred Balance Return and (ii) the Preferred Return and Class A Common Return as of the Flip Date and (iii) the Class A Common Return for the period commencing on the Flip Date and ending on the Priority Payment Cessation Date;

(4) FOURTH, to the Members to repay the Preferred Equity on a pari passu basis in proportion to the Preferred Equity held by each Member until the Preferred Equity has been repaid in its entirety;

(5) FIFTH, to the Members to repay the Common Equity on a pari passu basis in proportion to the Common Equity held by each Member until the Common Equity has been repaid in its entirety; and

(6) THEREAFTER, to the Members in accordance with their Percentage Interests.

(c) Notwithstanding anything to the contrary contained in SECTION 9.3 and this SECTION 9.4, distributions in consideration of aggregate unpaid returns on capital and loans, and in repayment or redemption of capital shall be calculated with consideration to all prior distributions with respect to such amounts pursuant to SECTION 9.3 and SECTION 9.4, and shall be calculated in accordance with SECTION 4.4. For example, (i) the aggregate amount distributed pursuant to SECTION 9.3(b)(4) or SECTION 9.4(b)(5) in repayment of the BP Member's Common Equity shall be limited to the aggregate amount of the BP Member's Capital Contributions attributable to Common Equity minus any such amounts previously or contemporaneously distributed pursuant to SECTION 9.3(b)(4) and SECTION 9.4(b)(5) in repayment of the BP Member's Common Equity and (ii) the Class B Common Return shall only accrue and be payable, as and to the extent applicable, commencing on the Flip Date through and including the Priority Payment Cessation Date. Notwithstanding anything to the contrary contained in SECTION 9.3(b) and SECTION 9.4(b), liquidating distributions shall be made in accordance with SECTION 9.6.

9.5. ALLOCATIONS.

(a) Allocations of Net Income. Subject only to the special allocations set forth in SECTIONS 9.5(c)-(g) and 9.6(c) below, net income with respect to the period

commencing on the Effective Date shall be allocated in each year in the following manner:

(1) First, to the Members, in the reverse order and then in the same ratio as losses were allocated pursuant to SECTIONS 9.5(b)(2) THROUGH 9.5(b)(5) for all fiscal years until the excess of the aggregate amount of net loss allocated pursuant to SECTIONS 9.5(b)(2) THROUGH 9.5(b)(5) for all fiscal years over the aggregate amount of net income allocated pursuant to this SECTION 9.5(a)(1) for all fiscal years is equal to zero;

(2) Second, to the Members, in proportion to their Percentage Interests.

(b) ALLOCATIONS OF NET LOSS. Subject only to the special allocations set forth in SECTIONS 9.5(c)-(g) below, net loss with respect to the period commencing on the Effective Date shall be allocated in each year in the following manner:

(1) First, in the same ratio and reverse order as net income was allocated to the Members pursuant to SECTION 9.5(a)(2) for all fiscal years until the excess of the aggregate amount of net income allocated to the Members pursuant to SECTION 9.5(a)(2) for all fiscal years over the aggregate amount of net loss allocated pursuant to this SECTION 9.5(b)(1) for all fiscal years is equal to zero;

(2) Second, to the Members in proportion to their Percentage Interests until the excess of (A) the difference between the portion of each Member's adjusted capital account balance properly allocable to their contributions in respect of Common Equity minus the sum of the distributions to each such Member pursuant to SECTIONS 9.3(b)(4) and 9.4(b)(5) for all fiscal years over (B) the difference between allocations of net loss to each such Member pursuant to this SECTION 9.5(b)(2) and the allocations of net income to each such Member pursuant to SECTION 9.5(a)(1) attributable to losses allocated pursuant to this SECTION 9.5(b)(2) is equal to zero;

(3) Third, to the holders of the Preferred Equity until the excess of (A) the difference between the portion of each Member's adjusted capital account balance properly allocable to Preferred Equity minus the sum of the distributions to each such Member properly treated as a return of such Preferred Equity pursuant to SECTIONS 9.3(a)(3), 9.3(b)(3), 9.4(a)(4) and 9.4(b)(4) over (B) the difference between the allocations of net loss to each such Member pursuant to this SECTION 9.5(b)(3) and the allocations of net income to each such Member pursuant to SECTION 9.5(a)(1) attributable to losses allocated pursuant to this SECTION 9.5(b)(3) is equal to zero;

(4) Fourth, to the holders of the Additional Preferred Equity until the excess of (A) the difference between the portion of each Member's adjusted

capital account balance properly allocable to Additional Preferred Equity minus the sum of the distributions to each such Member properly treated as a return of such Additional Preferred Equity pursuant to SECTIONS 9.3(a)(1), 9.3(b)(1), 9.4(a)(1) and 9.4(b)(1) over (B) the difference between the allocations of net loss to each such Member pursuant to this SECTION 9.5(b)(4) and allocations of net income to each such Member pursuant to SECTION 9.5(a)(1) attributable to losses allocated pursuant to this SECTION 9.5(b)(4) is equal to zero; and

(5) Thereafter, to the Members in proportion to their Percentage Interests.

(c) SPECIAL ALLOCATIONS OF INCOME AND LOSS. Notwithstanding anything to the contrary contained in SECTIONS 9.5(a)(2) or 9.5(b)(5) above,

(1) First, in any fiscal year in which a distribution is made to the holder or holders of Additional Preferred Equity pursuant to Sections 9.3(a)(1), 9.3(b)(1), 9.4(a)(1) or 9.4(b)(1), net income shall first be allocated 100% to the holders of the Additional Preferred Equity in proportion to and to the extent of distributions with respect to the Additional Preferred Return in such fiscal year;

(2) Second, in any fiscal year in which distributions made to the holder or holders of Additional Preferred Equity pursuant to SECTIONS 9.3(a)(1), 9.3(b)(1), 9.4(a)(1) or 9.4(b)(1) in all prior fiscal years exceed the aggregate amount of net income allocated to such Members pursuant to SECTION 9.5(c)(1) and this SECTION 9.5(c)(2) in all prior fiscal years, net income shall be allocated 100% to the holders of the Additional Preferred Equity, in proportion to and to the extent of distributions with respect to the Additional Preferred Return in all prior fiscal years, until the excess of the aggregate amount distributed with respect to the Additional Preferred Return for all fiscal years over the aggregate amount of net income allocated to such Members pursuant to SECTION 9.5(c)(1) and this SECTION 9.5(c)(2) for all fiscal years is equal to zero;

(3) Third, subject only to the provisions of SECTION 9.5(c)(1) and (2) above, in any fiscal year in which distributions are made to the holder of the Preferred Equity and Class A Common Equity with respect to the Preferred Return and the Class A Common Return pursuant to SECTION 9.3(a)(2) and 9.3(b)(2) 100% of the net income shall be allocated to such Member to the extent of such distributions;

(4) Fourth, in any fiscal year in which distributions are made to the holders of the Preferred Equity and Class A Common Equity with respect to the Preferred Return and Class A Common Return pursuant to SECTION 9.3(a)(2) and 9.3(b)(2), 100% of the net income to the holder of the Preferred Equity and Class A Common Equity in an amount equal to the excess, if any, of the aggregate distributions of the Preferred Return and Class A Common Return pursuant to

SECTION 9.3(a)(2) and 9.3(b)(2) for all fiscal years over the aggregate amount of net income allocated pursuant to this SECTION 9.5(c)(4) and SECTION 9.5(c)(3) for all fiscal years, until such excess is reduced to zero;

(5) Fifth, 100% of the net income to the holder of the Class B Common Equity until the excess of the aggregate allocations of net income pursuant to this SECTION 9.5(c)(5) for all fiscal years over the aggregate distributions to such Member of the Class B Common Return pursuant to SECTIONS 9.4(a)(2) and 9.4(b)(2) for all fiscal years is equal to zero and;

(6) Sixth, 100% of the net income to the holder of the Adjusted Preferred Balance and the holder of the Class A Common Equity until the aggregate amount of net income allocated to such holders pursuant to this SECTION 9.5(c)(6) for all fiscal years over the aggregate distributions pursuant to SECTIONS 9.4(a)(3) and 9.4(b)(3) for all fiscal years is equal to zero.

(7) Seventh, in any fiscal year in which a distribution is made to the holders of Class A Common Equity and Class B Common Equity pursuant to SECTIONS 9.4(a)(5) and 9.4(b)(6), net income shall be allocated 100% to such holders in proportion to and to the extent of such distributions in such fiscal year.

(8) Eighth, in any fiscal year in which the aggregate amount of the distributions made to the holders of Class A Common Equity and Class B Common Equity pursuant to SECTIONS 9.4(a)(5) and 9.4(b)(6) in all prior fiscal years exceeds the aggregate amount of net income allocated to such Member pursuant to SECTION 9.5(c)(7) and this SECTION 9.5(c)(8) in all prior fiscal years, net income shall be allocated 100% to such holders in proportion to and to the extent of such distributions in all prior fiscal years, until the excess of the aggregate amount distributed pursuant to SECTIONS 9.4(a)(5) and 9.4(b)(6) for all fiscal years over the aggregate amount of net income allocated to such Members pursuant to SECTIONS 9.5(c)(7) and 9.5(c)(8) for all fiscal years is equal to zero.

(9) Ninth, net income shall be allocated 100% to the Members in proportion to and to the extent that distributions previously made to the Members pursuant to SECTIONS 9.3(a)(2), 9.3(a)(4), 9.3(b)(2) and 9.3(b)(5) exceed allocations of net income previously made to the Members pursuant to SECTIONS 9.5(c)(3), 9.5(c)(4), 9.5(a)(2) and this SECTION 9.5(c)(9).

(10) Notwithstanding anything to the contrary above, 100% of the gain recognized in connection with a sale or other disposition of the Property shall be allocated to the Members in such amounts as are required to cause each Member's adjusted capital account balance to equal, to the greatest extent possible, the distributions each such Member would receive upon liquidation of the Company at such time if such distributions were made pursuant to the provisions of SECTION 9.3(b) or 9.4(b) as applicable;

(11) LOSS LIMITATION. Notwithstanding anything to the contrary in SECTION 9.5(b)(5), net loss allocated pursuant to SECTION 9.5(b) shall not exceed the maximum amount of net loss that can be allocated without causing or increasing a deficit balance in any member's adjusted capital account. A Member's "adjusted capital account" balance shall mean the Member's capital account balance increased by its obligation to restore a deficit balance in its Capital Account, if any, including any deemed obligations pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), and decreased by the amounts described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6). In the event that a Member would have a deficit balance in its adjusted capital account as a consequence of an allocation of net loss pursuant to SECTION 9.5(b) in excess of the amount, if any, permitted under the first sentence of this SECTION 9.5(c)(11) the limitation set forth herein shall be applied by allocating 100% of the remaining net loss to the other Members, in proportion to each such Member's positive adjusted capital account balance immediately prior to such loss allocation. Any net income allocated by the Company after an allocation of net loss under the prior sentence shall first be allocated to the Members to which such net loss was allocated, in the same ratio and amount.

(d) MINIMUM GAIN CHARGEBACKS AND NONRECOURSE DEDUCTIONS.

(1) PARTNERSHIP MINIMUM GAIN CHARGEBACK. Notwithstanding any other provision of this Agreement, in the event there is a net decrease in Partnership Minimum Gain during a fiscal year, the Members shall be allocated items of income and gain in accordance with Treasury Regulations Section 1.704-2(f). For purposes of this Agreement, the term "Partnership Minimum Gain" shall have the meaning for partnership minimum gain set forth in Treasury Regulations Section 1.704-2(b)(2), and any Member's share of Partnership Minimum Gain shall be determined in accordance with Treasury Regulations Section 1.704-2(g)(1). This SECTION 9.5(d) is intended to comply with the minimum gain chargeback requirement of Treasury Regulations Section 1.704-2(f) and shall be interpreted and applied in a manner consistent therewith.

(2) NONRECOURSE DEDUCTIONS. Notwithstanding any other provision of this Agreement, Nonrecourse Deductions shall be allocated to the Members' pro rata in accordance with their Percentage Interests. For purposes of this Agreement, the term "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1). This SECTION 9.5(d)(2) is intended to comply with Treasury Regulations Section 1.704-2(e) and shall be interpreted and applied in a manner consistent therewith.

(3) PARTNER NONRECOURSE DEBT. Notwithstanding any other provision of this Agreement, to the extent required by Treasury Regulations Section 1.704-2(i), any items of income, gain, loss or deduction of the Company that are

attributable to a nonrecourse debt of the Company that constitutes Partner Nonrecourse Debt (including chargebacks of Partner Nonrecourse Debt Minimum Gain) shall be allocated in accordance with the provisions of Treasury Regulations Section 1.704-2(i). For purposes of this Agreement, the term "Partner Nonrecourse Debt" shall have the meaning for partner nonrecourse debt set forth in Treasury Regulations Section 1.704-2(b)(4), and the term "Partner Nonrecourse Debt Minimum Gain" shall have the meaning for partner nonrecourse debt minimum gain set forth in Treasury Regulations Section 1.704-2(i)(2). This SECTION 9.5(d)(3) is intended to satisfy the requirements of Treasury Regulations Section 1.704-2(i) (including the partner nonrecourse debt minimum gain chargeback requirement) and shall be interpreted and applied in a manner consistent therewith.

(e) QUALIFIED INCOME OFFSET. If a Member unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that causes or increases a deficit balance in its Capital Account in excess of any obligation to restore a deficit balance in its Capital Account (including any deemed deficit restoration obligation pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and (i)(5), and adjusted as provided in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)) such Member shall be allocated items of income and gain in an amount and a manner sufficient to eliminate, to the extent required by the Treasury Regulations, such deficit balance as quickly as possible. This SECTION 9.5(e) is intended to comply with the alternate test for economic effect set forth in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted and applied in a manner consistent therewith.

(f) CURATIVE ALLOCATIONS. The allocations set forth in Sections 9.5(d) and (e) (the "REGULATORY ALLOCATIONS") are intended to comply with the requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding any other provisions of this ARTICLE 9 (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account as provided for in the following two sentences. Income, gain, loss and deduction shall be reallocated to the extent that such reallocation causes the net aggregate amount of allocations of income, gain, deduction and loss to each Member to be equal to or more closely approximate the net aggregate amount of such items that would have been allocated to each such Member if the Regulatory Allocations had not occurred. This SECTION 9.5(f) shall be interpreted and applied in such a manner and to such extent as is reasonably necessary to eliminate, as quickly as possible permanent economic distortions that would otherwise occur as a consequence of the Regulatory Allocations in the absence of this SECTION 9.5(f).

(g) DISTRIBUTIONS OF NONRECOURSE LIABILITY PROCEEDS. If, during a fiscal year, the Company makes a distribution to any Member that is allocable to the proceeds of any nonrecourse liability of the Company that is allocable to an increase in Partnership Minimum Gain pursuant to Treasury Regulations Section 1.704-2(h), then the Company shall elect, to the extent permitted by Treasury Regulations Section 1.704-2(h)(3), to treat

such distribution as a distribution that is not allocable to an increase in Partnership Minimum Gain.

(h) PRIOR PERIOD ALLOCATIONS. Allocations with respect to the period ending on the day prior to the Effective Date shall be made using an interim closing of the books method as provided under Section 706 of the Code and the Regulations thereunder.

9.6. DISTRIBUTIONS AND ALLOCATIONS UPON LIQUIDATION OF THE COMPANY.

(a) DISTRIBUTIONS UPON LIQUIDATION. In the event the Company (or any Member's interest therein) is "liquidated" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), then any distributions shall be made pursuant to this SECTION 9.6 to the Members (or such Member, as appropriate) in accordance with their positive Capital Account balances in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(2).

(b) DEFICIT RESTORATION BY COMPANY. Except as provided herein, no Member shall be required to contribute capital to the Company to restore a deficit balance in its Capital Account upon liquidation or otherwise.

(c) ALLOCATIONS OF INCOME AND LOSS IN THE YEAR OF LIQUIDATION. Notwithstanding anything to the contrary above, in the year in which the Company is "liquidated" within the meaning of SECTION 9.6(a), items of income, gain, loss and deduction shall be allocated to the Members (and, to the extent necessary to accomplish the purposes of this SECTION 9.6(c), the items of income, gain, loss and deduction of the prior fiscal year, provided any such determination with respect to allocations of such items in the prior fiscal year shall be made on or before the date on which the filing of the return for such prior fiscal year is due) shall be allocated among the Members to cause each such Member's adjusted capital account balance to equal, to the greatest extent possible, the distribution such Member would be entitled to receive pursuant to the provisions of SECTION 9.3(b) or 9.4(b), as applicable, at such time, in the event liquidating distributions were made pursuant to either of such sections in lieu of the provisions of SECTION 9.6(a) above.

(d) The Members agree that allocations of depreciation with respect to the Property shall be made pursuant to the remedial allocation method of Treasury Regulation Section 1.704-3(d).

9.7. RECAPTURE INCOME. To the extent of any net income resulting from the sale or other taxable disposition, directly or indirectly, of a Company asset that represents the recapture (under Section 1245 or Section 1250 of the Code or otherwise) of deductions previously taken for Federal income tax purposes, the amount of gain from such disposition allocated to each of the Members pursuant to the foregoing provisions shall be recapture income to the extent such Member or a predecessor-in-interest has been allocated or has claimed any deduction directly or indirectly giving rise to the treatment of such gain as recapture income.

ARTICLE 10. ASSIGNMENT AND OFFER TO PURCHASE

10.1. SALE OF THE PROPERTY.

(a) The Managing Member shall have the sole and exclusive power and authority to cause a sale, transfer, conveyance or other similar disposition of the Property or any portion thereof by operation of law or otherwise, either directly or indirectly through the sale of the Property or other disposition of the Company's interests in BP/CGMM2, BP/CGMM, BP/CG I or BP/CG II or any other Person owned by the Company that directly or indirectly owns the Property or any portion thereof (a "PROPERTY TRANSFER"), and no other Member shall have the right, power or authority to do so. Notwithstanding the foregoing, prior to the expiration of the Tax Protection Period, the Managing Member shall not have the authority to cause a Property Transfer without the prior written consent of the Ceppeto Members, which consent may be granted or withheld in the Ceppeto Members' sole and absolute discretion. Any time after the expiration of the Tax Protection Period, the Managing Member may cause a Property Transfer in its sole and absolute discretion, PROVIDED it first complies with SECTION 10.1A. Notwithstanding anything to the contrary contained herein, in no event shall a Property Transfer hereunder be deemed to include any conveyances or other dispositions which are not in the nature of a sale and which for federal income tax purposes would not be treated as a sale or other taxable disposition of the Property, such as, by way of example only, space leases, contracts, pledges, mortgages, easements and other encumbrances; PROVIDED that such conveyances or other dispositions are not made for the principal purpose of avoiding the terms and conditions of this SECTION 10.1.

(b) Notwithstanding anything to the contrary contained in this Agreement, at any time when the Managing Member has notified the Members that the Property is being actively marketed as permitted under this SECTION 10.1, (1) each Member's right to sell its interest in the Company (such Member's "EQUITY INTEREST") pursuant to the terms of this ARTICLE 10 (other than pursuant to a Permitted Equity Transfer) shall be suspended and (2) each Member shall suspend all marketing efforts or negotiations that may have been commenced with respect to a sale of its Equity Interest; PROVIDED, HOWEVER, that nothing contained in this SECTION 10.1(b) shall require either Member to suspend any activity undertaken pursuant to SECTION 10.7 of this Agreement or delay or otherwise effect the Managing Member's rights pursuant to SECTION 6.7. Upon the request therefor by the Ceppeto Members, the Managing Member shall confirm whether it is continuing to actively market the Property or has suspended such marketing.

10.1A RIGHT OF FIRST OFFER: SALE OF PROPERTY

(a) After the expiration of the Tax Protection Period, Managing Member shall, prior to the exercise of its right to cause a Property Transfer as set forth in SECTION 10.1(a), give written notice (the "SALE NOTICE") to the Ceppeto Members (1) stating Managing Member's intention to cause such Property Transfer at a specified price (the "STATED PRICE") and (2) offering to sell, and to cause the Boston Properties Members to

sell, their entire Equity Interests in the Company (the "ENTIRE BP INTEREST") to the Ceppeto Members at a price calculated in accordance with SECTION 10.1A(c) and on all other relevant terms and conditions. The Sale Notice shall include a non-binding calculation of the amount which would be distributable to the Ceppeto Members in the event of a sale of the Property or such Property Transfer at the Stated Price, which calculation shall be determined in good faith by the Managing Member.

(b) If Managing Member has forwarded a copy of the Sale Notice to the Ceppeto Members, the Ceppeto Members shall, within thirty (30) days after receiving a copy of the Sale Notice, elect one of the following options:

(1) notify Managing Member of the Ceppeto Members election not to purchase the Entire BP Interest for the price determined under SECTION 10.1A(c), in which event and at which time Managing Member may cause the Company to market and sell the Property, provided that the price obtained for the Property is at least ninety-four percent (94%) of the Stated Price and a letter of interest (or similar statement) to acquire the Property is executed within six (6) months of Managing Member's receipt of the Ceppeto Member's election or deemed election pursuant to item (2) below not to purchase the Entire BP Interest and such letter (or similar statement) provides for a closing within a commercially reasonable time and such closing is consummated within such time period on terms which are, in all material respects, no less favorable to the Company as those specified in the letter of interest (or similar statement); or

(2) notify Managing Member of the Ceppeto Member's election to purchase the Entire BP Interest for the price determined under SECTION 10.1A(c) on the same terms and conditions contained in the Sale Notice. Such notification shall be accompanied by a deposit in an amount equal to five percent (5%) of the amount payable to Managing Member pursuant to this SECTION 10.1A(b)(2) (such amount, together with any interest earned thereon, the "OTHER MEMBER'S SALE DEPOSIT"), which shall be refundable until the date which is the earlier of (i) thirty (30) days after the notification, or (ii) execution of a purchase and sale agreement on terms and conditions substantially the same as those contained in the Sale Notice, with such changes as the parties may agree upon. Notice of election to purchase shall be addressed to Managing Member and shall set forth the place of closing which, unless the Members shall otherwise agree, shall be at the office of the Company (or the offices of the Ceppeto Members' lender located in New York City), during usual business hours within ninety (90) days after the date of the giving of the notice of election to Managing Member. The Other Member's Sale Deposit shall be credited against the total purchase price for the Entire BP Interest being purchased pursuant to this SECTION 10.1A(b); PROVIDED, HOWEVER, that, if the closing shall fail to occur for any reason other than a default by the Boston Properties Members, subject to the provisions of this SECTION 10.1A(b)(2) above concerning refundability of the deposit, Managing Member shall have the

right to retain the Other Member's Sale Deposit as liquidated damages, it being agreed that in such instance Managing Member's actual damages would be difficult, if not impossible, to ascertain. If the Ceppeto Members shall not have given written notice to Managing Member of its election to purchase the Entire BP Interest within the thirty (30) day notice period, the Ceppeto Members shall be deemed to have exercised the option provided in subsection (1) above.

(c) The value of the Entire BP Interest with respect to this SECTION 10.1A is the amount that the Boston Properties Members, collectively, would receive in liquidation of the Company's interest in the Property if (1) the Property were sold for the Stated Price, and the debts and other obligations of the Company secured by or otherwise incurred as to the Property (including the Senior Loan) are paid (including any prepayment penalties and other fees resulting from such prepayment), less the sum of all applicable transfer taxes incurred as a result of such sale, and an amount equal to three percent (3%) of such Stated Price, which the Members hereby unconditionally and irrevocably agree is a reasonable estimate and approximation of customary closing costs associated with similar transactions (provided however, that in consideration of the agreed upon reduction of such Stated Price by the amount of the transfer taxes which would be incurred in connection with a sale of the Property for such amount, the Ceppeto Members agree to pay any transfer taxes actually payable in connection with the conveyance contemplated hereunder, and shall indemnify the Boston Properties Members from and against any cost or expense resulting from the failure to pay such amounts as and when due), and (2) the proceeds of such hypothetical sale and any cash balances and/or reserves of the Company properly attributable to such Property were distributed in accordance with SECTION 9.3(b) or SECTION 9.4(b).

(d) In connection with the sale of the Entire BP Interest to the Ceppeto Members pursuant to this SECTION 10.1A, the provisions of SECTION 10.8 and SCHEDULE 10.7(e) shall be applicable to such sale (acknowledging, however, that the Boston Properties Members are the transferring Members).

(e) If the contemplated Property Transfer, or the conveyance of the Entire BP Interest, is not consummated pursuant to the provisions of this SECTION 10.1A, all the provisions of this SECTION 10.1A shall apply to any subsequent proposed Property Transfers.

(f) The Management Agreement shall be terminated, at no cost to the Company or the Ceppeto Members, upon the closing of any transfer of the Entire BP Interest to the Ceppeto Members.

10.2. TRANSFER OF INTERESTS.

(a) Except as otherwise specifically provided in this ARTICLE 10, no Member, and no direct or indirect beneficial owner of any Ceppeto Member, may, directly or indirectly, by operation of law or otherwise, sell, assign, gift, convey or otherwise

transfer all or any part of its Equity Interest (an "EQUITY TRANSFER"), including without limitation, any profits interest, rights to receive distributions, or other similar or dissimilar right or interest, without complying with the right of first offer procedures in SECTION 10.3. Any purported Equity Transfer not otherwise specifically permitted by this ARTICLE 10 shall be null and void and of no effect whatsoever. Notwithstanding the foregoing, (x) BPLP or any wholly-owned subsidiary of BPLP which is a disregarded entity for Federal income tax purposes, shall own at least one percent (1%) of the Percentage Interests which are represented by Class A Common Equity at all times prior to the expiration of the Tax Protection Period and (y) BP Member II (and BPLP, as applicable) may not cause or suffer to occur an Equity Transfer that is a direct transfer (or an indirect transfer through the sale or other conveyance of the equity interests in BP Member II (or such other disregarded person as may from time to time hold the Contributed Preferred Units) held directly or indirectly by BPLP) of all or any part of its Contributed Preferred Units in the Company (or any Exchange Property as defined in the Tax Protection Agreement) at any time prior to the expiration of the Tax Protection Period (1) without the consent of the Ceppeto Members, which consent may be withheld in the Ceppeto Members' sole and absolute discretion, or (2) unless no Built-In Gain (as defined in the Tax Protection Agreement) would be incurred by the Ceppeto Members as a result of such transfer. Anytime after the expiration of the Tax Protection Period, BPLP and/or BP Member II may cause or suffer to occur an Equity Transfer that is a direct transfer (or an indirect transfer through the sale or other conveyance of the direct or indirect equity interest in BP Member II held by BPLP) of all or any part of its Preferred Equity in the Company, PROVIDED that it first complies with SECTION 10.3. Any of BP Member, BP Member III and/or BPLP (and any other subsidiaries of BPLP who own a direct or indirect interest in each of BP Member and BP Member III), may cause or suffer to occur an Equity Transfer of all or any part of their respective direct or indirect Equity Interest in the Company (other than the direct or indirect interest of BPLP in BP Member II (or such other disregarded person as may from time to time hold the Contributed Preferred Units), which is subject to the third and fourth sentences of this SECTION 10.2(a)), provided that they first comply with SECTION 10.3. Notwithstanding anything to the contrary contained herein, in no event shall the terms of this SECTION 10.2 apply to any distributions to the Boston Properties Members in repayment of Preferred Equity pursuant to SECTION 9.3 or SECTION 9.4. In the event that BP Member II breaches its obligations as set forth in this SECTION 10.2(a), and such breach causes any of the Ceppeto Indemnified Parties (as defined in the Tax Protection Agreement) to incur Built-In Gain as provided above, the provisions of Section 8(a) of the Tax Protection Agreement shall apply as the sole and exclusive remedy of the Ceppeto Members (and the Ceppeto Indemnified Parties, as applicable) with respect to such breach.

(b) Notwithstanding anything to the contrary contained in this Agreement, the following shall be permitted transfers (each, "PERMITTED EQUITY TRANSFERS"), which shall not be subject to the provisions of this ARTICLE 10 (except only the limitations, prior to the expiration of the Tax Protection Period, if any, (i) on transfers of equity interests in BP Member II and/or (ii) an Equity Transfer by BP Member II, as and to the extent set forth in SECTION 10.2(a)): (1) (A) BP Member and/or BP Member II and/or BP Member

III may sell, assign, gift, convey or otherwise transfer all or any portion of its Equity Interest to an Affiliate at any time and from time to time, (B) Boston Properties, Inc., a Delaware corporation ("BOSTON PROPERTIES"), and/or BPLP may engage in any merger, consolidation or other combination with or into another Person, or sell all or substantially all of its assets, or effect any reclassification, recapitalization or change in the terms of outstanding equity, or undertake any other change in control transaction, (C) Boston Properties and/or BPLP may admit any new equity interest holder or assign or issue to any Person any kind of interest whatsoever in Boston Properties and/or BPLP, (D) Boston Properties and/or BPLP may issue, sell, assign, gift, pledge, hypothecate or encumber any interest in Boston Properties and/or BPLP or any instruments convertible into or exchangeable for any interest in Boston Properties and/or BPLP and Boston Properties and/or BPLP may the transfer any right to vote any equity interest in Boston Properties and/or BPLP and (E) Boston Properties and/or BPLP may, directly or indirectly, sell, assign, gift, convey or otherwise transfer all or any portion of its beneficial ownership interest in BP Member and/or BP Member II and/or BP Member III to an Affiliate or, subject to compliance with SECTION 10.3, to an Institutional Holder at any time and from time to time, and (2) any Ceppeto Member and any direct or indirect beneficial owner of any Ceppeto Member shall have the right, from time to time and at any time (but subject in all events to the pledge of the Ceppeto Members' Equity Interest to the Company or the Boston Properties Members and their Affiliates pursuant to SECTION 13.5) to directly or indirectly sell, assign, gift, convey or otherwise transfer all or any of its Equity Interest to one (1) or more immediate family members of Richard Hadar and/or Eric Hadar or any trust for the benefit of Richard Hadar and/or Eric Hadar and/or any of their immediate family members. For all purposes under this Agreement, the term "immediate family member" shall mean any children, grandchildren, parents, grandparents, spouse and siblings of the applicable person, or any entity owned, directly or indirectly, solely by any one or more of such parties.

(c) The Ceppeto Members and holders of direct or indirect beneficial interests in the Ceppeto Members may sell, assign, gift, convey or otherwise transfer all or any portion of their Class B Common Equity, PROVIDED that (1) they first comply with the provisions of SECTION 10.3 and (2) in no event shall the Ceppeto Members or any direct or indirect beneficial owner of the Ceppeto Members sell, assign, gift, convey or otherwise transfer any partial rights in and to their Class B Common Equity, including without limitation, any profits interest, rights to receive distributions, or other similar or dissimilar right or interest. Notwithstanding the foregoing, this SECTION 10.2(c) shall not apply to (A) Permitted Equity Transfers, or (B) pledges of the Ceppeto Members' equity in the Company pursuant to SECTION 10.6, that are made after the full and unconditional release of the pledge made by the Ceppeto Members to the Company or the Boston Properties Members and their Affiliates under SECTION 13.5. The Ceppeto Members, for themselves and on behalf of all direct and indirect beneficial owners of the Ceppeto Members, hereby acknowledge and agree that the identity of the holders of all direct and indirect beneficial interests in each of the Ceppeto Members is of material importance to each of the Boston Properties Members in agreeing to enter into this Agreement (and, specifically, in agreeing to the terms and restrictions contained in this ARTICLE 10) and to

perform the transactions contemplated hereby and by the Transaction Documents. The Ceppeto Members represent and warrant that SCHEDULE 5.6(b) and SCHEDULE 5.6(c) contain true and correct lists of all direct and indirect beneficial owners of the Ceppeto Members, and any direct or indirect transfer (as provided herein) of all or any portion of the interests held by such beneficial owners will be subject to SECTION 10.3.

10.3. RIGHT OF FIRST OFFER: INTERESTS.

(a) Either the Ceppeto Members (acting collectively) or the Boston Properties Members (acting collectively), or their direct and indirect beneficial owners (as and to the extent applicable) (each, an "INITIATING MEMBER") may, at any time and from time to time only in accordance with SECTION 10.2 of this Agreement, deliver a written notice (a "FIRST OFFER NOTICE") to the other Member (the "RESPONDING MEMBER") stating a gross cash purchase price (the "OFFERED PRICE") at which the Initiating Member is prepared to sell all or a specified portion of its Equity Interest (or the direct or indirect interests therein, as applicable)(such Initiating Member's "OFFERED INTEREST") to one or more third parties. The Responding Member may elect to purchase the Offered Interest from the Initiating Member upon the terms and conditions set forth in the First Offer Notice by (1) giving written notice thereof to the Initiating Member and (2) depositing with an escrow agent reasonably acceptable to the Initiating Member an amount equal to 5% of the Offered Price (the "OFFERED PRICE DEPOSIT"), each within thirty (30) days after the receipt of a First Offer Notice (the "RESPONSE PERIOD").

(b) If the Responding Member elects to purchase the Offered Interest, the Responding Member shall be obligated to purchase the Offered Interest without any reserve or adjustment for any contingent liabilities of the Company; PROVIDED, however, if the Boston Properties Members, collectively, are the Responding Member, the Responding Member shall be entitled to reserve or adjust in its reasonable discretion for any potential liability or obligation of the Ceppeto Members pursuant to SECTION 13.5. Any such reserves shall be retained by the BP Member as collateral for the Ceppeto Indemnitors' indemnification obligations under SECTION 13.5 and shall be maintained in an interest-bearing account (all such interest to be retained in such account, and to be earned for the benefit of the Ceppeto Members) at a commercial bank, trust company, savings bank or other similar institutions selected by the BP Member and reasonably acceptable to the Ceppeto Members. Any and all risk of loss with respect to such account shall be borne solely and exclusively by the Ceppeto Members. All amounts contained in such account will be remitted to the Ceppeto Members if, as and when the pledge of the Ceppeto Members' Equity Interest would have been released pursuant to SECTION 13.5(e)(3). Nothing contained in this SECTION 10.3(b) shall limit or otherwise affect the Ceppeto Indemnitors' indemnification obligations contained in SECTION 13.5. In addition, if the Initiating Member has incurred recourse obligations (including any guaranty) with respect to any Company financing (including the Senior Loan), the obligation of the Initiating Member to convey the Offered Interest shall be conditioned on the Responding Member either (1) paying in full all amounts owing to the lender with respect to such financing, (2) obtaining from such lender a full and unconditional release of any recourse

obligations of the Initiating Member, except for amounts payable under any environmental indemnities and customary carve-outs or exceptions for commercial non-recourse loans, or (3) providing an indemnification with respect to such recourse obligations in form and substance reasonably acceptable to the Initiating Member.

(c) The closing on any sale of an Offered Interest to a Responding Member pursuant to this SECTION 10.3 shall be held on the date which is ninety (90) days following the date on which the Responding Member delivered the notice described in clause (1) of SECTION 10.3(a), or at such earlier date as the Responding Member may specify on at least three (3) days prior written notice to the Initiating Member (in either event, the "CLOSING DATE"). The closing shall be held at the office of the Company (or the office of the Ceppeto Members' lender located in New York City) or at such other location as may be mutually acceptable to the Initiating Member and the Responding Member. On the Closing Date, the purchase price shall be paid in cash by wire transfer of immediately available federal funds (and the amount of the Offered Price Deposit pursuant to SECTION 10.3(a) shall be released to the Initiating Member in partial satisfaction of the purchase price), PROVIDED, HOWEVER, that if the closing shall fail to occur on the Closing Date for any reason other than a default by the Initiating Member, then the Initiating Member shall be entitled to retain the Offered Price Deposit as liquidated damages, it being agreed that in such instance the Initiating Member's actual damages would be difficult, if not impossible, to ascertain. Such purchase price shall equal the Offered Price less an amount equal to the sum of all applicable transfer taxes incurred as a result of such sale plus three percent (3%) of the Offered Price, which the parties hereto unconditionally agree is a reasonable estimate and approximation of customary closing costs which would be associated with similar transactions (provided however, that in consideration of the agreed upon reduction of such Offered Price by the amount of the transfer taxes which would be incurred in connection with a sale of the Property for such amount, the Responding Member agrees to pay any transfer taxes actually payable in connection with the conveyance contemplated hereunder, and shall indemnify the Initiating Member from and against any cost or expense resulting from the failure to pay such amounts as and when due). The Initiating Member shall assign its Offered Interest to the Responding Member free and clear of any and all claims, liens, pledges, options, restrictive covenants, charges, hypothecations, preferences, priorities, security interests or other encumbrances of any kind or nature, and shall provide customary representations and indemnifications in connection therewith.

(d) If the Responding Member fails to elect to purchase within the Response Period or fails to close the transaction on the designated Closing Date for any reason other than a default by the Initiating Member, the Initiating Member may, without the further consent of the Responding Member, sell its Offered Interest to a third party reasonably acceptable to the Responding Member (a "THIRD-PARTY BUYER"), PROVIDED that: (1) the terms and conditions of such sale (including without limitation, representations, warranties, covenants, guaranties, indemnities, agreements and side agreements) shall be no more favorable (in any material manner) to such Third-Party Buyer than those contained in the First Offer Notice; (2) such sale or assignment shall be

consummated by no later than the date which is six (6) months (the "SALES PERIOD") after the earlier of (x) in the case of a failure to elect to purchase, the end of the Response Period, or (y) in the case of the Responding Member's failure to close, the date that was to be the Closing Date; (3) the purchase price shall be paid in cash or immediately available funds on the closing date of such conveyance; and (4) the Third-Party Buyer shall be a Qualified Buyer. For purposes hereof, a "QUALIFIED BUYER" shall mean any entity (w) that has not been and whose principals have not been convicted or charged with a felony and is otherwise of good moral character and reputation, (x) if the Responding Member is the Boston Properties Members, collectively, that is not a Competitor of the Company, the Responding Member or any of their respective Affiliates, (y) if the Responding Member is the Ceppeto Members, that expressly assumes all of the Boston Properties Members' and BPLP's, as the case may be, covenants and other obligations hereunder and under the Tax Protection Agreement with respect to the restrictions on sale and the maintenance of certain indebtedness to be guaranteed by the Ceppeto Members, prior to the expiration of the Tax Protection Period, and (z) is otherwise reasonably acceptable to the Responding Member. The Initiating Member shall promptly and diligently provide the Responding Member with all information and materials reasonably necessary or otherwise requested by Responding Member so as to permit to Responding Member to determine whether or not the Third-Party Buyer is a Qualified Buyer.

(e) Upon the assignment of the Offered Interest to the Third-Party Buyer in compliance with this SECTION 10.3, the Third-Party Buyer shall be admitted as a member of the Company in place of, or (if less than the entire interest of the Initiating Member is assigned) in addition to, the Initiating Member. As a condition precedent to the foregoing, the Third-Party Buyer shall execute and deliver an instrument, in substance and form satisfactory to the Responding Member, assuming and agreeing to perform the terms and conditions of this Agreement as provided in SECTION 10.4 (and if the Responding Member is the Ceppeto Members, the Boston Properties Members' and BPLP's, as the case may be, covenants and other obligations hereunder and under the Tax Protection Agreement with respect to the restrictions on sale and the maintenance of certain indebtedness to be guaranteed by the Ceppeto Members, prior to the expiration of the Tax Protection Period), and such other documents as the Responding Member may reasonably require in order to effectuate the foregoing. If the Third-Party Buyer is not a Qualified Buyer, then the Initiating Member shall retain its Offered Interest and shall not proceed with its sale to the Third-Party Buyer.

(f) During the Sales Period, the Initiating Member may require the Company to incur reasonable and customary expenses in connection with the marketing of the Offered Interest, such as the preparation of studies and brochures and legal fees to prepare and negotiate agreements, and all such expenses shall be reimbursed promptly by the Initiating Member.

(g) The Managing Member shall, when directed by either the Initiating or the Responding Member, exercise reasonable efforts to enter into any arrangement and take any action that such Member is entitled to require pursuant to this SECTION 10.3.

(h) At the request of the Responding Member, the purchase and sale of the Offered Interest, whether to the Responding Member or to a Third-Party Buyer, will be structured, if possible, to avoid a termination of the Company for Federal tax purposes and/or under the Act; PROVIDED that such structure does not adversely impact the Initiating Member or the contemplated transfer.

(i) If a transaction pursuant to this SECTION 10.3 results in the Ceppeto Members acquiring the Entire BP Interest, then the Management Agreement shall be terminated, at no cost to the Company or the Ceppeto Members, upon the closing of such transaction.

(j) Whether or not any transaction contemplated by the foregoing provisions of this SECTION 10.3 is consummated pursuant to the provisions of any First Offer Notice, compliance with all of the provisions of this SECTION 10.3 will be required in connection with any subsequent Equity Transfer previously proposed but not consummated within the applicable Sales Period and any subsequently proposed Equity Transfer (other than a Permitted Equity Transfer) in accordance with SECTION 10.2.

10.4. ASSUMPTION BY ASSIGNEE.

(a) Any assignment of a Member's Equity Interest permitted under this ARTICLE 10 shall be in writing, and shall be an assignment and transfer of all of the assignor's rights and obligations hereunder with respect to such Equity Interest, and the assignee shall expressly agree in writing to be bound by all of the terms of this Agreement (and if the Ceppeto Members will continue to be Members following such assignment, the Boston Properties Members' and BPLP's, as the case may be, covenants and other obligations hereunder and under the Tax Protection Agreement with respect to the restrictions on sale and the maintenance of certain indebtedness to be guaranteed by the Ceppeto Members, prior to the expiration of the Tax Protection Period), and assume and agree to perform all of the assignor's agreements and obligations existing or arising at the time of and subsequent to such assignment with respect to such Equity Interest. Upon any such permitted assignment of the assignor's Equity Interest, and after such assumption, the assignor shall be relieved of its agreements and obligations hereunder with respect to such Equity Interest arising after such assignment and the assignee shall become a Member in place of the assignor with respect to such Equity Interest. An executed counterpart of each such assignment of an Equity Interest and assumption of a Member's obligations shall be delivered to each Member and to the Company. The assignee shall pay all expenses incurred by the Company in admitting the assignee as a Member. Except as otherwise expressly provided herein, no permitted assignment shall terminate the Company.

(b) As a condition to any assignment of a Member's Equity Interest, the selling Member shall obtain such consents as may be required from third parties, if any, or waivers of such consent requirements. The other Members shall use reasonable efforts to cooperate with the selling Member in obtaining such consents or waivers, provided, however, that in no event shall the other Members be required to incur or assume any cost or obligation, divest any asset or make any financial accommodation of any kind in connection therewith.

10.5. AMENDMENT OF CERTIFICATE OF FORMATION. If an assignment of a Member's Equity Interest shall take place pursuant to the provisions of this ARTICLE 10, then the continuing Members promptly thereafter shall cause to be filed, to the extent necessary, an amendment to the Company's Certificate of Formation with all applicable state authorities, together with any necessary amendments to the fictitious or assumed name(s) of the Company in order to reflect such change or take such similar action as may be required.

10.6. PLEDGING OF INTERESTS. The Ceppeto Members, and any permitted assignee of their Equity Interest, may pledge, hypothecate or otherwise encumber all or any part of such Equity Interests as security for any financing provided to the Ceppeto Members or their Affiliates by an institutional lender and in form and substance reasonably satisfactory to the Managing Member; PROVIDED that (a) such financing may be obtained and such pledge, hypothecation or encumbrance may be made, only in the event that and for so long as no part of the Ceppeto Members' Equity Interest is then pledged to the Company, the Boston Properties Members or any of their Affiliates pursuant to SECTION 13.5, (b) the pledge shall be limited solely to the right to receive distributions and/or other proceeds of the Equity Interest and (c) such financing institution agrees in writing, in form and substance reasonably acceptable to the Managing Member, that if, as a result of a default under any such financing, a party other than Ceppeto or Ceppeto Holdings (each as currently constituted) acquires, succeeds to ownership of, or gains any rights in any part or all of the Ceppeto Members' Equity Interest in the Company, such party's interest in the Company shall be subject to the terms and conditions of this Agreement, in no event shall the holder of such Equity Interest be entitled to be admitted to the Company as a Member and the Managing Member shall continue to have exclusive authority to act for and make decisions on behalf of the Company as and to the extent set forth in this Agreement. The Boston Properties Members and any permitted assignees of their respective Equity Interests, may pledge, hypothecate or otherwise encumber all or any part of such Equity Interests at any time and from time to time in its discretion.

10.7. CONVERSION RIGHTS.

(a) Subject to the terms and conditions set forth herein, (1) at any time after expiration of the Tax Protection Period, the Ceppeto Members (acting collectively) or (2) at any time after the twenty-fifth (25th) anniversary of the Effective Date, the BP Member, shall have the right (either such right, the "CONVERSION RIGHT") to require the conveyance to the BP Member by the Ceppeto Members of the Ceppeto Members' collective entire Equity Interest (the "ENTIRE INTEREST") in consideration of the value of said Entire Interest as determined by the procedures set forth in this SECTION 10.7(a)

(whichever of the BP Member or the Ceppeto Members as shall exercise the Conversion Right for the purposes of this SECTION 10.7, the "EXERCISING MEMBER"). The consideration to be paid to the Ceppeto Members for the Ceppeto Members' Entire Interest shall be, at the option of the Ceppeto Members, exercised as provided in SECTION 10.7(c), paid in cash and/or OP Units. The value of the OP Units shall be determined in the manner set forth in SECTION 10.7(c) below. If the Ceppeto Members receive OP Units pursuant to this SECTION 10.7, the Managing Member shall cause Boston Properties to enter into a Registration Rights Agreement for the benefit of the Ceppeto Members in substantially the form attached hereto as EXHIBIT 10.7. The Conversion Right shall be exercised by delivery of a written notice (the "EXERCISE NOTICE") from the Exercising Member to the other Member(s) (the "NON-EXERCISING MEMBER"). Upon the exercise of a Conversion Right, the value of the Ceppeto Members' Entire Interest shall be determined in accordance with SCHEDULE 10.7(a) - "APPRAISAL" attached hereto (such procedure and determination of value, the "APPRAISAL"). The date on which the value is determined by the Appraisal is herein referred to as the "DETERMINATION DATE."

(b) Notwithstanding anything to the contrary provided in SECTION 10.7(a), the Non-Exercising Member may delay the effective date of the Exercise Notice, and thus the commencement of the Appraisal, once, for not more than six (6) months from the date of the Exercise Notice, by written notice (the "DELAY NOTICE") to the Exercising Member sent within twenty (20) Business Days after receipt of the Exercise Notice, such Delay Notice to specify the period of delay requested (but, regardless of the period of delay requested, the Non-Exercising Member shall have no additional right to delay the commencement of the Appraisal, the only right being a one-time right to delay the commencement of the Appraisal for no longer than six (6) months from the date of the Exercise Notice). In the event a Delay Notice is given, the date of the Exercise Notice shall be deemed to be the date within such six (6) month period as specified in the Delay Notice.

(c) No later than the date which is ten (10) days prior to the Original Delivery Date, the Ceppeto Members shall elect by written notice to the BP Member whether payment under this SECTION 10.7 shall be in cash or OP Units or a combination of cash and OP Units (subject, with respect to such election as to OP Units, to the rights of the BP Member as set forth in this SECTION 10.7(c)). If the Ceppeto Members fail to timely make the election contemplated by this SECTION 10.7(c), the BP Member shall be entitled to make such payment in cash and/or OP Units, as determined by the BP Member (and subject to the rights of the BP Member as set forth in this SECTION 10.7(c)). Notwithstanding anything to the contrary contained in this SECTION 10.7, in the event that the Ceppeto Members elect to receive (or the BP Member elects to pay) all or a portion of the payment in cash pursuant to this SECTION 10.7(c), the BP Member shall have the right at its option to pay a portion of the applicable amount (but not less than fifty percent (50%) of the applicable amount) in cash on the Actual Delivery Date and the balance through the delivery by BPLP of an unsecured promissory note for the remaining amount (provided that, at BP Member's option, BP Member may deliver such promissory note, together with a guaranty of BPLP with respect to BP Member's obligations thereunder),

such note to be due in full on the first anniversary of such Actual Delivery Date and to bear interest at a rate equal to seven and one-half percent (7 1/2%) per annum (except that the BP Member or BPLP, as applicable, shall have the right to prepay such promissory note, in whole or in part, at any time with no premium or penalty). If the Ceppeto Members elect to receive payment in OP Units (or the BP Member elects to pay OP Units) pursuant to this SECTION 10.7(c), the Ceppeto Members will be admitted as Additional Limited Partners (as defined in the Partnership Agreement) of BPLP (effective as of the Actual Delivery Date), and BPLP will issue to the Ceppeto Members OP Units and corresponding Partnership Interests (as defined in the Partnership Agreement). The number of OP Units to be issued to the Ceppeto Members pursuant to this SECTION 10.7(c) (the "UNIT NUMBER") shall be equal to the quotient of (1) the value of the Ceppeto Members' Entire Interest determined in accordance with SCHEDULE 10.7(a), LESS the amount, if any, to be paid to the Ceppeto Members in cash or by delivery of such unsecured promissory note, DIVIDED BY (2) the Fair Market Value of One OP Unit. In the event that the Ceppeto Members elect to receive OP Units (or the BP Member elects to pay OP Units), the BP Member may postpone or adjourn, on one or more occasions, the date of closing of the Conversion Right (the "ACTUAL DELIVERY DATE") (including the Original Delivery Date) for a period not to exceed in the aggregate one year from the Original Delivery Date. If the Actual Delivery Date is so postponed, the Members hereby acknowledge that: (i) the Unit Number shall be determined based on the Fair Market Value of One OP Unit determined on the Actual Delivery Date, PROVIDED that, in such case, the Ceppeto Members shall also be entitled to receive an amount equal to any distributions that they otherwise would have been entitled to receive as holders of such OP Units for the period from the Original Delivery Date to the Actual Delivery Date; (ii) the Ceppeto Members shall be entitled to receive interest on the portion of the payment which is to be paid in cash, to the extent not paid in cash or by delivery of a promissory note on the Original Delivery Date, at a rate of seven and one-half percent (71/2%) per annum for the period from the Original Delivery Date to the date so paid in cash or by delivery of the promissory note; and (iii) the value of the Ceppeto Members' Entire Interest determined in accordance with this SECTION 10.7 shall remain fixed as of and after the Determination Date until the Actual Delivery Date, and in no event shall the Ceppeto Members be entitled to any distributions in consideration of such Entire Interest pursuant to this Agreement after the Original Delivery Date.

(d) Subject to the BP Member's right to postpone or adjourn the Actual Delivery Date pursuant to SECTION 10.7(c), the BP Member shall designate a closing date on not less than ten (10) Business Days prior written notice to the Ceppeto Members for the conveyance of the Ceppeto Members' Entire Interest required pursuant to this SECTION 10.7 (such initially scheduled closing date, the "ORIGINAL DELIVERY DATE" with the actual closing date being the Actual Delivery Date (which shall be the Original Delivery Date if the Original Delivery Date is not adjourned or postponed by the BP Member as provided in SECTION 10.7(c) above)), which Original Delivery Date shall be not less than fifteen (15) nor more than ninety (90) Business Days after the Determination Date. On the Actual Delivery Date, in exchange for the Ceppeto Members' Entire Interest, the BP Member shall, as the case may be: (i) cause the applicable number of OP Units to be

issued to the Ceppeto Members or (ii) pay to the Ceppeto Members the applicable amount in cash (together with the promissory note, if applicable), each as provided in SECTION 10.7(c), PROVIDED, HOWEVER, that in lieu of any fractional OP Units resulting from such calculation, the BP Member shall pay in cash the value attributable to such fractional OP Unit.

(e) Any transfer of the Ceppeto Members' Entire Interest to the BP Member or its designee pursuant to this SECTION 10.7 shall, in addition to any other provisions of this ARTICLE 10, be subject to the provisions of SCHEDULE 10.7(e) - "PURCHASING DOCUMENTS: CLOSING MATTERS".

(f) If and to the extent OP Units cannot be issued to the Ceppeto Members pursuant to this SECTION 10.7 upon the exercise of a Conversion Right without violating (based upon the reasonable determination of the BP Member, with the advice of counsel) any applicable federal or state securities laws or the HSR Act or due to the inability of the Ceppeto Members to provide the information and representations referred to or contained in this SECTION 10.7(f), the consideration not so paid in OP Units shall be paid by the BP Member to the Ceppeto Members in cash pursuant to SECTION 10.7(c) (subject to the BP Member's right to deliver up to fifty percent (50%) of such amount in the form of an unsecured promissory note made or guaranteed by BPLP as provided in SECTION 10.7(c)), subject to the BP Member's right to waive the information and representation requirements of this SECTION 10.7(f). In determining if OP Units can be provided as consideration pursuant to the exercise of any Conversion Right, the BP Member may require that the Ceppeto Members submit to BPLP such information, certification or affidavit (including representations and warranties) as the BP Member may reasonably require in connection with determining compliance with any applicable federal or state securities laws or the HSR Act. The Ceppeto Members shall use reasonable efforts to respond promptly to such requests for such written representations or other instruments as are necessary or appropriate, in BP Member's reasonable judgment, to effect compliance with applicable law. Nothing contained in this Agreement shall be deemed to limit the right of the BP Member, BPLP or Boston Properties to modify, restate or otherwise amend their respective Organizational Documents.

(g) With respect to any OP Units issued to the Ceppeto Members pursuant to this SECTION 10.7 (the "ISSUED OP UNITS"), the Ceppeto Members shall receive a pro rata distribution for the portion of the fiscal quarter in which the Actual Delivery Date occurs (the "CLOSING QUARTER") commencing on the Actual Delivery Date and ending on the last day of the Closing Quarter on all outstanding Issued OP Units held by the Ceppeto Members on the record date for dividends declared on the BXP Stock for the Closing Quarter.

10.8. PROVISIONS GENERALLY APPLICABLE TO SALES. For purposes of this SECTION 10.8, the Ceppeto Members shall be treated as a single Member and the Boston Properties Members shall be treated as a single Member. The following provisions shall be applicable to sales under SECTIONS 10.1A, 10.3, 10.7 and 12.2:

(a) At the closing of the sale of all or a portion of the Equity Interest of a Member to the other Member, the selling Member shall execute an assignment of its interest in the Company, free and clear of all liens, encumbrances and adverse claims, which assignment shall be in form and substance reasonably satisfactory to the purchasing Member, and such other instruments as the purchasing Member shall reasonably require to assign all or such portion of the Equity Interest of the selling Member to such Person as the purchasing Member may designate. For any sale or transfer of all or a portion of a Member's Equity Interest under this ARTICLE 10, the purchasing Member may designate the assignee of such Equity Interest, which assignee (i) in connection with the sale of transfer of a Member's Entire Interest, need not be an Affiliate of the purchasing Member and (ii) in connection with the sale of transfer of less than all of a Member's Entire Interest, shall be an Affiliate of the purchasing Member.

(b) It is the intent of the parties to this Agreement that the requirements or obligations, if any, of one Member to sell all or a portion of its Equity Interest to the other Member shall be enforceable by an action for specific performance of a contract relating to the purchase of real property or an interest therein. In the event that the selling Member shall have created or suffered any unauthorized liens, encumbrances or other adverse interests against either the Property or the selling Member's interest in the Company, the purchasing Member shall be entitled either to an action for specific performance to compel the selling Member to have such defects removed, in which case the closing shall be adjourned for such purpose, or, at the purchasing Member's option, to an appropriate offset against the purchase price, which offset shall include all reasonable costs associated with enforcement of this Section.

(c) At the election of the purchasing Member, the purchase and sale of all or a portion of an Equity Interest will be structured to avoid, if possible, a termination of the Company for Federal tax purposes and/or under the Act, providing that such structure does not adversely impact the selling Member or the contemplated transfer.

(d) At the request of the Ceppeto Members, any purchase and sale or other transfer of all or any portion of the Ceppeto Members' Entire Interest to the Managing Member in exchange for OP Units (or a combination of cash and OP Units) will, to the extent reasonably practicable, be structured in consideration of the tax consequences of such transfer to the Ceppeto Members, providing that such structure (i) does not adversely impact the Managing Member or its Affiliates, the Property or the contemplated transfer (all as determined by the Managing Member) and (ii) does not cause the Managing Member or its Affiliates, the Property or the contemplated transfer to incur any additional cost or other liability which is not paid in full by the Ceppeto Members on the date of such sale or other transfer.

(e) In connection with the sale or other transfer of the Entire BP Interest to the Ceppeto Members or their designee, the BP Member shall, at the Ceppeto Member's sole cost and expense, deliver originals or certified copies of all books and records and other material relating to the Property, and otherwise cooperate with the reasonable requests of the Ceppeto Members in connection with the transition of management of the Property to the Ceppeto Members or their designee.

ARTICLE 11. DISSOLUTION OR BANKRUPTCY OF A MEMBER

11.1. DISSOLUTION OR MERGER. For purposes of this ARTICLE 11, the Ceppeto Members shall be treated as a single Member and the Boston Properties Members shall be treated as a single Member. If either both the Boston Properties Members or both Ceppeto Members shall be dissolved, or merged with or consolidated into another Person, or if all or substantially all of their assets shall be sold, or transferred, then unless such dissolution, merger, consolidation, sale or transfer is expressly permitted under Article 10, such dissolution, merger, consolidation, sale or transfer shall be a dissolution of the Company, and the other Member shall be the Liquidating Member in the dissolution of the Company. The Boston Properties Members shall not voluntarily cause any such dissolution of the Company prior to the expiration of the Tax Protection Period without the prior written consent of the Ceppeto Members, which consent may be withheld in the Ceppeto Members' sole and absolute discretion.

11.2. BANKRUPTCY, ETC. In the event:

(a) either both the Boston Properties Members or both Ceppeto Members shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or seek any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief for itself under the present or any future Federal bankruptcy code or any other present or future applicable Federal, state, or other statute or law relative to bankruptcy, insolvency, or other relief for debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, conservator or liquidator of said Member(s) or its interest in the Company (the term "acquiesce" includes the failure to file a petition or motion to vacate or discharge any order, judgment or decree providing for such appointment within twenty (20) days after the appointment); or

(b) a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against either both Boston Properties Members or both Ceppeto Members seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, state or other statute or law relating to bankruptcy, insolvency, or other relief for debtors, and said Member(s) shall acquiesce in the entry for such order, judgment or decree (the term "acquiesce" includes the failure to file a petition or motion to vacate or discharge such order, judgment or decree within twenty (20) days after the entry of the order, judgment or

decree) or such order, judgment or decree shall remain unvacated and unstayed for an aggregate of ninety (90) days (whether or not consecutive) from the date of entry thereof, or any trustee, receiver, conservator or liquidator of said Member(s) or of all or any substantial part of said Member's property or its interest in the Company shall be appointed without the consent or acquiescence of said Member(s) and such appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive); or

(c) either both Boston Properties Members or both Ceppeto Members shall admit in writing its inability to pay its debts generally as they mature; or

(d) either both Boston Properties Members or both Ceppeto Members shall give notice to any governmental body of insolvency, or pending insolvency, or suspension or pending suspension of operations; or

(e) either both Boston Properties Members or both Ceppeto Members shall make a general assignment for the benefit of creditors or take any other similar action for the protection or benefit of creditors;

then such event shall cause the dissolution of the Company and the other Members shall be the Liquidating Member.

11.3. RECONSTITUTION. Notwithstanding the provisions of SECTIONS 11.1 and 11.2, if either both Boston Properties Members or both Ceppeto Members are the subject of a dissolution or bankruptcy event as described above, the remaining Members may, within ninety (90) days of any such event, elect to (1) continue the Company or (b) transfer the assets of the Company to a newly organized entity and accept ownership interests in such entity in exact proportion to their respective interests in the Company at the time of dissolution, PROVIDED that at the time the event described in this ARTICLE 11 occurs, the Company has at least one (1) continuing Member. An appropriate amendment to or cancellation of the Certificate of Formation and all other filings required by law shall be made in accordance with any action taken pursuant to this SECTION 11.3.

ARTICLE 12. DISSOLUTION

12.1. WINDING UP. Upon dissolution of the Company by expiration of the term hereof, by operation of law, by any provision of this Agreement or by agreement between the Members, the Company's business shall be wound up and all its assets distributed in liquidation. In such dissolution, except as otherwise expressly provided in ARTICLE 11, the Managing Member shall be the Liquidating Member. If both Boston Properties Members are the subject of a dissolution or bankruptcy event described in ARTICLE 11, then Ceppeto, not Managing Member, will be the Liquidating Member. The Liquidating Member shall have the right to:

(a) wind up the Company and cause the Company's assets to be sold and the proceeds of sale distributed as provided in Section 12.5; or

(b) notwithstanding anything to the contrary contained in this Agreement, cause the assets of the Company to be appraised and, at its option, purchase the Entire Interest of the other Member, all in accordance with SECTION 12.2.

12.2. PURCHASE OF NON-LIQUIDATING MEMBER'S INTEREST.

(a) For purposes of this SECTION 12.2, the Ceppeto Members shall be treated as a single Member and the Boston Properties Members shall be treated as a single Member. The Liquidating Member, within thirty (30) days after the commencement of the dissolution of the Company, may give notice (the "APPRAISAL NOTICE") to the other Member electing to have the fair market value of the Company's assets determined by appraisal pursuant to SECTION 12.2(b) (the "FAIR MARKET VALUE"). The fees and expenses of such appraisers shall be borne by the Company. The Liquidating Member shall have the option, by notice given to the other Member within forty-five (45) days after receipt of the determination of Fair Market Value pursuant to SECTION 12.2(b), to purchase the other Member's Entire Interest at a price equal to the amount which would have been distributable to the other Member in accordance with the provisions of SECTION 9.3(b) or 9.4(b), as applicable, and SECTION 12.5 if all of the Company's assets had been sold for an amount equal to such Fair Market Value and any debts, liabilities and expenses which would have been paid by the Company or reserved against pursuant to SECTION 12.5 out of the proceeds of such sale were deducted in determining such Fair Market Value. If after the receipt of the determination of Fair Market Value pursuant to SECTION 12.2(b), the Liquidating Member elects not to exercise the option to purchase the other Member's Entire Interest pursuant to this SECTION 12.2(a), then the Liquidating Member shall have all of its rights under this ARTICLE 12 as if the Appraisal Notice had not been given. The provisions of SCHEDULE 10.7(e) and SECTION 10.8 shall apply to a purchase under this SECTION 12.2, except that any adjustments required pursuant to SECTION 10.8 shall be applicable to any events and/or liabilities or income which were not included in determining the Fair Market Value.

(b) If the Fair Market Value of the assets of the Company is required to be determined for purposes of this SECTION 12.2, such Fair Market Value, if not otherwise agreed upon by the Members, shall be determined as set forth in this SECTION 12.2(b), and otherwise in accordance with SCHEDULE 10.7(a). All appraisers referred to herein shall be real estate appraisers which are members of the New York Chapter of the American Institute of Real Estate Appraisers for at least seven (7) years. Each Member shall select one (1) appraiser. In the event that either Member fails to select an appraiser within thirty (30) days after receipt of the Appraisal Notice, then such Member's appraiser shall be selected by the other Member from a list of no fewer than five (5) appraisers compiled and maintained by the Managing Member. After the selection, each appraiser shall independently determine the gross fair market value of the assets of the Company. If the separate appraisals differ, the Members shall have a period of ten (10) days after receipt

of the appraisals to agree on the Fair Market Value. In the event the Members cannot agree on the Fair Market Value in accordance with the preceding sentence, the two (2) appraisers referred to therein shall within ten (10) days after the expiration of the ten (10) day period described in the preceding sentence select a third appraiser. In the absence of such a selection, the third appraiser shall be selected by the New York Chapter of the American Institute of Real Estate Appraisers. The third appraiser shall decide which of the two (2) appraisals established by the appraisers in accordance with this SECTION 12.2(b) constitutes the Fair Market Value, and such decision shall be conclusive and binding on the parties.

12.3. OFFSET FOR DAMAGES. In the event of dissolution resulting from an event described in ARTICLE 11, the Liquidating Member shall be entitled to deduct from the amount payable to the other Member pursuant to SECTION 12.2, SECTION 12.4 or SECTION 12.5, the amount of damages, including reasonable attorneys' fees and disbursements, incurred by the Company or the Liquidating Member proximately resulting from any such event, as established by a court order.

12.4. DISTRIBUTIONS OF OPERATING CASH FLOW. Subject to SECTION 12.5 as to proceeds of liquidation, during the period of liquidation the Members shall continue to receive distributions of Operating Cash Flow and Capital Event Proceeds and to share profits and losses for all tax and other purposes as provided elsewhere in this Agreement.

12.5. DISTRIBUTIONS OF PROCEEDS OF LIQUIDATION. For purposes of this SECTION 12.5, "proceeds of liquidation" shall equal cash available for liquidation, net of liens secured by the Property, PROVIDED that neither the Company nor the Members shall be personally liable for, nor shall either or any of them be released from, such debts. The proceeds of liquidation shall be applied in the order of priority set forth in this SECTION 12.5.

(a) FIRST. To the payment of: (1) debts and liabilities of the Company, and (2) expenses of liquidation.

(b) SECOND. To the setting up of any reserves that the Liquidating Member may deem necessary for any contingent or unforeseen liabilities or obligations of the Company or of the Members arising out of or in connection with the Company. Such reserves may be deposited by the Company in a bank or trust company acceptable to the Liquidating Member to be held by it for the purpose of disbursing such reserves in payment of any of the aforementioned liabilities or obligations, and at the expiration of such period as the Liquidating Member shall deem advisable, distributing the balance, if any, pursuant to SECTION 12.5(c).

(c) THIRD. Any balance remaining shall be distributed to the Members in accordance with SECTION 9.6(a).

12.6. ORDERLY LIQUIDATION. A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to creditors so as to enable the Members to minimize the losses normally attendant upon a liquidation.

12.7. FINANCIAL STATEMENTS. During the period of winding up, the Company's then independent certified public accountants shall prepare and furnish to each of the Members, until complete liquidation is accomplished, all the financial statements provided for in SECTION 7.1.

ARTICLE 13. MEMBERS

13.1. LIABILITY. A Member shall not be personally liable for the debts, liabilities or obligations of the Company or of any other Member except to the extent required under the Act. Notwithstanding the foregoing, a Member will be liable for any distributions made to it if, after such distribution, the outstanding liabilities of the Company (other than liabilities to Members on account of their interests in the Company and liabilities for which the recourse of creditors is limited to specific Company property) exceed the fair value of the Company's assets (PROVIDED that the fair value of Company property that secures recourse liability shall be included only to the extent its fair value exceeds such liability) and the Member had knowledge of this fact at the time the referenced distribution was received.

13.2. NO FIDUCIARY OBLIGATIONS. To the maximum extent permitted by applicable law, none of the Managing Member nor any other Members shall have any fiduciary duty or other duty (other than contractual obligations under this Agreement, the Master Transaction Agreement or the Tax Protection Agreement) to the other Members with respect to the business and affairs of the Company. To the extent that any such fiduciary duty or other duties are imposed on the Managing Member or any other Boston Properties Members or any Ceppeto Members under the Act, the Ceppeto Members hereby unconditionally and irrevocably waive the same and agree that neither the Managing Member nor any other Boston Properties Members shall have any liability for breach of such duties and the BP Members hereby unconditionally and irrevocably waive the same and agree that neither of the Ceppeto Members shall have any liability for breach of such duties. Each of the Members hereby covenant, as a material inducement to the Managing Member and the other Members to enter into this Agreement, that the Members shall not commence or join or otherwise bring or advance or participate in any claim against the Managing Member or any other Members based upon any purported breach of fiduciary duty or other duty (other than contractual obligations under this Agreement, the Master Transaction Agreement or the Tax Protection Agreement).

13.3. POWER OF ATTORNEY. The Ceppeto Members hereby irrevocably constitute and appoint the Managing Member, with full power of substitution, as their true and lawful attorney, which power shall be coupled with an interest, in their name, place and stead to sign, execute, acknowledge, swear to, deliver, record and file, as appropriate (collectively, the "Action") and in accordance with this Agreement, any and all certificates, documents and

instruments that in the discretion of the Managing Member are required to be signed, executed, acknowledged, sworn to, delivered, recorded or filed by such Member to discharge the purposes of the Company as set forth in this Agreement; PROVIDED that such action does not cause or result in the incurrence of any personal liability on the part of such Member hereunder. Prior to the taking of any Action pursuant to the power of attorney contained in this SECTION 13.3, the Managing Member shall give not less than (5) Business Days prior written notice to the Ceppeto Members, which notice is intended to provide the Ceppeto Members with the opportunity to take such Action in lieu of the Managing Member, PROVIDED HOWEVER, that nothing contained herein (including without limitation, any failure of the Managing Member to deliver such notice, or any refusal on the part of the Ceppeto Members to take such Action, or other action or notice given by the Ceppeto Members to the effect that such Action is not to be taken) shall limit or modify the power of attorney granted to the Managing Member herein.

13.4. CONSENT OF CEPPETO MEMBERS. Whenever the consent, approval, determination or decision of the Ceppeto Members is required under this Agreement, including to amend or waive any provisions of this Agreement, such consent, approval, determination or decision will be deemed given by, and binding upon, each Ceppeto Member if the Company obtains the written consent, approval or decision of Eric Hadar, and each of the Ceppeto Members hereby irrevocably agrees that Eric Hadar will have the power and authority to grant any such written consent or approval, or make any such determination or decision, on behalf of, and as the duly authorized agent and representative of, such Ceppeto Member. Each Ceppeto Member by execution and delivery of this Agreement irrevocably constitutes and appoints Eric Hadar as its true and lawful attorney-in-fact with full power and authority in such Ceppeto Member's name, place and stead to execute, acknowledge and deliver such certificates, instruments, documents and agreements as are necessary or appropriate to make any and all amendments or restatements of this Agreement. The appointment by each Ceppeto Member of Eric Hadar as attorney-in-fact is deemed to be a power coupled with an interest and will survive, and will not be affected by the subsequent bankruptcy, death, incapacity, disability, adjudication of incompetence or insanity, or dissolution of any Ceppeto Member hereby giving such power. It will be a condition to any transfer of a Ceppeto Member's interest in the Company that the foregoing power of attorney be granted by the transferee of such Ceppeto Member's interest. Notwithstanding the foregoing, in the event of (a) the death, incapacity, disability, adjudication of incompetence or insanity of Eric Hadar, or (b) the resignation by Eric Hadar as authorized agent and representative of the Ceppeto Members hereunder, such resignation to be effective not less than thirty (30) days after delivery of notice to the Company and the Managing Member, or (c) an election by the Ceppeto Members, acting jointly, to replace Eric Hadar as their agent and representative, a replacement authorized agent and representative hereunder shall be appointed by the Ceppeto Members, such person in all events to be reasonably acceptable to Managing Member.

13.5. INDEMNIFICATION OBLIGATIONS; PLEDGE OF CEPPETO MEMBERS' EQUITY INTEREST.

(a) CEPPETO INDEMNIFICATION OBLIGATION. From and after the Effective Date, Eric Hadar, Richard Hadar, Ceppeto and Ceppeto Holdings (collectively, the "CEPPETO INDEMNITORS") agree, jointly and severally, to indemnify, defend and hold harmless the BPLP Indemnified Parties from and against all Losses which are incurred or suffered by any one or more of them based upon, arising out of, in connection with or by reason of:

(1) the breach by Richard Hadar, Eric Hadar, the Ceppeto Members or either of them of any of the representations and warranties of Richard Hadar, Eric Hadar, and/or the Ceppeto Members or either of them contained in this Agreement; and/or

(2) Partnership Claims; and/or

(3) any liability, obligation, claim, lien, cost, expense or encumbrance of any kind or nature (other than pursuant to the Purchase Contracts and those costs and expenses specifically set forth on the attached SCHEDULE 13.5(a)(3)), whether accrued, absolute, contingent or otherwise, asserted or unasserted, known or unknown, including liabilities as guarantor or otherwise with respect to obligations of others, or liabilities for taxes due or then accrued or to become due, of the Company, the Original Company or the Ceppeto Members or the constituent members and direct and indirect beneficial owners of any of them, existing prior to the Effective Date, or of Skyline I or Skyline II existing prior to February 7, 2001, regardless of whether the existence of such liability, obligation, claim, lien, cost, expense or encumbrance constitutes a breach of any of the representations and warranties of Richard Hadar, Eric Hadar and/or the Ceppeto Members or either of them contained in this Agreement.

(b) SURVIVAL. The right of the BPLP Indemnified Parties to make claims for indemnification under SECTION 13.5(a)(2) and SECTION 13.5(a)(3) will survive the Effective Date indefinitely. With respect to claims for indemnification made by the BPLP Indemnified Parties under SECTION 13.5(a)(1), the following provisions will apply:

(1) All representations and warranties of the Ceppeto Members contained in this Agreement shall survive the Effective Date regardless of any investigation made as follows: (A) the representations and warranties set forth in SECTION 5.1 (Organization and Power), SECTION 5.2 (Authorization) and SECTION 5.6 (Ownership of Direct and Indirect Interests in the Company) shall survive the Effective Date indefinitely; and (B) all other representations and warranties in this Agreement shall survive only until (but excluding) the date which is the second anniversary of the Effective Date (such representations and warranties described in clause (B), the "LIMITED SURVIVAL REPRESENTATIONS").

(2) With respect to any claim by a BPLP Indemnified Party for indemnification for a Loss resulting from the breach of the representations or warranties of the Ceppeto Members contained in this Agreement, a Notice of

Claim must be given to the Ceppeto Indemnitors within the survival period for the relevant representation or warranty. Notwithstanding the foregoing, (A) if a Notice of Claim asserting a claim for indemnification under this SECTION 13.5 arising from the breach of any Limited Survival Representation shall have been given prior to the expiration of such Limited Survival Representation, such Limited Survival Representation shall survive, only to the extent of the claim asserted in such Notice of Claim, until such claim is resolved, and (B) claims brought by any BPLP Indemnified Party in connection with any Limited Survival Representation which is untrue as a result of fraud by the Ceppeto Members may be brought at any time, without regard to the limitations on survival set forth in SECTION 13.5(b)(1).

(c) LIMITATIONS ON CERTAIN INDEMNIFICATION OBLIGATIONS OF THE CEPPETO INDEMNITORS.

(1) THIRD PARTY RECOVERIES. There shall be netted from any payment for a Loss required under SECTION 13.5(a): (A) the amount of any indemnification received by any BPLP Indemnified Party from an unrelated party with respect to such Loss, and (B) the amount of any insurance proceeds or other cash receipts paid to any BPLP Indemnified Party against any such Loss.

(2) FULL RECOURSE. If the Ceppeto Indemnitors do not pay, in full, any and all indemnity obligations under SECTION 13.5(a) within the applicable time period set forth in SECTION 13.5(d)(4), the indemnity obligations of the Ceppeto Indemnitors under SECTION 13.5(a) shall, at BPLP Indemnified Parties' election, be satisfied by any BPLP Indemnified Party against the Ceppeto Members' Equity Interest pledged to the BP Member pursuant to SECTION 13.5(e), and/or any other collateral available to the BPLP Indemnified Parties hereunder, in such order as the BPLP Indemnified Parties may determine. In the event that the value of the Ceppeto Members' Equity Interest and/or any other collateral, is less than the amount of the Losses to be paid to the BPLP Indemnified Parties, the shortfall amount shall be a joint and several recourse obligation of all of the Ceppeto Indemnitors, and the BPLP Indemnified Parties shall be entitled to collect said shortfall from one or more of the Ceppeto Indemnitors, in the BPLP Indemnified Parties' discretion.

(d) INDEMNIFICATION PROCEDURE.

(1) NOTICE OF CLAIM. In the event that any BPLP Indemnified Party shall incur or suffer any Losses in respect of which indemnification may be sought pursuant to this SECTION 13.5, the BPLP Indemnified Party seeking to be indemnified (the "INDEMNITEE") shall promptly provide a notice (a "NOTICE OF CLAIM") to the Ceppeto Indemnitor from whom indemnification is sought (the "INDEMNITOR"), which Notice of Claim shall state the nature and basis of such claim, and the amount of the claim to the extent specified of otherwise known or

reasonably estimated. In the case of Losses arising by reason of any third party claim, the Notice of Claim shall be given promptly after the filing of any such claim against the Indemnitee or the determination by the Indemnitee that any such claim will ripen into a claim for which indemnification will be sought, but the failure of the Indemnitee to give the Notice of Claim within such time period shall not relieve the Indemnitor of any liability that the Indemnitor may have to the Indemnitee under this SECTION 13.5.

(2) INFORMATION. The Indemnitee shall provide to the Indemnitor on request all information and documentation in the possession or under the control of the Indemnitee reasonably necessary to support and verify any Losses which the Indemnitee believes give rise to a claim for indemnification hereunder and shall give the Indemnitor reasonable access to all books, records and personnel in the possession or under the control of the Indemnitee that would have bearing on such claim.

(3) THIRD PARTY CLAIMS. In the case of third party claims for which indemnification is sought, the Indemnitor shall have the option (A) to conduct any proceedings or negotiations in connection therewith, (B) to take all other steps to settle or defend any such claim (PROVIDED that the Indemnitor shall not, without the consent of the Indemnitee, settle any such claim (x) on terms which provide for (i) a criminal sanction or fine, (ii) injunctive relief or (iii) monetary damages in excess of the then value of the Ceppeto Members' Equity Interest (to the extent then pledged to the BP Member pursuant to SECTION 13.5(e) and (y) unless such settlement includes a full and unconditional release of the Indemnitee from all such claims, at no cost or other liability or obligation of the Indemnitee), and (C) to employ counsel, which counsel shall be selected by Indemnitee and shall be reasonably acceptable to the Indemnitor, to contest any such claim or liability in the name of the Indemnitor. In all such events, the Indemnitee shall be entitled to be represented by separate counsel at the Indemnitor's expense. So long as the Indemnitor has assumed defense of an action or claim, such action or claim shall not be settled without the Indemnitor's consent, which shall not unreasonably be withheld. The Indemnitor shall, within five (5) Business Days of receipt of the Notice of Claim, notify the Indemnitee of its intention to assume the defense of such claim. Until the Indemnitee has received notice of the Indemnitor's election whether to defend any claim, the Indemnitee shall take reasonable steps to defend (but may not settle) such claim. If the Indemnitor shall decline to assume the defense of any such claim, or shall fail to notify the Indemnitee within five (5) Business Days after receipt of the Notice of Claim of the Indemnitor's election to defend such claim, the Indemnitee may defend against and/or settle such claim. The costs and expenses of all proceedings, contests, lawsuits and/or settlements in respect of the claims described in this paragraph shall be borne solely by the Indemnitor. Regardless of which party shall assume the defense of the claim, the parties agree to cooperate fully with one another in connection therewith.

(4) PAYMENT OF LOSSES. If (and to the extent) the Indemnitor is responsible pursuant hereto to indemnify the Indemnitee in respect of a third party claim, then within thirty (30) days after the occurrence of a final non-appealable determination with respect to such third party claim (or sooner if (a) required by such determination or (b) Indemnitee is required to earlier pay, deposit or otherwise post all or any portion of such amount, or any amount in consideration thereof) and delivery of notice from the Indemnitee to the Indemnitor thereof, the Indemnitor shall pay the Indemnitee, in immediately available funds, the amount of any Losses (or such portion thereof as the Indemnitor shall be responsible for pursuant to the provisions hereof). If (and to the extent) the Indemnitor is responsible pursuant hereto to indemnify the Indemnitee for Losses that do not involve payment by the Indemnitee of a third party claim, then within thirty (30) days after agreement on the amount of such Losses or the occurrence of a final non-appealable determination of such amount (or such earlier date as provided above) and delivery of notice thereof by the Indemnitee to the Indemnitor, the Indemnitor shall pay to the Indemnitee in immediately available funds the amount of such Losses. Notwithstanding anything to the contrary contained herein, with respect to any claim in respect of which the Indemnitor is (or is reasonably expected to be) liable under this SECTION 13.5, the Indemnitor shall pay, within thirty (30) days after demand therefor by the Indemnitee, all out-of-pocket costs and expenses incurred by Indemnitee in connection with any such third party claim, including all legal fees and expenses associated therewith.

(e) PLEDGE OF CEPPETO MEMBERS' EQUITY INTEREST.

(1) On the Effective Date, the Ceppeto Members shall execute and deliver a Pledge and Security Agreement in the form attached to this Agreement as EXHIBIT C, pursuant to which the Ceppeto Members' Equity Interest will be pledged to the BP Member as security for the indemnification obligations of the Ceppeto Indemnitors under this SECTION 13.5. The Ceppeto Members shall, at their expense, execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable in order to create, perfect and protect the BP Member's security interest in the Ceppeto Members' Equity Interest granted or purported to be granted under the Pledge and Security Agreement, or to enable the BP Member to exercise its rights and remedies with respect to said security interest.

(2) For so long as no Notice of Claim has been given, all distributions payable on account of the Ceppeto Members' Equity Interest shall be currently payable to the Ceppeto Members, notwithstanding the existence of the pledge.

(3) Such pledge shall be released on the second (2nd) anniversary of the Effective Date (or such later date as is provided in the Pledge and Security Agreement) unless prior to such second (2nd) anniversary a Notice of Claim has been made in accordance with this SECTION 13.5, in which event the pledge will

remain in full force and effect until earlier of (i) the resolution and/or satisfaction in full of any and all claims set forth in such Notice of Claim (and the payment of any other amounts as set forth in the Pledge and Security Agreement) or (ii) the posting of substitute collateral in form and substance satisfactory to the Managing Member in its sole discretion and in an amount reasonably satisfactory to the Managing Member. Upon full satisfaction of any such claim or claims, the BP Member shall release the Ceppeto Members' Equity Interest from the lien of the Pledge and Security Agreement.

ARTICLE 14. NOTICES

14.1. IN WRITING; ADDRESS. Each notice, request, demand, consent, approval and other communication required or permitted under or otherwise delivered in connection with this Agreement shall be in writing and will be deemed to have been duly given (a) when delivered by hand (so long as the delivering party shall have received a receipt of delivery executed by the party to whom such notice was delivered), or (b) three (3) Business Days after deposit in United States certified or registered mail, postage prepaid, return receipt requested, or (c) one (1) Business Day after delivery to a recognized overnight courier service, or (d) when sent by telex or telecopier (with receipt confirmed) PROVIDED a copy is also sent by one of the methods of delivery described in clauses (a), (b) and (c) above, in each case addressed to the parties as follows (or to such other address as a party may designate by notice to the others):

If to either Ceppeto Member:

c/o Allied Partners, Inc.
770 Lexington Avenue
New York, NY 10021
Attn: Eric Hadar
Fax: (212) 935-4995

With a copy (which by itself shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, NY 10019
Attn: Steven Simkin
Fax: (212) 373-2058

and to:

Kronish, Lieb, Weiner & Hellman
1114 Avenue of the Americas
46th Floor
New York, NY 10036
Attn: Don Turlington and Chet Lipton
Fax: (212) 479-6275

If to the Company or any of the Boston Properties Members:

c/o Boston Properties, Inc.
599 Lexington Avenue
New York, NY 10022
Attn: Robert Selsam and Matthew Mayer
Fax: (212) 326-4041 and (212) 326-4050

With a copy (which by itself shall not constitute notice) to:

Goodwin Procter LLP
599 Lexington Avenue
New York, New York 10022
Attn: Ross D. Gillman
Fax: 212-355-3333

A copy of any notice or any written communication from the Internal Revenue Service to the Company shall be given to each Member at the addresses provided for above.

14.2. COPIES. A copy of any material notice, service of process, or other document in the nature thereof, received by the Ceppeto Member from anyone other than the other Member or the Company, shall be delivered by the Ceppeto Member to the Managing Member as soon as practicable.

ARTICLE 15. MISCELLANEOUS

15.1. ADDITIONAL DOCUMENTS AND ACTS. In connection with this Agreement, as well as all transactions contemplated by this Agreement, each Member agrees to execute and deliver such additional documents and instruments, and to perform such additional acts, as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions. All approvals of either party hereunder shall be in writing.

15.2. INTERPRETATION. This Agreement and the rights and obligations of the Members hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to its principles of conflicts of laws.

15.3. ENTIRE AGREEMENT. This Agreement, the Master Transaction Agreement, the Tax Protection Agreement and the other Transaction Documents contain all of the understandings and agreements of whatsoever kind and nature existing between the parties hereto with respect to this Agreement and the rights, interests, understandings, agreements and obligations of the respective parties pertaining to the Company.

15.4. BINDING EFFECT. Except as herein otherwise expressly stipulated to the contrary, this Agreement shall be binding upon and inure to the benefit of the parties signatory hereto, and their respective distributees, successors and permitted assigns.

15.5. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute the same instrument.

15.6. CONFIDENTIALITY. No publicity, media communications, press releases or other public announcements concerning this Agreement or the transactions contemplated hereby shall be issued or made by either Member without the prior written consent of the other Member, which consent shall not be unreasonably withheld, except to the extent required by law or stock exchange rule. Notwithstanding the foregoing, Managing Member may, from time to time and at any time, issue or make any publicity, media communications, press releases or other public announcements concerning or with respect to the Property, and no Ceppeto Member shall issue or make any such publicity, media communications, press releases or other public announcements. The Ceppeto Members shall keep confidential all information and other matters and material regarding the Property, including without limitation, information, matters and material relating to the leasing, financial and economic performance, operations and management of the Property, and shall be disclosed by the Ceppeto Members only to its legal advisors, accountants, officers, members, managers, directors and possible lenders, as and to the extent reasonably necessary, and in each instance only with the specific instructions to hold such information and other matters and material confidential, or as otherwise required by law or court order. For so long as Richard Hadar and/or Eric Hadar hold, directly or indirectly, at least a twenty percent (20%) Percentage Interest in the Company, the Company shall cause one (1) or more plaques to be maintained at the Property, in form and substance reasonably satisfactory to the Members, indicating that the Property is owned by Boston Properties and Allied Partners (or their respective Affiliates). Such plaques may, at Boston Properties' election, also indicate that the Property is managed by Boston Properties (or its Affiliate). The Members, on behalf of themselves and their respective Affiliates, consent and agree to the termination of those certain confidentiality agreements (i) dated as of March 22, 2001 (the "MARCH 22 CONFIDENTIALITY AGREEMENT") between Paul, Weiss, Rifkind, Wharton & Garrison on behalf of the Hadar Parties (as defined therein) and BPLP and (ii) dated as of February 16, 2001 (the "FEBRUARY 16 CONFIDENTIALITY AGREEMENT" and together with the March 22 Confidentiality Agreement, the "CONFIDENTIALITY AGREEMENT") between Goodwin Procter LLP on behalf of BPLP and Olshan Grundman Frome Rosenzweig & Wolosky LLC on behalf of the Original Company. Any confidential information which has been provided pursuant to the Confidentiality Agreement may be disclosed free of the restrictions and limitations of the Confidentiality Agreement.

15.7. AMENDMENTS. As and to the extent permitted by applicable law, this Agreement may be amended, altered or modified by the Managing Member in its discretion; PROVIDED that in no event shall the Agreement be amended in any manner which has an adverse effect on the Ceppeto Members without the prior written consent of the Ceppeto Members. Managing Member shall provide written notice to the Members not less than ten (10) Business Days prior to the effective date of any amendment to this Agreement.

15.8. SEVERABILITY. Each provision hereof is intended to be severable and the invalidity or illegality of any portion of this Agreement shall not affect the validity or legality of the remainder.

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

BP/CG MEMBER I LLC

By: /s/ ROBERT E. SELSAM

Name: Robert E. Selsam
Title: Authorized Representative

BP/CG MEMBER II LLC

By: /s/ ROBERT E. SELSAM

Name: Robert E. Selsam
Title: Authorized Representative

BP/CG MEMBER III LLC

By: /s/ ROBERT E. SELSAM

Name: Robert E. Selsam
Title: Authorized Representative

CEPPETO ENTERPRISES LLC, a Delaware limited liability company

By: Ceppeto Holding Enterprises LLC, its managing member

By: /s/ ERIC HADAR

Name: Eric Hadar
Title: Manager

CEPPETO SKYLINE HOLDING LLC, a Delaware limited liability company

By: /s/ ERIC HADAR

Name: Eric Hadar
Title: Manager

AGREED AND ACCEPTED:

/s/ RICHARD HADAR
- ----------
Richard Hadar, individually, as to his representations, warranties, Covenants and indemnification and other obligations contained in SECTIONS 5 AND 13

/s/ ERIC HADAR
- ----------
Eric Hadar, individually, as to his representations, warranties, Covenants and indemnification and other obligations contained in SECTIONS 5 AND 13