

Lease Agreement

NEW YORK CITY
INDUSTRIAL DEVELOPMENT AGENCY

AND

THE CHASE MANHATTAN BANK, N.A.

LEASE AGREEMENT

Dated as of November 1, 1989

New York City Industrial Development Agency
The Chase Manhattan Bank, N.A. Project

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LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into as of November 1, 1989, by and between NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "Agency"), having its principal office at 110 William Street, New York, New York, party of the first part, and THE CHASE MANHATTAN BANK, N.A. (the "Lessee"), a national banking association organized and existing under and by virtue of the laws of the United States of America, having an office at One Chase Manhattan Plaza, New York, New York, party of the second part (capitalized terms used but not defined in the recitals to this Lease Agreement shall have the respective meanings assigned such terms in Section 1.1 hereof):

WITNESSETH:

WHEREAS, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act"), authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York (the "State") and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes, to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act the Agency was established by Chapter 1082 of the 1974 Laws of New York, as amended (together with the Enabling Act, the "Act"), for the benefit of The City of New York (the "City") and the inhabitants thereof; and

WHEREAS, the Lessee advised each of the Agency and the appropriate officials of the City as follows: that the Lessee requires the Project (defined below) in order to compete effectively within its industry and relocate its existing financial services processing operations from their present sites (the "Existing Facility") to a more cost efficient location; that the Lessee presently employs approximately 5,000 full time employees at the Existing Facility; that the Lessee and the Agency anticipate that the acquisition, construction, equipping

and installation of the Project will generate an additional 1,450 jobs over a two-year period and over \$3 billion in economic activity over time; that if Agency financing with its attendant benefits, including the sales tax benefits afforded pursuant to this Agreement, are disapproved, the Lessee intends to pursue plans to relocate all or substantially all of its financial services processing and other back-office operations and other related facilities to a location outside of the City and the State with a resultant loss of approximately 5,000 jobs; and that, therefore, Agency financing assistance with its attendant benefits is necessary to encourage the Lessee to remain in the City and expand its facility therein; and

WHEREAS, the Project Property is essential to the Project; and

WHEREAS, the Lessee further advised the Agency and the appropriate officials of the City that it was considering relocating its financial services processing facilities and related operations and certain executive and administrative offices from the City to a location outside of the City and State, with a resultant loss of substantial employment; and

WHEREAS, the appropriate officials of the Agency and the City entered into negotiations with the Lessee in order to induce the Lessee to remain and expand the capabilities of its operations within the City; and

WHEREAS, to accomplish the purposes of the Act, the Agency has entered into negotiations with the Lessee to induce the Lessee to commence with the acquisition, leasing, subleasing, licensing, construction, equipping, furnishing, installation, maintenance, repair and replacement of an industrial and commercial facility (the "Facility") consisting of (i) the acquisition of a parcel of land in the Borough of Brooklyn, (ii) the construction of a building and improvements thereon, (iii) the acquisition, leasing, subleasing, licensing, installation, maintenance, repair and replacement of machinery, equipment, furniture, furnishings, fixtures and other items of personalty therein or thereabout, including items of computer hardware and software, all for use primarily in connection with the financial services processing operations of the Lessee, and (iv) the acquisition, leasing, licensing, subleasing and installation of other items of such machinery, equipment and other personalty for use by the Lessee in or about its other facilities within The City of New York in connection with the aforementioned operations (the "Project"), and in furtherance of said purpose on December 13, 1988 the Agency adopted a resolution authorizing the Project, and undertaking to permit the issuance from time to time of its industrial development revenue bonds and industrial development revenue notes to finance such Project; and

WHEREAS, it is intended by the Agency and the Lessee that all Facility Realty, Facility Improvements and Facility Equipment to be financed in whole or in part from the proceeds of the Agency's Obligations referred to below, together with the Leased Personalty and the Maintenance Contracts, are to be leased, subleased or sublicensed by the Agency to the Lessee pursuant to this Lease Agreement; and

WHEREAS, the Agency, the Lessee and United States Trust Company of New York (the "PILOT Depository") have entered into a PILOT Agreement dated as of November 1, 1989 (the "PILOT Agreement") pursuant to which the Lessee has agreed to make certain payments in lieu of real estate taxes to the PILOT Depository; and

WHEREAS, the Agency, in order to provide funds for all or a portion of the cost of the Project and for incidental and related costs thereto, will issue and sell from time to time in various Series its Industrial Development Revenue Bonds (The Chase Manhattan Bank, N.A. Project) and Industrial Development Revenue Notes (The Chase Manhattan Bank, N.A. Project) (collectively, the "Obligations"), in the aggregate principal amount of not to exceed \$2 Billion pursuant to the Act, a resolution of the Agency adopted on December 13, 1988, Certificates of Determination (as hereinafter defined) of the Agency and an Indenture of Trust dated as of November 1, 1989 by and between the Agency and United States Trust Company of New York, as Trustee, securing said Obligations;

NOW, THEREFORE, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided that in the performance of the agreements of the Agency herein contained, any obligation it may incur for the payment of money shall not subject the Agency to any pecuniary or other liability nor create a debt of the State or of the City, and neither the State nor the City shall be liable on any obligation so incurred, but any such obligation shall be payable by the Agency solely out of the lease rentals, revenues and receipts derived from or in connection with the Facility, including moneys received under this Lease Agreement):

ARTICLE I
Definitions and Representations

Section 1.1. Definitions. Terms not otherwise defined herein shall have the same meanings as used in the Indenture hereinbelow defined. The following terms shall have the following meanings in this Lease Agreement:

An "Affiliate" of a Person shall mean a Person which directly or indirectly through one or more intermediaries controls, or is under common control with, or is controlled by, such Person. The term "control" (including the related terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

Agency shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Agency's Reserved Rights shall mean, collectively,

(i) the right of the Agency in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Agency under this Agreement;

(ii) the right of the Agency to grant or withhold any consents or approvals required of the Agency under this Agreement;

(iii) the right of the Agency to enforce or otherwise exercise in its own behalf all agreements of the Lessee with respect to ensuring that the Facility shall always constitute a qualified "project" as defined in and as contemplated by the Act and for the general purposes set forth in the recitals to this Agreement;

(iv) the right of the Agency in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under Sections 2.1, 2.2, 2.3, 2.4, 3.1, 3.2, 3.4, 3.5, 3.6, 4.1, 4.2, 4.4, 4.5, 4.6, 4.7, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6(b), 6.8, 6.10,

6.11, 6.13, 6.14, 7.1, 7.2, 7.3, 7.4, 7.6, 7.7, 9.3, 9.10, 9.13, 9.17, 9.18 and 9.19 of this Agreement;

(v) the right of the Agency, in its own absolute discretion, to issue Obligations (exclusive of Refunding Obligations) in excess of \$2 Billion; and

(vi) the right of the Agency in its own behalf to declare an Event of Default under Section 7.1 of this Agreement or with respect to any of the Agency's Reserved Rights.

Agreement shall mean this Lease Agreement dated as of November 1, 1989 between the Agency and the Lessee, and shall include any and all amendments hereof and supplements hereto hereafter made in conformity herewith and with the Indenture.

Aggregate Sales Tax Benefits shall have the meaning specified in Section 6.10(a) hereof.

Annual Period shall have the meaning specified in Section 6.10(a) hereof.

Annual Period CFSC Employees shall have the meaning specified in Section 6.10(a) hereof.

Annual Period Sales Tax Benefits shall have the meaning specified in Section 6.10(a) hereof.

Authorized Representative shall mean, (i) in the case of the Agency, the Chairman, Vice Chairman, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director or Deputy Executive Director of the Agency, or any officer or employee of the Agency authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Lessee, its Chairman, any Vice Chairman, its President, its Chief Financial Officer, any Executive Vice President, any Senior Vice President or any Vice President; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of this Agreement, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Base Level shall have the meaning specified in Section 6.10(a) hereof.

Business Day shall mean any day which shall not be a Saturday, Sunday, legal holiday or a day on which banking

institutions in the City are authorized by law or executive order to close.

Certificate of Determination shall mean a Certificate of Determination of the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, Secretary or Assistant Secretary of the Agency, substantially in the form set forth in the Appendices attached to the Indenture as Form of Certificate of Determination, with respect to and as a condition for the issuance of, a Series of Obligations.

CFSC shall mean those buildings and improvements constituting that portion of the Facility Realty and the Facility Improvements known or to be known as the Chase Financial Services Center.

CFSC Employee shall have the meaning specified in Section 6.10 hereof.

Chase Sites shall mean those locations within the City at which the Lessee conducts financial services processing operations and related operations and executive and administrative offices, other than the CFSC, as certified to the Agency by the Lessee.

City shall mean The City of New York.

City Mortgage shall mean the Mortgage and Security Agreement dated as of the Facility Realty Transfer Date between the Agency, as mortgagor, and the City, as mortgagee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

City Mortgage Note shall mean the note of the Agency secured by the City Mortgage.

Contractor shall have the meaning specified in Section 6.10(a) hereof.

Defeasance Securities, as to any particular Series of Obligations, shall have the meaning ascribed to such term in the Supplemental Indenture pursuant to which such Series of Obligations is issued and delivered and, in the absence of any such ascription, shall mean Government Securities.

Energy Fund shall mean the fund established and created pursuant to Section 201 of the Energy Fund Agreement.

Energy Fund Agreement shall mean the Energy Fund Agreement dated as of November 1, 1989 among the Agency, the City, the Lessee and United States Trust Company of New York, as

Depository, and shall include any and all modifications thereof and amendments thereto hereafter made in accordance therewith.

Event of Default shall have the meaning specified in Section 7.1 hereof.

Existing Facility shall have the meaning specified in the preamble hereto.

Existing Project Property shall have the meaning specified in Section 4.2(a) hereof.

Facility shall mean, collectively, the Facility Realty, the Facility Improvements and the Facility Equipment.

Facility Equipment shall mean the machinery, equipment and other tangible and intangible personal property the title to which shall be acquired by or on behalf of the Agency for installation or use at the Facility Realty or the Chase Sites as part of the Project pursuant to Section 2.1 hereof and described in the Facility Equipment Registry which is incorporated herein and made a part hereof, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Facility Equipment shall, in accordance with the provisions of Sections 4.2 and 5.1 hereof, include all property substituted for or replacing items of Facility Equipment and exclude all items of Facility Equipment so substituted for or replaced.

Facility Equipment Registry shall mean the registry maintained by the Agency at its office of all the Facility Equipment, as such registry shall be modified, amended or supplemented from time to time by the Lessee in accordance with Section 6.14 hereof.

Facility Improvements shall mean all structures, buildings or improvements now or at any time located on the Facility Realty, including any alterations or replacements thereof or additions thereto.

Facility Improvements Registry shall mean the registry maintained by the Agency at its office of all Facility Improvements, as such registry shall be modified, amended or supplemented from time to time by the Lessee in accordance with Section 6.14 hereof.

Facility Realty shall mean the land described in the Description of Facility Realty in the Appendices hereto and all rights or interests therein or appertaining thereto.

Facility Realty Transfer Date shall mean the date on which the Agency is first vested with fee title to the Facility Realty.

Fitch shall mean Fitch Investors Service, Inc. and its successors as a nationally recognized statistical rating organization.

Force Majeure shall have the meaning specified in Section 9.2 hereof.

Government Securities shall mean direct obligations of, or obligations fully guaranteed as to payment of principal and interest by, the United States of America.

Indenture shall mean the Indenture of Trust dated as of November 1, 1989 by and between the Agency and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI of the Indenture.

Independent Engineer shall mean a Person (not an employee of either the Agency, the Lessee or any Affiliate thereof) registered and qualified to practice engineering or architecture under the laws of the State, selected by the Lessee, and approved by the Trustee and the Agency (which approvals shall not be unreasonably withheld).

Initial Obligations shall mean the first Series of Obligations issued under the Indenture.

Initial Sales Tax Benefits shall have the meaning specified in Section 6.10(a) hereof.

Interest Payment Date shall mean each date upon which interest, with respect to a Series of Outstanding Obligations, shall be due and payable.

Issue Date shall mean, with respect to each fully registered Obligation of a Series, the date of the initial authentication and delivery of any of the Obligations of such Series, as stated by the Trustee in the Trustee's Certificate of Authentication appearing thereon to be the "Issue Date."

Land Sale Contract shall mean the Agreement of Sale dated as of November 3, 1989 among the City, the Agency and Chase.

Leased Personalty shall mean one or more items of tangible or intangible personal property, including, without limitation, mainframes (and peripherals), personal computers, telecommunications equipment, equipment relating to the operation

of the three foregoing categories, and software, either subject to a Maintenance Contract or in which the Agency shall acquire a leasehold estate or license in accordance with Section 2.1 hereof, to be used by the Lessee at the CFSC or the Chase Sites in connection with its financial services processing operations.

Leased Personalty Registry shall mean the registry maintained by the Agency at its office of all the Leased Personalty, as such registry shall be modified, amended or supplemented from time to time by the Lessee in accordance with Section 6.14 hereof.

Lessee shall mean The Chase Manhattan Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America, and its permitted successors and assigns pursuant to Sections 6.1 or 9.3 hereof (including any surviving, resulting or transferee corporation as provided in Section 6.1 hereof).

Lessee's Property shall have the meaning specified in Section 4.1(c) hereof.

Liens shall have the meaning specified in Section 6.6(a) hereof.

Loss Event shall have the meaning specified in Section 5.1(a) hereof.

Maintenance Contracts shall mean contracts for the maintenance of computer and telecommunications equipment and other personalty used by the Lessee in connection with its financial services processing operations at the CFSC.

Maintenance Contracts Registry shall mean the registry maintained by the Agency at its office of all Maintenance Contracts, as such registry shall be modified, amended or supplemented from time to time by the Lessee in accordance with Section 6.14 hereof.

Maximum Post-Completion Benefits Amount shall mean an aggregate of Fifty-one Million Eight Hundred Thousand Dollars (\$51,800,000) in sales tax exemptions received by the Lessee under Section 2.1 hereof subsequent to the Substantial Completion Date of the CFSC, computed on a present-value basis as of December 31st of each year (commencing with the calendar year in which the Substantial Completion Date of the CFSC occurs) by discounting the total amount of sales tax exemptions received by the Lessee in the respective calendar year (to be adjusted, if at all, in accordance with Section 2.1(e)(x) hereof) at the rate of six percent (6%) per annum so as to compute its present value as of January 1, 1989; provided, however, that for the calendar year

in which the Substantial Completion Date of the CFSC occurs, the calculation shall only include such sales tax exemptions received after the Substantial Completion Date of the CFSC.

Memorandum of Agreement shall mean that certain agreement executed in March, 1988 relating to the Metrotech Project, by and among the City, New York Historic Preservation Office and Advisory Council on Historic Preservation, as amended, modified or supplemented from time to time.

Moody's shall mean Moody's Investors Service, Inc. and its successors as a nationally recognized statistical rating organization.

Net Proceeds shall mean, when used with respect to any insurance proceeds or condemnation award, compensation or damages, the gross amount from any such proceeds, award, compensation or damages less all expenses (including attorneys' fees and any extraordinary expenses of the Agency or the Trustee) incurred in the collection thereof.

Obligations shall mean the Agency's Industrial Development Revenue Bonds (The Chase Manhattan Bank, N.A. Project) and the Agency's Industrial Development Revenue Notes (The Chase Manhattan Bank, N.A. Project) authorized to be issued from time to time, in one or more Series, pursuant to Certificates of Determination, the Obligation Resolution and the Indenture, in the aggregate principal amount of not to exceed \$2 Billion (excluding the principal amount of Refunding Obligations).

Obligation Resolution shall mean the resolution of the Agency adopted on December 13, 1988 authorizing, among other things, the issuance from time to time of the Obligations.

Opinion of Counsel shall mean a written opinion of counsel who may (except as otherwise expressly provided in this Agreement or the Indenture) be counsel for the Lessee or the Agency, as the case may be, and who shall be reasonably acceptable to the Agency or the Lessee, as the case may be, and, if expressly required by the terms of this Agreement or the Obligations, to the Trustee.

Outstanding, when used with reference to an Obligation or Obligations of a particular Series, as of any particular date, shall mean all Obligations of such Series which have been issued, executed, authenticated and delivered under the Indenture, except:

(i) Obligations of a Series cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(ii) Any Obligation of such Series (or portion of an Obligation of such Series) for the payment or redemption of which, in accordance with Section 10.01 of the Indenture, there has been separately set aside and held in the Redemption Account of the Obligation Fund moneys and/or Defeasance Securities in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Obligation, together with accrued interest on such Obligation to the payment or redemption date, which interest on such Obligation to the payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Securities to such payment on the date so specified, provided, that, if such Obligation or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(iii) Obligations in exchange for or in lieu of which other Obligations shall have been authenticated and delivered under Article III of the Indenture,

provided, however, that in determining whether the Holders of the requisite principal amount of Obligations of any particular Series Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Obligations of such Series owned by the Lessee or an Affiliate of the Lessee shall be disregarded and deemed not to be Outstanding (except that such Obligations shall not be disregarded if the Lessee and/or an Affiliate of the Lessee and/or the Lessee as nominee for third parties is the sole owner of all unpaid Obligations of such Series), except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Obligations of such Series which the Trustee knows to be so owned shall be so disregarded. Obligations so owned which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Obligations and that the pledgee is not the Lessee or an Affiliate of the Lessee.

Paying Agent shall mean any paying agent or co-paying agent for the Obligations (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

Permitted Encumbrances shall mean, as of any particular time,

(i) this Agreement, the City Mortgage and the Indenture and any other Security Document;

(ii) liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not in default;

(iii) utility, access and other easements and rights-of-way, restrictions and exceptions that an Authorized Representative of the Lessee certifies to the Agency and the Trustee will not interfere with or impair the Lessee's use of the Project Property as herein provided;

(iv) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to property similar in character to the Project Property and as do not, in the Opinion of Counsel, either singly or in the aggregate, materially impair the property affected thereby for the purpose for which it was acquired and held by the Agency hereunder;

(v) those exceptions to title to the Facility Realty enumerated in the title insurance policies delivered pursuant to Section 2.4 hereof insuring the Agency's fee title interest in the Facility Realty, copies of which policies are on file at the principal corporate trust office of the Trustee and at the office of the Agency;

(vi) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien or right in respect thereof if payment is not yet due and payable, all if and to the extent permitted by Section 6.6 hereof; and

(vii) any mortgage, lien, security interest or other encumbrance which exists in favor of the Trustee.

Person shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or other entity.

Phase-Out Percentage shall have the meaning specified in Section 6.10(a) hereof.

PILOT Agreement shall mean the PILOT Agreement dated as of November 1, 1989 among the Agency, the Lessee and the PILOT

Depository, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

PILOT Depository shall mean United States Trust Company of New York, New York, New York, in its capacity as PILOT Depository under the PILOT Agreement, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the PILOT Agreement.

Plans and Specifications shall mean the plans and specifications prepared for the construction of the Facility Improvements by or on behalf of the Lessee, as amended from time to time by or on behalf of the Lessee to reflect any remodeling, refinements, reconfigurations, substitutions, additions, modifications or improvements to the Project made by the Lessee in compliance with this Agreement.

Prime Rate shall mean the prime commercial lending rate from time to time announced by the Lessee to be in effect at its principal office in the City.

Principal Payment Date shall mean each date upon which principal (other than Sinking Fund Installments), with respect to a Series of Outstanding Obligations, shall be due and payable.

Prohibited Person shall mean:

(i) any Person (A) that is in default or in breach, beyond any applicable grace period, of its obligations under any material written agreement with the City or the Agency, or (B) that directly or indirectly controls, is controlled by, or is under common control with, a Person that is in default or in breach, beyond any applicable grace period, of its obligations under any material written agreement with the City or the Agency, unless such default or breach has been waived in writing by the City or the Agency, respectively;

(ii) any Person (A) that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or (B) that directly or indirectly controls, is controlled by, or is under common control with a Person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure;

(iii) any government, or any Person that is directly or indirectly controlled (rather than only regulated) by a

government, that is finally determined to be in violation of (including, but not limited to, any participant in an international boycott in violation of) the Export Administration Act of 1979, or its successor, or the regulations issued pursuant thereto, or any government that is, or any Person that, directly or indirectly, is controlled (rather than only regulated) by a government that is subject to the regulations or controls thereof;

(iv) any government, or any Person that, directly or indirectly, is controlled (rather than only regulated) by a government, the effects of the activities of which are regulated or controlled pursuant to regulations of the United States Treasury Department or executive orders of the President of the United States of America issued pursuant to the Trading with the Enemy Act of 1917, as amended (including the Arms Export Control Act of 1979, as amended); and

(v) any Person that shall, or that directly or indirectly controls, is controlled by or is under common control with, a Person who shall have, since July 13, 1985, sold or agreed to sell goods or services, other than food or medical supplies, directly to any of the agencies of the South African government listed in Section 6-115(1) of the Administrative Code of The City of New York or directly to a corporation owned or controlled by the South African government and established expressly for the purpose of procuring such goods and services for the aforesaid agencies.

Project shall mean the acquisition, construction, equipping, installation, maintenance, repair and replacement of the Facility, and the leasing and licensing (and subsequent subleasing or sublicensing) of the Leased Personalty, from time to time as more particularly described in the Description of Project in the Appendices attached hereto and made a part hereof.

Project Costs shall mean all costs paid or incurred by the Lessee on or after December 13, 1988:

(i) for engineering and architectural services with respect to the Project, including the cost of surveys, estimates, plans and specifications and for supervising construction, reconstruction, improvement, renovation and equipping, as well as for the performance of all other duties required by or consequent upon the proper approval, construction, reconstruction, improvement, renovation and equipping of the Project;

(ii) for labor, contract bonds, materials, services, supplies, machinery or equipment and other expenses, including, without limitation, those related to Facility

Improvements and Facility Equipment, and to contractors, suppliers, builders and materialmen in connection with the effectuation of the Project;

(iii) for title insurance as provided in Section 2.4 of the Lease Agreement;

(iv) for the payment of the initial fees and expenses of the Trustee, legal and financial fees and expenses, printing and engraving costs, and all other costs and expenses incurred by or for the account of the Agency in connection with the preparation, authorization, sale and issuance of the Obligations from time to time, and the preparation and execution of the Lease Agreement and the Indenture and all other documents to which the Agency shall be a party;

(v) for which the Lessee shall be required to pay, under the terms of any contract or contracts, for the effectuation of the Project, including any amounts required to reimburse the Lessee for advances made for any item otherwise constituting a Project Cost or for any other costs incurred and for work done which are properly chargeable to the Project; and

(vi) for the payment of such other costs as may hereafter be agreed upon by the Agency and the Lessee.

"Project Costs" shall expressly not include (i) counsel fees of the Lessee, (ii) broker's fees or commissions, and (iii) working capital.

Project Property shall mean, collectively, the Facility and the Leased Personalty.

Qualified Investments shall mean, to the extent permitted by applicable law, the following (except to the extent that any of the following are issued or guaranteed by the Lessee or any of its Affiliates and are not acquired by the Trustee at a yield, term and denomination available to any other arm's-length investor in the market for similar investments):

- (i) Government Securities
- (ii) Securities issued or guaranteed by any of the following instrumentalities or agencies of the United States of America:
 - (a) Federal Home Loan Bank System
 - (b) Export-Import Bank of the United States

- (c) Federal Financing Bank
 - (d) Government National Mortgage Association
 - (e) Farmers Home Administration
 - (f) Federal Home Loan Mortgage Corporation
 - (g) Federal Housing Administration
 - (h) Private Export Funding Corporation
 - (i) Tennessee Valley Authority
- (iii) Commercial paper, including commercial paper issued by any Affiliate of the Lessee, rated at least "P-1" or better by Moody's or at least "A-1" or better by S&P or at least "F-1" or better by Fitch, issued by a corporation or banking institution organized under the laws of the United States or any state thereof.
- (iv) Direct and general long-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by Moody's, Fitch or S&P.
- (v) Direct and general short-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in the highest rating category by Moody's, Fitch and S&P.
-
- (vi) Interest bearing demand or time deposits with or certificates of deposit issued by a national banking association or a state bank or trust company or a savings and loan association which are (a) continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund under the auspices of the Federal Deposit Insurance Corporation, or (b) with a bank which has outstanding debt, or which is a subsidiary of a bank holding company which has outstanding debt, rated at least P-1 by Moody's or A-1 by S&P or F-1 by Fitch, or (c) continuously and fully secured by obligations of the type described in (i) and (ii) above which have a market value at all times at least equal to the principal amount of the deposit and which are held by the Trustee or its agent or,

in the case of uncertificated securities, are registered in the name of the Trustee as pledgee.

- (vii) Repurchase agreements, the maturity of which are less than thirty (30) days, entered into (a) with a bank or trust company organized under the laws of any state of the United States or with a national banking association, insurance company, or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of the Security Investors Protection Corporation or (b) with a dealer whose obligations are rated, or the parent holding company of which is rated, investment grade by Moody's, Fitch or S&P. The securities that are subject to a repurchase agreement must be obligations of the type described in (i) or (ii) above which have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreement and which are held by the Trustee or its agent or, in the case of uncertificated securities, are registered in the name of the Trustee as pledgee.
- (viii) Money market mutual funds with assets in excess of \$2,000,000,000 investing in Qualified Investments of the type specified above.

Real Property Termination Date shall have the meaning specified in Section 3.2 hereof.

Recapture Payment shall have the meaning specified in Section 6.10(a) hereof.

Redemption Price shall mean, with respect to any Obligation, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Obligation or the Indenture.

Refunding Obligations shall mean Obligations the proceeds of which are used to pay, or to provide for the payment when due of, the principal or Redemption Price of, or interest on, any Obligations.

Retention Period shall have the meaning specified in Section 4.2(a) hereof.

Sales Tax Benefits shall have the meaning specified in Section 6.10(a) hereof.

Sales Tax Letter shall have the meaning specified in Section 2.1(e) hereof.

Security Documents shall mean, collectively and severally, this Agreement and the Indenture and any other document inuring to the benefit of the Trustee and the Holders of Obligations.

Series shall mean all of the Obligations designated as being of the same Series authenticated and delivered on original issuance in a simultaneous transaction, and any Obligations of the same Series thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture and a Certificate of Determination.

Sinking Fund Installment shall mean the amount, if any, required by the Indenture and a Certificate of Determination as payable on a single future date for the retirement of any Outstanding Obligations of a Series which are expressed to mature after such future date, but shall not include any amounts payable by reason only of the maturity of an Obligation.

Sinking Fund Installment Payment Date shall mean each date upon which a Sinking Fund Installment, with respect to a Series of Outstanding Obligations, shall be due and payable.

S&P shall mean Standard & Poor's Corporation and its successor as a nationally recognized statistical rating organization.

State shall mean the State of New York.

Substantial Completion Date of the CFSC shall mean the earlier of (i) January 1, 1994 (as such date may be extended by Force Majeure), or (ii) such date as the CFSC shall be substantially operational and occupied, which date shall be designated by the Lessee to the Agency.

Target Number shall have the meaning specified in Section 6.10(a) hereof.

Temporary Removals shall have the meaning specified in Section 6.2(b) hereof.

Trustee shall mean United States Trust Company of New York, in its capacity as Trustee, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Indenture.

Section 1.2. Construction. In this Agreement, unless the context otherwise requires:

(a) The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of the execution and delivery of this Agreement.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) Except as otherwise provided in the Indenture or this Agreement, all approvals, consents and acceptances required to be given or made by any Person or party hereunder shall be at the sole discretion of the Person or party whose approval, consent or acceptance is required.

Section 1.3. Representations and Warranties by Agency.
The Agency makes the following representations and warranties:

(a) The Agency is a corporate governmental agency ~~constituting a body corporate and politic and a public benefit corporation~~ duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and has taken all requisite action to carry out its obligations hereunder. By proper action of its members, the Agency has duly authorized the execution and delivery of this Agreement.

(b) In order to finance all or a portion of the cost of the Project, the Agency proposes to issue the Obligations, in the aggregate principal amount of not to exceed \$2 Billion (excluding Refunding Obligations, and subject to the Agency's Reserved Right to issue Obligations in an aggregate principal amount exceeding \$2 Billion) from time to time, in various Series, pursuant to the Indenture, the Obligation Resolution and a Certificate of Determination for each Series of Obligations. Each Series of Obligations will mature, bear interest, be redeemable and have

the other terms and provisions set forth in the Indenture and the related Certificate of Determination.

Section 1.4. Findings by Agency. The Agency, based upon the representations and warranties of the Lessee contained in this Agreement and the information contained in the application and other materials heretofore submitted by or on behalf of the Lessee to the Agency, hereby finds and determines that the financing of all or a portion of the costs of the Project by the Agency and the providing of certain benefits to the Lessee in connection therewith is reasonably necessary to discourage the Lessee from removing its financial services processing operations from the City to a location outside the City and the State and to encourage the Lessee to proceed with a substantial capital investment to improve the capability of its financial services processing operations in the City and is reasonably necessary to preserve the competitive position of the Lessee in its industry.

Section 1.5. Representations and Warranties by Lessee. The Lessee makes the following representations and warranties:

(a) The Lessee is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America, is not in violation of any provision of its charter or by-laws, and is qualified to do business and is in good standing in the State, has the corporate power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Agreement, the Energy Fund Agreement and the PILOT Agreement. The Lessee is duly qualified to do business in every jurisdiction in which the failure to so qualify would have a material adverse effect upon the properties, business, affairs assets or condition (financial or otherwise) of the Lessee.

(b) The execution, delivery and performance by the Lessee of this Agreement, the Energy Fund Agreement and the PILOT Agreement and the consummation by the Lessee of the transactions herein and therein contemplated have been duly authorized by all requisite corporate action on the part of the Lessee and will not violate any provision of law, any order of any court or agency of government, or the charter or by-laws of the Lessee, or any indenture, agreement or other instrument to which the Lessee is a party or by which it or any of its property is subject to or bound, or be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument or result in the imposition of any lien, charge or encumbrance of any nature whatsoever other than Permitted Encumbrances.

(c) Expenses for supervision by the officers or employees of the Lessee or any Affiliate and expenses for work done by any such officers or employees in connection with the Project will be included as a Project Cost only to the extent that such Persons were specifically employed for such particular purpose, the expenses do not exceed the actual cost thereof and are to be treated on the books of the Lessee as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis.

(d) The Lessee requires the Project in order to compete effectively within its industry and expand the capabilities of its existing operations; the Lessee requires the Project in order to relocate its Existing Facility from their present sites to a more cost efficient location; the Lessee presently employs approximately 5,000 full time employees at the Existing Facility; the Lessee and the Agency anticipate that the acquisition, construction, equipping and installation of the Project will generate an additional 1,450 jobs over a two-year period and over \$3 billion in economic activity over time; if Agency financing with its attendant benefits, including the sales tax benefits afforded pursuant to this Agreement, are disapproved, the Lessee intends to pursue plans to relocate all or substantially all of its financial services processing and other back-office operations and other related facilities to a location outside of the City and the State with a resultant loss of approximately 5,000 jobs; the Project Property is essential to the Project; and, therefore, Agency financing assistance with its attendant benefits is necessary to encourage the Lessee to remain in New York City and expand its facility therein.

(e) The completion of the Project will not result in the removal of an industrial, manufacturing, warehousing or commercial plant or facility of the Lessee from one area of the State for whose benefit an industrial development agency has been created to another area of the State for whose benefit a different industrial development agency has been created, or in the abandonment of one or more of such plants or facilities of the Lessee within the State.

(f) Any costs incurred with respect to that part of the Project paid from the proceeds of the sale of the Obligations shall be treated or shall be capable of being treated on the books of the Lessee as capital expenditures in conformity with generally accepted accounting principles applied on a consistent basis.

(g) No part of the proceeds of the Obligations will be used to finance inventory or will be used for working capital or to finance any other cost not constituting a Project Cost.

(h) Assuming due and proper execution by all parties thereto (other than the Lessee), this Agreement, the Energy Fund Agreement and the PILOT Agreement constitute the legal, valid and binding obligations of the Lessee enforceable against the Lessee in accordance with their respective terms, except to the extent that the enforceability of such agreements may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally.

(i) The Project will be designed, and the operation of the Facility will be, in compliance with all applicable Federal, State and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality and in compliance with the Memorandum of Agreement and the Metrotech Urban Renewal Plan as amended from time to time.

(j) The Lessee shall cause all costs of the acquisition, leasing, subleasing, licensing, construction, equipping, furnishing, installation, maintenance, repair and replacement of the CFSC to be paid for in whole pursuant to Section 2.2 hereof and/or reimbursed from the proceeds of the Agency's Obligations (excluding Refunding Obligations), except that Leased Personalty and Maintenance Contracts shall not be funded with proceeds of the Agency's Obligations.

(k) Each representation or warranty made by the Lessee (or any purchaser of a Series of Obligations if an Affiliate of the Lessee) in the application and related materials submitted to the Agency for approval of the Project or its financing, or by the Lessee in this Agreement or in the PILOT Agreement, is true, correct and complete in all material respects as of the date made. Each representation or warranty made in any Letter of Representation and Indemnity Agreement delivered to the Agency or the original purchasers of any Series of Obligations, or in any report, certificate, financial statement or other instrument furnished pursuant to this Agreement, shall be true, correct and complete in all material respects as of the date made.

ARTICLE II
The Project

Section 2.1. The Project. (a) The Agency and the Lessee acknowledge and agree that the Project Property is to be constructed, acquired, leased (or subleased), licensed (or sublicensed), equipped, installed, maintained, replaced and repaired for use at the Facility Realty and the Chase Sites; and that the nature of the Facility Improvements and the list of the Facility Equipment and the Leased Personalty, all as comprising the Project, may change from time to time over the term of this Agreement to reflect amendments, modifications and supplements made to the Plans and Specifications. Upon the acquisition, leasing, subleasing, licensing, sublicensing, construction, equipping, furnishing, installation, maintenance, repair or replacement of the Facility, such property shall become subject to the leasehold estate of this Agreement.

At the request of the Agency to the Lessee, the Lessee shall provide such additional information and clarifications concerning any portion of the Facility to be acquired, constructed, equipped, installed, leased, subleased, licensed, sublicensed, maintained, replaced or repaired, as shall be reasonably requested by the Agency.

All Facility Improvements and Facility Equipment financed in whole or in part from the proceeds of the Obligations, and all Leased Personalty and Maintenance Contracts, shall be enumerated in sufficient detail for accurate identification (as to date of acquisition, vendor, location, physical description, serial number (if applicable), price and the amount of sales tax exemptions afforded to the Lessee in connection with such acquisition) in the Facility Improvements Registry, the Facility Equipment Registry, the Leased Personalty Registry and the Maintenance Contracts Registry, respectively.

(b) The Agency shall enter into, or permit the Lessee (as agent for the Agency) to enter into, leases or licenses of Leased Personalty, as lessee or licensee, as the case may be, and Maintenance Contracts, from time to time while there shall be a Sales Tax Letter in effect, and thereupon to make such items of Leased Personalty and such Maintenance Contracts available to the Lessee for its exclusive use, by sublease or sublicense; provided that, in the case of each such lease or license or Maintenance Contract:

(i) the lessor or licensor or Maintenance Contract counterparty thereunder represents to the Agency that it is not a Prohibited Person (except that as to any such lessor, licensor or counterparty entitled to receive less than an aggregate amount of \$50,000 under any and

all such leases, licenses and Maintenance Contracts, such representation may be made by an Authorized Representative of the Lessee to the best of its knowledge),

(ii) such lease or license or Maintenance Contract shall recite that it is non-recourse to the Agency, and that the Agency shall have no liability for specific performance thereunder,

(iii) such lease or license or Maintenance Contract shall recite that it is assignable to the Lessee at the option of the Agency (which option the Agency shall exercise only upon the termination of the Agreement), and

(iv) such lease or license or Maintenance Contract shall contain such other terms as the Agency may reasonably request in order to ensure compliance with this Agreement and with the Act.

(c) The Lessee shall proceed with the Project on behalf of the Agency in a prompt and expeditious manner and substantially in accordance with the Plans and Specifications and may make all purchases of materials and equipment, or enter into leases and licenses therefor, necessary for the completion and continuance of the Project; provided, however, that any failure by the Lessee so to proceed shall result in no liability except as provided in Section 6.10 hereof. The Project Costs (other than those relating to Leased Personalty or Maintenance Contracts) shall be paid from the proceeds of the Obligations deposited in the Project Fund established under the Indenture or as otherwise provided in Section 2.2 hereof. All contractors, materialmen, vendors, suppliers and other companies, firms or persons furnishing labor, services, materials or equipment for or in connection with the Project shall be designated by the Lessee.

(d) Each contract, invoice, bill or purchase order entered into by the Lessee as agent for the Agency for the acquisition, construction, equipping, installation, maintenance, repair or replacement of Facility Improvements or the acquisition, leasing, installation, maintenance, repair or replacement of the Facility Equipment or Leased Personalty shall include, incorporate by reference or otherwise be subject to the language below in substantially the following form:

"This contract is being entered into by The Chase Manhattan Bank, N.A. (the "Company") as agent for and on behalf of the New York City Industrial Development Agency (the "Agency") in connection with the acquisition, leasing,

subleasing, licensing, construction, equipping, furnishing, installation, maintenance, repair and replacement from time to time of facilities, systems, tangible or intangible personal property, equipment and machinery at [CFSC or another Chase Site] for use by the Company in its financial services processing operations and related operations and for executive and administrative offices (the "Project"). The materials and labor to be used in this construction, reconstruction, renovation, upgrading, improving, maintaining, repairing, replacing and equipment acquisition, rental or licensing shall be exempt from the sales tax levied by the State and City of New York on the condition that (i) such materials are delivered to any of the Project location(s) identified above and are installed in and as part of or otherwise used at the Project, (ii) the labor or maintenance is performed at or in connection with such Project location(s) and (iii) the liability of the Agency under this contract shall be limited only to the proceeds of the bonds, notes or other obligations of the Agency as may be used to finance the cost of the Project. In the event that the proceeds of such bonds, notes or other obligations are insufficient to pay or reimburse all or any part of such costs, the Agency shall not be liable, either directly or indirectly, or contingently upon this contract in any manner and to any extent whatsoever, and the Company shall be the sole party liable hereunder. By execution or acceptance of this Contract, the vendor, lessor or licensor hereunder hereby accepts the terms and conditions set forth in this paragraph."

If the Lessee shall fail to include, incorporate by reference or otherwise be, together with the vendor, lessor or licensor, subject to the above language in substantially the above form in any such contract, invoice, bill or purchase order, such contract, invoice, bill or purchase order shall not be an undertaking on behalf of the Agency and shall not be entitled to any of the benefits able to be conferred by the Agency, and the Lessee shall not claim any sales tax benefits or exemptions with respect to any such contract, invoice, bill or purchase order and shall return to the Agency any such benefits or exemptions so taken with interest thereon at the Prime Rate from the date of such taking unless the Lessee notifies the Agency that the Lessee

has corrected such failure within forty-five (45) days after the Lessee obtains knowledge of such failure.

(e) Concurrently with the execution of this Agreement, the Agency shall make available to the Lessee a Letter of Authorization for Sales Tax Exemption, substantially in the form set forth in the appendices hereto (the "Sales Tax Letter"). The Agency, at the sole cost and expense of the Lessee, shall also execute such other authorizations, letters and documents as may be reasonably necessary to permit the Lessee to obtain the intended benefits hereunder. Subject to the terms of this Agreement, it is intended that the scope of the sales tax benefits received by the Lessee pursuant to this Article II shall include (x) exemptions from all sales taxes relating to (aa) the initial construction of the Facility Improvements, including, without limitation, the core and shell of the buildings to be constructed at the CFSC and the tenant improvements therein, (bb) the initial outfitting of the Facility Improvements, including, without limitation, the furniture, fixtures, furnishings and equipment therein, and (cc) the items that are purchased or leased for Chase Sites prior to the Substantial Completion Date of the CFSC in accordance with the Sales Tax Letter, plus (y) additional exemptions from sales tax with respect to the CFSC and the Chase Sites after the Substantial Completion Date of the CFSC equal to the Maximum Post-Completion Benefits Amount.

(i) The Sales Tax Letter shall be dated the date of this Agreement and shall be effective for a term commencing on its date and expiring upon the earlier of (1) the termination of this Agreement, or (2) such time as the aggregate amount of sales tax exemptions availed of by the Lessee from and after the Substantial Completion Date of the CFSC equals the Maximum Post-Completion Benefits Amount; subject, however, to an annual confirmation of its effectiveness by an Authorized Representative of the Agency. The Agency shall provide such annual confirmation unless

(A) the Lessee shall be in default of any payment required of it under the PILOT Agreement, which default shall not have been cured within thirty (30) days after the delivery by the Agency to the Lessee of notice of such default,

(B) the Lessee, within thirty (30) days after the Agency shall have delivered notice to the Lessee that a payment in return of sales tax exemption is due under Section 2.1(e)(iv) or 4.2(a) hereof, shall have failed to make such payment to the Agency,

(C) this Agreement shall have been terminated, or

(D) any amount shall be due and owing by the Lessee under Section 6.10 of this Agreement;

provided, however, if the Lessee shall dispute the occurrence of any of the events described in clause (A), (B), (C) or (D) above, the Agency shall continue to provide such annual confirmation until the resolution of such dispute, but only if the Lessee pursues the resolution of such dispute in a diligent manner and in accordance with the procedures set forth in Section 7.7 of this Agreement.

(ii) The authorizations set forth in the Sales Tax Letter shall automatically be suspended twenty (20) days after notice to the Lessee that any of the events described in clause (A), (B), (C), or (D) of Section 2.1(e)(i) hereof shall exist, unless (1) the Lessee shall pay any amounts due with respect to the events described in such clause (i)(A), (i)(B) or (i)(D) prior to the effective date of such suspension or (2) the Lessee shall have elected to dispute the occurrence of any such event in accordance with Section 7.7 of this Agreement, in which case the Agency shall not suspend such authorization unless and until there has been a resolution of such dispute adverse to the contentions of the Lessee.

(iii) The sales tax exemption to be provided pursuant to the Sales Tax Letter

(A) shall not be available for the payment of any costs other than Project Costs and only for Project Costs of those items of Facility Improvements, Facility Equipment, Leased Personalty and Maintenance Contracts which are identified with reasonable specificity in the Facility Improvements Registry, the Facility Equipment Registry, the Leased Personalty Registry or the Maintenance Contracts Registry by no later than the next succeeding September 1 (if such cost shall have been paid or incurred in the immediately preceding January 1 through June 30) or March 1 (if such cost shall have been paid or incurred in the immediately preceding July 1 through December 31),

(B) shall not be utilized for Facility Improvements, Facility Equipment, Leased Personalty or Maintenance Contracts which shall not be purchased, leased, subleased, licensed, completed or installed at the CFSC or a Chase Site during the term of this Agreement (except those covered by a special sales tax letter executed by the Agency on September 14, 1989),

(C) shall, until the Substantial Completion Date of the CFSC, only be available if the Project Cost (other than the costs of Leased Personalty or Maintenance Contracts) is paid for in whole pursuant to Section 2.2 hereof and/or reimbursed in whole from the proceeds of the Agency's Obligations (excluding Refunding Obligations), and, after the Substantial Completion Date of the CFSC, reimbursed in whole from the proceeds of the Agency's Obligations (excluding Refunding Obligations), in either case subject to Force Majeure, by no later than the next succeeding March 1 (if such cost shall have been paid or incurred on or prior to the immediately preceding December 31), commencing March 1, 1991, and

(D) shall not be available for any date subsequent to which the Sales Tax Letter shall not have been annually re-confirmed for reasons permitted in Section 2.1(e)(i) hereof or shall have been suspended as provided in Section 2.1(e)(ii) hereof, provided, however, that in the event the Lessee shall thereafter pay any amounts due with respect to the events described in clause (i)(A), (i)(B) or (i)(D) during the term of this Agreement, or the Agency shall thereafter provide such annual confirmation or waive such suspension, as applicable, the sales tax exemption shall again continue from the date of such annual confirmation or such waiver.

(iv) In the event that the Lessee shall utilize the sales tax exemption authorization provided pursuant to the Sales Tax Letter in violation of the provisions of Section 2.1(e)(iii) hereof, the Lessee shall promptly deliver notice of same to the Agency and the Lessee shall, upon demand by the Agency, pay to the Agency a return of sales tax exemption in an amount equal to all such unauthorized sales tax exemptions, together with interest thereon from the respective date of each such use of the exemption at the Prime Rate.

(v) The Lessee shall, on or before March 1 and September 1 of each year commencing September 1, 1990,

(A) deliver to the Agency a certificate of an Authorized Representative of the Lessee certifying (v) as to the aggregate dollar amount of all sales tax exemptions availed of by the Lessee in the immediately preceding half calendar year (i.e., January 1 through June 30 for the certificate to be delivered on September 1, and July 1 through December 31 for the certificate to be delivered on March 1) and the specific items of Project Costs to which they shall relate, (w)

that all such sales tax exemptions so availed of were in compliance with the provisions of the Sales Tax Letter and Section 2.1(e) hereof, (x) as to the aggregate dollar amount of all sales tax exemptions availed of by the Lessee from the date of original issuance of the Sales Tax Letter through the end of the calendar half to which such certificate shall relate (including sales tax exemptions availed of as a result of there being Leased Personalty or Maintenance Contracts), (y) commencing as of the Substantial Completion Date of the CFSC, the aggregate amount of all sales tax exemptions availed of by the Lessee from the Substantial Completion Date of the CFSC through the end of the calendar half to which such certificate shall relate (including sales tax exemptions availed of as a result of there being Leased Personalty or Maintenance Contracts during such period), and (z) on and after March 1, 1991, that all Project Costs to which sales tax exemption shall have been availed of to date by the Lessee have been (or, concurrently with the delivery of such certificate, will be) reimbursed prior to the Substantial Completion Date of the CFSC in whole pursuant to Section 2.2 hereof and/or from the proceeds of the Agency's Obligations (excluding Refunding Obligations) and, from and after the Substantial Completion Date of the CFSC, in whole from the proceeds of the Agency's Obligations (excluding Refunding Obligations); provided, however, that in no event shall any Project Costs relating to Leased Personalty or Maintenance Contracts be reimbursed from the Agency's Obligations,

(B) on and after March 1, 1991, deliver to the Trustee (with a copy to the Agency) a requisition of an Authorized Representative of the Lessee in accordance with the requirements of Section 5.02 of the Indenture requisitioning reimbursement for all Project Costs paid or incurred through the end of the immediately preceding year (or shorter period since the most recent issuance of Obligations) to which such requisition shall relate, and

(C) on and after March 1, 1991, subject to Force Majeure, cause the Agency to issue, sell and deliver Obligations (exclusive of Refunding Obligations), if otherwise insufficient therefor, in an aggregate principal amount sufficient to satisfy the requirements of Section 2.1(e)(iii)(C) above.

(vi) In the event that the Lessee shall fail to satisfy the condition specified in Section 2.1(e)(iii)(C) hereof by the applicable March 1, as extended by Force Majeure, if any,

commencing March 1, 1991, the authorizations set forth in the Sales Tax Letter shall be suspended on such March 1 until such date as the Lessee shall (i) pay to the Agency an amount equal to all sales tax exemptions availed of by the Lessee (with respect to items of Project Costs which shall not have been paid in whole and/or reimbursed in whole in accordance with Section 2.1(e)(iii)(C) hereof) for the annual period to which such failure shall relate, together with interest on each such item of sales tax exemption from the respective date availed of at the annual rate equal to the Prime Rate, and (ii) deliver to the Agency a certificate of an Authorized Representative of the Lessee itemizing each such sales tax exemption availed of and its date, and certifying such itemization as a true, correct and complete statement of all sales tax exemptions availed of by the Lessee pursuant to the authorizations set forth in the Sales Tax Letter or in connection with Leased Personalty and Maintenance Contracts for such annual period. In the further event that for each succeeding March 1 the Lessee shall have failed to satisfy such condition specified in Section 2.1(e)(iii)(C) hereof (but shall have previously complied with the conditions set forth in clauses (i) and (ii) of the immediately preceding sentence with respect to the second prior annual period), the authorizations set forth in the Sales Tax Letter shall again be suspended from the applicable March 1 until the Lessee shall again comply with the conditions set forth in said clauses (i) and (ii) above.

(vii) The sales tax exemption authorizations provided to the Lessee under the Sales Tax Letter and this Agreement availed of by the Lessee shall extend to both those Project Costs the payment for which shall first be made from the proceeds of Agency Obligations as well as to those Project Costs the payment of which is to be reimbursed from the proceeds of Agency Obligations or pursuant to Section 2.2.

(viii) In the event that the appendices to the Sales Tax Letter shall not contain an accurate and complete description (with reasonable specificity) of the Facility Equipment, Facility Improvements, Leased Personalty and Maintenance Contracts (each of which may be identified within reasonable specific item categories) for the payment of the cost of which the Sales Tax Letter is intended (although not required) to be used by the Lessee, the Lessee shall promptly deliver accurate and complete descriptions thereof to the Agency, and, upon the receipt of such descriptions, the Agency shall modify the Project Cost appendices to the Sales Tax Letter accordingly.

(ix) Upon request by the Agency of, and reasonable notice to, the Lessee, the Lessee shall, not more than four (4) times per year, make available to the Agency all such books and records of the Lessee, and require all appropriate officers and employees of the Lessee to respond to reasonable inquiries by the

Agency, as shall be necessary to indicate in reasonable detail those costs to which the Lessee shall have utilized the Sales Tax Letter, provided, however, that the Agency acknowledges that such books and records of the Lessee as shall relate to costs paid or incurred in the first half of the calendar year may not be available in final form until the immediately succeeding August 1, and with respect to the second half of the calendar year, may not be available in final form until the immediately succeeding February 1.

(x) Except in the case of the Lessee's fraud, any amount paid to the Agency as a return of sales tax exemption in accordance with this Agreement (except amounts paid pursuant to Section 4.2(a) or 6.10 hereof), and any amount paid to the State or to the City as sales tax in respect of any transaction for which an equal or greater payment was made to the Agency pursuant to Section 2.1(e)(iv) or 4.2(a) hereof, shall be deducted from the current calculation of the cumulative benefits realized against the Maximum Post-Completion Benefits Amount to the extent that the present value of such exemptions had been included in such prior calculation.

(xi) The Lessee shall use all reasonable efforts to ensure that no contractor, subcontractor, lessor, licensor, materialman, supplier, vendor, or laborer shall utilize the Sales Tax Letter for any purpose other than for the acquisition, construction, leasing, equipping, furnishing, maintenance, repair, replacement and installation of the Project Property in accordance with this Agreement; provided, however, that the Lessee shall not be required to audit the records of any such Person.

(f) As between the Agency and the Lessee, the Lessee shall be responsible to pay or cause to be paid (i) all of the costs and expenses in connection with the preparation of any instruments of conveyance or amendment, the delivery of any instruments and documents and their filing and recording, if required, (ii) all taxes and charges payable in connection with the conveyances and transfers, or attributable to periods prior to the conveyances and transfers, to the Agency as set forth above, and (iii) all shipping and delivery charges and other expenses or claims incurred in connection with the Project.

(g) The Lessee will obtain or cause to be obtained all necessary approvals from any and all governmental agencies requisite to the effectuation of the Project and the operation of the Project Property, all of which will be done in compliance in all material respects with all Federal, State and local laws, ordinances and regulations applicable thereto, and with the conditions and requirements of all policies of insurance with respect to the Project Property and this Agreement. The Lessee

will further obtain or cause to be obtained all necessary occupancy permits, authorizations and licenses from appropriate authorities, authorizing the occupancy, operation and use of the Project Property for the purposes contemplated by this Agreement and shall furnish copies of same to the Agency and the Trustee immediately upon receipt thereof.

(h) Upon request, the Lessee will extend to the Agency the benefit of all vendors' warranties received by the Lessee (to the extent permitted under the terms of such warranties) in connection with the Project, including any warranties given by contractors, manufacturers or service organizations who perform work with respect to the Project.

(i) Title to, or a leasehold or licensee's interest in, all materials, equipment, machinery and other property intended to be incorporated or installed as part of the Project Property shall be deemed to vest in the Agency immediately upon delivery to or installation or incorporation into the Project Property or payment therefor, whichever shall occur first. The Lessee shall take such action as shall be reasonably necessary to evidence such title to, or a leasehold or licensee's interest in, any item of Facility Improvements, Facility Equipment, Leased Personalty or Maintenance Contracts in the Agency, free and clear of all liens, claims, charges, security interests and encumbrances other than Permitted Encumbrances, and cause each such item of Facility Improvements, Facility Equipment, Leased Personalty or Maintenance Contracts to be subjected to the leasehold estate of this Agreement. The Lessee shall protect such title against claims of any third parties.

Section 2.2. Insufficiency of Proceeds of Obligations. Prior to the Substantial Completion Date of the CFSC, no less than fifty percent (50%) of all Project Costs (other than those Project Costs for Leased Personalty or Maintenance Contracts and other than those Project Costs that, as evidenced by a certificate executed by an Authorized Representative of the Lessee, are not capitalized) shall be paid with proceeds of the Agency's Obligations (other than Refunding Obligations). In the event that moneys in the Project Fund are not sufficient to pay all or part of any Project Cost, the Lessee shall, subject to the foregoing and to the agreements of the Lessee in Sections 2.1, 2.3 and 6.10 hereof, pay that portion of such costs of the Project as may be in excess of the moneys therefor in said Project Fund and shall not be entitled to any reimbursement therefor from the Agency, the Trustee or the Holders of any of the Obligations, nor shall the Lessee be entitled to any diminution of the rents payable or other payments to be made under this Agreement or the PILOT Agreement.

Section 2.3. Issuance of Obligations. Contemporaneously with the execution and delivery of this Agreement, the Agency will sell and deliver Initial Obligations under and pursuant to the Obligation Resolution, a Certificate of Determination and the Indenture. As the Lessee shall pay or incur Project Costs, the Lessee shall request the Agency to issue further Series of Obligations from time to time during the term of this Agreement pursuant to Section 2.03 of the Indenture, and in satisfaction of the Lessee's obligations under Section 2.1(e) hereof and this Section 2.3, and the Lessee shall make such requests, deliver such documents, agreements and certificates, and pay such costs and expenses as shall enable the Agency to issue each such Series of Obligations. The proceeds of sale of each Series of Obligations equal to the interest accruing on such Series of Obligations to the date of delivery thereof, if any, shall be deposited in the Obligation Fund and the balance of the proceeds shall be deposited in the Project Fund and applied to the payment of Project Costs in accordance with the provisions of the Indenture. Pending such application, amounts in the Project Fund may be invested as provided in the Indenture.

None of the Obligations shall be redeemable (other than with the proceeds of Refunding Obligations) prior to five years after the date of issuance of the Initial Obligations, except in connection with a retirement of all Obligations upon termination of this Agreement and the purchase of the Facility by the Lessee or an Affiliate in accordance with Article VIII hereof. Following the Substantial Completion Date of the CFSC and until the tenth anniversary of the Substantial Completion Date of the CFSC, there shall be maintained Outstanding Obligations having an aggregate principal amount not less than two hundred million dollars (\$200,000,000). Following such tenth anniversary and until the Real Property Termination Date, there shall be maintained Outstanding Obligations having an aggregate principal amount not less than one hundred million dollars (\$100,000,000). After the Real Property Termination Date, there shall be maintained Outstanding Obligations having an aggregate principal amount not less than twenty-five million dollars (\$25,000,000).

On each March 1 and September 1, commencing March 1, 1990, the Lessee shall submit to the Agency a certificate of an Authorized Representative of the Lessee stating the aggregate amount of Project Costs incurred to, and the aggregate principal amount of Obligations Outstanding as of, a date not earlier than sixty (60) days prior to the date of such certificate.

Section 2.4. Title Insurance. Prior to the Facility Realty Transfer Date, the Lessee will obtain fee title insurance in an amount not less than \$7,500,000 insuring the Agency's title to, and the interest of the Lessee in, the Facility Realty and Improvements, as their interests may appear, against loss as a

result of defects in the title of the Agency, subject only to Permitted Encumbrances. Any proceeds of such title insurance shall be adjusted by and paid to the Lessee and applied to remedy the defect in title.

ARTICLE III

Lease of Project Property and Rental Provisions

Section 3.1. Lease of the Project Property. The Agency hereby leases to the Lessee and the Lessee hereby leases from the Agency the Project Property upon and subject to the terms and conditions herein set forth. The Lessee shall, subject to the provisions of Sections 5.1 and 9.2 hereof, at all times (to the extent consistent with the effectuation of the Project work) during the term of this Agreement occupy, use and operate the Project Property as an industrial and commercial facility in accordance with the provisions of the Act and for the general purposes specified in the recitals to this Agreement. The Lessee shall not occupy, use or operate the Project Property or allow the Project Property or any part thereof to be occupied, used or operated for any unlawful purpose or in material violation of any certificate of occupancy affecting the Project Property from time to time or in a manner which may constitute a nuisance, public or private, or make void or voidable any insurance then in force with respect thereto.

Section 3.2. Duration of Term. As to the Facility Realty and the Facility Improvements, the term of this Agreement shall commence on the date of execution and delivery of this Agreement and shall expire on the twenty-third anniversary of the PILOT Commencement Date (as defined in the PILOT Agreement) as extended by a period equal to the aggregate durations of all Forces Majeures prior to the Substantial Completion Date of the CFSC (the "Real Property Termination Date"), or such earlier date as this Agreement may be terminated as hereinafter provided. As to the Facility Equipment, the Leased Personalty and the Maintenance Contracts, the term of this Agreement shall commence on the date of execution and delivery of this Agreement and shall expire on the Real Property Termination Date or such earlier date as this Agreement may be terminated; except that if this Agreement be not terminated prior to the Real Property Termination Date, and if on said date the aggregate amount of sales tax exemptions availed of by the Lessee subsequent to the Substantial Completion Date of the CFSC pursuant to subsection 2.1(e) hereof shall be less than the Maximum Post-Completion Benefits Amount, then, as to the Maintenance Contracts, and as to the Facility Equipment and Leased Personalty located or used only on or about the Facility Realty, the term of this Agreement shall expire on (x) the earlier to occur of the tenth anniversary of the Real Property Termination Date and the date on which such exemptions aggregate the Maximum Post-Completion Benefits Amount, or (y) such earlier date as this Agreement may be terminated.

Section 3.3. Rental Provisions; Pledge of Agreement and Rent. The Lessee shall make rental payments directly to the

Trustee; provided, however, that in accordance with the Indenture, the Lessee may enter into home office payment agreements with one or more Holders of Obligations who shall not be Affiliates of the Lessee. Such rental shall be paid during the term of this Agreement in immediately available funds on or prior to each due date for the payment of the principal of, Sinking Fund Installments for, and interest and redemption premium, if any, on each Series of the Obligations as set forth in the Indenture until the principal of, Sinking Fund Installments for, redemption premium, if any, and interest on the Obligations shall have been fully paid, or provision for the payment thereof shall have been made in accordance with the provisions of Section 10.01 of the Indenture. The amount of each such rental payment shall be an amount sufficient, together with any amounts then available in the Obligation Fund at the time of payment of such rental, plus home office payments, to enable the Trustee to make payment, on each date on which the payment of the principal of, Sinking Fund Installments for, redemption premium, if any, and interest on the Obligations shall be due, of an amount sufficient to pay when due the total amount of interest or interest and principal (whether at maturity or by redemption or by Sinking Fund Installments or acceleration or otherwise as provided in the Indenture) and redemption premium, if any, on the Obligations. Notwithstanding anything in the foregoing to the contrary, if the amount on deposit and available in the Obligation Fund, plus home office payments, is not sufficient to pay the principal of, Sinking Fund Installments for, and redemption premium, if any, and interest on the Obligations when due (whether at maturity or by redemption or by Sinking Fund Installments or acceleration or otherwise as provided in the Indenture), the Lessee shall forthwith pay the amount of such deficiency in immediately available funds to the Trustee for deposit in the Obligation Fund and such payment shall constitute rental payments under this Section 3.3. In the event the Lessee should fail to make or cause to be made any of the payments required under the foregoing provisions of this Section, the item or installment not so paid shall continue as an obligation of the Lessee until the amount not so paid shall have been fully paid and the Lessee shall pay immediately upon demand therefor by the Trustee the amount of any administrative charge as set forth in the Indenture for such overdue payment. The Lessee shall also pay any amounts stated under the Indenture to be paid by the Lessee.

Pursuant to the Indenture the Agency shall pledge and assign to the Trustee as security for the Obligations all of the Agency's right, title and interest in this Agreement (except for the Agency's Reserved Rights), including all rental payments hereunder (other than rental payments under Sections 3.5 and 3.6 hereof), and in furtherance of said pledge the Agency will unconditionally assign such rental payments to the Trustee for

deposit in the Obligation Fund, in accordance with the Indenture. The Lessee hereby consents to the above-described pledge and assignment.

The Lessee shall comply with the provisions of the Indenture with respect to the Lessee, and the Trustee shall have the power, authority, rights and protections provided in the Indenture. The Lessee shall use its best efforts to cause to be obtained for the Agency any documents or opinions required of the Agency under the Indenture.

The Lessee shall have the right to make advance rental payments under Section 8.1 of this Agreement to the Trustee for deposit in the Obligation Fund as and to the extent provided in the Indenture for redemption of the Obligations, subject to the provisions of Sections 2.3 and 6.10 hereof.

Section 3.4. Obligation of Lessee Unconditional. The obligation of the Lessee to pay the rent and all other payments provided for in this Agreement and to maintain the Facility in accordance with Section 4.1 of this Agreement shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Agency, the Trustee, the Holder of any Obligation or any other Person whatsoever. For so long as any of the Obligations remain Outstanding, the Lessee will not suspend or discontinue any such payment or terminate this Agreement (other than such termination as is provided for hereunder) for any cause whatsoever, and the Lessee waives all rights now or hereafter conferred by statute or otherwise to quit, terminate, cancel or surrender this Agreement or any obligation of the Lessee under this Agreement except as provided in this Agreement or to any abatement, suspension, deferment, diminution or reduction in the rentals or other payments hereunder.

Section 3.5. Rent Relating to City Mortgage Note. The Lessee shall pay to the Agency (and not to the Trustee), as additional rent hereunder, amounts equal to principal of the City Mortgage Note, as and at the times and in the amounts the same shall accrue or become payable under the City Mortgage and the City Mortgage Note. Such rent received in respect of principal of the City Mortgage Note shall forthwith be transferred by the Agency to the City in accordance with the City Mortgage Note. The Lessee shall pay to the Depository under the Energy Fund Agreement (and not to the Trustee or the Agency), as additional rent hereunder, \$750,000 per annum representing amounts equal to interest on the City Mortgage Note, as and at the times and in the amounts the same shall accrue or become payable under the City Mortgage and the City Mortgage Note. The Lessee hereby consents to the pledge and assignment of the rights and interests

of the Agency in, to and under this Section 3.5 pursuant to the City Mortgage for the purpose of securing the full and timely payment of the City Mortgage Note.

Section 3.6. Rent Relating to Leased Personalty and Maintenance Contracts. The Lessee shall pay to the lessors and licensors of all Leased Personalty and to the vendors under all Maintenance Contracts (and not to the Trustee), as additional rent hereunder, amounts equal to all payments to be made by the Agency under leases and licenses for Leased Personalty and Maintenance Contracts, as and at the times and in the amounts the same shall become payable under such leases, licenses and Maintenance Contracts.

ARTICLE IV
Maintenance, Taxes
and Insurance

Section 4.1. Maintenance, Alterations and Improvements.

(a) During the term of this Agreement, the Lessee will keep the Project Property in safe operating order and condition substantially consistent with other first-class commercial buildings in the Metrotech Urban Renewal Area, ordinary wear and tear excepted, will occupy, use and operate the Project Property in the manner for which it was designed and intended and contemplated by this Agreement, and will make all replacements, renewals and repairs thereto (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) in a manner substantially consistent with other first-class commercial buildings in the Metrotech Urban Renewal Area. The foregoing agreements in this paragraph are subject to all of the other provisions of this Agreement, particularly Sections 4.2, 5.1 and 6.4 hereof. The Agency shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of the Project Property, to effect the replacement of any inadequate, obsolete, worn-out or unsuitable parts of the Project Property, or to furnish any utilities or services for the Project Property and the Lessee shall, as between the Lessee and the Agency, assume full responsibility therefor.

(b) The Lessee shall have the right to make such alterations of or additions to the Facility Improvements or any part thereof from time to time as it in its discretion may determine to be desirable for its uses and purposes, provided that (i) such additions or alterations are in compliance with all applicable legal requirements, (ii) title thereto shall be deemed to be vested in the Agency, and (iii) such additions or alterations do not change the nature of the Project Property so that it would not constitute an industrial and commercial facility and a qualified "project" as defined in and as contemplated by the Act. All alterations of, substitutions for, replacements of and additions to the Facility shall be deemed to constitute a part of the Facility, subject to this Agreement, and the Lessee shall deliver or cause to be delivered to the Agency appropriate documents as may be reasonably necessary to convey title to such property to the Agency and to subject such property to this Agreement, free and clear of all liens, charges, encumbrances, security interests or claims other than Permitted Encumbrances.

(c) The Lessee shall have the right to install or permit to be installed at the CFSC or at any Chase Site machinery, equipment and other personal property (the "Lessee's Property") not financed from the proceeds of the Obligations

without conveying title to such property to the Agency nor subjecting such property to this Agreement. The Agency shall not be responsible for any loss of or damage to the Project Property or the Lessee's Property.

Section 4.2. Removal of Property of the Facility. (a) The Lessee acknowledges that the Agency is providing financing assistance for the Project and certain related real estate tax abatements and sales tax exemptions to the Lessee for the purpose of inducing the Lessee to move to the CFSC and to comply with its special covenant contained in Section 6.10(a) hereof. To this end, the Lessee hereby represents, warrants and covenants to and with the Agency that none of the improvements, systems, facilities, machinery, equipment or other property constituting part of the Project Property (the "Existing Project Property") will ever be acquired, leased or licensed for any purpose other than for installation and use at CFSC or the Chase Sites, nor, except as permitted below in this Section 4.2, will any item of purchased Existing Project Property be removed from CFSC or the Chase Sites (to a location other than the CFSC or a Chase Site) prior to the expiration of three (3) years after such item is first placed in service at the CFSC or any Chase Site (the "Retention Period") unless such removal is for the purpose of trading, exchanging or otherwise disposing of such item in connection with the acquisition, leasing or licensing of a new item of Project Property to be placed in service at the CFSC or such Chase Site or unless simultaneously with such removal either (i) an amount equal to the sales tax that would have been payable at the original time of such purchase with respect to the purchase of such item (based upon its fair market value at the time of its removal), but for the Sales Tax Letter, shall be paid by the Lessee to the Agency with respect to the item or items being removed; or (ii) there shall be delivered to the Agency a certificate of an Authorized Representative of the Lessee stating that such item of the Existing Project Property is obsolete or useless, or that the Lessee has a good faith operational reason for such removal, in relation to the financial services processing operations of the Lessee. After the expiration of the Retention Period, the Lessee may remove, transfer, sell or dispose of any item of Existing Project Property constituting part of the Facility from the CFSC or the Chase Sites provided that such removal, transfer, sale or disposition will not violate any other covenant or agreement of the Lessee hereunder.

(b) Prior to the expiration of the Retention Period as to any item of Existing Project Property, the Lessee may remove such item from the CFSC or a Chase Site on a temporary basis ("Temporary Removals") provided, that, no such Temporary Removal shall be effected if

(i) the CFSC or a Chase Site ceases to be the "permanent location" to which the item of Existing Project Property is to be returned after its temporary off-location use or repair,

(ii) the Temporary Removal is effected for a good faith business purpose consistent with the operations of the Lessee conducted at the CFSC or a Chase Site, and

(iii) the item of Existing Project Property is not absent from the CFSC or the Chase Sites for a period in excess of (i) ninety (90) days, subject, however, to any delays as a result of Force Majeure.

Notwithstanding the limitations set forth in paragraph (iii) above, upon the occurrence of an unforeseen event or circumstance unrelated to the financial or economic condition of the Lessee which, in the good faith business judgment of the Lessee has precipitated an emergency condition necessitating the extension of the 90-day Temporary Removal period referred to in clause (iii) above, such Temporary Removal period may be extended for the period of, but not longer than, such emergency condition, provided that the Lessee delivers notice to the Agency of the event or circumstance precipitating such emergency condition, and uses good faith diligent efforts to effect the return of the item of Existing Project Property to the CFSC or a Chase Site as expeditiously as possible under the circumstances.

(c) Notwithstanding the foregoing, the Lessee shall effect no Temporary Removals of Existing Project Property if (x) any such removal would change the nature of the Facility as a qualified "project" as defined in and as contemplated by the Act to be used for the general purposes specified in the recitals to this Agreement, or (y) if there shall exist and be continuing an Event of Default hereunder.

(d) Upon the request of the Lessee, the Agency shall deliver to the Lessee appropriate documents conveying to the Lessee title to or the Agency's estate in any of the Existing Project Property removed from the Facility pursuant to this Section 4.2. The Lessee shall pay all costs and expenses (including reasonable counsel fees) incurred in connection with such removal and any substitution or replacement.

(e) The removal from the CFSC or the Chase Sites of any Existing Project Property pursuant to the provisions of this Section 4.2 shall not entitle the Lessee to any abatement or reduction in the rentals and other amounts payable by the Lessee under this Agreement.

Section 4.3. [Reserved].

Section 4.4. Taxes, Assessments and Charges. The Lessee shall pay or cause to be paid when the same shall become due all taxes and assessments, general and specific, if any, levied and assessed upon or against the Project Property, this Agreement, any estate or interest of the Agency or the Lessee in the Project Property, or the rentals hereunder, during the term of this Agreement, and all water and sewer charges, special district charges, assessments, Business Improvement District charges and other governmental charges and impositions whatsoever, foreseen or unforeseen, ordinary or extraordinary, under any present or future law, and charges for public or private utilities or other charges incurred in the occupancy, use, operation, maintenance or upkeep of the Project Property, all of which are herein called "Impositions". The Agency shall promptly forward to the Lessee any notice, bill or other statement received by the Agency concerning any Imposition. The Lessee may pay any Imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance. The Lessee may in good faith commence and prosecute proceedings to contest the amount or validity or application, in whole or in part, of any such Imposition, provided, that, (i) such proceeding shall suspend the execution or enforcement of any lien arising from the non-payment of such Imposition against the Project Property or any part of either thereof or any interest therein or in this Agreement of the Agency, the Lessee or the Trustee or against any of the rentals or other amounts payable under this Agreement or the PILOT Agreement, (ii) neither the Project Property nor any portion thereof or interest therein would be in any danger of being sold, forfeited or lost, and (iii) neither the Lessee, the Agency nor the Trustee would be in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to pay such Imposition.

Section 4.5. Insurance.

(a) At all times the Lessee shall maintain insurance with respect to the Project Property, with insurance companies licensed to do business in the State (or non-admitted insurance companies approved by the New York State Department of Insurance), against such risks, loss, damage and liability (including liability to third parties) and for such amounts as are customarily insured against by other enterprises of like size and type as that of the Lessee with respect to like property, including, without limitation, to the extent reasonably obtainable (except as to items (i) and (iv) below):

(i) To the extent not covered by the public liability insurance referred to below, Owners & Contractors Protective Liability Insurance for the benefit of the Lessee and the

Agency in a minimum amount of \$5,000,000 aggregate coverage for personal injury and property damage;

(ii) Builders' All Risk Insurance written on "100% builders' risk completed value, non-reporting form" during any period of construction or reconstruction of the Facility, and at all other times coverage for property damage insurance, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, improvements, systems, machinery, equipment, facilities, fixtures and other property constituting a part of the Project Property against loss or damage to the Facility by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the Lessee or the Agency from becoming a co-insurer of any loss under the insurance policies but in any event in amounts equal to 80% of the actual replacement value of the Project Property as determined by a qualified insurance appraiser or insurer (selected by the Lessee and approved by the Agency, which approval shall not be unreasonably withheld or delayed) not less often than once every sixth year, at the expense of the Lessee (provided, however, that no such appraisal shall be required while the Lessee is self-insuring in accordance with Section 4.5(f) hereof); any such insurance may contain loss deductible clauses in such amounts as the Lessee shall decide, not to exceed two percent (2%) of the actual replacement value of the Project Property;

(iii) Property damage insurance, which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, fixtures, machinery, equipment and other property constituting a part of the Project Property against loss or damage to the Project Property by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the Lessee or the Agency from becoming a co-insurer of any loss under the insurance policies but in any event in amounts equal to not less than 80% of the actual replacement value of the Project Property as determined by a qualified insurance appraiser or insurer (selected by the Lessee and approved by the Agency, which approval shall not be unreasonably withheld

or delayed) not more often than once every sixth year, at the expense of the Lessee (provided, however, that no such appraisal shall be required while the Lessee is self-insuring in accordance with Section 4.5(f) hereof); any such insurance may contain loss deductible clauses in such amounts as the Lessee may decide, not to exceed two percent (2%) of the actual replacement value of the Project Property;

(iv) Public liability insurance in accordance with customary insurance practices for similar operations with respect to the Project Property and the business thereby conducted in a minimum amount of \$5,000,000, which insurance (A) will also provide coverage of the Lessee's obligations of indemnity under Section 6.2 hereof (other than environmental matters to the extent not available to the Lessee at commercially practicable premiums, the Agency hereby acknowledging such unavailability on and as of the date of execution of this Agreement), (B) may be effected under overall blanket or excess coverage policies of the Lessee or any Affiliate thereof, provided, however, that at least \$5,000,000 is effected by a comprehensive liability insurance policy, and (C) shall not contain any provisions for deductible amount;

(v) Boiler and machine property damage insurance in respect of any steam and pressure boilers and similar apparatus located on or about the Facility Realty from risks normally insured against under boiler and machinery policies and in amounts and with deductibles customarily obtained for similar business enterprises;

(vi) Workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Lessee or the Agency is required by law to provide; and

(vii) To the extent obtainable at commercially reasonable premiums, such other insurance in such amounts and against such insurable hazards as the Agency or the Trustee from time to time may reasonably require.

(b) All insurance required by Section 4.5(a) above shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State, either (i) having an "A" rating or better by A.M. Best or Lloyds of London or other British companies or (ii) approved by the Agency (such approval not to be unreasonably withheld or delayed). For the purposes of Section 4.5(a) and this Section 4.5(b), the Agency hereby approves of Commonwealth Insurance Co., of Vancouver, British Columbia, Canada. To the extent not paid by a contractor during the construction of any part of the Facility Improvements, the

Lessee shall pay the premiums on the insurance required by Section 4.5(a) above, subject to reimbursement to the extent such premiums shall constitute a Project Cost.

(c) Each of the policies or binders evidencing the insurance required above to be obtained shall

(i) designate (except in the case of workers' compensation insurance) the Lessee, the City and the Agency (and, with respect to the coverages described in Sections 4.5(a)(i) and (iv) hereof, the Trustee) as additional insureds as their respective interests may appear;

(ii) provide that all insurance proceeds with respect to loss or damage to the Project Property be endorsed and made payable to the Lessee and shall name the Lessee as a loss payee under the standard loss payee clause, which insurance proceeds shall be paid over to the Lessee and applied as provided in Section 5.1 hereof;

(iii) provide that there shall be no recourse against the Agency for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iv) provide that in respect of the interest of the Agency in such policies, the insurance shall not be invalidated by any action or inaction of the Lessee or any other Person and shall insure the Agency regardless of, and any losses shall be payable notwithstanding, any act or negligence, including any breach of any condition, declaration or warranty contained in any such policy of insurance by the Agency, the Lessee or any other Person; the occupation, operation or use of the Project Property for purposes more hazardous than permitted by the terms of the policy; any foreclosure or other proceeding or notice of sale relating to the Project Property; or any change in the title to or ownership of all or any portion of the Project Property;

(v) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by the Agency to the extent that such other insurance provides the Agency with contingent and/or excess liability insurance with respect to its interest in the Project Property;

(vi) provide that if the insurers cancel such insurance for any reason whatsoever, including the insured's failure to pay any accrued premium, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material

change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to the Agency until at least thirty (30) days after receipt by the Agency of written notice by such insurers of such cancellation, lapse, expiration or change;

(vii) if available, waive any right of subrogation of the insurers thereunder against the Agency, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Agency; and

(viii) contain such other terms and provisions as any owner or operator of facilities similar to the Project Property would, in the prudent management of its properties, require to be contained in policies, binders or interim insurance contracts with respect to facilities similar to the Project Property owned or operated by it.

(d) Concurrently with the execution of this Agreement, the Lessee shall deliver or cause to be delivered to the Agency and the Trustee a Certificate of Insurance evidencing compliance with the insurance requirements of this Section 4.5. At least seven (7) Business Days prior to the expiration of any such policy, the Lessee shall furnish the Agency and the Trustee with evidence that such policy has been renewed or replaced or is no longer required by this Agreement.

(e) The Lessee shall make all proofs of loss and take all other steps necessary or reasonably requested by the Agency or the Trustee to collect from insurers for any loss covered by any insurance required to be obtained by this Section 4.5. The Lessee shall not do any act, or suffer or permit any act to be done, whereby any insurance required by this Section 4.5 would or might be suspended or impaired.

(f) Upon the delivery to the Agency of a certificate of an Authorized Representative of the Lessee stating that the Lessee has or proposes to become a self-insurer as to all of its properties and liabilities (other than those liabilities insured by FDIC or FSLIC or their respective successors), the Agency shall consider in good faith any proposal of the Lessee to cease maintaining all or part of the insurance required of the Lessee under this Section 4.5 in substitution for the continual maintenance by the Lessee of a minimum net worth of \$100,000,000; provided, however, that to the extent such proposal reflects prudent risk management under prevailing customs and standards in the business in which the Lessee is primarily engaged, the Agency shall not unreasonably withhold its consent to such proposal.

(g) Nothing in this Section shall prevent the Lessee from taking out insurance of the kind and in the amounts and with companies provided for herein under a blanket insurance policy or policies which can cover other properties owned or operated by the Lessee (or any party controlling, controlled by, or under common control with, Lessee as well as the Project Property; provided, however, any policy of insurance required under Section 4.5(a)(iii) shall specify, or the Lessee shall furnish the Agency with a written statement from the insurers under such policy specifying, the amount of the total insurance allocated to the Project Property, which amount shall be not less than the amount required to be carried under said Section.

(h) THE AGENCY DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OR COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE BUSINESS OR INTERESTS OF THE LESSEE.

Section 4.6. Advances by Agency or Trustee. In the event the Lessee fails to make any payment or perform or observe any obligation required of it under this Agreement, the Agency, in the event of an emergency condition which, in the reasonable judgment of the Agency, necessitates immediate action, may (but shall not be obligated to), without waiver of any of the rights of the Agency under this Agreement, make such payment or otherwise cure any failure by the Lessee to perform and observe its other obligations hereunder. All amounts so advanced therefor by the Agency shall become an additional obligation of the Lessee to the Agency, which amounts, together with interest thereon at the Prime Rate, from the date advanced, shall be paid by the Lessee within three (3) Business Days after demand therefor by the Agency. Any remedy herein vested in the Agency for the collection of the rental payments or other amounts due hereunder shall also be available to the Agency for the collection of all such amounts so advanced.

Section 4.7. Compliance with Law. The Lessee shall promptly comply in all material respects with all Federal, State and local statutes, codes, laws, acts, ordinances, orders, judgments, decrees, published rules (or if not so published, actually known by the Lessee), published regulations (or if not so published, actually known by the Lessee), and authorizations (including, without limitation, those relating to zoning, land use, environmental protection, air, water and land pollution, asbestos removal, toxic wastes, hazardous wastes, solid wastes, health and safety), whether foreseen or unforeseen, ordinary or extraordinary, which shall now or at any time hereafter be binding upon or applicable to the Lessee, any occupant, user or operator of the Project Property or any portion thereof; provided, however, the Lessee may contest in good faith the validity, existence or applicability of any of the foregoing, so

long as (w) such contest shall stay the enforcement of any proceedings commenced to effect such compliance, (x) neither the Project Property nor any portion thereof or interest therein would be in any danger of being sold, forfeited or lost, (y) neither the Lessee, the Agency nor the Trustee would be in any danger of any civil or any criminal liability, and (z) in the reasonable judgment of the Agency, the continued non-compliance by the Lessee during such contest shall not subject the Agency to any risk of materially adverse publicity.

ARTICLE V
Damage, Destruction and Condemnation

Section 5.1. Damage, Destruction and Condemnation.

(a) In the event that at any time during the term of this Agreement the whole or any part of the Facility shall be damaged or destroyed, or taken or condemned by a competent authority for any public use or purpose, or by agreement (at the request of or with the consent of the Lessee) between the Agency and those authorized to exercise such right, or if the temporary use of the Facility shall be so taken by condemnation or agreement (a "Loss Event"):

(i) the Agency shall have no obligation to rebuild, replace, repair or restore the Facility,

(ii) there shall be no abatement, postponement or reduction in the rent or other amounts payable by the Lessee under this Agreement, and

(iii) the Lessee will promptly give notice of such Loss Event to the Agency and the Trustee, generally describing the nature and extent thereof.

(b) Upon the occurrence of a Loss Event, the Net Proceeds derived therefrom with respect to the Facility shall be paid to the Lessee and the Lessee (except as provided in Section 5.1(e) hereof) shall promptly and diligently rebuild, replace, repair or restore the Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, regardless of whether or not the Net Proceeds derived from the Loss Event shall be sufficient to pay the cost thereof, and the Lessee shall not by reason of payment of any such excess costs be entitled to any reimbursement from the Agency, the Trustee or any Holder of any of the Obligations, nor shall the rent or other amounts payable by the Lessee under this Agreement be abated, postponed or reduced.

(c) All such rebuilding, replacements, repairs or restorations shall

(i) automatically be deemed a part of the Facility and owned by the Agency and be subject to this Agreement,

(ii) be in accordance with Plans and Specifications and cost estimates submitted to the Agency and the Trustee,

(iii) not change the nature of the Facility as a qualified "project" as defined in and as contemplated by the

Act or change the general purposes of the Facility from those specified in the recitals to this Agreement, and

(iv) be effected with due diligence in a good and workmanlike manner, in compliance in all material respects with all applicable legal requirements and be promptly and fully paid for by the Lessee in accordance with the terms of the applicable contract(s) therefor.

(d) The Agency, the Trustee and the Lessee shall cooperate and consult with each other in all matters pertaining to the settlement, compromising, arbitration or adjustment of any claim or demand on account of any Loss Event, but the settlement, compromising, arbitration or adjustment of any such claim or demand shall be decided by the Lessee. The Agency shall, at the sole cost and expense of the Lessee, cooperate with the Lessee in the settlement, compromising, arbitration or adjustment of any such claim or demand and shall execute such documents as shall be reasonably necessary to accomplish the same.

(e) If all or substantially all of the Facility shall be taken or condemned, or if the taking or condemnation renders the Facility unsuitable for use by the Lessee as contemplated hereby, the Lessee shall exercise its option to prepay the Obligations in whole pursuant to Section 8.1 hereof, and the Lessee shall thereupon pay to the Trustee for deposit in the Redemption Account of the Obligation Fund an amount which, when added to any amounts then in the Obligation Fund and available for that purpose, shall be sufficient to retire and redeem the Obligations in whole at the earliest possible date (including, without limitation, principal and interest to the maturity or redemption date and redemption premium, if any), and to pay the expenses of redemption, the fees and expenses of the Agency, the Trustee and the Paying Agents, together with all other amounts due under the Indenture and under this Agreement.

(f) The Lessee hereby waives the provisions of Section 227 of the New York Real Property Law or any law of like import now or hereafter in effect.

ARTICLE VI
Particular Covenants

Section 6.1. Dissolution or Merger of Lessee; Restrictions on Lessee. The Lessee will (i) maintain a corporate existence, (ii) continue to be subject to service of process in the State and either be organized under the laws of the State or the United States of America, or under the laws of any other state of the United States and duly qualified to do business as a foreign corporation in the State, (iii) not liquidate, wind-up or dissolve or otherwise dispose of all or substantially all of its property, business or assets, and (iv) not consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it. The Lessee may, however, without violating the foregoing, but upon notice to the Agency and the Trustee, consolidate with or merge into another corporation, or permit one or more corporations to consolidate with or merge into it, or sell or otherwise transfer all or substantially all of its property, business or assets to another such corporation (and thereafter liquidate, wind-up or dissolve or not, as the Lessee may elect) if (i) the Lessee is the surviving, resulting or transferee corporation, as the case may be, or (ii) in the event that the Lessee is not the surviving, resulting or transferee corporation, as the case may be, such corporation (A) is a solvent corporation subject to service of process in the State and either organized under the laws of the State or the United States of America, or organized under the laws of any other state of the United States and duly qualified to do business as a foreign corporation in the State, and (B) assumes in writing all of the obligations of the Lessee contained in this Agreement and the PILOT Agreement and, in the Opinion of Counsel delivered to the Agency, (y) such corporation shall be bound by all of the terms applicable to the Lessee of this Agreement and the PILOT Agreement, and (z) such action does not legally impair the security for the Holders of the Obligations afforded by the Security Documents. The Lessee is and throughout the term of this Agreement will continue to be duly qualified to do business in the State, and any corporation succeeding to the rights of the Lessee under this Agreement shall be and continue to be duly qualified to do business in the State.

Section 6.2. Indemnity. (a) Except as provided in Section 6.2(f) hereof, the Lessee shall at all times protect and hold the Agency and the Trustee harmless from and against any and all claims (whether in tort, contract or otherwise), demands, expenses and liabilities for losses, damage, injury and liability of every kind and nature and however caused, and taxes (of any kind and by whomsoever imposed), other than, with respect to the Agency or the Trustee, as the case may be, losses arising from the gross negligence or willful misconduct of the Agency, or the negligence or willful misconduct of the Trustee, respectively,

arising during the term of this Agreement upon or about the Project Property or resulting from, arising out of, or in any way connected with (i) the financing of the costs of the Project Property and the marketing, issuance and sale of the Agency's Obligations from time to time for such purpose, (ii) the planning, design, acquisition, construction, reconstruction, improvement, up-grading, improvement, renovation, equipping, installation or completion of the Project Property or any part thereof or the effecting of any work done in or about the Project Property, (iii) any defects (whether latent or patent) in the Project Property, (iv) the maintenance, repair, replacement, restoration, rebuilding, upkeep, use, occupancy, ownership, leasing, subletting or operation of the Project Property or any portion thereof, or (v) this Agreement, the Indenture, the PILOT Agreement, the City Mortgage, any Non-Facility Lease, the Energy Fund Agreement or any other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby. The Agency and the Trustee, respectively, shall not be liable for any damage or injury to the person or property of the Lessee or its directors, officers, employees, agents or servants or persons under the control or supervision of the Lessee or any other Person who may be about the Project Property due to any act or negligence of any Person other than the gross negligence or willful misconduct of the Agency or the negligence or willful misconduct of the Trustee, respectively.

(b) The Lessee releases the Agency and the Trustee from, and the Agency and the Trustee shall not be liable for, and the Lessee shall indemnify and hold the Agency and the Trustee harmless against, any expense, loss, damage, injury or liability incurred because of any lawsuit commenced as a result of action taken by the Agency or the Trustee, as the case may be, with respect to any of the matters set forth in Section 6.2(a) hereof. The Agency and the Trustee shall promptly notify the Lessee of any claim or action brought against the Agency or the Trustee, as the case may be, in which indemnity may be sought against the Lessee pursuant to this Section 6.2; such notice shall be given in sufficient time to allow the Lessee to defend or participate in such claim or action, but the failure to give such notice (except, as to the Agency or the Trustee, as the case may be, with respect to any claim of which the Trustee or an Authorized Representative of the Agency, as the case may be, is aware, both as to the existence of such claim or action and that such claim or action relates to the Project) in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Lessee under this Section 6.2.

(c) In addition to and without limitation of all other representations, warranties and covenants made by the Lessee

under this Agreement, the Lessee further represents and warrants that the Lessee has not used Hazardous Materials (as defined hereinafter) on, from, or affecting the Project Property in any manner which violates Federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials. The Lessee shall keep or cause the Project Property to be kept free of Hazardous Materials. Without limiting the foregoing, the Lessee shall not cause or permit the Project Property or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process Hazardous Materials, except in compliance with all applicable Federal, state and local laws or regulations, nor shall the Lessee cause or permit, as a result of any intentional or unintentional act or omission on the part of the Lessee or any tenant or subtenant, a release of Hazardous Materials onto the Project Property or onto any other property. The Lessee shall comply with and ensure compliance by all tenants and subtenants with all applicable Federal, state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Lessee shall (i) conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials, on, from, or affecting the Project Property after the Facility Realty Transfer Date (x) in accordance with all applicable Federal, state and local laws, ordinances, rules, regulations, and policies, and (y) in accordance with the orders and directives of all Federal, state and local governmental authorities, and (ii) defend, indemnify, and hold harmless the Agency from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (w) the presence (arising only after the Facility Realty Transfer Date), or the disposal, release, or threatened release (only after the Facility Realty Transfer Date) of any Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (x) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials to the extent first present only after the Facility Realty Transfer Date; (y) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials to the extent first present only after the Facility Realty Transfer Date, and/or (z) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the Agency, which are based upon or in any way related to such Hazardous Materials

to the extent first present only after the Facility Realty Transfer Date, including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. In the event this Agreement is terminated, the Lessee shall deliver the Facility free of any and all Hazardous Materials first present only after the Facility Realty Transfer Date so that the conditions of the Facility but for the presence of Hazardous Materials present on or before the Facility Realty Transfer Date, shall conform with all applicable Federal, state and local laws, ordinances, rules or regulations affecting the Facility. For purposes of this paragraph, "Hazardous Materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et. seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 9601, et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, state or local environmental law, ordinance, rule, or regulation. The provisions of this paragraph shall be in addition to any and all other obligations and liabilities the Lessee may have to the Agency at common law, and shall survive the termination of this Agreement. The foregoing provisions of this subsection (c) to the contrary notwithstanding, in the event that this Agreement is terminated as a result of any of the events or circumstances described in Section 8.4 hereof, the Lessee shall have no liability to the Agency under this subsection (c) in connection with Hazardous Materials present on or before the Facility Realty Transfer Date and the Agency will seek indemnification in respect of such Hazardous Materials only from the City.

(d) The indemnifications and protections set forth in this Section 6.2 shall be extended to the Agency's members, directors, officers, employees, agents and servants and persons under the Agency's control or supervision and the Trustee's directors, officers, employees, agents and servants and persons under the Trustee's control and supervision (collectively, together with the Agency and the Trustee, the "Indemnified Parties").

(e) In the event any claim, action, suit or proceeding shall be brought against an Indemnified Party within the protections provided by the Lessee under this Section 6.2, the Lessee shall, promptly after being so requested by such Indemnified Party, at the sole cost and expense of the Lessee, assume and direct the defense thereof, with counsel reasonably satisfactory to such Indemnified Party (counsel selected by the Lessee's insurance carrier being deemed to be so acceptable),

including, without limitation, the settlement of outstanding claims, and in such event the Lessee shall not be liable to such Indemnified Party for any legal or other expenses incurred by such Indemnified Party in connection with the defense thereof; provided, however, that unless and until the Lessee assumes the defense of any such action at the request of such Indemnified Party, the Indemnified Party shall have the right to conduct the defense of such action at the Lessee's expense. If the Lessee shall not promptly employ counsel to have charge of the defense of any such claim, action, suit or proceeding, legal and other expenses incurred by such Indemnified Party shall be borne by the Lessee. Notwithstanding the foregoing, the Lessee shall not be liable for any settlement or any action or claim effected without its consent, which consent shall not be unreasonably withheld.

(f) Notwithstanding the provisions of Section 6.2(e) hereof, in the event any such claim, action, suit or proceeding shall, either expressly or impliedly, or directly or indirectly, question the statutory or corporate power or authority of the Agency in taking or failing to take certain actions, executing or delivering or failing to execute or deliver certain documents or agreements or providing or failing to provide certain benefits (including, without limitation real estate tax abatements or sales tax exemptions), the Agency shall have the right to employ attorneys and control and direct the defense thereof at the sole cost and expense of the Agency. The Lessee shall be entitled to join, solely at its own cost and expense, in any such claim, action, suit or proceeding.

(g) To effectuate the purposes of this Section 6.2, the Lessee will provide for and insure, in the public liability policies required in Section 4.5 hereof, not only its own liability in respect of the matters therein mentioned but also the liability pursuant to this Section 6.2 to the extent such coverage is available at commercially reasonable premiums. Anything to the contrary in this Agreement notwithstanding, the covenants of the Lessee contained in this Section 6.2 shall remain in full force and effect after the termination of this Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (ii) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Agency and the Trustee relating to the enforcement of the provisions herein specified.

(h) For the purposes of this Section 6.2, the Lessee shall not be deemed an employee, agent or servant of the Agency or the Trustee or a person under the Agency's or Trustee's control or supervision.

Section 6.3. Compensation and Expenses of Trustee, Obligation Registrar, Paying Agents and Agency. The Lessee shall, to the extent not paid out of the proceeds of the Obligations as financing expenses, pay reasonable compensation to the Trustee for its services under the Indenture and all reasonable actual out-of-pocket expenses (including reasonable counsel fees) reasonably incurred by the Trustee in performing its duties thereunder including but not limited to expenses incurred in purchasing, redeeming, exchanging, transferring, registering and preparing new Obligations or making any investments in accordance with the Indenture. The Lessee shall also pay the reasonable compensation and reasonable out-of-pocket expenses of the Obligation Registrar and the Paying Agents for the Obligations. The Lessee shall further pay the fees, costs and expenses of the Agency together with any fees and disbursements incurred by the Agency's Bond Counsel and General Counsel in performing services for the Agency in connection with this Agreement, the PILOT Agreement, the Energy Fund Agreement, the City Mortgage, all documents relating to Leased Personalty or Maintenance Contracts, the Indenture or any other document related to the transactions contemplated hereby or thereby.

The Lessee shall pay an annual administrative servicing fee of \$65,000 to the Agency on the first day of each November, minus an amount equal to the lesser of (i) \$10,000 or (ii) fees and expenses of the Trustee and Counsel for the Trustee paid by the Lessee during the preceding twelve (12) months.

Section 6.4. Retention of Title to Facility; Grant of Easements. The Agency shall not sell, assign, encumber (other than Permitted Encumbrances), convey or otherwise dispose of the Facility or any part thereof or interest therein during the term of this Agreement, except as set forth in this Section 6.4 and Sections 4.2 and 7.2 hereof, without the prior consent of the Lessee and the Trustee and any purported disposition without such consent shall be void.

The Agency will, at the request of the Lessee, so long as there exists no Event of Default hereunder, grant such rights of way or easements over, across, or under, the Facility Realty, or grant such permits or licenses in respect to the use thereof, free from the leasehold estate of this Agreement, as shall be necessary or convenient for the operation or use of the Facility, including but not limited to leases, easements or rights of way for utility, roadway, railroad or similar purposes in connection with the Facility, or for the utilization of the real property adjacent to or near the Facility and owned by or leased to the Lessee or an Affiliate thereof, provided that such leases, rights of way, easements, permits or licenses shall not adversely affect the use or operation of the Facility. The Agency shall, at the sole cost and expense of the Lessee, execute and deliver any and

all instruments necessary or appropriate to confirm and grant any such right of way or easement or any such permit or license and release the same from the leasehold estate of this Agreement.

Section 6.5. Financial Statements; Annual Certificates.

(a) The Lessee shall furnish to the Agency and to the Trustee, as soon as available and in any event within one hundred twenty (120) days after the close of each fiscal year of the Lessee, (A) a copy of the annual audited consolidated financial statements of the Lessee and its Affiliates for such fiscal year, prepared in accordance with generally accepted accounting principles, certified by independent certified public accountants, and (B) a copy of the Lessee's most recently filed "Equal Employment Opportunity, Employer Information Report EEO-1" or other equivalent or successor report as may be required of the Lessee to be filed with appropriate government authorities.

(b) The Lessee shall deliver to the Agency and the Trustee with each delivery required by Section 6.5(a) hereof, (i) a certificate of an Authorized Representative of the Lessee as to whether or not, as of the close of such preceding fiscal year of the Lessee, and to the best knowledge of such Authorized Representative, the Lessee was in compliance with all the provisions which relate to the Lessee in this Agreement and the PILOT Agreement, and if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of Default hereunder, and any action proposed to be taken by the Lessee with respect thereto, and (ii) a certificate of an Authorized Representative of the Lessee that the insurance it maintains complies with the provisions of Section 4.5 of this Agreement, that such insurance has been in full force and effect at all times during the preceding fiscal year of the Lessee, and that duplicate copies of all policies or certificates thereof have been filed with the Agency and the Trustee and are in full force and effect, (B) that the Agency has been vested with valid title to all items of Facility Improvements and Facility Equipment and that all property constituting the Facility is subject to the leasehold estate of this Agreement, (C) that the Lessee has not availed itself of the benefits of the Sales Tax Letter except in conformance with the requirements of Section 2.1 hereof and the Sales Tax Letter, and (D) that no item of Facility Equipment has been removed from the CFSC or the Chase Sites except in accordance with Section 4.2 hereof. In addition, upon twenty (20) days' prior request by the Agency or the Trustee (but not more often than three times per year) the Lessee will execute, acknowledge and deliver to the Agency and the Trustee a certificate of an Authorized Representative of the Lessee either stating that to his knowledge no default or breach exists

hereunder or specifying each such default or breach of which he has knowledge.

(c) The Lessee shall promptly notify the Agency, the Trustee and the Holders of the Obligations of the occurrence and continuance of any Event of Default or any event which with notice and/or lapse of time would constitute an Event of Default under any Security Document of which it has knowledge. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the Lessee and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the Lessee shall state this fact in the notice.

Section 6.6. Discharge of Liens. (a) If any lien, encumbrance or charge is filed or asserted, or any judgment, decree, order, levy or process of any court or governmental body is entered, made or issued or any claim (such liens, encumbrances, charges, judgments, decrees, orders, levies, processes and claims being herein collectively called "Liens"), whether or not valid, is made against the Project Property or any part thereof or the interest therein of the Agency, the Lessee or the Trustee or against any of the rentals or other amounts payable under this Agreement or the interest of the Lessee under this Agreement or amounts payable under the PILOT Agreement other than Liens for Impositions (as defined in Section 4.4) not yet payable, or payable without the addition of any fine, penalty, interest or cost for non-payment, Permitted Encumbrances, or Liens being contested as permitted by Section 6.6(b), the Lessee forthwith upon receipt of notice of the filing, assertion, entry or issuance of such Lien (regardless of the source of such notice) shall give notice thereof to the Agency and the Trustee and take all action (including the payment of money and/or the securing of a bond) as may be necessary or appropriate to obtain the discharge in full thereof and to remove or nullify the basis therefor. In the event the Agency shall have actual knowledge of any Lien which the Lessee has agreed in this Section 6.6(a) to discharge, remove or nullify, the Agency shall use its best efforts to notify the Lessee of such Lien, provided, however, that the failure of the Agency to deliver such notice to the Lessee shall not constitute a defense to the obligations of the Lessee under this Section 6.6(a). Nothing contained in this Agreement shall be construed as constituting the express or implied consent to or permission of the Agency for the performance of any labor or services or the furnishing of any materials that would give rise to any Lien against the Agency's interest in the Project Property.

(b) The Lessee may contest (with prompt notice to the Agency and the Trustee), by appropriate action conducted in good faith and with due diligence, the amount or validity or

application, in whole or in part, of any Lien, if (1) such proceeding shall suspend the execution or enforcement of such Lien against the Project Property or any portion thereof or interest therein or against the Agency, the Lessee or the Trustee or against any of the rentals or other amounts payable under this Agreement or the PILOT Agreement, (2) neither the Project Property nor any portion thereof or interest therein would be in any danger of being sold, forfeited or lost, and (3) neither the Lessee, the Agency nor the Trustee would be in any danger of any mandatory injunction or any criminal liability, other than normal accrual of interest, for failure to comply therewith. The Agency shall, at the sole cost and expense of the Lessee, cooperate with the Lessee in the removal of any Lien.

Section 6.7. Agency's Authority; Covenant of Quiet Enjoyment. The Agency has full right and lawful authority to enter into this Agreement for the full term hereof, and that, subject to the terms and provisions of the Indenture and other Permitted Encumbrances, so long as the Lessee shall pay the rent and all other sums payable by it under this Agreement and shall duly observe all the covenants, stipulations and agreements herein contained obligatory upon it and an Event of Default shall not exist hereunder, the Lessee shall have, hold and enjoy, during the term hereof, peaceful, quiet and undisputed possession of the Facility without molestation or disturbance by or from the Agency, subject to Permitted Encumbrances.

Section 6.8. No Warranty of Condition or Suitability. THE AGENCY HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE PROJECT PROPERTY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE PROJECT PROPERTY, OR THE SUITABILITY OF THE PROJECT PROPERTY FOR THE PURPOSES OR NEEDS OF THE LESSEE OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE OBLIGATIONS WILL BE SUFFICIENT TO PAY PROJECT COSTS. THE LESSEE ACKNOWLEDGES THAT THE AGENCY IS NOT THE MANUFACTURER OF THE FACILITY EQUIPMENT OR THE NON-FACILITY PERSONALTY NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN. THE LESSEE SHALL ASSERT NO CLAIM AGAINST THE AGENCY ON THE BASIS THAT THE PROJECT PROPERTY IS NOT SUITABLE OR FIT FOR ITS PURPOSES. THE AGENCY SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE LESSEE OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROJECT PROPERTY OR THE USE OR MAINTENANCE OF ANY THEREOF OR THE FAILURE OF OPERATION OF ANY THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT OF ANY THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE OF ANY THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

Section 6.9. Amounts Remaining in Funds. Any amounts remaining in any of the Funds and Accounts held under the Indenture upon the expiration or termination of the term of this Agreement, after payment in full of the Obligations (or provisions for such payment in full in accordance with Section 10.01 of the Indenture), the fees, charges and expenses of the Trustee, the Obligation Registrar, the Paying Agents and the Agency in accordance with the Indenture and after all rents and all other amounts payable hereunder shall have been paid in full, (or provisions for such payment in full in accordance with Section 10.01 of the Indenture) shall belong to and be paid to the Lessee by the Trustee as overpayment of rents.

Section 6.10. Certain Special Covenants and Recapture of Agency Benefits. (a) It is acknowledged by the Lessee that the Agency will be issuing its Obligations and providing the sales tax exemptions specified in this Agreement and in the Sales Tax Letter principally upon the assumption and expectation that the Lessee will employ at the CFSC, subsequent to the Substantial Completion Date of the CFSC, certain below stated minimum numbers of CFSC Employees (as defined below). To this end, the Agency and the Lessee hereby agree that the below-mentioned provisions of this Section 6.10(a) shall apply and be deemed "essential to the terms of the Agreement" and a principal consideration for which the Agency is entering into this Agreement and the transactions contemplated hereunder.

(i) Within sixty (60) days after the Substantial Completion Date of the CFSC, the Lessee shall deliver to the Agency a certificate of an Authorized Representative of the Lessee certifying as to all Sales Tax Benefits (as defined below) received by the Lessee prior to the Substantial Completion Date of the CFSC, which certification shall categorize all such Sales Tax Benefits so received as follows:

(A) Sales Tax Benefits received relating to the initial construction of the Facility Improvements, including, without limitation, the core and shell of the buildings to be constructed at the CFSC and the tenant improvements therein;

(B) Sales Tax Benefits received relating to the initial outfitting of the Facility Improvements, including, without limitation, the furniture, fixtures, furnishings and equipment therein, and

(C) Sales Tax Benefits received relating to items that are purchased, leased, licensed, maintained or serviced for Chase Sites.

The total of the Sales Tax Benefits received under clauses (B) and (C) above are hereinafter referred to collectively as the "Initial Sales Tax Benefits".

(ii) For purposes of this Section 6.10(a),

Aggregate Sales Tax Benefits shall mean, (i) with respect to the First Annual Period and the Second Annual Period, the Annual Period Sales Tax Benefits for such Annual Period, and (ii) with respect to the Third Annual Period and each Annual Period thereafter, the sum of (x) the Initial Sales Tax Benefits and (y) the aggregate of the Annual Period Sales Tax Benefits for all preceding Annual Periods (including, without limitation, the First Annual Period and the Second Annual Period).

Annual Period shall mean each annual period of 365 or 366 days, as the case may be, commencing on the Substantial Completion Date of the CFSC and ending on the day immediately preceding the anniversary of the Substantial Completion Date of the CFSC, and each annual period thereafter.

Annual Period CFSC Employees shall mean, for any Annual Period, the number of CFSC Employees for such Annual Period as calculated in accordance with paragraph (iii) below.

Annual Period Sales Tax Benefits shall mean, for any Annual Period, the aggregate amount of Sales Tax Benefits received by the Lessee during such Annual Period.

CFSC Employee shall mean, with respect to an Annual Period, a person directly employed during such Annual Period by the Lessee, an Affiliate of the Lessee or a Contractor for, and who shall for such Annual Period have carried out the terms of such employment on a full-time basis (i.e., for at least thirty (30) hours per week) at, the CFSC; provided, however, in calculating the number of CFSC Employees for the purposes of this Section 6.10(a), any two persons who shall have been so employed by the Lessee, an Affiliate of the Lessee or a Contractor at the CFSC during such Annual Period and who shall have carried out the terms of such employment by each person working at least a fifteen-hour week shall together be deemed a single "CFSC Employee".

Contractor shall mean any Person that performs or renders services for or on behalf the Lessee or an Affiliate of the Lessee, or any agent of such Person, provided such services are performed or rendered at the CFSC and in connection with the business activities of the Lessee or its Affiliates at the CFSC.

Recapture Payment shall mean, with respect to any Annual Period, the payment, if any, required to be made by the Lessee to the Agency under Section 6.10(a)(iv) below.

Sales Tax Benefits shall mean all sales tax benefits or exemptions received by the Lessee by reason of the Agency, the Sales Tax Letter, this Agreement or the transactions contemplated hereunder or thereunder exclusive of any sales tax exemptions to which the Lessee may be entitled irrespective of the Agency or the Sales Tax Letter.

(iii) The number of CFSC Employees shall be calculated by the Lessee on the basis of a monthly average during any Annual Period, and the Lessee shall, and shall require any Affiliate or Contractor to, keep a monthly record of the number of CFSC Employees.

(iv) Within sixty (60) days after the end of each Annual Period, the Lessee shall deliver to the Agency a certificate of an Authorized Representative of the Lessee certifying, with respect to such immediately preceding Annual Period, the Annual Period Sales Tax Benefits and the number of CFSC Employees.

(v) If for any Annual Period the Lessee shall have employed less than the Target Number of CFSC Employees for the related Annual Period, the Lessee shall make a Recapture Payment to the Agency as computed below:

Annual Period	Target Number of CFSC Employees ("Target Number")	"Base Level"	"Phase-Out Percentage"
First	3,000	3,000	100%
Second	4,000	4,000	100%
Third	4,500 (computed as an average of CFSC Employees for the First, Second and Third Annual Periods)	5,000	100%
Fourth	4,500 (computed as an average of CFSC Employees for the Second, Third and Fourth Annual Periods)	5,000	100%
Fifth	4,500 (computed as an average of CFSC Employees for the Third, Fourth and Fifth Annual Periods)	5,000	100%
Sixth	4,500 (computed as an average of CFSC Employees for the Fourth, Fifth and Sixth Annual Periods)	5,000	80%

Seventh	4,500 (computed as an average of CFSC Employees for the Fifth, Sixth and Seventh Annual Periods)	5,000	60%
Eighth	4,500 (computed as an average of CFSC Employees for the Sixth, Seventh and Eighth Annual Periods)	5,000	40%
Ninth	4,500 (computed as an average of CFSC Employees for the Seventh, Eighth and Ninth Annual Periods)	5,000	20%
Tenth	4,500 (computed as an average of CFSC Employees for the Eighth, Ninth and Tenth Annual Periods)	5,000	-0-%

If for any Annual Period, the Lessee shall have employed less CFSC Employees than that Target Number of CFSC Employees as shall relate to such Annual Period, the Lessee shall promptly pay to the Agency, within sixty (60) days after the end of such Annual Period, a Recapture Payment for such Annual Period equal to

(w) 1 minus $\frac{\text{CFSC Employees for such Annual Period}}{\text{Base Level of CFSC Employees for such Annual Period}}$

multiplied by

(x) Annual Period Sales Tax Benefits

multiplied by

(y) Phase-Out Percentage

plus

(z) the amount equal to the greater of zero or

(I) the number determined in clause
(w) above

multiplied by

(II) Aggregate Sales Tax Benefits

multiplied by

(III) Phase-Out Percentage

minus

(IV) the aggregate amount of all
Recapture Payments previously made

provided, however, the Recapture Payment for any Annual Period shall never be less than 0.

(vi) The Agency and the Lessee agree that if the Facility Realty Transfer Date has not occurred on or prior to June 30, 1990 for reasons including (but not limited to) the failure to satisfy the conditions precedent set forth in

Section 4 of the Land Sale Contract or the termination of the Land Sale Contract pursuant to Section 16 thereof, then the Lessee shall have the option until the Facility Realty Transfer Date to effect the retirement in whole of all Outstanding Obligations and consequently terminate this Agreement in accordance with Section 8.4 hereof, and in the event that such option is exercised no Recapture Payments shall be due or owing under this Section 6.10(a).

(vii) The Agency and the Lessee agree that if there is a reconveyance of the Facility Realty to the City pursuant to Section 17 of the Land Sale Contract, then the Lessee shall take all steps necessary to effect an immediate termination of this Agreement in accordance with Section 8.4(a) hereof, and in the event of such termination no Recapture Payments shall be due or owing under this Section 6.10(a).

The provisions of this Section 6.10(a) shall not limit the Agency's rights under Article VII hereof to terminate this Agreement and recover any rental payments then due and owing; provided, however, the provisions of this Section 6.10(a) shall otherwise constitute the Agency's sole remedy for the failure of the Lessee to complete or maintain the Project or to provide for the contemplated level of employment at the CFSC as aforesaid.

(b) The Lessee represents and warrants that, to the best of its knowledge, neither it nor any Affiliates controlled by the Lessee have, since July 13, 1985, sold or agreed to sell, and during the term of this Agreement neither the Lessee nor any Affiliate controlled by the Lessee shall sell or agree to sell, goods or services, other than food or medical supplies, directly to the South African police, military, prison system or the department of cooperation and development or directly to a corporation owned or controlled by the South African government and established expressly for the purpose of procuring such goods and services for the aforesaid agencies except (i) as may be necessary in restructuring existing loans in South Africa so as to provide for their ultimate repayment to the Lessee or (ii) at such time as the City or the government of the United States no longer prohibits any such actions.

(c) The Lessee represents and warrants that, to the best of its knowledge, neither the Lessee nor any Affiliate controlled by the Lessee have, since July 13, 1985, violated, and during the term of this Agreement neither the Lessee nor any Affiliate controlled by the Lessee will violate the Export Administration Act of 1979, as amended, or the Arms Export Control Act of 1976, as amended, by unlawfully exporting or reexporting goods to the Republic of South Africa or Namibia.

Section 6.11. Employment Information, Opportunities and Guidelines. Upon request of the Agency, the Lessee shall furnish to the Agency such information as the Agency shall reasonably request with respect to past (but not prior to the date of the submission by the Lessee of its eligibility application for the Project to the Agency), present and future employment by the Lessee with respect to the Project Property and the Lessee's other facilities inside of the City, including, without limitation, information with respect to the number of employees and minority employees within the City, and the number of executive and administrative personnel at each facility of the Lessee whether inside or outside of the City. The obligation of the Lessee to submit the foregoing information may be satisfied by submission to the City of copies of the Lessee's Form EEO-1 or the equivalent and/or such other reports or filings concerning the Lessee's affirmative action and minority programs with respect to the Project Property and other facilities of the Lessee within the City as are required to be prepared and filed with State or federal authorities pursuant to applicable laws.

Section 6.12. Certain Income and Expense Statements. For so long as this Agreement is in effect, and to the extent that Section 11-208.1 of the Administrative Code of the City of New York (or successor provision thereto) is from time to time in force and effect, the Lessee shall prepare and submit income and expense statements of the type required by said Section 11-208.1 (or such successor provision) as if the Lessee were the "owner" of the Facility (as the term "owner" is used in said Section), such statements to be submitted within the time periods and to the address provided in said Section 11-208.1 and notwithstanding (i) that the Agency holds fee title to the Facility, (ii) that the Facility may theretofore not be "income-producing property" as such concept is used in said Section 11-208.1, or (iii) that payments in lieu of real estate taxes (rather than real estate taxes) are paid or to be paid with respect to the Facility or any part thereof.

Section 6.13. Further Assurances. The Agency (at the sole cost and expense of the Lessee) and the Lessee, each for the benefit of the other and the Trustee, will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances as the Agency, the Lessee or the Trustee reasonably deems necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of this Agreement and any rights of the Agency, the Lessee or the Trustee hereunder or under the Indenture.

Section 6.14. Current Facility Equipment, Facility Improvements, Leased Personality and Maintenance Contracts Description. (a) The Agency shall maintain the Facility

Equipment Registry, the Facility Improvements Registry, the Leased Personalty Registry and the Maintenance Contracts Registry. Each such Registry shall be conclusive as to the property then comprising the Facility Equipment, the Facility Improvements, the Leased Personalty and the Maintenance Contracts, and shall be binding upon the Agency, the Lessee, the Trustee and all Holders of Obligations. Each Registry shall be available for inspection during Agency regular business hours upon reasonable request therefor by the Lessee or the Trustee. On March 1 and September 1 of each year during the term of this Agreement, the Lessee shall deliver to the Agency and the Trustee, together with the certificate required under Section 2.1(e)(v) hereof, a certificate of an Authorized Representative of the Lessee certifying the deletions and other updates that should be made to each of the Facility Equipment Registry, the Facility Improvements Registry, the Leased Personalty Registry and the Maintenance Contracts Registry so that such Registry shall constitute (taking into consideration such additions and deletions and all previously certified additions and deletions) an accurate and complete description of the property comprising the Facility Equipment, the Facility Improvements and the Leased Personalty, respectively, and the Maintenance Contracts.

(b) No requisition shall be submitted to the Trustee for moneys from the Project Fund for any item of the Facility unless such item of property (x) shall be accurately and sufficiently described with specificity in the applicable Registry, and the Lessee shall from time to time deliver up-dated information to the Agency in the maintenance of each Registry in compliance with Section 6.14(a) hereof and (y) shall constitute part of the leasehold estate under this Agreement.

Section 6.15. Recording and Filing. This Agreement as originally executed or a memorandum thereof shall be recorded by the Lessee subsequent to the recordation of the Indenture, in the appropriate office of the Register of the City of New York, or in such other office as may at the time be provided by law as the proper place for the recordation thereof. The security interest of the Agency granted to the Trustee in this Agreement and the rentals payable hereunder shall be perfected by the filing of financing statements by the Lessee which fully comply with the New York State Uniform Commercial Code - Secured Transactions (and, at the option of the Lessee, by the recordation of a mortgage) in the office of the Secretary of State of the State, in the City of Albany, New York and/or in the appropriate office of the Register of the City of New York. The Lessee shall file or cause to be filed all necessary continuation statements (and additional financing statements) within the time prescribed by the New York State Uniform Commercial Code - Secured Transactions in order to continue (or attach and perfect) the security

interest granted to the Trustee in this Agreement and the rentals payable hereunder, to the end that the rights of the Agency, the Holders of the Obligations and the Trustee in this Agreement and the rentals payable hereunder shall be fully preserved as against creditors or purchasers for value from the Agency or the Lessee.

Section 6.16. Right to Cure Agency Defaults. The Agency hereby grants the Lessee full authority for the account of the Agency to perform any covenant or obligation the non-performance of which is alleged to constitute a default, in the name and stead of the Agency, with full power of substitution.

ARTICLE VII
Events of Default; Remedies

Section 7.1. Events of Default. Any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure of the Lessee to pay any rent under Section 3.3 or 3.6 of this Agreement that has become due and payable by the terms hereof and the continuation of such default for the applicable grace period, if any, set forth in the Indenture or the respective Obligations or leases, licenses or Maintenance Contracts pertaining to Leased Personalty, as applicable;

(b) Failure of the Lessee to pay any amount (except the obligation to pay rent under Section 3.3 or 3.6 of this Agreement) that has become due and payable hereunder, or to observe and perform any covenant, condition or agreement on its part to be performed under Section 1.5(k), 2.1(e), 2.3, 4.4, 4.5, 6.2, 6.3, 6.10 or 9.3 hereof, and continuance of such failure for a period of thirty (30) days after receipt by the Lessee of notice specifying the nature of such default from the Agency or the Trustee or the Holders of more than twenty-five per centum (25%) in aggregate principal amount of the Obligations Outstanding;

(c) Failure of the Lessee to observe and perform any covenant, condition or agreement on its part to be performed under Section 6.1 or 9.3 (as to transfers or assignments) hereof;

(d) Failure of the Lessee to comply fully and with due diligence with any arbitral award or determination rendered pursuant to Section 7.7 of this Agreement.

(e) Failure of the Lessee to observe and perform any covenant, condition or agreement hereunder on its part to be performed (except as set forth in Section 7.1(a), (b), (c) or (d) above) and (1) continuance of such failure for a period of thirty (30) days after receipt by the Lessee of notice specifying the nature of such default from the Agency or the Trustee or the Holders of more than twenty-five per centum (25%) in aggregate principal amount of the Obligations Outstanding, or (2) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Lessee fails to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same;

(f) The Lessee shall (i) apply for or consent to the appointment of or the taking of possession by a receiver,

liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts generally become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under such Bankruptcy Code, (vii) take any action for the purpose of effecting any of the foregoing, or (viii) be adjudicated a bankrupt or insolvent by any court; or

(g) A proceeding or case shall be commenced, without the application or consent of the Lessee, in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the Lessee or of all or any substantial part of its assets, or (iii) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of sixty (60) days; or any order for relief against the Lessee shall be entered in an involuntary case under such Bankruptcy Code; the terms "dissolution" or "liquidation" of the Lessee as used above shall not be construed to prohibit any action otherwise permitted by Section 6.1 hereof.

Section 7.2. Remedies on Default. Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and be continuing, the Agency, or the Trustee where so provided, may, take any one or more of the following remedial steps:

(a) The Trustee, as and to the extent provided in Article VIII of the Indenture, may cause all principal installments of rent payable under Section 3.3 hereof for the remainder of the term of this Agreement to be immediately due and payable, whereupon the same, together with the accrued interest thereon, shall become immediately due and payable; provided, however, that upon the occurrence of an Event of Default under Section 7.1(f) or (g) hereof, all principal installments of rent payable under Section 3.3 hereof for the remainder of the term of this Agreement, together with the accrued interest thereon, shall immediately become due and payable without any declaration, notice or other action of

the Agency, the Trustee, the Holders of the Obligations or any other Person being a condition to such acceleration;

(b) The Agency or the Trustee may terminate this Agreement, in which case this Agreement and all of the estate, right, title and interest herein granted or vested in the Lessee shall cease and terminate (except for the Lessee's rights under Section 8.1 hereof) unless prior to such termination all accrued and unpaid rent (exclusive of any such rent accrued solely by virtue of the acceleration of the due date of the Obligations as provided in Section 8.01 of the Indenture), shall have been paid and all such defaults shall have been fully cured. No such termination of this Agreement shall relieve the Lessee of its liability and obligations hereunder and such liability and obligations shall survive any such termination;

(c) The Agency or the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the rent then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Lessee under this Agreement;

(d) The Trustee may take any action permitted under the Indenture with respect to an Event of Default thereunder; and

(e) The Agency, without the consent of the Trustee or any Bondholder, may proceed to enforce the Agency's Reserved Rights by (i) an action for damages, injunction or specific performance (subject, as to any action for injunction or specific performance arising from the circumstances described in Section 3.1 hereof, to the provisions of said Section 3.1), and/or (ii) conveying all of the Agency's right, title and interest in the Facility to the Lessee in accordance with Section 8.2 hereof.

In the event that the Lessee fails to make any rental payment required in Section 3.3 hereof, the installment so in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid.

Notwithstanding the foregoing, the Agency shall give the Lessee at least thirty (30) days notice of the occurrence of an Event of Default prior to the termination of this Agreement as a consequence of such occurrence, and, if the Event of Default shall be capable of being remedied by the Lessee:

(1) the Lessee may, at any time within such 30-day period, pay all accrued and unpaid rentals (exclusive of any such rentals accrued solely by virtue of acceleration of the due date of the Obligations as provided in Section 8.01 of

the Indenture), pay such other amounts in default hereunder, render such performance hereunder and otherwise fully cure all other defaults hereunder; and

(2) in such event, this Agreement shall be fully reinstated and the Lessee shall be accordingly restored to the occupancy, use and possession of the Facility, and the Event of Default shall be deemed cured.

If, however, by the end of such 30-day period the Lessee shall not have fully cured defaults hereunder as provided in clause (1) above, then the Agency may give a second 30-day notice of termination of this Agreement and, consequently, this Agreement shall terminate on the thirtieth (30th) day following such notification (which termination date shall be explicitly stated in such notice).

No action taken pursuant to this Section 7.2 (including termination of this Agreement pursuant to this Section 7.2 or by operation of law or otherwise) shall, except as expressly provided herein, relieve the Lessee from the Lessee's obligations hereunder, all of which shall survive any such action.

Section 7.3. Remedies Cumulative. Except as specifically provided in this Agreement, the rights and remedies of the Agency or the Trustee under this Agreement shall be cumulative and shall not exclude any other rights and remedies of the Agency or the Trustee allowed by law with respect to any default under this Agreement. Failure by the Agency or the Trustee to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon default by the Lessee hereunder shall not be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce by mandatory injunction, specific performance or other appropriate legal remedy a strict compliance by the Lessee with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such default by the Lessee be continued or repeated. Nothing in this Section 7.3 shall be deemed to restrict the right of the Lessee to reinstate this lease as provided in Section 7.2.

Section 7.4. No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between the Agency and/or the Trustee and the Lessee or any delay or omission on the part of the Agency and/or the

Trustee in exercising any rights hereunder or under the Indenture shall operate as a waiver.

Section 7.5. Effect on Discontinuance of Proceedings. In case any proceeding taken by the Trustee or the Agency under the Indenture or this Agreement on account of any Event of Default hereunder or under the Indenture shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then, and in every such case, the Agency, the Trustee and the Holders of the Obligations shall be restored, respectively, to their former positions and rights hereunder and thereunder, and all rights, remedies, powers and duties of the Agency and the Trustee shall continue as in effect prior to the commencement of such proceedings.

Section 7.6. Agreement to Pay Attorneys' Fees and Expenses. In the event the Lessee should default under any of the provisions of this Agreement and the Agency or the Trustee should employ attorneys or incur other expenses for the collection of rentals or other amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee herein contained, the Lessee will on demand therefor pay to the Agency or the Trustee the reasonable fees and disbursements of such attorneys and such other reasonable expenses so incurred.

Section 7.7. Certain Dispute Procedures. (a) A dispute will be deemed to exist if either the Lessee or the Agency notifies the other that it does not agree with respect to the exercise of rights or the performance of obligations under this Agreement by such other party, or if the Agency notifies the Lessee that the Lessee has undertaken an action requiring approval or concurrence by the Agency without having obtained such approval or concurrence.

(b) Either the Lessee or the Agency may demand an arbitration of a dispute by notice given within thirty (30) days after the dispute arises, which notice shall include the name of the arbitrator appointed by the party demanding such arbitration (the "First Arbitrator"), together with a statement of the dispute to be arbitrated.

(c) Within fourteen (14) days after a notice given pursuant to paragraph (b) above is served upon a party hereto, the other party shall notify the demanding party of the name of its appointed arbitrator (the "Second Arbitrator"). Each party shall bear its own arbitrator's costs and expenses and one-half of the costs and expenses of a third arbitrator (the "Third Arbitrator") who shall be appointed by the First Arbitrator and the Second Arbitrator (or, if the First Arbitrator and the Second Arbitrator cannot agree, then according to the procedures of the

American Arbitration Association) and one-half of the costs and expenses of stenographic notes and the transcription thereof; but all of the other costs and expenses shall be paid by one or both of the parties, or shared between them, as the arbitrators shall decide to be just under the circumstances.

(d) The arbitrators shall, within five (5) days of the constitution of the arbitral tribunal, notify the parties of the time and place, within the Borough of Manhattan, of the initial hearing, and shall thereafter continue the hearing from day to day except for good cause shown and shall at all times control the manner in which the questions and issues shall be presented in accordance with this Section 7.7 and with the rules and procedures of the American Arbitration Association. The parties shall be entitled to be heard in person or through counsel, and may produce witnesses for examination. Each party shall submit to the other parties and to the arbitrators all documentary evidence within fourteen (14) days after constitution of the arbitral tribunal. A complete record shall be kept of all the proceedings. The arbitration proceedings shall not be public unless all parties consent. All awards and determinations shall be made in writing and shall be executed and acknowledged before a notary public or other official authorized to take acknowledgements of deeds. An original counterpart of the award or determination shall be furnished to each of the parties. Within five (5) days after the close of submission of evidence, each of the First Arbitrator and the Second Arbitrator shall submit to the Third Arbitrator its detailed proposal for any determinations or awards to be made as to the dispute being arbitrated, which time may be extended by agreement of the parties. Within five (5) days of his receipt of both the First Arbitrator's proposal and the Second Arbitrator's proposal, the Third Arbitrator shall adopt as his determination and/or award, in its entirety, either the First Arbitrator's proposal or the Second Arbitrator's proposal. The award or determination so adopted by the Third Arbitrator shall be final, conclusive and binding on all parties to the proceedings, and such decision may be entered and enforced by any court of competent jurisdiction and shall not be subject to appeal.

(e) The provisions of this Section 7.7 shall be a complete defense to any suit, action or proceeding instituted in any Federal or state court or before any administrative tribunal with respect to any dispute during the term of this Agreement with respect to which arbitration has been provided as herein set forth. Nothing in this Section 7.7 contained shall be deemed to give the arbitrators any authority, power or right to alter, change, amend, modify, add to or subtract from the provisions of this Agreement.

(f) The provisions of this Section 7.7 shall apply to any dispute as to whether or not there has occurred or is continuing an Event of Default under Section 7.1, except an Event of Default described under Section 7.1(a) or (d) hereof.

(g) Unless otherwise consented to by the Trustee, the Agency and the Lessee shall continue to pay and perform their respective obligations under this Agreement during the pendency of any arbitration proceeding.

ARTICLE VIII
Options

Section 8.1. Options. (a) The Lessee has the option to make advance rental payments for deposit in the Obligation Fund to effect the retirement of the Obligations in whole or the redemption in whole or in part of the Obligations of any Series, all in accordance with the terms of the Indenture and the related Certificate of Determination of the Series of Obligations to be redeemed. The Lessee shall exercise its option to make such advance rental payments by delivering a notice of an Authorized Representative of the Lessee to the Trustee in accordance with the Indenture, with a copy to the Agency, setting forth (i) the amount of the advance rental payment, (ii) the Series of the Obligations to be redeemed, (iii) the principal amount of Obligations Outstanding of such Series requested to be redeemed with such advance rental payment (which principal amount shall be in such minimum amount or integral multiple of such amount as shall be permitted in the Indenture), and (iv) the date on which such principal amount of Obligations of such Series are to be redeemed. Such date of redemption may be any date during the term of this Agreement, provided it also complies with the terms of the Indenture. Such advance rental payment shall be paid to the Trustee in legal tender on or before the redemption date and shall be an amount which, when added to the amount on deposit in the Obligation Fund and available therefor, will be sufficient to pay the Redemption Price of the Obligations of such Series to be redeemed, together with interest to accrue to the date of redemption and all expenses of the Agency, the Trustee and the Paying Agents in connection with such redemption. In the event all Obligations are to be redeemed in whole or otherwise retired, the Lessee shall further pay on or before such redemption date, in legal tender, to the Agency, the Trustee, the Obligation Registrar and the Paying Agents, as the case may be, all fees and expenses owed such party or any other party entitled thereto under this Agreement or the Indenture together with all other amounts due and payable under this Agreement or the Indenture.

(b) The Lessee, in exercising its option to redeem all Obligations in whole, shall pay to the Trustee in legal tender, advance rental payments for deposit in the Obligation Fund equal to the sum of the following:

(1) an amount which, when added to the amount on deposit in the Obligation Fund and available therefor, together with the income thereon, will be sufficient to pay, retire and redeem the Outstanding Obligations in accordance with the provisions of the Indenture (including the provisions of Section 10.01 thereof), including, without limitation, the principal of or the Redemption Price (as the case may be) of, together with interest to maturity or

redemption date (as the case may be) on, the Outstanding Obligations;

(2) expenses of redemption, the fees and expenses of the Agency, the Trustee, the Obligation Registrar and the Paying Agents and all other amounts due and payable under this Agreement or the Indenture; and

(3) one dollar.

(c) Upon the payment in full of both the outstanding principal of and interest on the City Mortgage Note and the principal of and interest on the Outstanding Obligations issued to pay the Project Costs in respect of the Facility Realty and Facility Improvements (whether at maturity or earlier redemption), as demonstrated to the Agency to its reasonable satisfaction, the Lessee shall have the option to purchase the Agency's interest in the Facility Realty and Facility Improvements and shall exercise such option by (1) delivering to the Agency prior notice of an Authorized Representative of the Lessee no more than thirty (30) days after the payment in full of such Obligations of the exercise of such option to purchase, which notice shall set forth a requested closing date for the purchase of the Agency's interest in the Facility Realty and Facility Improvements which shall be not later than sixty (60) days after the payment in full of such Obligations, and (2) paying on such closing date a purchase price equal to the sum of one dollar, the fees and expenses of the Agency, the Trustee, the Obligation Registrar and the Paying Agents and all other amounts due and payable under this Agreement or the Indenture, all as the same may relate to such Obligations. Upon the request of the Lessee, the Agency may approve the extension or waiver of any of the time periods set forth in this paragraph.

Upon the payment, or provision for payment, in full of the principal of and interest on the Outstanding Obligations issued to pay the Project Costs in respect of the Facility Equipment (whether at maturity or earlier redemption), as demonstrated to the Agency to its reasonable satisfaction, the Lessee shall have the option to purchase the Agency's interest in the Facility Equipment, the Leased Personalty and the Maintenance Contracts and shall exercise such option by (1) delivering to the Agency prior notice of an Authorized Representative of the Lessee no more than thirty (30) days after the payment in full of such Obligations of the exercise of such option to purchase, which notice shall set forth a requested closing date for the purchase of the Agency's interest in the Facility Equipment, the Leased Personalty and the Maintenance Contracts which shall be not later than sixty (60) days after the payment in full of such Obligations, and (2) paying on such closing date a purchase price equal to the sum of one dollar, the fees and expenses of the

Agency, the Trustee, the Obligation Registrar and the Paying Agents and all other amounts due and payable under this Agreement or the Indenture, all as the same may relate to such Obligations. Upon the request of the Lessee, the Agency may approve the extension or waiver of any of the time periods set forth in this paragraph.

(d) The Lessee shall not, at any time, assign or transfer its options to purchase the Project Property as contained in this Section 8.1 separate and apart from a permitted assignment of this Agreement pursuant to Section 9.3 hereof without the prior consent of the Agency; provided, however, the Lessee may, without the consent of the Agency, assign such options to an Affiliate.

(e) Notwithstanding anything to the contrary, the Lessee shall have the right to exercise the options contained in Section 8.1 hereof even if an Event of Default has occurred and is continuing, and, in such event, the Agency shall not enforce any of its remedies under Article VII, including, without limitation, the termination of this Agreement, while the Lessee is proceeding (i) to pay, or provide for payment, in full all of the principal of and the premium, if any, and interest on the Outstanding Obligations and all other amounts due to the Agency under this Agreement and the PILOT Agreement and (ii) to purchase the Facility. If the amount, character or payableness of any such amount shall be in dispute between the Lessee and the Agency, the Lessee shall pay the amount claimed by the Agency; provided, however, that such dispute shall not be determined by the fact of such payment.

Section 8.2. Conveyance on Exercise of Option to Purchase. At the closing of any purchase of the Agency's interest in the Project Property pursuant to Section 8.1 hereof, the Agency will, upon payment of the purchase price, deliver or cause to be delivered to the Lessee, at the sole cost and expense of the Lessee, (a) documents (in form reasonably satisfactory to the Lessee, but without any obligation or liability on the Agency's part) conveying to the Lessee all of the Agency's right, title and interest in the property of the Facility Realty and Facility Improvements or Facility Equipment, Leased Personalty and Maintenance Contracts or any of the foregoing, as the case may be, subject to the following: (1) the nature, quality and extent to which title to said property shall have been vested in and remain in the Agency; (2) any Permitted Encumbrances to which title to said property was subject when conveyed to the Agency (excluding the City Mortgage); (3) any liens, easements, security interests, claims, charges and encumbrances created at the request of the Lessee or to the creation or suffering of which the Lessee consented; (4) any liens, security interests, claims, charges and encumbrances resulting from the failure of the Lessee

to perform or observe any of the agreements on its part contained in this Agreement; (5) any liens for taxes or assessments not then delinquent; and (6) the rights, if any, of any condemning authority, and (b) documents (in form reasonably satisfactory to the Lessee, but without any obligation or liability on the Agency's part) releasing and conveying to the Lessee all of the Agency's rights and interests in and to any rights of action, or any insurance proceeds or condemnation award, with respect to the Facility Realty and Facility Improvements or the Facility Equipment, Leased Personalty and Maintenance Contracts or any of the foregoing, as the case may be. Concurrently with the delivery of such documents, there shall be delivered by the Agency to the Trustee any instructions or other instruments required by Section 10.01 of the Indenture to defease and pay Obligations.

Upon conveyance of the Agency's interest in the Facility Realty and Facility Improvements or the Facility Equipment, Leased Personalty and Maintenance Contracts or any of the foregoing, as the case may be, pursuant to this Section 8.2, this Agreement and all obligations of the Lessee hereunder shall be terminated as to such property except the obligations of the Lessee under Sections 6.2, 6.10 and 9.17 shall survive such termination.

Section 8.3. Option to Purchase or Invite Tenders of Obligations. The Lessee and its Affiliates shall have the option, at any time during the term of this Agreement, to purchase Obligations (including, without limitation, the Initial Obligations) for its own account, whether by direct negotiation, through a broker or dealer, or by making a tender offer to the Holders thereof. The Obligations so purchased by the Lessee (and not by an Affiliate of the Lessee) shall be delivered to the Trustee for cancellation within fifteen (15) days of the date of purchase. The Agency shall at all times make available or cause to be made available to the Lessee its registration books (maintained at the principal corporate trust office of the Trustee) containing the names and addresses of the Holders of the Obligations if known.

Section 8.4. Termination of Agreement. (a) After full payment of the Obligations or provision for the payment in full thereof having been made in accordance with Section 10.01 of the Indenture, the Lessee may terminate this Agreement by paying the fees and expenses of the Agency, the Trustee, the Obligation Registrar and the Paying Agents and all other amounts due and payable under this Agreement or the Indenture, and by giving the Agency notice of such termination, and thereupon such termination shall forthwith become effective, subject, however, to the survival of the obligations of the Lessee under Sections 6.2, 6.10 and 9.17.

(b) If the estate of the Agency in all or a portion of the Facility Realty reverts to and reverts in the City pursuant to Section 4 of Exhibit D (Deed) to the Land Sale Contract, then the Lessee shall immediately (i) take all steps necessary to effect the termination of this Agreement as to the Facility Realty or such reversioned portion in accordance with Section 8.4(a) hereof, and (ii) in connection with such termination, pay in full (or cause to be paid in full in accordance with Section 10.01 of the Indenture) the corresponding portion of the Obligations and of the aforementioned fees and expenses, and thereupon such termination shall forthwith become effective, subject, however, to the survival of the obligations of the Lessee under Sections 6.2, 6.10 and 9.17. In the event that the Agency and the Lessee do not agree as to the amount of such corresponding portion, then the same shall be determined pursuant to Section 7.7 hereof.

ARTICLE IX
Miscellaneous

Section 9.1. Indenture; Amendment. The Lessee shall have and may exercise all the rights, powers and authority stated to be in the Lessee in the Indenture and in the Obligations, and the Indenture and the Obligations shall not be modified, altered or amended in any manner without the consent of the Lessee.

Section 9.2. Force Majeure. In case by reason of force majeure either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, then except as otherwise expressly provided in this Agreement, if such party shall give notice and full particulars of such force majeure to the other party within a reasonable time after occurrence of the event or cause relied on, the obligations of the party giving such notice (other than the obligations of the Lessee to make the rental payments or other payments required under the terms hereof, or to comply with Sections 2.1(b), 2.1(d), 2.1(e), 2.1(f), 2.3, 4.4, 4.5, 6.1, 6.2, 6.3, 7.7 or 9.3 hereof), so far as they are affected by such force majeure, shall be suspended during the continuance of the inability then claimed which shall include a reasonable time for the removal of the effect thereof, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure", as employed herein, shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States or of the State or any civil or military authority, acts or omissions of the Agency or the Trustee (provided such acts or omissions are not caused by acts or omissions of the Lessee), insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrest, restraining of government and people, civil disturbances, explosions, partial or entire failure of utilities, shortages of labor, material, supplies or transportation, or any other similar or different cause not reasonably within the control of the party claiming such inability. The settlement of existing or impending strikes, lockouts or other industrial disturbances shall be entirely within the discretion of the party having the difficulty and the above requirements that any force majeure shall be reasonably beyond the control of the party and shall be remedied with all reasonable dispatch shall be deemed to be fulfilled even though such existing or impending strikes, lockouts and other industrial disturbances may not be settled but could have been settled by acceding to the demands of the opposing person or persons.

The Lessee shall promptly notify the Agency upon the occurrence of each Force Majeure, describing such Force Majeure and its effects in reasonable detail. The Lessee shall also promptly notify the Agency upon the termination of each such

Force Majeure. The information set forth in any such notice shall not be binding upon the Agency, and the Agency shall be entitled to dispute the existence of any Force Majeure and any of the contentions contained in any such notice received from the Lessee.

Section 9.3. Assignment or Sublease. The Lessee may not at any time assign or transfer this Agreement, or sublet the whole or substantially all of the Project Property, other than to an Affiliate, without the prior consent of the Agency (which consent shall not be unreasonably withheld); provided further, that, (1) the Lessee shall nevertheless remain liable to the Agency for the payment of all rent and for the full performance of all of the terms, covenants and conditions of this Agreement, the PILOT Agreement and of any other Security Document to which it shall be a party, (2) any assignee or transferee of the Lessee or sublessee in whole of the Project Property shall have executed and delivered to the Agency and the Trustee an instrument, in form for recording, in and by which the assignee or transferee shall have assumed in writing and have agreed to keep and perform all of the terms of this Agreement and the PILOT Agreement on the part of the Lessee to be kept and performed, shall be jointly and severally liable with the Lessee for the performance thereof, shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State, (3) in the Opinion of Counsel, such assignment, transfer or sublease shall not cause the obligations of the Lessee for the payment of all rents nor for the full performance of all of the terms, covenants and conditions of this Agreement, of the PILOT Agreement or of any other Security Document to which the Lessee shall be a party, to cease to be legal, valid and binding on the Lessee, (4) any assignee, transferee or sublessee shall utilize the Project Property as a qualified "project" within the meaning of the Act and for the general purposes specified in the recitals to this Agreement, (5) such assignment, transfer or sublease shall not violate any provision of this Agreement, the Indenture or any other Security Document, (6) such assignment, transfer or sublease shall in no way diminish or impair the Lessee's obligation to carry (or to cause the assignee, transferee or sublessee to carry) the insurance required under Section 4.5 of this Agreement and the Lessee shall furnish written evidence satisfactory to the Agency that such insurance coverage shall in no manner be limited by reason of such assignment, transfer or sublease, and (7) each such assignment, transfer or sublease contains such other provisions as the Agency or the Trustee may reasonably require with respect to assuring the Agency, (A) if the assignment, transfer or sublease is to an Affiliate of the Lessee, the intended use of the Project Property by the assignee, transferee or sublessee, and that the relationship between the Holders of the Obligations and such assignee, transferee or sublessee is of an arm's-length character equivalent to other party indebtedness, or (B) if the assignment, transfer or

sublease is not to an Affiliate of the Lessee, the intended use of the Project Property by, and the identity, creditworthiness, character and reputation of, the assignee, transferee or sublessee and its constituent principals. The Lessee shall furnish or cause to be furnished to the Agency and the Trustee a copy of any such assignment, transfer or sublease in substantially final form at least ten (10) days prior to the date of execution thereof.

Any consent by the Agency to any act of assignment or transfer of this Agreement or sublease of the whole or substantially all of the Project Property shall be held to apply only to the specific transaction thereby authorized. Such consent shall not be construed as a waiver of the duty of the Lessee, or the successors or assigns of the Lessee, to obtain from the Agency consent to any other or subsequent assignment or transfer of this Agreement, or sublease of the whole or substantially all of the Project Property or as modifying or limiting the rights of the Agency under the foregoing covenant by the Lessee.

If the Project Property or any part thereof be sublet or occupied by any Person other than the Lessee, the Agency, in the event of the Lessee's default in the payment of rent may, and is hereby empowered to, collect rent from the undertenant or occupant during the continuance of any such default. In either of such events, the Agency may apply the net amount received by it to the rent herein provided, and no such collection shall be deemed a waiver of the covenant herein against assignment or transfer of this Agreement, or sublease of the whole or substantially all of the Project Property, or constitute the acceptance of the under-tenant or occupant as tenant, or a release of the Lessee from the further performance of the covenants herein contained on the part of the Lessee.

Section 9.4. [Reserved]

Section 9.5. Benefit of, Enforcement and Binding Effect of this Agreement. This Agreement is executed in part to induce the purchase by others of the Obligations and for the further securing of the Obligations, and accordingly all covenants and agreements on the part of the Agency and the Lessee as set forth in this Agreement are hereby declared to be for the benefit of the Agency, the Lessee, the Trustee and the Holders from time to time of the Obligations (and may be enforced as provided in Article VIII of the Indenture on behalf of the Holders of the Obligations by the Trustee) and for no other Person whatsoever.

Section 9.6. Amendments. This Agreement may be amended only with the consent of the Trustee given in accordance with the provisions of the Indenture and only if the Lessee and the Agency

shall assume in writing the obligations of such amended Agreement.

Section 9.7. Notices. All notices, certificates, requests, approvals, consents or other communications hereunder shall be in writing and be sent by registered or certified United States mail, postage prepaid, addressed, if to the Agency, to the Chairman, New York City Industrial Development Agency, 110 William Street, New York, New York 10038 with a copy to the Executive Director of the Agency at the same address, if to the Lessee, to Steven Tocci, Vice President, The Chase Manhattan Bank, N.A., One New York Plaza, New York, New York 10081, with a copy to Milbank, Tweed, Hadley & McCloy, One Chase Manhattan Plaza, New York, New York 10005, Attention: John C. Nelson, Esq., and if to the Trustee, to United States Trust Company of New York, 45 Wall Street, New York, New York 10005, Attention: Corporate Trust & Agency Division. The Agency, the Lessee and the Trustee may, by like notice, designate any further or different addresses to which subsequent notices, certificates, requests, approvals, consents or other communications shall be sent. Any notice, certificate, requests, approvals, consents or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given as of the date it shall have been mailed.

Section 9.8. Prior Agreements Superseded. This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Agency and the Lessee relating to the Project Property with respect to the subject matter hereof, other than the PILOT Agreement and the Energy Fund Agreement.

Section 9.9. Severability. If any clause, provision or section of this Agreement be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining provisions hereof.

Section 9.10. Inspection of the Project Property and Plans and Specifications. The Lessee will permit the Trustee and the Agency, or their duly authorized agents, at all reasonable times and upon reasonable prior notice to enter upon and/or to examine and inspect the Project Property and exercise their respective rights hereunder, under the PILOT Agreement and under the Indenture with respect to the Project Property, without, in the absence of the occurrence and continuance of an Event of Default, causing undue interference to the Lessee's operations at the Facility Realty. Under the same conditions and with the same restrictions, the Lessee will permit said Persons to enter upon and/or to examine the Project Property solely for the purpose of assuring that the Lessee is operating the Project Property, or is causing the same to be operated, as a qualified "project" under

the Act consistent with the purposes set forth in the recitals to this Agreement and with the public purposes of the Agency, and not for any purpose of assuring the proper maintenance or repair of the Project Property, as such latter obligation is and shall remain solely the obligation of the Lessee. Upon request made and reasonable notice given by the Agency, the Lessee will make the Plans and Specifications available for inspection by the Agency and the Trustee at a mutually convenient location and for a reasonable period of time.

Section 9.11. Effective Date; Counterparts. This Agreement shall become effective upon its delivery. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.12. Binding Effect. This Agreement shall be binding upon the Agency and the Lessee and their respective successors and assigns.

Section 9.13. Net Lease. It is the intention of the parties hereto that this Agreement be a "net lease" and that all of the rent be available for debt service on the Obligations, and this Agreement shall be construed to effect such intent.

Section 9.14. Law Governing. This Agreement shall be governed by, and construed in accordance with, the laws of the State.

Section 9.15. Investment of Funds. Any moneys held as part of the Project Fund or the Obligation Fund or in any special fund provided for in this Agreement or in the Indenture to be invested in the same manner as in any said Fund shall, at the request of an Authorized Representative of the Lessee, be invested and reinvested by the Trustee as provided in the Indenture. Neither the Agency nor any of its members, directors, officers, agents, servants or employees shall be liable for any depreciation in the value of any such investments or for any loss arising therefrom.

Interest and profit derived from such investments shall be credited and applied as provided in the Indenture, and any loss resulting from such investments shall be similarly charged.

Section 9.16. Investment Tax Credit. It is the intention of the parties that any investment tax credit or comparable credit which may ever be available accrue to the benefit of the Lessee and the Lessee shall, and the Agency upon advice of counsel may, make any election and take other action in accordance with the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereunder, as may be necessary to entitle the Lessee to have such benefit.

Section 9.17. Waiver of Trial by Jury. The parties do hereby expressly waive all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or the Project Property or any matters whatsoever arising out of or in any way connected with this Agreement.

The provision of this Agreement relating to waiver of a jury trial shall survive the termination or expiration of this Agreement.

Section 9.18. Non-Discrimination. (a) At all times during the term of this Agreement, the Lessee shall comply with all federal, state and local laws relating to non-discrimination, and the Lessee shall not discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The Lessee shall use its best efforts to ensure that employees and applicants for employment with the Lessee at the Project Property are treated without regard to their race, color, creed, age, sex or national origin. As used herein, the term "treated" shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(b) The Lessee shall, in all solicitations or advertisements for employees placed by or on behalf of the Lessee, state that all qualified applicants will be considered for employment without regard to race, color, creed or national origin, age or sex.

(c) The Lessee shall furnish to the Agency all information reasonably required by the Agency pursuant to this Section and will cooperate with the Agency for the purposes of investigation to ascertain compliance with this Section. The obligation of the Lessee to submit the foregoing information may be satisfied by submission to the City of copies of the Lessee's Form EEO-1 or the equivalent and/or such other reports or filings concerning the Lessee's affirmative action and minority programs with respect at least to the Project Property as are required to be prepared and filed with State or federal authorities pursuant to applicable laws.

Section 9.19. No Recourse under This Agreement or on Obligations. All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of the

principal of, Sinking Fund Installments for, redemption premium, if any, or interest on the Obligations or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Agency or any natural person executing the Obligations.

Section 9.20. Date of Agreement for Reference Purposes Only. The date of this Agreement shall be for reference purposes only and shall not be construed to imply that this Agreement was executed on the date first above written. This Agreement was executed and delivered on November 3, 1989.

APPENDICES

Description of Project

The acquisition, leasing, subleasing, licensing, construction, equipping, furnishing, installation, maintenance, repair and replacement of an industrial and commercial facility (the "Facility") consisting of (i) the acquisition of a parcel of land in the Borough of Brooklyn, (ii) the construction of a building and improvements thereon, (iii) the acquisition, leasing, subleasing, licensing, installation, maintenance, repair and replacement of machinery, equipment, furniture, furnishings, fixtures and other items of personalty therein or thereabout, including items of computer hardware and software, all for use primarily in connection with the financial services processing operations of the Lessee, and (iv) the acquisition, leasing, licensing, subleasing and installation of other items of such machinery, equipment and other personalty for use by the Lessee in or about its other facilities within The City of New York in connection with the aforementioned operations.

DESCRIPTION OF FACILITY REALTY

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York more particularly described as follows:

That certain parcel described as Block 2058 of the Tax Map of the City of New York for the Borough of Brooklyn as said Tax map existed on June 18, 1987, Lots 17, 18, 23, 24, 25, 27, 28, 29, 30, 35, 36 and Part of 1, and

That certain parcel described as Block 2059 of the Tax Map of the City of New York for the Borough of Brooklyn as said Tax Map existed on June 18, 1987, Lots 1, 2, 3, 4, 7, 8, 12, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 35, 36, 39, 44, 48, 51, 52, 53, and 54.

FORM OF BOND PURCHASER REPRESENTATION LETTERS

CERTIFICATE AND RECEIPT FOR
AUTHENTICATED
SERIES A BONDS

The Undersigned, as Series A Purchaser, HEREBY

(1) ACKNOWLEDGES receipt from United States Trust Company of New York, as Trustee, pursuant to the New York City Industrial Development Agency's order as to authentication and delivery, of \$2,100,000 aggregate principal amount of Industrial Development Revenue Bonds (The Chase Manhattan Bank, N.A. Project), Series A (the "Series A Bonds") of the New York City Industrial Development Agency (the "Agency") (capitalized terms used but not defined herein shall have the respective meaning set forth in a certain Indenture of Trust dated as of November 1, 1989 between the Agency and United States Trust Company of New York, as Trustee); AND

REPRESENTS AND WARRANTS that:

(1) It has received the information with respect to the Lessee and its affairs, which the Series A Purchaser has requested, necessary in order to purchase the Series A Bonds and that any and all information relating to the Lessee and its affairs, which the Series A Purchaser has requested, has been provided to the Series A Purchaser.

(2) It has consented to the form of the Indenture and the Lease Agreement.

(3) It is purchasing the Series A Bonds directly from the Agency for its own account, with the purpose of investment and not in the capacity of a bond house, broker or other intermediary (unless otherwise specified herein), or with a view to the distribution or resale thereof, provided that the right is reserved by the Series A Purchaser to dispose of all or any part of such Series A Bonds if in the future it is deemed advisable to do so.

(4) It understands that the Series A Bonds being purchased shall be special obligations of the Agency, payable by the Agency solely from the lease rentals, revenues and receipts derived from or in connection with the Facility.

(5) It understands that the Series A Bonds shall never constitute a debt of the State of New York nor of The City of New York and neither the State of New York nor The City of New York shall be liable on the Series A Bonds.

(6) It understands that the Agency has no power of taxation.

(7) It understands that neither the members, directors, officers or agents of the Agency nor any person executing the Series A Bonds shall be liable personally or be subject to any personal liability or accountability by reason of or in connection with the issuance thereof.

(8) It understands that the Agency makes no representation or warranty, express or implied, with respect to the merchantability, condition or workmanship of any part of the Facility or the suitability of the Facility for the purposes or needs of the Lessee or the extent to which proceeds derived from the sale of the Series A Bonds will be sufficient to pay the cost of the Project.

(9) It has not requested nor received any information concerning the Lessee from the Agency which it as a reasonable investor deems important in reaching an investment decision to purchase the Series A Bonds. It is not relying on the Agency with respect to the financial condition of the Lessee, or the creditworthiness of the Lessee, or of the competency or integrity of the management of the Lessee, or of the suitability of the Facility for the business or purposes of the Lessee. It has made an independent evaluation of the factors aforementioned in this subsection (9) without reliance upon the Agency for any of them.

(10) It has not relied upon the determination of the Agency to issue its Obligations to finance a portion of the cost of the Project for evaluating the financial condition or creditworthiness of the Lessee, or the competency or integrity of the management of the Lessee, or the suitability of the Facility for the business or purposes of the Lessee or for any other purpose.

(11) It understands that the Agency does not in any way represent that the insurance required by the Lease Agreement, whether in scope or coverage or limits of coverage, is adequate or sufficient to protect the business or interest of the Lessee.

CHASE MANHATTAN SERVICE CORPORATION,
as Series A Purchaser

By _____
Name: Lester J. Stephens, Jr.
Title: Treasurer

Dated: November 3, 1989.

November 3, 1989

New York City Industrial
Development Agency
110 William Street
New York, New York 10038

Hawkins, Delafield & Wood
67 Wall Street
New York, New York 10005

Re: New York City Industrial Development Agency
\$2,100,000 Industrial Development Revenue Bonds
(The Chase Manhattan Bank, N.A. Project), Series A

Gentlemen:

This letter is being submitted to you in connection with the issuance by the New York City Industrial Development Agency (the "Agency") of its \$2,100,000 aggregate principal amount of Industrial Development Revenue Bonds (The Chase Manhattan Bank, N.A. Project), Series A (the "Series A Bonds") and the sale of the Series A Bonds at the request of The Chase Manhattan Bank, N.A. (the "Company") to Chase Manhattan Service Corporation (the "Series A Purchaser").

The Company is affiliated with the Series A Purchaser. This letter is intended to provide the Agency and its counsel with comfort that the issuance by the Agency of the Series A Bonds and the sale of the Series A Bonds to the Series A Purchaser will be a transaction based on arm's-length terms between the Series A Purchaser and the Company.

It is the present intention of the Series A Purchaser and the Series A Purchaser hereby represents as follows:

(a) The interest rate and other terms related to the financing and the purchase of the Series A Bonds by the Series A Purchaser have been determined in a manner intended to approximate market rates, consistent with those which would prevail between an unrelated creditor and the Company for similar obligations.

(b) The Series A Purchaser will treat the Series A Bonds as an acquisition of an interest-bearing debt instrument in accordance with generally accepted accounting principles.

CHASE MANHATTAN SERVICE CORPORATION,
as Series A Purchaser

By _____
Name: Lester J. Stephens, Jr.
Title: Treasurer

FORM OF SALES TAX AUTHORIZATION LETTER

SALES TAX LETTER

November 3, 1989

TO WHOM IT MAY CONCERN

Re: New York City Industrial Development Agency
The Chase Manhattan Bank, N.A. Project

Gentlemen:

The New York City Industrial Development Agency (the "Agency"), by this notice, hereby advises you as follows:

1. The Agency constitutes a corporate governmental agency and a public benefit corporation under the laws of the State of New York, and therefore, in the exercise of its governmental functions, including the issuance of its bonds or notes, is exempt from the imposition of any sales and use tax. As an exempt governmental entity, no exempt organization identification number has been issued to the Agency nor is one required.

2. Pursuant to a resolution adopted by the Agency on December 13, 1988, and the Lease Agreement dated as of November 1, 1989 between the Agency and the Company referred to below (the "Lease Agreement"), the Agency has authorized The Chase Manhattan Bank, N.A., a national banking association (the "Company"), to act as its agent to acquire, construct, equip, lease, sublease, license, furnish, install, maintain, repair and replace an industrial and commercial facility in The City of New York consisting of (i) the acquisition of a parcel of land in the Borough of Brooklyn described in Schedule 1 attached hereto, (ii) the construction of a building and improvements thereon, (the "CFSC"), (iii) the acquisition, leasing, subleasing, licensing, installation, maintenance, repair and replacement of machinery, equipment, furniture, furnishings, fixtures and other items of personalty therein or thereabout, including items of computer hardware and software, all for use primarily in connection with the financial services processing operations of the Company, and (iv) the acquisition, leasing, licensing, subleasing and installation of other items of such machinery, equipment and other personalty for use by the Company in or about its other facilities within The City of New York in connection with the aforementioned operations (the "Project").

3. In connection with such resolution and Lease Agreement and pursuant to the authority therein granted, the Agency authorizes the Company to act as its agent in connection

with the acquisition, construction, leasing, subleasing, licensing, equipping, furnishing, installing, maintenance, repair and replacement from time to time of facilities, systems, tangible or intangible personal property, equipment and machinery at the CFSC or another Chase Site (as hereinafter defined), provided, however, that the authorization set forth herein shall (i) terminate upon the earlier of the termination of the Lease Agreement or a reversion of title with respect to CFSC, and (ii) be limited in scope as set forth in Schedule 2 attached hereto. "Chase Site" shall mean any office of the Company in The City of New York, other than retail branches, at which the Company conducts financial services processing operations and related operations and executive and administrative offices, other than the CFSC, as certified to the Agency by the Company.

4. As agent for the Agency, the Company agrees that each contract, invoice, bill or purchase order relating to the Project where the Company is acting as agent for the Agency, and seeks to enjoy the benefit of the Agency's tax-exempt status, shall include, incorporate by reference or otherwise be subject to the following language:

"This contract is being entered into by The Chase Manhattan Bank, N.A. (the "Company") as agent for and on behalf of the New York City Industrial Development Agency (the "Agency") in connection with the acquisition, leasing, subleasing, licensing, construction, equipping, furnishing, installation, maintenance, repair and replacement from time to time of facilities, systems, tangible or intangible personal property, equipment and machinery at CFSC or another Chase Site for use by the Company in its financial services processing operations and related operations and for executive and administrative offices (the "Project"). The materials and labor to be used in this construction, reconstruction, renovation, upgrading, improving, maintaining, repairing, replacing and equipment acquisition, rental or licensing shall be exempt from the sales tax levied by the State and City of New York on the condition that (i) such materials are delivered to any of the Project location(s) identified above and are installed in and as part of or otherwise used at the Project, (ii) the labor or maintenance is performed at or in connection with such Project location(s) and (iii) the liability of the Agency under this contract shall be limited only to the proceeds of the bonds, notes or other obligations of the Agency as may be used to finance the cost of the Project. In the event that the proceeds of

such bonds, notes or other obligations are insufficient to pay or reimburse all or any part of such costs, the Agency shall not be liable, either directly or indirectly, or contingently upon this contract in any manner and to any extent whatsoever, and the Company shall be the sole party liable hereunder. By execution or acceptance of this Contract, the vendor, lessor or licensor hereunder hereby accepts the terms and conditions set forth in this paragraph."

5. By execution by the Company of its acceptance of the terms of this letter, the Company agrees to accept the terms hereof and represents and warrants to the Agency that the Company's use of this letter is strictly for the purposes above stated.

6. The exemption provided for in this letter shall continue until the achievement of the Maximum Post Completion Benefits Amount (as defined in the Lease Agreement), subject to the continued annual confirmation by the Agency of the effectiveness of this letter as provided in Schedule 3 attached hereto and made a part hereof.

The signature of a representative of the Company where indicated below will indicate that the Company has accepted the terms hereof.

NEW YORK CITY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Calvin Baker,
Executive Director

ACCEPTED AND AGREED TO BY:

THE CHASE MANHATTAN BANK, N.A.

By: _____
Name: Herbert M. Cohen
Title: Vice President

SCHEDULE 1

Description of CFSC

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York more particularly described as follows:

That certain parcel described as Block 2058 of the Tax Map of the City of New York for the Borough of Brooklyn as said Tax map existed on June 18, 1987, Lots 17, 18, 23, 24, 25, 27, 28, 29, 30, 35, 36 and Part of 1, and

That certain parcel described as Block 2059 of the Tax Map of the City of New York for the Borough of Brooklyn as said Tax Map existed on June 18, 1987, Lots 1, 2, 3, 4, 7, 8, 12, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 35, 36, 39, 44, 48, 51, 52, 53, and 54.

SCHEDULE 2

Sale Tax Exemptions for the CFSC*

Exemptions from sales tax relating to the following categories:

(1) the construction, reconstruction, renovation, alteration, repairs, replacement, improvement or addition with respect to all structures, buildings or improvements now or at any time located at the CFSC, including, without limitation, (i) the core and shell of any buildings, (ii) leasehold improvements to such buildings and (iii) the rental of cranes and other construction equipment in connection with such construction, reconstruction, renovation, repairs, replacement, improvement or addition;

(2) the acquisition, maintenance, repair, replacement and installation of machinery, equipment, furniture, furnishings, fixtures and other tangible and intangible personal property for use at the CFSC, including, without limitation, mainframe computers (and peripherals), personal computers, telecommunications equipment, business machines and software, but excluding ordinary office supplies such as pencils, paper clips and paper;

(3) the leasing, subleasing or licensing of machinery, equipment, furniture, furnishings, fixtures and other tangible and intangible personal property (including the maintenance, repair, replacement, enhancement and addition with respect to such items) for use at the CFSC, including, without limitation, mainframe computers (and peripherals), personal computers, telecommunications equipment, business machines and software; and

(4) maintenance and service contracts for the maintenance of machinery, computers, software, telecommunications equipment and other personalty used at the CFSC.

* After the Real Property Termination Date (as defined in the Lease Agreement), category (1) above shall be terminated and all furniture, furnishings, and fixtures shall be terminated under categories (2), (3) and (4) above.

Sale Tax Exemptions for Chase Sites*

Exemption from sales tax relating to the following categories of items used at any Chase Site:

(1) the acquisition, replacement and installation of mainframe computers (and peripherals), personal computers, telecommunications equipment, equipment relating to the operation of the three foregoing categories and software; and

** (2) the leasing, subleasing and licensing of mainframe computers (and peripherals), personal computers, telecommunications equipment, equipment relating to the operation of the three foregoing categories and software *** for use in connection with the foregoing equipment.

* Prior to the Substantial Completion Date of the CFSC, the only authorized Chase Sites shall be 1 New York Plaza, 59 Maiden Lane, 80 Pine Street, 33 Maiden Lane, the World Trade Center, 1411 Broadway and 20 Pine Street (except for any retail branches of the Company), all within Manhattan in The City of New York, and only if each item is to be moved to the CFSC on or about the Substantial Completion Date of the CFSC.

** This category shall only be used by the Company after the Substantial Completion Date (as defined in the Lease Agreement) of the CFSC.

*** Prior to the Substantial Completion Date of the CFSC, the purchase and rental of software must be in excess of \$10,000 (in the case of leases, subleases and licenses such that the aggregate annual rental must exceed \$10,000).

SCHEDULE 3

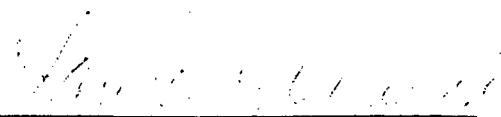
ANNUAL CONFIRMATION BY AGENCY OF
EFFECTIVENESS OF SALES TAX LETTER

<u>Effective Period</u> (but not later than the achievement of the <u>Maximum Post Completion Benefits Amount</u>)	<u>Confirming Agency Signature</u>
November 3, 1989 through December 31, 1990	_____
January 1, 1991 through December 31, 1991	_____
January 1, 1992 through December 31, 1992	_____
January 1, 1993 through December 31, 1993	_____
January 1, 1994 through December 31, 1994	_____
January 1, 1995 through December 31, 1995	_____
January 1, 1996 through December 31, 1996	_____
January 1, 1997 through December 31, 1997	_____
January 1, 1998 through December 31, 1998	_____
January 1, 1999 through December 31, 1999	_____
January 1, 2000 through December 31, 2000	_____
January 1, 2001 through December 31, 2001	_____
January 1, 2002 through December 31, 2002	_____
January 1, 2003 through December 31, 2003	_____
January 1, 2004 through December 31, 2004	_____
January 1, 2005 through December 31, 2005	_____
January 1, 2006 through December 31, 2006	_____
January 1, 2007 through December 31, 2007	_____
January 1, 2008 through December 31, 2008	_____
January 1, 2009 through December 31, 2009	_____
January 1, 2010 through December 31, 2010	_____

January 1, 2011 through December 31, 2011	_____
January 1, 2012 through December 31, 2012	_____
January 1, 2013 through December 31, 2013	_____
January 1, 2014 through December 31, 2014	_____
January 1, 2015 through December 31, 2015	_____
January 1, 2016 through December 31, 2016	_____
January 1, 2017 through December 31, 2017	_____

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

On the 3rd day of November, in the year one thousand nine hundred and eighty-nine, before me personally came Calvin Baker, to me known, who being by me duly sworn, did depose and say that he resides at 488 Quincy Street, Brooklyn, New York; that he is the Executive Director of New York City Industrial Development Agency, the Agency described in and which executed the above instrument; that he knows the seal of said Agency; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the board of directors of said Agency, and that he signed his name thereto by like authority.




Notary Public

LAURA J. WINICK
NOTARY PUBLIC, State of New York
No. 24-4631716 Qual. in Kings Co.
Certificate Filed in New York Co.
Commission Expires March 30, 1990

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

On the 3rd day of November, in the year one thousand nine hundred and eighty-nine, before me personally came George N. Scandalios, to me known, who being by me duly sworn, did depose and say that he has a business address at One Chase Manhattan Plaza, New York, New York; that he is the Senior Vice President of The Chase Manhattan Bank, N.A., the Lessee described in and which executed the above instrument; that he knows the seal of said Lessee; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said Lessee; and that he signed his name thereto by like authority.



Notary Public

LAURA J. WINICK
NOTARY PUBLIC, State of New York
No. 24-4621716 Qual. in Kings Co.
Certificate Filed in New York Co.
Commission Expires March 30, 1990