

**LAND ACQUISITION FUNDING, PROPERTY MANAGEMENT
AND
RELOCATION AGREEMENT**

Between

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development Corporation**

and

ATLANTIC YARDS DEVELOPMENT COMPANY, LLC

and

BROOKLYN ARENA, LLC

dated

as of September 18, 2009

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This LAND ACQUISITION FUNDING, PROPERTY MANAGEMENT AND RELOCATION AGREEMENT, dated as of September 18, 2009 (this "Agreement"), by and between NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT CORPORATION ("ESDC"), a New York public benefit corporation with offices at 633 Third Avenue, New York, New York 10017, and ATLANTIC YARDS DEVELOPMENT COMPANY, LLC, a Delaware limited liability company ("AYDC"), and BROOKLYN ARENA, LLC, a Delaware limited liability company ("ArenaCo") (AYDC and ArenaCo, collectively, "Developer"), with offices at 1 MetroTech Center North, Brooklyn, New York 11201.

WITNESSETH:

WHEREAS, pursuant to a (i) General Project Plan adopted on July 18, 2006, and amended by those certain Modified General Project Plans dated December 8, 2006 and June 23, 2009 (the "MGPP"), respectively, for the Atlantic Yards Land Use Improvement and Civic Project as heretofore approved by ESDC (the "Project"), which involves the renewal and redevelopment of a blighted area in the Atlantic Terminal section of Brooklyn through the clearance, re-planning and reconstruction of such area and the construction thereon of a mixed-use development and (ii) the Determination and Findings issued by ESDC pursuant to Section 204 of the Eminent Domain Procedure Law, by which ESDC determined that it should exercise its power of eminent domain in order to implement the Project, ESDC set forth its intention with respect to the Project;

WHEREAS, in furtherance of the Project, ESDC agrees as set forth herein to commence proceedings to obtain title to the Property (as hereinafter defined); and

WHEREAS, the parties hereto wish to enter into this Agreement for the purpose of setting forth certain agreements with respect to the Project.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I DEFINITIONS

As used in this Agreement, the terms listed in this Article I shall have the meanings set forth or referred to below. All Section, Article and other subdivision references in this Agreement are intended to refer to a Section, Article or subdivision in this Agreement, except when expressly stated otherwise.

"Additional Group B Property" has the meaning provided in Section 10.12.

"Additional Security" has the meaning provided in Section 2.02(d)(iv).

"Affiliate" means any Person controlling, controlled by or under common control with the Person in question.

"Agreement" has the meaning provided in the Recitals.

"Arena Land Purchase Agreement" means the Arena Land Purchase and Sale Agreement dated September 12, 2007 between Developer and ESDC, as the same has been and may hereafter be modified from time to time.

"Appraisals" has the meaning provided in Section 2.04(c).

"Appraised Value" means for (i) purposes of Article II hereof, the appraised value of each Group A Parcel for which compensation is required under applicable law, as set forth in the Approved Appraisals and (ii) for purposes of Article V hereof, the appraised value of Fixtures owned by Commercial Tenants on each of Group A Properties and Group B Properties.

"Approved Appraisals" means the Appraisals that ESDC will use in either of the Proceedings for the purpose of determining the offers or advance payments to be made to Group A Property Condemnees (or with respect to Fixtures owned by Commercial Tenants, said Commercial Tenants) pursuant to Sections 303 and 304 of the EDPL. A list of the Approved Appraisals, setting forth, as to each Appraisal, the interest appraised, the identity of the appraiser, and the amount and date of the Appraisal, shall be promptly provided to Developer. Developer acknowledges, however, that, if and to the extent required by law, as reasonably determined by ESDC, such Approved Appraisals shall be updated or, if necessary, new Appraisals obtained to reflect the Appraised Value as of a date as close as is feasible to the Vesting Date – Phase I as to the Group A Properties – Phase I and the Vesting Date – Phase II as to the Group A Properties – Phase II, that such updated or new Appraisals shall likewise constitute Approved Appraisals for all purposes hereunder and comparable lists in respect thereof shall be promptly delivered to Developer. If ESDC in its reasonable discretion determines that the value of any Group A Parcel or said Fixtures may have significantly changed during the interim between the date of the Appraisal and the commencement of the Proceeding – Phase I as to the Group A Properties – Phase I and Proceeding – Phase II as to the Group A Properties – Phase II, ESDC shall review such determination with Developer and may obtain updated, or, if necessary, new Appraisals of the said Group A Parcel or said Fixtures and such updated or new Appraisals shall likewise constitute Approved Appraisals for all purposes hereunder, and comparable lists in respect thereof shall be delivered to Developer.

"ArenaCo" has the meaning provided in the Recitals.

"AYDC" has the meaning provided in the Recitals.

"Business Day" shall mean any day other than a Saturday or Sunday or any other day on which commercial banks in New York, New York are authorized or required by law to close.

"City" means the City of New York, a municipal corporation of the State of New York.

"City Agreements" means the agreement(s) which are hereafter executed between Developer and the City concerning the compensation payable to the City for the Group C Properties.

"City Funding Agreement" means that certain Funding Agreement dated September 12, 2007 between the New York City Economic Development Corporation and ESDC, as the same has been and may hereafter be modified from time to time.

"Claims" means all liabilities (statutory or otherwise), obligations, claims, demands, damages (including punitive, consequential and special damages), penalties, causes of action, costs, expenses (including reasonable attorneys' fees and expenses), losses and injuries in any manner relating to or arising with respect to the subject matter of any indemnity granted herein, including any enforcement of any such indemnity by the indemnified party.

"Collateral Assignee" has the meaning provided in Section 9.04.

"Commencement Agreement" means an agreement among ESDC, Developer and/or its Affiliates, MTA and/or its Affiliates and certain other parties setting forth the conditions for the release and effectiveness of certain Project-related documents, including the MTA Transfer Agreement, the MTA Sale Agreement and the MTA Air Space Purchase and Sale Agreement.

"Commercial Tenant" means a non-residential tenant or occupant having an occupancy right on the Vesting Date for which a Fixture award is required under the EDPL. Commercial Tenants on the Project Site as of the date hereof are identified on Schedule 9 hereto and occupy their premises under leases for portions of Group A or Group B Parcels.

"Condemnee's Proposal" has the meaning provided in Section 2.04(d).

"Condemnee" has the meaning provided in Section 103(c) of the EDPL.

"Confirmed" has the meaning provided in Section 2.02(d)(ii).

"Court" means the Supreme Court of the State of New York (Kings County) or any relevant New York State court having jurisdiction over the Proceedings.

"Default" means any condition or event, or failure of any condition or event to occur, that is identified as a Default hereunder or that would, if uncured, after notice and lapse of time or both, constitute an Event of Default hereunder.

"Developer" has the meaning provided in the Recitals.

"Developer's Delay" has the meaning provided in Section 8.01.

"Developer's Proposal" has the meaning provided in Section 2.04(e).

"Draw Date" has the meaning provided in Section 2.01(d).

"EDPL" means the Eminent Domain Procedure Law of the State of New York, as the same may be amended from time to time.

"EDPL Security" means the Letters of Credit or Treasury Bills posted as security under, and otherwise complying with the requirements of, Article II hereof. EDPL Security shall include any permitted or required replacement or renewal of all or any portion of such security and any cash proceeds thereof. In the event that EDPL Security is a Letter of Credit, it shall be substantially in the form annexed hereto as Exhibit "A" (subject to such changes required by Developer or the issuer that are reasonably acceptable to ESDC) and shall be issued or Confirmed by a Qualified Bank. In the event that the EDPL Security is a Treasury Bill, it shall be registered in the name of ESDC and shall have a maturity of no more than ninety-two (92) days. In the case of a Treasury Bill, the amount of the EDPL Security shall, in each case, be determined with reference to the discounted value on the date of purchase.

"ESDC" has the meaning provided in the Recitals.

"ESDC Purchase" has the meaning provided in Section 2.05.

"ESDC's Proposal" has the meaning provided in Section 2.04(d).

"Existing Mortgages" means the mortgages, agreements and other security instruments identified on Schedule 10 hereto.

"Event of Default" means Developer's failure to pay any Site Acquisition Costs, to make any other payment or to post any EDPL Security or any other security required under this Agreement within thirty (30) days, or within such shorter period as may be mandated by the Court for the making of such payment or the posting of such security, following ESDC's first written request or demand made therefor pursuant to any provision of this Agreement; it being understood and agreed that such thirty (30) days or other shorter period mandated by the Court shall include (and not be in addition to) the time periods specified in Sections 2.01(a)(i)-(iv) and 2.01(b) or any other time periods specified in this Agreement for the making of such payment or the posting of such security.

"Fixture" means machinery, equipment, improvements, and/or other chattel used for business purposes annexed to or located on real property acquired by eminent domain that is separately compensable under the EDPL and applicable case law.

"Funding Agreement" means that certain Funding Agreement dated September 12, 2007 between ESDC and Developer, as the same has been or may hereafter be modified from time to time.

"General Site Acquisition Costs" means all costs incurred by ESDC before and after the date hereof (subject to the limitations thereon, and the conditions and requirements pertaining to the incurrence thereof and responsibility therefor set forth in this Agreement) of (i) obtaining Possession of the Property and Fixtures, including the removal and relocation of tenants and other occupants and their property therefrom in accordance with Section 5.01 hereof, (ii) any title reports, surveys and filing fees, (iii) any and all reasonable expenses incurred by ESDC for the services of (1) any third party consultants retained in connection with the acquisition of the Property and Fixtures after notice to, and consultation with, Developer and (2) any attorneys retained in connection with (x) the Proceedings, and (y) any litigation in respect of the Property and Fixtures or the Proceedings, and (iv) any appraisals, including Approved Appraisals, prepared in connection with or in anticipation of the Proceeding. Costs of managing, maintaining and operating the Property or interests therein in accordance with a written budget reasonably prepared by ESDC after consultation with Developer shall be paid or reimbursed by Developer and shall constitute General Site Acquisition Costs. It is intended that the reimbursement of General Site Acquisition Costs shall not be duplicative of items reimbursed as Group A Site Acquisition Costs, Group B Site Acquisition Costs and/or Group C Site Acquisition Costs.

"Group A Parcel" means an individual parcel within the Group A Properties.

"Group A Properties" means the Group A Properties – Phase I and the Group A Properties – Phase II. Unless the context requires otherwise, the term "Group A Properties" means all right, title and interest in such portion of the Property, subject to Permitted Encumbrances.

"Group A Properties – Phase I" means those parcels of the Property to be acquired by ESDC by condemnation in the Proceeding – Phase I described on Schedule 2A hereto (subject to Section 10.12). Unless the context requires otherwise, the term "Group A Properties – Phase I" means all right, title and interest in such portion of the Property, subject to Permitted Encumbrances.

"Group A Properties – Phase II" means those parcels of the Property to be acquired by ESDC by condemnation in the Proceeding – Phase II described on Schedule 2B hereto (subject to Section 10.12). Unless the context requires otherwise, the term "Group A Properties – Phase II" means all right, title and interest in such portion of the Property, subject to Permitted Encumbrances.

"Group A Property Condemnees" means each person who holds an interest in a Group A Parcel which is to be condemned pursuant to the provisions of this Agreement.

"Group A Site Acquisition Costs" means all costs incurred by ESDC before and after the date hereof (subject to the limitations thereon, and the conditions and requirements pertaining to the incurrence thereof and

responsibility therefor set forth in this Agreement) (i) of acquiring title to the Group A Properties pursuant to Article II hereof (including the cost of any additional allowances awarded by the Court to any Group A Property Condemnee pursuant to Sections 701 and 702 of the EDPL) or (ii) otherwise specifically identified in this Agreement or any other written agreement between ESDC and Developer as a Group A Site Acquisition Cost.

"Group A Site Acquisition Costs – Phase I" means all costs incurred by ESDC before and after the date hereof (subject to the limitations thereon, and the conditions and requirements pertaining to the incurrence thereof and responsibility therefor set forth in this Agreement) (i) of acquiring title to the Group A Properties – Phase I pursuant to Article II hereof (including the cost of any additional allowances awarded by the Court to any Group A Property Condemnee pursuant to Sections 701 and 702 of the EDPL) or (ii) otherwise specifically identified in this Agreement or any other written agreement between ESDC and Developer as a Group A Site Acquisition Cost – Phase I.

"Group A Site Acquisition Costs – Phase II" means all costs incurred by ESDC before and after the date hereof (subject to the limitations thereon, and the conditions and requirements pertaining to the incurrence thereof and responsibility therefor set forth in this Agreement) (i) of acquiring title to the Group A Properties – Phase II pursuant to Article II hereof (including the cost of any additional allowances awarded by the Court to any Group A Property Condemnee pursuant to Sections 701 and 702 of the EDPL) or (ii) otherwise specifically identified in this Agreement or any other written agreement between ESDC and Developer as a Group A Site Acquisition Cost – Phase II.

"Group B Parcel" means an individual parcel within the Group B Properties.

"Group B Arena Property" means the portion of the Group B Properties described as the "Property" in the Arena Land Purchase Agreement and more particularly described on Schedule 3 hereto (subject to Section 10.12).

"Group B Arena Property Deposit" means the "Deposits" as defined in the Arena Land Purchase Agreement.

"Group B Arena Property Purchase Price" means the "Purchase Price" as set forth in the Arena Land Purchase Agreement.

"Group B Other Property" means all portions of the Group B Properties other than the Group B Arena Property. The Group B Other Property is more particularly described on Schedule 4 hereto (subject to Section 10.12).

"Group B Properties" means the Group B Properties – Phase I and the Group B Properties – Phase II. It is intended that the Group B Properties shall consist of portions of the Property which as of the Vesting Date – Phase I as to the

Group B Properties – Phase I and as of the Vesting Date – Phase II as to the Group B Properties – Phase II are owned by Developer or their Affiliates (to wit, the Group B Arena Property and the Group B Other Property). Unless the context requires otherwise, the term "Group B Properties" means all right, title and interest in such portion of the Property, subject to Permitted Encumbrances.

"Group B Properties – Phase I" means those parcels of the Property to be acquired by ESDC by condemnation in the Proceeding – Phase I and described on Schedule 4A hereto (subject to Section 10.12). Unless the context requires otherwise, the term "Group B Properties – Phase I" means all right, title and interest in such portion of the Property, subject to Permitted Encumbrances.

"Group B Properties – Phase II" means those parcels of the Property to be acquired by ESDC by condemnation in the Proceeding – Phase II and described on Schedule 4B hereto (subject to Section 10.12). Unless the context requires otherwise, the term "Group B Properties – Phase II" means all right, title and interest in such portion of the Property, subject to Permitted Encumbrances.

"Group B Site Acquisition Costs" means all costs incurred by ESDC before and after the date hereof (subject to the limitations thereon, and the conditions and requirements pertaining to the incurrence thereof and responsibility therefor set forth in this Agreement) (i) of acquiring title to the Group B Properties pursuant to Article III hereof (provided, however, that Group B Site Acquisition Costs shall not include any amounts paid on account of the Group B Arena Property Purchase Price) or (ii) otherwise specifically identified in this Agreement or any other written agreement between ESDC and Developer as a Group B Site Acquisition Cost. It is intended that the calculation of Group B Site Acquisition Costs shall not be duplicative of any amount payable as Group A Site Acquisition Costs or Group C Site Acquisition Costs.

"Group C Parcel" means an individual parcel within the Group C Properties.

"Group C Properties" means the Group C Properties – Phase I and the Group C Properties – Phase II. It is intended that the Group C Properties shall consist of portions of the Property which, as of the Vesting Date – Phase I as to the Group C Properties – Phase I and as of the Vesting Date – Phase II as to the Group C Properties – Phase II, are owned by the City. Unless the context requires otherwise, the term "Group C Properties" means all right, title and interest in such portion of the Property, subject to Permitted Encumbrances.

"Group C Properties – Phase I" means those parcels of the Property to be acquired by ESDC by condemnation in the Proceeding – Phase I, described on Schedule 5A hereto. Unless the context requires otherwise, the term "Group C Properties – Phase I" means all right, title and interest in such portion of the Property, subject to Permitted Encumbrances.

"Group C Properties – Phase II" means those parcels of the Property to be acquired by ESDC by condemnation in the Proceeding – Phase II described on Schedule 5B hereto. Unless the context requires otherwise, the term "Group C Properties – Phase II" means all right, title and interest in such portion of the Property, subject to Permitted Encumbrances.

"Group C Site Acquisition Costs" means all costs incurred by ESDC before and after the date hereof (subject to the limitations thereon, and the conditions and requirements pertaining to the incurrence thereof and responsibility therefor set forth in this Agreement) (i) of acquiring title to the Group C Properties pursuant to Article IV hereof or (ii) otherwise specifically identified in this Agreement or any other written agreement between ESDC and Developer as a Group C Site Acquisition Cost. It is intended that the calculation of Group C Site Acquisition Costs shall not be duplicative of any amount payable as Group A Site Acquisition Costs or Group B Site Acquisition Costs.

"Including" means including, without limitation.

"Indemnified Parties" has the meaning provided in Section 6.03(a).

"Interim Leases" mean the interim lease or leases covering the portion of the Property described therein made by ESDC or its subsidiary, as landlord, Developer or its Affiliate, as tenant, in form agreed to in writing by ESDC and Developer, as the same may be amended, modified or supplemented from time to time. Developer and ESDC shall designate which portions of the Property will be covered by each such Interim Lease (if Developer elects to have multiple Interim Leases) and whether AYDC, ArenaCo, or an Affiliate of either shall be the tenant under each Interim Lease.

"Letter of Credit" or "Letters of Credit" means an "evergreen" letter(s) of credit, issued or Confirmed by a Qualified Bank, substantially in the form of Exhibit "A" attached hereto, subject to such changes requested by Developer or the issuer that are reasonably acceptable to ESDC.

"Management Costs" has the meaning provided in Section 6.04.

"MGPP" has the meaning provided in the Recitals.

"MTA" means the Metropolitan Transportation Authority or its Affiliates.

"MTA Air Rights Parcels" means the real property described on Schedule 6A hereto.

"MTA Air Space Purchase and Sale Agreement" means an agreement between MTA and/or its Affiliates, as seller, and Developer and/or its Affiliates, as purchaser, for the acquisition of the MTA Air Rights Parcels.

"MTA Arena Block Parcel" means the real property described on Schedule 6 hereto.

"MTA Transfer Agreement" means an agreement among MTA and/or its Affiliates, ESDC and/or Developer and/or its Affiliates pursuant to which the MTA Transfer Property shall be transferred to the MTA.

"MTA Sale Agreement" means an agreement among MTA and/or its Affiliates, ESDC and/or Developer and/or its Affiliates pursuant to which the MTA Arena Block Parcel shall be sold by MTA.

"MTA Purchase Property" means the real property described on Schedule 7 hereto.

"Notice" has the meaning provided in Section 10.03.

"Offer" has the meaning provided in Section 2.01(a).

"Other Security" has the meaning provided in Section 2.02(e).

"Parcel" means a Group A Parcel, Group B Parcel or Group C Parcel, as applicable.

"Permitted Encumbrances" means with respect to the Property (a) the matters listed on Exhibit "B" attached hereto and (b) such other encumbrances as ESDC and Developer reasonably agree are necessary and desirable for construction and operation of the improvements contemplated for the Property.

"Person" means (i) an individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association or other entity, (ii) any federal, state, county or municipal government (or any bureau, department, agency or instrumentality thereof), and (iii) any fiduciary acting in such capacity on behalf of any of the foregoing.

"Petition – Phase I" means the condemnation petition to be filed by ESDC in the Proceeding – Phase I, and any amendment thereto or replacement thereof permitted hereunder.

"Petition – Phase II" means any condemnation petition to be filed by ESDC in the Proceeding – Phase II, and any amendment thereto or replacement thereof permitted hereunder.

"Petition Notice – Phase I" has the meaning provided in Section 2.04(a)(i).

"Petition Notice – Phase II" has the meaning provided in Section 2.04(a)(ii).

"Phase I Properties" means the Group A Properties – Phase I, the Group B Properties – Phase I and the Group C Properties.

"Phase II Properties" means the Group A Properties – Phase II and the Group B Properties – Phase II.

"Possession" means actual vacant occupancy and possession of the Property, or applicable portion thereof free and clear of all leases, tenancies, occupancies, liens, encumbrances, licenses or any other matters except Permitted Encumbrances.

"Proceeding – Phase I" means the proceeding, including all appeals therefrom, to be instituted by ESDC pursuant to the EDPL by the filing of the Petition for the condemnation of the Phase I Properties.

"Proceeding – Phase II" means the proceedings, including all appeals therefrom, to be instituted by ESDC pursuant to the EDPL by the filing of the Petition for the condemnation of the Phase II Properties.

"Proceedings" means Proceeding – Phase I and Proceeding – Phase II.

"Prohibited Action" has the meaning provided in Section 7.01(b).

"Project" has the meaning provided in the Recitals.

"Property" means the real property identified on Schedule 1 hereto, which ESDC will be acquiring in the Proceeding, collectively comprising the Group A Properties, Group B Properties and Group C Properties.

"Qualified Bank" means a bank (a) which either is (i) a member of the New York Clearing House Association; or (ii) a non-member reasonably acceptable to ESDC, (b) having assets in excess of Seven Billion Five Hundred Million Dollars (\$7,500,000,000) and a net worth in excess of Three Hundred Million Dollars (\$300,000,000), in each case adjusted for inflation from the date hereof to the date of posting, and (c) whose most recent issue of long term debt is rated A or better, as rated by Standard & Poor's Corporation or (d) is otherwise reasonably acceptable to ESDC.

"Quarterly Security Threshold Statement" has the meaning provided in Section 2.02(d)(v).

"Replacement Letter of Credit" has the meaning provided in Section 2.02(d)(i).

"Replacement Security" has the meaning provided in Section 2.02(d)(i).

"Security Deficit" has the meaning provided in Section 2.02(d)(v).

"Security Excess" has the meaning provided in Section 2.02(d)(v).

"Security Threshold – Phase I" has the meaning provided in Section 2.02(d)(iii).

"Security Threshold – Phase II" has the meaning provided in Section 2.02(d)(iv).

"Site Acquisition Costs" mean collectively Group A Site Acquisition Costs, Group B Site Acquisition Costs, Group C Site Acquisition Costs and General Site Acquisition Costs.

"Substitute Security" has the meaning provided in Section 2.02(f).

"Treasury Bills" means United States Treasury Bills.

"Vesting Date – Phase I" means the date ESDC acquires title to the Phase I Properties (subject only to Permitted Encumbrances and occupants in actual possession).

"Vesting Date – Phase II" means one or more dates on which ESDC acquires title to any of the Phase II Properties (subject only to Permitted Encumbrances and occupants in actual possession).

"Yard Construction Agreement" means the agreement between MTA and/or its Affiliates and Developer and/or its Affiliates pursuant to which Developer and/or its Affiliates will construct the Upgraded Yard.

ARTICLE II ACQUISITION OF THE GROUP A PROPERTIES

Section 2.01 Payment of Group A Site Acquisition Costs.

(a) Proceedings. Developer shall pay all Group A Site Acquisition Costs incurred in connection with the Proceedings in the following manner:

(i) Offers; Agreement(s) with Group A Property Condemnees. Not less than four (4) weeks prior to making written offers to Group A Property Condemnees in accordance with Section 2.04(a), ESDC shall advise Developer of the Appraised Value for each Group A Parcel or interest to be acquired (such written offers collectively, the "Offers"). Subject to the further provisions of this Article II, if either (x) a Group A Property Condemnee, pursuant to Section 303 and 304 of the EDPL, shall have accepted the applicable Offer from ESDC or any adjustment thereof made prior to acceptance as payment in full or as an advance payment for the Group A Parcel or interest therein, or (y) ESDC and such Group A Property Condemnee shall have entered into a stipulation or settlement regarding the amount of compensation due such Condemnee for such Group A Parcel or interest therein, ESDC shall so notify Developer, enclosing with such notice a duplicate original or a true and complete photocopy of such

agreement or stipulation. Not later than five (5) days prior to the date for payment set forth in such agreement or stipulation, or, if such date is modified or changed by Court, not later than five (5) days prior to the date required by the Court for the making of such payment by ESDC to such Group A Property Condemnee, Developer shall pay ESDC an amount equal to the offer, the advance payment, or the compensation set forth in such agreement, settlement, or stipulation, plus interest thereon, if any, required by law.

(ii) Deposit(s) in Court. If ESDC shall have elected, pursuant to Section 304(D) of the EDPL, to deposit the full or advance payment, as the case may be, for a Group A Parcel or interest therein with the Clerk of the Court, ESDC shall so notify Developer. Within thirty (30) days after such notice or within such shorter period as the Court may require for the making of such deposit by ESDC, subject to Section 2.01(d), Developer shall pay ESDC an amount equal to such full or advance payment, as the case may be, plus interest thereon, if any, required by law.

(iii) Court Judgment(s). If the compensation with respect to a Group A Parcel or interest therein shall be determined by the Court pursuant to Section 512 of the EDPL, ESDC shall so notify Developer, enclosing with such notice a true and complete copy of the Court's judgment. In determining whether or not to appeal such judgment, ESDC shall consult with Developer, but the final decision shall be made by ESDC. If ESDC does not elect to appeal such judgment, then, within thirty (30) days after notice of the entry of such judgment or within such shorter period as the Court shall order ESDC to pay such judgment, subject to Section 2.01(d), Developer shall pay ESDC an amount equal to the amount of the judgment of the Court, plus interest thereon, if any, required by law, less any payment made by Developer under Section 2.01(a)(i) or (ii) for either advance payments or deposits but only on account of the particular interest in the Group A Parcel which is the subject of such judgment. If ESDC appeals such judgment, subject to Section 2.01(d), Developer shall, within thirty (30) days after notice that the compensation due or payable with respect to such Group A Parcel or interest therein has been finally determined (or has been determined and ESDC has elected not to appeal) or within such shorter period as the Court shall order ESDC to pay such compensation pay ESDC an amount equal to the amount of such compensation as finally determined, plus interest thereon, if any, required by law, less any payment made by Developer under Section 2.01(a)(i) or (ii) for either advance payments or deposits with respect to such Group A Parcel or interest therein but only on account of the particular interest in such Group A Parcel which is the subject of such final determination. For purposes of this Agreement, the amount of the "judgment" or "compensation" shall mean the entire judgment or compensation awarded by the Court, including, without limitation, any amounts awarded pursuant to §§ 701 and 702 of the EDPL. If a Condemnee appeals such judgment, Developer shall not be required to pay or post additional security pending the appeal, unless ESDC is ordered to do so by the Court.

(iv) Application of Payments. All payments to ESDC made pursuant to this Section 2.01(a), all EDPL Security and Other Security, shall be held in trust by ESDC and shall be used only to pay the costs giving rise to such payment or for which such EDPL Security or Other Security is being held. ESDC need not post

any bond, and shall in no event be liable for punitive damages, in connection with such trust arrangement.

(b) Other Site Group A Acquisition Costs. All Group A Site Acquisition Costs incurred by ESDC in accordance herewith shall, except where otherwise specified herein, be paid by Developer within thirty (30) days after Developer's receipt of written demand by ESDC, such demand to be accompanied by evidence reasonably establishing the amounts for which payment is demanded.

(c) Beneficiaries of Developer's Agreements. Developer's agreements under this Section 2.01 to make payments or cause payments to be made, are solely for the benefit of ESDC and are not, and shall not be deemed or construed to be, covenants or agreements for the benefit of any other Person.

(d) Alternate Payment Mechanism. Following notice to ESDC specifying Developer's election to use (in whole or in part) the alternate payment mechanism described in this Section 2.01(d), ESDC, in lieu of the funding mechanism otherwise contemplated by the foregoing provisions of this Section 2.01, shall fund any Group A Site Acquisition Costs payable by Developer hereunder by, as the case may be, selling, redeeming or presenting for payment (to the extent required and at such times, and following the giving of such notice, as would otherwise apply to the payment of Group A Site Acquisition Costs), any EDPL Security posted by Developer pursuant to Section 2.02. At any time, upon not less than ten (10) Business Days notice to Developer, ESDC may elect to fund any Group A Site Acquisition Costs otherwise required to be funded by Developer pursuant to this Section 2.01 by selling, redeeming or presenting for payment such portion of the EDPL Security then maintained hereunder as is necessary to make such payment, in which event no notice (other than the notice of election, which shall describe the Group A Site Acquisition Costs to be funded) shall be required prior to the sale, redemption or presentment for payment of the EDPL Security to be applied by ESDC to the payment of such Group A Site Acquisition Costs. Such sale, presentment or redemption shall be made on the day following the last day that Developer would otherwise have been obligated to pay the Group A Site Acquisition Costs in question (the "Draw Date"). On or before the Draw Date, Developer may elect directly to fund the Group A Site Acquisition Costs in question, in accordance with Section 2.01, in which event, upon such funding by Developer, ESDC's election to use such payment mechanism (as to the payment of the Group A Site Acquisition Costs in question) shall be null and void.

Section 2.02 Security for Developer's Obligation to Pay Group A Site Acquisition Costs.

(a) Initial Security Group A Properties – Phase I. As security for Developer's obligation to pay Group A Site Acquisition Costs – Phase I incurred in connection with the Proceeding – Phase I, Developer shall deliver to ESDC, within thirty (30) days of Developer's receipt of the Petition Notice – Phase I (as hereinafter defined), the EDPL Security in an amount equal to 120% of the Appraised Value of each Group A Parcel (or interest therein) in the Group A Properties – Phase I. From and after the Vesting Date – Phase I, and subject to Section 2.02(f) hereof, Developer may from time to time reduce the amount of the

EDPL Security required to be maintained hereunder to an amount not less than the Security Threshold – Phase I.

(b) Initial Security Group A Properties – Phase II. As security for Developer's obligation to pay Group A Site Acquisition Costs – Phase II incurred in connection with a Proceeding – Phase II, Developer shall deliver to ESDC, within thirty (30) days of Developer's receipt of the Petition Notice – Phase II (as hereinafter defined), the EDPL Security in an amount equal to 120% of the Appraised Value of each Group A Parcel (or interest therein) in the Group A Properties – Phase II, which is the subject of such Petition Notice – Phase II. From and after the Vesting Date – Phase II, and subject to Section 2.02(f) hereof, Developer may from time to time reduce the amount of the EDPL Security required to be maintained hereunder to an amount not less than the Security Threshold – Phase II.

(c) Accruals of Interest. ESDC, from time to time, but not more often than semi-annually unless required by the Court, may upon written notice to Developer, request that the amount of any EDPL Security be increased to reflect accruals of interest required by law on awards in the Proceedings. Developer shall deliver to ESDC the EDPL Security in such increased amount within thirty (30) days after Developer's receipt of such notice or within such shorter period as the Court may require ESDC to deliver such increased EDPL Security. Any interest earned on EDPL Security and any proceeds of EDPL Security (and any interest earned on such proceeds), to the extent not applied as permitted hereunder, shall be added to and held as EDPL Security. Any cash included in the EDPL Security at any time shall be invested and reinvested by ESDC in Treasury Bills maturing in no more than ninety-two (92) days.

(d) Replacement Security.

(i) Developer shall have the right to replace, and ESDC shall have the right (in the case of Letters of Credit) to require Developer to replace not later than thirty (30) days prior to expiration, the EDPL Security at any time and from time to time with a replacement Letter of Credit (the "Replacement Letter of Credit") or, at Developer's option, other EDPL Security (such Replacement Letter of Credit or other EDPL Security, "Replacement Security") in accordance with the terms of this Section 2.02(d). In any event, Developer shall deliver to ESDC, at least thirty (30) days prior to the expiration date of any Letter of Credit, Replacement Security complying with the requirements of this Section 2.02.

(ii) If the Replacement Security shall be a Replacement Letter of Credit, such Replacement Letter of Credit shall be issued or confirmed (as defined in New York Uniform Commercial Code Section 5-102(1)(f), as amended from time to time) in its entirety ("Confirmed") by a Qualified Bank and except for the amount and (as specified below) the expiration date, shall be upon the same terms and conditions as the Letter of Credit being replaced or substantially in the form of the letter of credit attached as Exhibit "A" hereto, subject to such changes requested by Developer or the issuer that are reasonably acceptable to ESDC. The expiration date of each Replacement Letter of Credit shall be the same as that of the Letter of Credit being replaced, except that (A) if the Replacement Letter of Credit is to be delivered to ESDC within thirty (30)

days of the expiration date of the Letter of Credit being replaced, the expiration date shall be at least one year later than the expiration date of the Letter of Credit being replaced, and (B) if the Replacement Letter of Credit is to replace other EDPL Security, the expiration date shall be at least one year from the date of such replacement. All Letters of Credit shall permit multiple draws and the office for presentment of sight drafts thereunder shall be located at a specified street address within the City of New York or elsewhere within the United States, provided that if such address is not in the City of New York, the issuer must permit presentment by Federal Express or other nationally recognized overnight courier service. If the Replacement Security shall be a Treasury Bill, such Treasury Bill shall be registered in the name of ESDC and shall have a maturity of not more than ninety-two (92) days.

(iii) With respect to the Group A Properties – Phase I, subsequent to the date for delivery of the EDPL Security under the first sentence of Section 2.02(a), the amount of EDPL Security which Developer is required to maintain hereunder shall at all times not be less than an amount equal to the greater of: (A) one hundred twenty percent (120%) of ESDC's best estimate of the total remaining Group A Site Acquisition Costs – Phase I not yet paid by Developer (taking into account, inter alia, any settlements made with owners of Group A Properties – Phase I after the delivery of the EDPL Security and (B) any other amounts required by the Court (the "Security Threshold – Phase I"). ESDC and Developer recognize and agree that ESDC's best estimate of the Security Threshold – Phase I: (1) is prepared solely for purposes of providing security for the transactions set forth in this Agreement; (2) is not indicative of fee, fixture or any other valuation for litigation purposes; and (3) is to be used solely as required in this Agreement and for no other purpose. Subject to Article V, at such time as the compensation for all interests in the Group A Properties – Phase I has been finally determined and paid, the Security Threshold – Phase I shall be reduced to zero.

(iv) With respect to the Group A Properties – Phase II, subsequent to the date for delivery of the EDPL Security under the first sentence of Section 2.02(a), the amount of EDPL Security which Developer is required to maintain hereunder shall at all times not be less than an amount equal to the greater of: (A) one hundred twenty percent (120%) of ESDC's best estimate of the total remaining Group A Site Acquisition Costs – Phase II not yet paid by Developer (taking into account, inter alia, any settlements made with owners of Group A Properties – Phase II after the delivery of the EDPL Security and (B) any other amounts required by the Court (the "Security Threshold – Phase II"). ESDC and Developer recognize and agree that ESDC's best estimate of the Security Threshold – Phase II: (1) is prepared solely for purposes of providing security for the transactions set forth in this Agreement; (2) is not indicative of fee, fixture or any other valuation for litigation purposes; and (3) is to be used solely as required in this Agreement and for no other purpose. Subject to Article V, at such time as the compensation for all interests in the Group A Properties – Phase II has been finally determined and paid, the Security Threshold – Phase II shall be reduced to zero.

(v) Within twenty (20) Business Days after each March 31, June 30, September 30 and December 31 following the date on which the EDPL

Security is first required to be delivered pursuant to Section 2.02(a) with respect to the Group A Properties – Phase I and Section 2.02(b) with respect to the Group A Properties – Phase II, ESDC shall provide Developer a statement in the form attached hereto as Exhibit "D" (each, the "Quarterly Security Threshold Statement") containing the following information, as of the end of such calendar quarter: (A)(1)(a) with respect to the Group A Properties – Phase I a statement of ESDC's best estimate of the total remaining Group A Site Acquisition Costs – Phase I and the new Security Threshold – Phase I required as a result thereof and (b) with respect to the Group A Properties – Phase II, a statement of ESDC's best estimate of the total remaining Group A Site Acquisition Costs – Phase II and the new Security Threshold – Phase II required as a result thereof, (2) the amount of the EDPL Security then held by ESDC; and (3) either [a] the amount by which the EDPL Security then held by ESDC exceeds the newly designated Security Threshold – Phase I and/or Security Threshold – Phase II, as the case may be, (the "Security Excess") or [b] the amount by which the newly designated Security Threshold – Phase I and/or Security Threshold – Phase II, as the case may be, exceeds the EDPL Security then held by ESDC (the "Security Deficit"), as the case may be; (B) in respect of clause (A)(1) of this Section 2.02(d)(v), a spreadsheet detailing ESDC's estimation methodology; and (C) in respect of clause (A)(3)[a] of this Section 2.02(a)(v), if applicable, (1) a statement that Developer may reduce the EDPL Security by the Security Excess, to the extent such Security Excess then exists and (2) an executed direction to be forward by Developer to the applicable Qualified Banks, in the form provided by the applicable Qualified Banks, authorizing such reduction in the EDPL Security.

(vi) Within ten (10) Business Days of Developer's receipt of a Quarterly Security Threshold Statement (or such shorter period required by the Court) indicating a Security Deficit, Developer shall increase the EDPL Security by the amount of the Security Deficit by posting one or more Replacement Letter(s) of Credit or amended Letter(s) of Credit. If the Court shall order ESDC to deliver to the Court or obtain any additional or substitute cash, cash equivalent or other security with respect to Group A Site Acquisition Costs ("Additional Security"), including without limitation, letters of credit, bonds or undertakings, Developer shall within ten (10) Business Days of ESDC's demand therefor (or such shorter period required by the Court), post or otherwise deliver such Additional Security.

(vii) Except to the extent ESDC shall have redeemed, sold or presented for payment, as the case may be, the EDPL Security being replaced, as provided in Section 2.01(d) or 2.03 hereof, ESDC shall, upon delivery to ESDC of Replacement Security in the amount required under this Agreement, return to Developer the EDPL Security (or any proceeds thereof) being replaced. If, pursuant to Section 2.01(d) or 2.03, payment thereon has theretofore been demanded, or a portion of the EDPL Security redeemed or sold, then ESDC shall, upon receipt of Replacement Security in the amount required under this Section 2.02(d), deliver to Developer the remaining portion of the proceeds, if any, thereof. Subject to the provisions of Sections 2.02(e) and 2.02(f) below, whenever the EDPL Security exceeds the Security Threshold – Phase I and/or Security Threshold – Phase II, as the case may be, ESDC shall, within twenty (20) days of receipt of written notice from Developer, surrender the excess portion of EDPL Security (as designated by Developer) or accept replacement EDPL Security in the

amount of the Security Threshold – Phase I and/or Security Threshold – Phase II, as the case may be, and concurrently surrender the EDPL Security being replaced. If requested by Developer, ESDC shall promptly deliver, together with any Letter of Credit being returned hereunder, written confirmation to the issuer of such Letter of Credit (in form reasonably satisfactory to such issuer) that ESDC consents to cancellation thereof.

(viii) In the event that Replacement Security is not delivered to ESDC on or before the maturity date of a Treasury Bill, ESDC shall be entitled to redeem the Treasury Bill, in which event the proceeds thereof shall be reinvested in Treasury Bills maturing in no more than ninety-two (92) days. Such Treasury Bills shall be held as security for the purposes set forth in this Article II.

(ix) If, pursuant to the provision of this Article II, ESDC redeems, sells or presents for payment any EDPL Security, and the proceeds thereof (to the extent not otherwise applied hereunder) are invested and reinvested by ESDC in Treasury Bills registered in the name of ESDC and maturing in no more than ninety-two (92) days, and ESDC maintains an account at a financial institution for the purpose of investing and reinvesting such proceeds, the reasonable costs and expenses payable to such financial institution in connection with such account and such investment and reinvestment shall be borne by Developer and shall be paid to ESDC within thirty (30) days after Developer's receipt of written demand therefor.

(e) Other Security. If, at any time in either of the Proceedings, the Court shall order ESDC to obtain or to deliver to the Court any additional or substitute cash, cash equivalent or other security ("Other Security"), including, without limitation, letters of credit, bonds or undertakings, then Developer, within thirty (30) days after demand therefor or within such shorter period as the Court shall require, shall deliver such Other Security. If, in accordance with the foregoing, Developer delivers any Other Security, then, for the period beginning when Developer delivers such Other Security and ending when such Other Security is returned to Developer (and to the extent and for so long as the Court does not (a) prohibit such reduction or (b) recommend that the Other Security be in addition to, rather than in lieu of, the EDPL Security), the amount of EDPL Security required hereunder shall be reduced by the amount of such Other Security. Notwithstanding the foregoing, the fair market value of the sum of such EDPL Security and Other Security shall in no event be less than the fair market value of the EDPL Security that would otherwise be required to be maintained hereunder but for the posting of such Other Security. If and when such Other Security is no longer required by the Court, then before such Other Security is returned to Developer, Developer shall deliver EDPL Security in the amount of Other Security being returned or in such lesser amount as shall be necessary so that the EDPL Security shall equal the Security Threshold – Phase I and/or Security Threshold – Phase II, as the case may be.

(f) Substitute Security. Notwithstanding the foregoing provisions of this Section 2.02, when the making of a payment by Developer under Section 2.01 (for purposes of this paragraph only, the "applicable payment") results in the EDPL Security exceeding the Security Threshold – Phase I and/or Security Threshold – Phase II, as the case may be, ESDC shall not be obligated to surrender any Letter of Credit or to accept Replacement Security in place of any Letter of Credit, on account of such excess, until the earlier of (x) the

ninety-fifth (95th) day after the date on which the applicable payment was made by Developer or (y) the date (on or after the date of such applicable payment) on which Developer delivers Substitute Security (as hereinafter defined) to ESDC with respect to the applicable payment. ESDC shall hold any cash delivered as Substitute Security in an interest-bearing account. ESDC shall return any Substitute Security to Developer on the date that is ninety-five (95) days after the date on which the applicable payment was made by Developer, unless, prior thereto, Developer shall have filed a voluntary petition (or there shall have been filed against Developer an involuntary petition) under Title 11 of the United States Code, in which case ESDC shall be entitled to retain the Substitute Security until the statutory period for avoidance of transfers under Section 547 of said Title shall have elapsed; provided further, that if, prior to the lapse of said period, the applicable payment is avoided by the trustee appointed in such proceeding with respect to Developer's property, then ESDC (to the extent of any refund made because of such avoidance) shall be entitled to (a) retain any cash then held as Substitute Security with respect to the applicable payment, or (b) sell or redeem any Treasury Bill, or demand payment under any undertaking held by ESDC as Substitute Security with respect to the applicable payment, and retain the proceeds of such sale or redemption, or sums paid pursuant to such demand. If such cash, proceeds or sums exceed the amount of the payment so avoided, together with ESDC's out-of-pocket costs (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the avoidance (and any legal proceedings in connection therewith) or ESDC's actions to enforce any undertaking held as Substitute Security, such excess, together with any interest thereon, shall be returned to Developer. "Substitute Security" means either (A) cash and/or one or more Treasury Bills and/or a Letter of Credit in the aggregate amount of the applicable payment, or (B) the unconditional written undertaking, in form satisfactory to ESDC, of a person or entity other than Developer having a net worth in an amount equal to at least two hundred percent (200%) of the amount of the applicable payment, to pay to ESDC an amount equal to the applicable payment in the event that the applicable payment is avoided as described in this paragraph.

Section 2.03 Certain Rights of ESDC Respecting EDPL Security. If Developer shall fail to pay any Group A Site Acquisition Costs in the manner and by the date provided in Section 2.01 hereof, such failure shall constitute an Event of Default hereunder and ESDC shall have the right, without further notice to Developer, to the extent required for the payment of any such unpaid Group A Site Acquisition Costs, to (a)(i) present any Letter of Credit for immediate payment and/or (ii) sell at discount or redeem at maturity any Treasury Bills then registered in the name of ESDC as EDPL Security and (b) apply the proceeds thereof to the payment of such unpaid Group A Site Acquisition Costs. If Developer shall fail to deliver, increase, renew or replace any EDPL Security or any Other Security in the manner provided in Section 2.02, such failure shall constitute a Default hereunder. ESDC shall have the right, upon notice to Developer (in addition to all other rights and remedies provided hereunder and without the same being deemed to be a waiver or a cure of any Default that may have occurred), to (a) present for payment any Letter of Credit that will expire within fifteen (15) days after such presentment and (b) as set forth in Section 2.02(d)(viii), to redeem any Treasury Bill which is not replaced on or before the maturity date thereof. The proceeds of any EDPL Security which ESDC redeems, sells or presents for payment pursuant to the provisions of this Agreement shall be held as security for the purposes set forth in this Article II and applied to the payment of Group A Site Acquisition Costs. Such proceeds, to the extent not applied to the payment of Group A Site

Acquisition Costs or not required, according to ESDC's estimate, to be so applied within the next ninety-two (92) days, shall be invested and reinvested by ESDC in Treasury Bills maturing in no more than ninety-two (92) days and such investment and all interest thereon shall be treated as further proceeds of the EDPL Security. No presentment, sale or redemption of all or any portion of the EDPL Security hereunder, and no application thereof, shall relieve Developer of its obligation to maintain EDPL Security in the amounts otherwise required under this Article II. Notwithstanding the foregoing: (a) the failure by Developer to pay Group A Site Acquisition Costs for which adequate EDPL Security or Other Security is held shall not constitute a Default or Developer's Delay if Developer is otherwise in full compliance with the provisions of Article II; (b) any EDPL Security or Other Security which ESDC presents, sells or redeems, as the case may be, in order to pay Group A Site Acquisition Costs or to prevent the expiration of a Letter of Credit shall not be required to be replaced by Developer if Developer is otherwise in full compliance with the provisions of Article II, including the maintenance of the Security Threshold – Phase I and/or Security Threshold – Phase II, as the case may be, and (c) the failure of Developer to renew or replace EDPL Security or Other Security shall not constitute a Default or Developer's Delay if such security has been presented, sold or redeemed by ESDC and the remaining security meets all other requirements of Article II.

Section 2.04 The Proceedings.

(a) Commencement of Proceedings.

(i) Commencement of Proceeding – Phase I. Commencement of Proceeding – Phase I. Subject to Section 2.01(a)(i), promptly after (v) the satisfaction of all statutory requirements with respect to the Project, (w) the resolution to the reasonable satisfaction of Developer and ESDC of any major litigation (including an administrative proceeding) against a governmental agency or Developer in which temporary or permanent equitable relief, prohibiting, preventing or materially interfering with any material aspect of the condemnation, development, construction, financing, use or occupancy of the Property, as contemplated by this Agreement or the MGPP, is sought or has been granted, (x) the execution of the City Agreements by Developer and the City, (y) delivery of notice by Developer to ESDC that the City Agreements have been executed, and (z) the execution of the Commencement Agreement and the delivery of evidence reasonably satisfactory to ESDC that all documents required to be deposited in escrow in accordance with such agreement have been so deposited, ESDC shall, subject to all applicable EDPL requirements, deliver a notice to Developer that ESDC intends to file the Petition – Phase I with respect to the Phase I Properties subject to the next succeeding sentence (such notice, a "Petition Notice – Phase I"). Simultaneously with the satisfaction of each of the following conditions: (i) the delivery of the Petition Notice – Phase I to Developer, and (ii) Developer's delivery of the EDPL Security in accordance with Section 2.02(a), ESDC shall commence the Proceeding – Phase I with respect to the Phase I Properties by filing the Petition – Phase I on such date. In the event the Petition – Phase I is not granted with respect to all of the interests in the Phase I Properties, ESDC shall, after further consultation with Developer, either (a) proceed with the Proceeding – Phase I with respect to those interests as to which the Petition – Phase I is granted, or (b) (i) withdraw the Petition – Phase I; (ii) not file any acquisition map(s); and (iii) undertake to re-file the Petition – Phase I, or (c) appeal the failure to grant the Petition – Phase I.

(ii) Commencement of Proceeding – Phase II. Subject to Section 2.01(a)(i), promptly after (x) the resolution to the reasonable satisfaction of Developer and ESDC of any major litigation (including an administrative proceeding) against a governmental agency or Developer in which temporary or permanent equitable relief, prohibiting, preventing or materially interfering with any material aspect of the condemnation, development, construction, financing, use or occupancy of the Phase II Properties as contemplated by this Agreement or the MGPP, is sought or has been granted, (y) delivery to ESDC of an executed copy of the completion guaranty (certified by an authorized officer of Developer as being true and complete) delivered by Forest City Enterprises to, and accepted by, the MTA and the LIRR with respect to the construction of the Upgraded Yard and its obligations under the Yard Construction Agreement, and (z) delivery to ESDC of an officer's certificate from an authorized officer of Developer stating that no event of default has occurred and is then continuing under the Yard Construction Agreement and the MTA Air Space Purchase and Sale Agreement, ESDC shall, subject to all applicable EDPL requirements, deliver a notice to Developer that ESDC intends to file the Petition – Phase II with respect to the Phase II Properties subject to the next succeeding sentence (such notice, a "Petition Notice – Phase II"). Simultaneously with the satisfaction of each of the following conditions: (i) the delivery of the Petition Notice – Phase II to Developer and (ii) Developer's delivery of the EDPL Security in accordance with Section 2.02(b), ESDC shall commence the Proceeding – Phase II with respect to the Phase II Properties by filing the Petition on such date. In the event the Petition – Phase II is not granted with respect to all of the interests in the Phase II Properties, ESDC shall, after further consultation with Developer, either (a) proceed with the Proceeding – Phase II with respect to those interests as to which the Petition – Phase II is granted, or (b) (i) withdraw the Petition – Phase II; (ii) not file any acquisition map(s); and (iii) undertake to re-file the Petition – Phase II, or (c) appeal the failure to grant the Petition – Phase II. Notwithstanding anything to the contrary in this Agreement, Developer may request that ESDC prosecute more than one Petition – Phase II for the acquisition of the Group A Properties – Phase II in multiple Proceedings, thereby subdividing the condemnation of the Parcels comprising the Group A Properties – Phase II into more than one phase, each with its own Vesting Date – Phase II. In such event, pro rata adjustments would be made to the Group A Site Acquisition Costs – Phase II required to be paid by Developer, and any EDPL Security given to secure such costs, allocable to the Parcels which are the subject of each Proceeding.

(b) Prosecution of Proceedings. ESDC shall prosecute the Proceedings diligently and in good faith. The acquisition of all Parcels in the Proceedings shall be subject to no liens or encumbrances other than Permitted Encumbrances, including, without limitation, the Existing Mortgages.

(c) Consultation With Developer. Except with respect to (i) offers made by ESDC under Article 3 of the EDPL or (ii) any appraisals of a Group A Parcel obtained from time to time by ESDC ("Appraisals") (including the Approved Appraisals), the preparation thereof, or the Appraised Value, Developer and its attorneys shall have the right to consult with ESDC and its attorneys about the Proceedings. Notwithstanding Developer's right of consultation and subject to the further provisions of this Section 2.04 and Articles III and IV

hereof, all decisions in the Proceedings shall be made solely by ESDC, except for matters requiring Developer's approval.

(d) Conduct of Proceedings; Proposed Settlements by Group A Property Condemnees. If ESDC believes that it will be unable to negotiate successfully the award for a Group A Parcel, ESDC shall promptly so notify Developer and shall litigate the compensation due in full for the Group A Property, in good faith and with reasonable diligence (subject to ESDC's statutory obligations) to conclusion by final judgment, including the filing and prosecution of any appeals other than those reasonably determined by ESDC to be unnecessary or undesirable and the defense of any appeals taken by a Group A Property Condemnee. Notwithstanding the foregoing, if ESDC receives a written settlement proposal from a Group A Property Condemnee which it determines not to accept (a "Condemnee's Proposal"), it shall give Developer notice thereof in writing together with the price ESDC considers in good faith an appropriate settlement for such Group A Property Condemnee's interest (the price determined by ESDC or such subsequent price offered by such Condemnee which ESDC determines to accept is hereinafter referred to as "ESDC's Proposal"). Within thirty (30) days of such notice, Developer shall have the option to (a) indicate its willingness to fund the entire amount of such Condemnee's Proposal and, on that basis, recommend to ESDC that ESDC accept such Condemnee's Proposal, in which event ESDC (subject to the further provisions of this Section 2.04) shall accept such Condemnee's Proposal and Developer shall pay (in accordance with the provisions of Section 2.01) the full amount thereof (or instruct ESDC in writing to draw the Letter of Credit for that amount) or (b) indicate its lack of willingness to fund the entire amount of such Condemnee's Proposal, in which event ESDC, subject to its statutory obligations, will not accept the Condemnee's Proposal and will continue to litigate the compensation due to such Condemnee to conclusion by final judgment. Developer shall thereupon fund (in accordance with the provisions of Section 2.01) the entire amount of any final award made with respect to a Group A Property at issue (or instruct ESDC in writing to draw the Letter of Credit for that amount).

(e) Proposed Settlements by ESDC. ESDC also agrees to notify Developer of any ESDC Proposal in the absence of a Condemnee's Proposal. If ESDC's Proposal is for an amount which exceeds the Appraised Value of a Group A Parcel in question, and if Developer disagrees with ESDC's Proposal, Developer shall have the option, in lieu of making the payment required by Section 2.01(a)(i), to send a notice to ESDC, within ten (10) days after notice of such ESDC's Proposal: (a) setting forth the amount which Developer, in its discretion, acting reasonably, considers an appropriate settlement with such Condemnee ("Developer's Proposal"), and (b) acknowledging that, in the event the Group A Property Condemnee rejects Developer's Proposal, and the award granted to such Condemnee exceeds the Developer's Proposal, the entire award to such Group A Property Condemnee shall be funded by Developer as provided herein. Upon receipt of Developer's notice, ESDC, subject to its statutory obligations, shall proceed with the offering to such Group A Property Condemnee of Developer's Proposal and, in the event accepted, proceed with the settlement, using such funds as will be made available to it by Developer. Upon thirty (30) days' prior written notice of the Group A Property Condemnee's acceptance of Developer's Proposal (but in no event prior to the Vesting Date), Developer shall pay the amount set forth in Developer's Proposal to ESDC (or instruct ESDC in writing to draw the Letter of Credit in such amount).

(f) ESDC's Statutory Obligations. Nothing in this Agreement shall be construed to limit, reduce or derogate from ESDC's obligations to negotiate in good faith with Condemnees.

(g) Inspections. ESDC agrees to facilitate reasonable inspections and investigations of a Group A Parcel which Developer may from time to time (between the date hereof and Possession) require, provided that (i) such inspections and investigations are permitted by the EDPL and (ii) in ESDC's reasonable judgment, such facilitation does not adversely affect the Project or the Proceedings.

Section 2.05 Group A Parcels or Interests Acquired by ESDC Outside the Proceeding. After consultation with Developer, ESDC may acquire any Group A Parcel or interests therein through negotiations with the owner(s) thereof prior to the commencement of, or outside of, the Proceedings (each, an "ESDC Purchase"); provided (a) each such acquisition shall be conditioned on the occurrence of the Vesting Date – Phase I as to the Phase I Properties and Vesting Date – Phase II as to the Phase II Properties and (b) title to such Group A Parcel or interest(s) shall be delivered subject only to Permitted Encumbrances. ESDC shall not, in connection with an ESDC Purchase, pay any amount in excess of 100% of the Appraised Value for a given appraised Group A Parcel or interest, or acquire any unappraised interest in such Group A Parcel or interest, without Developer's prior written consent. If ESDC, with Developer's consent (to the extent required), enters into a contract for an ESDC Purchase, then, upon at least thirty (30) days' advance notice of the originally scheduled closing date under such contract, Developer shall pay ESDC, within thirty (30) days after ESDC's written notice, an amount equal to all amounts to be paid by ESDC in connection with such ESDC Purchase, including ESDC's expenses and closing costs.

ARTICLE III ACQUISITION OF THE GROUP B PROPERTIES

Section 3.01 Payment of Group B Site Acquisition Costs.

(a) Agreement(s) with Respect to Compensation for the Group B Arena Property. As provided in the Arena Land Purchase Agreement, the parties hereto have agreed that as Developer's entire award with respect to the Group B Arena Property under the Proceeding, (i) Developer may retain the Group B Arena Property Deposit theretofore paid to Developer and (ii) in the event the entire Group B Arena Purchase Price has not theretofore been paid, ESDC shall pay the balance of the Group B Arena Purchase Price to Developer, subject to as and when the applicable amount is received under the City Funding Agreement. Such agreement and the other provisions of the Arena Land Purchase Agreement which expressly survive a condemnation are hereby ratified and confirmed. ESDC and Developer (or its Affiliate which owns the applicable Group B Arena Property) shall enter into any agreement or stipulation reasonably requested by the other in order to effectuate such agreement.

(b) Agreement(s) with Respect to Compensation for the Group B Other Property. Developer and ESDC have agreed that the compensation payable by ESDC with respect to the Group B Other Property shall be one dollar in the aggregate. ESDC and Developer (or its Affiliate which owns the applicable Group B Other Property) shall enter into

any agreement or stipulation reasonably requested by the other in order to effectuate such agreement.

(c) Other Group B Site Acquisition Costs in the Proceedings.

All other Group B Site Acquisition Costs incurred by ESDC in connection with the Proceedings shall be paid by Developer to ESDC within thirty (30) days after Developer's receipt of ESDC's written demand therefor, such demand, except as otherwise provided herein, to be accompanied by evidence reasonably establishing the amounts for which payment is demanded. All payments to ESDC made pursuant to this Section 3.01 shall be held in trust by ESDC and shall be used only to pay the costs giving rise to such payment. ESDC need not post any bond, and shall in no event be liable for punitive damages, in connection with such trust arrangement.

(d) Beneficiaries of Developer's Agreements. Each party's

agreements under this Section 3.01 to make payments or cause payments to be made, are solely for the benefit of the other party hereto and are not, and shall not be deemed or construed to be, covenants or agreements for the benefit of any other Person.

ARTICLE IV
ACQUISITION OF THE GROUP C PROPERTIES

Section 4.01 Payment of Group C Site Acquisition Costs. Developer shall pay all Group C Site Acquisition Costs in the following manner:

(a) Agreement with Respect to Compensation for Group C Properties. Developer and ESDC have agreed that the compensation payable with respect to the Group C Properties shall be the amounts if any, payable by Developer under the City Agreements. Such amount shall be paid by Developer directly to the City at the times and in the manner provided in the City Agreements. ESDC and Developer shall enter into any agreement or stipulation reasonably requested by the other in order to effectuate the foregoing.

(b) Other Group C Site Acquisition Costs in the Proceedings. All other Group C Site Acquisition Costs incurred by ESDC in connection with the Proceedings shall be paid by Developer to ESDC within thirty (30) days after Developer's receipt of ESDC's written demand therefor, such demand, except as otherwise provided herein, to be accompanied by evidence reasonably establishing the amounts for which payment is demanded. All payments to ESDC made pursuant to this Section 4.01 shall be held in trust by ESDC and shall be used only to pay the costs giving rise to such payment. ESDC need not post any bond, and shall in no event be liable for punitive damages, in connection with such trust arrangement.

(c) Beneficiaries of Developer's Agreements. Developer's agreements under this Section 4.01 to make payments or cause payments to be made, are solely for the benefit of ESDC and are not, and shall not be deemed or construed to be, covenants or agreements for the benefit of any other Person.

ARTICLE V
ACQUISITION OF INTEREST IN FIXTURES OF COMMERCIAL TENANTS

Section 5.01 Payment for Fixtures of Commercial Tenants. It is the express understanding of the parties hereto that Developer shall pay all costs associated with the condemnation of Fixtures at the Property in accordance with this Article V. The provisions of Article II hereof shall apply to the acquisition of Fixtures owned by Commercial Tenants with respect to Group A Properties and Group B Properties as if (i) all references therein to Group A Property Condemnees (or of like import) were to Commercial Tenants, (ii) all references to the Group A Parcel or Group A Properties or interests therein (or of like import) were to said Fixtures, (iii) all references to Group A Site Acquisition Costs (or of like import) were amounts payable with respect to said Fixtures in connection with the condemnations, (iv) all references to Appraised Value of each Group A Parcel shall be to the Appraised Value of said Fixtures.

Section 5.02 Site Acquisition Costs. Any amounts paid or costs incurred by ESDC in connection with the acquisition of Fixtures owned by Commercial Tenants pursuant to Section 5.01 shall be deemed Site Acquisition Costs with respect to the applicable portion of the Property.

ARTICLE VI
POSSESSION AND MANAGEMENT OF PROPERTY ACQUIRED BY ESDC; GENERAL
SITE ACQUISITION COSTS

Section 6.01 Possession of the Property. ESDC shall seek, with all reasonable diligence, the removal of any occupants from each Property acquired by ESDC including, without limitation, through writs of assistance obtained in the Proceedings pursuant to Section 405 of the EDPL. ESDC shall consult with Developer and its counsel in connection with such removal, including (in connection with such consultation) the presentation to Developer of proposed allowances towards moving expenses to be used by ESDC in respect of residential and commercial tenants or occupants (such allowances to be based on a survey of existing tenants and occupants conducted by a consultant prior to any settlement offers) in accordance with the Relocation Program for the Project described in Exhibit "C" attached hereto. Without limiting the foregoing, Developer shall perform its obligations set forth in said Exhibit "C."

Section 6.02 Interim Leases. Promptly following the granting of the Petition – Phase I and Petition – Phase II, ESDC and Developer (or one or more of its Affiliates) will enter into one or more Interim Leases with respect to the Parcels; provided that the Interim Leases shall not grant possession of any occupied Parcels until such time as ESDC obtains Possession of such Parcel.

Section 6.03 Developer Indemnification.

(a) To the fullest extent permitted by law, Developer shall indemnify ESDC and Brooklyn Arena Local Development Corp. and their respective officers, directors, employees, board members, attorneys, agents and each of their respective affiliates (collectively, the "Indemnified Parties"), and hold each of the Indemnified Parties harmless from and against, any and all Claims that may be paid, incurred, related to, arising from, imposed

upon, incurred by or asserted against any of the Indemnified Parties by reason of any of the following, unless caused by the negligence or willful misconduct of such Indemnified Parties or ESDC's property manager: (i) any accident, injury to or death of any Person or loss of or damage to property occurring on or about any Parcel or as a result of any act or omission occurring on or with respect to any Parcel or any other matter or thing arising out of the use, repair, maintenance, operation or occupation of any Parcel, or the streets, sidewalks or service roads, as applicable, adjacent thereto; (ii) any lien or claim that may be alleged to have arisen against or on any Parcel; (iii) any failure on the part of the Developer to perform or comply with any of Developer's obligations under this Agreement; (iv) all Management Costs; and (v) ESDC's ownership interest in any Parcel. Developer shall defend the Indemnified Parties with counsel reasonably satisfactory to the Indemnified Parties (unless the indemnified Claim is covered by insurance, in which event counsel shall be attorneys for, or approved by, the insurance carrier), shall keep the Indemnified Parties apprised of all legal proceedings and shall not enter into any settlement without the Indemnified Parties' prior written consent, which shall not be unreasonably withheld.

(b) Developer's indemnification obligations under this Agreement shall not be affected in any way by the absence of insurance coverage, the amount of any deductible, or by the failure or refusal of any insurance carrier to perform an obligation on its part under insurance policies procured by or on behalf of any Indemnified Party. Any amounts that become payable by Developer to an Indemnified Party under this indemnity that are not paid within ten (10) Business Days after demand shall bear interest at the Interest Rate from the date of such demand by the Indemnified Party.

Section 6.04 Management, Maintenance, Income, Costs. From the date of acquisition by ESDC of title to each Parcel until Possession of such Parcel is obtained by ESDC and delivered to Developer pursuant to the Interim Leases, ESDC shall manage, maintain and operate such Parcel (or cause such Parcel to be managed, maintained and operated). All reasonable costs of maintenance, management, operation, relocation and obtaining Possession of the Property, or any interest therein not otherwise covered by insurance or caused by the gross negligence or willful misconduct of ESDC or its property manager and consistent with an annual property management budget reasonably prepared by ESDC after consultation with Developer ("Management Costs"), less any use and occupancy payments received by ESDC from the Property, shall be the responsibility of Developer. The reasonably anticipated Management Costs (less such use and occupancy payments) for a four (4) month period shall be paid by Developer into an imprest account prior to the date of acquisition of title. At least thirty (30) days prior to the expiration of such four (4) month period, ESDC shall reasonably prepare a revised budget after consultation with Developer and the reasonably estimated Management Costs (less such use and occupancy payments) for the two (2) month period after the expiration of such four (4) month period and Developer shall make any payment to such imprest account to cover any such reasonably estimated shortfall for said two (2) month period. At least thirty (30) days prior to the expiration of such two (2) month period, and any subsequent two (2) month period thereafter until ESDC has delivered Possession of all Parcels to Developer pursuant to the Interim Leases, ESDC shall reasonably prepare a revised budget after consultation with Developer and Developer shall make any payments to such imprest account in the manner provided in the previous sentence. In the event that Management Costs exceed the amount so deposited, such excess shall be paid by Developer to ESDC as the same are incurred, within twenty (20) days after demand by ESDC therefor. Any excess of use and occupancy payments

received with respect to the Property over any Management Costs then payable with respect thereto shall be deposited into said imprest account and shall be applied to the payment of any Management Costs thereafter incurred, which have not been defrayed by use and occupancy payments. Simultaneously with obtaining Possession of any Parcel, ESDC shall terminate all property management contracts entered into by ESDC with respect to such Parcel(s). Any amounts remaining in the imprest account relating to the Phase I Properties upon the delivery of Possession of the Phase I Properties shall be paid to Developer. Any amounts remaining in the imprest account relating to the Phase II Properties upon the delivery of Possession of the Phase II Properties shall be paid to Developer. ESDC shall maintain or cause to be maintained insurance for the Phase I Properties and Phase II Properties as they are acquired (other than vacant properties) (which shall name Developer as an additional insured) of the type and extent described in the Interim Leases, subject to the reasonable approval of Developer with respect to the insurance carrier, insurance limits (to the extent the same differ from the type and extent described in the Interim Leases), form of policy, premium cost and deductible. Without limiting the foregoing, said insurance shall have a right of subrogation permitting Developer to make claims against said insurance carrier. Developer shall reimburse ESDC for the costs incurred by or on behalf of ESDC with respect to insurance. Such payments shall constitute Management Costs for purposes hereof. ESDC shall not enter into any new leases during said period, but may enter into month-to-month use and occupancy agreements with occupants and endeavor to collect use and occupancy payments from such occupants, (or to the extent permitted, offset such payments against any condemnation advance payments or awards) provided that such use and occupancy agreements do not interfere with the development or construction of the Project.

Section 6.05 General Site Acquisition Costs. All General Site Acquisition Costs incurred by ESDC in accordance herewith shall, except where otherwise specified herein, be paid by Developer within thirty (30) days after Developer's receipt of written demand by ESDC, such demand, except as otherwise provided herein, to be accompanied by evidence reasonably establishing the amounts for which payment is demanded.

ARTICLE VII MTA ARENA BLOCK PARCEL AND MTA TRANSFER PROPERTY

Section 7.01 MTA Sale Agreement. Developer has advised ESDC that Developer either has entered into or intends to enter into the MTA Sale Agreement with respect to the MTA Arena Block Parcel. It is the express understanding of the parties hereto that the MTA Arena Block Parcel is not part of the Property. The MTA Sale Agreement will provide:

(i) That all closing documents and other required deliveries for the conveyance of the MTA Arena Block Parcel are to be placed in escrow in accordance with the Commencement Agreement;

(ii) That upon the close of the MTA Sale Agreement in accordance with its terms and the terms of the Commencement Agreement, MTA shall convey, and ESDC shall accept the conveyance of, the MTA Arena Block Parcel without additional payment by ESDC or the creation of any additional obligations by ESDC in connection therewith. In connection with such conveyance, ESDC and Developer shall take all actions necessary to cause the MTA Arena Block Parcel to be included in the property demised under one or more of the Interim Leases.

Section 7.02 MTA Air Space Purchase and Sale Agreement. Developer has advised ESDC that Developer either has or intends to enter into the MTA Air Space Purchase and Sale Agreement with respect to the MTA Air Rights Parcels. It is the express understanding of the parties that the MTA Air Rights Parcels are not part of the Property. The MTA Air Space Purchase and Sale Agreement will provide that MTA shall convey, and ESDC shall accept the conveyance of, all or any portion of the MTA Air Rights Parcels without additional payment by ESDC or the creation of any additional obligation of ESDC in connection therewith. In connection with any such conveyance, ESDC and Developer shall take all actions necessary to cause the MTA Air Rights Parcels to be included in the property demised under one or more of the Interim Leases or a development lease between ESDC and Developer or its Affiliate.

Section 7.03 MTA Transfer Agreement. The MTA, ESDC and/or the Developer or its Affiliates shall enter in to the MTA Transfer Agreement pursuant to which ESDC agrees to convey the MTA Transfer Property to the MTA or its designee in accordance with the terms of such agreement.

ARTICLE VIII EVENTS OF DEFAULT; REMEDIES, ETC.

Section 8.01 Effect of Event of Default. If an Event of Default occurs, then ESDC may exercise any or all of the following rights and remedies, which shall be cumulative:

(a) Realization Upon Security. If the Event of Default consists of a failure to make a payment when due, ESDC shall have the right to present for payment, redeem or sell, as the case may be, the EDPL Security up to the amount of such payment and to apply and hold the proceeds thereof in the manner described in this Agreement.

(b) Suspension of Obligations. All of ESDC's obligations to Developer hereunder shall be suspended during the pendency of such Event of Default, without in any way reducing, limiting or suspending Developer's obligations hereunder.

(c) Costs and Expenses. Developer shall, upon demand, promptly reimburse ESDC for any and all reasonable out-of-pocket costs and expenses ESDC incurs in connection with or an Event of Default, including without limitation advances reasonably made by ESDC (together with interest thereon) in order to correct or attempt to correct the Event of Default.

(d) Interest. If Developer's Delay consists of failure to make a payment when due, then Developer shall pay interest upon the late payment, at an annual rate of two (2%) percent above the so-called interest rate announced by Citibank, N.A. from time to time, for the period of Developer's Delay with respect to such payment, commencing as of the date when such payment was originally due.

(e) Judicial Relief. ESDC shall have the right to bring appropriate judicial proceedings, either at law or in equity, to require Developer to perform so as to correct the Default or to recover any actual damages on account of the Event of Default, or both.

ARTICLE IX BOOKS AND RECORDS

Section 9.01 Maintenance of Books and Records. ESDC shall maintain at an office in New York City complete and accurate books and records with respect to the Site Acquisition Costs, and the application of funds contributed or paid by Developer hereunder. Nothing in this Agreement shall be deemed to require ESDC to separate Group A Site Acquisition Costs, Group B Site Acquisition Costs, Group C Site Acquisition Costs and General Site Acquisition Costs or keep separate records thereof.

Section 9.02 Inspection of Books and Records. Developer and its agents and representatives, shall have the right to inspect, including the right to audit, the books and records of ESDC which are required to be maintained hereunder. ESDC will provide to Developer upon written request: (i) copies of all requisitions, bills and invoices of all consultants and contractors the fees and other charges which Developer is obligated to pay hereunder (except for portions of such bills and invoices which are attorney-client privileged communications, for which summaries may be provided to Developer), and (ii) reports and memoranda of consultants and contractors, except for the work-product of appraisers and attorneys and any privileged documents with respect to pending or threatened litigation.

ARTICLE X MISCELLANEOUS PROVISIONS

Section 10.01 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 10.02 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 10.03 Notices. Any notice, request, consent or other communication under this Agreement (each, a "Notice") shall be in writing and shall be given by personal delivery or mailing the same by registered or certified mail, return receipt requested, addressed to the parties hereto as follows:

If to ESDC:

Empire State Development Corporation
633 Third Avenue
New York, New York 10017
Attention: Senior Vice President, Legal

With a copy to:

Berger & Webb, LLP
1633 Broadway
New York, New York 10019
Attention: Charles S. Webb III, Esq.

If to Developer:

Forest City Ratner Companies
1 MetroTech Center North
Brooklyn, New York 11201
Attention: General Counsel

Forest City Enterprises, Inc.
1100 Terminal Tower
50 Public Square
Cleveland, Ohio 44113-2003
Attention: General Counsel

With a copy to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Stephen Lefkowitz, Esq.

Either party may, by Notice to the other, change or supplement the addresses to which Notice to such party shall thereafter be given. Notices shall be effective three Business Days after mailing as provided above or immediately upon personal delivery, against acknowledgment of receipt.

Section 10.04 Assignment.

(a) ESDC's Assignment. ESDC may not assign this Agreement or any right, title and interest of ESDC hereunder except to any wholly-owned corporate subsidiary of ESDC and in conjunction with any assignment of an Interim Lease pursuant to the respective terms thereof. Any such assignee shall, for such an assignment to be effective, execute and deliver to Developer an agreement in form and substance reasonably satisfactory to Developer, under which such assignee assumes ESDC's obligations hereunder. Any subsequent assignment of this Agreement or such right, title or interest shall be subject to the provisions of this Section 10.04(a).

(b) Developer's Assignment. Developer may not assign this Agreement or any right, title or interest hereunder, except that this Agreement may be assigned to (and, to the extent of such assignment, shall be assumed by) (i) an Affiliate of Developer, (ii) the assignee of an Interim Lease upon an assignment of such Interim Lease made in strict compliance with such Interim Lease or (iii) any Lending Institution (as defined in the Interim Leases) (a "Collateral Assignee") as security in connection with any borrowing, which Collateral Assignee shall only be required to assume Developer's obligations hereunder if it succeeds to the interest of Developer hereunder. Any purported assignment of this Agreement or any right, title or interest hereunder not complying with the preceding sentence shall be void and of no force or effect whatever and shall constitute an Event of Default hereunder and under the Interim Leases.

Section 10.05 Binding Effect. The Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 10.06 Entire Agreement: All understandings and agreements heretofore made between the parties hereto are merged in the written agreements executed by ESDC and Developer which alone fully and completely express their agreement. All such documents are entered into after full investigation, neither party relying upon any statement or representation not embodied in such documents.

Section 10.07 No Amendment, Etc. Neither this Agreement nor any provision hereof may be changed, modified, amended, supplemented, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, modification, amendment, supplement, waiver, discharge or termination is sought.

Section 10.08 Survival of Obligations. Developer's obligations hereunder shall survive the occurrence of the Vesting Date – Phase I and Vesting Date – Phase II.

Section 10.09 Severability. 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 provisions to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the extent permitted by law.

Section 10.10 Developer's Right to Consult. Wherever this Agreement provides that ESDC will consult with Developer regarding any matter: (a) ESDC shall exert its good faith efforts to inform Developer of its plans in a timely manner sufficient to enable Developer to understand and consider the matter(s) at issue; (b) Developer shall have the right to communicate with ESDC and its counsel, orally and in writing, regarding Developer's views on such matter(s); and (c) recognizing that the matters are of substantial importance to Developer, ESDC shall consider Developer's views in good faith. Despite anything in the previous sentence or anywhere else in this Agreement to the contrary, however: (i) Developer's right to "consult" or to take part in "consultation" does not imply any right to consent to or approve any matter, except as expressly provided in the Agreement; (ii) ESDC shall have no obligation to consult with Developer where ESDC determines that such consultation would be inconsistent with any statutory obligation of ESDC; and (iii) Developer shall have no right to assert any offset, claim, counterclaim or defense against any of Developer's obligations under any other agreement between ESDC and Developer, on account of ESDC's failure to consult with Developer where such consultation is provided for in this Agreement.

Section 10.11 Representations of Developer. Developer represents and warrants to ESDC that Developer has obtained all necessary limited liability company approvals of the terms of this Agreement.

Section 10.12 Group A Parcels Acquired by Developer or its Affiliates. In the event that Developer or its Affiliates acquire any Group A Parcel or an interest therein at any time and from time to time prior to the Vesting Date – Phase I as to the Group A Properties – Phase I and the Vesting Date – Phase II as to the Group A Properties – Phase II (all such property or interests, "Additional Group B Property"), Developer shall promptly notify ESDC thereof, whereupon such Additional Group B Property shall be automatically removed from the

definition of Group A Property for purposes of this Agreement and be deemed added to Schedule 3 or 4 hereto (the determination of which to be made by Developer), as if such Additional Group B Property, were so removed and added as of the date hereof.

Section 10.13 Transfer Tax. The parties hereto agree that no New York City Real Property Transfer Tax and no New York State Real Estate Transfer Tax should be payable by Developer in connection with the execution and delivery of this Agreement or any of the other agreements between ESDC and Developer executed prior to the date hereof. However, if any such Transfer Tax is payable, it shall be paid by Developer.

Section 10.14 Existing Mortgages. It is the understanding of the parties hereto that although the Existing Mortgages constitute Permitted Encumbrances for the purposes of condemnation, promptly after the execution and delivery of the Interim Leases the holder(s) of the Existing Mortgages shall spread the lien(s) of the Existing Mortgages to the leasehold interests under the Interim Leases and simultaneously therewith cause ESDC's fee interest(s) in the Property and the fixtures and appurtenances thereto to be released from the lien(s) of the Existing Mortgages. The holder(s) of the Existing Mortgages shall execute appropriate instruments confirming that the Existing Mortgages shall be non-recourse to ESDC.

Section 10.15 Estoppel Certificates. Any party hereto (including any successors and assigns of any party hereto) within twenty (20) days after written request (which request may not be given more often than three (3) times in any twelve-month period) from any other party hereto (including any successors and assigns of any other party hereto), shall execute, acknowledge and deliver to the requesting party or to any other Person specified by the requesting party, a statement in writing (which may be relied upon by the requesting party and any other Person indicated in the request notice): (a) certifying (i) that this Agreement is unmodified and in full force and effect (or if there are modifications, that this Agreement, as modified, is in full force and effect, stating the date of each such modification and providing a copy thereof, if requested), (ii) the aggregate amounts of EDPL Security and other security held by ESDC hereunder, and (iii) the amount of all funds theretofore received by ESDC from Developer hereunder; and (b) stating whether, to the best knowledge of the stating party, there has occurred a Default, an Event of Default or any event that constitutes a default by any party under this Agreement and, if so, specifying in detail each such Default, Event of Default or other event and such other matters as the requesting party shall reasonably request. Notwithstanding the foregoing, ESDC shall only be required to make the foregoing certifications hereof if Developer reimburses ESDC for any costs and expenses (including, without limitation, reasonable attorneys' fees, costs and expenses) incurred by ESDC in connection therewith.

Section 10.16 Limitation of Remedies.

(a) Developer Limitation of Remedies. Notwithstanding anything to the contrary contained herein, in the event of any Default by ESDC hereunder, Developer shall look only to ESDC's estate in the Property (or the proceeds thereof), and no other property or assets of ESDC or its agents, officers, directors, shareholders, partners or principals, disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of Developer's remedies under or with respect to this Agreement. Notwithstanding anything contained in this Agreement to the contrary, Developer in any event

hereby waives any right to collect from ESDC any consequential or punitive damages whatsoever, whether or not ESDC was or should have been aware of the probability or magnitude of such damages.

(b) ESDC Limitation of Remedies. Notwithstanding anything to the contrary contained herein, in the event of any Default by Developer hereunder, ESDC shall look only to Developer for a remedy without recourse to Developer's or its affiliates' respective officers, directors, members, shareholders, partners, principals, employees or agents, and in no event shall ESDC have the right to collect from Developer any consequential or punitive damages.

Section 10.17 Enforcement of Terms. No failure on the part of any party hereto to enforce any term, covenant or condition herein contained, nor any waiver of any right thereunder by such party, unless in writing, shall discharge or invalidate such term, covenant or condition, or affect the right of such party to enforce the same in the event of any subsequent breach or default. The consent of any party hereto to any act or matter must be in writing and shall apply only with respect to the particular act or matter to which such consent is given and shall not relieve any other party hereto from the obligation wherever required under this Agreement to obtain the consent of such party to any other act or matter.

Section 10.18 No Third Party Beneficiaries. Nothing contained herein is intended to be for, or to inure to, the benefit of any Person other than ESDC, Developer, Developer's Affiliates, Collateral Assignees, and their respective successors and permitted assigns. No entity other than ESDC or its successors and permitted assigns, is entitled, as a consequence of any term, condition, covenant or agreement contained in this Agreement or of Developer's failure to observe or perform the same, to seek, claim or recover damages or any other legal or equitable remedy against Developer.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.

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

By: Anita W. Laremont
Name: Anita W. Laremont
Title: Senior Vice President - Legal & General Counsel

ATLANTIC YARDS DEVELOPMENT COMPANY,
LLC

By: _____
Name: _____
Title: _____

BROOKLYN ARENA, LLC


By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.


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

By: _____
Name: _____
Title: _____

**ATLANTIC YARDS DEVELOPMENT COMPANY,
LLC**

By:  _____
Name: David L. Berliner
Title: Sr. Vice President

BROOKLYN ARENA, LLC

By:  _____
Name: David L. Berliner
Title: Sr. Vice President

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

On the 18th day of September in the year 2009, before me, the undersigned, a Notary Public in and for said State personally appeared Anita W. Laremont, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

JOSEPH C. PETILLO
Notary Public, State of New York
No. 314894630
Qualified in New York County
Commission Expires Jan. 31, 2010

Joseph C. Petillo
(Signature and office of person taking acknowledgment)

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

On the ____ day of September in the year 2009, before me, the undersigned, a Notary Public in and for said State personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(Signature and office of person taking acknowledgment)

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

On the ____ day of September in the year 2009, before me, the undersigned, a Notary Public in and for said State personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(Signature and office of person taking acknowledgment)

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

On the ____ day of September in the year 2009, before me, the undersigned, a Notary Public in and for said State personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(Signature and office of person taking acknowledgment)

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

On the 17 day of September in the year 2009, before me, the undersigned, a Notary Public in and for said State personally appeared DAVID L. BELMEL, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(Signature and office of person taking acknowledgment)
JEANNE MUCCI
Notary Public, State of New York
No. 30-4834577
Qualified in Nassau County
Commission Expires March 30 2011

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

On the 17 day of September in the year 2009, before me, the undersigned, a Notary Public in and for said State personally appeared DAVID L. BELMEL, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(Signature and office of person taking acknowledgment)

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

EXHIBIT A

FORM OF LETTER OF CREDIT
[Letterhead of Issuing Bank]

Irrevocable Standby Letter of Credit No. _____ Date: _____

New York State Urban Development Corporation
d/b/a Empire State Development Corporation
633 Third Avenue
New York, NY 10017

Ladies and Gentlemen:

_____ (the "Issuer") hereby establishes at the request of Atlantic Yards Development Company, LLC and Brooklyn Arena, LLC (collectively, "Developer"), in favor of New York State Urban Development Corporation d/b/a Empire State Development Corporation, a corporate governmental agency of the State of New York ("Beneficiary"), Issuer's irrevocable standby Letter of Credit No. _____ (the "Letter of Credit").

Issuer hereby irrevocably authorizes Beneficiary to draw on Issuer, in one or more draws, each in any amount up to the amount then available under this Letter of Credit presented on or before _____ (the "Expiry Date"), in accordance with the terms and conditions hereinafter set forth, the total of all draws not to exceed the sum of _____.

1. Drawdown Procedures. Funds under this Letter of Credit are available against Beneficiary's sight draft(s) on Issuer, which sight draft(s) shall: (a) refer to this Letter of Credit by date and number and (b) bear the signature or purported signature of an officer of Beneficiary ("Drawer") and (c) specify that payment is to be made to Beneficiary's account no. _____ named _____ at _____, ABA # _____ or to such other account and/or other bank as Beneficiary may notify Issuer of in writing from time to time. Partial draws under this Letter of Credit are permitted.

2. Presentment of Sight Drafts. Sight draft(s) under this delivery by a nationally recognized overnight delivery service to Issuer's office located at _____¹ Letter of Credit, in the form attached hereto as Exhibit A, shall be presented by [overnight or presentation may be made in person to our office located at _____ ("Presentation Office"). Such [overnight delivery, or] personal presentation does not require presentation of the original Letter of Credit. All sight draft(s) presented hereunder shall be paid by the Issuer in the order actually received, up to the total amount then available to be drawn under this Letter of Credit. Issuer may specify an Issuer's office address or substitute Presentation Office from time to time at no more than a reasonable frequency, but such substitute location shall become effective only upon at least five

¹ Required if Presentation Office is outside of New York City.

(5) business days' prior written notice, by registered mail, return receipt requested, to all the Notice Recipients, as defined below.

3. Issuer's Commitment. Provided the terms and conditions of this Letter of Credit are complied with, Issuer will honor any sight draft under this Letter of Credit on the date of receipt if received prior to noon, New York City time, on a business day, or will honor by 1:00 p.m., New York City time on the next succeeding business day if received after noon, New York City time on a business day. Payment will be made to the Beneficiary by wire transfer (as instructed by the Beneficiary in its sight draft consistent with the account information in 1.(c) above), in the amount of the draft, up to the amount then available to be drawn under this Letter of Credit irrespective of any claim by Developer or by any other person. Any number of sight drafts may be presented hereunder. If any sight draft presented hereunder would cause the aggregate amount of all such sight drafts to exceed the initial amount of this Letter of Credit, and the only discrepancy on the sight draft or in the presentation is that the amount of the sight draft exceeds the then available amount of the Letter of Credit, then we will not require that a replacement sight draft be issued and will effect payment, which payment amount will then be limited to the then available amount of the Letter of Credit. If Issuer determines that any presentation or sight draft does not comply on its face with the express requirements of this Letter of Credit, then Issuer shall notify the Beneficiary of such non-compliance immediately upon such determination. Beneficiary may then re-present corrected sight draft(s) to the extent they are able to do so provided such re-presented sight drafts arrive at our counters on or before the then existing Expiry Date. As defined herein, the term "business day" shall mean any day other than a Saturday or Sunday or a day on which banks in the State of _____ are required or authorized to be closed, or a day on which money transfers cannot be made on the Fedwire system.

4. Notice Recipients. All notices from Issuer hereunder shall be sent to each of the following persons (the "Notice Recipients") by a separate written notice, sent by registered or certified mail, return receipt requested, or by overnight delivery by a nationally recognized overnight delivery service:

(1) Empire State Development Corporation, 633 Third Avenue, 37th Floor, New York, New York 10017, Attn: Senior Vice President;

(2) Berger & Webb, LLP, 1633 Broadway, New York, New York 10019, Attn: Charles Webb, III, Esq.;

(3) Forest City Ratner Companies, One MetroTech Center North, Brooklyn, New York 11201, Attn: General Counsel; and

(4) Forest City Enterprises, Inc., 1100 Terminal Tower, 50 Public Square, Cleveland, Ohio 44113-2003, Attn: General Counsel.

Each Notice Recipient may, by written notice to Issuer sent by registered or certified mail, return receipt requested, change its address, or appoint a substitute Notice Recipient, for all purposes of this Letter of Credit. Upon receipt of a change of address or appointment of a substitute, Issuer

agrees to promptly acknowledge in writing Issuer's receipt of such change. Any such change shall become effective when Issuer has acknowledged its receipt in writing.

5. Reduction Authorization. The face amount of the Letter of Credit may be reduced upon delivery by the Beneficiary of a Reduction Authorization in the form attached hereto as Exhibit B. Presentation of the Reduction Authorization may be made by [overnight delivery service or] presentation in person as stipulated in paragraph 2 above.

6. Miscellaneous. Except as expressly set forth herein, this Letter of Credit is irrevocable and unconditional. This Letter of Credit is subject to the laws of the State of New York, and to the extent not inconsistent therewith, to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500 (the "UCP"). In the event of a conflict between the laws of the State of New York and the UCP, the laws of the State of New York will prevail. Except as described in this paragraph, this Letter of Credit sets forth in full Issuer's undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any other document, instrument or agreement or agreement referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates. No changes in this Letter of Credit shall be made without the prior written consent of the Beneficiary.

All correspondence related to this Letter of Credit may be sent via mail to the Issuer at the locations stated herein mentioning our Letter of Credit number as it appears above.

Very truly yours,

Authorized Signer

EXHIBIT A

TO LETTER OF CREDIT NO. _____

SIGHT DRAFT

AMOUNT: \$ _____

DATE: _____

AT SIGHT OF THIS BILL OF EXCHANGE PAY TO THE ORDER OF _____
U.S. DOLLARS VALUE RECEIVED AND CHARGE TO THE ACCOUNT OF

DRAWN UNDER LETTER OF CREDIT NO. _____ OF _____, DATED

DRAWER

BY: _____
NAME AND TITLE

TO: _____

PAYMENT/WIRING INSTRUCTIONS: _____

INSTRUCTIONS TO PRESENTATION BANK: _____

EXHIBIT B

TO LETTER OF CREDIT NO. _____

REDUCTION AUTHORIZATION

[DATE]

TO: _____

WE, [BENEFICIARY NAME], PURSUANT TO THE CONTRACT BETWEEN OURSELVES AND ATLANTIC YARDS DEVELOPMENT COMPANY, LLC AND BROOKLYN ARENA, LLC, HEREBY AUTHORIZE AND DIRECT YOU TO REDUCE THE FACE AMOUNT OF LETTER OF CREDIT NO _____ BY U.S. \$[AMOUNT] TO A NEW FACE AMOUNT OF U.S. \$[AMOUNT].

VERY TRULY YOURS,

[BENEFICIARY NAME]

BY:

[NAME AND TITLE OF SIGNER]

EXHIBIT B

PERMITTED ENCUMBRANCES

- a. All right, title and interest of the New York City Transit Authority and the Long Island Rail Road Company and its affiliates in and to the following property, if and to the extent located within the property being acquired: (1) routes, tracks, tunnels, switches, sidings, extensions, connections, platforms, structures or terminals; (2) wires, conduits, pipes, ducts, telephone, signal and other communication or service facilities; (3) columns, footings, bracings, foundations and other structural members; and (4) any other devices, equipment and facilities used in connection with the operation or maintenance of the subway system;
- b. Public and governmental utility facilities having a physical manifestation within the area being acquired; all recorded easements, licenses, and other agreements, if any, for such public and governmental utility facilities and reasonable rights of access to such public and governmental utility facilities necessary for the maintenance, operation, repair, replacement or use of the same whether or not embodied in recorded instruments; and
- c. The covenants, restrictions and agreements in the Declaration of Restrictive Covenant, dated as of September 12, 2007, and recorded in the Office of the New York City Register, Kings County, on February 14, 2008 as CFRN 2008000063495.

EXHIBIT C

RELOCATION PROGRAM FOR PROJECT

I. ESDC's Relocation Benefits

ESDC's relocation program at a minimum will consist of the following:

(i) Residential Relocation:

Referrals to alternative housing will be provided to displaced residential occupants. ESDC's relocation consultant will meet with the Project's residential occupants to assess their particular housing needs and to assist them in finding replacement housing. Real estate brokerage services will be made available at no charge to the occupants.

Moving services and expenses will be provided. This will include payment for the cost of the physical move, including the cost of transporting personal property to the replacement housing location, labor and material, insurance and storage as necessary ("Moving Costs"). ESDC or its relocation consultant will bid out all moves and select the lowest reasonable and responsible bid. The occupant either may use the selected mover or may conduct a "self-move" and receive the amount of money that ESDC would otherwise have paid to the selected mover. No Moving Costs will be paid until the premises are vacated. Moving Costs will be uncapped as to amount.

A relocation assistance payment will be made to each vacating occupant. A one-time payment of \$5,000 per household will be made available to each vacating residential occupant or family to assist in meeting additional expenses encountered in establishing new living quarters, such as telephone and other utility hook-up charges, new return address labels, etc. This stipend is also intended to compensate occupants for the inconvenience of having to move, and to encourage them to vacate their units as quickly as possible.

(ii) Commercial Relocation:

Limited commercial relocation assistance will be provided to commercial tenants. Assistance will include locating and showing available space to the displaced occupant and providing information about private brokers located throughout the City.

In addition, payment will be made for the cost of the physical move, including the cost of transporting personal property to the replacement site, labor and material, insurance and storage as necessary. ESDC or its relocation consultant will bid out any such moves and select the lowest reasonable and responsible bid. No moving costs will be paid until the premises are vacated.

Payment will also be made to commercial tenants for other reasonable costs commonly associated with relocation, including the cost of relettering or replacing signs, replacing stationery and reinstalling telephone lines or other existing communications equipment. These re-establishment costs shall be capped at \$20,000 per business.

II. Developer's Relocation Benefits

The Developer will provide the following relocation benefits to residential tenants who have resided in a legal residential dwelling unit at the Project as their primary residence for at least one year from June 2004 and who are in good standing under the terms of a valid written lease agreement which is in full force and effect at such time as their premises are scheduled to be condemned for the Project:

The Developer will provide qualifying residential tenants with reasonably comparable living space in new units within the Project at their then current rent commencing during the first year thereof with future rent increases based on rent stabilization guidelines. A reasonably comparable living space means an apartment with approximately the same square footage and number of bedrooms as such occupant's existing unit which is on a floor no lower than the floor of such existing unit.

If a reasonably comparable space at the same rent is not available, Developer will pay the difference in rent for a reasonably comparable living space outside of the Project, which will to the extent reasonably practicable be in the Neighboring Community (as such term is defined in the Community Benefits Agreement signed by Developer or its affiliate) or such other community acceptable to the displaced persons and Developer until such time as a unit is made available in the Project site on then comparable terms (giving effect to standard cost of living increases or rent stabilization/control increases, as applicable).

The Developer will assist these occupants in finding replacement housing during the period of Project construction and will pay the difference in rent for a reasonably comparable living space outside of the project site during this period. Real estate brokerage services will be made available at no charge to the occupants.

The Developer will also provide a reasonable relocation allowance for the initial move and subsequent move into the Project.

Exhibit D

Missing

SCHEDULE 1

PROPERTY

- 1) The following parcels as identified on the current tax map for the Borough of Brooklyn, City and State of New York: Block 927, Lots 1, 16; Block 1118, Lots 1, 5, 6, 21-25, 27; Block 1119, Lots 1, 7, 64; Block 1120, Lots 1, 19, 28, 35; Block 1121, Lots 1, 42, 47; Block 1127, Lots 1, 10-13, 18-22, 27, 29, 30, 33, 35, 43, 45-48, 50, 51, 54-56, 1001-1021 (formerly Lot 35), 1101-1131 (formerly Lot 27); Block 1128, Lots 1, 2, 4, 85-89; Block 1129, Lots 1, 3-6, 13, 21, 25, 39, 43-46, 49, 50, 54, 62, 76, 81.
- 2) ~~The following parcels as identified on the current tax map for the Borough of Brooklyn, City and State of New York: Block 1127, Lot 33; Block 1118, Lot 6.~~
- 3) The "air rights" for Block 927, Lots 1 and 16.
- 4) The following streets: Pacific Street between Carlton and Vanderbilt Avenues; Pacific Street between Flatbush and Sixth Avenues; Fifth Avenue between Atlantic and Flatbush Avenues.
- 5) Traffic island at Fifth Avenue and Pacific Street.

SCHEDULE 2

GROUP A PROPERTIES

Brooklyn Tax Map Blocks: 927, Lot 1; 1120, Lots 19, 28 and 35 (temporary easement or fee title); 1121, Lot 42; 1127, Lots 45, 47, and portion of 48 (William Outparcel) and 1128; 1128, Lots 4, 85, 86 and 87; and 1129, Lots 4, 5, 6, 13, 21, 39, 44, and 76; and the improvements, including any Fixtures for which compensation is required under applicable law, existing therein or thereon.

SCHEDULE 2A

GROUP A PROPERTIES – PHASE I

Brooklyn Tax Map Blocks: 1120, Lot 35 (temporary easement or fee title); 1121, Lot 42; 1127, Lots 45, 47, and portion of 48 (William Outparcel) and 1128; and 1129, Lots 4, 5, 6, 13, 21, 39, 44, and 76; and the improvements, including any Fixtures for which compensation is required under applicable law, existing therein or thereon.

SCHEDULE 2B

GROUP A PROPERTIES – PHASE II

Brooklyn Tax Map Blocks: 927, Lot 1; 1120, Lots 19, 28 and 35; and 1128, Lots 4, 85-87; and the improvements, including any Fixtures for which compensation is required under applicable law, existing therein or thereon.

SCHEDULE 3

GROUP B ARENA PROPERTY

Brooklyn Tax Map Blocks: 1118, Lots 1, 5, 21-25 and 27; 1127 Lots 1, 10-13, 18-22, 27, 29-30, 35, 43, 46, 48, 50, 51 and 54-56; and the improvements, including any Fixtures for which compensation is required under applicable law, existing therein or thereon.

SCHEDULE 4

GROUP B OTHER PROPERTY

Brooklyn Tax Map Blocks: 927, Lot 16; 1128, Lots 1-2 and 88-89; 1129, Lots 1, 3, 25, 43, 45-46, 49-50, 54, 62, and 81; and 1121, Lot 47; and the improvements, including any Fixtures for which compensation is required under applicable law, existing therein or thereon.

SCHEDULE 4A

GROUP B PROPERTIES – PHASE I

Brooklyn Tax Map Blocks: 1118, Lots 1, 5, 21-25 and 27; 1119, Lots 1 and 64; 1121, Lot 47; 1127 Lots 1, 10-13, 18-22, 29-30, 35, 43, 46, 48, 50, 51, 54-56, 1101-1127 and 1129-1131; and Block 1129, Lots 1, 3, 25, 43, 45, 46, 49, 50, 54, 62, and 81; and the improvements, including any Fixtures for which compensation is required under applicable law, existing therein or thereon.

SCHEDULE 4B

GROUP B PROPERTIES – PHASE II

Brooklyn Tax Map Blocks: 927, Lot 16; and 1128, Lots 1, 2, 88 and 89; and the improvements, including any Fixtures for which compensation is required under applicable law, existing therein or thereon.

SCHEDULE 5A

GROUP C PROPERTIES – PHASE I

1. The following parcels as identified on the current tax map for the Borough of Brooklyn, City and State of New York: Block 1127, Lot 33; Block 1118, Lot 6.
2. The following streets: Pacific Street between Carlton and Vanderbilt Avenues; Pacific Street between Flatbush and Sixth Avenues; Fifth Avenue between Atlantic and Flatbush Avenues.
3. Traffic island at Fifth Avenue and Pacific Street.

SCHEDULE 5B

GROUP C PROPERTIES – PHASE II

The "air rights" for Brooklyn Tax Map Block 927, Lots 1 and 16.

SCHEDULE 6

MTA ARENA BLOCK PARCEL

Brooklyn Tax Map Block 1119, Lot 7.

SCHEDULE 6A:

MTA AIR RIGHTS PARCELS

Portions of Brooklyn Tax Map Block 1120, Lot 1 and Block 1121, Lot 1.

SCHEDULE 7

MTA TRANSFER PROPERTY

Portions of Brooklyn Tax Map Block 1121, Lots 42 and 47.

SCHEDULE 8

[Intentionally Deleted]

SCHEDULE 9

COMMERCIAL TENANTS

Entity	Brooklyn Tax Map Block	Lôt
BP Amoco Corporation	1121	42
Chadderton's Bar & Grill Inc.	1127	43
Modell's	927	16
T-Mobile	1120	28
Leather factory (Anni Adler)	1128	4

SCHEDULE 10

EXISTING MORTGAGES

Mortgage A

Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of November 16, 2004, made by Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, and Seagoing Development Company, LLC to GKK Capital L.P. to secure the principal amount of \$39,207,340.00 and recorded in the Office of the New York City Register, Kings County, on December 9, 2004, under CRFN 2004000759573.

Assignment of Mortgage dated as of January 14, 2005, from GKK Capital LP (a/k/a GKK Capital L.P.) to Gramercy Warehouse Funding I LLC and recorded in the Office of the New York City Register, Kings County, on February 10, 2005, under CRFN 2005000084819. Assigns Mortgage A.

Mortgage B

Gap Mortgage dated as of January 18, 2005, made by Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, and Seagoing Development Company, LLC to Gramercy Warehouse Funding I LLC to secure the principal amount of \$1,293,660.00 and recorded in the Office of the New York City Register, Kings County, on February 10, 2005, under CRFN 2005000084820.

Mortgage, Consolidation, Spreader and Modification Agreement dated as of January 18, 2005, by and among Gramercy Warehouse Funding I LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, and Seagoing Development Company, LLC and recorded in the Office of the New York City Register, Kings County on February 10, 2005, under CRFN 2005000084821. Consolidates Mortgages A and B to form a single lien securing the principal amount of \$40,501,000.00.

Assignment of Mortgage dated as of March 9, 2005, made by Gramercy Warehouse Funding I LLC to Gramercy Warehouse Funding II LLC and recorded in the Office of the New York City Register, Kings County, on May 13, 2005, under CRFN 2005000277389. Assigns Mortgages A and B, as consolidated.

Mortgage Spreader Agreement dated as of June 17, 2005, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, and AY 644 Pacific II, LLC, and recorded in the Office of the New York City Register, Kings County, on July 27, 2005, under CRFN 2005000419287.

Mortgage C

Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of June 17, 2005, made by Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC and AY 644 Pacific II, LLC to Gramercy Warehouse Funding II LLC to secure the principal amount of \$16,050,000.00 and recorded in the Office of the New York City Register, Kings County, on July 20, 2005, under CRFN 2005000403944.

Mortgage Spreader Agreement dated as of June 17, 2005, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC and AY 644 Pacific II, LLC and recorded in the Office of the New York City Register, Kings County, on July 27, 2005, under CRFN 2005000419288.

Mortgage D

Gap Mortgage dated as of January 27, 2006, made by Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, and AY 485 Dean, LLC to Gramercy Warehouse Funding II LLC to secure the principal amount of \$69,868,500.00 and recorded in the Office of the New York City Register, Kings County, on February 17, 2006, under CRFN 2006000097021.

Consolidated, Amended and Restated Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of January 27, 2006, by Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, and Gramercy Warehouse Funding II LLC, and recorded in the Office of the New York City Register, Kings County on February 17, 2006, under CRFN 2006000097022. Consolidates Mortgages A through D to form a single lien securing the principal amount of \$126,419,500.00.

Mortgage Spreader Agreement dated as of February 16, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, and AY 622 Pacific, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261345.

Mortgage Spreader Agreement dated as of March 1, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Nominee Sub B, LLC, Atlantic Yards Development Sub C, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, and AY 195 Flatbush, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261346.

Mortgage Spreader Agreement dated as of March 2, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, and AY 608-620 Atlantic, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261347.

Mortgage Spreader Agreement dated as of March 3, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, and Pacific Vanderbilt Development Company, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007 as CRFN 2007000261348.

Mortgage Spreader Agreement dated as of April 4, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, Pacific Vanderbilt Development Company, LLC, and AY 177 Flatbush, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261349.

Mortgage Spreader Agreement dated as of May 4, 2006 by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, Pacific Vanderbilt Development Company, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620

Pacific, LLC, and Atlantic Yards Development Sub A, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261350.

Mortgage E

Mortgage dated August 27, 2004, made by 800 Pacific LLC to The Time Record Storage Company to secure the principal amount of \$17,500,000.00 and recorded in the Office of the New York City Register, Kings County, on November 24, 2004, under CRFN 2004000725991.

Assignment of Mortgage dated as of March 1, 2006, made by The Time Record Storage Company to Gramercy Warehouse Funding II, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261351. Assigns Mortgage E.

Amended and Restated Mortgage, Assignment of Leases and Rents and Security Agreement dated as of March 3, 2006, made by Pacific Vanderbilt Development Company, LLC to Gramercy Warehouse Funding II LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261352.

Mortgage F

Gap Mortgage dated as of May 30, 2006, made by AY 473 Dean, LLC, AY 489 Dean, LLC and AY 818 Pacific, LLC to Gramercy Warehouse Funding II LLC to secure the principal amount of \$8,901,734.00 and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261353.

Spreader, Second Consolidated, Amended and Restated Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of May 30, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific, LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean LLC, and AY 818 Pacific, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261354. Consolidates Mortgages A through F to form a single lien securing the principal amount of \$152,821,234.00.

Mortgage Spreader Agreement dated as of June 7, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC,

Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean LLC, AY 818 Pacific, LLC, and AY 542 Vanderbilt, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261355.

Mortgage Spreader Agreement dated as of July 13, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, and AY 542 Vanderbilt, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261356.

Mortgage Spreader Agreement dated as of September 19, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC and AY 524 Vanderbilt, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261357.

Mortgage Spreader Agreement dated as of October 5, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, and AY 35-37 Sixth, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261358.

Mortgage Spreader Agreement dated as of October 17, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC,

AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, and AY 645 Dean, LLC and recorded in the Office of the New York City Register, Kings County, on May 18, 2007, under CRFN 2007000261359.

Mortgage Spreader Agreement dated as of December 12, 2006, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, AY 645 Dean, LLC, and AY 618 Pacific, LLC and recorded in the Office of the New York City Register, Kings County, on November 16, 2007, under CRFN 2007000574651.

Mortgage Spreader Agreement dated as of March 1, 2007, by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, AY 645 Dean, LLC, AY 618 Pacific, LLC, and AY 487 Dean, LLC and recorded in the Office of the New York City Register, Kings County, on November 16, 2007, under CRFN 2007000574652.

Mortgage Modification and Severance Agreement dated as of July 3, 2007, by and among Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, AY 645 Dean, LLC, AY 618 Pacific, LLC, AY 487 Dean, LLC, and Gramercy Warehouse Funding

II LLC and recorded in the Office of the New York City Register, Kings County, on November 16, 2007, under CRFN 2007000574653. Severs the lien of the Mortgages A through F, as consolidated in CRFN 2007000261354 into two separate mortgage liens: (a) a lien of \$142,198,787.00, which lien continues to be evidenced by the Second Spreader, Consolidation, Amended and Restated Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement recorded under CRFN 2007000261354, as spread pursuant to the various Spreader Agreements referenced above; and (b) a lien of \$10,622,447.00, which lien is evidenced by Mortgage G below.

Mortgage G

Severed Mortgage dated as of July 3, 2007, made by Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, AY 645 Dean, LLC, AY 618 Pacific, LLC, and AY 487 Dean, LLC to Gramercy Warehouse Funding II LLC to secure the principal amount of \$10,622,447.00 and recorded in the Office of the New York City Register, Kings County, on November 16, 2007, under CRFN 2007000574654.

Mortgage H

Gap Mortgage dated as of July 3, 2007, made by Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, AY 645 Dean, LLC, AY 618 Pacific, LLC, and AY 487 Dean, LLC to Gramercy Warehouse Funding II LLC to secure the principal amount of \$26,739,603.00 and recorded in the Office of the New York City Register, Kings County, on November 16, 2007, under CRFN 2007000574655.

Consolidated, Amended and Restated Subordinate Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of July 3, 2007, made by Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY

814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, AY 645 Dean, LLC, AY 618 Pacific, LLC, and AY 487 Dean, LLC to Gramercy Warehouse Funding II LLC and recorded in the Office of the New York City Register, Kings County, on November 16, 2007, under CRFN 2007000574656. Consolidates Mortgages G and H to form a single lien securing the principal sum of \$37,362,050.00.

Mortgage Spreader Agreement dated as of March 20, 2009, made by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, 475 Dean Street Development Company, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, AY 645 Dean, LLC, AY 618 Pacific, LLC, and AY 487 Dean, LLC to and recorded in the Office of the New York City Register, Kings County, on April 15, 2009, under CRFN 2009000111024.

Mortgage Spreader Agreement dated as of March 20, 2009, made by and among Gramercy Warehouse Funding II LLC, Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, 475 Dean Street Development Company, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, AY 645 Dean, LLC, AY 618 Pacific, LLC, and AY 487 Dean, LLC to and recorded in the Office of the New York City Register, Kings County, on April 15, 2009, under CRFN 2009000111026.

ASSIGNMENTS OF LEASES AND RENTS

Absolute Assignment of Leases and Rents dated as of January 27, 2006, made by and between Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC,

Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II LLC, AY 485 Dean, LLC to Gramercy Warehouse Funding II LLC, and recorded in the Office of the New York City Register, Kings County on February 17, 2006 as CRFN 2006000097023;

Absolute Assignment of Leases and Rents dated as of May 30, 2006, made by and between Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, Pacific Vanderbilt Development Company, LLC, AY 177 Flatbush, LLC, AY 620 Pacific, LLC, Atlantic Yards Development Sub A, LLC, Chest Realty Corp., AY 473 Dean, LLC, AY 489 Dean LLC, AY 818 Pacific, LLC and Gramercy Warehouse Funding II LLC, and recorded in the Office of the New York City Register, Kings County, on June 10, 2008, under CRFN 2008000232400.

Absolute Assignment of Leases and Rents dated as of July 3, 2007, made by Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, AY 645 Dean, LLC, AY 618 Pacific, LLC, and AY 487 Dean, LLC to Gramercy Warehouse Funding II LLC and recorded in the Office of the New York City Register, Kings County, on November 16, 2007, under CRFN 2007000574657.

Absolute Assignment of Leases and Rents dated as of March 20, 2009, made by Arena Nominee Sub E, LLC to Gramercy Warehouse Funding II LLC and recorded in the Office of the New York City Register, Kings County, on April 15, 2009, under CRFN 2009000111025.

Absolute Assignment of Leases and Rents dated as of March 20, 2009, made by Arena Nominee Sub E, LLC to Gramercy Warehouse Funding II LLC and recorded in the Office of the New York City Register, Kings County, on April 15, 2009, under CRFN 2009000111027.

UCC FINANCING STATEMENTS

- a. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on December 9, 2004, under CRFN 2004000759575:

Debtor: Arena Nominee Sub F, LLC
Secured Party: GKK Capital L.P.

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277400:

Assignee: Gramercy Warehouse Funding I LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277401:

Assignee: Gramercy Warehouse Funding II LLC

- b. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on December 9, 2004, under CRFN 2004000759576:

Debtor: Arena Nominee Sub C, LLC
Secured Party: GKK Capital L.P.

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277402:

Assignee: Gramercy Warehouse Funding I LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277403:

Assignee: Gramercy Warehouse Funding II LLC

- c. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on December 9, 2004, under CRFN 2004000759577:

Debtor: Brooklyn Arena Sub A, LLC
Secured Party: GKK Capital L.P.

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277392:

Assignee: Gramercy Warehouse Funding I LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277393:

Assignee: Gramercy Warehouse Funding II LLC

- d. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on December 9, 2004, under CRFN 2004000759578:

Debtor: Arena Nominee Sub E, LLC
Secured Party: GKK Capital L.P.

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277408:

Assignee: Gramercy Warehouse Funding I LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277409:

Assignee: Gramercy Warehouse Funding II LLC

- e. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on December 9, 2004, under CRFN 2004000759579:

Debtor: Arena Nominee Sub B, LLC
Secured Party: GKK Capital L.P.

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277406:

Assignee: Gramercy Warehouse Funding I LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277407:

Assignee: Gramercy Warehouse Funding II LLC

- f. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on December 9, 2004, under CRFN 2004000759580:

Debtor: Atlantic Arts Development Company, LLC
Secured Party: GKK Capital L.P.

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277404:

Assignee: Gramercy Warehouse Funding I LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277405:

Assignee: Gramercy Warehouse Funding II LLC

- g. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on December 9, 2004, under CRFN 2004000759581:

Debtor: Arena Nominee Sub B, LLC
Secured Party: GKK Capital L.P.

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277398:

Assignee: Gramercy Warehouse Funding I LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277399:

Assignee: Gramercy Warehouse Funding II LLC

- h. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on December 9, 2004, under CRFN 2004000759582:

Debtor: Seagoing Development Company, LLC
Secured Party: GKK Capital L.P.

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277394:

Assignee: Gramercy Warehouse Funding I LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277395:

Assignee: Gramercy Warehouse Funding II LLC

- i. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on December 9, 2004, under CRFN 2004000759583:

Debtor: Atlantic Yards Nominee Sub A, LLC
Secured Party: GKK Capital L.P.

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277396:

Assignee: Gramercy Warehouse Funding I LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on May 13, 2005, under CRFN 2005000277397:

Assignee: Gramercy Warehouse Funding II LLC

- j. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on July 20, 2005, under CRFN 2005000403930:

Debtor: AY 814 Pacific, LLC
Secured Party: Gramercy Warehouse Funding II LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on January 10, 2006, under CRFN 2006000014764:

Assignee: Wells Fargo Bank, N.A., as Trustee

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County, on June 9, 2008, under CRFN 2008000230875:

Assignee: Gramercy Warehouse Funding II LLC

- k. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on July 20, 2005, under CRFN 2005000403931:

Debtor: Atlantic Yards Nominee Sub B, LLC
Secured Party: Gramercy Warehouse Funding II LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on January 10, 2006, under CRFN 2006000014765:

Assignee: Wells Fargo Bank, N.A., as Trustee

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County, on June 9, 2008, under CRFN 2008000230876:

Assignee: Gramercy Warehouse Funding II LLC

- l. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on July 20, 2005, under CRFN 2005000403932:

Debtor: AY 644 Pacific II, LLC
Secured Party: Gramercy Warehouse Funding II LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on January 10, 2006, under CRFN 2006000014766:

Assignee: Wells Fargo Bank, N.A., as Trustee

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County, on June 9, 2008, under CRFN 2008000230874:

Assignee: Gramercy Warehouse Funding II LLC

- m. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on July 20, 2005, under CRFN 2005000403933:

Debtor: AY 185 Flatbush, LLC
Secured Party: Gramercy Warehouse Funding II LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on January 10, 2006, under CRFN 2006000014767:

Assignee: Wells Fargo Bank, N.A., as Trustee

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County, on June 9, 2008, under CRFN 2008000230877:

Assignee: Gramercy Warehouse Funding II LLC

- n. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on April 4, 2006, under CRFN 2006000185749:

Debtors: AY 644 Pacific II, LLC and AY 814 Pacific, LLC

Secured Party: Gramercy Warehouse Funding II, LLC

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County on January 10, 2006, under CRFN 2006000014764:

Assignee: Wells Fargo Bank, N.A., as Trustee

UCC-3 (Assignment) filed/recorded in the Office of the New York City Register, Kings County, on June 9, 2008, under CRFN 2008000230875:

Assignee: Gramercy Warehouse Funding II LLC

- o. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on April 4, 2006, under CRFN 2006000185750:

Debtors: Atlantic Yards Nominee Sub A, LLC and
Seagoing Development Company, LLC

Secured Party: Gramercy Warehouse Funding II, LLC

- p. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on April 4, 2006, under CRFN 2006000185751:

Debtors: AY 185 Flatbush, LLC and
Atlantic Yards Development Sub C, LLC

Secured Party: Gramercy Warehouse Funding II, LLC

- q. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on April 4, 2006, under CRFN 2006000185752:

Debtors: Atlantic Arts Development Company, LLC,
Arena Nominee Sub C, LLC and
Arena Nominee Sub B, LLC

Secured Party: Gramercy Warehouse Funding II, LLC

- r. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on April 4, 2006, under CRFN 2006000185753:
- Debtors: Arena Nominee Sub E, LLC
Arena Nominee Sub F, LLC and
Brooklyn Arena Sub A, LLC
- Secured Party: Gramercy Warehouse Funding II, LLC
- s. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on April 4, 2006, under CRFN 2006000185754:
- Debtors: Atlantic Yards Nominee Sub B, LLC and
~~AY 485 Dean, LLC~~
- Secured Party: Gramercy Warehouse Funding II, LLC
- t. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on March 18, 2008, under CRFN 2008000109279:
- Debtors: Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, AY 818 Pacific, LLC, AY 542 Vanderbilt, LLC, AY 622 Atlantic, LLC, AY 524 Vanderbilt, LLC, AY 35-37 Sixth, LLC, AY 645 Dean, LLC, AY 618 Pacific, LLC, and AY 487 Dean, LLC
- Secured Party: Gramercy Warehouse Funding II LLC
- u. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on June 9, 2008, under CRFN 2008000230687:
- Debtor: Seagoing Development Company, LLC
- Secured Party: Gramercy Warehouse Funding II LLC
- v. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on June 16, 2008, under CRFN 2008000239883:
- Debtor: Seagoing Development Company, LLC
- Secured Party: Gramercy Warehouse Funding II LLC
- w. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on June 16, 2008, under CRFN 2008000239884:

Debtor: AY 622 Atlantic, LLC
Secured Party: Gramercy Warehouse Funding II LLC

- x. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on June 16, 2008, under CRFN 2008000239885:

Debtor: AY 524 Vanderbilt, LLC
Secured Party: Gramercy Warehouse Funding II LLC

- y. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on June 16, 2008, under CRFN 2008000239886:

Debtor: AY 35-37 Sixth, LLC
Secured Party: Gramercy Warehouse Funding II LLC

- z. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on June 16, 2008, under CRFN 2008000239887:

Debtor: AY 618 Pacific, LLC
Secured Party: Gramercy Warehouse Funding II LLC

- aa. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on June 16, 2008, under CRFN 2008000239888:

Debtor: AY 487 Dean, LLC
Secured Party: Gramercy Warehouse Funding II LLC

- bb. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on June 16, 2008, under CRFN 2008000239889:

Debtor: AY 542 Vanderbilt, LLC
Secured Party: Gramercy Warehouse Funding II LLC

- cc. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on June 9, 2008, under CRFN 2008000230706:

Debtors: Atlantic Arts Development Company, LLC, Arena Nominee Sub B, LLC, Arena Nominee Sub C, LLC, Arena Nominee Sub E, LLC, Arena Nominee Sub F, LLC, Brooklyn Arena Sub A, LLC, Atlantic Yards Nominee Sub A, LLC, Seagoing Development Company, LLC, Atlantic Yards Development Sub C, LLC, Atlantic Yards Nominee Sub B, LLC, AY 185 Flatbush, LLC, AY 814 Pacific, LLC, AY 644 Pacific II, LLC, AY 485 Dean, LLC, AY 622 Pacific, LLC, AY 195 Flatbush, LLC, AY 608-620 Atlantic, LLC, AY 177 Flatbush, LLC, Chest Realty Corporation, AY 620 Pacific LLC, Atlantic Yards Development Sub A, LLC, Pacific Vanderbilt Development Company, LLC, AY 473 Dean, LLC, AY 489 Dean, LLC, and AY 818 Pacific, LLC

Secured Party: Gramercy Warehouse Funding II LLC

dd. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on April 14, 2009, under CRFN 2009000109820:

Debtor: Arena Nominee Sub E, LLC
Secured Party: Gramercy Warehouse Funding II LLC

ee. UCC-1 filed/recorded in the Office of the New York City Register, Kings County on April 14, 2009, under CRFN 2009000109821:

Debtor: Arena Nominee Sub E, LLC
Secured Party: Gramercy Warehouse Funding II LLC