

ATTACHMENT 5

SUMMARY OF CERTAIN PROVISIONS OF THE FEE MORTGAGES AND FORMS THEREOF

SUMMARY OF CERTAIN PROVISIONS OF THE FEE MORTGAGES

Document	Form of Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing (“Fee Mortgage”) (Form to be used to create a separate Fee Mortgage for property leased under each Ground Lease.
Mortgagor	Metropolitan Transportation Authority (“Authority”).
Mortgagee	Wells Fargo Bank, National Association, as trustee (the “Trustee”).
Mortgage Date	September 22, 2016.
Secured Obligations (Recitals)	Each Fee Mortgage secures the Authority’s obligation to make Financing Agreement Payments (ground rent, fee purchase proceeds, etc.) and fulfill other obligations to Trustee as required under the Trust Agreement and the Financing Agreement (collectively the “Financing Documents”).
Mortgaged Property (Article 1)	Trustee is granted a first secured lien on (1) the land demised under the applicable Lease, (2) buildings and physical improvements located on the land, (3) all personal property, equipment and fixtures located at or attached to the land, and which are to remain with the land, (4) easements and other similar rights running with the land, (5) the Authority’s right as landlord under the Lease and any subleases affecting the real property and rents under those leases and subleases, (6) the Authority’s rights under other contracts and licenses relating to the use and operation of the real property, and (7) proceeds, including insurance and condemnation proceeds, from all of the categories of mortgaged property (collectively, the “Mortgaged Property”).
Assignment of Leases and Rents (Article 1)	Each Fee Mortgage includes an assignment, by the Authority, of its right, title and interest under the Lease for the applicable Mortgaged Property and the income derived therefrom. Subject to the assignment of leases and rents, the Authority retains a license to collect rent under the Ground Lease so long as no Lease Event of Default has occurred and is continuing. Upon a Lease Event of Default and subject to applicable notice and cure periods, such license will terminate and the Trustee as Fee Mortgagee will be entitled to collect Base Rent directly from the applicable Tenant until all events of default then existing are cured or waived.
Authority Covenants (Article 3)	Authority must (1) comply with Financing Document covenants, including making timely Financing Agreement Payments, (2) maintain or cause the Mortgaged Property to be maintained in good condition in accordance with the Lease and Financing Documents, (3) not commit or permit waste of the Mortgaged Property, (4) not alter the use of the Mortgaged Property in a way that might materially (i) increase the chances of casualty or (ii) diminish the value of the Mortgaged Property, (5) promptly pay bills for material and labor and not, in connection with such materials and labor, permit liens other than those liens permitted by the Lease and Financing Documents, and (6) otherwise perform under other agreements affecting or relating to the Mortgaged Property.
Recording Mortgage and Associated Costs (Article 5)	Authority is responsible for duly recording the executed Fee Mortgage and taking any additional steps necessary to preserve Trustee’s first lien on the Mortgaged Property.

SUMMARY OF CERTAIN PROVISIONS OF THE FEE MORTGAGES

<p>Restrictions on Sale/Transfer (Article 6)</p>	<p>Authority may not directly or indirectly sell or transfer the Mortgaged Property unless the sale is permitted under the Lease or the Financing Documents.</p>
<p>Trustee Remedies Upon Lease Event of Default (Article 7)</p>	<p>Subject to the notice and cure periods provided in the Financing documents (including Authority's one year option to cure, provided in Section 5.05 of the Trust Agreement), upon a Lease Event of Default, the Fee Mortgage permits Trustee to take all action permitted by law and/or under the applicable Lease without notice or demand, including: (1) complete judicial foreclosure and sale of the Mortgaged Property, (2) partial foreclosure and sale of the Mortgaged Property to collect past due Financing Agreement Payments, (3) direct sale (by power of sale) of the Mortgaged Property including personal property, equipment or fixtures, so long as removal does not create structural damage, (4) appointment of a receiver to take possession and manage the Mortgaged Property; (5) take over Authority's position as Landlord, administer the Lease, and/or move to collect rent as Landlord, subject to the terms of the Lease, and (6) exercise any applicable UCC remedies, including taking measures to protect and preserve the fixtures, the equipment and/or the personal property.</p> <p>During a Lease Event of Default, Trustee may also cure a Lease Event of Default and perform Tenant covenants (including by entry on to the Mortgaged Property) and /or appear and defend any action or proceeding brought with respect to the Mortgaged Property and bring any action or proceeding, on behalf of Authority (in Trustee's sole discretion) in an effort to protect its secured interest in the Mortgaged Property and seek reimbursement for all reasonable sums, costs and expenses paid by the Trustee in connection with efforts to cure.</p> <p>Proceeds from the disposition of all or a portion of the Mortgaged Property are to be applied to the payment if Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement.</p> <p>Fee Mortgages are not cross-defaulted to one another, thus giving the Trustee the ability to exercise remedies only with respect to a Fee Mortgage which is experiencing a Lease Event of Default, while maintaining all other Fee Mortgages as performing.</p>
<p>Release of Parcels Upon Fee Conversion; Modification of Mortgage Upon Subseverance (Article 13)</p>	<p>Upon a Fee Conversion, the applicable fee converted parcel shall be released from the Fee Mortgage upon making of the Option Payment with respect thereto, and the Fee Mortgage will be modified to reflect such release and remain as a valid lien on the remainder of the Mortgaged Property. The Authority will cooperate with Trustee to affirm (x) the release of the fee converted parcel and (y) the continuing valid lien of the mortgage on the unreleased parcel. Where the Fee Conversion Option has been exercised with respect to an individual residential condominium, the Authority will execute and deliver the partial release of the Fee Mortgage on behalf of the Trustee and will deliver a certification of receipt of payment to the Trustee.</p> <p>Upon any creation of a Severed Parcel or a Subsevered Parcel as permitted under a Lease, the Fee Mortgage will be severed to create separate Fee Mortgages on each Severed Parcel and/or Subsevered Parcel.</p>

SUMMARY OF CERTAIN PROVISIONS OF THE FEE MORTGAGES

Trustee's Right of Inspection (Article 27)	Trustee has the right, subject to Tenant's rights under the Lease and Financing Documents, to inspect the Mortgaged Property (with reasonable notice).
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FORM OF FEE MORTGAGE

**MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES
AND FIXTURE FILING**

by and from

METROPOLITAN TRANSPORTATION AUTHORITY, as mortgagor

(“Authority”)

TO

WELLS FARGO BANK, NATIONAL ASSOCIATION, as mortgagee

(“Trustee”)

Dated as of September __, 2016

Location: [•]

Block: [•]

Lot: [•]

**PREPARED BY AND UPON
RECORDATION RETURN TO:**

[•]

THIS MORTGAGE DOES NOT COVER REAL PROPERTY PRINCIPALLY IMPROVED BY ONE OR MORE STRUCTURES CONTAINING, IN THE AGGREGATE, NOT MORE THAN SIX RESIDENTIAL UNITS, EACH HAVING ITS OWN SEPARATE COOKING FACILITIES

**MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS
AND LEASES AND FIXTURE FILING**

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified, being hereinafter referred to as this “Mortgage”) is made as of September ___, 2016, by **METROPOLITAN TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public benefit corporation of the State of New York, having an address at 2 Broadway, New York, New York 10004, as mortgagor (the “Authority”), for the benefit of **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but solely as trustee having an address at [●], as mortgagee (“Trustee”).

RECITALS:

The Authority is a party to that certain Interagency Financing Agreement, dated as of the date hereof, among the Authority, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company, and MTA Bus Company, on the one hand, and the Trustee, on the other hand (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Financing Agreement”) and that certain MTA Hudson Rail Yards Trust Agreement, dated as of the date hereof, between the Authority and the Trustee, relating to the MTA Hudson Rail Yards Trust Obligations (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Trust Agreement”; the Trust Agreement together with the Financing Agreement, and all other documents and/or instruments evidencing and/or securing the obligations of the Authority thereunder, including without limitation this Mortgage, collectively the “Financing Documents”).

All capitalized terms used, but not defined, in this Mortgage have the respective meanings set forth in the Financing Documents.

The Authority is party to that certain Tower [●] Lease, dated as of [●], by and between the Authority, as landlord (“Landlord”), and [●], as tenant (together with its successors, assigns and designees, “Ground Lease Tenant”) (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Ground Lease”) a memorandum of which was recorded on [●] under CRFN [●] in the Office of the City Register, New York County,¹ pursuant to which the Authority is entitled to receive certain payments which constitute a portion of the Annual Base Rent.

This Mortgage is given to secure the obligation of the Authority to make Financing Agreement Payments as required under the Financing Documents, and perform the other obligations of the Authority to the Trustee under the Financing Documents (the “Authority Obligations”).

¹ Recital to reflect all documents recorded in connection with the Ground Lease (including assignments and amendments where applicable).

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and Trustee hereby agree as follows as of the date hereof:

ARTICLE 1

GRANTS OF SECURITY

Section 1.01 Property Mortgaged. Authority does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Trustee, with power of sale for the benefit and security of Trustee, all of the Authority's right, title and interest in and to the following real, personal, tangible and intangible property, rights, interests and estates now owned or hereafter acquired by Authority, and demised by the Authority to Ground Lease Tenant under the Ground Lease (collectively, the "Property"):

(a) Portion of Facility Airspace Parcel Demised Under Ground Lease. That certain real property described in Exhibit A attached hereto and made a part hereof, which constitutes the portion of the Facility Airspace Parcel demised to Ground Lease Tenant under the Ground Lease (the "Demised Premises");

(b) Additional Land. All additional lands, estates and development rights, if any, hereafter acquired by Authority and demised to Ground Lease Tenant under the Ground Lease for use in connection with the Demised Premises and the development of the Demised Premises;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Demised Premises (collectively, the "Improvements"). Notwithstanding the foregoing, Improvements shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein, as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel (as defined in the Ground Lease) or any portion thereof, and any portion of the LIRR Roof and Facilities (as defined in the Ground Lease) which constitutes a part of the Yards Parcel;

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, permits, licenses, rights of way and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Demised Premises and the Improvements and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Demised Premises, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Authority of, in and to the Demised Premises and the Improvements and every part and parcel thereof, with the appurtenances thereto, to the extent demised to Ground

Lease Tenant under the Ground Lease and to which Ground Lease Tenant's rights under the Ground Lease are subject, including without limitation, rights and obligations appurtenant to the Demised Premises pursuant to the Declaration of Easements (as defined in the Ground Lease);

(e) Equipment. All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Authority, which is used at, or in connection with, the Improvements or the Demised Premises or is located thereon or therein (including, but not limited to, all machinery, equipment, heating, ventilation or air-conditioning equipment, garbage equipment and apparatus, incinerators, boilers, furnaces, motors, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Authority and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "Equipment"). Notwithstanding the foregoing, Equipment shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Authority which is so related to the Demised Premises and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state of New York, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of, or installation on, the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in, or used in connection with (temporarily or permanently), any of the Improvements or the Demised Premises, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Authority's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "Fixtures"). Notwithstanding the foregoing, "Fixtures" shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever as defined in and subject to the provisions of the Uniform Commercial Code, whether tangible or intangible, other than Fixtures, which are now or hereafter owned by Authority, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the “Personal Property”), and the right, title and interest of Authority in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state of New York (as amended from time to time, the “Uniform Commercial Code”), superior in lien to the lien of this Mortgage and all proceeds and products of the above. Notwithstanding the foregoing, Personal Property shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority’s right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(h) Lease and Rents. The (1) Ground Lease, and all other leases, subleases or sub-subleases, lettings, licenses, concessions, easements, assignments or other agreements (whether written or oral) pursuant to which the Authority grants to Ground Lease Tenant or any other Person, a possessory interest in, or right to use or occupy all or any portion of the Demised Premises and the Improvements, including, without limitation, pursuant to any subordination, non-disturbance, recognition and/or attornment agreements, estoppel or other instruments, agreements or documents with any Person (including, without limitation, in connection with a sublease, mortgage or mezzanine financing or agreements with the New York City Industrial Development Agency, Hudson Yards Infrastructure Corporation and/or other governmental or quasi-governmental agencies), (2) every modification, amendment, supplement or other agreement relating to the agreements described in the foregoing clause (1) , and (3) every guarantee of the performance and observance of the covenants, conditions and agreements, to be performed and observed in connection with the agreements described in the foregoing clause (1), heretofore or hereafter entered into (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time (collectively, the “Ground Lease Documents”), whether before or after the filing by or against Authority of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the “Bankruptcy Code”) and all right, title and interest of Authority, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the Ground Lease Tenant and other lessees of their obligations thereunder and all rents, rent equivalents, Ground Lease Tenant termination and contraction fees, moneys payable as damages or in lieu of rent or rent equivalents, additional rents, including, without limitation, the Annual Base Rent payable under the Ground Lease, other revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, deposits (including, without limitation, security, utility and other deposits) accounts and receipts from the Ground Lease whether paid or accruing before or after the filing by or against Authority of any petition for relief under the Bankruptcy Code, to the extent constituting Annual Base Rent and Fee Purchase Payments payable by Ground Lease Tenant under the

Ground Lease and the right to receive and apply such Annual Base Rent and Fee Purchase Payments to payment of the Authority Obligations;

(i) Condemnation Awards. Subject to the terms of the Ground Lease, all Awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to all or any portion of the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of, or in anticipation of, the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property including, without limitation, any award or awards, or settlements or payments, hereafter made resulting from: (i) condemnation proceedings or the taking of all or any portion of the Improvements, the Equipment, the Fixtures, the Ground Lease or the Personal Property, or any part thereof, under the power of eminent domain; or (ii) the alteration of grade or the location or the discontinuance of any street adjoining the Property or any portion thereof; and Authority hereby agrees to execute and deliver, from time to time, such further instruments as may be reasonably requested by Trustee to confirm such assignment to Trustee of any such award, damage, payment or other compensation;

(j) Insurance Proceeds. Subject to the terms of the Ground Lease, all insurance proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance policies, judgments, or settlements made in lieu thereof, in connection with a casualty to the Property;

(k) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, insurance proceeds and awards, into cash or liquidation claims;

(l) Rights. The right, in the name and on behalf of Authority, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Trustee in the Property, in each case, subject to and in accordance with the terms of the Ground Lease, this Mortgage, the Financing Documents and applicable law;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Ground Lease and the Demised Premises and any part thereof and any Improvements or any business or activity conducted on the Demised Premises and any part thereof and all right, title and interest of Authority therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Authority thereunder, in each case, to the extent any of the foregoing specified in this clause (m) constitutes Base Rent and/or Fee Purchase Payments payable under the Ground Lease;

(n) Accounts. All reserves, escrows and deposit accounts now or hereafter established or maintained pursuant to the Financing Documents, together with all deposits or wire transfers made to such accounts and all cash, checks, drafts, certificates,

securities, investment property, financial assets, instruments and other property held therein, from time to time, and all proceeds, products, distributions or dividends or substitutions thereon and thereof; and

(o) Other Rights. All other or greater rights and interests of every nature in the Real Property (as hereinafter defined) and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Authority in and to the items set forth in Subsections (a) through (n) above).

AND without limiting any of the other provisions of this Mortgage, to the extent permitted by applicable law, Authority expressly grants to Trustee, as secured party, a security interest in the portion of the Property which is (or may be subject to) the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Demised Premises (the Demised Premises, the Improvements and the Fixtures collectively referred to as the “Real Property”) appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Mortgage be deemed conclusively to be real estate and mortgaged hereby.

Section 1.02 Assignment of Lease and Rents. Authority hereby absolutely and unconditionally assigns to Trustee all of Authority’s right, title and interest in and to the Ground Lease and all Annual Base Rent and Fee Purchase Payments payable thereunder; it being intended by Authority that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to Section 7.01(e) of this Mortgage, Trustee grants to Authority a revocable license to collect, receive, use and enjoy the Annual Base Rent and Fee Purchase Payments paid under the Ground Lease and Authority shall hold such Annual Base Rent and Fee Purchase Payments, or a portion thereof sufficient to pay all Authority Obligations currently due and payable.

Section 1.03 Security Agreement. This Mortgage is both a real property mortgage and a “security agreement” within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Authority in the Property, including all accounts established by Trustee pursuant to the Transportation Trust Agreement. By executing and delivering this Mortgage, Authority hereby grants to Trustee, as security for the Authority Obligations, a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the “Collateral”). If a Ground Lease Payment Event of Default shall occur and be continuing, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Collateral. Authority shall pay to

Trustee within ten (10) Business Days following written demand therefor expenses, including reasonable legal expenses and attorneys' fees and costs, incurred or paid by Trustee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement). Any notice of sale, disposition or other intended action by Trustee with respect to the Collateral sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Authority. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement. Authority's principal place of business is as set forth on the first page hereof and the address of Trustee is as set forth on the first page hereof.

Section 1.04 Fixture Filing. Certain of the Property is, or will become, "fixtures" (as that term is defined in the Uniform Commercial Code) on the Demised Premises, and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement (naming Authority as the Debtor with an address as set forth on the first page hereof and an federal employer identification number of 13-2552035, and Trustee as the Secured Party with an address as set forth on the first page hereof) filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is, or may become, fixtures.

Section 1.05 Pledge of Monies Held. Authority hereby pledges to Trustee any and all Annual Base Rent and Fee Purchase Payments now or hereafter held by, or on behalf of, Authority in connection with the Financing Agreement Payments, including, without limitation, Principal and Interest Components evidenced by the Authority Obligations, equal in amount to the amounts received by the Authority of Annual Base Rent and Fee Purchase Payments under the Ground Lease until expended or applied as provided in this Mortgage.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Trustee and its permitted successors and assigns, forever;

WITH POWER OF SALE, to secure Authority's performance of the Authority Obligations at the time and in the manner provided in the Financing Documents;

PROVIDED, HOWEVER, that these grants are upon the express condition that, if Authority shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Financing Documents with respect to the Authority Obligations, these grants and the estate hereby granted shall cease, terminate and be void; provided, however, that Authority's obligation to indemnify and hold harmless Trustee pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE 2

DEBT AND OBLIGATIONS SECURED

Section 2.01 Debt. This Mortgage and the grants, assignments and transfers made in Article 1 hereof are given for the purpose of securing the Authority Obligations.

ARTICLE 3

AUTHORITY COVENANTS

Authority covenants and agrees that:

Section 3.01 Financing Agreement Payments. Authority will make Financing Agreement Payments at the time and in the manner provided in the Financing Documents.

Section 3.02 Incorporation by Reference. All the covenants, conditions and agreements contained in the Financing Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

Section 3.03 Maintenance of Property. Authority shall maintain, or cause to be maintained, the Property in a good and safe condition and repair, subject to and in accordance with the terms of the Ground Lease and the Financing Documents. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Trustee or as otherwise permitted pursuant to the Ground Lease and the Financing Documents. Authority shall promptly repair, replace, or rebuild, or cause to be repaired, replaced, or rebuilt, any part of the Property which may be destroyed by any casualty or become damaged, worn or dilapidated or which may be affected by any condemnation, subject to and in accordance with the terms of the Ground Lease and the Financing Documents

Section 3.04 Waste. Authority shall not commit or permit any waste of the Property or make any change in the use of the Property which will, in any way, materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that would reasonably be expected to invalidate or allow the cancellation of any insurance policy, or do or permit to be done thereon anything that could reasonably be expected to materially impair the value of the Property or the security of this Mortgage.

Section 3.05 Payment for Labor and Materials. Subject to the terms and provisions of the Ground Lease and the Financing Documents (including, without limitation, Authority's contest rights thereunder), Authority (i) will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("Labor and Material Costs") incurred by Authority in connection with the Property and (ii) will never permit to be created or exist (in respect of the Property or any part thereof) any other or additional lien or security interest caused or incurred by actions of the Authority other than the liens or security interests created hereby and as permitted pursuant to the Ground Lease and Financing Documents.

Section 3.06 Performance of Other Agreements. Authority shall observe and perform each and every material term, covenant and provision to be observed or performed by Authority pursuant to the Ground Lease and Financing Documents, and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

Section 3.07 Change of Name, Identity or Structure. Except to the extent expressly permitted under the Financing Documents, Authority shall not change Authority's name, identity (including its trade name or names) or, if not an individual, Authority's corporate, partnership or other structure without notifying trustee of such change in writing at least fifteen (15) Business Days prior to the effective date of such change and, in the case of a change in Authority's structure, without first obtaining the prior written consent of Trustee acting reasonably. Authority shall execute and deliver to trustee, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change reasonably required by Trustee to establish or maintain the validity, perfection and priority of the security interests granted herein.

ARTICLE 4

OBLIGATIONS AND RELIANCES

Section 4.01 Relationship of Authority and Trustee. Trustee has no fiduciary or other special relationship with Authority, and no term or condition of the Financing Documents shall be construed so as to create a fiduciary or other special relationship between Authority and Trustee.

Section 4.02 No Reliance on Trustee. Authority is not relying on Trustee's expertise, business acumen or advice in connection with the Property.

Section 4.03 No Trustee Obligations.

(a) Notwithstanding the provisions of Subsections 1.01(h) and 1.01(m) or Section 1.2 hereof, Trustee is not undertaking the performance of (i) any obligations under the Ground Lease, or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled by Authority or to be given by Authority to Trustee pursuant to this Mortgage or the Financing Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Trustee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Trustee.

ARTICLE 5

FURTHER ASSURANCES

Section 5.01 Recording of Mortgage, etc. Authority forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest hereof upon, and the interest of Trustee in, the Property. Except to the extent otherwise expressly provided for in the Ground Lease or the Financing Documents, or prohibited by law to do so, Authority will pay all filing, registration or recording fees, if any, and all expenses, if any, incident to the preparation, execution, acknowledgment and/or recording of this Mortgage, any note, deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal duties, imposts, assessments and charges arising out of, or in connection with, the execution and delivery of this Mortgage, any deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents.

Section 5.02 Further Acts, etc. Authority will, at the cost of Authority, and without expense to Trustee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Trustee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Trustee the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Authority may be (or may hereafter become) bound to convey or assign to Trustee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all applicable legal requirements. Authority, within ten (10) Business Days following written demand thereof, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Trustee to execute in the name of Authority or without the signature of Authority to the extent Trustee may lawfully do so, one or more financing statements to evidence more effectively the security interest of Trustee in the Property. Authority grants to Trustee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Trustee at law and in equity, including, without limitation, such rights and remedies available to Trustee pursuant to this Section 5.02, to the extent that Authority fails or refuses to promptly execute such documents after notice from Trustee.

ARTICLE 6

TRANSFER

Section 6.01 No Sale/Transfer. Authority shall not transfer the Property or any part thereof or any direct or indirect interest therein, or permit or suffer the Property or any part

thereof or any direct or indirect interest therein to be transferred, other than as permitted pursuant to the terms of the Ground Lease or the Financing Documents. Notwithstanding anything to the contrary contained herein, any easements, memorandums of lease, condominium documents, declarations and any other liens or modifications, supplements or amendments to the foregoing that are recorded against the Demised Premises by the Authority as contemplated under the Ground Lease Documents shall not be deemed a “transfer” under this Section 6.01.

ARTICLE 7

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.01 Remedies. Upon the occurrence and during the continuance of any Ground Lease Payment Event of Default, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Authority agrees that Trustee may take such action, without notice or demand, in accordance with the Ground Lease and to the fullest extent permitted by law, as it deems advisable to protect and enforce its rights against Authority and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Trustee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Trustee:

(a) institute proceedings, judicial or otherwise, for the complete foreclosure, in accordance with New York law, of this Mortgage under any applicable provision of law, in which case the Property, or any interest of the Authority therein, may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage to collect the Financing Agreement Payments then due and payable from Annual Base Rent then due and payable under the Ground Lease, subject to the continuing lien and security interest of this Mortgage for the balance of the Financing Agreement Payments not then due, unimpaired and without loss of priority;

(c) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Authority therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law; and, without limiting the foregoing;

(i) in connection with any sale or sales hereunder, Trustee shall be entitled to elect to treat any of the Property which consists of (x) a right in action, (y) property that can be severed from the Real Property covered hereby (without causing structural damage thereto), or (z) any improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property. Where the Property consists of Real Property, Personal Property, Equipment or Fixtures, whether or not such Personal Property or

Equipment is located on or within the Real Property, Trustee shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, Personal Property, Equipment and Fixtures in such order and manner as is now or hereafter permitted by applicable law;

(ii) Trustee shall be entitled to elect to proceed against any or all of the Real Property, Personal Property, Equipment and Fixtures in any manner permitted under applicable law; and if Trustee so elects pursuant to applicable law, the power of sale herein granted shall be exercisable with respect to all or any of the Real Property, Personal Property, Equipment and Fixtures covered hereby, as designated by Trustee;

(iii) should Trustee elect to sell any portion of the Property which is Real Property or which is Personal Property, Equipment or Fixtures that Trustee has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of the Real Property, Trustee shall give such notice of the occurrence of a Ground Lease Payment Event of Default, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement) and its election to sell such Property as may then be required by law. Thereafter, upon the giving of such notice of sale and the expiration of any required time period as may then be required by law, subject to the terms hereof and of the Ground Lease and the Financing Documents, and without the necessity of any demand on Authority or Trustee at the time and place specified in the notice of sale, may sell such Real Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Trustee may (unless prohibited under applicable law), from time to time, postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and

(iv) if the Property consists of several lots, parcels or items of property, Trustee shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner Trustee designates in Trustee's sole discretion. Any Person, including Authority or Trustee, may purchase at any sale hereunder. Should Trustee desire that more than one sale or other disposition of the Property be conducted, Trustee shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Trustee may designate, and no such sale shall terminate or otherwise affect the lien of this Mortgage on any part of the Property not sold until all the Financing Agreement Payments then due and payable have been paid in full. In the event Trustee elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Authority agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(d) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the payment of Authority Obligations and without regard for the solvency of Authority, any guarantor or indemnitor with respect to the Authority Obligations or any Person otherwise liable for the payment of the Authority Obligations or any part thereof;

(e) the license granted to Authority under Section 1.02 hereof shall automatically be revoked and Trustee may enter into or upon the Property, subject to the terms of the Ground Lease Documents and the Financing Documents either personally or by its agents, nominees or attorneys, and dispossess Authority and its agents and servants therefrom, without liability for trespass, damages or otherwise and take possession of all books, records and accounts relating thereto and Authority agrees to surrender possession of the Property and of such books, records and accounts to Trustee upon demand, and thereupon Trustee may, subject to the terms of the Ground Lease Documents, (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat, (ii) complete any construction on the Property in such manner and form as Trustee deems advisable, (iii) make alterations, additions, renewals, replacements and improvements to or on the Property, (iv) exercise all rights and powers of Authority with respect to the Property, whether in the name of Authority or otherwise, including, without limitation, the right to make, cancel, enforce or modify the Ground Lease Documents, obtain and evict the Ground Lease Tenant, and demand, sue for, collect and receive all Annual Base Rent under the Ground Lease and every part thereof, (v) require Authority to pay monthly in advance to Trustee, or any receiver appointed to collect the Annual Base Rent under the Ground Lease, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Authority, (vi) require Authority to vacate and surrender possession of the Property to Trustee or to such receiver and, in default thereof, Authority may be evicted by summary proceedings or otherwise, and (vii) apply the receipts from the Property to the payment of Authority Obligations, in such order, priority and proportions as Trustee shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, other charges, insurance premiums and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Trustee, its counsel, agents and employees;

(f) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Fixtures, the Equipment and/or the Personal Property or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and/or the Personal Property. Any notice of sale, disposition or other intended action by Trustee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall constitute commercially reasonable notice to Authority;

(g) apply any sums then deposited or held in escrow or otherwise by or on behalf of Trustee in accordance with the terms of the Financing Documents to the payment of unpaid Authority Obligations; or

(h) pursue such other remedies as Trustee may have under applicable law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.02 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Property, or any part thereof, or any other sums collected by Trustee pursuant to this Mortgage or the Financing Agreement Payments, during the continuance of a Ground Lease Payment Event of Default continuing beyond the applicable time period (as set forth in Section 5.06 of the Trust Agreement), shall be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement.

Section 7.03 Right to Cure Defaults. Upon the occurrence and during the continuance of any Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may, but without any obligation to do so and without notice to or demand on Authority, make any payment or do any act required of Authority hereunder or in the other Financing Documents which payment or action on the part of Trustee shall be in such manner and to such extent as Trustee may deem necessary to protect the security hereof. Subject to the Ground Lease, Trustee is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property, or to foreclose this Mortgage, or to collect the Financing Agreement Payments and the out-of-pocket cost and expense incurred in connection therewith (including reasonable attorneys' fees and expenses to the extent permitted by law) with interest as provided in this Section 7.03. All such costs and expenses incurred by Trustee in remedying any Ground Lease Payment Event of Default or in appearing in, defending, or bringing any such action or proceeding, as hereinabove provided, shall bear interest at the Default Rate, for the period beginning on the first day after notice from Trustee that such cost or expense was incurred and continuing until the date of payment to Trustee. All such costs and expenses incurred by Trustee, together with interest thereon calculated at the Default Rate, shall be deemed to constitute a portion of the Authority Obligations to be secured by this Mortgage and shall be due and payable within ten (10) Business Days of written demand by Trustee therefor.

Section 7.04 Actions and Proceedings. After the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Authority, which Trustee, in its sole and absolute discretion, decides should be brought to protect its interest in the Property.

Section 7.05 Recovery of Sums Required To Be Paid. After the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee shall have the right, from time to time, to take action to recover any sum or sums which constitute a part of the Authority Obligations as the same become due, without regard to whether or not the balance of

the Authority Obligations shall be due, and without prejudice to the right of Trustee thereafter to bring an action of foreclosure, or any other action, for any Ground Lease Payment Event of Default existing under the Ground Lease at the time such earlier action was commenced.

Section 7.06 Other Rights, etc.

(a) The failure of Trustee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Authority shall not be relieved of Authority's obligations hereunder by reason of (i) the failure of Trustee to comply with any request of Authority or any guarantor or indemnitor with respect to the Authority Obligations to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Financing Documents, (ii) except as expressly set forth in the Financing Documents, the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Authority Obligations or any portion thereof, or (iii) except as otherwise expressly agreed to by Trustee, in writing, any agreement or stipulation by Trustee extending the time of payment or otherwise modifying or supplementing the terms of the Financing Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Authority, and Trustee shall have no liability whatsoever for any decline in value of the Property, for failure to maintain the insurance policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Trustee shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Property or collateral not in Trustee's possession.

(c) Upon the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may resort for the payment of the Authority Obligations to any other security held by Trustee in such order and manner as Trustee, in its discretion, may elect. Upon the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may take action to recover the Authority Obligations then due and payable, or any portion thereof, without prejudice to the right of Trustee thereafter to foreclose this Mortgage. The rights of Trustee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Trustee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Trustee shall not be limited exclusively to the rights and remedies herein stated, but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.07 Right of Entry. Subject to the rights of Ground Lease Tenant or any other person granted a right of entry possessory or occupancy interest under the Ground Lease, and subject to the terms of the Financing Documents, upon reasonable notice to Authority (which may be given verbally), Trustee and its agents shall have the right to enter and inspect the Property at all reasonable times, subject to accompaniment by Authority or representatives of Authority if so desired by Authority.

Section 7.08 Trustee Not Obligated; Cumulative Rights. Nothing in this instrument shall be construed as obligating Trustee to take any action or incur any liability with respect to the Property, and all options given to Trustee are for its benefit and shall and may be exercised in such order and in such combination as Trustee, in its sole discretion, may, from time to time, decide. Each remedy is distinct and cumulative to all other rights and remedies under this Instrument and the Financing Documents or afforded by law or equity, and may be exercised concurrently, independently or successively, in any order whatsoever.

Section 7.09 No Cross-Default. Notwithstanding anything to the contrary contained herein or in any of the other Financing Documents, as used herein, a Ground Lease Payment Event of Default as used herein refers only to a Ground Lease Payment Event of Default under the Ground Lease which is mortgaged pursuant to this Mortgage, and not a Ground Lease Payment Event of Default under any other Ground Leases (as defined in the Financing Agreement) not mortgaged pursuant to this Mortgage. For the avoidance of doubt, (1) Trustee shall not be entitled to exercise any remedy under this Mortgage unless there is a Ground Lease Payment Event of Default in connection with the Ground Lease which constitutes a portion of the Property hereunder, (2) the Ground Lease is not cross-defaulted with any other Ground Leases which are not part of the Property hereunder, and a Ground Lease Payment Event of Default under the Ground Lease shall not constitute a Ground Lease Payment Event of Default under any of such other Ground Leases, nor shall a Ground Lease Payment Event of Default under any of such other Ground Leases constitute a Ground Lease Payment Event of Default hereunder, and (3) this Mortgage is not cross-defaulted with any other mortgage encumbering the Authority's interest in any other Ground Leases issued as security for the Authority Obligations, and a Ground Lease Payment Event of Default under this Mortgage shall not constitute a Ground Lease Payment Event of Default under any of such other mortgages, nor shall a Ground Lease Payment Event of Default under any of the other such mortgages constitute a Ground Lease Payment Event of Default under this Mortgage.

ARTICLE 8

WAIVERS

Section 8.01 Waiver of Counterclaim. To the extent permitted by applicable law, Authority hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Trustee arising out of (or in any way connected with this Mortgage), except in each instance where Trustee has engaged in willful misconduct or acted with gross negligence.

Section 8.02 Marshalling and Other Matters. To the extent permitted by applicable law, Authority hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property (or any part thereof or any interest therein). Further, to the extent permitted by applicable law, Authority hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Authority, and on behalf of each and every Person acquiring any interest in, or title to, the Property subsequent to the date of this Mortgage.

Section 8.03 Waiver of Notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, AUTHORITY SHALL NOT BE ENTITLED TO ANY NOTICES OF ANY NATURE WHATSOEVER FROM TRUSTEE EXCEPT WITH RESPECT TO MATTERS FOR WHICH THIS MORTGAGE OR THE FINANCING DOCUMENTS SPECIFICALLY AND EXPRESSLY PROVIDE FOR THE GIVING OF NOTICE BY TRUSTEE TO AUTHORITY.

Section 8.04 Waiver of Statute of Limitations. To the extent permitted by applicable law, Authority hereby expressly waives and releases its right to plead any statute of limitations as a defense to payment of the Authority Obligations.

Section 8.05 Waiver of Jury Trial. AUTHORITY HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS MORTGAGE OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY AUTHORITY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. TRUSTEE IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY AUTHORITY.

ARTICLE 9

EXCULPATION

Trustee shall not enforce the liabilities and obligations of Authority to perform and observe the obligations contained in this Mortgage by any action or proceeding wherein a money judgment shall be sought against Authority or any principal, director, officer, employee, manager, member, direct or indirect owner, trustee, agent or affiliate of Authority (collectively, the “Exculpated Parties”), except that Trustee may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Trustee to preserve its interest under this Mortgage and the other Financing Documents, or in the Property, the Annual Base Rent, the Fee Purchase Payments under the Ground Lease or any other collateral given to Trustee pursuant to this Mortgage or any of the other Financing Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Authority only to the extent of Authority’s interest in the Property, in the Annual Base Rent and Fee Purchase Payments under the Ground Lease and in any other collateral given to Trustee pursuant to this Mortgage or the other Financing Documents, and Trustee, by accepting this Mortgage and the Financing Documents, agrees that it shall not sue for, seek or demand any deficiency judgment against any of the Exculpated Parties in any such action or proceeding under, or by reason of, or in connection with this Mortgage or the other Financing Documents. The provisions of this Article 9 shall not, however: (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Financing Documents; (b) impair the right of Trustee to name Authority as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any

guaranty made in connection with the Authority Obligations or any of the rights and remedies of Trustee thereunder; (d) impair the right of Trustee to obtain the appointment of a receiver; (e) impair the enforcement of the assignment of leases and rents set forth in Section 1.02; (f) constitute a prohibition against Trustee seeking a deficiency judgment against Authority in order to fully realize the rights and remedies granted to the Trustee under the Financing Documents, or commencing any other appropriate action or proceeding in order for Trustee to exercise its remedies against the Property; or (g) impair any other rights of Trustee against Authority provided in the Financing Documents.

ARTICLE 10

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 8.6 of the Financing Agreement. Any notices of a Ground Lease Payment Event of Default given by the Authority under the Ground Lease shall also be given contemporaneously to Trustee in the manner specified in Section 8.6 of the Financing Agreement.

ARTICLE 11

APPLICABLE LAW

Section 11.01 Governing Law; Jurisdiction; Service of Process.

(a) THIS MORTGAGE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES IRREVOCABLY AND UNCONDITIONALLY AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND, IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, OF THIS MORTGAGE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE BY AUTHORITY AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, AUTHORITY HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS MORTGAGE AND/OR THE LOAN, AND THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AND ANY OTHER APPLICABLE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SECTION A.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST AUTHORITY ARISING OUT OF, OR RELATING TO, THIS MORTGAGE OR THE

ATTACHMENT, CREATION, PERFECTION, OR ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED UNDER THIS MORTGAGE SHALL BE INSTITUTED IN ANY FEDERAL OR STATE COURT LOCATED IN NEW YORK, INCLUDING, WITHOUT LIMITATION, ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF NEW YORK AND AUTHORITY WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND AUTHORITY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. AUTHORITY DOES HEREBY AGREE THAT SERVICE OF PROCESS UPON AUTHORITY (IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AT THE ADDRESS FOR AUTHORITY SET FORTH HEREIN) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON AUTHORITY IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. AUTHORITY (I) SHALL GIVE PROMPT NOTICE TO TRUSTEE OF ANY CHANGED ADDRESS OF AUTHORITY SET FORTH HEREIN, (II) MAY AT ANY TIME, AND FROM TIME TO TIME, DESIGNATE AN AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH AN AUTHORIZED AGENT IF AUTHORITY CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

Section 11.02 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

ARTICLE 12

DEFINITIONS

Capitalized terms, used but not defined herein, shall have the meanings ascribed to such terms in the Financing Agreement and the Trust Agreement. The rules of construction specified in Section 1.02 of the Trust Agreement also apply to this Mortgage.

ARTICLE 13

RELEASE OF PARCELS UPON FEE CONVERSION; MODIFICATION OF MORTGAGE UPON SUBSEVERANCE OF LEASE

Section 13.01 Release of Parcels Upon Fee Conversion. Simultaneously with the delivery of the Fee Purchase Payments to Trustee (which delivery shall be deemed to have been made upon delivery of the Fee Purchase Payments by Authority or Ground Lease Tenant to a

title closing escrow in connection with a Fee Conversion Option) following an election by a Ground Lease Tenant under the Ground Lease to exercise its Fee Conversion Option to purchase any such portions of the Property, Trustee shall release the lien of this Mortgage from the applicable Option Property (as defined in the Ground Lease). In connection therewith, Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority's direction, to a title closing escrow), within ten (10) Business Days following request, a release of this Mortgage with respect to the Option Property in the applicable form annexed hereto as Exhibit B-1 ("Partial Release of Mortgage") and Exhibit B-2 ("Satisfaction of Mortgage"), together with such ancillary documents as shall be required to evidence and effect such release ("Release Documents") and any instrument of further assurance, and any required modification or amendment of the foregoing Release Documents in connection with the execution and delivery of the Release Documents. With respect to any Option Property that constitutes individual Residential Units (as defined in the Ground Lease) for which a Fee Conversion Option is being undertaken pursuant to Section 10.05 of the Ground Lease, Trustee is hereby deemed to have irrevocably appointed the Authority as an authorized signatory on behalf of the Trustee in order to execute and deliver Release Documents for each Residential Unit at each Residential Unit Closing (as defined in the Ground Lease). The Authority's execution and delivery of the Release Documents for each Residential Unit at each Residential Unit Closing in the Authority's capacity as authorized signatory for Trustee, shall be deemed valid and binding by virtue of this provision and no further verification or authorization from Trustee shall be required. Upon the request of the Authority, Trustee shall promptly execute and deliver any instruments or documents required to evidence in recordable form the appointment of the Authority to execute and deliver the Release Documents for the Residential Units at the Residential Unit Closings. Within ten (10) Business Days following the release of a Residential Unit from the lien of this Mortgage, the Authority shall deliver to Trustee a certification in the form attached as Exhibit B-3 certifying that the applicable Fee Purchase Payment with respect to the Residential Unit so released was made, and that the applicable Residential Unit has been released.

Section 13.02 Modification of Mortgage Upon Subseverances of Lease. Section 9.02(d) of the Ground Lease provides for the Demised Premises to be further severed upon request of Ground Lease Tenant pursuant to a "Subparcel Severance," and for certain Severed Subparcels to be released from the Ground Lease and demised pursuant to a "Severed Subparcel Lease" from the Authority to "Severed Subparcel Tenant" (as all of such terms are defined in the Ground Lease). Upon any such Subparcel Severance and creation of a new Severed Subparcel Lease, this Mortgage shall be severed into separate severed mortgages, each encumbering the Authority's right, title and interest in and to each Severed Subparcel Lease. In connection therewith, Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority's direction, to a title closing escrow), within ten (10) Business Days following request, such instruments of severance of this Mortgage as shall be necessary or desirable in order to accomplish the severance of this Mortgage into multiple mortgages, each one encumbering a Severed Subparcel Lease, and to release the Severed Subparcel Lease(s) from this Mortgage, and the Authority shall execute, acknowledge and deliver replacement mortgages for each Severed Subparcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis, each in the forms annexed hereto as Exhibit C-1 ("Mortgage Severance and Splitting Agreement"), Exhibit C-2 ("Amended and Restated Mortgage, Security Agreement, Assignment of Rents And Leases and Fixture Filing"), Exhibit C-3 ("Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing") and Exhibit C-4 ("Partial Release of

Mortgage”), together with such ancillary documents as shall be required to evidence and effect such severance and replacement and any instrument of further assurance, and any required modification or amendment of the foregoing documents (“Mortgage Subseverance Documents”). The Authority shall, at its cost and expense, cause such Mortgage Subseverance Documents to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the Authority’s right, title and interest in the Property demised pursuant to such Severed Subparcel Lease, and shall cause copies of the recorded documents to be delivered to the Trustee.

Section 13.03 **FOR THE WRY FEE MORTGAGE** [Modification of Mortgage Upon Severance of Lease. Section 9.01 of the Ground Lease provides for the Demised Premises to be further severed upon request of Ground Lease Tenant, and for certain Severed Parcels to be released from the Ground Lease and demised pursuant to a “Severed Parcel Lease” from the Authority to “Severed Parcel Tenant” (as all of such terms are defined in the Ground Lease). Upon any such Severed Parcel Severance and creation of a new Severed Parcel Lease, this Mortgage shall be severed into separate mortgages, with this Mortgage continuing to encumber the remaining Property demised under the Ground Lease, and a separate mortgage to encumber the Authority’s right, title and interest in and to the Severed Parcel Lease. In connection therewith, (x) Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority’s direction, to a title closing escrow) within ten (10) Business Days following request, such instruments of severance of this Mortgage as shall be necessary or desirable in order to accomplish the severance of this Mortgage into two or more mortgages, with this Mortgage continuing to encumber the remaining property demised under the Ground Lease, and separate mortgage(s) encumbering each Severed Parcel Lease, and to release the Severed Parcel Lease(s) from this Mortgage, and (y) the Authority shall execute, acknowledge and deliver a replacement mortgage which mortgages the Authority’s right, title and interest in and to the Severed Parcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis, each in the forms annexed hereto as Exhibit D-1 (“Mortgage Severance and Splitting Agreement”), Exhibit D-2 (“Amended and Restated Mortgage, Security Agreement, Assignment of Rents And Leases and Fixture Filing”), Exhibit D-3 (“Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing”) and Exhibit D-4 (“Partial Release of Mortgage”), together with such ancillary documents as shall be required to evidence and effect such severance and replacement, and any instrument of further assurance, and any required modification or amendment of the foregoing documents (“Mortgage Severance Documents”). The Authority shall, at its cost and expense, cause such Mortgage Severance Documents to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the Authority’s right, title and interest in the Property demised pursuant to such Severed Parcel Lease, and shall cause copies of the recorded documents to be delivered to the Trustee.]

Section 13.04 No Amendment. The provisions of this Article 13 shall not be amended or modified without the consent of Trustee, the Authority and the Ground Lease Tenant, so long as the Ground Lease remains in full force and effect.

ARTICLE 14

SPECIFIC LEASE PROVISIONS REGARDING FEE MORTGAGES

Section 14.01 Subordination to Ground Lease. This Mortgage is expressly subject and subordinate to (i) the Ground Lease Documents, (ii) all agreements and instruments that constitute the interest of Ground Lease Tenant, and any party claiming by or through Ground Lease Tenant, in the Ground Lease Documents (including, without limitation, all agreements and instruments effecting an Assignment, Transfer, and/or Sublease), and (iii) the rights and remedies of Leasehold Mortgagees and/or Mezzanine Lenders (as each are defined in the Ground Lease) and/or the New York City Industrial Development Agency, Hudson Yards Infrastructure Corporations and/or any other governmental or quasi-governmental agency), as set forth in the Ground Lease Documents, including without limitation any New Lease (as defined in the Ground Lease) or the interest of Ground Lease Tenant under a New Lease as provided for in Section 17.04 of the Ground Lease.

Section 14.02 Specific Lease Provisions Regarding Fee Mortgages. This Mortgage constitutes a Fee Mortgage, as defined in the Ground Lease. Sections 33.02, 33.03 and 33.04 of the Ground Lease contain certain provisions regarding Fee Mortgages, which provisions are applicable to this Mortgage. Such Lease provisions are set forth below (all capitalized terms used in this Article 14 are as defined in the Ground Lease) and are hereby incorporated into this Mortgage as if set forth herein:

“Section 33.02. Fee Mortgage. This Lease and Tenant’s interest in this Lease, as the same may be modified, amended or renewed, and any New Lease or the interest of Tenant under a New Lease as provided for in Section 17.04 shall not be subject or subordinate to (a) any Fee Mortgage or (b) to any other liens or encumbrances on Landlord’s fee estate, except for the Permitted Exceptions and any other liens or encumbrances created or consented to by Tenant or as a consequence of Tenant’s acts or omissions or the construction of the Improvements. Each Fee Mortgage shall contain an express statement confirming its subordination to this Lease (and any Severed Parcel Leases) as set forth in the immediately preceding sentence.

Section 33.03. Successor Landlord. If any Fee Mortgagee or any of its successors or assigns, or any designee of any Fee Mortgagee, shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a deed, then, at the request of such party so succeeding to Landlord’s rights (such party, a “Successor Landlord”), Tenant shall automatically attorn to and recognize such Successor Landlord as Tenant’s landlord under this Lease. Upon such attornment this Lease shall continue in full force and effect as a direct lease between the Successor Landlord and Tenant upon and subject to all of the terms, conditions and covenants as are set forth in this Lease, except that the Successor Landlord shall not (a) be liable for any previous act or omission of Landlord under this Lease which shall not be continuing;

(b) be subject to any offset, not expressly provided for in this Lease, which theretofore shall have accrued to Tenant against Landlord; (c) be bound by any modification of this Lease entered into subsequent to the date of the applicable Fee Mortgage, or by any previous prepayment of more than one month's Rental, unless such modification or prepayment shall have been expressly approved in writing by the Fee Mortgagee; or (d) be obligated to make any improvements to, or perform any work at, or furnish any services to, the Premises (it being understood that Landlord has no such obligations under this Lease; provided, however, that nothing contained in this Section 33.03 shall derogate from the obligations of the Yards Parcel Owner under the ERY Declaration of Easements). The provisions of this Section 33.03 shall be self-operative, and no instrument of any such attornment shall be required or needed by the holders of any such Fee Mortgage. In confirmation of any such attornment Tenant shall, at Landlord's request or at the request of any such Fee Mortgagee, promptly execute and deliver such further instruments as may be reasonably required by any such Fee Mortgagee. Notwithstanding anything to the contrary herein, in the event that any such transfer causes the Premises no longer to be exempt from sales and use taxes, then Tenant shall have no obligation to pay Successor Landlord PILOST hereunder, the PILOST Agreement shall be deemed void and of no further force and effect and any obligation of Tenant contingent on paying PILOST (including Section 10.02(a)) shall be deemed to be stricken from this Lease and of no further force and effect.

Section 33.04. Notices and Cure Rights of Fee Mortgagee. If Landlord or a Fee Mortgagee gives Tenant Notice of the name and address of a Fee Mortgagee, then Tenant hereby agrees to give to any such Fee Mortgagee copies of all Notices sent by Tenant to Landlord under this Lease at the same time and in the same manner as and whenever Tenant shall give any such Notice to Landlord, and no such Notice shall be deemed given to Landlord hereunder unless and until a copy of such Notice shall have been so delivered to such Fee Mortgagee. Such Fee Mortgagee shall have the right to remedy any default of Landlord under this Lease, or to cause any default of Landlord under this Lease to be remedied, and, for such purpose, Tenant hereby grants such Fee Mortgagee such additional period of time as may be reasonable to enable such Fee Mortgagee to remedy, or cause to be remedied, any such default in addition to the period given to Landlord for remedying, or causing to be remedied, any such default. Tenant shall accept performance by such Fee Mortgagee of any term, covenant, condition or agreement to be performed by Landlord under this Lease with the same force and effect as though performed by Landlord. No default under this Lease shall exist or shall be deemed to exist (a) as long as such Fee Mortgagee, in good faith, shall have commenced to cure such default and shall be prosecuting the same to completion with reasonable diligence, subject to Force Majeure, (b) if such default is not susceptible of being cured by such Fee Mortgagee, or

(c) as long as such Fee Mortgagee, in good faith, shall have notified Tenant that such Fee Mortgagee intends to institute proceedings under the Fee Mortgage to acquire possession of the Premises, and, thereafter, as long as such proceedings shall have been instituted and shall be prosecuted with reasonable diligence. In the event of the termination of this Lease by reason of Landlord's default hereunder, upon such Fee Mortgagee's written request, given within thirty (30) days after any such termination, Tenant, within fifteen (15) days after receipt of such request, shall execute and deliver to such Fee Mortgagee or its designee or nominee a new lease of the Premises for the remainder of the Term of this Lease upon all of the terms, covenants and conditions of this Lease. Neither such Fee Mortgagee nor its designee or nominee shall become liable under this Lease unless and until such Fee Mortgagee or its designee or nominee becomes, and then only for so long as such Fee Mortgagee or its designee or nominee remains, the fee owner of the Premises. Such Fee Mortgagee shall have the right, without Tenant's consent, to foreclose the Fee Mortgage or to accept a deed in lieu of foreclosure of such Fee Mortgage."

Section 14.03 Subordination to Future Documents Entered Into Pursuant to Ground Lease. This Mortgage is expressly subject and subordinate to the lien and terms of all easements, memorandums of lease, condominium documents, declarations and any other liens or modifications, supplements or amendments to the foregoing that are recorded against the Demised Premises by the Authority as contemplated under the Ground Lease, whether before or after the date hereof. The subordination set forth in this Section 14.03 shall be automatic and shall not require the execution or recordation of a separate instrument. Notwithstanding the foregoing, upon the request of the Authority or Ground Lease Tenant, Trustee shall execute and delivery any instruments or documents required to evidence the aforementioned subordination ("Subordination Documents"). Trustee is hereby deemed to have irrevocably appointed the Authority as an authorized signatory on behalf of the Trustee in connection with the execution of Subordination Documents. The Authority's execution and delivery of the Subordination Documents, in its capacity as authorized signatory for Trustee, shall be deemed valid and binding by virtue of this provision, and no further verification or authorization from Trustee shall be required.

Section 14.04 No Amendment. The provisions of this Article 14 shall not be amended or modified without the consent of Trustee, the Authority and the Ground Lease Tenant, so long as the Ground Lease remains in full force and effect.

ARTICLE 15

MISCELLANEOUS PROVISIONS

Section 15.01 No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Authority or Trustee, but only by an agreement, in writing,

signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.02 Successors and Assigns. This Mortgage shall be binding upon and shall inure to the benefit of Authority and Trustee and their respective permitted successors and permitted assigns, as set forth in the Financing Documents. Except as otherwise expressly provided under terms of the Financing Documents, Trustee shall not assign or transfer its rights under this Mortgage.

Section 15.03 Inapplicable Provisions. If any term, covenant or condition of this Mortgage is held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without such provision.

Section 15.04 Headings, etc. The headings and captions of the various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.05 Subrogation. If any or all of the proceeds of the Financing Agreement Payments have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Trustee shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Trustee, as amended and restated on the terms set forth herein, and are merged with the lien and security interest created herein as cumulative security for the payment of the Financing Agreement Payments, and the performance and discharge of the Authority Obligations, under the Financing Documents.

Section 15.06 Entire Agreement. The Financing Documents, including this Mortgage, constitute the entire understanding and agreement between Authority and Trustee with respect to the Authority Obligations and supersede all prior written or oral understandings and agreements between Authority and Trustee with respect thereto. Authority hereby acknowledges that, except as incorporated, in writing, in the Financing Documents, including this Mortgage, there are not, and were not, and no persons are, or were authorized by Trustee to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the Authority Obligations.

Section 15.07 Limitation on Trustee's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Trustee, nor shall it operate to make Trustee responsible or liable for any waste committed on the Property by Ground Lease Tenants or any other person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any Ground Lease Tenant, licensee, employee or stranger, except liability arising solely from Trustee's gross negligence or willful misconduct. Nothing herein contained shall be construed as constituting Trustee a "Trustee in possession."

Section 15.08 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Mortgage and the terms and conditions of the Financing Agreement and/or Trust Agreement, the terms and conditions of the Financing Agreement and/or Trust Agreement shall control and be binding.

Section 15.09 Severability. In case any one or more of the provisions of this Mortgage or any agreement now or hereafter executed in connection with this Mortgage is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof. Each of the provisions of every such agreement, document or instrument shall be enforceable by Trustee to the fullest extent now or hereafter permitted by law.

Section 15.10 No Partnership or Joint Venture. No provision of this Mortgage shall constitute a partnership, joint venture, tenancy in common or joint tenancy between Authority and Trustee, it being intended that the only relationship created by this Mortgage shall be that of mortgagor and mortgagee.

Section 15.11 No Merger. So long as any of the Ground Lease remains outstanding, and any Authority Obligations secured hereby remain unpaid and undischarged and unless Trustee otherwise consents, in writing, the fee, leasehold, subleasehold and sub-subleasehold estates in and to the Property will not merge but will always remain separate and distinct, notwithstanding the union of such estates (without implying Authority's consent to such union) either in Authority, Trustee, any Ground Lease Tenant or any third party by purchase or otherwise.

Section 15.12 Application of Lien Law. Notwithstanding anything to the contrary in this Mortgage, this Mortgage is not intended to constitute a "building loan mortgage" as defined in New York Lien Law (the "Lien Law") § 2(14). This Mortgage shall not secure any advances made pursuant to a "building loan contract."

ARTICLE 16

STATE-SPECIFIC PROVISIONS

Section 16.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article 16 and the terms and conditions of this Mortgage, the terms and conditions of this Article 16 shall control and be binding.

Section 16.02 Commercial Property. This Mortgage encumbers real property principally improved, or to be improved, by one or more structures containing in the aggregate more than six residential dwelling units, each having its own separate cooking facilities.

Section 16.03 MAXIMUM DEBT SECURED. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS SECURED BY THIS MORTGAGE AT THE TIME OF EXECUTION OR WHICH UNDER ANY CONTINGENCY MAY HEREAFTER BECOME SECURED HEREBY AT ANY TIME IS [_____] AND NO/100 DOLLARS (\$[_____]), PROVIDED THAT SUCH LIMITATION

SHALL NOT LIMIT THE SECURITY OF THIS MORTGAGE WITH RESPECT TO (I) INTEREST ON THE AFORESAID MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS AT THE RATES SET FORTH IN THE FINANCING AGREEMENT, (II) SUMS TO PAY PROPERTY TAXES AND OTHER CHARGES, (III) SUMS TO PAY PREMIUMS ON INSURANCE POLICIES COVERING THE PROPERTY, (IV) EXPENSES INCURRED AFTER AN EVENT OF DEFAULT IN UPHOLDING OR ENFORCING THE LIEN OF THIS MORTGAGE, INCLUDING, BUT NOT LIMITED TO, THE EXPENSES OF ANY LITIGATION TO PROSECUTE OR DEFEND THE RIGHTS AND LIEN CREATED BY THIS MORTGAGE, (V) ANY AMOUNT, COSTS OR CHARGE TO WHICH TRUSTEE BECOMES SUBROGATED, UPON PAYMENT, WHETHER UNDER RECOGNIZED PRINCIPLES OF LAW OR EQUITY, OR UNDER EXPRESS STATUTORY AUTHORITY, AND (VI) ANY OTHER AMOUNT SECURED BY THIS MORTGAGE WHICH, IF NOT LIMITED BY SUCH LIMITATION, WOULD NOT INCREASE THE AMOUNT OF MORTGAGE RECORDING TAXES, IF ANY, PAYABLE WITH RESPECT TO THIS MORTGAGE.

Section 16.04 Insurance Proceeds. In the event of any conflict, inconsistency or ambiguity between the provisions of this Mortgage and/or the Financing Documents, on the one hand, and the provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire on the other hand, the provisions of this Mortgage and/or the Financing Documents, as applicable, shall control.

Section 16.05 Trust Fund. Pursuant to Section 13 of the Lien Law, Authority shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any such improvement on the Property before using any part of such advances for any other purpose. Authority will indemnify and hold Trustee harmless from and against any loss, liability, cost or expense, including, without limitation, any judgments, reasonable attorneys' fees, costs of appeal bonds and printing costs, arising out of, or relating to, any proceeding instituted by any claimant alleging a violation by Authority of any applicable Lien Law provisions including, without limitation, any section of Article 3-A of the Lien Law.

Section 16.06 Section 291-f Agreement.

(a) Authority hereby covenants and agrees with Trustee that, except as otherwise set forth in the Ground Lease and the Financing Documents, without the written consent of Trustee first had and obtained, Authority will not accept any surrender, cancellation, abridgment, or modification of any of the terms, covenants and conditions of the Ground Lease, and will not accept prepayments of installments of Annual Base Rent to become due under the Ground Lease thereunder for more than one (1) month in advance, except to the extent that such surrender, cancellation, abridgment, or modification is either (i) permitted to a Ground Lease Tenant under the provisions of the Ground Lease, or (ii) does not constitute a Prohibited Modification.

(b) This Mortgage is intended to be, and shall operate as, the agreement described in Section 291-f of the Real Property Law of the State of New York

(“Section 291-f”) and shall be entitled to the benefits afforded thereby. Authority shall (unless such notice is contained in such Ground Lease Tenant’s Lease) deliver notice of this Mortgage in form and substance reasonably acceptable to Trustee, to all holders of any Ground Lease Tenant interest in any Lease which is subject to Section 291-f, by assignment or otherwise, and shall take such other action as may now or hereafter be reasonably required to afford Trustee the full protections and benefits of Section 291-f. Authority shall request the recipient of any such notice to acknowledge the receipt thereof.

Section 16.07 Assignment of Mortgage. Upon payment of the Authority Obligations in accordance with the terms of the Financing Documents (exclusive of any indemnification or other obligations which are expressly stated in any of the Financing Documents to survive the payment of the Authority Obligations; provided that such indemnification or other obligations are inchoate in nature), Trustee shall execute, acknowledge and deliver either (a) a satisfaction of this Mortgage in recordable form or (b) upon written request by Authority to Trustee (at Authority’s election), an assignment of this Mortgage in recordable form to Authority’s designee (without recourse, covenant or warranty of any nature, express or implied, except as to the Authority Obligations then outstanding and that there has been no other assignment of this Mortgage); provided that (i) Authority shall have reimbursed Trustee for all of its reasonable out-of-pocket costs, including, but not limited to, reasonable out-of-pocket legal costs and expenses incurred in connection with any such assignment, and (ii) Authority shall have caused the delivery of an executed statement of Oath under Section 275 of the New York Real Property Law. Trustee shall not be responsible for any mortgage recording taxes, recording fees or other charges payable in connection with any such assignment.

Section 16.08 Sections 254 and 273 of the Real Property Law. All covenants hereof shall be construed as affording to Trustee rights additional to (and not exclusive of the rights conferred under) the provisions of Sections 254 and 273 of the Real Property Law of the State of New York, or any other applicable law.

Section 16.09 Article 14 of the Real Property Actions and Proceedings Law. Reference is hereby made to Article 14 of the Real Property Actions and Proceedings Law of the State of New York, as the same may be amended from time to time, for the purposes of obtaining for Trustee the benefit of said Article in connection with Trustee’s rights with respect to foreclosure of this Mortgage by power of sale.

Section 16.10 Trustee Consent. Wherever in this Mortgage Trustee’s consent is required to a proposed action by the Authority, the Authority shall, in connection with the request for such consent, deliver to the Trustee such documents and instruments as are required to be delivered to the Trustee in connection with Trustee consent to amendments or modifications of the Financing Agreement or the Fee Mortgages pursuant to Section 7.01 of the Trust Agreement.

[No Further Text on this Page; Signature Page Follows]

IN WITNESS WHEREOF, this Mortgage has been executed by Authority as of the day and year first above written.

Authority:

METROPOLITAN TRANSPORTATION
AUTHORITY, a New York public benefit
corporation

By: _____

Name:

Title:

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

On the ___ day of _____, 2016, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Signature & office of individual
taking the acknowledgement

EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES

(see attached)

**EXHIBIT B-1, B-2, and B-3
FORMS OF MORTGAGE RELEASE DOCUMENTS
UPON FEE CONVERSIONS**

(see attached)

EXHIBIT B-1

PARTIAL RELEASE OF MORTGAGE

This Partial Release of Mortgage, made as of the [•] day of [•], 20[•], by **[WELLS FARGO BANK, NATIONAL ASSOCIATION]**, a national banking association, not in its individual capacity but solely as trustee having an address at [•]] (“Mortgagee”).

Mortgagee is the owner and holder of that certain mortgage (the “Mortgage”), dated [•], made by Metropolitan Transportation Authority and recorded on [•], in the Office of the City Register, New York County at CRFN [•].

For valuable consideration, the receipt and sufficiency whereof hereby is acknowledged, Mortgagee does hereby release and discharge from the lien of the Mortgage the following described portion of the mortgaged premises:

[LEGAL DESCRIPTION OF RELEASED PORTION OF MORTGAGED PRMEISES]

This Partial Release of Mortgage shall not impair the lien of the Mortgage as to the lands described not hereby released. After giving effect to this Partial Release of Mortgage, the Mortgage is a valid and continuing lien on the premises described in Schedule A attached hereto and made a part hereof.

IN WITNESS WHEREOF, Mortgagee has executed and delivered this Partial Release of Mortgage as of the date hereinabove.

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association

By: _____
Name:
Title:

State of New York :
: ss.:
County of New York :

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCHEDULE A

Legal Description of Mortgaged Premises

EXHIBIT B-3

**FORM OF AUTHORITY CERTIFICATION TO TRUSTEE
IN CONNECTION WITH RESIDENTIAL UNIT CLOSING**

The undersigned, a duly authorized representative of the Metropolitan Transportation Authority (the "Authority"), hereby certifies as follows:

1. All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, dated as of September 1, 2016 (the "Mortgage"), by and from the Authority, as mortgagor, to Wells Fargo Bank, National Association, as mortgagee (the "Trustee"), relating to Location: ____; Block: ____ and Lot: ____.

2. On or prior to the date hereof, the Ground Lease Tenant under the Ground Lease subject to the Mortgage exercised its Fee Conversion Option to purchase the following described Option Property: _____.

3. The Option Property described in paragraph 2 hereof constitutes an individual Residential Unit (as defined in the Ground Lease) for which a Fee Conversion Option has been undertaken pursuant to [Section 10.05] of the Ground Lease.

4. On or prior to the date hereof, the Authority gave directions to the Ground Lease Tenant or the administrator of a title closing escrow to wire transfer an amount equal to the Fee Purchase Payment with respect to the Residential Unit described in paragraph 2 hereof to Wells Fargo Bank, National Association, as depository (the "Depository") under a deposit account, the proceeds of which are transferred daily to the Trustee.

5. The Authority has confirmed that the Ground Lease Tenant has wire transferred to the Depository, or the administrator of a title closing escrow has received the irrevocable directions referenced in paragraph 4 hereof for purposes of wire transferring to the Depository and is in possession of, an amount equal to the Fee Purchase Payment described in paragraph 4 hereof.

6. The Residential Unit described in paragraph 2 hereof has been released from the Mortgage.

Dated: _____, 20__

METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Name:
Title:

EXHIBITS C-1, C-2, C-3 and C-4
FORMS OF MORTGAGE SUBSEVERANCE DOCUMENTS

(see attached)

EXHIBIT C-1

MORTGAGE SEVERANCE AND SPLITTING AGREEMENT

THIS MORTGAGE SEVERANCE AND SPLITTING AGREEMENT (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified, being hereinafter referred to as this “Agreement”) is made as of [●], by and between **METROPOLITAN TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public benefit corporation of the State of New York, having an address at 2 Broadway, New York, New York 10004, as mortgagor (hereinafter referred to as the “Authority”) and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but solely as trustee having an address at [●], as mortgagee (hereinafter referred to as the “Trustee”);

WHEREAS, The Authority is a party to that certain Interagency Financing Agreement, dated as of [●], by and among the Authority, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company and MTA Bus Company, and Wells Fargo Bank, National Association, as custodian and trustee (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Financing Agreement”) and that certain MTA Hudson Rail Yards Trust Agreement, dated as [●], between the Authority and the Wells Fargo Bank, National Association, as custodian and trustee, relating to the MTA Hudson Rail Yards Trust Obligations (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Trust Agreement”; the Trust Agreement together with the Financing Agreement, and all other documents and/or instruments evidencing and/or securing the obligations of the Authority thereunder, collectively the “Financing Documents”)

WHEREAS, the Authority is obligated to make the Financing Agreement Payments as required under the Financing Documents, and perform the other obligations of the Authority to the Trustee under the Financing Documents (the “Authority Obligations”);

WHEREAS, the Authority Obligations are secured by a certain Mortgage, Security Agreement, Assignment of Rents and Leases And Fixture Filing, as described in Schedule A attached hereto and made a part hereof (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Mortgage”); and

WHEREAS, the Mortgage constitutes a good and valid first lien on the parcels described on Schedule B-1 (“Parcel A”) and Schedule B-2 (“Parcel B”) attached hereto, and made a part hereof;

WHEREAS, Mortgagor is desirous of severing, splitting, partitioning and dividing the lien of the Mortgage so as to constitute in law [two] separate liens, as follows: [●] one first mortgage lien securing the Authority Obligations upon Parcel A only (hereinafter referred to as

“Mortgage A”); and [●] one first mortgage lien securing the Authority Obligations upon Parcel B (only (hereinafter referred to as “Mortgage B”));¹ and

WHEREAS, Mortgagee is willing to consent to the severing, splitting and dividing of the lien of the Mortgage upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements of the Authority herein contained, the mutual promises of the parties set forth herein and other good and valuable consideration, the receipt whereof is hereby acknowledged, the parties agree as follows:

1. The aforesaid Mortgage now a lien upon Parcels A and B, is hereby severed, split and divided so that the same shall hereafter constitute in law but one first mortgage, a single lien securing the Authority Obligations upon Parcel A only and one first mortgage, a single lien securing the Authority Obligations upon Parcel B only.²
2. In consideration of the severance, splitting and division of the Mortgage as aforesaid, the Mortgagor does hereby represent, warrant and covenant and agree as follows:
 - (a) Mortgage A is a valid first lien on said Parcel A, for the full amount of principal now owing thereon and that there are no defenses or offsets to said Mortgage A or other obligations secured thereby.
 - (b) Mortgage B is a valid first lien on said Parcel B, for the full amount of principal now owing thereon and that there are no defenses or offsets to said Mortgage B or other obligations secured thereby.
 - (c) That all of the covenants, terms and conditions of said Mortgages, except as herein modified, shall remain in full force and effect until further modified by agreement between Authority and Trustee.

¹ To be modified based on the number of severances at any given time.

² To be modified based on the number of severances at any given time.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this instrument to be signed by their proper representative or officer, thereunto duly authorized, as of the day and year first above written.

Authority:

**METROPOLITAN TRANSPORTATION
AUTHORITY**, a New York public benefit
corporation

By: _____
Name:
Title:

[Signatures continue on the next page]

Trustee:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, a national banking association

By: _____

Name:

Title:

Schedule A

Description of Mortgage

Schedule B-1

Legal Description of "Parcel A"

Schedule B-2

Legal Description of "Parcel B"

EXHIBIT C-2

**AMENDED AND RESTATED MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING**

by and from

METROPOLITAN TRANSPORTATION AUTHORITY, as mortgagor

(“Authority”)

TO

WELLS FARGO BANK, NATIONAL ASSOCIATION, as mortgagee

(“Trustee”)

Dated as of [●]

Location: [●]

Block: [●]

Lot: [●]

**PREPARED BY AND UPON
RECORDATION RETURN TO:
[●]**

THIS MORTGAGE DOES NOT COVER REAL PROPERTY PRINCIPALLY IMPROVED BY ONE OR MORE STRUCTURES CONTAINING, IN THE AGGREGATE, NOT MORE THAN SIX RESIDENTIAL UNITS, EACH HAVING ITS OWN SEPARATE COOKING FACILITIES

**AMENDED AND RESTATED MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS
AND LEASES AND FIXTURE FILING**

THIS AMENDED AND RESTATED MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified, being hereinafter referred to as this “Mortgage”) is made as of [●], by **METROPOLITAN TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public benefit corporation of the State of New York, having an address at 2 Broadway, New York, New York 10004, as mortgagor (the “Authority”), for the benefit of **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but solely as trustee having an address at [●], as mortgagee (“Trustee”).

RECITALS:

The Authority is a party to that certain Interagency Financing Agreement, dated as of September [●], 2016, among the Authority, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company, and MTA Bus Company, on the one hand, and the Trustee, on the other hand (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Financing Agreement”) and that certain MTA Hudson Rail Yards Trust Agreement, dated as of September [●], 2016, between the Authority and the Trustee, relating to the MTA Hudson Rail Yards Trust Obligations (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Trust Agreement”; the Trust Agreement together with the Financing Agreement, and all other documents and/or instruments evidencing and/or securing the obligations of the Authority thereunder, including without limitation this Mortgage, collectively the “Financing Documents”).

All capitalized terms used, but not defined, in this Mortgage have the respective meanings set forth in the Financing Documents.

The Authority is party to that certain Tower [●] Lease, dated as of [●], by and between the Authority, as landlord (“Landlord”), and [●], as tenant (together with its successors, assigns and designees, “Ground Lease Tenant”) (the “Original Ground Lease”) a memorandum of which was recorded on [●] under CRFN [●] in the Office of the City Register, New York County (the “City Register”), as such memorandum was amended by that certain amendment of memorandum which was recorded in the City Register on [●] under CRFN [●] in the City Register,¹ pursuant to which the Authority is entitled to receive certain payments which constitute a portion of the Annual Base Rent.

Pursuant to the terms of the Original Ground Lease, the Premises demised thereunder have been subdivided to create one or more severed parcels (the “Severed Parcels”) such that the Severed Parcels are no longer subject to the Original Ground Lease, and an amendment to the Original Ground Lease dated as of [●] has been executed by Landlord and

¹ Recital to reflect all documents recorded in connection with the Ground Lease (including assignments and amendments where applicable).

Tenant to confirm the subdivision and severance of the Severed Parcels (the “Ground Lease Amendment”; the Original Ground Lease, as amended by the Ground Lease Amendment, and as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Ground Lease”).

The Authority is party to that certain Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing (the “Original Mortgage”) dated as of September [●], 2016 and recorded on [●] under CRFN [●] in the City Register, given to secure the obligation of the Authority to make Financing Agreement Payments as required under the Financing Documents, and perform the other obligations of the Authority to the Trustee under the Financing Documents (the “Authority Obligations”). Pursuant to that certain Mortgage Severance and Splitting Agreement dated as of as of the date hereof and recorded on [●], in the Office of the City Register, New York County under CRFN [●], the Ground Lease, and Financing Documents, the Authority and Trustee desire to amended and restate the terms and conditions of the Original Mortgage in order to confirm that, among other things, the lien of the Original Mortgage has been severed, split, partitioned and divided so as to constitute in law a separate first mortgage lien securing the Authority Obligations upon the real property described in Exhibit A attached hereto;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and Trustee hereby agree as follows as of the date hereof:

ARTICLE 1

GRANTS OF SECURITY

Section 1.01 Property Mortgaged. Authority does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Trustee, with power of sale for the benefit and security of Trustee, all of the Authority’s right, title and interest in and to the following real, personal, tangible and intangible property, rights, interests and estates now owned or hereafter acquired by Authority, and demised by the Authority to Ground Lease Tenant under the Ground Lease (collectively, the “Property”):

(a) Portion of Facility Airspace Parcel Demised Under Ground Lease. That certain real property described in Exhibit A attached hereto and made a part hereof, which constitutes the portion of the Facility Airspace Parcel demised to Ground Lease Tenant under the Ground Lease (the “Demised Premises”);

(b) Additional Land. All additional lands, estates and development rights, if any, hereafter acquired by Authority and demised to Ground Lease Tenant under the Ground Lease for use in connection with the Demised Premises and the development of the Demised Premises;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Demised Premises (collectively, the “Improvements”).

Notwithstanding the foregoing, Improvements shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein, as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel (as defined in the Ground Lease) or any portion thereof, and any portion of the LIRR Roof and Facilities (as defined in the Ground Lease) which constitutes a part of the Yards Parcel;

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, permits, licenses, rights of way and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Demised Premises and the Improvements and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Demised Premises, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Authority of, in and to the Demised Premises and the Improvements and every part and parcel thereof, with the appurtenances thereto, to the extent demised to Ground Lease Tenant under the Ground Lease and to which Ground Lease Tenant's rights under the Ground Lease are subject, including without limitation, rights and obligations appurtenant to the Demised Premises pursuant to the Declaration of Easements (as defined in the Ground Lease);

(e) Equipment. All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Authority, which is used at, or in connection with, the Improvements or the Demised Premises or is located thereon or therein (including, but not limited to, all machinery, equipment, heating, ventilation or air-conditioning equipment, garbage equipment and apparatus, incinerators, boilers, furnaces, motors, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Authority and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "Equipment"). Notwithstanding the foregoing, Equipment shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Authority which is so related to the Demised Premises and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state of New York, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of, or installation on, the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in, or used in connection with (temporarily

or permanently), any of the Improvements or the Demised Premises, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Authority's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "Fixtures"). Notwithstanding the foregoing, "Fixtures" shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever as defined in and subject to the provisions of the Uniform Commercial Code, whether tangible or intangible, other than Fixtures, which are now or hereafter owned by Authority, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the "Personal Property"), and the right, title and interest of Authority in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state of New York (as amended from time to time, the "Uniform Commercial Code"), superior in lien to the lien of this Mortgage and all proceeds and products of the above. Notwithstanding the foregoing, Personal Property shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(h) Lease and Rents. The (1) Ground Lease, and all other leases, subleases or sub-subleases, lettings, licenses, concessions, easements, assignments or other agreements (whether written or oral) pursuant to which the Authority grants to Ground Lease Tenant or any other Person, a possessory interest in, or right to use or occupy all or any portion of the Demised Premises and the Improvements, including, without limitation, pursuant to any subordination, non-disturbance, recognition and/or attornment agreements, estoppel or other instruments, agreements or documents with any Person (including, without limitation, in connection with a sublease, mortgage or mezzanine financing or agreements with the New York City Industrial Development Agency, Hudson Yards Infrastructure Corporation and/or other

governmental or quasi-governmental agencies), (2) every modification, amendment, supplement or other agreement relating to the agreements described in the foregoing clause (1) , and (3) every guarantee of the performance and observance of the covenants, conditions and agreements, to be performed and observed in connection with the agreements described in the foregoing clause (1), heretofore or hereafter entered into (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time (collectively, the “Ground Lease Documents”), whether before or after the filing by or against Authority of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the “Bankruptcy Code”) and all right, title and interest of Authority, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the Ground Lease Tenant and other lessees of their obligations thereunder and all rents, rent equivalents, Ground Lease Tenant termination and contraction fees, moneys payable as damages or in lieu of rent or rent equivalents, additional rents, including, without limitation, the Annual Base Rent payable under the Ground Lease, other revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, deposits (including, without limitation, security, utility and other deposits) accounts and receipts from the Ground Lease whether paid or accruing before or after the filing by or against Authority of any petition for relief under the Bankruptcy Code, to the extent constituting Annual Base Rent and Fee Purchase Payments payable by Ground Lease Tenant under the Ground Lease and the right to receive and apply such Annual Base Rent and Fee Purchase Payments to payment of the Authority Obligations;

(i) Condemnation Awards. Subject to the terms of the Ground Lease, all Awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to all or any portion of the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of, or in anticipation of, the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property including, without limitation, any award or awards, or settlements or payments, hereafter made resulting from: (i) condemnation proceedings or the taking of all or any portion of the Improvements, the Equipment, the Fixtures, the Ground Lease or the Personal Property, or any part thereof, under the power of eminent domain; or (ii) the alteration of grade or the location or the discontinuance of any street adjoining the Property or any portion thereof; and Authority hereby agrees to execute and deliver, from time to time, such further instruments as may be reasonably requested by Trustee to confirm such assignment to Trustee of any such award, damage, payment or other compensation;

(j) Insurance Proceeds. Subject to the terms of the Ground Lease, all insurance proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance policies, judgments, or settlements made in lieu thereof, in connection with a casualty to the Property;

(k) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, insurance proceeds and awards, into cash or liquidation claims;

(l) Rights. The right, in the name and on behalf of Authority, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Trustee in the Property, in each case, subject to and in accordance with the terms of the Ground Lease, this Mortgage, the Financing Documents and applicable law;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Ground Lease and the Demised Premises and any part thereof and any Improvements or any business or activity conducted on the Demised Premises and any part thereof and all right, title and interest of Authority therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Authority thereunder, in each case, to the extent any of the foregoing specified in this clause (m) constitutes Base Rent and/or Fee Purchase Payments payable under the Ground Lease;

(n) Accounts. All reserves, escrows and deposit accounts now or hereafter established or maintained pursuant to the Financing Documents, together with all deposits or wire transfers made to such accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein, from time to time, and all proceeds, products, distributions or dividends or substitutions thereon and thereof; and

(o) Other Rights. All other or greater rights and interests of every nature in the Real Property (as hereinafter defined) and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Authority in and to the items set forth in Subsections (a) through (n) above).

AND without limiting any of the other provisions of this Mortgage, to the extent permitted by applicable law, Authority expressly grants to Trustee, as secured party, a security interest in the portion of the Property which is (or may be subject to) the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Demised Premises (the Demised Premises, the Improvements and the Fixtures collectively referred to as the "Real Property") appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Mortgage be deemed conclusively to be real estate and mortgaged hereby.

Section 1.02 Assignment of Lease and Rents. Authority hereby absolutely and unconditionally assigns to Trustee all of Authority's right, title and interest in and to the Ground Lease and all Annual Base Rent and Fee Purchase Payments payable thereunder; it being intended by Authority that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to Section 7.01(e) of this Mortgage, Trustee grants to Authority a revocable license to collect, receive, use and enjoy the Annual Base Rent and Fee Purchase Payments paid under the Ground Lease and Authority shall

hold such Annual Base Rent and Fee Purchase Payments, or a portion thereof sufficient to pay all Authority Obligations currently due and payable.

Section 1.03 Security Agreement. This Mortgage is both a real property mortgage and a “security agreement” within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Authority in the Property, including all accounts established by Trustee pursuant to the Transportation Trust Agreement. By executing and delivering this Mortgage, Authority hereby grants to Trustee, as security for the Authority Obligations, a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the “Collateral”). If a Ground Lease Payment Event of Default shall occur and be continuing and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Collateral. Authority shall pay to Trustee within ten (10) Business Days following written demand therefor expenses, including reasonable legal expenses and attorneys’ fees and costs, incurred or paid by Trustee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement). Any notice of sale, disposition or other intended action by Trustee with respect to the Collateral sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Authority. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement. Authority’s principal place of business is as set forth on the first page hereof and the address of Trustee is as set forth on the first page hereof.

Section 1.04 Fixture Filing. Certain of the Property is, or will become, “fixtures” (as that term is defined in the Uniform Commercial Code) on the Demised Premises, and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement (naming Authority as the Debtor with an address as set forth on the first page hereof and an federal employer identification number of 13-2552035, and Trustee as the Secured Party with an address as set forth on the first page hereof) filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is, or may become, fixtures.

Section 1.05 Pledge of Monies Held. Authority hereby pledges to Trustee any and all Annual Base Rent and Fee Purchase Payments now or hereafter held by, or on behalf of, Authority in connection with the Financing Agreement Payments, including, without limitation, Principal and Interest Components evidenced by the Authority Obligations, equal in amount to the amounts received by the Authority of Annual Base Rent and Fee Purchase Payments under the Ground Lease until expended or applied as provided in this Mortgage.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Trustee and its permitted successors and assigns, forever;

WITH POWER OF SALE, to secure Authority's performance of the Authority Obligations at the time and in the manner provided in the Financing Documents;

PROVIDED, HOWEVER, that these grants are upon the express condition that, if Authority shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Financing Documents with respect to the Authority Obligations, these grants and the estate hereby granted shall cease, terminate and be void; provided, however, that Authority's obligation to indemnify and hold harmless Trustee pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE 2

DEBT AND OBLIGATIONS SECURED

Section 2.01 Debt. This Mortgage and the grants, assignments and transfers made in Article 1 hereof are given for the purpose of securing the Authority Obligations.

ARTICLE 3

AUTHORITY COVENANTS

Authority covenants and agrees that:

Section 3.01 Financing Agreement Payments. Authority will make Financing Agreement Payments at the time and in the manner provided in the Financing Documents.

Section 3.02 Incorporation by Reference. All the covenants, conditions and agreements contained in the Financing Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

Section 3.03 Maintenance of Property. Authority shall maintain, or cause to be maintained, the Property in a good and safe condition and repair, subject to and in accordance with the terms of the Ground Lease and the Financing Documents. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Trustee or

as otherwise permitted pursuant to the Ground Lease and the Financing Documents. Authority shall promptly repair, replace, or rebuild, or cause to be repaired, replaced, or rebuilt, any part of the Property which may be destroyed by any casualty or become damaged, worn or dilapidated or which may be affected by any condemnation, subject to and in accordance with the terms of the Ground Lease and the Financing Documents

Section 3.04 Waste. Authority shall not commit or permit any waste of the Property or make any change in the use of the Property which will, in any way, materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that would reasonably be expected to invalidate or allow the cancellation of any insurance policy, or do or permit to be done thereon anything that could reasonably be expected to materially impair the value of the Property or the security of this Mortgage.

Section 3.05 Payment for Labor and Materials. Subject to the terms and provisions of the Ground Lease and the Financing Documents (including, without limitation, Authority's contest rights thereunder), Authority (i) will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("Labor and Material Costs") incurred by Authority in connection with the Property and (ii) will never permit to be created or exist (in respect of the Property or any part thereof) any other or additional lien or security interest caused or incurred by actions of the Authority other than the liens or security interests created hereby and as permitted pursuant to the Ground Lease and Financing Documents.

Section 3.06 Performance of Other Agreements. Authority shall observe and perform each and every material term, covenant and provision to be observed or performed by Authority pursuant to the Ground Lease and Financing Documents, and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

Section 3.07 Change of Name, Identity or Structure. Except to the extent expressly permitted under the Financing Documents, Authority shall not change Authority's name, identity (including its trade name or names) or, if not an individual, Authority's corporate, partnership or other structure without notifying trustee of such change in writing at least fifteen (15) Business Days prior to the effective date of such change and, in the case of a change in Authority's structure, without first obtaining the prior written consent of Trustee acting reasonably. Authority shall execute and deliver to trustee, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change reasonably required by Trustee to establish or maintain the validity, perfection and priority of the security interests granted herein.

ARTICLE 4

OBLIGATIONS AND RELIANCES

Section 4.01 Relationship of Authority and Trustee. Trustee has no fiduciary or other special relationship with Authority, and no term or condition of the Financing Documents shall be construed so as to create a fiduciary or other special relationship between Authority and Trustee.

Section 4.02 No Reliance on Trustee. Authority is not relying on Trustee's expertise, business acumen or advice in connection with the Property.

Section 4.03 No Trustee Obligations.

(a) Notwithstanding the provisions of Subsections 1.01(h) and 1.01(m) or Section 1.2 hereof, Trustee is not undertaking the performance of (i) any obligations under the Ground Lease, or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled by Authority or to be given by Authority to Trustee pursuant to this Mortgage or the Financing Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Trustee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Trustee.

ARTICLE 5

FURTHER ASSURANCES

Section 5.01 Recording of Mortgage, etc. Authority forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest hereof upon, and the interest of Trustee in, the Property. Except to the extent otherwise expressly provided for in the Ground Lease or the Financing Documents, or prohibited by law to do so, Authority will pay all filing, registration or recording fees, if any, and all expenses, if any, incident to the preparation, execution, acknowledgment and/or recording of this Mortgage, any note, deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal duties, imposts, assessments and charges arising out of, or in connection with, the execution and delivery of this Mortgage, any deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents.

Section 5.02 Further Acts, etc. Authority will, at the cost of Authority, and without expense to Trustee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Trustee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Trustee the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Authority may be (or may hereafter become) bound to convey or assign to Trustee, or for carrying out the intention or

facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all applicable legal requirements. Authority, within ten (10) Business Days following written demand thereof, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Trustee to execute in the name of Authority or without the signature of Authority to the extent Trustee may lawfully do so, one or more financing statements to evidence more effectively the security interest of Trustee in the Property. Authority grants to Trustee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Trustee at law and in equity, including, without limitation, such rights and remedies available to Trustee pursuant to this Section 5.02, to the extent that Authority fails or refuses to promptly execute such documents after notice from Trustee.

ARTICLE 6

TRANSFER

Section 6.01 No Sale/Transfer. Authority shall not transfer the Property or any part thereof or any direct or indirect interest therein, or permit or suffer the Property or any part thereof or any direct or indirect interest therein to be transferred, other than as permitted pursuant to the terms of the Ground Lease or the Financing Documents. Notwithstanding anything to the contrary contained herein, any easements, memorandums of lease, condominium documents, declarations and any other liens or modifications, supplements or amendments to the foregoing that are recorded against the Demised Premises by the Authority as contemplated under the Ground Lease Documents shall not be deemed a “transfer” under this Section 6.01.

ARTICLE 7

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.01 Remedies. Upon the occurrence and during the continuance of any Ground Lease Payment Event of Default, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Authority agrees that Trustee may take such action, without notice or demand, in accordance with the Ground Lease and to the fullest extent permitted by law, as it deems advisable to protect and enforce its rights against Authority and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Trustee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Trustee:

(a) institute proceedings, judicial or otherwise, for the complete foreclosure, in accordance with New York law, of this Mortgage under any applicable provision of law, in which case the Property, or any interest of the Authority therein, may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this

Mortgage to collect the Financing Agreement Payments then due and payable from Annual Base Rent then due and payable under the Ground Lease, subject to the continuing lien and security interest of this Mortgage for the balance of the Financing Agreement Payments not then due, unimpaired and without loss of priority;

(c) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Authority therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law; and, without limiting the foregoing;

(i) in connection with any sale or sales hereunder, Trustee shall be entitled to elect to treat any of the Property which consists of (x) a right in action, (y) property that can be severed from the Real Property covered hereby (without causing structural damage thereto), or (z) any improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property. Where the Property consists of Real Property, Personal Property, Equipment or Fixtures, whether or not such Personal Property or Equipment is located on or within the Real Property, Trustee shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, Personal Property, Equipment and Fixtures in such order and manner as is now or hereafter permitted by applicable law;

(ii) Trustee shall be entitled to elect to proceed against any or all of the Real Property, Personal Property, Equipment and Fixtures in any manner permitted under applicable law; and if Trustee so elects pursuant to applicable law, the power of sale herein granted shall be exercisable with respect to all or any of the Real Property, Personal Property, Equipment and Fixtures covered hereby, as designated by Trustee;

(iii) should Trustee elect to sell any portion of the Property which is Real Property or which is Personal Property, Equipment or Fixtures that Trustee has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of the Real Property, Trustee shall give such notice of the occurrence of a Ground Lease Payment Event of Default, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement) and its election to sell such Property as may then be required by law. Thereafter, upon the giving of such notice of sale and the expiration of any required time period as may then be required by law, subject to the terms hereof and of the Ground Lease and the Financing Documents, and without the necessity of any demand on Authority or Trustee at the time and place specified in the notice of sale, may sell such Real Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Trustee may (unless prohibited under applicable law), from time to time, postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and

(iv) if the Property consists of several lots, parcels or items of property, Trustee shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner Trustee

designates in Trustee's sole discretion. Any Person, including Authority or Trustee, may purchase at any sale hereunder. Should Trustee desire that more than one sale or other disposition of the Property be conducted, Trustee shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Trustee may designate, and no such sale shall terminate or otherwise affect the lien of this Mortgage on any part of the Property not sold until all the Financing Agreement Payments then due and payable have been paid in full. In the event Trustee elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Authority agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(d) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the payment of Authority Obligations and without regard for the solvency of Authority, any guarantor or indemnitor with respect to the Authority Obligations or any Person otherwise liable for the payment of the Authority Obligations or any part thereof;

(e) the license granted to Authority under Section 1.02 hereof shall automatically be revoked and Trustee may enter into or upon the Property, subject to the terms of the Ground Lease Documents and the Financing Documents either personally or by its agents, nominees or attorneys, and dispossess Authority and its agents and servants therefrom, without liability for trespass, damages or otherwise and take possession of all books, records and accounts relating thereto and Authority agrees to surrender possession of the Property and of such books, records and accounts to Trustee upon demand, and thereupon Trustee may, subject to the terms of the Ground Lease Documents, (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat, (ii) complete any construction on the Property in such manner and form as Trustee deems advisable, (iii) make alterations, additions, renewals, replacements and improvements to or on the Property, (iv) exercise all rights and powers of Authority with respect to the Property, whether in the name of Authority or otherwise, including, without limitation, the right to make, cancel, enforce or modify the Ground Lease Documents, obtain and evict the Ground Lease Tenant, and demand, sue for, collect and receive all Annual Base Rent under the Ground Lease and every part thereof, (v) require Authority to pay monthly in advance to Trustee, or any receiver appointed to collect the Annual Base Rent under the Ground Lease, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Authority, (vi) require Authority to vacate and surrender possession of the Property to Trustee or to such receiver and, in default thereof, Authority may be evicted by summary proceedings or otherwise, and (vii) apply the receipts from the Property to the payment of Authority Obligations, in such order, priority and proportions as Trustee shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, other charges, insurance premiums and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Trustee, its counsel, agents and employees;

(f) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of

the foregoing, the right to take possession of the Fixtures, the Equipment and/or the Personal Property or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and/or the Personal Property. Any notice of sale, disposition or other intended action by Trustee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall constitute commercially reasonable notice to Authority;

(g) apply any sums then deposited or held in escrow or otherwise by or on behalf of Trustee in accordance with the terms of the Financing Documents to the payment of unpaid Authority Obligations; or

(h) pursue such other remedies as Trustee may have under applicable law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.02 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Property, or any part thereof, or any other sums collected by Trustee pursuant to this Mortgage or the Financing Agreement Payments, during the continuance of a Ground Lease Payment Event of Default continuing beyond the applicable time period (as set forth in Section 5.06 of the Trust Agreement), shall be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement.

Section 7.03 Right to Cure Defaults. Upon the occurrence and during the continuance of any Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may, but without any obligation to do so and without notice to or demand on Authority, make any payment or do any act required of Authority hereunder or in the other Financing Documents which payment or action on the part of Trustee shall be in such manner and to such extent as Trustee may deem necessary to protect the security hereof. Subject to the Ground Lease, Trustee is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property, or to foreclose this Mortgage, or to collect the Financing Agreement Payments and the out-of-pocket cost and expense incurred in connection therewith (including reasonable attorneys' fees and expenses to the extent permitted by law) with interest as provided in this Section 7.03. All such costs and expenses incurred by Trustee in remedying any Ground Lease Payment Event of Default or in appearing in, defending, or bringing any such action or proceeding, as hereinabove provided, shall bear interest at the Default Rate, for the period beginning on the first day after notice from Trustee that such cost or expense was incurred and continuing until the date of payment to Trustee. All such costs and expenses incurred by Trustee, together with interest thereon calculated at the Default Rate, shall be deemed to constitute a portion of the Authority Obligations to be secured by this Mortgage and shall be due and payable within ten (10) Business Days of written demand by Trustee therefor.

Section 7.04 Actions and Proceedings. After the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Authority, which Trustee, in its sole and absolute discretion, decides should be brought to protect its interest in the Property.

Section 7.05 Recovery of Sums Required To Be Paid. After the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee shall have the right, from time to time, to take action to recover any sum or sums which constitute a part of the Authority Obligations as the same become due, without regard to whether or not the balance of the Authority Obligations shall be due, and without prejudice to the right of Trustee thereafter to bring an action of foreclosure, or any other action, for any Ground Lease Payment Event of Default existing under the Ground Lease at the time such earlier action was commenced.

Section 7.06 Other Rights, etc.

(a) The failure of Trustee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Authority shall not be relieved of Authority's obligations hereunder by reason of (i) the failure of Trustee to comply with any request of Authority or any guarantor or indemnitor with respect to the Authority Obligations to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Financing Documents, (ii) except as expressly set forth in the Financing Documents, the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Authority Obligations or any portion thereof, or (iii) except as otherwise expressly agreed to by Trustee, in writing, any agreement or stipulation by Trustee extending the time of payment or otherwise modifying or supplementing the terms of the Financing Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Authority, and Trustee shall have no liability whatsoever for any decline in value of the Property, for failure to maintain the insurance policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Trustee shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Property or collateral not in Trustee's possession.

(c) Upon the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may resort for the payment of the Authority Obligations to any other security held by Trustee in such order and manner as Trustee, in its discretion, may elect. Upon the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may

take action to recover the Authority Obligations then due and payable, or any portion thereof, without prejudice to the right of Trustee thereafter to foreclose this Mortgage. The rights of Trustee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Trustee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Trustee shall not be limited exclusively to the rights and remedies herein stated, but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.07 Right of Entry. Subject to the rights of Ground Lease Tenant or any other person granted a right of entry possessory or occupancy interest under the Ground Lease, and subject to the terms of the Financing Documents, upon reasonable notice to Authority (which may be given verbally), Trustee and its agents shall have the right to enter and inspect the Property at all reasonable times, subject to accompaniment by Authority or representatives of Authority if so desired by Authority.

Section 7.08 Trustee Not Obligated; Cumulative Rights. Nothing in this instrument shall be construed as obligating Trustee to take any action or incur any liability with respect to the Property, and all options given to Trustee are for its benefit and shall and may be exercised in such order and in such combination as Trustee, in its sole discretion, may, from time to time, decide. Each remedy is distinct and cumulative to all other rights and remedies under this Instrument and the Financing Documents or afforded by law or equity, and may be exercised concurrently, independently or successively, in any order whatsoever.

Section 7.09 No Cross-Default. Notwithstanding anything to the contrary contained herein or in any of the other Financing Documents, as used herein, a Ground Lease Payment Event of Default as used herein refers only to a Ground Lease Payment Event of Default under the Ground Lease which is mortgaged pursuant to this Mortgage, and not a Ground Lease Payment Event of Default under any other Ground Leases (as defined in the Financing Agreement) not mortgaged pursuant to this Mortgage. For the avoidance of doubt, (1) Trustee shall not be entitled to exercise any remedy under this Mortgage unless there is a Ground Lease Payment Event of Default in connection with the Ground Lease which constitutes a portion of the Property hereunder, (2) the Ground Lease is not cross-defaulted with any other Ground Leases which are not part of the Property hereunder, and a Ground Lease Payment Event of Default under the Ground Lease shall not constitute a Ground Lease Payment Event of Default under any of such other Ground Leases, nor shall a Ground Lease Payment Event of Default under any of such other Ground Leases constitute a Ground Lease Payment Event of Default hereunder, and (3) this Mortgage is not cross-defaulted with any other mortgage encumbering the Authority's interest in any other Ground Leases issued as security for the Authority Obligations, and a Ground Lease Payment Event of Default under this Mortgage shall not constitute a Ground Lease Payment Event of Default under any of such other mortgages, nor shall a Ground Lease Payment Event of Default under any of the other such mortgages constitute a Ground Lease Payment Event of Default under this Mortgage.

ARTICLE 8

WAIVERS

Section 8.01 Waiver of Counterclaim. To the extent permitted by applicable law, Authority hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Trustee arising out of (or in any way connected with this Mortgage), except in each instance where Trustee has engaged in willful misconduct or acted with gross negligence.

Section 8.02 Marshalling and Other Matters. To the extent permitted by applicable law, Authority hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property (or any part thereof or any interest therein). Further, to the extent permitted by applicable law, Authority hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Authority, and on behalf of each and every Person acquiring any interest in, or title to, the Property subsequent to the date of this Mortgage.

Section 8.03 Waiver of Notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, AUTHORITY SHALL NOT BE ENTITLED TO ANY NOTICES OF ANY NATURE WHATSOEVER FROM TRUSTEE EXCEPT WITH RESPECT TO MATTERS FOR WHICH THIS MORTGAGE OR THE FINANCING DOCUMENTS SPECIFICALLY AND EXPRESSLY PROVIDE FOR THE GIVING OF NOTICE BY TRUSTEE TO AUTHORITY.

Section 8.04 Waiver of Statute of Limitations. To the extent permitted by applicable law, Authority hereby expressly waives and releases its right to plead any statute of limitations as a defense to payment of the Authority Obligations.

Section 8.05 Waiver of Jury Trial. AUTHORITY HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS MORTGAGE OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY AUTHORITY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. TRUSTEE IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY AUTHORITY.

ARTICLE 9

EXCULPATION

Trustee shall not enforce the liabilities and obligations of Authority to perform and observe the obligations contained in this Mortgage by any action or proceeding wherein a money judgment shall be sought against Authority or any principal, director, officer, employee, manager, member, direct or indirect owner, trustee, agent or affiliate of Authority (collectively, the “Exculpated Parties”), except that Trustee may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Trustee to preserve its interest under this Mortgage and the other Financing Documents, or in the Property, the Annual Base Rent, the Fee Purchase Payments under the Ground Lease or any other collateral given to Trustee pursuant to this Mortgage or any of the other Financing Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Authority only to the extent of Authority’s interest in the Property, in the Annual Base Rent and Fee Purchase Payments under the Ground Lease and in any other collateral given to Trustee pursuant to this Mortgage or the other Financing Documents, and Trustee, by accepting this Mortgage and the Financing Documents, agrees that it shall not sue for, seek or demand any deficiency judgment against any of the Exculpated Parties in any such action or proceeding under, or by reason of, or in connection with this Mortgage or the other Financing Documents. The provisions of this Article 9 shall not, however: (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Financing Documents; (b) impair the right of Trustee to name Authority as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any guaranty made in connection with the Authority Obligations or any of the rights and remedies of Trustee thereunder; (d) impair the right of Trustee to obtain the appointment of a receiver; (e) impair the enforcement of the assignment of leases and rents set forth in Section 1.02; (f) constitute a prohibition against Trustee seeking a deficiency judgment against Authority in order to fully realize the rights and remedies granted to the Trustee under the Financing Documents, or commencing any other appropriate action or proceeding in order for Trustee to exercise its remedies against the Property; or (g) impair any other rights of Trustee against Authority provided in the Financing Documents.

ARTICLE 10

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 8.6 of the Financing Agreement. Any notices of a Ground Lease Payment Event of Default given by the Authority under the Ground Lease shall also be given contemporaneously to Trustee in the manner specified in Section 8.6 of the Financing Agreement.

ARTICLE 11

APPLICABLE LAW

Section 11.01 Governing Law; Jurisdiction; Service of Process.

(a) THIS MORTGAGE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES IRREVOCABLY AND UNCONDITIONALLY AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND, IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, OF THIS MORTGAGE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE BY AUTHORITY AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, AUTHORITY HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS MORTGAGE AND/OR THE LOAN, AND THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AND ANY OTHER APPLICABLE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SECTION A.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST AUTHORITY ARISING OUT OF, OR RELATING TO, THIS MORTGAGE OR THE ATTACHMENT, CREATION, PERFECTION, OR ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED UNDER THIS MORTGAGE SHALL BE INSTITUTED IN ANY FEDERAL OR STATE COURT LOCATED IN NEW YORK, INCLUDING, WITHOUT LIMITATION, ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF NEW YORK AND AUTHORITY WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND AUTHORITY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. AUTHORITY DOES HEREBY AGREE THAT SERVICE OF PROCESS UPON AUTHORITY (IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AT THE ADDRESS FOR AUTHORITY SET FORTH HEREIN) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON AUTHORITY IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. AUTHORITY (I) SHALL GIVE PROMPT NOTICE TO TRUSTEE OF ANY CHANGED ADDRESS OF AUTHORITY SET FORTH HEREIN, (II) MAY AT ANY TIME, AND FROM TIME TO TIME, DESIGNATE AN AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY

DESIGNATE SUCH AN AUTHORIZED AGENT IF AUTHORITY CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

Section 11.02 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

ARTICLE 12

DEFINITIONS

Capitalized terms, used but not defined herein, shall have the meanings ascribed to such terms in the Financing Agreement and the Trust Agreement. The rules of construction specified in Section 1.02 of the Trust Agreement also apply to this Mortgage.

ARTICLE 13

RELEASE OF PARCELS UPON FEE CONVERSION; MODIFICATION OF MORTGAGE UPON SUBSEVERANCE OF LEASE

Section 13.01 Release of Parcels Upon Fee Conversion. Simultaneously with the delivery of the Fee Purchase Payments to Trustee (which delivery shall be deemed to have been made upon delivery of the Fee Purchase Payments by Authority or Ground Lease Tenant to a title closing escrow in connection with a Fee Conversion Option) following an election by a Ground Lease Tenant under the Ground Lease to exercise its Fee Conversion Option to purchase any such portions of the Property, Trustee shall release the lien of this Mortgage from the applicable Option Property (as defined in the Ground Lease). In connection therewith, Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority's direction, to a title closing escrow), within ten (10) Business Days following request, a release of this Mortgage with respect to the Option Property in the applicable form annexed hereto as Exhibit B-1 ("Partial Release of Mortgage") and Exhibit B-2 ("Satisfaction of Mortgage"), together with such ancillary documents as shall be required to evidence and effect such release ("Release Documents") and any instrument of further assurance, and any required modification or amendment of the foregoing Release Documents in connection with the execution and delivery of the Release Documents. With respect to any Option Property that constitutes individual Residential Units (as defined in the Ground Lease) for which a Fee Conversion Option is being undertaken pursuant to Section 10.05 of the Ground Lease, Trustee is hereby deemed to have irrevocably appointed the Authority as an authorized signatory on behalf of the Trustee in order to execute and deliver Release Documents for each Residential Unit at each Residential Unit Closing (as defined in the Ground Lease). The Authority's execution and delivery of the Release Documents for each Residential Unit at each Residential Unit Closing in the Authority's capacity as authorized signatory for Trustee, shall be deemed valid and binding by virtue of this provision

and no further verification or authorization from Trustee shall be required. Upon the request of the Authority, Trustee shall promptly execute and deliver any instruments or documents required to evidence in recordable form the appointment of the Authority to execute and deliver the Release Documents for the Residential Units at the Residential Unit Closings. Within ten (10) Business Days following the release of a Residential Unit from the lien of this Mortgage, the Authority shall deliver to Trustee a certification in the form attached as Exhibit B-3 certifying that the applicable Fee Purchase Payment with respect to the Residential Unit so released was made, and that the applicable Residential Unit has been released.

Section 13.02 Modification of Mortgage Upon Subseverances of Lease. Section 9.02(d) of the Ground Lease provides for the Demised Premises to be further severed upon request of Ground Lease Tenant pursuant to a “Subparcel Severance,” and for certain Severed Subparcels to be released from the Ground Lease and demised pursuant to a “Severed Subparcel Lease” from the Authority to “Severed Subparcel Tenant” (as all of such terms are defined in the Ground Lease). Upon any such Subparcel Severance and creation of a new Severed Subparcel Lease, this Mortgage shall be severed into separate severed mortgages, each encumbering the Authority’s right, title and interest in and to each Severed Subparcel Lease. In connection therewith, Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority’s direction, to a title closing escrow), within ten (10) Business Days following request, such instruments of severance of this Mortgage as shall be necessary or desirable in order to accomplish the severance of this Mortgage into multiple mortgages, each one encumbering a Severed Subparcel Lease, and to release the Severed Subparcel Lease(s) from this Mortgage, and the Authority shall execute, acknowledge and deliver replacement mortgages for each Severed Subparcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis, each in the forms annexed hereto as Exhibits C-1 (“Mortgage Severance and Splitting Agreement”), Exhibit C-2 (“Amended and Restated Mortgage, Security Agreement, Assignment of Rents And Leases and Fixture Filing”), Exhibit C-3 (“Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing”) and Exhibit C-4 (“Partial Release of Mortgage”), together with such ancillary documents as shall be required to evidence and effect such severance and replacement and any instrument of further assurance, and any required modification or amendment of the foregoing documents (“Mortgage Subseverance Documents”). The Authority shall, at its cost and expense, cause such Mortgage Subseverance Documents to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the Authority’s right, title and interest in the Property demised pursuant to such Severed Subparcel Lease, and shall cause copies of the recorded documents to be delivered to the Trustee.

Section 13.03 **[FOR THE WRY FEE MORTGAGE]** Modification of Mortgage Upon Severance of Lease. Section 9.01 of the Ground Lease provides for the Demised Premises to be further severed upon request of Ground Lease Tenant, and for certain Severed Parcels to be released from the Ground Lease and demised pursuant to a “Severed Parcel Lease” from the Authority to “Severed Parcel Tenant” (as all of such terms are defined in the Ground Lease). Upon any such Severed Parcel Severance and creation of a new Severed Parcel Lease, this Mortgage shall be severed into separate mortgages, with this Mortgage continuing to encumber the remaining Property demised under the Ground Lease, and a separate mortgage to encumber the Authority’s right, title and interest in and to the Severed Parcel Lease. In connection

therewith, (x) Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority's direction, to a title closing escrow) within ten (10) Business Days following request, such instruments of severance of this Mortgage as shall be necessary or desirable in order to accomplish the severance of this Mortgage into two or more mortgages, with this Mortgage continuing to encumber the remaining property demised under the Ground Lease, and separate mortgage(s) encumbering each Severed Parcel Lease, and to release the Severed Parcel Lease(s) from this Mortgage, and (y) the Authority shall execute, acknowledge and deliver a replacement mortgage which mortgages the Authority's right, title and interest in and to the Severed Parcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis, each in the forms annexed hereto as Exhibits D-1 ("Mortgage Severance and Splitting Agreement"), Exhibit D-2 ("Amended and Restated Mortgage, Security Agreement, Assignment of Rents And Leases and Fixture Filing"), Exhibit D-3 ("Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing") and Exhibit D-4 ("Partial Release of Mortgage"), together with such ancillary documents as shall be required to evidence and effect such severance and replacement, and any instrument of further assurance, and any required modification or amendment of the foregoing documents ("Mortgage Severance Documents"). The Authority shall, at its cost and expense, cause such Mortgage Severance Documents to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the Authority's right, title and interest in the Property demised pursuant to such Severed Parcel Lease, and shall cause copies of the recorded documents to be delivered to the Trustee.]

Section 13.04 No Amendment. The provisions of this Article 13 shall not be amended or modified without the consent of Trustee, the Authority and the Ground Lease Tenant, so long as the Ground Lease remains in full force and effect.

ARTICLE 14

SPECIFIC LEASE PROVISIONS REGARDING FEE MORTGAGES

Section 14.01 Subordination to Ground Lease. This Mortgage is expressly subject and subordinate to (i) the Ground Lease Documents, (ii) all agreements and instruments that constitute the interest of Ground Lease Tenant, and any party claiming by or through Ground Lease Tenant, in the Ground Lease Documents (including, without limitation, all agreements and instruments effecting an Assignment, Transfer, and/or Sublease), and (iii) the rights and remedies of Leasehold Mortgagees and/or Mezzanine Lenders (as each are defined in the Ground Lease) and/or the New York City Industrial Development Agency, Hudson Yards Infrastructure Corporations and/or any other governmental or quasi-governmental agency), as set forth in the Ground Lease Documents, including without limitation any New Lease (as defined in the Ground Lease) or the interest of Ground Lease Tenant under a New Lease as provided for in Section 17.04 of the Ground Lease.

Section 14.02 Specific Lease Provisions Regarding Fee Mortgages. This Mortgage constitutes a Fee Mortgage, as defined in the Ground Lease. Sections 33.02, 33.03 and 33.04 of the Ground Lease contain certain provisions regarding Fee Mortgages, which provisions are applicable to this Mortgage. Such Lease provisions are set forth below (all capitalized terms

used in this Article 14 are as defined in the Ground Lease) and are hereby incorporated into this Mortgage as if set forth herein:

“Section 33.02. Fee Mortgage. This Lease and Tenant’s interest in this Lease, as the same may be modified, amended or renewed, and any New Lease or the interest of Tenant under a New Lease as provided for in Section 17.04 shall not be subject or subordinate to (a) any Fee Mortgage or (b) to any other liens or encumbrances on Landlord’s fee estate, except for the Permitted Exceptions and any other liens or encumbrances created or consented to by Tenant or as a consequence of Tenant’s acts or omissions or the construction of the Improvements. Each Fee Mortgage shall contain an express statement confirming its subordination to this Lease (and any Severed Parcel Leases) as set forth in the immediately preceding sentence.

Section 33.03. Successor Landlord. If any Fee Mortgagee or any of its successors or assigns, or any designee of any Fee Mortgagee, shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a deed, then, at the request of such party so succeeding to Landlord’s rights (such party, a “Successor Landlord”), Tenant shall automatically attorn to and recognize such Successor Landlord as Tenant’s landlord under this Lease. Upon such attornment this Lease shall continue in full force and effect as a direct lease between the Successor Landlord and Tenant upon and subject to all of the terms, conditions and covenants as are set forth in this Lease, except that the Successor Landlord shall not (a) be liable for any previous act or omission of Landlord under this Lease which shall not be continuing; (b) be subject to any offset, not expressly provided for in this Lease, which theretofore shall have accrued to Tenant against Landlord; (c) be bound by any modification of this Lease entered into subsequent to the date of the applicable Fee Mortgage, or by any previous prepayment of more than one month’s Rental, unless such modification or prepayment shall have been expressly approved in writing by the Fee Mortgagee; or (d) be obligated to make any improvements to, or perform any work at, or furnish any services to, the Premises (it being understood that Landlord has no such obligations under this Lease; provided, however, that nothing contained in this Section 33.03 shall derogate from the obligations of the Yards Parcel Owner under the ERY Declaration of Easements). The provisions of this Section 33.03 shall be self-operative, and no instrument of any such attornment shall be required or needed by the holders of any such Fee Mortgage. In confirmation of any such attornment Tenant shall, at Landlord’s request or at the request of any such Fee Mortgagee, promptly execute and deliver such further instruments as may be reasonably required by any such Fee Mortgagee. Notwithstanding anything to the contrary herein, in the event that any such transfer causes the Premises no longer to be exempt from sales and use taxes, then Tenant shall have no obligation to pay Successor Landlord PILOST hereunder, the PILOST

Agreement shall be deemed void and of no further force and effect and any obligation of Tenant contingent on paying PILOST (including Section 10.02(a)) shall be deemed to be stricken from this Lease and of no further force and effect.

Section 33.04. Notices and Cure Rights of Fee Mortgagee. If Landlord or a Fee Mortgagee gives Tenant Notice of the name and address of a Fee Mortgagee, then Tenant hereby agrees to give to any such Fee Mortgagee copies of all Notices sent by Tenant to Landlord under this Lease at the same time and in the same manner as and whenever Tenant shall give any such Notice to Landlord, and no such Notice shall be deemed given to Landlord hereunder unless and until a copy of such Notice shall have been so delivered to such Fee Mortgagee. Such Fee Mortgagee shall have the right to remedy any default of Landlord under this Lease, or to cause any default of Landlord under this Lease to be remedied, and, for such purpose, Tenant hereby grants such Fee Mortgagee such additional period of time as may be reasonable to enable such Fee Mortgagee to remedy, or cause to be remedied, any such default in addition to the period given to Landlord for remedying, or causing to be remedied, any such default. Tenant shall accept performance by such Fee Mortgagee of any term, covenant, condition or agreement to be performed by Landlord under this Lease with the same force and effect as though performed by Landlord. No default under this Lease shall exist or shall be deemed to exist (a) as long as such Fee Mortgagee, in good faith, shall have commenced to cure such default and shall be prosecuting the same to completion with reasonable diligence, subject to Force Majeure, (b) if such default is not susceptible of being cured by such Fee Mortgagee, or (c) as long as such Fee Mortgagee, in good faith, shall have notified Tenant that such Fee Mortgagee intends to institute proceedings under the Fee Mortgage to acquire possession of the Premises, and, thereafter, as long as such proceedings shall have been instituted and shall be prosecuted with reasonable diligence. In the event of the termination of this Lease by reason of Landlord's default hereunder, upon such Fee Mortgagee's written request, given within thirty (30) days after any such termination, Tenant, within fifteen (15) days after receipt of such request, shall execute and deliver to such Fee Mortgagee or its designee or nominee a new lease of the Premises for the remainder of the Term of this Lease upon all of the terms, covenants and conditions of this Lease. Neither such Fee Mortgagee nor its designee or nominee shall become liable under this Lease unless and until such Fee Mortgagee or its designee or nominee becomes, and then only for so long as such Fee Mortgagee or its designee or nominee remains, the fee owner of the Premises. Such Fee Mortgagee shall have the right, without Tenant's consent, to foreclose the Fee Mortgage or to accept a deed in lieu of foreclosure of such Fee Mortgage."

Section 14.03 Subordination to Future Documents Entered Into Pursuant to Ground Lease. This Mortgage is expressly subject and subordinate to the lien and terms of all easements, memorandums of lease, condominium documents, declarations and any other liens or modifications, supplements or amendments to the foregoing that are recorded against the Demised Premises by the Authority as contemplated under the Ground Lease, whether before or after the date hereof. The subordination set forth in this Section 14.03 shall be automatic and shall not require the execution or recordation of a separate instrument. Notwithstanding the foregoing, upon the request of the Authority or Ground Lease Tenant, Trustee shall execute and delivery any instruments or documents required to evidence the aforementioned subordination ("Subordination Documents"). Trustee is hereby deemed to have irrevocably appointed the Authority as an authorized signatory on behalf of the Trustee in connection with the execution of Subordination Documents. The Authority's execution and delivery of the Subordination Documents, in its capacity as authorized signatory for Trustee, shall be deemed valid and binding by virtue of this provision, and no further verification or authorization from Trustee shall be required.

Section 14.04 No Amendment. The provisions of this Article 14 shall not be amended or modified without the consent of Trustee, the Authority and the Ground Lease Tenant, so long as the Ground Lease remains in full force and effect.

ARTICLE 15

MISCELLANEOUS PROVISIONS

Section 15.01 No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Authority or Trustee, but only by an agreement, in writing, signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.02 Successors and Assigns. This Mortgage shall be binding upon and shall inure to the benefit of Authority and Trustee and their respective permitted successors and permitted assigns, as set forth in the Financing Documents. Except as otherwise expressly provided under terms of the Financing Documents, Trustee shall not assign or transfer its rights under this Mortgage.

Section 15.03 Inapplicable Provisions. If any term, covenant or condition of this Mortgage is held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without such provision.

Section 15.04 Headings, etc. The headings and captions of the various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.05 Subrogation. If any or all of the proceeds of the Financing Agreement Payments have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Trustee shall be subrogated

to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Trustee, as amended and restated on the terms set forth herein, and are merged with the lien and security interest created herein as cumulative security for the payment of the Financing Agreement Payments, and the performance and discharge of the Authority Obligations, under the Financing Documents.

Section 15.06 Entire Agreement. The Financing Documents, including this Mortgage, constitute the entire understanding and agreement between Authority and Trustee with respect to the Authority Obligations and supersede all prior written or oral understandings and agreements between Authority and Trustee with respect thereto. Authority hereby acknowledges that, except as incorporated, in writing, in the Financing Documents, including this Mortgage, there are not, and were not, and no persons are, or were authorized by Trustee to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the Authority Obligations.

Section 15.07 Limitation on Trustee's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Trustee, nor shall it operate to make Trustee responsible or liable for any waste committed on the Property by Ground Lease Tenants or any other person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any Ground Lease Tenant, licensee, employee or stranger, except liability arising solely from Trustee's gross negligence or willful misconduct. Nothing herein contained shall be construed as constituting Trustee a "Trustee in possession."

Section 15.08 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Mortgage and the terms and conditions of the Financing Agreement and/or Trust Agreement, the terms and conditions of the Financing Agreement and/or Trust Agreement shall control and be binding.

Section 15.09 Severability. In case any one or more of the provisions of this Mortgage or any agreement now or hereafter executed in connection with this Mortgage is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof. Each of the provisions of every such agreement, document or instrument shall be enforceable by Trustee to the fullest extent now or hereafter permitted by law.

Section 15.10 No Partnership or Joint Venture. No provision of this Mortgage shall constitute a partnership, joint venture, tenancy in common or joint tenancy between Authority and Trustee, it being intended that the only relationship created by this Mortgage shall be that of mortgagor and mortgagee.

Section 15.11 No Merger. So long as any of the Ground Lease remains outstanding, and any Authority Obligations secured hereby remain unpaid and undischarged and unless Trustee otherwise consents, in writing, the fee, leasehold, subleasehold and sub-

subleasehold estates in and to the Property will not merge but will always remain separate and distinct, notwithstanding the union of such estates (without implying Authority's consent to such union) either in Authority, Trustee, any Ground Lease Tenant or any third party by purchase or otherwise.

Section 15.12 Application of Lien Law. Notwithstanding anything to the contrary in this Mortgage, this Mortgage is not intended to constitute a "building loan mortgage" as defined in New York Lien Law (the "Lien Law") § 2(14). This Mortgage shall not secure any advances made pursuant to a "building loan contract."

ARTICLE 16

STATE-SPECIFIC PROVISIONS

Section 16.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article 16 and the terms and conditions of this Mortgage, the terms and conditions of this Article 16 shall control and be binding.

Section 16.02 Commercial Property. This Mortgage encumbers real property principally improved, or to be improved, by one or more structures containing in the aggregate more than six residential dwelling units, each having its own separate cooking facilities.

Section 16.03 MAXIMUM DEBT SECURED. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS SECURED BY THIS MORTGAGE AT THE TIME OF EXECUTION OR WHICH UNDER ANY CONTINGENCY MAY HEREAFTER BECOME SECURED HEREBY AT ANY TIME IS [_____] AND NO/100 DOLLARS (\$[_____]), PROVIDED THAT SUCH LIMITATION SHALL NOT LIMIT THE SECURITY OF THIS MORTGAGE WITH RESPECT TO (I) INTEREST ON THE AFORESAID MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS AT THE RATES SET FORTH IN THE FINANCING AGREEMENT, (II) SUMS TO PAY PROPERTY TAXES AND OTHER CHARGES, (III) SUMS TO PAY PREMIUMS ON INSURANCE POLICIES COVERING THE PROPERTY, (IV) EXPENSES INCURRED AFTER AN EVENT OF DEFAULT IN UPHOLDING OR ENFORCING THE LIEN OF THIS MORTGAGE, INCLUDING, BUT NOT LIMITED TO, THE EXPENSES OF ANY LITIGATION TO PROSECUTE OR DEFEND THE RIGHTS AND LIEN CREATED BY THIS MORTGAGE, (V) ANY AMOUNT, COSTS OR CHARGE TO WHICH TRUSTEE BECOMES SUBROGATED, UPON PAYMENT, WHETHER UNDER RECOGNIZED PRINCIPLES OF LAW OR EQUITY, OR UNDER EXPRESS STATUTORY AUTHORITY, AND (VI) ANY OTHER AMOUNT SECURED BY THIS MORTGAGE WHICH, IF NOT LIMITED BY SUCH LIMITATION, WOULD NOT INCREASE THE AMOUNT OF MORTGAGE RECORDING TAXES, IF ANY, PAYABLE WITH RESPECT TO THIS MORTGAGE.

Section 16.04 Insurance Proceeds. In the event of any conflict, inconsistency or ambiguity between the provisions of this Mortgage and/or the Financing Documents, on the one hand, and the provisions of subsection 4 of Section 254 of the Real Property Law of New York

covering the insurance of buildings against loss by fire on the other hand, the provisions of this Mortgage and/or the Financing Documents, as applicable, shall control.

Section 16.05 Trust Fund. Pursuant to Section 13 of the Lien Law, Authority shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any such improvement on the Property before using any part of such advances for any other purpose. Authority will indemnify and hold Trustee harmless from and against any loss, liability, cost or expense, including, without limitation, any judgments, reasonable attorneys' fees, costs of appeal bonds and printing costs, arising out of, or relating to, any proceeding instituted by any claimant alleging a violation by Authority of any applicable Lien Law provisions including, without limitation, any section of Article 3-A of the Lien Law.

Section 16.06 Section 291-f Agreement.

(a) Authority hereby covenants and agrees with Trustee that, except as otherwise set forth in the Ground Lease and the Financing Documents, without the written consent of Trustee first had and obtained, Authority will not accept any surrender, cancellation, abridgment, or modification of any of the terms, covenants and conditions of the Ground Lease, and will not accept prepayments of installments of Annual Base Rent to become due under the Ground Lease thereunder for more than one (1) month in advance, except to the extent that such surrender, cancellation, abridgment, or modification is either (i) permitted to a Ground Lease Tenant under the provisions of the Ground Lease, or (ii) does not constitute a Prohibited Modification.

(b) This Mortgage is intended to be, and shall operate as, the agreement described in Section 291-f of the Real Property Law of the State of New York ("Section 291-f") and shall be entitled to the benefits afforded thereby. Authority shall (unless such notice is contained in such Ground Lease Tenant's Lease) deliver notice of this Mortgage in form and substance reasonably acceptable to Trustee, to all holders of any Ground Lease Tenant interest in any Lease which is subject to Section 291-f, by assignment or otherwise, and shall take such other action as may now or hereafter be reasonably required to afford Trustee the full protections and benefits of Section 291-f. Authority shall request the recipient of any such notice to acknowledge the receipt thereof.

Section 16.07 Assignment of Mortgage. Upon payment of the Authority Obligations in accordance with the terms of the Financing Documents (exclusive of any indemnification or other obligations which are expressly stated in any of the Financing Documents to survive the payment of the Authority Obligations; provided that such indemnification or other obligations are inchoate in nature), Trustee shall execute, acknowledge and deliver either (a) a satisfaction of this Mortgage in recordable form or (b) upon written request by Authority to Trustee (at Authority's election), an assignment of this Mortgage in recordable form to Authority's designee (without recourse, covenant or warranty of any nature, express or implied, except as to the Authority Obligations then outstanding and that there has been no other assignment of this Mortgage); provided that (i) Authority shall have reimbursed Trustee for all of its reasonable out-of-pocket costs, including, but not limited to, reasonable out-

of-pocket legal costs and expenses incurred in connection with any such assignment, and (ii) Authority shall have caused the delivery of an executed statement of Oath under Section 275 of the New York Real Property Law. Trustee shall not be responsible for any mortgage recording taxes, recording fees or other charges payable in connection with any such assignment.

Section 16.08 Sections 254 and 273 of the Real Property Law. All covenants hereof shall be construed as affording to Trustee rights additional to (and not exclusive of the rights conferred under) the provisions of Sections 254 and 273 of the Real Property Law of the State of New York, or any other applicable law.

Section 16.09 Article 14 of the Real Property Actions and Proceedings Law. Reference is hereby made to Article 14 of the Real Property Actions and Proceedings Law of the State of New York, as the same may be amended from time to time, for the purposes of obtaining for Trustee the benefit of said Article in connection with Trustee's rights with respect to foreclosure of this Mortgage by power of sale.

[No Further Text on this Page; Signature Page Follows]

IN WITNESS WHEREOF, this Mortgage has been executed by Authority as of the day and year first above written.

Authority:

METROPOLITAN TRANSPORTATION
AUTHORITY, a New York public benefit
corporation

By: _____

Name:

Title:

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

On the ____ day of _____, 2016, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Signature & office of individual
taking the acknowledgement

EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES

**EXHIBIT B-1, B-2 and B-3
FORMS OF MORTGAGE RELEASE DOCUMENTS
UPON FEE CONVERSIONS**

(forms to be attached)

EXHIBITS C-1, C-2, C-3 and C-4
FORMS OF MORTGAGE SUBSEVERANCE DOCUMENTS

(forms to be attached)

**EXHIBIT D-1, D-2, D-3, D-4
FORMS OF WRY MORTGAGE SEVERANCE DOCUMENTS UPON CREATION OF
SEVERED PARCEL LEASES**

(forms to be attached)

EXHIBIT C-3

**SUBSTITUTE MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS
AND LEASES AND FIXTURE FILING**

by and from

METROPOLITAN TRANSPORTATION AUTHORITY, as mortgagor

(“Authority”)

TO

WELLS FARGO BANK, NATIONAL ASSOCIATION, as mortgagee

(“Trustee”)

Dated as of September __, 2016

Location: [●]

Block: [●]

Lot: [●]

**PREPARED BY AND UPON
RECORDATION RETURN TO:**

[●]

THIS MORTGAGE DOES NOT COVER REAL PROPERTY PRINCIPALLY IMPROVED BY ONE OR MORE STRUCTURES CONTAINING, IN THE AGGREGATE, NOT MORE THAN SIX RESIDENTIAL UNITS, EACH HAVING ITS OWN SEPARATE COOKING FACILITIES

**SUBSTITUTE MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS
AND LEASES AND FIXTURE FILING**

THIS SUBSTITUTE MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified, being hereinafter referred to as this “Mortgage”) is made as of September __, 2016, by **METROPOLITAN TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public benefit corporation of the State of New York, having an address at 2 Broadway, New York, New York 10004, as mortgagor (the “Authority”), for the benefit of **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but solely as trustee having an address at [●], as mortgagee (“Trustee”).

RECITALS:

The Authority is a party to that certain Interagency Financing Agreement, dated as of September [●], 2016, among the Authority, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company, and MTA Bus Company, on the one hand, and the Trustee, on the other hand (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Financing Agreement”) and that certain MTA Hudson Rail Yards Trust Agreement, dated as of September [●], 2016, between the Authority and the Trustee, relating to the MTA Hudson Rail Yards Trust Obligations (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Trust Agreement”; the Trust Agreement together with the Financing Agreement, and all other documents and/or instruments evidencing and/or securing the obligations of the Authority thereunder, including without limitation this Mortgage, collectively the “Financing Documents”).

: All capitalized terms used, but not defined, in this Mortgage have the respective meanings set forth in the Financing Documents.

The Authority is party to that certain Tower [●] Lease (the “Ground Lease”), dated as of [●], by and between the Authority, as Landlord (“Landlord”), and [●], as Tenant (“Ground Lease Tenant”) a memorandum of which was recorded on [●] at CRFN [●] in the Office of the City Register, New York County (the “City Register”), pursuant to which the Authority is entitled to receive certain payments which constitute a portion of Base Rental.

The Property (as defined herein) was previously subject to that certain Mortgage, Security Agreement, Assignment or Rents and Leases and Fixture Filing (the “Original Mortgage”) dated as of [●], 2016 and recorded on [●], in the City Register under CRFN [●], which Original Mortgage no longer encumbers the Property pursuant to (i) that certain Mortgage Severance And Splitting Agreement (the “Splitter Agreement”) dated as of the date hereof and recorded on [●] under CRFN [●] in the Office of the City Register which Splitter Agreement severed, split, partitioned and divided the lien of the Original Mortgage, (ii) that certain Amended and Restated Mortgage (the “Amended and Restated Mortgage”) dated as of the date hereof and recorded on [●] under CRFN [●] in the Office of the City Register, which Amended and Restated Mortgage amended and restated the terms and conditions of the Original Mortgage

in order to confirm that, among other things, the lien of the Original Mortgage has been severed, split, partitioned and divided, and (iii) that certain Partial Release of Mortgage (the “Partial Release”) dated as of the date hereof and recorded on [●] under CRFN [●] in the Office of the City Register, which Partial Release confirmed the release of the Property from the Lien of the Original Mortgage. NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and Trustee hereby agree as follows as of the date hereof:

ARTICLE 1

GRANTS OF SECURITY

Section 1.01 Property Mortgaged. Authority does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Trustee, with power of sale for the benefit and security of Trustee, all of the Authority’s right, title and interest in and to the following real, personal, tangible and intangible property, rights, interests and estates now owned or hereafter acquired by Authority, and demised by the Authority to Ground Lease Tenant under the Ground Lease (collectively, the “Property”):

(a) Portion of Facility Airspace Parcel Demised Under Ground Lease. That certain real property described in Exhibit A attached hereto and made a part hereof, which constitutes the portion of the Facility Airspace Parcel demised to Ground Lease Tenant under the Ground Lease (the “Demised Premises”);

(b) Additional Land. All additional lands, estates and development rights, if any, hereafter acquired by Authority and demised to Ground Lease Tenant under the Ground Lease for use in connection with the Demised Premises and the development of the Demised Premises;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Demised Premises (collectively, the “Improvements”). Notwithstanding the foregoing, Improvements shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority’s right or interest therein, as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel (as defined in the Ground Lease) or any portion thereof, and any portion of the LIRR Roof and Facilities (as defined in the Ground Lease) which constitutes a part of the Yards Parcel;

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, permits, licenses, rights of way and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Demised Premises and the Improvements and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Demised

Premises, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Authority of, in and to the Demised Premises and the Improvements and every part and parcel thereof, with the appurtenances thereto, to the extent demised to Ground Lease Tenant under the Ground Lease and to which Ground Lease Tenant's rights under the Ground Lease are subject, including without limitation, rights and obligations appurtenant to the Demised Premises pursuant to the Declaration of Easements (as defined in the Ground Lease);

(e) Equipment. All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Authority, which is used at, or in connection with, the Improvements or the Demised Premises or is located thereon or therein (including, but not limited to, all machinery, equipment, heating, ventilation or air-conditioning equipment, garbage equipment and apparatus, incinerators, boilers, furnaces, motors, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Authority and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "Equipment"). Notwithstanding the foregoing, Equipment shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Authority which is so related to the Demised Premises and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state of New York, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of, or installation on, the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in, or used in connection with (temporarily or permanently), any of the Improvements or the Demised Premises, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Authority's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "Fixtures"). Notwithstanding the foregoing, "Fixtures" shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the

Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever as defined in and subject to the provisions of the Uniform Commercial Code, whether tangible or intangible, other than Fixtures, which are now or hereafter owned by Authority, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the “Personal Property”), and the right, title and interest of Authority in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state of New York (as amended from time to time, the “Uniform Commercial Code”), superior in lien to the lien of this Mortgage and all proceeds and products of the above. Notwithstanding the foregoing, Personal Property shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority’s right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(h) Lease and Rents. The (1) Ground Lease, and all other leases, subleases or sub-subleases, lettings, licenses, concessions, easements, assignments or other agreements (whether written or oral) pursuant to which the Authority grants to Ground Lease Tenant or any other Person, a possessory interest in, or right to use or occupy all or any portion of the Demised Premises and the Improvements, including, without limitation, pursuant to any subordination, non-disturbance, recognition and/or attornment agreements, estoppel or other instruments, agreements or documents with any Person (including, without limitation, in connection with a sublease, mortgage or mezzanine financing or agreements with the New York City Industrial Development Agency, Hudson Yards Infrastructure Corporation and/or other governmental or quasi-governmental agencies), (2) every modification, amendment, supplement or other agreement relating to the agreements described in the foregoing clause (1) , and (3) every guarantee of the performance and observance of the covenants, conditions and agreements, to be performed and observed in connection with the agreements described in the foregoing clause (1), heretofore or hereafter entered into (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time (collectively, the “Ground Lease Documents”), whether before or after the filing by or against Authority of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the “Bankruptcy Code”) and all right, title and interest of Authority, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the Ground Lease Tenant and other lessees of their obligations thereunder and all rents, rent equivalents, Ground Lease Tenant termination and contraction fees, moneys payable as damages or in lieu of rent or rent equivalents, additional rents, including, without limitation, the Annual Base Rent payable under the Ground Lease, other revenues, issues

and profits (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, deposits (including, without limitation, security, utility and other deposits) accounts and receipts from the Ground Lease whether paid or accruing before or after the filing by or against Authority of any petition for relief under the Bankruptcy Code, to the extent constituting Annual Base Rent and Fee Purchase Payments payable by Ground Lease Tenant under the Ground Lease and the right to receive and apply such Annual Base Rent and Fee Purchase Payments to payment of the Authority Obligations;

(i) Condemnation Awards. Subject to the terms of the Ground Lease, all Awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to all or any portion of the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of, or in anticipation of, the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property including, without limitation, any award or awards, or settlements or payments, hereafter made resulting from: (i) condemnation proceedings or the taking of all or any portion of the Improvements, the Equipment, the Fixtures, the Ground Lease or the Personal Property, or any part thereof, under the power of eminent domain; or (ii) the alteration of grade or the location or the discontinuance of any street adjoining the Property or any portion thereof; and Authority hereby agrees to execute and deliver, from time to time, such further instruments as may be reasonably requested by Trustee to confirm such assignment to Trustee of any such award, damage, payment or other compensation;

(j) Insurance Proceeds. Subject to the terms of the Ground Lease, all insurance proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance policies, judgments, or settlements made in lieu thereof, in connection with a casualty to the Property;

(k) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, insurance proceeds and awards, into cash or liquidation claims;

(l) Rights. The right, in the name and on behalf of Authority, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Trustee in the Property, in each case, subject to and in accordance with the terms of the Ground Lease, this Mortgage, the Financing Documents and applicable law;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Ground Lease and the Demised Premises and any part thereof and any Improvements or any business or activity conducted on the Demised Premises and any part thereof and all right, title and interest of Authority therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Authority thereunder, in each case, to the extent any of the

foregoing specified in this clause (m) constitutes Base Rent and/or Fee Purchase Payments payable under the Ground Lease;

(n) Accounts. All reserves, escrows and deposit accounts now or hereafter established or maintained pursuant to the Financing Documents, together with all deposits or wire transfers made to such accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein, from time to time, and all proceeds, products, distributions or dividends or substitutions thereon and thereof; and

(o) Other Rights. All other or greater rights and interests of every nature in the Real Property (as hereinafter defined) and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Authority in and to the items set forth in Subsections (a) through (n) above).

AND without limiting any of the other provisions of this Mortgage, to the extent permitted by applicable law, Authority expressly grants to Trustee, as secured party, a security interest in the portion of the Property which is (or may be subject to) the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Demised Premises (the Demised Premises, the Improvements and the Fixtures collectively referred to as the “Real Property”) appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Mortgage be deemed conclusively to be real estate and mortgaged hereby.

Section 1.02 Assignment of Lease and Rents. Authority hereby absolutely and unconditionally assigns to Trustee all of Authority’s right, title and interest in and to the Ground Lease and all Annual Base Rent and Fee Purchase Payments payable thereunder; it being intended by Authority that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to Section 7.01(e) of this Mortgage, Trustee grants to Authority a revocable license to collect, receive, use and enjoy the Annual Base Rent and Fee Purchase Payments paid under the Ground Lease and Authority shall hold such Annual Base Rent and Fee Purchase Payments, or a portion thereof sufficient to pay all Authority Obligations currently due and payable.

Section 1.03 Security Agreement. This Mortgage is both a real property mortgage and a “security agreement” within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Authority in the Property, including all accounts established by Trustee pursuant to the Transportation Trust Agreement. By executing and delivering this Mortgage, Authority hereby grants to Trustee, as security for the Authority Obligations, a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the “Collateral”). If a Ground Lease Payment Event of Default shall occur and be continuing, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without

limitation, Section 5.05 of the Trust Agreement), Trustee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Collateral. Authority shall pay to Trustee within ten (10) Business Days following written demand therefor expenses, including reasonable legal expenses and attorneys' fees and costs, incurred or paid by Trustee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement). Any notice of sale, disposition or other intended action by Trustee with respect to the Collateral sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Authority. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement. Authority's principal place of business is as set forth on the first page hereof and the address of Trustee is as set forth on the first page hereof.

Section 1.04 Fixture Filing. Certain of the Property is, or will become, "fixtures" (as that term is defined in the Uniform Commercial Code) on the Demised Premises, and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement (naming Authority as the Debtor with an address as set forth on the first page hereof and an federal employer identification number of 13-2552035, and Trustee as the Secured Party with an address as set forth on the first page hereof) filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is, or may become, fixtures.

Section 1.05 Pledge of Monies Held. Authority hereby pledges to Trustee any and all Annual Base Rent and Fee Purchase Payments now or hereafter held by, or on behalf of, Authority in connection with the Financing Agreement Payments, including, without limitation, Principal and Interest Components evidenced by the Authority Obligations, equal in amount to the amounts received by the Authority of Annual Base Rent and Fee Purchase Payments under the Ground Lease until expended or applied as provided in this Mortgage.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Trustee and its permitted successors and assigns, forever;

WITH POWER OF SALE, to secure Authority's performance of the Authority Obligations at the time and in the manner provided in the Financing Documents;

PROVIDED, HOWEVER, that these grants are upon the express condition that, if Authority shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Financing Documents with respect to the Authority Obligations, these grants and the estate hereby granted shall cease, terminate and be void; provided, however, that Authority's obligation to indemnify and hold harmless Trustee pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE 2

DEBT AND OBLIGATIONS SECURED

Section 2.01 Debt. This Mortgage and the grants, assignments and transfers made in Article 1 hereof are given for the purpose of securing the Authority Obligations.

ARTICLE 3

AUTHORITY COVENANTS

Authority covenants and agrees that:

Section 3.01 Financing Agreement Payments. Authority will make Financing Agreement Payments at the time and in the manner provided in the Financing Documents.

Section 3.02 Incorporation by Reference. All the covenants, conditions and agreements contained in the Financing Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

Section 3.03 Maintenance of Property. Authority shall maintain, or cause to be maintained, the Property in a good and safe condition and repair, subject to and in accordance with the terms of the Ground Lease and the Financing Documents. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Trustee or as otherwise permitted pursuant to the Ground Lease and the Financing Documents. Authority shall promptly repair, replace, or rebuild, or cause to be repaired, replaced, or rebuilt, any part of the Property which may be destroyed by any casualty or become damaged, worn or dilapidated or which may be affected by any condemnation, subject to and in accordance with the terms of the Ground Lease and the Financing Documents

Section 3.04 Waste. Authority shall not commit or permit any waste of the Property or make any change in the use of the Property which will, in any way, materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that would reasonably be expected to invalidate or allow the cancellation of any insurance policy, or do or permit to be done thereon anything that could reasonably be expected to materially impair the value of the Property or the security of this Mortgage.

Section 3.05 Payment for Labor and Materials. Subject to the terms and provisions of the Ground Lease and the Financing Documents (including, without limitation,

Authority's contest rights thereunder), Authority (i) will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("Labor and Material Costs") incurred by Authority in connection with the Property and (ii) will never permit to be created or exist (in respect of the Property or any part thereof) any other or additional lien or security interest caused or incurred by actions of the Authority other than the liens or security interests created hereby and as permitted pursuant to the Ground Lease and Financing Documents.

Section 3.06 Performance of Other Agreements. Authority shall observe and perform each and every material term, covenant and provision to be observed or performed by Authority pursuant to the Ground Lease and Financing Documents, and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

Section 3.07 Change of Name, Identity or Structure. Except to the extent expressly permitted under the Financing Documents, Authority shall not change Authority's name, identity (including its trade name or names) or, if not an individual, Authority's corporate, partnership or other structure without notifying trustee of such change in writing at least fifteen (15) Business Days prior to the effective date of such change and, in the case of a change in Authority's structure, without first obtaining the prior written consent of Trustee acting reasonably. Authority shall execute and deliver to trustee, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change reasonably required by Trustee to establish or maintain the validity, perfection and priority of the security interests granted herein.

ARTICLE 4

OBLIGATIONS AND RELIANCES

Section 4.01 Relationship of Authority and Trustee. Trustee has no fiduciary or other special relationship with Authority, and no term or condition of the Financing Documents shall be construed so as to create a fiduciary or other special relationship between Authority and Trustee.

Section 4.02 No Reliance on Trustee. Authority is not relying on Trustee's expertise, business acumen or advice in connection with the Property.

Section 4.03 No Trustee Obligations.

(a) Notwithstanding the provisions of Subsections 1.01(h) and 1.01(m) or Section 1.2 hereof, Trustee is not undertaking the performance of (i) any obligations under the Ground Lease, or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled by Authority or to be given by Authority to Trustee pursuant to this Mortgage or the Financing Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Trustee shall not be deemed to have warranted, consented to, or affirmed the

sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Trustee.

ARTICLE 5

FURTHER ASSURANCES

Section 5.01 Recording of Mortgage, etc. Authority forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest hereof upon, and the interest of Trustee in, the Property. Except to the extent otherwise expressly provided for in the Ground Lease or the Financing Documents, or prohibited by law to do so, Authority will pay all filing, registration or recording fees, if any, and all expenses, if any, incident to the preparation, execution, acknowledgment and/or recording of this Mortgage, any note, deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal duties, imposts, assessments and charges arising out of, or in connection with, the execution and delivery of this Mortgage, any deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents.

Section 5.02 Further Acts, etc. Authority will, at the cost of Authority, and without expense to Trustee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Trustee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Trustee the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Authority may be (or may hereafter become) bound to convey or assign to Trustee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all applicable legal requirements. Authority, within ten (10) Business Days following written demand thereof, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Trustee to execute in the name of Authority or without the signature of Authority to the extent Trustee may lawfully do so, one or more financing statements to evidence more effectively the security interest of Trustee in the Property. Authority grants to Trustee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Trustee at law and in equity, including, without limitation, such rights and remedies available to Trustee pursuant to this Section 5.02, to the extent that Authority fails or refuses to promptly execute such documents after notice from Trustee.

ARTICLE 6

TRANSFER

Section 6.01 No Sale/Transfer. Authority shall not transfer the Property or any part thereof or any direct or indirect interest therein, or permit or suffer the Property or any part thereof or any direct or indirect interest therein to be transferred, other than as permitted pursuant to the terms of the Ground Lease or the Financing Documents. Notwithstanding anything to the contrary contained herein, any easements, memorandums of lease, condominium documents, declarations and any other liens or modifications, supplements or amendments to the foregoing that are recorded against the Demised Premises by the Authority as contemplated under the Ground Lease Documents shall not be deemed a “transfer” under this Section 6.01.

ARTICLE 7

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.01 Remedies. Upon the occurrence and during the continuance of any Ground Lease Payment Event of Default, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Authority agrees that Trustee may take such action, without notice or demand, in accordance with the Ground Lease and to the fullest extent permitted by law, as it deems advisable to protect and enforce its rights against Authority and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Trustee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Trustee:

(a) institute proceedings, judicial or otherwise, for the complete foreclosure, in accordance with New York law, of this Mortgage under any applicable provision of law, in which case the Property, or any interest of the Authority therein, may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage to collect the Financing Agreement Payments then due and payable from Annual Base Rent then due and payable under the Ground Lease, subject to the continuing lien and security interest of this Mortgage for the balance of the Financing Agreement Payments not then due, unimpaired and without loss of priority;

(c) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Authority therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law; and, without limiting the foregoing;

(i) in connection with any sale or sales hereunder, Trustee shall be entitled to elect to treat any of the Property which consists of (x) a right in action, (y) property that can be severed from the Real Property covered hereby (without causing structural damage thereto), or (z) any improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property. Where the Property consists of Real Property, Personal Property, Equipment or Fixtures, whether or not such Personal Property or Equipment is located on or within the Real Property, Trustee shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, Personal Property, Equipment and Fixtures in such order and manner as is now or hereafter permitted by applicable law;

(ii) Trustee shall be entitled to elect to proceed against any or all of the Real Property, Personal Property, Equipment and Fixtures in any manner permitted under applicable law; and if Trustee so elects pursuant to applicable law, the power of sale herein granted shall be exercisable with respect to all or any of the Real Property, Personal Property, Equipment and Fixtures covered hereby, as designated by Trustee;

(iii) should Trustee elect to sell any portion of the Property which is Real Property or which is Personal Property, Equipment or Fixtures that Trustee has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of the Real Property, Trustee shall give such notice of the occurrence of a Ground Lease Payment Event of Default, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement) and its election to sell such Property as may then be required by law. Thereafter, upon the giving of such notice of sale and the expiration of any required time period as may then be required by law, subject to the terms hereof and of the Ground Lease and the Financing Documents, and without the necessity of any demand on Authority or Trustee at the time and place specified in the notice of sale, may sell such Real Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Trustee may (unless prohibited under applicable law), from time to time, postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and

(iv) if the Property consists of several lots, parcels or items of property, Trustee shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner Trustee designates in Trustee's sole discretion. Any Person, including Authority or Trustee, may purchase at any sale hereunder. Should Trustee desire that more than one sale or other disposition of the Property be conducted, Trustee shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Trustee may designate, and no such sale shall terminate or otherwise affect the lien of this Mortgage on any part of the Property not sold until all the Financing Agreement Payments then due and payable have been paid in full. In the event Trustee elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Authority agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(d) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the payment of Authority Obligations and without regard for the solvency of Authority, any guarantor or indemnitor with respect to the Authority Obligations or any Person otherwise liable for the payment of the Authority Obligations or any part thereof;

(e) the license granted to Authority under Section 1.02 hereof shall automatically be revoked and Trustee may enter into or upon the Property, subject to the terms of the Ground Lease Documents and the Financing Documents either personally or by its agents, nominees or attorneys, and dispossess Authority and its agents and servants therefrom, without liability for trespass, damages or otherwise and take possession of all books, records and accounts relating thereto and Authority agrees to surrender possession of the Property and of such books, records and accounts to Trustee upon demand, and thereupon Trustee may, subject to the terms of the Ground Lease Documents, (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat, (ii) complete any construction on the Property in such manner and form as Trustee deems advisable, (iii) make alterations, additions, renewals, replacements and improvements to or on the Property, (iv) exercise all rights and powers of Authority with respect to the Property, whether in the name of Authority or otherwise, including, without limitation, the right to make, cancel, enforce or modify the Ground Lease Documents, obtain and evict the Ground Lease Tenant, and demand, sue for, collect and receive all Annual Base Rent under the Ground Lease and every part thereof, (v) require Authority to pay monthly in advance to Trustee, or any receiver appointed to collect the Annual Base Rent under the Ground Lease, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Authority, (vi) require Authority to vacate and surrender possession of the Property to Trustee or to such receiver and, in default thereof, Authority may be evicted by summary proceedings or otherwise, and (vii) apply the receipts from the Property to the payment of Authority Obligations, in such order, priority and proportions as Trustee shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, other charges, insurance premiums and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Trustee, its counsel, agents and employees;

(f) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Fixtures, the Equipment and/or the Personal Property or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and/or the Personal Property. Any notice of sale, disposition or other intended action by Trustee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall constitute commercially reasonable notice to Authority;

(g) apply any sums then deposited or held in escrow or otherwise by or on behalf of Trustee in accordance with the terms of the Financing Documents to the payment of unpaid Authority Obligations; or

(h) pursue such other remedies as Trustee may have under applicable law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.02 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Property, or any part thereof, or any other sums collected by Trustee pursuant to this Mortgage or the Financing Agreement Payments, during the continuance of a Ground Lease Payment Event of Default continuing beyond the applicable time period (as set forth in Section 5.06 of the Trust Agreement), shall be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement.

Section 7.03 Right to Cure Defaults. Upon the occurrence and during the continuance of any Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may, but without any obligation to do so and without notice to or demand on Authority, make any payment or do any act required of Authority hereunder or in the other Financing Documents which payment or action on the part of Trustee shall be in such manner and to such extent as Trustee may deem necessary to protect the security hereof. Subject to the Ground Lease, Trustee is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property, or to foreclose this Mortgage, or to collect the Financing Agreement Payments and the out-of-pocket cost and expense incurred in connection therewith (including reasonable attorneys' fees and expenses to the extent permitted by law) with interest as provided in this Section 7.03. All such costs and expenses incurred by Trustee in remedying any Ground Lease Payment Event of Default or in appearing in, defending, or bringing any such action or proceeding, as hereinabove provided, shall bear interest at the Default Rate, for the period beginning on the first day after notice from Trustee that such cost or expense was incurred and continuing until the date of payment to Trustee. All such costs and expenses incurred by Trustee, together with interest thereon calculated at the Default Rate, shall be deemed to constitute a portion of the Authority Obligations to be secured by this Mortgage and shall be due and payable within ten (10) Business Days of written demand by Trustee therefor.

Section 7.04 Actions and Proceedings. After the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Authority, which Trustee, in its sole and absolute discretion, decides should be brought to protect its interest in the Property.

Section 7.05 Recovery of Sums Required To Be Paid. After the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents

(including, without limitation, Section 5.05 of the Trust Agreement), Trustee shall have the right, from time to time, to take action to recover any sum or sums which constitute a part of the Authority Obligations as the same become due, without regard to whether or not the balance of the Authority Obligations shall be due, and without prejudice to the right of Trustee thereafter to bring an action of foreclosure, or any other action, for any Ground Lease Payment Event of Default existing under the Ground Lease at the time such earlier action was commenced.

Section 7.06 Other Rights, etc.

(a) The failure of Trustee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Authority shall not be relieved of Authority's obligations hereunder by reason of (i) the failure of Trustee to comply with any request of Authority or any guarantor or indemnitor with respect to the Authority Obligations to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Financing Documents, (ii) except as expressly set forth in the Financing Documents, the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Authority Obligations or any portion thereof, or (iii) except as otherwise expressly agreed to by Trustee, in writing, any agreement or stipulation by Trustee extending the time of payment or otherwise modifying or supplementing the terms of the Financing Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Authority, and Trustee shall have no liability whatsoever for any decline in value of the Property, for failure to maintain the insurance policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Trustee shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Property or collateral not in Trustee's possession.

(c) Upon the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may resort for the payment of the Authority Obligations to any other security held by Trustee in such order and manner as Trustee, in its discretion, may elect. Upon the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may take action to recover the Authority Obligations then due and payable, or any portion thereof, without prejudice to the right of Trustee thereafter to foreclose this Mortgage. The rights of Trustee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Trustee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Trustee shall not be limited exclusively to the rights and remedies herein stated, but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.07 Right of Entry. Subject to the rights of Ground Lease Tenant or any other person granted a right of entry possessory or occupancy interest under the Ground Lease, and subject to the terms of the Financing Documents, upon reasonable notice to Authority

(which may be given verbally), Trustee and its agents shall have the right to enter and inspect the Property at all reasonable times, subject to accompaniment by Authority or representatives of Authority if so desired by Authority.

Section 7.08 Trustee Not Obligated; Cumulative Rights. Nothing in this instrument shall be construed as obligating Trustee to take any action or incur any liability with respect to the Property, and all options given to Trustee are for its benefit and shall and may be exercised in such order and in such combination as Trustee, in its sole discretion, may, from time to time, decide. Each remedy is distinct and cumulative to all other rights and remedies under this Instrument and the Financing Documents or afforded by law or equity, and may be exercised concurrently, independently or successively, in any order whatsoever.

Section 7.09 No Cross-Default. Notwithstanding anything to the contrary contained herein or in any of the other Financing Documents, as used herein, a Ground Lease Payment Event of Default as used herein refers only to a Ground Lease Payment Event of Default under the Ground Lease which is mortgaged pursuant to this Mortgage, and not a Ground Lease Payment Event of Default under any other Ground Leases (as defined in the Financing Agreement) not mortgaged pursuant to this Mortgage. For the avoidance of doubt, (1) Trustee shall not be entitled to exercise any remedy under this Mortgage unless there is a Ground Lease Payment Event of Default in connection with the Ground Lease which constitutes a portion of the Property hereunder, (2) the Ground Lease is not cross-defaulted with any other Ground Leases which are not part of the Property hereunder, and a Ground Lease Payment Event of Default under the Ground Lease shall not constitute a Ground Lease Payment Event of Default under any of such other Ground Leases, nor shall a Ground Lease Payment Event of Default under any of such other Ground Leases constitute a Ground Lease Payment Event of Default hereunder, and (3) this Mortgage is not cross-defaulted with any other mortgage encumbering the Authority's interest in any other Ground Leases issued as security for the Authority Obligations, and a Ground Lease Payment Event of Default under this Mortgage shall not constitute a Ground Lease Payment Event of Default under any of such other mortgages, nor shall a Ground Lease Payment Event of Default under any of the other such mortgages constitute a Ground Lease Payment Event of Default under this Mortgage.

ARTICLE 8

WAIVERS

Section 8.01 Waiver of Counterclaim. To the extent permitted by applicable law, Authority hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Trustee arising out of (or in any way connected with this Mortgage), except in each instance where Trustee has engaged in willful misconduct or acted with gross negligence.

Section 8.02 Marshalling and Other Matters. To the extent permitted by applicable law, Authority hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property (or any part thereof or any interest therein). Further, to the extent permitted by applicable law, Authority hereby expressly waives

any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Authority, and on behalf of each and every Person acquiring any interest in, or title to, the Property subsequent to the date of this Mortgage.

Section 8.03 Waiver of Notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, AUTHORITY SHALL NOT BE ENTITLED TO ANY NOTICES OF ANY NATURE WHATSOEVER FROM TRUSTEE EXCEPT WITH RESPECT TO MATTERS FOR WHICH THIS MORTGAGE OR THE FINANCING DOCUMENTS SPECIFICALLY AND EXPRESSLY PROVIDE FOR THE GIVING OF NOTICE BY TRUSTEE TO AUTHORITY.

Section 8.04 Waiver of Statute of Limitations. To the extent permitted by applicable law, Authority hereby expressly waives and releases its right to plead any statute of limitations as a defense to payment of the Authority Obligations.

Section 8.05 Waiver of Jury Trial. AUTHORITY HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS MORTGAGE OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY AUTHORITY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. TRUSTEE IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY AUTHORITY.

ARTICLE 9

EXCULPATION

Trustee shall not enforce the liabilities and obligations of Authority to perform and observe the obligations contained in this Mortgage by any action or proceeding wherein a money judgment shall be sought against Authority or any principal, director, officer, employee, manager, member, direct or indirect owner, trustee, agent or affiliate of Authority (collectively, the “Exculpated Parties”), except that Trustee may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Trustee to preserve its interest under this Mortgage and the other Financing Documents, or in the Property, the Annual Base Rent, the Fee Purchase Payments under the Ground Lease or any other collateral given to Trustee pursuant to this Mortgage or any of the other Financing Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Authority only to the extent of Authority’s interest in the Property, in the Annual Base Rent and Fee Purchase Payments under the Ground Lease and in any other collateral given to Trustee pursuant to this Mortgage or the other Financing Documents, and Trustee, by accepting this Mortgage and the Financing Documents, agrees that it shall not sue for, seek or demand any deficiency judgment against any of the Exculpated Parties in any such action or proceeding under, or by reason of, or in connection with this Mortgage or

the other Financing Documents. The provisions of this Article 9 shall not, however: (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Financing Documents; (b) impair the right of Trustee to name Authority as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any guaranty made in connection with the Authority Obligations or any of the rights and remedies of Trustee thereunder; (d) impair the right of Trustee to obtain the appointment of a receiver; (e) impair the enforcement of the assignment of leases and rents set forth in Section 1.02; (f) constitute a prohibition against Trustee seeking a deficiency judgment against Authority in order to fully realize the rights and remedies granted to the Trustee under the Financing Documents, or commencing any other appropriate action or proceeding in order for Trustee to exercise its remedies against the Property; or (g) impair any other rights of Trustee against Authority provided in the Financing Documents.

ARTICLE 10

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 8.6 of the Financing Agreement. Any notices of a Ground Lease Payment Event of Default given by the Authority under the Ground Lease shall also be given contemporaneously to Trustee in the manner specified in Section 8.6 of the Financing Agreement.

ARTICLE 11

APPLICABLE LAW

Section 11.01 Governing Law; Jurisdiction; Service of Process.

(a) THIS MORTGAGE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES IRREVOCABLY AND UNCONDITIONALLY AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND, IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, OF THIS MORTGAGE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE BY AUTHORITY AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, AUTHORITY HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS MORTGAGE AND/OR THE LOAN, AND THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AND ANY OTHER APPLICABLE LAWS OF THE STATE

OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SECTION A.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST AUTHORITY ARISING OUT OF, OR RELATING TO, THIS MORTGAGE OR THE ATTACHMENT, CREATION, PERFECTION, OR ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED UNDER THIS MORTGAGE SHALL BE INSTITUTED IN ANY FEDERAL OR STATE COURT LOCATED IN NEW YORK, INCLUDING, WITHOUT LIMITATION, ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF NEW YORK AND AUTHORITY WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND AUTHORITY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. AUTHORITY DOES HEREBY AGREE THAT SERVICE OF PROCESS UPON AUTHORITY (IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AT THE ADDRESS FOR AUTHORITY SET FORTH HEREIN) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON AUTHORITY IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. AUTHORITY (I) SHALL GIVE PROMPT NOTICE TO TRUSTEE OF ANY CHANGED ADDRESS OF AUTHORITY SET FORTH HEREIN, (II) MAY AT ANY TIME, AND FROM TIME TO TIME, DESIGNATE AN AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH AN AUTHORIZED AGENT IF AUTHORITY CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

Section 11.02 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

ARTICLE 12

DEFINITIONS

Capitalized terms, used but not defined herein, shall have the meanings ascribed to such terms in the Financing Agreement and the Trust Agreement. The rules of construction specified in Section 1.02 of the Trust Agreement also apply to this Mortgage.

ARTICLE 13

RELEASE OF PARCELS UPON FEE CONVERSION; MODIFICATION OF MORTGAGE UPON SUBSEVERANCE OF LEASE

Section 13.01 Release of Parcels Upon Fee Conversion. Simultaneously with the delivery of the Fee Purchase Payments to Trustee (which delivery shall be deemed to have been made upon delivery of the Fee Purchase Payments by Authority or Ground Lease Tenant to a title closing escrow in connection with a Fee Conversion Option) following an election by a Ground Lease Tenant under the Ground Lease to exercise its Fee Conversion Option to purchase any such portions of the Property, Trustee shall release the lien of this Mortgage from the applicable Option Property (as defined in the Ground Lease). In connection therewith, Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority's direction, to a title closing escrow), within ten (10) Business Days following request, a release of this Mortgage with respect to the Option Property in the applicable form annexed hereto as Exhibit B-1 ("Partial Release of Mortgage") and Exhibit B-2 ("Satisfaction of Mortgage"), together with such ancillary documents as shall be required to evidence and effect such release ("Release Documents") and any instrument of further assurance, and any required modification or amendment of the foregoing Release Documents in connection with the execution and delivery of the Release Documents. With respect to any Option Property that constitutes individual Residential Units (as defined in the Ground Lease) for which a Fee Conversion Option is being undertaken pursuant to Section 10.05 of the Ground Lease, Trustee is hereby deemed to have irrevocably appointed the Authority as an authorized signatory on behalf of the Trustee in order to execute and deliver Release Documents for each Residential Unit at each Residential Unit Closing (as defined in the Ground Lease). The Authority's execution and delivery of the Release Documents for each Residential Unit at each Residential Unit Closing in the Authority's capacity as authorized signatory for Trustee, shall be deemed valid and binding by virtue of this provision and no further verification or authorization from Trustee shall be required. Upon the request of the Authority, Trustee shall promptly execute and deliver any instruments or documents required to evidence in recordable form the appointment of the Authority to execute and deliver the Release Documents for the Residential Units at the Residential Unit Closings. Within ten (10) Business Days following the release of a Residential Unit from the lien of this Mortgage, the Authority shall deliver to Trustee a certification in the form attached as Exhibit B-3 certifying that the applicable Fee Purchase Payment with respect to the Residential Unit so released was made, and that the applicable Residential Unit has been released.

Section 13.02 Modification of Mortgage Upon Subseverances of Lease. Section 9.02(d) of the Ground Lease provides for the Demised Premises to be further severed upon request of Ground Lease Tenant pursuant to a "Subparcel Severance," and for certain Severed Subparcels to be released from the Ground Lease and demised pursuant to a "Severed Subparcel Lease" from the Authority to "Severed Subparcel Tenant" (as all of such terms are defined in the Ground Lease). Upon any such Subparcel Severance and creation of a new Severed Subparcel Lease, this Mortgage shall be severed into separate severed mortgages, each encumbering the Authority's right, title and interest in and to each Severed Subparcel Lease. In connection therewith, Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority's direction, to a title closing escrow), within ten (10) Business Days following request, such instruments of severance of this Mortgage as shall be necessary or desirable in order to

accomplish the severance of this Mortgage into multiple mortgages, each one encumbering a Severed Subparcel Lease, and to release the Severed Subparcel Lease(s) from this Mortgage, and the Authority shall execute, acknowledge and deliver replacement mortgages for each Severed Subparcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis, each in the forms annexed hereto as Exhibit C-1 (“Mortgage Severance and Splitting Agreement”), Exhibit C-2 (“Amended and Restated Mortgage, Security Agreement, Assignment of Rents And Leases and Fixture Filing”), Exhibit C-3 (“Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing”) and Exhibit C-4 (“Partial Release of Mortgage”), together with such ancillary documents as shall be required to evidence and effect such severance and replacement and any instrument of further assurance, and any required modification or amendment of the foregoing documents (“Mortgage Subseverance Documents”). The Authority shall, at its cost and expense, cause such Mortgage Subseverance Documents to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the Authority’s right, title and interest in the Property demised pursuant to such Severed Subparcel Lease, and shall cause copies of the recorded documents to be delivered to the Trustee.

Section 13.03 **[FOR THE WRY FEE MORTGAGE]** [Modification of Mortgage Upon Severance of Lease]. Section 9.01 of the Ground Lease provides for the Demised Premises to be further severed upon request of Ground Lease Tenant, and for certain Severed Parcels to be released from the Ground Lease and demised pursuant to a “Severed Parcel Lease” from the Authority to “Severed Parcel Tenant” (as all of such terms are defined in the Ground Lease). Upon any such Severed Parcel Severance and creation of a new Severed Parcel Lease, this Mortgage shall be severed into separate mortgages, with this Mortgage continuing to encumber the remaining Property demised under the Ground Lease, and a separate mortgage to encumber the Authority’s right, title and interest in and to the Severed Parcel Lease. In connection therewith, (x) Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority’s direction, to a title closing escrow) within ten (10) Business Days following request, such instruments of severance of this Mortgage as shall be necessary or desirable in order to accomplish the severance of this Mortgage into two or more mortgages, with this Mortgage continuing to encumber the remaining property demised under the Ground Lease, and separate mortgage(s) encumbering each Severed Parcel Lease, and to release the Severed Parcel Lease(s) from this Mortgage, and (y) the Authority shall execute, acknowledge and deliver a replacement mortgage which mortgages the Authority’s right, title and interest in and to the Severed Parcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis, each in the forms annexed hereto as Exhibit D-1 (“Mortgage Severance and Splitting Agreement”), Exhibit D-2 (“Amended and Restated Mortgage, Security Agreement, Assignment of Rents And Leases and Fixture Filing”), Exhibit D-3 (“Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing”) and Exhibit D-4 (“Partial Release of Mortgage”), together with such ancillary documents as shall be required to evidence and effect such severance and replacement, and any instrument of further assurance, and any required modification or amendment of the foregoing documents (“Mortgage Severance Documents”). The Authority shall, at its cost and expense, cause such Mortgage Severance Documents to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the

Authority's right, title and interest in the Property demised pursuant to such Severed Parcel Lease, and shall cause copies of the recorded documents to be delivered to the Trustee.]

Section 13.04 No Amendment. The provisions of this Article 13 shall not be amended or modified without the consent of Trustee, the Authority and the Ground Lease Tenant, so long as the Ground Lease remains in full force and effect.

ARTICLE 14

SPECIFIC LEASE PROVISIONS REGARDING FEE MORTGAGES

Section 14.01 Subordination to Ground Lease. This Mortgage is expressly subject and subordinate to (i) the Ground Lease Documents, (ii) all agreements and instruments that constitute the interest of Ground Lease Tenant, and any party claiming by or through Ground Lease Tenant, in the Ground Lease Documents (including, without limitation, all agreements and instruments effecting an Assignment, Transfer, and/or Sublease), and (iii) the rights and remedies of Leasehold Mortgagees and/or Mezzanine Lenders (as each are defined in the Ground Lease) and/or the New York City Industrial Development Agency, Hudson Yards Infrastructure Corporations and/or any other governmental or quasi-governmental agency), as set forth in the Ground Lease Documents, including without limitation any New Lease (as defined in the Ground Lease) or the interest of Ground Lease Tenant under a New Lease as provided for in Section 17.04 of the Ground Lease.

Section 14.02 Specific Lease Provisions Regarding Fee Mortgages. This Mortgage constitutes a Fee Mortgage, as defined in the Ground Lease. Sections 33.02, 33.03 and 33.04 of the Ground Lease contain certain provisions regarding Fee Mortgages, which provisions are applicable to this Mortgage. Such Lease provisions are set forth below (all capitalized terms used in this Article 14 are as defined in the Ground Lease) and are hereby incorporated into this Mortgage as if set forth herein:

“Section 33.02. Fee Mortgage. This Lease and Tenant's interest in this Lease, as the same may be modified, amended or renewed, and any New Lease or the interest of Tenant under a New Lease as provided for in Section 17.04 shall not be subject or subordinate to (a) any Fee Mortgage or (b) to any other liens or encumbrances on Landlord's fee estate, except for the Permitted Exceptions and any other liens or encumbrances created or consented to by Tenant or as a consequence of Tenant's acts or omissions or the construction of the Improvements. Each Fee Mortgage shall contain an express statement confirming its subordination to this Lease (and any Severed Parcel Leases) as set forth in the immediately preceding sentence.

Section 33.03. Successor Landlord. If any Fee Mortgagee or any of its successors or assigns, or any designee of any Fee Mortgagee, shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a deed, then, at the request of such party so succeeding to Landlord's rights (such party, a “Successor

Landlord”), Tenant shall automatically attorn to and recognize such Successor Landlord as Tenant’s landlord under this Lease. Upon such attornment this Lease shall continue in full force and effect as a direct lease between the Successor Landlord and Tenant upon and subject to all of the terms, conditions and covenants as are set forth in this Lease, except that the Successor Landlord shall not (a) be liable for any previous act or omission of Landlord under this Lease which shall not be continuing; (b) be subject to any offset, not expressly provided for in this Lease, which theretofore shall have accrued to Tenant against Landlord; (c) be bound by any modification of this Lease entered into subsequent to the date of the applicable Fee Mortgage, or by any previous prepayment of more than one month’s Rental, unless such modification or prepayment shall have been expressly approved in writing by the Fee Mortgagee; or (d) be obligated to make any improvements to, or perform any work at, or furnish any services to, the Premises (it being understood that Landlord has no such obligations under this Lease; provided, however, that nothing contained in this Section 33.03 shall derogate from the obligations of the Yards Parcel Owner under the ERY Declaration of Easements). The provisions of this Section 33.03 shall be self-operative, and no instrument of any such attornment shall be required or needed by the holders of any such Fee Mortgage. In confirmation of any such attornment Tenant shall, at Landlord’s request or at the request of any such Fee Mortgagee, promptly execute and deliver such further instruments as may be reasonably required by any such Fee Mortgagee. Notwithstanding anything to the contrary herein, in the event that any such transfer causes the Premises no longer to be exempt from sales and use taxes, then Tenant shall have no obligation to pay Successor Landlord PILOST hereunder, the PILOST Agreement shall be deemed void and of no further force and effect and any obligation of Tenant contingent on paying PILOST (including Section 10.02(a)) shall be deemed to be stricken from this Lease and of no further force and effect.

Section 33.04. Notices and Cure Rights of Fee Mortgagee. If Landlord or a Fee Mortgagee gives Tenant Notice of the name and address of a Fee Mortgagee, then Tenant hereby agrees to give to any such Fee Mortgagee copies of all Notices sent by Tenant to Landlord under this Lease at the same time and in the same manner as and whenever Tenant shall give any such Notice to Landlord, and no such Notice shall be deemed given to Landlord hereunder unless and until a copy of such Notice shall have been so delivered to such Fee Mortgagee. Such Fee Mortgagee shall have the right to remedy any default of Landlord under this Lease, or to cause any default of Landlord under this Lease to be remedied, and, for such purpose, Tenant hereby grants such Fee Mortgagee such additional period of time as may be reasonable to enable such Fee Mortgagee to remedy, or cause to be remedied, any such default in addition to the period given to Landlord for remedying, or causing to be remedied, any such default. Tenant shall accept performance by such Fee

Mortgagee of any term, covenant, condition or agreement to be performed by Landlord under this Lease with the same force and effect as though performed by Landlord. No default under this Lease shall exist or shall be deemed to exist (a) as long as such Fee Mortgagee, in good faith, shall have commenced to cure such default and shall be prosecuting the same to completion with reasonable diligence, subject to Force Majeure, (b) if such default is not susceptible of being cured by such Fee Mortgagee, or (c) as long as such Fee Mortgagee, in good faith, shall have notified Tenant that such Fee Mortgagee intends to institute proceedings under the Fee Mortgage to acquire possession of the Premises, and, thereafter, as long as such proceedings shall have been instituted and shall be prosecuted with reasonable diligence. In the event of the termination of this Lease by reason of Landlord's default hereunder, upon such Fee Mortgagee's written request, given within thirty (30) days after any such termination, Tenant, within fifteen (15) days after receipt of such request, shall execute and deliver to such Fee Mortgagee or its designee or nominee a new lease of the Premises for the remainder of the Term of this Lease upon all of the terms, covenants and conditions of this Lease. Neither such Fee Mortgagee nor its designee or nominee shall become liable under this Lease unless and until such Fee Mortgagee or its designee or nominee becomes, and then only for so long as such Fee Mortgagee or its designee or nominee remains, the fee owner of the Premises. Such Fee Mortgagee shall have the right, without Tenant's consent, to foreclose the Fee Mortgage or to accept a deed in lieu of foreclosure of such Fee Mortgage."

Section 14.03 Subordination to Future Documents Entered Into Pursuant to Ground Lease. This Mortgage is expressly subject and subordinate to the lien and terms of all easements, memorandums of lease, condominium documents, declarations and any other liens or modifications, supplements or amendments to the foregoing that are recorded against the Demised Premises by the Authority as contemplated under the Ground Lease, whether before or after the date hereof. The subordination set forth in this Section 14.03 shall be automatic and shall not require the execution or recordation of a separate instrument. Notwithstanding the foregoing, upon the request of the Authority or Ground Lease Tenant, Trustee shall execute and delivery any instruments or documents required to evidence the aforementioned subordination ("Subordination Documents"). Trustee is hereby deemed to have irrevocably appointed the Authority as an authorized signatory on behalf of the Trustee in connection with the execution of Subordination Documents. The Authority's execution and delivery of the Subordination Documents, in its capacity as authorized signatory for Trustee, shall be deemed valid and binding by virtue of this provision, and no further verification or authorization from Trustee shall be required.

Section 14.04 No Amendment. The provisions of this Article 14 shall not be amended or modified without the consent of Trustee, the Authority and the Ground Lease Tenant, so long as the Ground Lease remains in full force and effect.

ARTICLE 15

MISCELLANEOUS PROVISIONS

Section 15.01 No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Authority or Trustee, but only by an agreement, in writing, signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.02 Successors and Assigns. This Mortgage shall be binding upon and shall inure to the benefit of Authority and Trustee and their respective permitted successors and permitted assigns, as set forth in the Financing Documents. Except as otherwise expressly provided under terms of the Financing Documents, Trustee shall not assign or transfer its rights under this Mortgage.

Section 15.03 Inapplicable Provisions. If any term, covenant or condition of this Mortgage is held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without such provision.

Section 15.04 Headings, etc. The headings and captions of the various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.05 Subrogation. If any or all of the proceeds of the Financing Agreement Payments have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Trustee shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Trustee, as amended and restated on the terms set forth herein, and are merged with the lien and security interest created herein as cumulative security for the payment of the Financing Agreement Payments, and the performance and discharge of the Authority Obligations, under the Financing Documents.

Section 15.06 Entire Agreement. The Financing Documents, including this Mortgage, constitute the entire understanding and agreement between Authority and Trustee with respect to the Authority Obligations and supersede all prior written or oral understandings and agreements between Authority and Trustee with respect thereto. Authority hereby acknowledges that, except as incorporated, in writing, in the Financing Documents, including this Mortgage, there are not, and were not, and no persons are, or were authorized by Trustee to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the Authority Obligations.

Section 15.07 Limitation on Trustee's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Trustee, nor shall it operate to make Trustee responsible or liable for

any waste committed on the Property by Ground Lease Tenants or any other person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any Ground Lease Tenant, licensee, employee or stranger, except liability arising solely from Trustee's gross negligence or willful misconduct. Nothing herein contained shall be construed as constituting Trustee a "Trustee in possession."

Section 15.08 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Mortgage and the terms and conditions of the Financing Agreement and/or Trust Agreement, the terms and conditions of the Financing Agreement and/or Trust Agreement shall control and be binding.

Section 15.09 Severability. In case any one or more of the provisions of this Mortgage or any agreement now or hereafter executed in connection with this Mortgage is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof. Each of the provisions of every such agreement, document or instrument shall be enforceable by Trustee to the fullest extent now or hereafter permitted by law.

Section 15.10 No Partnership or Joint Venture. No provision of this Mortgage shall constitute a partnership, joint venture, tenancy in common or joint tenancy between Authority and Trustee, it being intended that the only relationship created by this Mortgage shall be that of mortgagor and mortgagee.

Section 15.11 No Merger. So long as any of the Ground Lease remains outstanding, and any Authority Obligations secured hereby remain unpaid and undischarged and unless Trustee otherwise consents, in writing, the fee, leasehold, subleasehold and sub-subleasehold estates in and to the Property will not merge but will always remain separate and distinct, notwithstanding the union of such estates (without implying Authority's consent to such union) either in Authority, Trustee, any Ground Lease Tenant or any third party by purchase or otherwise.

Section 15.12 Application of Lien Law. Notwithstanding anything to the contrary in this Mortgage, this Mortgage is not intended to constitute a "building loan mortgage" as defined in New York Lien Law (the "Lien Law") § 2(14). This Mortgage shall not secure any advances made pursuant to a "building loan contract."

ARTICLE 16

STATE-SPECIFIC PROVISIONS

Section 16.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article 16 and the terms and conditions of this Mortgage, the terms and conditions of this Article 16 shall control and be binding.

Section 16.02 Commercial Property. This Mortgage encumbers real property principally improved, or to be improved, by one or more structures containing in the aggregate more than six residential dwelling units, each having its own separate cooking facilities.

Section 16.03 MAXIMUM DEBT SECURED. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS SECURED BY THIS MORTGAGE AT THE TIME OF EXECUTION OR WHICH UNDER ANY CONTINGENCY MAY HEREAFTER BECOME SECURED HEREBY AT ANY TIME IS [_____] AND NO/100 DOLLARS (\$[_____]), PROVIDED THAT SUCH LIMITATION SHALL NOT LIMIT THE SECURITY OF THIS MORTGAGE WITH RESPECT TO (I) INTEREST ON THE AFORESAID MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS AT THE RATES SET FORTH IN THE FINANCING AGREEMENT, (II) SUMS TO PAY PROPERTY TAXES AND OTHER CHARGES, (III) SUMS TO PAY PREMIUMS ON INSURANCE POLICIES COVERING THE PROPERTY, (IV) EXPENSES INCURRED AFTER AN EVENT OF DEFAULT IN UPHOLDING OR ENFORCING THE LIEN OF THIS MORTGAGE, INCLUDING, BUT NOT LIMITED TO, THE EXPENSES OF ANY LITIGATION TO PROSECUTE OR DEFEND THE RIGHTS AND LIEN CREATED BY THIS MORTGAGE, (V) ANY AMOUNT, COSTS OR CHARGE TO WHICH TRUSTEE BECOMES SUBROGATED, UPON PAYMENT, WHETHER UNDER RECOGNIZED PRINCIPLES OF LAW OR EQUITY, OR UNDER EXPRESS STATUTORY AUTHORITY, AND (VI) ANY OTHER AMOUNT SECURED BY THIS MORTGAGE WHICH, IF NOT LIMITED BY SUCH LIMITATION, WOULD NOT INCREASE THE AMOUNT OF MORTGAGE RECORDING TAXES, IF ANY, PAYABLE WITH RESPECT TO THIS MORTGAGE.

Section 16.04 Insurance Proceeds. In the event of any conflict, inconsistency or ambiguity between the provisions of this Mortgage and/or the Financing Documents, on the one hand, and the provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire on the other hand, the provisions of this Mortgage and/or the Financing Documents, as applicable, shall control.

Section 16.05 Trust Fund. Pursuant to Section 13 of the Lien Law, Authority shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any such improvement on the Property before using any part of such advances for any other purpose. Authority will indemnify and hold Trustee harmless from and against any loss, liability, cost or expense, including, without limitation, any judgments, reasonable attorneys' fees, costs of appeal bonds and printing costs, arising out of, or relating to, any proceeding instituted by any claimant alleging a violation by Authority of any applicable Lien Law provisions including, without limitation, any section of Article 3-A of the Lien Law.

Section 16.06 Section 291-f Agreement.

(a) Authority hereby covenants and agrees with Trustee that, except as otherwise set forth in the Ground Lease and the Financing Documents, without the written consent of Trustee first had and obtained, Authority will not accept any surrender, cancellation, abridgment, or modification of any of the terms, covenants and conditions of the Ground Lease, and will not accept prepayments of installments of Annual Base Rent to become due under the Ground Lease thereunder for more than one (1) month in advance, except to the extent that such

surrender, cancellation, abridgment, or modification is either (i) permitted to a Ground Lease Tenant under the provisions of the Ground Lease, or (ii) does not constitute a Prohibited Modification.

(b) This Mortgage is intended to be, and shall operate as, the agreement described in Section 291-f of the Real Property Law of the State of New York (“Section 291-f”) and shall be entitled to the benefits afforded thereby. Authority shall (unless such notice is contained in such Ground Lease Tenant’s Lease) deliver notice of this Mortgage in form and substance reasonably acceptable to Trustee, to all holders of any Ground Lease Tenant interest in any Lease which is subject to Section 291-f, by assignment or otherwise, and shall take such other action as may now or hereafter be reasonably required to afford Trustee the full protections and benefits of Section 291-f. Authority shall request the recipient of any such notice to acknowledge the receipt thereof.

Section 16.07 Assignment of Mortgage. Upon payment of the Authority Obligations in accordance with the terms of the Financing Documents (exclusive of any indemnification or other obligations which are expressly stated in any of the Financing Documents to survive the payment of the Authority Obligations; provided that such indemnification or other obligations are inchoate in nature), Trustee shall execute, acknowledge and deliver either (a) a satisfaction of this Mortgage in recordable form or (b) upon written request by Authority to Trustee (at Authority’s election), an assignment of this Mortgage in recordable form to Authority’s designee (without recourse, covenant or warranty of any nature, express or implied, except as to the Authority Obligations then outstanding and that there has been no other assignment of this Mortgage); provided that (i) Authority shall have reimbursed Trustee for all of its reasonable out-of-pocket costs, including, but not limited to, reasonable out-of-pocket legal costs and expenses incurred in connection with any such assignment, and (ii) Authority shall have caused the delivery of an executed statement of Oath under Section 275 of the New York Real Property Law. Trustee shall not be responsible for any mortgage recording taxes, recording fees or other charges payable in connection with any such assignment.

Section 16.08 Sections 254 and 273 of the Real Property Law. All covenants hereof shall be construed as affording to Trustee rights additional to (and not exclusive of the rights conferred under) the provisions of Sections 254 and 273 of the Real Property Law of the State of New York, or any other applicable law.

Section 16.09 Article 14 of the Real Property Actions and Proceedings Law. Reference is hereby made to Article 14 of the Real Property Actions and Proceedings Law of the State of New York, as the same may be amended from time to time, for the purposes of obtaining for Trustee the benefit of said Article in connection with Trustee’s rights with respect to foreclosure of this Mortgage by power of sale.

[No Further Text on this Page; Signature Page Follows]

IN WITNESS WHEREOF, this Mortgage has been executed by Authority as of the day and year first above written.

Authority:

METROPOLITAN TRANSPORTATION
AUTHORITY, a New York public benefit
corporation

By: _____

Name:

Title:

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

On the ___ day of _____, 2016, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Signature & office of individual
taking the acknowledgement

EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES

**EXHIBIT B-1, B-2 and B-3
FORMS OF MORTGAGE RELEASE DOCUMENTS
UPON FEE CONVERSIONS**

(forms to be attached)

EXHIBITS C-1, C-2, C-3 and C-4
FORMS OF MORTGAGE SUBSEVERANCE DOCUMENTS

(forms to be attached)

EXHIBIT D-1, D-2, D-3, D-4
FORMS OF WRY MORTGAGE SEVERANCE DOCUMENTS UPON CREATION OF
SEVERED PARCEL LEASES

(forms to be attached)

EXHIBIT C-4

PARTIAL RELEASE OF MORTGAGE

This Partial Release of Mortgage, made as of the [•] day of [•], 20[•], by [**WELLS FARGO BANK, NATIONAL ASSOCIATION**], a national banking association, not in its individual capacity but solely as trustee having an address at [•]] ("Mortgagee").

Mortgagee is the owner and holder of that certain mortgage (the "Mortgage"), dated [•], made by Metropolitan Transportation Authority and recorded on [•], in the Office of the City Register, New York County at CRFN [•].

For valuable consideration, the receipt and sufficiency whereof hereby is acknowledged, Mortgagee does hereby release and discharge from the lien of the Mortgage the following described portion of the mortgaged premises:

[LEGAL DESCRIPTION OF RELEASED PORTION OF MORTGAGED PRMEISES]

This Partial Release of Mortgage shall not impair the lien of the Mortgage as to the lands described not hereby released. After giving effect to this Partial Release of Mortgage, the Mortgage is a valid and continuing lien on the premises described in Schedule A attached hereto and made a part hereof.

IN WITNESS WHEREOF, Mortgagee has executed and delivered this Partial Release of Mortgage as of the date hereinabove.

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association

By: _____
Name:
Title:

State of New York :
: ss.:
County of New York :

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCHEDULE A

Legal Description of Mortgaged Premises

EXHIBIT D-1, D-2, D-3, D-4
FORMS OF WRY MORTGAGE SEVERANCE DOCUMENTS UPON CREATION OF
SEVERED PARCEL LEASES

(forms to be attached)

EXHIBIT D-1

MORTGAGE SEVERANCE AND SPLITTING AGREEMENT

THIS MORTGAGE SEVERANCE AND SPLITTING AGREEMENT (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified, being hereinafter referred to as this "Agreement") is made as of [●], by and between **METROPOLITAN TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public benefit corporation of the State of New York, having an address at 2 Broadway, New York, New York 10004, as mortgagor (hereinafter referred to as the "Authority") and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but solely as trustee having an address at [●], as mortgagee (hereinafter referred to as the "Trustee");

WHEREAS, The Authority is a party to that certain Interagency Financing Agreement, dated as of [●], by and among the Authority, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company and MTA Bus Company, and Wells Fargo Bank, National Association, as custodian and trustee (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Financing Agreement") and that certain MTA Hudson Rail Yards Trust Agreement, dated as [●], between the Authority and the Wells Fargo Bank, National Association, as custodian and trustee, relating to the MTA Hudson Rail Yards Trust Obligations (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Trust Agreement"; the Trust Agreement together with the Financing Agreement, and all other documents and/or instruments evidencing and/or securing the obligations of the Authority thereunder, collectively the "Financing Documents")

WHEREAS, the Authority is obligated to make the Financing Agreement Payments as required under the Financing Documents, and perform the other obligations of the Authority to the Trustee under the Financing Documents (the "Authority Obligations");

WHEREAS, the Authority Obligations are secured by a certain Mortgage, Security Agreement, Assignment of Rents and Leases And Fixture Filing, as described in Schedule A attached hereto and made a part hereof (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Mortgage"); and

WHEREAS, the Mortgage constitutes a good and valid first lien on the parcels described on Schedule B-1 ("Parcel A") and Schedule B-2 ("Parcel B") attached hereto, and made a part hereof;

WHEREAS, Mortgagor is desirous of severing, splitting, partitioning and dividing the lien of the Mortgage so as to constitute in law [two] separate liens, as follows: [●] one first mortgage lien securing the Authority Obligations upon Parcel A only (hereinafter referred to as

“Mortgage A”); and [●] one first mortgage lien securing the Authority Obligations upon Parcel B (only (hereinafter referred to as “Mortgage B”));¹ and

WHEREAS, Mortgagee is willing to consent to the severing, splitting and dividing of the lien of the Mortgage upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements of the Authority herein contained, the mutual promises of the parties set forth herein and other good and valuable consideration, the receipt whereof is hereby acknowledged, the parties agree as follows:

1. The aforesaid Mortgage now a lien upon Parcels A and B, is hereby severed, split and divided so that the same shall hereafter constitute in law but one first mortgage, a single lien securing the Authority Obligations upon Parcel A only and one first mortgage, a single lien securing the Authority Obligations upon Parcel B only.²
2. In consideration of the severance, splitting and division of the Mortgage as aforesaid, the Mortgagor does hereby represent, warrant and covenant and agree as follows:
 - (a) Mortgage A is a valid first lien on said Parcel A, for the full amount of principal now owing thereon and that there are no defenses or offsets to said Mortgage A or other obligations secured thereby.
 - (b) Mortgage B is a valid first lien on said Parcel B, for the full amount of principal now owing thereon and that there are no defenses or offsets to said Mortgage B or other obligations secured thereby.
 - (c) That all of the covenants, terms and conditions of said Mortgages, except as herein modified, shall remain in full force and effect until further modified by agreement between Authority and Trustee.

¹ To be modified based on the number of severances at any given time.

² To be modified based on the number of severances at any given time.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this instrument to be signed by their proper representative or officer, thereunto duly authorized, as of the day and year first above written.

Authority:

**METROPOLITAN TRANSPORTATION
AUTHORITY**, a New York public benefit
corporation

By: _____
Name:
Title:

[Signatures continue on the next page]

Trustee:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, a national banking association**

By: _____

Name:

Title:

Schedule A

Description of Mortgage

Schedule B-1

Legal Description of "Parcel A"

Schedule B-2

Legal Description of "Parcel B"

EXHIBIT D-2

**AMENDED AND RESTATED MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING**

by and from

METROPOLITAN TRANSPORTATION AUTHORITY, as mortgagor

(“Authority”)

TO

WELLS FARGO BANK, NATIONAL ASSOCIATION, as mortgagee

(“Trustee”)

Dated as of [●]

Location: [●]

Block: [●]

Lot: [●]

**PREPARED BY AND UPON
RECORDATION RETURN TO:
[●]**

THIS MORTGAGE DOES NOT COVER REAL PROPERTY PRINCIPALLY IMPROVED BY ONE OR MORE STRUCTURES CONTAINING, IN THE AGGREGATE, NOT MORE THAN SIX RESIDENTIAL UNITS, EACH HAVING ITS OWN SEPARATE COOKING FACILITIES

**AMENDED AND RESTATED MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS
AND LEASES AND FIXTURE FILING**

THIS AMENDED AND RESTATED MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified, being hereinafter referred to as this “Mortgage”) is made as of [●], by **METROPOLITAN TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public benefit corporation of the State of New York, having an address at 2 Broadway, New York, New York 10004, as mortgagor (the “Authority”), for the benefit of **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but solely as trustee having an address at [●], as mortgagee (“Trustee”).

RECITALS:

The Authority is a party to that certain Interagency Financing Agreement, dated as of September [●], 2016, among the Authority, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company, and MTA Bus Company, on the one hand, and the Trustee, on the other hand (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Financing Agreement”) and that certain MTA Hudson Rail Yards Trust Agreement, dated as of September [●], 2016, between the Authority and the Trustee, relating to the MTA Hudson Rail Yards Trust Obligations (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Trust Agreement”; the Trust Agreement together with the Financing Agreement, and all other documents and/or instruments evidencing and/or securing the obligations of the Authority thereunder, including without limitation this Mortgage, collectively the “Financing Documents”).

All capitalized terms used, but not defined, in this Mortgage have the respective meanings set forth in the Financing Documents.

The Authority is party to that certain Tower [●] Lease, dated as of [●], by and between the Authority, as landlord (“Landlord”), and [●], as tenant (together with its successors, assigns and designees, “Ground Lease Tenant”) (the “Original Ground Lease”) a memorandum of which was recorded on [●] under CRFN [●] in the Office of the City Register, New York County (the “City Register”), as such memorandum was amended by that certain amendment of memorandum which was recorded in the City Register on [●] under CRFN [●] in the City Register,¹ pursuant to which the Authority is entitled to receive certain payments which constitute a portion of the Annual Base Rent.

Pursuant to the terms of the Original Ground Lease, the Premises demised thereunder have been subdivided to create one or more severed parcels (the “Severed Parcels”) such that the Severed Parcels are no longer subject to the Original Ground Lease, and an amendment to the Original Ground Lease dated as of [●] has been executed by Landlord and

¹ Recital to reflect all documents recorded in connection with the Ground Lease (including assignments and amendments where applicable).

Tenant to confirm the subdivision and severance of the Severed Parcels (the “Ground Lease Amendment”; the Original Ground Lease, as amended by the Ground Lease Amendment, and as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Ground Lease”).

The Authority is party to that certain Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing (the “Original Mortgage”) dated as of September [●], 2016 and recorded on [●] under CRFN [●] in the City Register, given to secure the obligation of the Authority to make Financing Agreement Payments as required under the Financing Documents, and perform the other obligations of the Authority to the Trustee under the Financing Documents (the “Authority Obligations”). Pursuant to that certain Mortgage Severance and Splitting Agreement dated as of as of the date hereof and recorded on [●], in the Office of the City Register, New York County under CRFN [●], the Ground Lease, and Financing Documents, the Authority and Trustee desire to amended and restate the terms and conditions of the Original Mortgage in order to confirm that, among other things, the lien of the Original Mortgage has been severed, split, partitioned and divided so as to constitute in law a separate first mortgage lien securing the Authority Obligations upon the real property described in Exhibit A attached hereto;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and Trustee hereby agree as follows as of the date hereof:

ARTICLE 1

GRANTS OF SECURITY

Section 1.01 Property Mortgaged. Authority does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Trustee, with power of sale for the benefit and security of Trustee, all of the Authority’s right, title and interest in and to the following real, personal, tangible and intangible property, rights, interests and estates now owned or hereafter acquired by Authority, and demised by the Authority to Ground Lease Tenant under the Ground Lease (collectively, the “Property”):

(a) Portion of Facility Airspace Parcel Demised Under Ground Lease. That certain real property described in Exhibit A attached hereto and made a part hereof, which constitutes the portion of the Facility Airspace Parcel demised to Ground Lease Tenant under the Ground Lease (the “Demised Premises”);

(b) Additional Land. All additional lands, estates and development rights, if any, hereafter acquired by Authority and demised to Ground Lease Tenant under the Ground Lease for use in connection with the Demised Premises and the development of the Demised Premises;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Demised Premises (collectively, the “Improvements”).

Notwithstanding the foregoing, Improvements shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein, as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel (as defined in the Ground Lease) or any portion thereof, and any portion of the LIRR Roof and Facilities (as defined in the Ground Lease) which constitutes a part of the Yards Parcel;

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, permits, licenses, rights of way and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Demised Premises and the Improvements and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Demised Premises, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Authority of, in and to the Demised Premises and the Improvements and every part and parcel thereof, with the appurtenances thereto, to the extent demised to Ground Lease Tenant under the Ground Lease and to which Ground Lease Tenant's rights under the Ground Lease are subject, including without limitation, rights and obligations appurtenant to the Demised Premises pursuant to the Declaration of Easements (as defined in the Ground Lease);

(e) Equipment. All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Authority, which is used at, or in connection with, the Improvements or the Demised Premises or is located thereon or therein (including, but not limited to, all machinery, equipment, heating, ventilation or air-conditioning equipment, garbage equipment and apparatus, incinerators, boilers, furnaces, motors, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Authority and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "Equipment"). Notwithstanding the foregoing, Equipment shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Authority which is so related to the Demised Premises and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state of New York, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of, or installation on, the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in, or used in connection with (temporarily

or permanently), any of the Improvements or the Demised Premises, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Authority's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "Fixtures"). Notwithstanding the foregoing, "Fixtures" shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever as defined in and subject to the provisions of the Uniform Commercial Code, whether tangible or intangible, other than Fixtures, which are now or hereafter owned by Authority, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the "Personal Property"), and the right, title and interest of Authority in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state of New York (as amended from time to time, the "Uniform Commercial Code"), superior in lien to the lien of this Mortgage and all proceeds and products of the above. Notwithstanding the foregoing, Personal Property shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(h) Lease and Rents. The (1) Ground Lease, and all other leases, subleases or sub-subleases, lettings, licenses, concessions, easements, assignments or other agreements (whether written or oral) pursuant to which the Authority grants to Ground Lease Tenant or any other Person, a possessory interest in, or right to use or occupy all or any portion of the Demised Premises and the Improvements, including, without limitation, pursuant to any subordination, non-disturbance, recognition and/or attornment agreements, estoppel or other instruments, agreements or documents with any Person (including, without limitation, in connection with a sublease, mortgage or mezzanine financing or agreements with the New York City Industrial Development Agency, Hudson Yards Infrastructure Corporation and/or other

governmental or quasi-governmental agencies), (2) every modification, amendment, supplement or other agreement relating to the agreements described in the foregoing clause (1), and (3) every guarantee of the performance and observance of the covenants, conditions and agreements, to be performed and observed in connection with the agreements described in the foregoing clause (1), heretofore or hereafter entered into (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time (collectively, the “Ground Lease Documents”), whether before or after the filing by or against Authority of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the “Bankruptcy Code”) and all right, title and interest of Authority, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the Ground Lease Tenant and other lessees of their obligations thereunder and all rents, rent equivalents, Ground Lease Tenant termination and contraction fees, moneys payable as damages or in lieu of rent or rent equivalents, additional rents, including, without limitation, the Annual Base Rent payable under the Ground Lease, other revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, deposits (including, without limitation, security, utility and other deposits) accounts and receipts from the Ground Lease whether paid or accruing before or after the filing by or against Authority of any petition for relief under the Bankruptcy Code, to the extent constituting Annual Base Rent and Fee Purchase Payments payable by Ground Lease Tenant under the Ground Lease and the right to receive and apply such Annual Base Rent and Fee Purchase Payments to payment of the Authority Obligations;

(i) Condemnation Awards. Subject to the terms of the Ground Lease, all Awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to all or any portion of the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of, or in anticipation of, the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property including, without limitation, any award or awards, or settlements or payments, hereafter made resulting from: (i) condemnation proceedings or the taking of all or any portion of the Improvements, the Equipment, the Fixtures, the Ground Lease or the Personal Property, or any part thereof, under the power of eminent domain; or (ii) the alteration of grade or the location or the discontinuance of any street adjoining the Property or any portion thereof; and Authority hereby agrees to execute and deliver, from time to time, such further instruments as may be reasonably requested by Trustee to confirm such assignment to Trustee of any such award, damage, payment or other compensation;

(j) Insurance Proceeds. Subject to the terms of the Ground Lease, all insurance proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance policies, judgments, or settlements made in lieu thereof, in connection with a casualty to the Property;

(k) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, insurance proceeds and awards, into cash or liquidation claims;

(l) Rights. The right, in the name and on behalf of Authority, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Trustee in the Property, in each case, subject to and in accordance with the terms of the Ground Lease, this Mortgage, the Financing Documents and applicable law;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Ground Lease and the Demised Premises and any part thereof and any Improvements or any business or activity conducted on the Demised Premises and any part thereof and all right, title and interest of Authority therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Authority thereunder, in each case, to the extent any of the foregoing specified in this clause (m) constitutes Base Rent and/or Fee Purchase Payments payable under the Ground Lease;

(n) Accounts. All reserves, escrows and deposit accounts now or hereafter established or maintained pursuant to the Financing Documents, together with all deposits or wire transfers made to such accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein, from time to time, and all proceeds, products, distributions or dividends or substitutions thereon and thereof; and

(o) Other Rights. All other or greater rights and interests of every nature in the Real Property (as hereinafter defined) and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Authority in and to the items set forth in Subsections (a) through (n) above).

AND without limiting any of the other provisions of this Mortgage, to the extent permitted by applicable law, Authority expressly grants to Trustee, as secured party, a security interest in the portion of the Property which is (or may be subject to) the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Demised Premises (the Demised Premises, the Improvements and the Fixtures collectively referred to as the "Real Property") appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Mortgage be deemed conclusively to be real estate and mortgaged hereby.

Section 1.02 Assignment of Lease and Rents. Authority hereby absolutely and unconditionally assigns to Trustee all of Authority's right, title and interest in and to the Ground Lease and all Annual Base Rent and Fee Purchase Payments payable thereunder; it being intended by Authority that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to Section 7.01(e) of this Mortgage, Trustee grants to Authority a revocable license to collect, receive, use and enjoy the Annual Base Rent and Fee Purchase Payments paid under the Ground Lease and Authority shall

hold such Annual Base Rent and Fee Purchase Payments, or a portion thereof sufficient to pay all Authority Obligations currently due and payable.

Section 1.03 Security Agreement. This Mortgage is both a real property mortgage and a “security agreement” within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Authority in the Property, including all accounts established by Trustee pursuant to the Transportation Trust Agreement. By executing and delivering this Mortgage, Authority hereby grants to Trustee, as security for the Authority Obligations, a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the “Collateral”). If a Ground Lease Payment Event of Default shall occur and be continuing and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Collateral. Authority shall pay to Trustee within ten (10) Business Days following written demand therefor expenses, including reasonable legal expenses and attorneys’ fees and costs, incurred or paid by Trustee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement). Any notice of sale, disposition or other intended action by Trustee with respect to the Collateral sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Authority. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement. Authority’s principal place of business is as set forth on the first page hereof and the address of Trustee is as set forth on the first page hereof.

Section 1.04 Fixture Filing. Certain of the Property is, or will become, “fixtures” (as that term is defined in the Uniform Commercial Code) on the Demised Premises, and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement (naming Authority as the Debtor with an address as set forth on the first page hereof and an federal employer identification number of 13-2552035, and Trustee as the Secured Party with an address as set forth on the first page hereof) filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is, or may become, fixtures.

Section 1.05 Pledge of Monies Held. Authority hereby pledges to Trustee any and all Annual Base Rent and Fee Purchase Payments now or hereafter held by, or on behalf of, Authority in connection with the Financing Agreement Payments, including, without limitation, Principal and Interest Components evidenced by the Authority Obligations, equal in amount to the amounts received by the Authority of Annual Base Rent and Fee Purchase Payments under the Ground Lease until expended or applied as provided in this Mortgage.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Trustee and its permitted successors and assigns, forever;

WITH POWER OF SALE, to secure Authority's performance of the Authority Obligations at the time and in the manner provided in the Financing Documents;

PROVIDED, HOWEVER, that these grants are upon the express condition that, if Authority shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Financing Documents with respect to the Authority Obligations, these grants and the estate hereby granted shall cease, terminate and be void; provided, however, that Authority's obligation to indemnify and hold harmless Trustee pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE 2

DEBT AND OBLIGATIONS SECURED

Section 2.01 Debt. This Mortgage and the grants, assignments and transfers made in Article 1 hereof are given for the purpose of securing the Authority Obligations.

ARTICLE 3

AUTHORITY COVENANTS

Authority covenants and agrees that:

Section 3.01 Financing Agreement Payments. Authority will make Financing Agreement Payments at the time and in the manner provided in the Financing Documents.

Section 3.02 Incorporation by Reference. All the covenants, conditions and agreements contained in the Financing Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

Section 3.03 Maintenance of Property. Authority shall maintain, or cause to be maintained, the Property in a good and safe condition and repair, subject to and in accordance with the terms of the Ground Lease and the Financing Documents. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Trustee or

as otherwise permitted pursuant to the Ground Lease and the Financing Documents. Authority shall promptly repair, replace, or rebuild, or cause to be repaired, replaced, or rebuilt, any part of the Property which may be destroyed by any casualty or become damaged, worn or dilapidated or which may be affected by any condemnation, subject to and in accordance with the terms of the Ground Lease and the Financing Documents

Section 3.04 Waste. Authority shall not commit or permit any waste of the Property or make any change in the use of the Property which will, in any way, materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that would reasonably be expected to invalidate or allow the cancellation of any insurance policy, or do or permit to be done thereon anything that could reasonably be expected to materially impair the value of the Property or the security of this Mortgage.

Section 3.05 Payment for Labor and Materials. Subject to the terms and provisions of the Ground Lease and the Financing Documents (including, without limitation, Authority's contest rights thereunder), Authority (i) will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("Labor and Material Costs") incurred by Authority in connection with the Property and (ii) will never permit to be created or exist (in respect of the Property or any part thereof) any other or additional lien or security interest caused or incurred by actions of the Authority other than the liens or security interests created hereby and as permitted pursuant to the Ground Lease and Financing Documents.

Section 3.06 Performance of Other Agreements. Authority shall observe and perform each and every material term, covenant and provision to be observed or performed by Authority pursuant to the Ground Lease and Financing Documents, and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

Section 3.07 Change of Name, Identity or Structure. Except to the extent expressly permitted under the Financing Documents, Authority shall not change Authority's name, identity (including its trade name or names) or, if not an individual, Authority's corporate, partnership or other structure without notifying trustee of such change in writing at least fifteen (15) Business Days prior to the effective date of such change and, in the case of a change in Authority's structure, without first obtaining the prior written consent of Trustee acting reasonably. Authority shall execute and deliver to trustee, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change reasonably required by Trustee to establish or maintain the validity, perfection and priority of the security interests granted herein.

ARTICLE 4

OBLIGATIONS AND RELIANCES

Section 4.01 Relationship of Authority and Trustee. Trustee has no fiduciary or other special relationship with Authority, and no term or condition of the Financing Documents shall be construed so as to create a fiduciary or other special relationship between Authority and Trustee.

Section 4.02 No Reliance on Trustee. Authority is not relying on Trustee's expertise, business acumen or advice in connection with the Property.

Section 4.03 No Trustee Obligations.

(a) Notwithstanding the provisions of Subsections 1.01(h) and 1.01(m) or Section 1.2 hereof, Trustee is not undertaking the performance of (i) any obligations under the Ground Lease, or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled by Authority or to be given by Authority to Trustee pursuant to this Mortgage or the Financing Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Trustee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Trustee.

ARTICLE 5

FURTHER ASSURANCES

Section 5.01 Recording of Mortgage, etc. Authority forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest hereof upon, and the interest of Trustee in, the Property. Except to the extent otherwise expressly provided for in the Ground Lease or the Financing Documents, or prohibited by law to do so, Authority will pay all filing, registration or recording fees, if any, and all expenses, if any, incident to the preparation, execution, acknowledgment and/or recording of this Mortgage, any note, deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal duties, imposts, assessments and charges arising out of, or in connection with, the execution and delivery of this Mortgage, any deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents.

Section 5.02 Further Acts, etc. Authority will, at the cost of Authority, and without expense to Trustee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Trustee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Trustee the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Authority may be (or may hereafter become) bound to convey or assign to Trustee, or for carrying out the intention or

facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all applicable legal requirements. Authority, within ten (10) Business Days following written demand thereof, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Trustee to execute in the name of Authority or without the signature of Authority to the extent Trustee may lawfully do so, one or more financing statements to evidence more effectively the security interest of Trustee in the Property. Authority grants to Trustee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Trustee at law and in equity, including, without limitation, such rights and remedies available to Trustee pursuant to this Section 5.02, to the extent that Authority fails or refuses to promptly execute such documents after notice from Trustee.

ARTICLE 6

TRANSFER

Section 6.01 No Sale/Transfer. Authority shall not transfer the Property or any part thereof or any direct or indirect interest therein, or permit or suffer the Property or any part thereof or any direct or indirect interest therein to be transferred, other than as permitted pursuant to the terms of the Ground Lease or the Financing Documents. Notwithstanding anything to the contrary contained herein, any easements, memorandums of lease, condominium documents, declarations and any other liens or modifications, supplements or amendments to the foregoing that are recorded against the Demised Premises by the Authority as contemplated under the Ground Lease Documents shall not be deemed a “transfer” under this Section 6.01.

ARTICLE 7

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.01 Remedies. Upon the occurrence and during the continuance of any Ground Lease Payment Event of Default, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Authority agrees that Trustee may take such action, without notice or demand, in accordance with the Ground Lease and to the fullest extent permitted by law, as it deems advisable to protect and enforce its rights against Authority and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Trustee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Trustee:

(a) institute proceedings, judicial or otherwise, for the complete foreclosure, in accordance with New York law, of this Mortgage under any applicable provision of law, in which case the Property, or any interest of the Authority therein, may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this

Mortgage to collect the Financing Agreement Payments then due and payable from Annual Base Rent then due and payable under the Ground Lease, subject to the continuing lien and security interest of this Mortgage for the balance of the Financing Agreement Payments not then due, unimpaired and without loss of priority;

(c) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Authority therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law; and, without limiting the foregoing;

(i) in connection with any sale or sales hereunder, Trustee shall be entitled to elect to treat any of the Property which consists of (x) a right in action, (y) property that can be severed from the Real Property covered hereby (without causing structural damage thereto), or (z) any improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property. Where the Property consists of Real Property, Personal Property, Equipment or Fixtures, whether or not such Personal Property or Equipment is located on or within the Real Property, Trustee shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, Personal Property, Equipment and Fixtures in such order and manner as is now or hereafter permitted by applicable law;

(ii) Trustee shall be entitled to elect to proceed against any or all of the Real Property, Personal Property, Equipment and Fixtures in any manner permitted under applicable law; and if Trustee so elects pursuant to applicable law, the power of sale herein granted shall be exercisable with respect to all or any of the Real Property, Personal Property, Equipment and Fixtures covered hereby, as designated by Trustee;

(iii) should Trustee elect to sell any portion of the Property which is Real Property or which is Personal Property, Equipment or Fixtures that Trustee has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of the Real Property, Trustee shall give such notice of the occurrence of a Ground Lease Payment Event of Default, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement) and its election to sell such Property as may then be required by law. Thereafter, upon the giving of such notice of sale and the expiration of any required time period as may then be required by law, subject to the terms hereof and of the Ground Lease and the Financing Documents, and without the necessity of any demand on Authority or Trustee at the time and place specified in the notice of sale, may sell such Real Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Trustee may (unless prohibited under applicable law), from time to time, postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and

(iv) if the Property consists of several lots, parcels or items of property, Trustee shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner Trustee

designates in Trustee's sole discretion. Any Person, including Authority or Trustee, may purchase at any sale hereunder. Should Trustee desire that more than one sale or other disposition of the Property be conducted, Trustee shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Trustee may designate, and no such sale shall terminate or otherwise affect the lien of this Mortgage on any part of the Property not sold until all the Financing Agreement Payments then due and payable have been paid in full. In the event Trustee elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Authority agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(d) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the payment of Authority Obligations and without regard for the solvency of Authority, any guarantor or indemnitor with respect to the Authority Obligations or any Person otherwise liable for the payment of the Authority Obligations or any part thereof;

(e) the license granted to Authority under Section 1.02 hereof shall automatically be revoked and Trustee may enter into or upon the Property, subject to the terms of the Ground Lease Documents and the Financing Documents either personally or by its agents, nominees or attorneys, and dispossess Authority and its agents and servants therefrom, without liability for trespass, damages or otherwise and take possession of all books, records and accounts relating thereto and Authority agrees to surrender possession of the Property and of such books, records and accounts to Trustee upon demand, and thereupon Trustee may, subject to the terms of the Ground Lease Documents, (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat, (ii) complete any construction on the Property in such manner and form as Trustee deems advisable, (iii) make alterations, additions, renewals, replacements and improvements to or on the Property, (iv) exercise all rights and powers of Authority with respect to the Property, whether in the name of Authority or otherwise, including, without limitation, the right to make, cancel, enforce or modify the Ground Lease Documents, obtain and evict the Ground Lease Tenant, and demand, sue for, collect and receive all Annual Base Rent under the Ground Lease and every part thereof, (v) require Authority to pay monthly in advance to Trustee, or any receiver appointed to collect the Annual Base Rent under the Ground Lease, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Authority, (vi) require Authority to vacate and surrender possession of the Property to Trustee or to such receiver and, in default thereof, Authority may be evicted by summary proceedings or otherwise, and (vii) apply the receipts from the Property to the payment of Authority Obligations, in such order, priority and proportions as Trustee shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, other charges, insurance premiums and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Trustee, its counsel, agents and employees;

(f) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of

the foregoing, the right to take possession of the Fixtures, the Equipment and/or the Personal Property or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and/or the Personal Property. Any notice of sale, disposition or other intended action by Trustee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall constitute commercially reasonable notice to Authority;

(g) apply any sums then deposited or held in escrow or otherwise by or on behalf of Trustee in accordance with the terms of the Financing Documents to the payment of unpaid Authority Obligations; or

(h) pursue such other remedies as Trustee may have under applicable law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.02 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Property, or any part thereof, or any other sums collected by Trustee pursuant to this Mortgage or the Financing Agreement Payments, during the continuance of a Ground Lease Payment Event of Default continuing beyond the applicable time period (as set forth in Section 5.06 of the Trust Agreement), shall be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement.

Section 7.03 Right to Cure Defaults. Upon the occurrence and during the continuance of any Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may, but without any obligation to do so and without notice to or demand on Authority, make any payment or do any act required of Authority hereunder or in the other Financing Documents which payment or action on the part of Trustee shall be in such manner and to such extent as Trustee may deem necessary to protect the security hereof. Subject to the Ground Lease, Trustee is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property, or to foreclose this Mortgage, or to collect the Financing Agreement Payments and the out-of-pocket cost and expense incurred in connection therewith (including reasonable attorneys' fees and expenses to the extent permitted by law) with interest as provided in this Section 7.03. All such costs and expenses incurred by Trustee in remedying any Ground Lease Payment Event of Default or in appearing in, defending, or bringing any such action or proceeding, as hereinabove provided, shall bear interest at the Default Rate, for the period beginning on the first day after notice from Trustee that such cost or expense was incurred and continuing until the date of payment to Trustee. All such costs and expenses incurred by Trustee, together with interest thereon calculated at the Default Rate, shall be deemed to constitute a portion of the Authority Obligations to be secured by this Mortgage and shall be due and payable within ten (10) Business Days of written demand by Trustee therefor.

Section 7.04 Actions and Proceedings. After the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Authority, which Trustee, in its sole and absolute discretion, decides should be brought to protect its interest in the Property.

Section 7.05 Recovery of Sums Required To Be Paid. After the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee shall have the right, from time to time, to take action to recover any sum or sums which constitute a part of the Authority Obligations as the same become due, without regard to whether or not the balance of the Authority Obligations shall be due, and without prejudice to the right of Trustee thereafter to bring an action of foreclosure, or any other action, for any Ground Lease Payment Event of Default existing under the Ground Lease at the time such earlier action was commenced.

Section 7.06 Other Rights, etc.

(a) The failure of Trustee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Authority shall not be relieved of Authority's obligations hereunder by reason of (i) the failure of Trustee to comply with any request of Authority or any guarantor or indemnitor with respect to the Authority Obligations to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Financing Documents, (ii) except as expressly set forth in the Financing Documents, the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Authority Obligations or any portion thereof, or (iii) except as otherwise expressly agreed to by Trustee, in writing, any agreement or stipulation by Trustee extending the time of payment or otherwise modifying or supplementing the terms of the Financing Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Authority, and Trustee shall have no liability whatsoever for any decline in value of the Property, for failure to maintain the insurance policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Trustee shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Property or collateral not in Trustee's possession.

(c) Upon the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may resort for the payment of the Authority Obligations to any other security held by Trustee in such order and manner as Trustee, in its discretion, may elect. Upon the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may

take action to recover the Authority Obligations then due and payable, or any portion thereof, without prejudice to the right of Trustee thereafter to foreclose this Mortgage. The rights of Trustee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Trustee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Trustee shall not be limited exclusively to the rights and remedies herein stated, but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.07 Right of Entry. Subject to the rights of Ground Lease Tenant or any other person granted a right of entry possessory or occupancy interest under the Ground Lease, and subject to the terms of the Financing Documents, upon reasonable notice to Authority (which may be given verbally), Trustee and its agents shall have the right to enter and inspect the Property at all reasonable times, subject to accompaniment by Authority or representatives of Authority if so desired by Authority.

Section 7.08 Trustee Not Obligated; Cumulative Rights. Nothing in this instrument shall be construed as obligating Trustee to take any action or incur any liability with respect to the Property, and all options given to Trustee are for its benefit and shall and may be exercised in such order and in such combination as Trustee, in its sole discretion, may, from time to time, decide. Each remedy is distinct and cumulative to all other rights and remedies under this Instrument and the Financing Documents or afforded by law or equity, and may be exercised concurrently, independently or successively, in any order whatsoever.

Section 7.09 No Cross-Default. Notwithstanding anything to the contrary contained herein or in any of the other Financing Documents, as used herein, a Ground Lease Payment Event of Default as used herein refers only to a Ground Lease Payment Event of Default under the Ground Lease which is mortgaged pursuant to this Mortgage, and not a Ground Lease Payment Event of Default under any other Ground Leases (as defined in the Financing Agreement) not mortgaged pursuant to this Mortgage. For the avoidance of doubt, (1) Trustee shall not be entitled to exercise any remedy under this Mortgage unless there is a Ground Lease Payment Event of Default in connection with the Ground Lease which constitutes a portion of the Property hereunder, (2) the Ground Lease is not cross-defaulted with any other Ground Leases which are not part of the Property hereunder, and a Ground Lease Payment Event of Default under the Ground Lease shall not constitute a Ground Lease Payment Event of Default under any of such other Ground Leases, nor shall a Ground Lease Payment Event of Default under any of such other Ground Leases constitute a Ground Lease Payment Event of Default hereunder, and (3) this Mortgage is not cross-defaulted with any other mortgage encumbering the Authority's interest in any other Ground Leases issued as security for the Authority Obligations, and a Ground Lease Payment Event of Default under this Mortgage shall not constitute a Ground Lease Payment Event of Default under any of such other mortgages, nor shall a Ground Lease Payment Event of Default under any of the other such mortgages constitute a Ground Lease Payment Event of Default under this Mortgage.

ARTICLE 8

WAIVERS

Section 8.01 Waiver of Counterclaim. To the extent permitted by applicable law, Authority hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Trustee arising out of (or in any way connected with this Mortgage), except in each instance where Trustee has engaged in willful misconduct or acted with gross negligence.

Section 8.02 Marshalling and Other Matters. To the extent permitted by applicable law, Authority hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property (or any part thereof or any interest therein). Further, to the extent permitted by applicable law, Authority hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Authority, and on behalf of each and every Person acquiring any interest in, or title to, the Property subsequent to the date of this Mortgage.

Section 8.03 Waiver of Notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, AUTHORITY SHALL NOT BE ENTITLED TO ANY NOTICES OF ANY NATURE WHATSOEVER FROM TRUSTEE EXCEPT WITH RESPECT TO MATTERS FOR WHICH THIS MORTGAGE OR THE FINANCING DOCUMENTS SPECIFICALLY AND EXPRESSLY PROVIDE FOR THE GIVING OF NOTICE BY TRUSTEE TO AUTHORITY.

Section 8.04 Waiver of Statute of Limitations. To the extent permitted by applicable law, Authority hereby expressly waives and releases its right to plead any statute of limitations as a defense to payment of the Authority Obligations.

Section 8.05 Waiver of Jury Trial. AUTHORITY HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS MORTGAGE OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY AUTHORITY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. TRUSTEE IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY AUTHORITY.

ARTICLE 9

EXCULPATION

Trustee shall not enforce the liabilities and obligations of Authority to perform and observe the obligations contained in this Mortgage by any action or proceeding wherein a money judgment shall be sought against Authority or any principal, director, officer, employee, manager, member, direct or indirect owner, trustee, agent or affiliate of Authority (collectively, the “Exculpated Parties”), except that Trustee may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Trustee to preserve its interest under this Mortgage and the other Financing Documents, or in the Property, the Annual Base Rent, the Fee Purchase Payments under the Ground Lease or any other collateral given to Trustee pursuant to this Mortgage or any of the other Financing Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Authority only to the extent of Authority’s interest in the Property, in the Annual Base Rent and Fee Purchase Payments under the Ground Lease and in any other collateral given to Trustee pursuant to this Mortgage or the other Financing Documents, and Trustee, by accepting this Mortgage and the Financing Documents, agrees that it shall not sue for, seek or demand any deficiency judgment against any of the Exculpated Parties in any such action or proceeding under, or by reason of, or in connection with this Mortgage or the other Financing Documents. The provisions of this Article 9 shall not, however: (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Financing Documents; (b) impair the right of Trustee to name Authority as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any guaranty made in connection with the Authority Obligations or any of the rights and remedies of Trustee thereunder; (d) impair the right of Trustee to obtain the appointment of a receiver; (e) impair the enforcement of the assignment of leases and rents set forth in Section 1.02; (f) constitute a prohibition against Trustee seeking a deficiency judgment against Authority in order to fully realize the rights and remedies granted to the Trustee under the Financing Documents, or commencing any other appropriate action or proceeding in order for Trustee to exercise its remedies against the Property; or (g) impair any other rights of Trustee against Authority provided in the Financing Documents.

ARTICLE 10

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 8.6 of the Financing Agreement. Any notices of a Ground Lease Payment Event of Default given by the Authority under the Ground Lease shall also be given contemporaneously to Trustee in the manner specified in Section 8.6 of the Financing Agreement.

ARTICLE 11

APPLICABLE LAW

Section 11.01 Governing Law; Jurisdiction; Service of Process.

(a) THIS MORTGAGE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES IRREVOCABLY AND UNCONDITIONALLY AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND, IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, OF THIS MORTGAGE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE BY AUTHORITY AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, AUTHORITY HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS MORTGAGE AND/OR THE LOAN, AND THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AND ANY OTHER APPLICABLE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SECTION A.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST AUTHORITY ARISING OUT OF, OR RELATING TO, THIS MORTGAGE OR THE ATTACHMENT, CREATION, PERFECTION, OR ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED UNDER THIS MORTGAGE SHALL BE INSTITUTED IN ANY FEDERAL OR STATE COURT LOCATED IN NEW YORK, INCLUDING, WITHOUT LIMITATION, ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF NEW YORK AND AUTHORITY WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND AUTHORITY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. AUTHORITY DOES HEREBY AGREE THAT SERVICE OF PROCESS UPON AUTHORITY (IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AT THE ADDRESS FOR AUTHORITY SET FORTH HEREIN) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON AUTHORITY IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. AUTHORITY (I) SHALL GIVE PROMPT NOTICE TO TRUSTEE OF ANY CHANGED ADDRESS OF AUTHORITY SET FORTH HEREIN, (II) MAY AT ANY TIME, AND FROM TIME TO TIME, DESIGNATE AN AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY

DESIGNATE SUCH AN AUTHORIZED AGENT IF AUTHORITY CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

Section 11.02 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

ARTICLE 12

DEFINITIONS

Capitalized terms, used but not defined herein, shall have the meanings ascribed to such terms in the Financing Agreement and the Trust Agreement. The rules of construction specified in Section 1.02 of the Trust Agreement also apply to this Mortgage.

ARTICLE 13

RELEASE OF PARCELS UPON FEE CONVERSION; MODIFICATION OF MORTGAGE UPON SUBSEVERANCE OF LEASE

Section 13.01 Release of Parcels Upon Fee Conversion. Simultaneously with the delivery of the Fee Purchase Payments to Trustee (which delivery shall be deemed to have been made upon delivery of the Fee Purchase Payments by Authority or Ground Lease Tenant to a title closing escrow in connection with a Fee Conversion Option) following an election by a Ground Lease Tenant under the Ground Lease to exercise its Fee Conversion Option to purchase any such portions of the Property, Trustee shall release the lien of this Mortgage from the applicable Option Property (as defined in the Ground Lease). In connection therewith, Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority's direction, to a title closing escrow), within ten (10) Business Days following request, a release of this Mortgage with respect to the Option Property in the applicable form annexed hereto as Exhibit B-1 ("Partial Release of Mortgage") and Exhibit B-2 ("Satisfaction of Mortgage"), together with such ancillary documents as shall be required to evidence and effect such release ("Release Documents") and any instrument of further assurance, and any required modification or amendment of the foregoing Release Documents in connection with the execution and delivery of the Release Documents. With respect to any Option Property that constitutes individual Residential Units (as defined in the Ground Lease) for which a Fee Conversion Option is being undertaken pursuant to Section 10.05 of the Ground Lease, Trustee is hereby deemed to have irrevocably appointed the Authority as an authorized signatory on behalf of the Trustee in order to execute and deliver Release Documents for each Residential Unit at each Residential Unit Closing (as defined in the Ground Lease). The Authority's execution and delivery of the Release Documents for each Residential Unit at each Residential Unit Closing in the Authority's capacity as authorized signatory for Trustee, shall be deemed valid and binding by virtue of this provision

and no further verification or authorization from Trustee shall be required. Upon the request of the Authority, Trustee shall promptly execute and deliver any instruments or documents required to evidence in recordable form the appointment of the Authority to execute and deliver the Release Documents for the Residential Units at the Residential Unit Closings. Within ten (10) Business Days following the release of a Residential Unit from the lien of this Mortgage, the Authority shall deliver to Trustee a certification in the form attached as Exhibit B-3 certifying that the applicable Fee Purchase Payment with respect to the Residential Unit so released was made, and that the applicable Residential Unit has been released.

Section 13.02 Modification of Mortgage Upon Subseverances of Lease. Section 9.02(d) of the Ground Lease provides for the Demised Premises to be further severed upon request of Ground Lease Tenant pursuant to a “Subparcel Severance,” and for certain Severed Subparcels to be released from the Ground Lease and demised pursuant to a “Severed Subparcel Lease” from the Authority to “Severed Subparcel Tenant” (as all of such terms are defined in the Ground Lease). Upon any such Subparcel Severance and creation of a new Severed Subparcel Lease, this Mortgage shall be severed into separate severed mortgages, each encumbering the Authority’s right, title and interest in and to each Severed Subparcel Lease. In connection therewith, Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority’s direction, to a title closing escrow), within ten (10) Business Days following request, such instruments of severance of this Mortgage as shall be necessary or desirable in order to accomplish the severance of this Mortgage into multiple mortgages, each one encumbering a Severed Subparcel Lease, and to release the Severed Subparcel Lease(s) from this Mortgage, and the Authority shall execute, acknowledge and deliver replacement mortgages for each Severed Subparcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis, each in the forms annexed hereto as Exhibit C-1 (“Mortgage Severance and Splitting Agreement”), Exhibit C-2 (“Amended and Restated Mortgage, Security Agreement, Assignment of Rents And Leases and Fixture Filing”), Exhibit C-3 (“Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing”) and Exhibit C-4 (“Partial Release of Mortgage”), together with such ancillary documents as shall be required to evidence and effect such severance and replacement and any instrument of further assurance, and any required modification or amendment of the foregoing documents (“Mortgage Subseverance Documents”). The Authority shall, at its cost and expense, cause such Mortgage Subseverance Documents to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the Authority’s right, title and interest in the Property demised pursuant to such Severed Subparcel Lease, and shall cause copies of the recorded documents to be delivered to the Trustee.

Section 13.03 **[FOR THE WRY FEE MORTGAGE]** Modification of Mortgage Upon Severance of Lease. Section 9.01 of the Ground Lease provides for the Demised Premises to be further severed upon request of Ground Lease Tenant, and for certain Severed Parcels to be released from the Ground Lease and demised pursuant to a “Severed Parcel Lease” from the Authority to “Severed Parcel Tenant” (as all of such terms are defined in the Ground Lease). Upon any such Severed Parcel Severance and creation of a new Severed Parcel Lease, this Mortgage shall be severed into separate mortgages, with this Mortgage continuing to encumber the remaining Property demised under the Ground Lease, and a separate mortgage to encumber the Authority’s right, title and interest in and to the Severed Parcel Lease. In connection

therewith, (x) Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority's direction, to a title closing escrow) within ten (10) Business Days following request, such instruments of severance of this Mortgage as shall be necessary or desirable in order to accomplish the severance of this Mortgage into two or more mortgages, with this Mortgage continuing to encumber the remaining property demised under the Ground Lease, and separate mortgage(s) encumbering each Severed Parcel Lease, and to release the Severed Parcel Lease(s) from this Mortgage, and (y) the Authority shall execute, acknowledge and deliver a replacement mortgage which mortgages the Authority's right, title and interest in and to the Severed Parcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis, each in the forms annexed hereto as Exhibit D-1 ("Mortgage Severance and Splitting Agreement"), Exhibit D-2 ("Amended and Restated Mortgage, Security Agreement, Assignment of Rents And Leases and Fixture Filing"), Exhibit D-3 ("Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing") and Exhibit D-4 ("Partial Release of Mortgage"), together with such ancillary documents as shall be required to evidence and effect such severance and replacement, and any instrument of further assurance, and any required modification or amendment of the foregoing documents ("Mortgage Severance Documents"). The Authority shall, at its cost and expense, cause such Mortgage Severance Documents to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the Authority's right, title and interest in the Property demised pursuant to such Severed Parcel Lease, and shall cause copies of the recorded documents to be delivered to the Trustee.]

Section 13.04 No Amendment. The provisions of this Article 13 shall not be amended or modified without the consent of Trustee, the Authority and the Ground Lease Tenant, so long as the Ground Lease remains in full force and effect.

ARTICLE 14

SPECIFIC LEASE PROVISIONS REGARDING FEE MORTGAGES

Section 14.01 Subordination to Ground Lease. This Mortgage is expressly subject and subordinate to (i) the Ground Lease Documents, (ii) all agreements and instruments that constitute the interest of Ground Lease Tenant, and any party claiming by or through Ground Lease Tenant, in the Ground Lease Documents (including, without limitation, all agreements and instruments effecting an Assignment, Transfer, and/or Sublease), and (iii) the rights and remedies of Leasehold Mortgagees and/or Mezzanine Lenders (as each are defined in the Ground Lease) and/or the New York City Industrial Development Agency, Hudson Yards Infrastructure Corporations and/or any other governmental or quasi-governmental agency), as set forth in the Ground Lease Documents, including without limitation any New Lease (as defined in the Ground Lease) or the interest of Ground Lease Tenant under a New Lease as provided for in Section 17.04 of the Ground Lease.

Section 14.02 Specific Lease Provisions Regarding Fee Mortgages. This Mortgage constitutes a Fee Mortgage, as defined in the Ground Lease. Sections 33.02, 33.03 and 33.04 of the Ground Lease contain certain provisions regarding Fee Mortgages, which provisions are applicable to this Mortgage. Such Lease provisions are set forth below (all capitalized terms

used in this Article 14 are as defined in the Ground Lease) and are hereby incorporated into this Mortgage as if set forth herein:

“Section 33.02. Fee Mortgage. This Lease and Tenant’s interest in this Lease, as the same may be modified, amended or renewed, and any New Lease or the interest of Tenant under a New Lease as provided for in Section 17.04 shall not be subject or subordinate to (a) any Fee Mortgage or (b) to any other liens or encumbrances on Landlord’s fee estate, except for the Permitted Exceptions and any other liens or encumbrances created or consented to by Tenant or as a consequence of Tenant’s acts or omissions or the construction of the Improvements. Each Fee Mortgage shall contain an express statement confirming its subordination to this Lease (and any Severed Parcel Leases) as set forth in the immediately preceding sentence.

Section 33.03. Successor Landlord. If any Fee Mortgagee or any of its successors or assigns, or any designee of any Fee Mortgagee, shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a deed, then, at the request of such party so succeeding to Landlord’s rights (such party, a “Successor Landlord”), Tenant shall automatically attorn to and recognize such Successor Landlord as Tenant’s landlord under this Lease. Upon such attornment this Lease shall continue in full force and effect as a direct lease between the Successor Landlord and Tenant upon and subject to all of the terms, conditions and covenants as are set forth in this Lease, except that the Successor Landlord shall not (a) be liable for any previous act or omission of Landlord under this Lease which shall not be continuing; (b) be subject to any offset, not expressly provided for in this Lease, which theretofore shall have accrued to Tenant against Landlord; (c) be bound by any modification of this Lease entered into subsequent to the date of the applicable Fee Mortgage, or by any previous prepayment of more than one month’s Rental, unless such modification or prepayment shall have been expressly approved in writing by the Fee Mortgagee; or (d) be obligated to make any improvements to, or perform any work at, or furnish any services to, the Premises (it being understood that Landlord has no such obligations under this Lease; provided, however, that nothing contained in this Section 33.03 shall derogate from the obligations of the Yards Parcel Owner under the ERY Declaration of Easements). The provisions of this Section 33.03 shall be self-operative, and no instrument of any such attornment shall be required or needed by the holders of any such Fee Mortgage. In confirmation of any such attornment Tenant shall, at Landlord’s request or at the request of any such Fee Mortgagee, promptly execute and deliver such further instruments as may be reasonably required by any such Fee Mortgagee. Notwithstanding anything to the contrary herein, in the event that any such transfer causes the Premises no longer to be exempt from sales and use taxes, then Tenant shall have no obligation to pay Successor Landlord PILOST hereunder, the PILOST

Agreement shall be deemed void and of no further force and effect and any obligation of Tenant contingent on paying PILOST (including Section 10.02(a)) shall be deemed to be stricken from this Lease and of no further force and effect.

Section 33.04. Notices and Cure Rights of Fee Mortgagee. If Landlord or a Fee Mortgagee gives Tenant Notice of the name and address of a Fee Mortgagee, then Tenant hereby agrees to give to any such Fee Mortgagee copies of all Notices sent by Tenant to Landlord under this Lease at the same time and in the same manner as and whenever Tenant shall give any such Notice to Landlord, and no such Notice shall be deemed given to Landlord hereunder unless and until a copy of such Notice shall have been so delivered to such Fee Mortgagee. Such Fee Mortgagee shall have the right to remedy any default of Landlord under this Lease, or to cause any default of Landlord under this Lease to be remedied, and, for such purpose, Tenant hereby grants such Fee Mortgagee such additional period of time as may be reasonable to enable such Fee Mortgagee to remedy, or cause to be remedied, any such default in addition to the period given to Landlord for remedying, or causing to be remedied, any such default. Tenant shall accept performance by such Fee Mortgagee of any term, covenant, condition or agreement to be performed by Landlord under this Lease with the same force and effect as though performed by Landlord. No default under this Lease shall exist or shall be deemed to exist (a) as long as such Fee Mortgagee, in good faith, shall have commenced to cure such default and shall be prosecuting the same to completion with reasonable diligence, subject to Force Majeure, (b) if such default is not susceptible of being cured by such Fee Mortgagee, or (c) as long as such Fee Mortgagee, in good faith, shall have notified Tenant that such Fee Mortgagee intends to institute proceedings under the Fee Mortgage to acquire possession of the Premises, and, thereafter, as long as such proceedings shall have been instituted and shall be prosecuted with reasonable diligence. In the event of the termination of this Lease by reason of Landlord's default hereunder, upon such Fee Mortgagee's written request, given within thirty (30) days after any such termination, Tenant, within fifteen (15) days after receipt of such request, shall execute and deliver to such Fee Mortgagee or its designee or nominee a new lease of the Premises for the remainder of the Term of this Lease upon all of the terms, covenants and conditions of this Lease. Neither such Fee Mortgagee nor its designee or nominee shall become liable under this Lease unless and until such Fee Mortgagee or its designee or nominee becomes, and then only for so long as such Fee Mortgagee or its designee or nominee remains, the fee owner of the Premises. Such Fee Mortgagee shall have the right, without Tenant's consent, to foreclose the Fee Mortgage or to accept a deed in lieu of foreclosure of such Fee Mortgage."

Section 14.03 Subordination to Future Documents Entered Into Pursuant to Ground Lease. This Mortgage is expressly subject and subordinate to the lien and terms of all easements, memorandums of lease, condominium documents, declarations and any other liens or modifications, supplements or amendments to the foregoing that are recorded against the Demised Premises by the Authority as contemplated under the Ground Lease, whether before or after the date hereof. The subordination set forth in this Section 14.03 shall be automatic and shall not require the execution or recordation of a separate instrument. Notwithstanding the foregoing, upon the request of the Authority or Ground Lease Tenant, Trustee shall execute and delivery any instruments or documents required to evidence the aforementioned subordination ("Subordination Documents"). Trustee is hereby deemed to have irrevocably appointed the Authority as an authorized signatory on behalf of the Trustee in connection with the execution of Subordination Documents. The Authority's execution and delivery of the Subordination Documents, in its capacity as authorized signatory for Trustee, shall be deemed valid and binding by virtue of this provision, and no further verification or authorization from Trustee shall be required.

Section 14.04 No Amendment. The provisions of this Article 14 shall not be amended or modified without the consent of Trustee, the Authority and the Ground Lease Tenant, so long as the Ground Lease remains in full force and effect.

ARTICLE 15

MISCELLANEOUS PROVISIONS

Section 15.01 No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Authority or Trustee, but only by an agreement, in writing, signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.02 Successors and Assigns. This Mortgage shall be binding upon and shall inure to the benefit of Authority and Trustee and their respective permitted successors and permitted assigns, as set forth in the Financing Documents. Except as otherwise expressly provided under terms of the Financing Documents, Trustee shall not assign or transfer its rights under this Mortgage.

Section 15.03 Inapplicable Provisions. If any term, covenant or condition of this Mortgage is held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without such provision.

Section 15.04 Headings, etc. The headings and captions of the various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.05 Subrogation. If any or all of the proceeds of the Financing Agreement Payments have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Trustee shall be subrogated

to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Trustee, as amended and restated on the terms set forth herein, and are merged with the lien and security interest created herein as cumulative security for the payment of the Financing Agreement Payments, and the performance and discharge of the Authority Obligations, under the Financing Documents.

Section 15.06 Entire Agreement. The Financing Documents, including this Mortgage, constitute the entire understanding and agreement between Authority and Trustee with respect to the Authority Obligations and supersede all prior written or oral understandings and agreements between Authority and Trustee with respect thereto. Authority hereby acknowledges that, except as incorporated, in writing, in the Financing Documents, including this Mortgage, there are not, and were not, and no persons are, or were authorized by Trustee to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the Authority Obligations.

Section 15.07 Limitation on Trustee's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Trustee, nor shall it operate to make Trustee responsible or liable for any waste committed on the Property by Ground Lease Tenants or any other person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any Ground Lease Tenant, licensee, employee or stranger, except liability arising solely from Trustee's gross negligence or willful misconduct. Nothing herein contained shall be construed as constituting Trustee a "Trustee in possession."

Section 15.08 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Mortgage and the terms and conditions of the Financing Agreement and/or Trust Agreement, the terms and conditions of the Financing Agreement and/or Trust Agreement shall control and be binding.

Section 15.09 Severability. In case any one or more of the provisions of this Mortgage or any agreement now or hereafter executed in connection with this Mortgage is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof. Each of the provisions of every such agreement, document or instrument shall be enforceable by Trustee to the fullest extent now or hereafter permitted by law.

Section 15.10 No Partnership or Joint Venture. No provision of this Mortgage shall constitute a partnership, joint venture, tenancy in common or joint tenancy between Authority and Trustee, it being intended that the only relationship created by this Mortgage shall be that of mortgagor and mortgagee.

Section 15.11 No Merger. So long as any of the Ground Lease remains outstanding, and any Authority Obligations secured hereby remain unpaid and undischarged and unless Trustee otherwise consents, in writing, the fee, leasehold, subleasehold and sub-

subleasehold estates in and to the Property will not merge but will always remain separate and distinct, notwithstanding the union of such estates (without implying Authority's consent to such union) either in Authority, Trustee, any Ground Lease Tenant or any third party by purchase or otherwise.

Section 15.12 Application of Lien Law. Notwithstanding anything to the contrary in this Mortgage, this Mortgage is not intended to constitute a "building loan mortgage" as defined in New York Lien Law (the "Lien Law") § 2(14). This Mortgage shall not secure any advances made pursuant to a "building loan contract."

ARTICLE 16

STATE-SPECIFIC PROVISIONS

Section 16.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article 16 and the terms and conditions of this Mortgage, the terms and conditions of this Article 16 shall control and be binding.

Section 16.02 Commercial Property. This Mortgage encumbers real property principally improved, or to be improved, by one or more structures containing in the aggregate more than six residential dwelling units, each having its own separate cooking facilities.

Section 16.03 MAXIMUM DEBT SECURED. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS SECURED BY THIS MORTGAGE AT THE TIME OF EXECUTION OR WHICH UNDER ANY CONTINGENCY MAY HEREAFTER BECOME SECURED HEREBY AT ANY TIME IS [_____] AND NO/100 DOLLARS (\$[_____]), PROVIDED THAT SUCH LIMITATION SHALL NOT LIMIT THE SECURITY OF THIS MORTGAGE WITH RESPECT TO (I) INTEREST ON THE AFORESAID MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS AT THE RATES SET FORTH IN THE FINANCING AGREEMENT, (II) SUMS TO PAY PROPERTY TAXES AND OTHER CHARGES, (III) SUMS TO PAY PREMIUMS ON INSURANCE POLICIES COVERING THE PROPERTY, (IV) EXPENSES INCURRED AFTER AN EVENT OF DEFAULT IN UPHOLDING OR ENFORCING THE LIEN OF THIS MORTGAGE, INCLUDING, BUT NOT LIMITED TO, THE EXPENSES OF ANY LITIGATION TO PROSECUTE OR DEFEND THE RIGHTS AND LIEN CREATED BY THIS MORTGAGE, (V) ANY AMOUNT, COSTS OR CHARGE TO WHICH TRUSTEE BECOMES SUBROGATED, UPON PAYMENT, WHETHER UNDER RECOGNIZED PRINCIPLES OF LAW OR EQUITY, OR UNDER EXPRESS STATUTORY AUTHORITY, AND (VI) ANY OTHER AMOUNT SECURED BY THIS MORTGAGE WHICH, IF NOT LIMITED BY SUCH LIMITATION, WOULD NOT INCREASE THE AMOUNT OF MORTGAGE RECORDING TAXES, IF ANY, PAYABLE WITH RESPECT TO THIS MORTGAGE.

Section 16.04 Insurance Proceeds. In the event of any conflict, inconsistency or ambiguity between the provisions of this Mortgage and/or the Financing Documents, on the one hand, and the provisions of subsection 4 of Section 254 of the Real Property Law of New York

covering the insurance of buildings against loss by fire on the other hand, the provisions of this Mortgage and/or the Financing Documents, as applicable, shall control.

Section 16.05 Trust Fund. Pursuant to Section 13 of the Lien Law, Authority shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any such improvement on the Property before using any part of such advances for any other purpose. Authority will indemnify and hold Trustee harmless from and against any loss, liability, cost or expense, including, without limitation, any judgments, reasonable attorneys' fees, costs of appeal bonds and printing costs, arising out of, or relating to, any proceeding instituted by any claimant alleging a violation by Authority of any applicable Lien Law provisions including, without limitation, any section of Article 3-A of the Lien Law.

Section 16.06 Section 291-f Agreement.

(a) Authority hereby covenants and agrees with Trustee that, except as otherwise set forth in the Ground Lease and the Financing Documents, without the written consent of Trustee first had and obtained, Authority will not accept any surrender, cancellation, abridgment, or modification of any of the terms, covenants and conditions of the Ground Lease, and will not accept prepayments of installments of Annual Base Rent to become due under the Ground Lease thereunder for more than one (1) month in advance, except to the extent that such surrender, cancellation, abridgment, or modification is either (i) permitted to a Ground Lease Tenant under the provisions of the Ground Lease, or (ii) does not constitute a Prohibited Modification.

(b) This Mortgage is intended to be, and shall operate as, the agreement described in Section 291-f of the Real Property Law of the State of New York ("Section 291-f") and shall be entitled to the benefits afforded thereby. Authority shall (unless such notice is contained in such Ground Lease Tenant's Lease) deliver notice of this Mortgage in form and substance reasonably acceptable to Trustee, to all holders of any Ground Lease Tenant interest in any Lease which is subject to Section 291-f, by assignment or otherwise, and shall take such other action as may now or hereafter be reasonably required to afford Trustee the full protections and benefits of Section 291-f. Authority shall request the recipient of any such notice to acknowledge the receipt thereof.

Section 16.07 Assignment of Mortgage. Upon payment of the Authority Obligations in accordance with the terms of the Financing Documents (exclusive of any indemnification or other obligations which are expressly stated in any of the Financing Documents to survive the payment of the Authority Obligations; provided that such indemnification or other obligations are inchoate in nature), Trustee shall execute, acknowledge and deliver either (a) a satisfaction of this Mortgage in recordable form or (b) upon written request by Authority to Trustee (at Authority's election), an assignment of this Mortgage in recordable form to Authority's designee (without recourse, covenant or warranty of any nature, express or implied, except as to the Authority Obligations then outstanding and that there has been no other assignment of this Mortgage); provided that (i) Authority shall have reimbursed Trustee for all of its reasonable out-of-pocket costs, including, but not limited to, reasonable out-

of-pocket legal costs and expenses incurred in connection with any such assignment, and (ii) Authority shall have caused the delivery of an executed statement of Oath under Section 275 of the New York Real Property Law. Trustee shall not be responsible for any mortgage recording taxes, recording fees or other charges payable in connection with any such assignment.

Section 16.08 Sections 254 and 273 of the Real Property Law. All covenants hereof shall be construed as affording to Trustee rights additional to (and not exclusive of the rights conferred under) the provisions of Sections 254 and 273 of the Real Property Law of the State of New York, or any other applicable law.

Section 16.09 Article 14 of the Real Property Actions and Proceedings Law. Reference is hereby made to Article 14 of the Real Property Actions and Proceedings Law of the State of New York, as the same may be amended from time to time, for the purposes of obtaining for Trustee the benefit of said Article in connection with Trustee's rights with respect to foreclosure of this Mortgage by power of sale.

[No Further Text on this Page; Signature Page Follows]

IN WITNESS WHEREOF, this Mortgage has been executed by Authority as of the day and year first above written.

Authority:

METROPOLITAN TRANSPORTATION
AUTHORITY, a New York public benefit
corporation

By: _____

Name:

Title:

[Signature Page to [Tower X] Fee Mortgage]

EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES

**EXHIBIT B-1, B-2 and B-3
FORMS OF MORTGAGE RELEASE DOCUMENTS
UPON FEE CONVERSIONS**

(forms to be attached)

EXHIBITS C-1, C-2, C-3 and C-4
FORMS OF MORTGAGE SUBSEVERANCE DOCUMENTS

(forms to be attached)

EXHIBIT D-1, D-2, D-3, D-4
FORMS OF WRY MORTGAGE SEVERANCE DOCUMENTS UPON CREATION OF
SEVERED PARCEL LEASES

(forms to be see attached)

EXHIBIT D-3

**SUBSTITUTE MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS
AND LEASES AND FIXTURE FILING**

by and from

METROPOLITAN TRANSPORTATION AUTHORITY, as mortgagor

(“Authority”)

TO

WELLS FARGO BANK, NATIONAL ASSOCIATION, as mortgagee

(“Trustee”)

Dated as of September __, 2016

Location: [●]

Block: [●]

Lot: [●]

**PREPARED BY AND UPON
RECORDATION RETURN TO:**

[●]

THIS MORTGAGE DOES NOT COVER REAL PROPERTY PRINCIPALLY IMPROVED BY ONE OR MORE STRUCTURES CONTAINING, IN THE AGGREGATE, NOT MORE THAN SIX RESIDENTIAL UNITS, EACH HAVING ITS OWN SEPARATE COOKING FACILITIES

SUBSTITUTE MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING

THIS SUBSTITUTE MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified, being hereinafter referred to as this “Mortgage”) is made as of September ___, 2016, by **METROPOLITAN TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public benefit corporation of the State of New York, having an address at 2 Broadway, New York, New York 10004, as mortgagor (the “Authority”), for the benefit of **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but solely as trustee having an address at [●], as mortgagee (“Trustee”).

RECITALS:

The Authority is a party to that certain Interagency Financing Agreement, dated as of September [●], 2016, among the Authority, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company, and MTA Bus Company, on the one hand, and the Trustee, on the other hand (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Financing Agreement”) and that certain MTA Hudson Rail Yards Trust Agreement, dated as of September [●], 2016, between the Authority and the Trustee, relating to the MTA Hudson Rail Yards Trust Obligations (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Trust Agreement”; the Trust Agreement together with the Financing Agreement, and all other documents and/or instruments evidencing and/or securing the obligations of the Authority thereunder, including without limitation this Mortgage, collectively the “Financing Documents”).

: All capitalized terms used, but not defined, in this Mortgage have the respective meanings set forth in the Financing Documents.

The Authority is party to that certain Tower [●] Lease (the “Ground Lease”), dated as of [●], by and between the Authority, as Landlord (“Landlord”), and [●], as Tenant (“Ground Lease Tenant”) a memorandum of which was recorded on [●] at CRFN [●] in the Office of the City Register, New York County (the “City Register”), pursuant to which the Authority is entitled to receive certain payments which constitute a portion of Base Rental.

The Property (as defined herein) was previously subject to that certain Mortgage, Security Agreement, Assignment or Rents and Leases and Fixture Filing (the “Original Mortgage”) dated as of [●], 2016 and recorded on [●], in the City Register under CRFN [●], which Original Mortgage no longer encumbers the Property pursuant to (i) that certain Mortgage Severance And Splitting Agreement (the “Splitter Agreement”) dated as of the date hereof and recorded on [●] under CRFN [●] in the Office of the City Register which Splitter Agreement severed, split, partitioned and divided the lien of the Original Mortgage, (ii) that certain Amended and Restated Mortgage (the “Amended and Restated Mortgage”) dated as of the date hereof and recorded on [●] under CRFN [●] in the Office of the City Register, which Amended and Restated Mortgage amended and restated the terms and conditions of the Original Mortgage

in order to confirm that, among other things, the lien of the Original Mortgage has been severed, split, partitioned and divided, and (iii) that certain Partial Release of Mortgage (the “Partial Release”) dated as of the date hereof and recorded on [●] under CRFN [●] in the Office of the City Register, which Partial Release confirmed the release of the Property from the Lien of the Original Mortgage. NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and Trustee hereby agree as follows as of the date hereof:

ARTICLE 1

GRANTS OF SECURITY

Section 1.01 Property Mortgaged. Authority does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Trustee, with power of sale for the benefit and security of Trustee, all of the Authority’s right, title and interest in and to the following real, personal, tangible and intangible property, rights, interests and estates now owned or hereafter acquired by Authority, and demised by the Authority to Ground Lease Tenant under the Ground Lease (collectively, the “Property”):

(a) Portion of Facility Airspace Parcel Demised Under Ground Lease. That certain real property described in Exhibit A attached hereto and made a part hereof, which constitutes the portion of the Facility Airspace Parcel demised to Ground Lease Tenant under the Ground Lease (the “Demised Premises”);

(b) Additional Land. All additional lands, estates and development rights, if any, hereafter acquired by Authority and demised to Ground Lease Tenant under the Ground Lease for use in connection with the Demised Premises and the development of the Demised Premises;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Demised Premises (collectively, the “Improvements”). Notwithstanding the foregoing, Improvements shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority’s right or interest therein, as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel (as defined in the Ground Lease) or any portion thereof, and any portion of the LIRR Roof and Facilities (as defined in the Ground Lease) which constitutes a part of the Yards Parcel;

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, permits, licenses, rights of way and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Demised Premises and the Improvements and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Demised

Premises, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Authority of, in and to the Demised Premises and the Improvements and every part and parcel thereof, with the appurtenances thereto, to the extent demised to Ground Lease Tenant under the Ground Lease and to which Ground Lease Tenant's rights under the Ground Lease are subject, including without limitation, rights and obligations appurtenant to the Demised Premises pursuant to the Declaration of Easements (as defined in the Ground Lease);

(e) Equipment. All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Authority, which is used at, or in connection with, the Improvements or the Demised Premises or is located thereon or therein (including, but not limited to, all machinery, equipment, heating, ventilation or air-conditioning equipment, garbage equipment and apparatus, incinerators, boilers, furnaces, motors, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Authority and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "Equipment"). Notwithstanding the foregoing, Equipment shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Authority which is so related to the Demised Premises and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state of New York, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of, or installation on, the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in, or used in connection with (temporarily or permanently), any of the Improvements or the Demised Premises, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Authority's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "Fixtures"). Notwithstanding the foregoing, "Fixtures" shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein as set forth in the Ground Lease, or (y) any property of the

Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever as defined in and subject to the provisions of the Uniform Commercial Code, whether tangible or intangible, other than Fixtures, which are now or hereafter owned by Authority, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the “Personal Property”), and the right, title and interest of Authority in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state of New York (as amended from time to time, the “Uniform Commercial Code”), superior in lien to the lien of this Mortgage and all proceeds and products of the above. Notwithstanding the foregoing, Personal Property shall not include (x) any property belonging to Ground Lease Tenant or subtenants or any other Person other than Authority, except to the extent of Authority’s right or interest therein as set forth in the Ground Lease, or (y) any property of the Authority other than property demised to Ground Lease Tenant under the Ground Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(h) Lease and Rents. The (1) Ground Lease, and all other leases, subleases or sub-subleases, lettings, licenses, concessions, easements, assignments or other agreements (whether written or oral) pursuant to which the Authority grants to Ground Lease Tenant or any other Person, a possessory interest in, or right to use or occupy all or any portion of the Demised Premises and the Improvements, including, without limitation, pursuant to any subordination, non-disturbance, recognition and/or attornment agreements, estoppel or other instruments, agreements or documents with any Person (including, without limitation, in connection with a sublease, mortgage or mezzanine financing or agreements with the New York City Industrial Development Agency, Hudson Yards Infrastructure Corporation and/or other governmental or quasi-governmental agencies), (2) every modification, amendment, supplement or other agreement relating to the agreements described in the foregoing clause (1) , and (3) every guarantee of the performance and observance of the covenants, conditions and agreements, to be performed and observed in connection with the agreements described in the foregoing clause (1), heretofore or hereafter entered into (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time (collectively, the “Ground Lease Documents”), whether before or after the filing by or against Authority of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the “Bankruptcy Code”) and all right, title and interest of Authority, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the Ground Lease Tenant and other lessees of their obligations thereunder and all rents, rent equivalents, Ground Lease Tenant termination and contraction fees, moneys payable as damages or in lieu of rent or rent equivalents, additional rents, including, without limitation, the Annual Base Rent payable under the Ground Lease, other revenues, issues

and profits (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, deposits (including, without limitation, security, utility and other deposits) accounts and receipts from the Ground Lease whether paid or accruing before or after the filing by or against Authority of any petition for relief under the Bankruptcy Code, to the extent constituting Annual Base Rent and Fee Purchase Payments payable by Ground Lease Tenant under the Ground Lease and the right to receive and apply such Annual Base Rent and Fee Purchase Payments to payment of the Authority Obligations;

(i) Condemnation Awards. Subject to the terms of the Ground Lease, all Awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to all or any portion of the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of, or in anticipation of, the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property including, without limitation, any award or awards, or settlements or payments, hereafter made resulting from: (i) condemnation proceedings or the taking of all or any portion of the Improvements, the Equipment, the Fixtures, the Ground Lease or the Personal Property, or any part thereof, under the power of eminent domain; or (ii) the alteration of grade or the location or the discontinuance of any street adjoining the Property or any portion thereof; and Authority hereby agrees to execute and deliver, from time to time, such further instruments as may be reasonably requested by Trustee to confirm such assignment to Trustee of any such award, damage, payment or other compensation;

(j) Insurance Proceeds. Subject to the terms of the Ground Lease, all insurance proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance policies, judgments, or settlements made in lieu thereof, in connection with a casualty to the Property;

(k) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, insurance proceeds and awards, into cash or liquidation claims;

(l) Rights. The right, in the name and on behalf of Authority, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Trustee in the Property, in each case, subject to and in accordance with the terms of the Ground Lease, this Mortgage, the Financing Documents and applicable law;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Ground Lease and the Demised Premises and any part thereof and any Improvements or any business or activity conducted on the Demised Premises and any part thereof and all right, title and interest of Authority therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Authority thereunder, in each case, to the extent any of the

foregoing specified in this clause (m) constitutes Base Rent and/or Fee Purchase Payments payable under the Ground Lease;

(n) Accounts. All reserves, escrows and deposit accounts now or hereafter established or maintained pursuant to the Financing Documents, together with all deposits or wire transfers made to such accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein, from time to time, and all proceeds, products, distributions or dividends or substitutions thereon and thereof; and

(o) Other Rights. All other or greater rights and interests of every nature in the Real Property (as hereinafter defined) and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Authority in and to the items set forth in Subsections (a) through (n) above).

AND without limiting any of the other provisions of this Mortgage, to the extent permitted by applicable law, Authority expressly grants to Trustee, as secured party, a security interest in the portion of the Property which is (or may be subject to) the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Demised Premises (the Demised Premises, the Improvements and the Fixtures collectively referred to as the “Real Property”) appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Mortgage be deemed conclusively to be real estate and mortgaged hereby.

Section 1.02 Assignment of Lease and Rents. Authority hereby absolutely and unconditionally assigns to Trustee all of Authority’s right, title and interest in and to the Ground Lease and all Annual Base Rent and Fee Purchase Payments payable thereunder; it being intended by Authority that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to Section 7.01(e) of this Mortgage, Trustee grants to Authority a revocable license to collect, receive, use and enjoy the Annual Base Rent and Fee Purchase Payments paid under the Ground Lease and Authority shall hold such Annual Base Rent and Fee Purchase Payments, or a portion thereof sufficient to pay all Authority Obligations currently due and payable.

Section 1.03 Security Agreement. This Mortgage is both a real property mortgage and a “security agreement” within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Authority in the Property, including all accounts established by Trustee pursuant to the Transportation Trust Agreement. By executing and delivering this Mortgage, Authority hereby grants to Trustee, as security for the Authority Obligations, a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the “Collateral”). If a Ground Lease Payment Event of Default shall occur and be continuing, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without

limitation, Section 5.05 of the Trust Agreement), Trustee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Collateral. Authority shall pay to Trustee within ten (10) Business Days following written demand therefor expenses, including reasonable legal expenses and attorneys' fees and costs, incurred or paid by Trustee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement). Any notice of sale, disposition or other intended action by Trustee with respect to the Collateral sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Authority. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement. Authority's principal place of business is as set forth on the first page hereof and the address of Trustee is as set forth on the first page hereof.

Section 1.04 Fixture Filing. Certain of the Property is, or will become, "fixtures" (as that term is defined in the Uniform Commercial Code) on the Demised Premises, and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement (naming Authority as the Debtor with an address as set forth on the first page hereof and an federal employer identification number of 13-2552035, and Trustee as the Secured Party with an address as set forth on the first page hereof) filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is, or may become, fixtures.

Section 1.05 Pledge of Monies Held. Authority hereby pledges to Trustee any and all Annual Base Rent and Fee Purchase Payments now or hereafter held by, or on behalf of, Authority in connection with the Financing Agreement Payments, including, without limitation, Principal and Interest Components evidenced by the Authority Obligations, equal in amount to the amounts received by the Authority of Annual Base Rent and Fee Purchase Payments under the Ground Lease until expended or applied as provided in this Mortgage.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Trustee and its permitted successors and assigns, forever;

WITH POWER OF SALE, to secure Authority's performance of the Authority Obligations at the time and in the manner provided in the Financing Documents;

PROVIDED, HOWEVER, that these grants are upon the express condition that, if Authority shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Financing Documents with respect to the Authority Obligations, these grants and the estate hereby granted shall cease, terminate and be void; provided, however, that Authority's obligation to indemnify and hold harmless Trustee pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE 2

DEBT AND OBLIGATIONS SECURED

Section 2.01 Debt. This Mortgage and the grants, assignments and transfers made in Article 1 hereof are given for the purpose of securing the Authority Obligations.

ARTICLE 3

AUTHORITY COVENANTS

Authority covenants and agrees that:

Section 3.01 Financing Agreement Payments. Authority will make Financing Agreement Payments at the time and in the manner provided in the Financing Documents.

Section 3.02 Incorporation by Reference. All the covenants, conditions and agreements contained in the Financing Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

Section 3.03 Maintenance of Property. Authority shall maintain, or cause to be maintained, the Property in a good and safe condition and repair, subject to and in accordance with the terms of the Ground Lease and the Financing Documents. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Trustee or as otherwise permitted pursuant to the Ground Lease and the Financing Documents. Authority shall promptly repair, replace, or rebuild, or cause to be repaired, replaced, or rebuilt, any part of the Property which may be destroyed by any casualty or become damaged, worn or dilapidated or which may be affected by any condemnation, subject to and in accordance with the terms of the Ground Lease and the Financing Documents

Section 3.04 Waste. Authority shall not commit or permit any waste of the Property or make any change in the use of the Property which will, in any way, materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that would reasonably be expected to invalidate or allow the cancellation of any insurance policy, or do or permit to be done thereon anything that could reasonably be expected to materially impair the value of the Property or the security of this Mortgage.

Section 3.05 Payment for Labor and Materials. Subject to the terms and provisions of the Ground Lease and the Financing Documents (including, without limitation,

Authority's contest rights thereunder), Authority (i) will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("Labor and Material Costs") incurred by Authority in connection with the Property and (ii) will never permit to be created or exist (in respect of the Property or any part thereof) any other or additional lien or security interest caused or incurred by actions of the Authority other than the liens or security interests created hereby and as permitted pursuant to the Ground Lease and Financing Documents.

Section 3.06 Performance of Other Agreements. Authority shall observe and perform each and every material term, covenant and provision to be observed or performed by Authority pursuant to the Ground Lease and Financing Documents, and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

Section 3.07 Change of Name, Identity or Structure. Except to the extent expressly permitted under the Financing Documents, Authority shall not change Authority's name, identity (including its trade name or names) or, if not an individual, Authority's corporate, partnership or other structure without notifying trustee of such change in writing at least fifteen (15) Business Days prior to the effective date of such change and, in the case of a change in Authority's structure, without first obtaining the prior written consent of Trustee acting reasonably. Authority shall execute and deliver to trustee, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change reasonably required by Trustee to establish or maintain the validity, perfection and priority of the security interests granted herein.

ARTICLE 4

OBLIGATIONS AND RELIANCES

Section 4.01 Relationship of Authority and Trustee. Trustee has no fiduciary or other special relationship with Authority, and no term or condition of the Financing Documents shall be construed so as to create a fiduciary or other special relationship between Authority and Trustee.

Section 4.02 No Reliance on Trustee. Authority is not relying on Trustee's expertise, business acumen or advice in connection with the Property.

Section 4.03 No Trustee Obligations.

(a) Notwithstanding the provisions of Subsections 1.01(h) and 1.01(m) or Section 1.2 hereof, Trustee is not undertaking the performance of (i) any obligations under the Ground Lease, or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled by Authority or to be given by Authority to Trustee pursuant to this Mortgage or the Financing Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Trustee shall not be deemed to have warranted, consented to, or affirmed the

sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Trustee.

ARTICLE 5

FURTHER ASSURANCES

Section 5.01 Recording of Mortgage, etc. Authority forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest hereof upon, and the interest of Trustee in, the Property. Except to the extent otherwise expressly provided for in the Ground Lease or the Financing Documents, or prohibited by law to do so, Authority will pay all filing, registration or recording fees, if any, and all expenses, if any, incident to the preparation, execution, acknowledgment and/or recording of this Mortgage, any note, deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal duties, imposts, assessments and charges arising out of, or in connection with, the execution and delivery of this Mortgage, any deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents.

Section 5.02 Further Acts, etc. Authority will, at the cost of Authority, and without expense to Trustee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Trustee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Trustee the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Authority may be (or may hereafter become) bound to convey or assign to Trustee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all applicable legal requirements. Authority, within ten (10) Business Days following written demand thereof, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Trustee to execute in the name of Authority or without the signature of Authority to the extent Trustee may lawfully do so, one or more financing statements to evidence more effectively the security interest of Trustee in the Property. Authority grants to Trustee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Trustee at law and in equity, including, without limitation, such rights and remedies available to Trustee pursuant to this Section 5.02, to the extent that Authority fails or refuses to promptly execute such documents after notice from Trustee.

ARTICLE 6

TRANSFER

Section 6.01 No Sale/Transfer. Authority shall not transfer the Property or any part thereof or any direct or indirect interest therein, or permit or suffer the Property or any part thereof or any direct or indirect interest therein to be transferred, other than as permitted pursuant to the terms of the Ground Lease or the Financing Documents. Notwithstanding anything to the contrary contained herein, any easements, memorandums of lease, condominium documents, declarations and any other liens or modifications, supplements or amendments to the foregoing that are recorded against the Demised Premises by the Authority as contemplated under the Ground Lease Documents shall not be deemed a “transfer” under this Section 6.01.

ARTICLE 7

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.01 Remedies. Upon the occurrence and during the continuance of any Ground Lease Payment Event of Default, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Authority agrees that Trustee may take such action, without notice or demand, in accordance with the Ground Lease and to the fullest extent permitted by law, as it deems advisable to protect and enforce its rights against Authority and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Trustee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Trustee:

(a) institute proceedings, judicial or otherwise, for the complete foreclosure, in accordance with New York law, of this Mortgage under any applicable provision of law, in which case the Property, or any interest of the Authority therein, may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage to collect the Financing Agreement Payments then due and payable from Annual Base Rent then due and payable under the Ground Lease, subject to the continuing lien and security interest of this Mortgage for the balance of the Financing Agreement Payments not then due, unimpaired and without loss of priority;

(c) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Authority therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law; and, without limiting the foregoing;

(i) in connection with any sale or sales hereunder, Trustee shall be entitled to elect to treat any of the Property which consists of (x) a right in action, (y) property that can be severed from the Real Property covered hereby (without causing structural damage thereto), or (z) any improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property. Where the Property consists of Real Property, Personal Property, Equipment or Fixtures, whether or not such Personal Property or Equipment is located on or within the Real Property, Trustee shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, Personal Property, Equipment and Fixtures in such order and manner as is now or hereafter permitted by applicable law;

(ii) Trustee shall be entitled to elect to proceed against any or all of the Real Property, Personal Property, Equipment and Fixtures in any manner permitted under applicable law; and if Trustee so elects pursuant to applicable law, the power of sale herein granted shall be exercisable with respect to all or any of the Real Property, Personal Property, Equipment and Fixtures covered hereby, as designated by Trustee;

(iii) should Trustee elect to sell any portion of the Property which is Real Property or which is Personal Property, Equipment or Fixtures that Trustee has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of the Real Property, Trustee shall give such notice of the occurrence of a Ground Lease Payment Event of Default, and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement) and its election to sell such Property as may then be required by law. Thereafter, upon the giving of such notice of sale and the expiration of any required time period as may then be required by law, subject to the terms hereof and of the Ground Lease and the Financing Documents, and without the necessity of any demand on Authority or Trustee at the time and place specified in the notice of sale, may sell such Real Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Trustee may (unless prohibited under applicable law), from time to time, postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and

(iv) if the Property consists of several lots, parcels or items of property, Trustee shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner Trustee designates in Trustee's sole discretion. Any Person, including Authority or Trustee, may purchase at any sale hereunder. Should Trustee desire that more than one sale or other disposition of the Property be conducted, Trustee shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Trustee may designate, and no such sale shall terminate or otherwise affect the lien of this Mortgage on any part of the Property not sold until all the Financing Agreement Payments then due and payable have been paid in full. In the event Trustee elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Authority agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(d) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the payment of Authority Obligations and without regard for the solvency of Authority, any guarantor or indemnitor with respect to the Authority Obligations or any Person otherwise liable for the payment of the Authority Obligations or any part thereof;

(e) the license granted to Authority under Section 1.02 hereof shall automatically be revoked and Trustee may enter into or upon the Property, subject to the terms of the Ground Lease Documents and the Financing Documents either personally or by its agents, nominees or attorneys, and dispossess Authority and its agents and servants therefrom, without liability for trespass, damages or otherwise and take possession of all books, records and accounts relating thereto and Authority agrees to surrender possession of the Property and of such books, records and accounts to Trustee upon demand, and thereupon Trustee may, subject to the terms of the Ground Lease Documents, (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat, (ii) complete any construction on the Property in such manner and form as Trustee deems advisable, (iii) make alterations, additions, renewals, replacements and improvements to or on the Property, (iv) exercise all rights and powers of Authority with respect to the Property, whether in the name of Authority or otherwise, including, without limitation, the right to make, cancel, enforce or modify the Ground Lease Documents, obtain and evict the Ground Lease Tenant, and demand, sue for, collect and receive all Annual Base Rent under the Ground Lease and every part thereof, (v) require Authority to pay monthly in advance to Trustee, or any receiver appointed to collect the Annual Base Rent under the Ground Lease, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Authority, (vi) require Authority to vacate and surrender possession of the Property to Trustee or to such receiver and, in default thereof, Authority may be evicted by summary proceedings or otherwise, and (vii) apply the receipts from the Property to the payment of Authority Obligations, in such order, priority and proportions as Trustee shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, other charges, insurance premiums and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Trustee, its counsel, agents and employees;

(f) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Fixtures, the Equipment and/or the Personal Property or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and/or the Personal Property. Any notice of sale, disposition or other intended action by Trustee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall constitute commercially reasonable notice to Authority;

(g) apply any sums then deposited or held in escrow or otherwise by or on behalf of Trustee in accordance with the terms of the Financing Documents to the payment of unpaid Authority Obligations; or

(h) pursue such other remedies as Trustee may have under applicable law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.02 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Property, or any part thereof, or any other sums collected by Trustee pursuant to this Mortgage or the Financing Agreement Payments, during the continuance of a Ground Lease Payment Event of Default continuing beyond the applicable time period (as set forth in Section 5.06 of the Trust Agreement), shall be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement.

Section 7.03 Right to Cure Defaults. Upon the occurrence and during the continuance of any Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may, but without any obligation to do so and without notice to or demand on Authority, make any payment or do any act required of Authority hereunder or in the other Financing Documents which payment or action on the part of Trustee shall be in such manner and to such extent as Trustee may deem necessary to protect the security hereof. Subject to the Ground Lease, Trustee is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property, or to foreclose this Mortgage, or to collect the Financing Agreement Payments and the out-of-pocket cost and expense incurred in connection therewith (including reasonable attorneys' fees and expenses to the extent permitted by law) with interest as provided in this Section 7.03. All such costs and expenses incurred by Trustee in remedying any Ground Lease Payment Event of Default or in appearing in, defending, or bringing any such action or proceeding, as hereinabove provided, shall bear interest at the Default Rate, for the period beginning on the first day after notice from Trustee that such cost or expense was incurred and continuing until the date of payment to Trustee. All such costs and expenses incurred by Trustee, together with interest thereon calculated at the Default Rate, shall be deemed to constitute a portion of the Authority Obligations to be secured by this Mortgage and shall be due and payable within ten (10) Business Days of written demand by Trustee therefor.

Section 7.04 Actions and Proceedings. After the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Authority, which Trustee, in its sole and absolute discretion, decides should be brought to protect its interest in the Property.

Section 7.05 Recovery of Sums Required To Be Paid. After the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents

(including, without limitation, Section 5.05 of the Trust Agreement), Trustee shall have the right, from time to time, to take action to recover any sum or sums which constitute a part of the Authority Obligations as the same become due, without regard to whether or not the balance of the Authority Obligations shall be due, and without prejudice to the right of Trustee thereafter to bring an action of foreclosure, or any other action, for any Ground Lease Payment Event of Default existing under the Ground Lease at the time such earlier action was commenced.

Section 7.06 Other Rights, etc.

(a) The failure of Trustee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Authority shall not be relieved of Authority's obligations hereunder by reason of (i) the failure of Trustee to comply with any request of Authority or any guarantor or indemnitor with respect to the Authority Obligations to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Financing Documents, (ii) except as expressly set forth in the Financing Documents, the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Authority Obligations or any portion thereof, or (iii) except as otherwise expressly agreed to by Trustee, in writing, any agreement or stipulation by Trustee extending the time of payment or otherwise modifying or supplementing the terms of the Financing Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Authority, and Trustee shall have no liability whatsoever for any decline in value of the Property, for failure to maintain the insurance policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Trustee shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Property or collateral not in Trustee's possession.

(c) Upon the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may resort for the payment of the Authority Obligations to any other security held by Trustee in such order and manner as Trustee, in its discretion, may elect. Upon the occurrence and during the continuance of a Ground Lease Payment Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may take action to recover the Authority Obligations then due and payable, or any portion thereof, without prejudice to the right of Trustee thereafter to foreclose this Mortgage. The rights of Trustee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Trustee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Trustee shall not be limited exclusively to the rights and remedies herein stated, but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.07 Right of Entry. Subject to the rights of Ground Lease Tenant or any other person granted a right of entry possessory or occupancy interest under the Ground Lease, and subject to the terms of the Financing Documents, upon reasonable notice to Authority

(which may be given verbally), Trustee and its agents shall have the right to enter and inspect the Property at all reasonable times, subject to accompaniment by Authority or representatives of Authority if so desired by Authority.

Section 7.08 Trustee Not Obligated; Cumulative Rights. Nothing in this instrument shall be construed as obligating Trustee to take any action or incur any liability with respect to the Property, and all options given to Trustee are for its benefit and shall and may be exercised in such order and in such combination as Trustee, in its sole discretion, may, from time to time, decide. Each remedy is distinct and cumulative to all other rights and remedies under this Instrument and the Financing Documents or afforded by law or equity, and may be exercised concurrently, independently or successively, in any order whatsoever.

Section 7.09 No Cross-Default. Notwithstanding anything to the contrary contained herein or in any of the other Financing Documents, as used herein, a Ground Lease Payment Event of Default as used herein refers only to a Ground Lease Payment Event of Default under the Ground Lease which is mortgaged pursuant to this Mortgage, and not a Ground Lease Payment Event of Default under any other Ground Leases (as defined in the Financing Agreement) not mortgaged pursuant to this Mortgage. For the avoidance of doubt, (1) Trustee shall not be entitled to exercise any remedy under this Mortgage unless there is a Ground Lease Payment Event of Default in connection with the Ground Lease which constitutes a portion of the Property hereunder, (2) the Ground Lease is not cross-defaulted with any other Ground Leases which are not part of the Property hereunder, and a Ground Lease Payment Event of Default under the Ground Lease shall not constitute a Ground Lease Payment Event of Default under any of such other Ground Leases, nor shall a Ground Lease Payment Event of Default under any of such other Ground Leases constitute a Ground Lease Payment Event of Default hereunder, and (3) this Mortgage is not cross-defaulted with any other mortgage encumbering the Authority's interest in any other Ground Leases issued as security for the Authority Obligations, and a Ground Lease Payment Event of Default under this Mortgage shall not constitute a Ground Lease Payment Event of Default under any of such other mortgages, nor shall a Ground Lease Payment Event of Default under any of the other such mortgages constitute a Ground Lease Payment Event of Default under this Mortgage.

ARTICLE 8

WAIVERS

Section 8.01 Waiver of Counterclaim. To the extent permitted by applicable law, Authority hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Trustee arising out of (or in any way connected with this Mortgage), except in each instance where Trustee has engaged in willful misconduct or acted with gross negligence.

Section 8.02 Marshalling and Other Matters. To the extent permitted by applicable law, Authority hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property (or any part thereof or any interest therein). Further, to the extent permitted by applicable law, Authority hereby expressly waives

any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Authority, and on behalf of each and every Person acquiring any interest in, or title to, the Property subsequent to the date of this Mortgage.

Section 8.03 Waiver of Notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, AUTHORITY SHALL NOT BE ENTITLED TO ANY NOTICES OF ANY NATURE WHATSOEVER FROM TRUSTEE EXCEPT WITH RESPECT TO MATTERS FOR WHICH THIS MORTGAGE OR THE FINANCING DOCUMENTS SPECIFICALLY AND EXPRESSLY PROVIDE FOR THE GIVING OF NOTICE BY TRUSTEE TO AUTHORITY.

Section 8.04 Waiver of Statute of Limitations. To the extent permitted by applicable law, Authority hereby expressly waives and releases its right to plead any statute of limitations as a defense to payment of the Authority Obligations.

Section 8.05 Waiver of Jury Trial. AUTHORITY HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS MORTGAGE OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY AUTHORITY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. TRUSTEE IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY AUTHORITY.

ARTICLE 9

EXCULPATION

Trustee shall not enforce the liabilities and obligations of Authority to perform and observe the obligations contained in this Mortgage by any action or proceeding wherein a money judgment shall be sought against Authority or any principal, director, officer, employee, manager, member, direct or indirect owner, trustee, agent or affiliate of Authority (collectively, the “Exculpated Parties”), except that Trustee may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Trustee to preserve its interest under this Mortgage and the other Financing Documents, or in the Property, the Annual Base Rent, the Fee Purchase Payments under the Ground Lease or any other collateral given to Trustee pursuant to this Mortgage or any of the other Financing Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Authority only to the extent of Authority’s interest in the Property, in the Annual Base Rent and Fee Purchase Payments under the Ground Lease and in any other collateral given to Trustee pursuant to this Mortgage or the other Financing Documents, and Trustee, by accepting this Mortgage and the Financing Documents, agrees that it shall not sue for, seek or demand any deficiency judgment against any of the Exculpated Parties in any such action or proceeding under, or by reason of, or in connection with this Mortgage or

the other Financing Documents. The provisions of this Article 9 shall not, however: (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Financing Documents; (b) impair the right of Trustee to name Authority as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any guaranty made in connection with the Authority Obligations or any of the rights and remedies of Trustee thereunder; (d) impair the right of Trustee to obtain the appointment of a receiver; (e) impair the enforcement of the assignment of leases and rents set forth in Section 1.02; (f) constitute a prohibition against Trustee seeking a deficiency judgment against Authority in order to fully realize the rights and remedies granted to the Trustee under the Financing Documents, or commencing any other appropriate action or proceeding in order for Trustee to exercise its remedies against the Property; or (g) impair any other rights of Trustee against Authority provided in the Financing Documents.

ARTICLE 10

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 8.6 of the Financing Agreement. Any notices of a Ground Lease Payment Event of Default given by the Authority under the Ground Lease shall also be given contemporaneously to Trustee in the manner specified in Section 8.6 of the Financing Agreement.

ARTICLE 11

APPLICABLE LAW

Section 11.01 Governing Law; Jurisdiction; Service of Process.

(a) THIS MORTGAGE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES IRREVOCABLY AND UNCONDITIONALLY AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND, IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, OF THIS MORTGAGE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE BY AUTHORITY AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, AUTHORITY HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS MORTGAGE AND/OR THE LOAN, AND THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AND ANY OTHER APPLICABLE LAWS OF THE STATE

OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SECTION A.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST AUTHORITY ARISING OUT OF, OR RELATING TO, THIS MORTGAGE OR THE ATTACHMENT, CREATION, PERFECTION, OR ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED UNDER THIS MORTGAGE SHALL BE INSTITUTED IN ANY FEDERAL OR STATE COURT LOCATED IN NEW YORK, INCLUDING, WITHOUT LIMITATION, ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF NEW YORK AND AUTHORITY WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND AUTHORITY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. AUTHORITY DOES HEREBY AGREE THAT SERVICE OF PROCESS UPON AUTHORITY (IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AT THE ADDRESS FOR AUTHORITY SET FORTH HEREIN) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON AUTHORITY IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. AUTHORITY (I) SHALL GIVE PROMPT NOTICE TO TRUSTEE OF ANY CHANGED ADDRESS OF AUTHORITY SET FORTH HEREIN, (II) MAY AT ANY TIME, AND FROM TIME TO TIME, DESIGNATE AN AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH AN AUTHORIZED AGENT IF AUTHORITY CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

Section 11.02 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

ARTICLE 12

DEFINITIONS

Capitalized terms, used but not defined herein, shall have the meanings ascribed to such terms in the Financing Agreement and the Trust Agreement. The rules of construction specified in Section 1.02 of the Trust Agreement also apply to this Mortgage.

ARTICLE 13

RELEASE OF PARCELS UPON FEE CONVERSION; MODIFICATION OF MORTGAGE UPON SUBSEVERANCE OF LEASE

Section 13.01 Release of Parcels Upon Fee Conversion. Simultaneously with the delivery of the Fee Purchase Payments to Trustee (which delivery shall be deemed to have been made upon delivery of the Fee Purchase Payments by Authority or Ground Lease Tenant to a title closing escrow in connection with a Fee Conversion Option) following an election by a Ground Lease Tenant under the Ground Lease to exercise its Fee Conversion Option to purchase any such portions of the Property, Trustee shall release the lien of this Mortgage from the applicable Option Property (as defined in the Ground Lease). In connection therewith, Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority's direction, to a title closing escrow), within ten (10) Business Days following request, a release of this Mortgage with respect to the Option Property in the applicable form annexed hereto as Exhibit B-1 ("Partial Release of Mortgage") and Exhibit B-2 ("Satisfaction of Mortgage"), together with such ancillary documents as shall be required to evidence and effect such release ("Release Documents") and any instrument of further assurance, and any required modification or amendment of the foregoing Release Documents in connection with the execution and delivery of the Release Documents. With respect to any Option Property that constitutes individual Residential Units (as defined in the Ground Lease) for which a Fee Conversion Option is being undertaken pursuant to Section 10.05 of the Ground Lease, Trustee is hereby deemed to have irrevocably appointed the Authority as an authorized signatory on behalf of the Trustee in order to execute and deliver Release Documents for each Residential Unit at each Residential Unit Closing (as defined in the Ground Lease). The Authority's execution and delivery of the Release Documents for each Residential Unit at each Residential Unit Closing in the Authority's capacity as authorized signatory for Trustee, shall be deemed valid and binding by virtue of this provision and no further verification or authorization from Trustee shall be required. Upon the request of the Authority, Trustee shall promptly execute and deliver any instruments or documents required to evidence in recordable form the appointment of the Authority to execute and deliver the Release Documents for the Residential Units at the Residential Unit Closings. Within ten (10) Business Days following the release of a Residential Unit from the lien of this Mortgage, the Authority shall deliver to Trustee a certification in the form attached as Exhibit B-3 certifying that the applicable Fee Purchase Payment with respect to the Residential Unit so released was made, and that the applicable Residential Unit has been released.

Section 13.02 Modification of Mortgage Upon Subseverances of Lease. Section 9.02(d) of the Ground Lease provides for the Demised Premises to be further severed upon request of Ground Lease Tenant pursuant to a "Subparcel Severance," and for certain Severed Subparcels to be released from the Ground Lease and demised pursuant to a "Severed Subparcel Lease" from the Authority to "Severed Subparcel Tenant" (as all of such terms are defined in the Ground Lease). Upon any such Subparcel Severance and creation of a new Severed Subparcel Lease, this Mortgage shall be severed into separate severed mortgages, each encumbering the Authority's right, title and interest in and to each Severed Subparcel Lease. In connection therewith, Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority's direction, to a title closing escrow), within ten (10) Business Days following request, such instruments of severance of this Mortgage as shall be necessary or desirable in order to

accomplish the severance of this Mortgage into multiple mortgages, each one encumbering a Severed Subparcel Lease, and to release the Severed Subparcel Lease(s) from this Mortgage, and the Authority shall execute, acknowledge and deliver replacement mortgages for each Severed Subparcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis, each in the forms annexed hereto as Exhibit C-1 (“Mortgage Severance and Splitting Agreement”), Exhibit C-2 (“Amended and Restated Mortgage, Security Agreement, Assignment of Rents And Leases and Fixture Filing”), Exhibit C-3 (“Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing”) and Exhibit C-4 (“Partial Release of Mortgage”), together with such ancillary documents as shall be required to evidence and effect such severance and replacement and any instrument of further assurance, and any required modification or amendment of the foregoing documents (“Mortgage Subseverance Documents”). The Authority shall, at its cost and expense, cause such Mortgage Subseverance Documents to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the Authority’s right, title and interest in the Property demised pursuant to such Severed Subparcel Lease, and shall cause copies of the recorded documents to be delivered to the Trustee.

Section 13.03 **[FOR THE WRY FEE MORTGAGE]** [Modification of Mortgage Upon Severance of Lease]. Section 9.01 of the Ground Lease provides for the Demised Premises to be further severed upon request of Ground Lease Tenant, and for certain Severed Parcels to be released from the Ground Lease and demised pursuant to a “Severed Parcel Lease” from the Authority to “Severed Parcel Tenant” (as all of such terms are defined in the Ground Lease). Upon any such Severed Parcel Severance and creation of a new Severed Parcel Lease, this Mortgage shall be severed into separate mortgages, with this Mortgage continuing to encumber the remaining Property demised under the Ground Lease, and a separate mortgage to encumber the Authority’s right, title and interest in and to the Severed Parcel Lease. In connection therewith, (x) Trustee shall execute, acknowledge and deliver to the Authority (or at the Authority’s direction, to a title closing escrow) within ten (10) Business Days following request, such instruments of severance of this Mortgage as shall be necessary or desirable in order to accomplish the severance of this Mortgage into two or more mortgages, with this Mortgage continuing to encumber the remaining property demised under the Ground Lease, and separate mortgage(s) encumbering each Severed Parcel Lease, and to release the Severed Parcel Lease(s) from this Mortgage, and (y) the Authority shall execute, acknowledge and deliver a replacement mortgage which mortgages the Authority’s right, title and interest in and to the Severed Parcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis, each in the forms annexed hereto as Exhibit D-1 (“Mortgage Severance and Splitting Agreement”), Exhibit D-2 (“Amended and Restated Mortgage, Security Agreement, Assignment of Rents And Leases and Fixture Filing”), Exhibit D-3 (“Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing”) and Exhibit D-4 (“Partial Release of Mortgage”), together with such ancillary documents as shall be required to evidence and effect such severance and replacement, and any instrument of further assurance, and any required modification or amendment of the foregoing documents (“Mortgage Severance Documents”). The Authority shall, at its cost and expense, cause such Mortgage Severance Documents to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the

Authority's right, title and interest in the Property demised pursuant to such Severed Parcel Lease, and shall cause copies of the recorded documents to be delivered to the Trustee.]

Section 13.04 No Amendment. The provisions of this Article 13 shall not be amended or modified without the consent of Trustee, the Authority and the Ground Lease Tenant, so long as the Ground Lease remains in full force and effect.

ARTICLE 14

SPECIFIC LEASE PROVISIONS REGARDING FEE MORTGAGES

Section 14.01 Subordination to Ground Lease. This Mortgage is expressly subject and subordinate to (i) the Ground Lease Documents, (ii) all agreements and instruments that constitute the interest of Ground Lease Tenant, and any party claiming by or through Ground Lease Tenant, in the Ground Lease Documents (including, without limitation, all agreements and instruments effecting an Assignment, Transfer, and/or Sublease), and (iii) the rights and remedies of Leasehold Mortgagees and/or Mezzanine Lenders (as each are defined in the Ground Lease) and/or the New York City Industrial Development Agency, Hudson Yards Infrastructure Corporations and/or any other governmental or quasi-governmental agency), as set forth in the Ground Lease Documents, including without limitation any New Lease (as defined in the Ground Lease) or the interest of Ground Lease Tenant under a New Lease as provided for in Section 17.04 of the Ground Lease.

Section 14.02 Specific Lease Provisions Regarding Fee Mortgages. This Mortgage constitutes a Fee Mortgage, as defined in the Ground Lease. Sections 33.02, 33.03 and 33.04 of the Ground Lease contain certain provisions regarding Fee Mortgages, which provisions are applicable to this Mortgage. Such Lease provisions are set forth below (all capitalized terms used in this Article 14 are as defined in the Ground Lease) and are hereby incorporated into this Mortgage as if set forth herein:

“Section 33.02. Fee Mortgage. This Lease and Tenant's interest in this Lease, as the same may be modified, amended or renewed, and any New Lease or the interest of Tenant under a New Lease as provided for in Section 17.04 shall not be subject or subordinate to (a) any Fee Mortgage or (b) to any other liens or encumbrances on Landlord's fee estate, except for the Permitted Exceptions and any other liens or encumbrances created or consented to by Tenant or as a consequence of Tenant's acts or omissions or the construction of the Improvements. Each Fee Mortgage shall contain an express statement confirming its subordination to this Lease (and any Severed Parcel Leases) as set forth in the immediately preceding sentence.

Section 33.03. Successor Landlord. If any Fee Mortgagee or any of its successors or assigns, or any designee of any Fee Mortgagee, shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a deed, then, at the request of such party so succeeding to Landlord's rights (such party, a “Successor

Landlord”), Tenant shall automatically attorn to and recognize such Successor Landlord as Tenant’s landlord under this Lease. Upon such attornment this Lease shall continue in full force and effect as a direct lease between the Successor Landlord and Tenant upon and subject to all of the terms, conditions and covenants as are set forth in this Lease, except that the Successor Landlord shall not (a) be liable for any previous act or omission of Landlord under this Lease which shall not be continuing; (b) be subject to any offset, not expressly provided for in this Lease, which theretofore shall have accrued to Tenant against Landlord; (c) be bound by any modification of this Lease entered into subsequent to the date of the applicable Fee Mortgage, or by any previous prepayment of more than one month’s Rental, unless such modification or prepayment shall have been expressly approved in writing by the Fee Mortgagee; or (d) be obligated to make any improvements to, or perform any work at, or furnish any services to, the Premises (it being understood that Landlord has no such obligations under this Lease; provided, however, that nothing contained in this Section 33.03 shall derogate from the obligations of the Yards Parcel Owner under the ERY Declaration of Easements). The provisions of this Section 33.03 shall be self-operative, and no instrument of any such attornment shall be required or needed by the holders of any such Fee Mortgage. In confirmation of any such attornment Tenant shall, at Landlord’s request or at the request of any such Fee Mortgagee, promptly execute and deliver such further instruments as may be reasonably required by any such Fee Mortgagee. Notwithstanding anything to the contrary herein, in the event that any such transfer causes the Premises no longer to be exempt from sales and use taxes, then Tenant shall have no obligation to pay Successor Landlord PILOST hereunder, the PILOST Agreement shall be deemed void and of no further force and effect and any obligation of Tenant contingent on paying PILOST (including Section 10.02(a)) shall be deemed to be stricken from this Lease and of no further force and effect.

Section 33.04. Notices and Cure Rights of Fee Mortgagee. If Landlord or a Fee Mortgagee gives Tenant Notice of the name and address of a Fee Mortgagee, then Tenant hereby agrees to give to any such Fee Mortgagee copies of all Notices sent by Tenant to Landlord under this Lease at the same time and in the same manner as and whenever Tenant shall give any such Notice to Landlord, and no such Notice shall be deemed given to Landlord hereunder unless and until a copy of such Notice shall have been so delivered to such Fee Mortgagee. Such Fee Mortgagee shall have the right to remedy any default of Landlord under this Lease, or to cause any default of Landlord under this Lease to be remedied, and, for such purpose, Tenant hereby grants such Fee Mortgagee such additional period of time as may be reasonable to enable such Fee Mortgagee to remedy, or cause to be remedied, any such default in addition to the period given to Landlord for remedying, or causing to be remedied, any such default. Tenant shall accept performance by such Fee

Mortgagee of any term, covenant, condition or agreement to be performed by Landlord under this Lease with the same force and effect as though performed by Landlord. No default under this Lease shall exist or shall be deemed to exist (a) as long as such Fee Mortgagee, in good faith, shall have commenced to cure such default and shall be prosecuting the same to completion with reasonable diligence, subject to Force Majeure, (b) if such default is not susceptible of being cured by such Fee Mortgagee, or (c) as long as such Fee Mortgagee, in good faith, shall have notified Tenant that such Fee Mortgagee intends to institute proceedings under the Fee Mortgage to acquire possession of the Premises, and, thereafter, as long as such proceedings shall have been instituted and shall be prosecuted with reasonable diligence. In the event of the termination of this Lease by reason of Landlord's default hereunder, upon such Fee Mortgagee's written request, given within thirty (30) days after any such termination, Tenant, within fifteen (15) days after receipt of such request, shall execute and deliver to such Fee Mortgagee or its designee or nominee a new lease of the Premises for the remainder of the Term of this Lease upon all of the terms, covenants and conditions of this Lease. Neither such Fee Mortgagee nor its designee or nominee shall become liable under this Lease unless and until such Fee Mortgagee or its designee or nominee becomes, and then only for so long as such Fee Mortgagee or its designee or nominee remains, the fee owner of the Premises. Such Fee Mortgagee shall have the right, without Tenant's consent, to foreclose the Fee Mortgage or to accept a deed in lieu of foreclosure of such Fee Mortgage."

Section 14.03 Subordination to Future Documents Entered Into Pursuant to Ground Lease. This Mortgage is expressly subject and subordinate to the lien and terms of all easements, memorandums of lease, condominium documents, declarations and any other liens or modifications, supplements or amendments to the foregoing that are recorded against the Demised Premises by the Authority as contemplated under the Ground Lease, whether before or after the date hereof. The subordination set forth in this Section 14.03 shall be automatic and shall not require the execution or recordation of a separate instrument. Notwithstanding the foregoing, upon the request of the Authority or Ground Lease Tenant, Trustee shall execute and delivery any instruments or documents required to evidence the aforementioned subordination ("Subordination Documents"). Trustee is hereby deemed to have irrevocably appointed the Authority as an authorized signatory on behalf of the Trustee in connection with the execution of Subordination Documents. The Authority's execution and delivery of the Subordination Documents, in its capacity as authorized signatory for Trustee, shall be deemed valid and binding by virtue of this provision, and no further verification or authorization from Trustee shall be required.

Section 14.04 No Amendment. The provisions of this Article 14 shall not be amended or modified without the consent of Trustee, the Authority and the Ground Lease Tenant, so long as the Ground Lease remains in full force and effect.

ARTICLE 15

MISCELLANEOUS PROVISIONS

Section 15.01 No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Authority or Trustee, but only by an agreement, in writing, signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.02 Successors and Assigns. This Mortgage shall be binding upon and shall inure to the benefit of Authority and Trustee and their respective permitted successors and permitted assigns, as set forth in the Financing Documents. Except as otherwise expressly provided under terms of the Financing Documents, Trustee shall not assign or transfer its rights under this Mortgage.

Section 15.03 Inapplicable Provisions. If any term, covenant or condition of this Mortgage is held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without such provision.

Section 15.04 Headings, etc. The headings and captions of the various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.05 Subrogation. If any or all of the proceeds of the Financing Agreement Payments have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Trustee shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Trustee, as amended and restated on the terms set forth herein, and are merged with the lien and security interest created herein as cumulative security for the payment of the Financing Agreement Payments, and the performance and discharge of the Authority Obligations, under the Financing Documents.

Section 15.06 Entire Agreement. The Financing Documents, including this Mortgage, constitute the entire understanding and agreement between Authority and Trustee with respect to the Authority Obligations and supersede all prior written or oral understandings and agreements between Authority and Trustee with respect thereto. Authority hereby acknowledges that, except as incorporated, in writing, in the Financing Documents, including this Mortgage, there are not, and were not, and no persons are, or were authorized by Trustee to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the Authority Obligations.

Section 15.07 Limitation on Trustee's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Trustee, nor shall it operate to make Trustee responsible or liable for

any waste committed on the Property by Ground Lease Tenants or any other person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any Ground Lease Tenant, licensee, employee or stranger, except liability arising solely from Trustee's gross negligence or willful misconduct. Nothing herein contained shall be construed as constituting Trustee a "Trustee in possession."

Section 15.08 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Mortgage and the terms and conditions of the Financing Agreement and/or Trust Agreement, the terms and conditions of the Financing Agreement and/or Trust Agreement shall control and be binding.

Section 15.09 Severability. In case any one or more of the provisions of this Mortgage or any agreement now or hereafter executed in connection with this Mortgage is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof. Each of the provisions of every such agreement, document or instrument shall be enforceable by Trustee to the fullest extent now or hereafter permitted by law.

Section 15.10 No Partnership or Joint Venture. No provision of this Mortgage shall constitute a partnership, joint venture, tenancy in common or joint tenancy between Authority and Trustee, it being intended that the only relationship created by this Mortgage shall be that of mortgagor and mortgagee.

Section 15.11 No Merger. So long as any of the Ground Lease remains outstanding, and any Authority Obligations secured hereby remain unpaid and undischarged and unless Trustee otherwise consents, in writing, the fee, leasehold, subleasehold and sub-subleasehold estates in and to the Property will not merge but will always remain separate and distinct, notwithstanding the union of such estates (without implying Authority's consent to such union) either in Authority, Trustee, any Ground Lease Tenant or any third party by purchase or otherwise.

Section 15.12 Application of Lien Law. Notwithstanding anything to the contrary in this Mortgage, this Mortgage is not intended to constitute a "building loan mortgage" as defined in New York Lien Law (the "Lien Law") § 2(14). This Mortgage shall not secure any advances made pursuant to a "building loan contract."

ARTICLE 16

STATE-SPECIFIC PROVISIONS

Section 16.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article 16 and the terms and conditions of this Mortgage, the terms and conditions of this Article 16 shall control and be binding.

Section 16.02 Commercial Property. This Mortgage encumbers real property principally improved, or to be improved, by one or more structures containing in the aggregate more than six residential dwelling units, each having its own separate cooking facilities.

Section 16.03 MAXIMUM DEBT SECURED. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS SECURED BY THIS MORTGAGE AT THE TIME OF EXECUTION OR WHICH UNDER ANY CONTINGENCY MAY HEREAFTER BECOME SECURED HEREBY AT ANY TIME IS [_____] AND NO/100 DOLLARS (\$[_____]), PROVIDED THAT SUCH LIMITATION SHALL NOT LIMIT THE SECURITY OF THIS MORTGAGE WITH RESPECT TO (I) INTEREST ON THE AFORESAID MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS AT THE RATES SET FORTH IN THE FINANCING AGREEMENT, (II) SUMS TO PAY PROPERTY TAXES AND OTHER CHARGES, (III) SUMS TO PAY PREMIUMS ON INSURANCE POLICIES COVERING THE PROPERTY, (IV) EXPENSES INCURRED AFTER AN EVENT OF DEFAULT IN UPHOLDING OR ENFORCING THE LIEN OF THIS MORTGAGE, INCLUDING, BUT NOT LIMITED TO, THE EXPENSES OF ANY LITIGATION TO PROSECUTE OR DEFEND THE RIGHTS AND LIEN CREATED BY THIS MORTGAGE, (V) ANY AMOUNT, COSTS OR CHARGE TO WHICH TRUSTEE BECOMES SUBROGATED, UPON PAYMENT, WHETHER UNDER RECOGNIZED PRINCIPLES OF LAW OR EQUITY, OR UNDER EXPRESS STATUTORY AUTHORITY, AND (VI) ANY OTHER AMOUNT SECURED BY THIS MORTGAGE WHICH, IF NOT LIMITED BY SUCH LIMITATION, WOULD NOT INCREASE THE AMOUNT OF MORTGAGE RECORDING TAXES, IF ANY, PAYABLE WITH RESPECT TO THIS MORTGAGE.

Section 16.04 Insurance Proceeds. In the event of any conflict, inconsistency or ambiguity between the provisions of this Mortgage and/or the Financing Documents, on the one hand, and the provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire on the other hand, the provisions of this Mortgage and/or the Financing Documents, as applicable, shall control.

Section 16.05 Trust Fund. Pursuant to Section 13 of the Lien Law, Authority shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any such improvement on the Property before using any part of such advances for any other purpose. Authority will indemnify and hold Trustee harmless from and against any loss, liability, cost or expense, including, without limitation, any judgments, reasonable attorneys' fees, costs of appeal bonds and printing costs, arising out of, or relating to, any proceeding instituted by any claimant alleging a violation by Authority of any applicable Lien Law provisions including, without limitation, any section of Article 3-A of the Lien Law.

Section 16.06 Section 291-f Agreement.

(a) Authority hereby covenants and agrees with Trustee that, except as otherwise set forth in the Ground Lease and the Financing Documents, without the written consent of Trustee first had and obtained, Authority will not accept any surrender, cancellation, abridgment, or modification of any of the terms, covenants and conditions of the Ground Lease, and will not accept prepayments of installments of Annual Base Rent to become due under the Ground Lease thereunder for more than one (1) month in advance, except to the extent that such

surrender, cancellation, abridgment, or modification is either (i) permitted to a Ground Lease Tenant under the provisions of the Ground Lease, or (ii) does not constitute a Prohibited Modification.

(b) This Mortgage is intended to be, and shall operate as, the agreement described in Section 291-f of the Real Property Law of the State of New York (“Section 291-f”) and shall be entitled to the benefits afforded thereby. Authority shall (unless such notice is contained in such Ground Lease Tenant’s Lease) deliver notice of this Mortgage in form and substance reasonably acceptable to Trustee, to all holders of any Ground Lease Tenant interest in any Lease which is subject to Section 291-f, by assignment or otherwise, and shall take such other action as may now or hereafter be reasonably required to afford Trustee the full protections and benefits of Section 291-f. Authority shall request the recipient of any such notice to acknowledge the receipt thereof.

Section 16.07 Assignment of Mortgage. Upon payment of the Authority Obligations in accordance with the terms of the Financing Documents (exclusive of any indemnification or other obligations which are expressly stated in any of the Financing Documents to survive the payment of the Authority Obligations; provided that such indemnification or other obligations are inchoate in nature), Trustee shall execute, acknowledge and deliver either (a) a satisfaction of this Mortgage in recordable form or (b) upon written request by Authority to Trustee (at Authority’s election), an assignment of this Mortgage in recordable form to Authority’s designee (without recourse, covenant or warranty of any nature, express or implied, except as to the Authority Obligations then outstanding and that there has been no other assignment of this Mortgage); provided that (i) Authority shall have reimbursed Trustee for all of its reasonable out-of-pocket costs, including, but not limited to, reasonable out-of-pocket legal costs and expenses incurred in connection with any such assignment, and (ii) Authority shall have caused the delivery of an executed statement of Oath under Section 275 of the New York Real Property Law. Trustee shall not be responsible for any mortgage recording taxes, recording fees or other charges payable in connection with any such assignment.

Section 16.08 Sections 254 and 273 of the Real Property Law. All covenants hereof shall be construed as affording to Trustee rights additional to (and not exclusive of the rights conferred under) the provisions of Sections 254 and 273 of the Real Property Law of the State of New York, or any other applicable law.

Section 16.09 Article 14 of the Real Property Actions and Proceedings Law. Reference is hereby made to Article 14 of the Real Property Actions and Proceedings Law of the State of New York, as the same may be amended from time to time, for the purposes of obtaining for Trustee the benefit of said Article in connection with Trustee’s rights with respect to foreclosure of this Mortgage by power of sale.

[No Further Text on this Page; Signature Page Follows]

IN WITNESS WHEREOF, this Mortgage has been executed by Authority as of the day and year first above written.

Authority:

METROPOLITAN TRANSPORTATION
AUTHORITY, a New York public benefit
corporation

By: _____

Name:

Title:

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

On the ____ day of _____, 2016, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Signature & office of individual
taking the acknowledgement

EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES

**EXHIBIT B-1, B-2 and B-3
FORMS OF MORTGAGE RELEASE DOCUMENTS
UPON FEE CONVERSIONS**

(forms to be attached)

EXHIBITS C-1, C-2, C-3 and C-4
FORMS OF MORTGAGE SUBSEVERANCE DOCUMENTS

(forms to be attached)

**EXHIBIT D-1, D-2, D-3, D-4
FORMS OF WRY MORTGAGE SEVERANCE DOCUMENTS UPON CREATION OF
SEVERED PARCEL LEASES**

(forms to be attached)

EXHIBIT D-4

PARTIAL RELEASE OF MORTGAGE

This Partial Release of Mortgage, made as of the [•] day of [•], 20[•], by **[WELLS FARGO BANK, NATIONAL ASSOCIATION]**, a national banking association, not in its individual capacity but solely as trustee having an address at [•]] (“Mortgagee”).

Mortgagee is the owner and holder of that certain mortgage (the “Mortgage”), dated [•], made by Metropolitan Transportation Authority and recorded on [•], in the Office of the City Register, New York County at CRFN [•].

For valuable consideration, the receipt and sufficiency whereof hereby is acknowledged, Mortgagee does hereby release and discharge from the lien of the Mortgage the following described portion of the mortgaged premises:

[LEGAL DESCRIPTION OF RELEASED PORTION OF MORTGAGED PRMEISES]

This Partial Release of Mortgage shall not impair the lien of the Mortgage as to the lands described not hereby released. After giving effect to this Partial Release of Mortgage, the Mortgage is a valid and continuing lien on the premises described in Schedule A attached hereto and made a part hereof.

IN WITNESS WHEREOF, Mortgagee has executed and delivered this Partial Release of Mortgage as of the date hereinabove.

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association

By: _____
Name:
Title:

State of New York :
: ss.:
County of New York :

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCHEDULE A

Legal Description of Mortgaged Premises