

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark one)

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

For the quarterly period ended: March 31, 2019
Or _____

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

For the transition period from: _____ to _____

Commission File Number: 001-11954 (Vornado Realty Trust)

Commission File Number: 001-34482 (Vornado Realty L.P.)

Vornado Realty Trust
Vornado Realty L.P.

(Exact name of registrants as specified in its charter)

Vornado Realty Trust Maryland 22-1657560
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

Vornado Realty L.P. Delaware 13-3925979
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

888 Seventh Avenue, New York, New York 10019
(Address of principal executive offices) (Zip Code)

(212) 894-7000
(Registrants' telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Vornado Realty Trust: Yes No Vornado Realty L.P.: Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Vornado Realty Trust: Yes No Vornado Realty L.P.: Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Vornado Realty Trust:

Large Accelerated Filer
 Non-Accelerated Filer

Accelerated Filer
 Smaller Reporting Company
 Emerging Growth Company

Vornado Realty L.P.:

Large Accelerated Filer
 Non-Accelerated Filer

Accelerated Filer
 Smaller Reporting Company
 Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Vornado Realty Trust: Yes No Vornado Realty L.P.: Yes No

As of March 31, 2019, 190,761,498 of Vornado Realty Trust's common shares of beneficial interest are outstanding.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the period ended March 31, 2019 of Vornado Realty Trust and Vornado Realty L.P. Unless stated otherwise or the context otherwise requires, references to “Vornado” refer to Vornado Realty Trust, a Maryland real estate investment trust (“REIT”), and references to the “Operating Partnership” refer to Vornado Realty L.P., a Delaware limited partnership. References to the “Company,” “we,” “us” and “our” mean collectively Vornado, the Operating Partnership and those subsidiaries consolidated by Vornado.

The Operating Partnership is the entity through which we conduct substantially all of our business and own, either directly or through subsidiaries, substantially all of our assets. Vornado is the sole general partner and also a 93.4% limited partner of the Operating Partnership. As the sole general partner of the Operating Partnership, Vornado has exclusive control of the Operating Partnership’s day-to-day management.

Under the limited partnership agreement of the Operating Partnership, unitholders may present their Class A units for redemption at any time (subject to restrictions agreed upon at the time of issuance of the units that may restrict such right for a period of time). Class A units may be tendered for redemption to the Operating Partnership for cash; Vornado, at its option, may assume that obligation and pay the holder either cash or Vornado common shares on a one-for-one basis. Because the number of Vornado common shares outstanding at all times equals the number of Class A units owned by Vornado, the redemption value of each Class A unit is equivalent to the market value of one Vornado common share, and the quarterly distribution to a Class A unitholder is equal to the quarterly dividend paid to a Vornado common shareholder. This one-for-one exchange ratio is subject to specified adjustments to prevent dilution. Vornado generally expects that it will elect to issue its common shares in connection with each such presentation for redemption rather than having the Operating Partnership pay cash. With each such exchange or redemption, Vornado’s percentage ownership in the Operating Partnership will increase. In addition, whenever Vornado issues common shares other than to acquire Class A units of the Operating Partnership, Vornado must contribute any net proceeds it receives to the Operating Partnership and the Operating Partnership must issue to Vornado an equivalent number of Class A units of the Operating Partnership. This structure is commonly referred to as an umbrella partnership REIT, or UPREIT.

The Company believes that combining the quarterly reports on Form 10-Q of Vornado and the Operating Partnership into this single report provides the following benefits:

- enhances investors’ understanding of Vornado and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation because a substantial portion of the disclosure applies to both Vornado and the Operating Partnership; and
- creates time and cost efficiencies in the preparation of one combined report instead of two separate reports.

The Company believes it is important to understand the few differences between Vornado and the Operating Partnership in the context of how Vornado and the Operating Partnership operate as a consolidated company. The financial results of the Operating Partnership are consolidated into the financial statements of Vornado. Vornado does not have any significant assets, liabilities or operations, other than its investment in the Operating Partnership. The Operating Partnership, not Vornado, generally executes all significant business relationships other than transactions involving the securities of Vornado. The Operating Partnership holds substantially all of the assets of Vornado. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from equity offerings by Vornado, the net proceeds of debt offerings by Vornado, and the net proceeds which are contributed to the Operating Partnership in exchange for debt securities of the Operating Partnership, which are contributed to the capital of the Operating Partnership in exchange for units of limited partnership in the Operating Partnership, as applicable, the Operating Partnership generates all remaining capital required by the Company’s business. These sources may include working capital, net cash provided by operating activities, borrowings under the revolving credit facility, the issuance of secured and unsecured debt and equity securities and proceeds received from the disposition of certain properties.

To help investors better understand the key differences between Vornado and the Operating Partnership, certain information for Vornado and the Operating Partnership in this report has been separated, as set forth below:

- Item 1. Financial Statements (unaudited), which includes the following specific disclosures for Vornado Realty Trust and Vornado Realty L.P.:
 - Note 12. Redeemable Noncontrolling Interests/Redeemable Partnership Units
 - Note 13. Shareholders' Equity/Partners' Capital
 - Note 19. Income (Loss) Per Share/Income (Loss) Per Class A Unit
- Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations includes information specific to each entity, where applicable.

This report also includes separate Part I, Item 4. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of Vornado and the Operating Partnership in order to establish that the requisite certifications have been made and that Vornado and the Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

VORNADO REALTY TRUST
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Amounts in thousands, except unit, share, and per share amounts)

	March 31, 2019	December 31, 2018
ASSETS		
Real estate, at cost:		
Land	\$ 2,608,770	\$ 3,306,280
Buildings and improvements	7,821,301	10,110,992
Development costs and construction in progress	1,961,512	2,266,491
Moynihan Train Hall development expenditures	550,996	445,693
Leasehold improvements and equipment	115,756	108,427
Total	13,058,335	16,237,883
Less accumulated depreciation and amortization	(2,845,120)	(3,180,175)
Real estate, net	10,213,215	13,057,708
Assets held for sale	3,027,058	—
Right-of-use assets	457,662	—
Cash and cash equivalents	307,047	570,916
Restricted cash	593,759	145,989
Marketable securities	39,866	152,198
Tenant and other receivables, net of allowance for doubtful accounts of \$4,154 as of December 31, 2018	73,404	73,322
Investments in partially owned entities	730,264	858,113
Real estate fund investments	322,858	318,758
220 Central Park South condominium units ready for sale	229,567	99,627
Receivable arising from the straight-lining of rents, net of allowance of \$1,644 as of December 31, 2018	766,634	935,131
Deferred leasing costs, net of accumulated amortization of \$180,953 and \$207,529	345,241	400,313
Identified intangible assets, net of accumulated amortization of \$97,749 and \$172,114	34,161	136,781
Other assets	497,219	431,938
	<u>\$ 17,637,955</u>	<u>\$ 17,180,794</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Mortgages payable, net	\$ 6,519,189	\$ 8,167,798
Senior unsecured notes, net	845,261	844,002
Unsecured term loan, net	745,076	744,821
Unsecured revolving credit facilities	530,000	80,000
Liabilities related to assets held for sale	1,097,350	—
Lease liabilities	484,173	—
Moynihan Train Hall obligation	550,996	445,693
Accounts payable and accrued expenses	442,496	430,976
Deferred revenue	71,328	167,730
Deferred compensation plan	101,922	96,523
Other liabilities	292,187	311,806
Total liabilities	11,679,978	11,289,349
Commitments and contingencies		
Redeemable noncontrolling interests:		
Class A units - 12,789,891 and 12,544,477 units outstanding	862,550	778,134
Series D cumulative redeemable preferred units - 141,401 and 177,101 units outstanding	4,535	5,428
Total redeemable noncontrolling interests	867,085	783,562
Shareholders' equity:		
Preferred shares of beneficial interest: no par value per share; authorized 110,000,000 shares; issued and outstanding 36,797,580 and 36,798,580 shares	891,263	891,294
Common shares of beneficial interest: \$0.04 par value per share; authorized 250,000,000 shares; issued and outstanding 190,761,498 and 190,535,499 shares	7,609	7,600
Additional capital	7,676,770	7,725,857
Earnings less than distributions	(4,120,265)	(4,167,184)
Accumulated other comprehensive (loss) income	(11,385)	7,664
Total shareholders' equity	4,443,992	4,465,231
Noncontrolling interests in consolidated subsidiaries	646,900	642,652
Total equity	<u>\$ 17,637,955</u>	<u>\$ 17,180,794</u>

See notes to consolidated financial statements (unaudited).

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(Amounts in thousands, except per share amounts)

	For the Three Months Ended March 31,	
	2019	2018
REVENUES:		
Rental revenues	\$ 499,877	\$ 500,420
Fee and other income	34,791	36,017
Total revenues	534,668	536,437
EXPENSES:		
Operating	(246,895)	(237,602)
Depreciation and amortization	(116,709)	(108,686)
General and administrative	(58,020)	(42,533)
(Expense) benefit from deferred compensation plan liability	(5,433)	404
Transaction related costs and other	(149)	(13,156)
Total expenses	(427,206)	(401,573)
Income (loss) from partially owned entities	7,320	(9,904)
Loss from real estate fund investments	(167)	(8,807)
Interest and other investment income (loss), net	5,045	(24,384)
Income (loss) from deferred compensation plan assets	5,433	(404)
Interest and debt expense	(102,463)	(88,166)
Net gains on disposition of wholly owned and partially owned assets	220,294	—
Income before income taxes	242,924	3,199
Income tax expense	(29,743)	(2,554)
Income from continuing operations	213,181	645
Loss from discontinued operations	(137)	(363)
Net income	213,044	282
Less net (income) loss attributable to noncontrolling interests in:		
Consolidated subsidiaries	(6,820)	8,274
Operating Partnership	(12,202)	1,124
Net income attributable to Vornado	194,022	9,680
Preferred share dividends	(12,534)	(13,035)
Preferred share issuance costs	—	(14,486)
NET INCOME (LOSS) attributable to common shareholders	\$ 181,488	\$ (17,841)
INCOME (LOSS) PER COMMON SHARE – BASIC:		
Net income (loss) per common share	\$ 0.95	\$ (0.09)
Weighted average shares outstanding	190,689	190,081
INCOME (LOSS) PER COMMON SHARE – DILUTED:		
Net income (loss) per common share	\$ 0.95	\$ (0.09)
Weighted average shares outstanding	190,996	190,081

See notes to consolidated financial statements (unaudited).

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Net income	\$ 213,044	\$ 282
Other comprehensive (loss) income:		
(Reduction) increase in value of interest rate swaps	(17,029)	10,258
Amount reclassified from accumulated other comprehensive loss relating to a nonconsolidated subsidiary	(2,311)	—
Other comprehensive (loss) income of nonconsolidated subsidiaries	(985)	346
Comprehensive income	192,719	10,886
Less comprehensive (income) loss attributable to noncontrolling interests	(17,746)	8,744
Comprehensive income attributable to Vornado	<u>\$ 174,973</u>	<u>\$ 19,630</u>

See notes to consolidated financial statements (unaudited).

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

(Amounts in thousands)

	Preferred Shares		Common Shares		Additional Capital	Earnings Less Than Distributions	Accumulated Other Comprehensive (Loss) Income	Non-controlling Interests in Consolidated Subsidiaries	Total Equity
	Shares	Amount	Shares	Amount					
Balance, December 31, 2018	36,800	\$ 891,294	190,535	\$ 7,600	\$ 7,725,857	\$ (4,167,184)	\$ 7,664	\$ 642,652	\$ 5,107,883
Net income attributable to Vornado	—	—	—	—	—	194,022	—	—	194,022
Net income attributable to noncontrolling interests in consolidated subsidiaries	—	—	—	—	—	—	—	6,820	6,820
Dividends on common shares	—	—	—	—	—	(125,876)	—	—	(125,876)
Dividends on preferred shares	—	—	—	—	—	(12,534)	—	—	(12,534)
Common shares issued:									
Upon redemption of Class A units, at redemption value	—	—	48	2	3,179	—	—	—	3,181
Under employees' share option plan	—	—	162	7	1,164	(8,692)	—	—	(7,521)
Under dividend reinvestment plan	—	—	5	—	340	—	—	—	340
Contributions:									
Real estate fund investments	—	—	—	—	—	—	—	3,384	3,384
Other	—	—	—	—	—	—	—	1,810	1,810
Distributions:									
Real estate fund investments	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	(7,764)	(7,764)
Conversion of Series A preferred shares to common shares	(1)	(31)	2	—	31	—	—	—	—
Deferred compensation shares and options	—	—	9	—	297	—	—	—	297
Amount reclassified related to a nonconsolidated subsidiary	—	—	—	—	—	—	(2,311)	—	(2,311)
Other comprehensive loss of nonconsolidated subsidiaries	—	—	—	—	—	—	(985)	—	(985)
Reduction in value of interest rate swaps	—	—	—	—	—	—	(17,029)	—	(17,029)
Unearned 2016 Out-Performance Plan awards acceleration	—	—	—	—	11,720	—	—	—	11,720
Adjustments to carry redeemable Class A units at redemption value	—	—	—	—	(65,818)	—	—	—	(65,818)
Redeemable noncontrolling interests' share of above adjustments	—	—	—	—	—	—	1,276	—	1,276
Other	(1)	—	—	—	—	(1)	—	(2)	(3)
Balance, March 31, 2019	<u>36,798</u>	<u>\$ 891,263</u>	<u>190,761</u>	<u>\$ 7,609</u>	<u>\$ 7,676,770</u>	<u>\$ (4,120,265)</u>	<u>\$ (11,385)</u>	<u>\$ 646,900</u>	<u>\$ 5,090,892</u>

See notes to consolidated financial statements (unaudited).

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - CONTINUED
(UNAUDITED)

(Amounts in thousands)

	Preferred Shares		Common Shares		Additional Capital	Earnings Less Than Distributions	Accumulated Other Comprehensive Income	Non-controlling Interests in Consolidated Subsidiaries	Total Equity
	Shares	Amount	Shares	Amount					
Balance, December 31, 2017	36,800	\$ 891,988	189,984	\$ 7,577	\$ 7,492,658	\$ (4,183,253)	\$ 128,682	\$ 670,049	\$ 5,007,701
Cumulative effect of accounting change	—	—	—	—	—	122,893	(108,374)	—	14,519
Net income attributable to Vornado	—	—	—	—	—	9,680	—	—	9,680
Net loss attributable to noncontrolling interests in consolidated subsidiaries	—	—	—	—	—	—	—	(8,274)	(8,274)
Dividends on common shares	—	—	—	—	—	(119,764)	—	—	(119,764)
Dividends on preferred shares	—	—	—	—	—	(13,035)	—	—	(13,035)
Preferred share issuance costs	—	—	—	—	—	(14,486)	—	—	(14,486)
Common shares issued:									
Upon redemption of Class A units, at redemption value	—	—	118	5	8,387	—	—	—	8,392
Under employees' share option plan	—	—	55	2	3,432	—	—	—	3,434
Under dividend reinvestment plan	—	—	5	—	335	—	—	—	335
Contributions	—	—	—	—	—	—	—	8,370	8,370
Distributions:									
Real estate fund investments	—	—	—	—	—	—	—	(1,910)	(1,910)
Other	—	—	—	—	—	—	—	(3,450)	(3,450)
Preferred share issuance	—	(663)	—	—	—	—	—	—	(663)
Deferred compensation shares and options	—	—	7	—	298	(121)	—	—	177
Other comprehensive income of nonconsolidated subsidiaries	—	—	—	—	—	—	346	—	346
Increase in value of interest rate swaps	—	—	—	—	—	—	10,258	—	10,258
Unearned 2015 Out-Performance Plan awards acceleration	—	—	—	—	9,046	—	—	—	9,046
Adjustments to carry redeemable Class A units at redemption value	—	—	—	—	114,856	—	—	—	114,856
Redeemable noncontrolling interests' share of above adjustments	—	—	—	—	—	—	(654)	—	(654)
Other	—	—	—	—	1	(2)	—	1	—
Balance, March 31, 2018	<u>36,800</u>	<u>\$ 891,325</u>	<u>190,169</u>	<u>\$ 7,584</u>	<u>\$ 7,629,013</u>	<u>\$ (4,198,088)</u>	<u>\$ 30,258</u>	<u>\$ 664,786</u>	<u>\$ 5,024,878</u>

See notes to consolidated financial statements (unaudited).

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Cash Flows from Operating Activities:		
Net income	\$ 213,044	\$ 282
Adjustments to reconcile net income to net cash provided by operating activities:		
Net gains on disposition of wholly owned and partially owned assets	(220,294)	—
Depreciation and amortization (including amortization of deferred financing costs)	123,135	115,337
Stock-based compensation expense	31,654	13,669
Distributions of income from partially owned entities	14,316	20,559
Equity in net (income) loss of partially owned entities	(7,320)	9,904
Amortization of below-market leases, net	(6,525)	(10,581)
Straight-lining of rents	1,140	(7,430)
(Increase) decrease in fair value of marketable securities	(461)	32,986
Net realized and unrealized (gain) loss on real estate fund investments	(100)	911
Return of capital from real estate fund investments	—	14,966
Other non-cash adjustments	1,639	1,067
Changes in operating assets and liabilities:		
Real estate fund investments	(4,000)	(2,950)
Tenant and other receivables, net	(835)	(5,702)
Prepaid assets	(82,862)	77,053
Other assets	(6,044)	(15,151)
Accounts payable and accrued expenses	10,426	19,835
Other liabilities	(2,795)	663
Net cash provided by operating activities	<u>64,118</u>	<u>265,418</u>
Cash Flows from Investing Activities:		
Proceeds from sale of condominium units at 220 Central Park South	425,484	—
Proceeds from sales of marketable securities	167,755	—
Development costs and construction in progress	(143,302)	(86,808)
Moynihan Train Hall expenditures	(123,533)	—
Proceeds from sale of real estate and related investment	108,512	—
Additions to real estate	(55,759)	(54,284)
Distributions of capital from partially owned entities	24,851	2,086
Investments in partially owned entities	(918)	(7,519)
Proceeds from repayments of loans receivable	204	—
Acquisitions of real estate and other	—	(44,095)
Net cash provided by (used in) investing activities	<u>403,294</u>	<u>(190,620)</u>

See notes to consolidated financial statements (unaudited).

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
(UNAUDITED)

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Cash Flows from Financing Activities:		
Repayments of borrowings	\$ (686,555)	\$ (144,822)
Proceeds from borrowings	456,741	185,701
Dividends paid on common shares	(125,876)	(119,764)
Moynihan Train Hall reimbursement from Empire State Development	123,533	—
Distributions to noncontrolling interests	(16,252)	(13,266)
Dividends paid on preferred shares	(12,534)	(16,628)
Debt issuance costs	(10,860)	(3,300)
Repurchase of shares related to stock compensation agreements and related tax withholdings and other	(8,692)	(784)
Contributions from noncontrolling interests	5,194	8,370
Proceeds received from exercise of employee share options and other	1,511	3,769
Redemption of preferred shares	(893)	(470,000)
Debt prepayment and extinguishment costs	—	(818)
Net cash used in financing activities	<u>(274,683)</u>	<u>(571,542)</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	192,729	(496,744)
Cash and cash equivalents and restricted cash at beginning of period	716,905	1,914,812
Cash and cash equivalents and restricted cash at end of period	<u>\$ 909,634</u>	<u>\$ 1,418,068</u>
Reconciliation of Cash and Cash Equivalents and Restricted Cash:		
Cash and cash equivalents at beginning of period	\$ 570,916	\$ 1,817,655
Restricted cash at beginning of period	145,989	97,157
Cash and cash equivalents and restricted cash at beginning of period	<u>\$ 716,905</u>	<u>\$ 1,914,812</u>
Cash and cash equivalents at end of period	\$ 307,047	\$ 1,327,384
Restricted cash at end of period	593,759	90,684
Restricted cash included in "assets held for sale" at end of period	8,828	—
Cash and cash equivalents and restricted cash at end of period	<u>\$ 909,634</u>	<u>\$ 1,418,068</u>
Supplemental Disclosure of Cash Flow Information:		
Cash payments for interest, excluding capitalized interest of \$21,371 and \$13,272	<u>\$ 85,796</u>	<u>\$ 84,566</u>
Cash payments for income taxes	<u>\$ 8,741</u>	<u>\$ 1,646</u>
Non-Cash Investing and Financing Activities:		
Reclassification of assets and related liabilities held for sale:		
Assets held for sale	\$ 3,027,058	\$ —
Liabilities related to assets held for sale	1,097,350	—
Lease liabilities arising from the recognition of right-of-use assets	526,866	—
Reclassification of condominium units from "development costs and construction in progress" to "220 Central Park South condominium units ready for sale"	395,893	—
Accrued capital expenditures included in accounts payable and accrued expenses	77,115	51,431
Adjustments to carry redeemable Class A units at redemption value	(65,818)	114,856
Write-off of fully depreciated assets	(58,309)	(15,707)
Amounts related to our investment in Pennsylvania Real Estate Investment Trust reclassified from "investments in partially owned entities" and "accumulated other comprehensive income" to "marketable securities" upon conversion of operating partnership units to common shares	54,962	—

See notes to consolidated financial statements (unaudited).

VORNADO REALTY L.P.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Amounts in thousands, except unit amounts)

ASSETS	March 31, 2019	December 31, 2018
Real estate, at cost:		
Land	\$ 2,608,770	\$ 3,306,280
Buildings and improvements	7,821,301	10,110,992
Development costs and construction in progress	1,961,512	2,266,491
Moynihan Train Hall development expenditures	550,996	445,693
Leasehold improvements and equipment	115,756	108,427
Total	13,058,335	16,237,883
Less accumulated depreciation and amortization	(2,845,120)	(3,180,175)
Real estate, net	10,213,215	13,057,708
Assets held for sale	3,027,058	—
Right-of-use assets	457,662	—
Cash and cash equivalents	307,047	570,916
Restricted cash	593,759	145,989
Marketable securities	39,866	152,198
Tenant and other receivables, net of allowance for doubtful accounts of \$4,154 as of December 31, 2018	73,404	73,322
Investments in partially owned entities	730,264	858,113
Real estate fund investments	322,858	318,758
220 Central Park South condominium units ready for sale	229,567	99,627
Receivable arising from the straight-lining of rents, net of allowance of \$1,644 as of December 31, 2018	766,634	935,131
Deferred leasing costs, net of accumulated amortization of \$180,953 and \$207,529	345,241	400,313
Identified intangible assets, net of accumulated amortization of \$97,749 and \$172,114	34,161	136,781
Other assets	497,219	431,938
	<u>\$ 17,637,955</u>	<u>\$ 17,180,794</u>
LIABILITIES, REDEEMABLE PARTNERSHIP UNITS AND EQUITY		
Mortgages payable, net	\$ 6,519,189	\$ 8,167,798
Senior unsecured notes, net	845,261	844,002
Unsecured term loan, net	745,076	744,821
Unsecured revolving credit facilities	530,000	80,000
Liabilities related to assets held for sale	1,097,350	—
Lease liabilities	484,173	—
Moynihan Train Hall obligation	550,996	445,693
Accounts payable and accrued expenses	442,496	430,976
Deferred revenue	71,328	167,730
Deferred compensation plan	101,922	96,523
Other liabilities	292,187	311,806
Total liabilities	11,679,978	11,289,349
Commitments and contingencies		
Redeemable partnership units:		
Class A units - 12,789,891 and 12,544,477 units outstanding	862,550	778,134
Series D cumulative redeemable preferred units - 141,401 and 177,101 units outstanding	4,535	5,428
Total redeemable partnership units	867,085	783,562
Partners' equity:		
Partners' capital	8,575,642	8,624,751
Earnings less than distributions	(4,120,265)	(4,167,184)
Accumulated other comprehensive (loss) income	(11,385)	7,664
Total partners' equity	4,443,992	4,465,231
Noncontrolling interests in consolidated subsidiaries	646,900	642,652
Total equity	5,090,892	5,107,883
	<u>\$ 17,637,955</u>	<u>\$ 17,180,794</u>

See notes to consolidated financial statements (unaudited).

VORNADO REALTY L.P.
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(Amounts in thousands, except per unit amounts)

	For the Three Months Ended March 31,	
	2019	2018
REVENUES:		
Rental revenues	\$ 499,877	\$ 500,420
Fee and other income	34,791	36,017
Total revenues	534,668	536,437
EXPENSES:		
Operating	(246,895)	(237,602)
Depreciation and amortization	(116,709)	(108,686)
General and administrative	(58,020)	(42,533)
(Expense) benefit from deferred compensation plan liability	(5,433)	404
Transaction related costs and other	(149)	(13,156)
Total expenses	(427,206)	(401,573)
Income (loss) from partially owned entities	7,320	(9,904)
Loss from real estate fund investments	(167)	(8,807)
Interest and other investment income (loss), net	5,045	(24,384)
Income (loss) from deferred compensation plan assets	5,433	(404)
Interest and debt expense	(102,463)	(88,166)
Net gains on disposition of wholly owned and partially owned assets	220,294	—
Income before income taxes	242,924	3,199
Income tax expense	(29,743)	(2,554)
Income from continuing operations	213,181	645
Loss from discontinued operations	(137)	(363)
Net income	213,044	282
Less net (income) loss attributable to noncontrolling interests in consolidated subsidiaries	(6,820)	8,274
Net income attributable to Vornado Realty L.P.	206,224	8,556
Preferred unit distributions	(12,575)	(13,084)
Preferred unit issuance costs	—	(14,486)
NET INCOME (LOSS) attributable to Class A unitholders	\$ 193,649	\$ (19,014)
INCOME (LOSS) PER CLASS A UNIT – BASIC:		
Net income (loss) per Class A unit	\$ 0.95	\$ (0.10)
Weighted average units outstanding	202,772	201,929
INCOME (LOSS) PER CLASS A UNIT – DILUTED:		
Net income (loss) per Class A unit	\$ 0.95	\$ (0.10)
Weighted average units outstanding	203,344	201,929

See notes to consolidated financial statements (unaudited).

VORNADO REALTY L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Net income	\$ 213,044	\$ 282
Other comprehensive (loss) income:		
(Reduction) increase in value of interest rate swaps	(17,029)	10,258
Amount reclassified from accumulated other comprehensive loss relating to a nonconsolidated subsidiary	(2,311)	—
Other comprehensive (loss) income of nonconsolidated subsidiaries	(985)	346
Comprehensive income	192,719	10,886
Less comprehensive (income) loss attributable to noncontrolling interests in consolidated subsidiaries	(6,820)	8,274
Comprehensive income attributable to Vornado Realty L.P.	<u>\$ 185,899</u>	<u>\$ 19,160</u>

See notes to consolidated financial statements (unaudited).

VORNADO REALTY L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

(Amounts in thousands)

	Preferred Units		Class A Units Owned by Vornado		Earnings Less Than Distributions	Accumulated Other Comprehensive (Loss) Income	Non- controlling Interests in Consolidated Subsidiaries	Total Equity
	Units	Amount	Units	Amount				
Balance, December 31, 2018	36,800	\$ 891,294	190,535	\$ 7,733,457	\$ (4,167,184)	\$ 7,664	\$ 642,652	\$ 5,107,883
Net income attributable to Vornado Realty L.P.	—	—	—	—	206,224	—	—	206,224
Net income attributable to redeemable partnership units	—	—	—	—	(12,202)	—	—	(12,202)
Net income attributable to noncontrolling interests in consolidated subsidiaries	—	—	—	—	—	—	6,820	6,820
Distributions to Vornado	—	—	—	—	(125,876)	—	—	(125,876)
Distributions to preferred unitholders	—	—	—	—	(12,534)	—	—	(12,534)
Class A Units issued to Vornado:								
Upon redemption of redeemable Class A units, at redemption value	—	—	48	3,181	—	—	—	3,181
Under Vornado's employees' share option plan	—	—	162	1,171	(8,692)	—	—	(7,521)
Under Vornado's dividend reinvestment plan	—	—	5	340	—	—	—	340
Contributions:								
Real estate fund investments	—	—	—	—	—	—	3,384	3,384
Other	—	—	—	—	—	—	1,810	1,810
Distributions:								
Other	—	—	—	—	—	—	(7,764)	(7,764)
Conversion of Series A preferred units to Class A units	(1)	(31)	2	31	—	—	—	—
Deferred compensation units and options	—	—	9	297	—	—	—	297
Amount reclassified related to a nonconsolidated subsidiary	—	—	—	—	—	(2,311)	—	(2,311)
Other comprehensive loss of nonconsolidated subsidiaries	—	—	—	—	—	(985)	—	(985)
Reduction in value of interest rate swaps	—	—	—	—	—	(17,029)	—	(17,029)
Unearned 2016 Out-Performance Plan awards acceleration	—	—	—	11,720	—	—	—	11,720
Adjustments to carry redeemable Class A units at redemption value	—	—	—	(65,818)	—	—	—	(65,818)
Redeemable partnership units' share of above adjustments	—	—	—	—	—	1,276	—	1,276
Other	(1)	—	—	—	(1)	—	(2)	(3)
Balance, March 31, 2019	36,798	\$ 891,263	190,761	\$ 7,684,379	\$ (4,120,265)	\$ (11,385)	\$ 646,900	\$ 5,090,892

See notes to consolidated financial statements (unaudited).

VORNADO REALTY L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - CONTINUED
(UNAUDITED)

(Amounts in thousands)

	Preferred Units		Class A Units Owned by Vornado		Earnings Less Than Distributions	Accumulated Other Comprehensive Income	Non- controlling Interests in Consolidated Subsidiaries	Total Equity
	Units	Amount	Units	Amount				
Balance, December 31, 2017	36,800	\$ 891,988	189,984	\$ 7,500,235	\$ (4,183,253)	\$ 128,682	\$ 670,049	5,007,701
Cumulative effect of accounting change	—	—	—	—	122,893	(108,374)	—	14,519
Net income attributable to Vornado Realty L.P.	—	—	—	—	8,556	—	—	8,556
Net income attributable to redeemable partnership units	—	—	—	—	1,124	—	—	1,124
Net loss attributable to noncontrolling interests in consolidated subsidiaries	—	—	—	—	—	—	(8,274)	(8,274)
Distributions to Vornado	—	—	—	—	(119,764)	—	—	(119,764)
Distributions to preferred unitholders	—	—	—	—	(13,035)	—	—	(13,035)
Preferred unit issuance costs	—	—	—	—	(14,486)	—	—	(14,486)
Class A Units issued to Vornado:								
Upon redemption of redeemable Class A units, at redemption value	—	—	118	8,392	—	—	—	8,392
Under Vornado's employees' share option plan	—	—	55	3,434	—	—	—	3,434
Under Vornado's dividend reinvestment plan	—	—	5	335	—	—	—	335
Contributions	—	—	—	—	—	—	8,370	8,370
Distributions:								
Real estate fund investments	—	—	—	—	—	—	(1,910)	(1,910)
Other	—	—	—	—	—	—	(3,450)	(3,450)
Preferred unit issuance	—	(663)	—	—	—	—	—	(663)
Deferred compensation units and options	—	—	7	298	(121)	—	—	177
Other comprehensive income of nonconsolidated subsidiaries	—	—	—	—	—	346	—	346
Increase in value of interest rate swaps	—	—	—	—	—	10,258	—	10,258
Unearned 2015 Out-Performance Plan awards acceleration	—	—	—	9,046	—	—	—	9,046
Adjustments to carry redeemable Class A units at redemption value	—	—	—	114,856	—	—	—	114,856
Redeemable partnership units' share of above adjustments	—	—	—	—	—	(654)	—	(654)
Other	—	—	—	1	(2)	—	1	—
Balance, March 31, 2018	36,800	\$ 891,325	190,169	\$ 7,636,597	\$ (4,198,088)	\$ 30,258	\$ 664,786	\$ 5,024,878

See notes to consolidated financial statements (unaudited).

VORNADO REALTY L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Cash Flows from Operating Activities:		
Net income	\$ 213,044	\$ 282
Adjustments to reconcile net income to net cash provided by operating activities:		
Net gains on disposition of wholly owned and partially owned assets	(220,294)	—
Depreciation and amortization (including amortization of deferred financing costs)	123,135	115,337
Stock-based compensation expense	31,654	13,669
Distributions of income from partially owned entities	14,316	20,559
Equity in net (income) loss of partially owned entities	(7,320)	9,904
Amortization of below-market leases, net	(6,525)	(10,581)
Straight-lining of rents	1,140	(7,430)
(Increase) decrease in fair value of marketable securities	(461)	32,986
Net realized and unrealized (gain) loss on real estate fund investments	(100)	911
Return of capital from real estate fund investments	—	14,966
Other non-cash adjustments	1,639	1,067
Changes in operating assets and liabilities:		
Real estate fund investments	(4,000)	(2,950)
Tenant and other receivables, net	(835)	(5,702)
Prepaid assets	(82,862)	77,053
Other assets	(6,044)	(15,151)
Accounts payable and accrued expenses	10,426	19,835
Other liabilities	(2,795)	663
Net cash provided by operating activities	<u>64,118</u>	<u>265,418</u>
Cash Flows from Investing Activities:		
Proceeds from sale of condominium units at 220 Central Park South	425,484	—
Proceeds from sales of marketable securities	167,755	—
Development costs and construction in progress	(143,302)	(86,808)
Moynihan Train Hall expenditures	(123,533)	—
Proceeds from sale of real estate and related investment	108,512	—
Additions to real estate	(55,759)	(54,284)
Distributions of capital from partially owned entities	24,851	2,086
Investments in partially owned entities	(918)	(7,519)
Proceeds from repayments of loans receivable	204	—
Acquisitions of real estate and other	—	(44,095)
Net cash provided by (used in) investing activities	<u>403,294</u>	<u>(190,620)</u>

See notes to consolidated financial statements (unaudited).

VORNADO REALTY L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
(UNAUDITED)

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Cash Flows from Financing Activities:		
Repayments of borrowings	\$ (686,555)	\$ (144,822)
Proceeds from borrowings	456,741	185,701
Distributions to Vornado	(125,876)	(119,764)
Moynihan Train Hall reimbursement from Empire State Development	123,533	—
Distributions to redeemable security holders and noncontrolling interests in consolidated subsidiaries	(16,252)	(13,266)
Distributions to preferred unitholders	(12,534)	(16,628)
Debt issuance costs	(10,860)	(3,300)
Repurchase of Class A units related to stock compensation agreements and related tax withholdings and other	(8,692)	(784)
Contributions from noncontrolling interests in consolidated subsidiaries	5,194	8,370
Proceeds received from exercise of Vornado stock options and other	1,511	3,769
Redemption of preferred units	(893)	(470,000)
Debt prepayment and extinguishment costs	—	(818)
Net cash used in financing activities	<u>(274,683)</u>	<u>(571,542)</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	192,729	(496,744)
Cash and cash equivalents and restricted cash at beginning of period	716,905	1,914,812
Cash and cash equivalents and restricted cash at end of period	<u>\$ 909,634</u>	<u>\$ 1,418,068</u>

Reconciliation of Cash and Cash Equivalents and Restricted Cash:

Cash and cash equivalents at beginning of period	\$ 570,916	\$ 1,817,655
Restricted cash at beginning of period	145,989	97,157
Cash and cash equivalents and restricted cash at beginning of period	<u>\$ 716,905</u>	<u>\$ 1,914,812</u>
Cash and cash equivalents at end of period	\$ 307,047	\$ 1,327,384
Restricted cash at end of period	593,759	90,684
Restricted cash included in "assets held for sale" at end of period	8,828	—
Cash and cash equivalents and restricted cash at end of period	<u>\$ 909,634</u>	<u>\$ 1,418,068</u>

Supplemental Disclosure of Cash Flow Information:

Cash payments for interest, excluding capitalized interest of \$21,371 and \$13,272	\$ 85,796	\$ 84,566
Cash payments for income taxes	\$ 8,741	\$ 1,646

Non-Cash Investing and Financing Activities:

Reclassification of assets and related liabilities held for sale:		
Assets held for sale	\$ 3,027,058	\$ —
Liabilities related to assets held for sale	1,097,350	—
Lease liabilities arising from the recognition of right-of-use assets	526,866	—
Reclassification of condominium units from "development costs and construction in progress" to "220 Central Park South condominium units ready for sale"	395,893	—
Accrued capital expenditures included in accounts payable and accrued expenses	77,115	51,431
Adjustments to carry redeemable Class A units at redemption value	(65,818)	114,856
Write-off of fully depreciated assets	(58,309)	(15,707)
Amounts related to our investment in Pennsylvania Real Estate Investment Trust reclassified from "investments in partially owned entities" and "accumulated other comprehensive income" to "marketable securities" upon conversion of operating partnership units to common shares	54,962	—

See notes to consolidated financial statements (unaudited).

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Organization

Vornado Realty Trust ("Vornado") is a fully-integrated real estate investment trust ("REIT") and conducts its business through, and substantially all of its interests in properties are held by, Vornado Realty L.P., a Delaware limited partnership (the "Operating Partnership"). Vornado is the sole general partner of, and owned approximately 93.4% of the common limited partnership interest in the Operating Partnership as of March 31, 2019. All references to the "Company," "we," "us" and "our" mean, collectively, Vornado, the Operating Partnership and those entities/subsidiaries consolidated by Vornado.

2. Basis of Presentation

The accompanying consolidated financial statements are unaudited and include the accounts of Vornado and the Operating Partnership and their consolidated subsidiaries. All inter-company amounts have been eliminated and all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted. These condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission ("SEC") and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the SEC.

We have made estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The results of operations for the three months ended March 31, 2019 are not necessarily indicative of the operating results for the full year.

Certain prior year balances have been reclassified in order to conform to the current period presentation. For the three months ended March 31, 2018, expense of \$1,100,000 related to New York City Unincorporated Business Tax was reclassified from "general and administrative" expenses to "income tax expense" on our consolidated statements of income. In addition, for the three months ended March 31, 2018, "property rentals" and "tenant expense reimbursements" of \$440,110,000 and \$60,310,000, respectively, were grouped into "rental revenues" on our consolidated statements of income in accordance with Accounting Standards Codification ("ASC") Topic 205, *Presentation of Financial Statements*.

3. Recently Issued Accounting Literature

In February 2016, the Financial Accounting Standards Board ("FASB") issued an update ("ASU 2016-02") establishing ASC Topic 842, *Leases* ("ASC 842"), as amended by subsequent ASUs on the topic, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. ASU 2016-02 requires lessees to apply a two-method approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase. Lessees are required to record a right-of-use asset ("ROU") and a lease liability for all leases with a term of greater than 12 months. Lease liabilities equal the present value of future lease payments. Right-of-use assets equal the lease liabilities less adjustments for accrued rent expense, initial direct costs and prepaid lease payments. Leases with a term of 12 months or less will be accounted for similar to the previously existing lease guidance under ASC Topic 840, *Leases* ("ASC 840"). Lease expense is recognized based on the effective interest method for finance leases or on a straight-line basis for operating leases. The accounting applied by the lessor is largely unchanged from that applied under ASC 840. We adopted this standard effective January 1, 2019. We have completed our evaluation of the overall impact of the adoption of ASU 2016-02 on our consolidated financial statements and accounting policies. In transitioning to ASC 842, we elected to use the practical expedient package available to us and did not elect to use hindsight. We have 12 ground leases, which are classified as operating leases, for which we are required to record a right-of-use asset and a lease liability equal to the present value of the future lease payments, and will continue to recognize expense on a straight-line basis for these leases. On January 1, 2019, we recorded an aggregate of \$526,866,000 of right-of-use assets and a corresponding \$526,866,000 of lease liabilities as a result of the adoption of this standard (see Note 20 - *Leases*).

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

3. Recently Issued Accounting Literature - continued

Under ASU 2016-02, initial direct costs for both lessees and lessors would include only those costs that are incremental to the arrangement and would not have been incurred if the lease had not been obtained. As a result, beginning January 1, 2019, we no longer capitalize internal leasing costs and instead expense these costs as incurred, as a component of "general and administrative" expense on our consolidated statements of income. For the three months ended March 31, 2018, we capitalized \$1,348,000 of internal leasing costs. In addition, the new standard requires changes to our provision policy for lease receivables. Under ASC 842, we must assess whether it is probable that we will collect substantially all of the lease payments based on the credit risk factors of our tenants. Changes to the collectability of our operating leases are recorded as adjustments to "rental revenues" on our consolidated statements of income which resulted in a \$890,000 decrease for the three months ending March 31, 2019.

In February 2016, the FASB issued an update ("ASU 2016-13") *Measurement of Credit Losses on Financial Instruments* establishing ASC Topic 326, *Financial Instruments - Credit Losses* ("ASC 326"), as amended by subsequent ASUs on the topic. ASU 2016-13 changes how entities will account for credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The guidance replaces the current "incurred loss" model with an "expected loss" model that requires consideration of a broader range of information to estimate expected credit losses over the lifetime of the financial asset. ASU 2016-13 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2019. We are currently evaluating the impact of the adoption of ASU 2016-13 on our consolidated financial statements, but do not believe the adoption of this standard will have a material impact on our consolidated financial statements.

In August 2018, the FASB issued an update ("ASU 2018-13") *Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* to ASC Topic 820, *Fair Value Measurement* ("ASC 820"). ASU 2018-13 modifies the disclosure requirements for fair value measurements by removing, modifying, and/or adding certain disclosures. ASU 2018-13 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2019. We elected to early adopt ASU 2018-13 effective January 1, 2019. The adoption of this update did not have a material impact on our consolidated financial statements and disclosures.

In October 2018, the FASB issued an update ("ASU 2018-16") *Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes* to ASC Topic 815, *Derivatives and Hedging*. ASU 2018-16 expands the list of U.S. benchmark interest rates permitted in the application of hedge accounting by adding the OIS rate based on SOFR as an eligible benchmark interest rate. ASU 2018-16 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2018. We adopted this update effective January 1, 2019. The adoption of this update did not have an impact on our consolidated financial statements.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

4. Revenue Recognition

Our revenues primarily consist of rental revenues and fee and other income. We operate in two reportable segments: New York and Other, with a significant portion of our revenues included in the New York segment. We have the following revenue sources and revenue recognition policies:

- Rental revenues include revenues from the leasing of space at our properties to tenants and revenues from the Hotel Pennsylvania, trade shows and tenant services.
 - Revenues from the leasing of space at our properties to tenants includes (i) lease components, including fixed and variable lease payments, and nonlease components which include reimbursement of common area maintenance expenses, and (ii) reimbursement of real estate taxes and insurance expenses. As lessor, we have elected to combine the lease and nonlease components of our operating lease agreements and account for the components as a single lease component in accordance with ASC 842. Lease revenues and reimbursement of common area maintenance, real estate taxes and insurance are presented on the following page as "property rentals." Revenues derived from fixed lease payments are recognized on a straight-line basis over the non-cancelable period of the lease, together with renewal options that are reasonably certain of being exercised. We commence rental revenue recognition when the underlying asset is available for use by the lessee. Revenue derived from the reimbursement of real estate taxes, insurance expenses and common area maintenance expenses are generally recognized in the same period as the related expenses are incurred.
 - Hotel revenue arising from the operation of Hotel Pennsylvania consists of room revenue, food and beverage revenue, and banquet revenue. Room revenue is recognized when the rooms are made available for the guest, in accordance with ASC 842.
 - Trade shows revenue arising from the operation of trade shows is primarily booth rentals. This revenue is recognized upon the occurrence of the trade shows when the trade show booths are made available for use by the exhibitors, in accordance with ASC 842.
 - Tenant services revenue arises from sub-metered electric, elevator, trash removal and other services provided to tenants at their request. This revenue is recognized as the services are transferred in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606").
- Fee and other income includes management, leasing and other revenue arising from contractual agreements with third parties or with partially owned entities, and includes Building Maintenance Service ("BMS") cleaning, engineering and security services. This revenue is recognized as the services are transferred in accordance with ASC 606.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

4. Revenue Recognition - continued

Below is a summary of our revenues by segment. Additional financial information related to these reportable segments for the three months ended March 31, 2019 and 2018 is set forth in Note 22 - *Segment Information*.

(Amounts in thousands)

	For the Three Months Ended March 31, 2019		
	Total	New York	Other
Property rentals	\$ 457,741	\$ 385,803	\$ 71,938
Hotel Pennsylvania	12,609	12,609	—
Trade shows	16,956	—	16,956
Lease revenues	487,306	398,412	88,894
Tenant services	12,571	9,225	3,346
Rental revenues	499,877	407,637	92,240
BMS cleaning fees	29,785	31,757	(1,972) ⁽¹⁾
Management and leasing fees	2,237	2,251	(14)
Other income	2,769	1,640	1,129
Fee and other income	34,791	35,648	(857)
Total revenues	\$ 534,668	\$ 443,285	\$ 91,383

(1) Represents the elimination of theMART and 555 California Street BMS cleaning fees which are included as income in the New York segment.

(Amounts in thousands)

	For the Three Months Ended March 31, 2018		
	Total	New York	Other
Property rentals	\$ 454,403	\$ 389,385	\$ 65,018
Hotel Pennsylvania	14,680	14,680	—
Trade shows	18,873	—	18,873
Lease revenues	487,956	404,065	83,891
Tenant services	12,464	9,771	2,693
Rental revenues	500,420	413,836	86,584
BMS cleaning fees	28,355	30,153	(1,798) ⁽¹⁾
Management and leasing fees	2,764	2,481	283
Other income	4,898	2,014	2,884
Fee and other income	36,017	34,648	1,369
Total revenues	\$ 536,437	\$ 448,484	\$ 87,953

(1) Represents the elimination of theMART and 555 California Street BMS cleaning fees which are included as income in the New York segment.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

5. Real Estate Fund Investments

We are the general partner and investment manager of Vornado Capital Partners Real Estate Fund (the "Fund") and own a 25.0% interest in the Fund, which had an initial eight-year term ending February 2019. On January 29, 2018, the Fund's term was extended to February 2023. The Fund's three-year investment period ended in July 2013. The Fund is accounted for under ASC Topic 946, *Financial Services – Investment Companies* ("ASC 946") and its investments are reported on its balance sheet at fair value, with changes in value each period recognized in earnings. We consolidate the accounts of the Fund into our consolidated financial statements, retaining the fair value basis of accounting.

We are also the general partner and investment manager of the Crowne Plaza Times Square Hotel Joint Venture (the "Crowne Plaza Joint Venture") and own a 57.1% interest in the joint venture which owns the 24.7% interest in the Crowne Plaza Times Square Hotel not owned by the Fund. The Crowne Plaza Joint Venture is also accounted for under ASC 946 and we consolidate the accounts of the joint venture into our consolidated financial statements, retaining the fair value basis of accounting.

As of March 31, 2019, we had four real estate fund investments through the Fund and the Crowne Plaza Joint Venture with an aggregate fair value of \$322,858,000, or \$6,706,000 below our cost, and had remaining unfunded commitments of \$44,194,000, of which our share was \$13,969,000. At December 31, 2018, we had four real estate fund investments with an aggregate fair value of \$318,758,000.

Below is a summary of loss from the Fund and the Crowne Plaza Joint Venture for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Net investment (loss) income	\$ (267)	\$ 2,734
Net unrealized gain on held investments	100	—
New York City real property transfer tax (the "Transfer Tax")	—	(10,630) ⁽¹⁾
Net realized loss on exited investments	—	(911)
Loss from real estate fund investments	(167)	(8,807)
Less (income) loss attributable to noncontrolling interests in consolidated subsidiaries	(2,737)	5,369
Loss from real estate fund investments attributable to the Operating Partnership	(2,904)	(3,438)
Less loss attributable to noncontrolling interests in the Operating Partnership	182	212
Loss from real estate fund investments attributable to Vornado	<u>\$ (2,722)</u>	<u>\$ (3,226)</u>

(1) Due to the disputed additional Transfer Tax related to the March 2011 acquisition of One Park Avenue which was recorded as a result of the New York City Tax Appeals Tribunal (the "Tax Tribunal") decision in the first quarter of 2018. We appealed the Tax Tribunal's decision to the New York State Supreme Court, Appellate Division, First Department ("Appellate Division"). Our appeal was heard on April 2, 2019, and on April 25, 2019 the Appellate Division entered a unanimous decision and order that confirmed the decision of the Tax Tribunal and dismissed our appeal. We are currently evaluating our options regarding this matter.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
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6. Marketable Securities

Lexington Realty Trust ("Lexington") (NYSE: LXP)

On March 1, 2019, we sold all of our 18,468,969 common shares of Lexington realizing net proceeds of \$167,698,000. For the three months ended March 31, 2019, we recorded a \$16,068,000 mark-to-market increase in the fair value of our common shares for the period from January 1, 2019 through the date of sale, which is included in "interest and other investment income (loss), net" on our consolidated statements of income.

Pennsylvania Real Estate Investment Trust ("PREIT") (NYSE: PEI)

On March 12, 2019 ("Conversion Date"), we converted all of our 6,250,000 operating partnership units into common shares and began accounting for our investment as a marketable security in accordance with ASC Topic 321, *Investments - Equity Securities* ("ASC 321"). Prior to the Conversion Date, we accounted for our investment under the equity method. For the three months ended March 31, 2019, we recorded a \$15,649,000 decrease in the value of our investment, representing the difference between the carrying amount of our investment at the Conversion Date and the fair value of our common shares based on PREIT's March 29, 2019 quarter ended closing share price, which is included in "interest and other investment income (loss), net" on our consolidated statements of income.

The table below summarizes the changes of our marketable securities portfolio for the three months ended March 31, 2019.

(Amounts in thousands)

	For the Three Months Ended March 31, 2019			
	Total	Lexington Realty Trust	PREIT	Other
Balance, December 31, 2018	\$ 152,198	\$ 151,630	\$ —	\$ 568
Sale of marketable securities	(167,755)	(167,698)	—	(57)
Transfer of PREIT investment balance at Conversion Date	54,962	—	54,962	—
Increase (decrease) in fair value of marketable securities ⁽¹⁾	461	16,068	(15,649)	42
Balance, March 31, 2019	<u>\$ 39,866</u>	<u>\$ —</u>	<u>\$ 39,313</u>	<u>\$ 553</u>

(1) Included in "interest and other investment income (loss), net" on our consolidated statements of income (see Note 17 - *Interest and Other Investment Income (Loss), Net*).

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
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7. Investments in Partially Owned Entities

Alexander's, Inc. ("Alexander's") (NYSE: ALX)

As of March 31, 2019, we own 1,654,068 Alexander's common shares, or approximately 32.4% of Alexander's common equity. We manage, lease and develop Alexander's properties pursuant to agreements which expire in March of each year and are automatically renewable.

As of March 31, 2019, the market value ("fair value" pursuant to ASC 820) of our investment in Alexander's, based on Alexander's March 29, 2019 quarter ended closing share price of \$376.17, was \$622,211,000, or \$515,425,000 in excess of the carrying amount on our consolidated balance sheet. As of March 31, 2019, the carrying amount of our investment in Alexander's, excluding amounts owed to us, exceeds our share of the equity in the net assets of Alexander's by approximately \$39,097,000. The majority of this basis difference resulted from the excess of our purchase price for the Alexander's common stock acquired over the book value of Alexander's net assets. Substantially all of this basis difference was allocated, based on our estimates of the fair values of Alexander's assets and liabilities, to real estate (land and buildings). We are amortizing the basis difference related to the buildings into earnings as additional depreciation expense over their estimated useful lives. This depreciation is not material to our share of equity in Alexander's net income. The basis difference related to the land will be recognized upon disposition of our investment.

Urban Edge Properties ("UE") (NYSE: UE)

On March 4, 2019, we converted to common shares and sold all of our 5,717,184 partnership units of UE, realizing net proceeds of \$108,512,000. The sale resulted in a net gain of \$62,395,000 which is included in "net gains on disposition of wholly owned and partially owned assets" on our consolidated statements of income for the three months ended March 31, 2019.

61 Ninth Avenue

On January 28, 2019, the joint venture, in which we have a 45.1% interest, completed a \$167,500,000 refinancing of 61 Ninth Avenue, a 166,000 square foot newly constructed office and retail property in the Meatpacking district of Manhattan which is fully leased to Aetna and Starbucks. The seven-year interest only loan carries a rate of LIBOR plus 1.35% (3.85% as of March 31, 2019) and matures in January 2026. We realized net proceeds of approximately \$31,000,000. The loan replaces the previous \$90,000,000 construction loan that bore interest at LIBOR plus 3.05% and was scheduled to mature in 2021.

Toys "R" Us, Inc. ("Toys")

On September 18, 2017, Toys filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code. In the second quarter of 2018, Toys ceased U.S. operations. On February 1, 2019, the plan of reorganization for Toys "R" Us, Inc., in which we owned a 32.5% interest, was declared effective, and our stock in Toys was canceled. At December 31, 2018, we carried our Toys investment at zero. The canceling of our stock in Toys will result in approximately a \$420,000,000 capital loss deduction for tax purposes in 2019 (which if not offset by capital gains will result in a capital loss carry over available for five years).

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

7. Investments in Partially Owned Entities - continued

Below is a schedule summarizing our investments in partially owned entities.

(Amounts in thousands)

	Percentage Ownership at March 31, 2019	Balance as of	
		March 31, 2019	December 31, 2018
Investments:			
Partially owned office buildings/land ⁽¹⁾	Various	\$ 478,240	\$ 499,005
Alexander's	32.4%	106,786	107,983
PREIT ⁽²⁾	N/A	—	59,491
UE ⁽³⁾	N/A	—	45,344
Other investments ⁽⁴⁾	Various	145,238	146,290
		<u>\$ 730,264</u>	<u>\$ 858,113</u>

Investments in partially owned entities included in other liabilities⁽⁵⁾:

330 Madison Avenue	25.0%	\$ (60,054)	\$ (58,117)
7 West 34th Street	53.0%	(51,464)	(51,579)
85 Tenth Avenue	49.9%	(5,857)	—
		<u>\$ (117,375)</u>	<u>\$ (109,696)</u>

(1) Includes interests in 280 Park Avenue, 650 Madison Avenue, One Park Avenue, 512 West 22nd Street, 61 Ninth Avenue and others.

(2) On March 12, 2019, we converted all of our PREIT operating partnership units into common shares and began accounting for our investment as a marketable security in accordance with ASC 321 (see Note 6 - *Marketable Securities*).

(3) Sold on March 4, 2019 (see page 25 for details).

(4) Includes interests in Independence Plaza, Fashion Centre Mall/Washington Tower, Rosslyn Plaza, 50-70 West 93rd Street and others.

(5) Our negative basis results from distributions in excess of our investment.

Below is a schedule of net income (loss) from partially owned entities.

(Amounts in thousands)

	Percentage Ownership at March 31, 2019	For the Three Months Ended March 31,	
		2019	2018
Our share of net income (loss):			
Alexander's (see page 25 for details):			
Equity in net income (loss) ⁽¹⁾	32.4%	\$ 5,717	\$ (3,209)
Management, leasing and development fees		1,057	1,208
		6,774	(2,001)
Partially owned office buildings ⁽²⁾	Various	106	(4,283)
Other investments ⁽³⁾	Various	440	(3,620)
		<u>\$ 7,320</u>	<u>\$ (9,904)</u>

(1) 2018 includes our \$7,708 share of Alexander's disputed additional Transfer Tax related to the November 2012 sale of Kings Plaza Regional Shopping Center based on the precedent established by the Tax Tribunal's decision regarding One Park Avenue (see Note 5 - *Real Estate Fund Investments*).

(2) Includes interests in 280 Park Avenue, 650 Madison Avenue, One Park Avenue, 7 West 34th Street, 330 Madison Avenue, 512 West 22nd Street, 85 Tenth Avenue and others. 2018 includes our \$4,978 share of disputed additional Transfer Tax related to the March 2011 acquisition of One Park Avenue (see Note 5 - *Real Estate Fund Investments*).

(3) Includes interests in Independence Plaza, Fashion Centre Mall/Washington Tower, Rosslyn Plaza, 50-70 West 93rd Street, 666 Fifth Avenue Office Condominium (sold on August 3, 2018), UE (sold on March 4, 2019), PREIT (accounted as a marketable security from March 12, 2019) and others.

8. 220 Central Park South ("220 CPS")

We are constructing a residential condominium tower containing 397,000 salable square feet at 220 CPS. The development cost of this project (exclusive of land cost) is estimated to be approximately \$1.4 billion, of which \$1.3 billion has been expended as of March 31, 2019.

During the first quarter of 2019, we closed on the sale of 12 condominium units at 220 CPS for net proceeds aggregating \$425,484,000 and resulting in a financial statement net gain of \$157,899,000 which is included in "net gains on disposition of wholly owned and partially owned assets" on our consolidated statements of income. In connection with these sales, \$26,945,000 of income tax expense was recognized in our consolidated statements of income. From inception to March 31, 2019, we closed on the sale of 23 units for aggregate net proceeds of \$640,260,000 which was used to pay \$637,000,000 of the \$950,000,000 220 CPS loan.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
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9. Properties Held for Sale

On April 18, 2019 ("Closing Date"), we entered into a transaction agreement (the "Transaction Agreement") with a group of institutional investors (the "Investors"). The Transaction Agreement provides for a series of transactions (collectively, the "Transaction") pursuant to which (i) prior to the Closing Date, the Operating Partnership contributed its interests in properties located at 640 Fifth Avenue, 655 Fifth Avenue, 666 Fifth Avenue, 689 Fifth Avenue, 697-703 Fifth Avenue, 1535 Broadway and 1540 Broadway (collectively, the "Properties") to subsidiaries of a newly formed joint venture ("Fifth Avenue and Times Square JV") and (ii) on the Closing Date, transferred a 48.5% common interest in Fifth Avenue and Times Square JV to the Investors. The 48.5% common interest in the joint venture represents an effective 47.2% interest in the Properties. The Properties include approximately 489,000 square feet of retail space, 327,000 square feet of office space, signage associated with 1535 and 1540 Broadway, the parking garage at 1540 Broadway and the theatre at 1535 Broadway.

We retained the remaining 51.5% common interest in Fifth Avenue and Times Square JV which represents an effective 51.0% interest in the Properties and an aggregate \$1.828 billion of preferred equity interests in certain of the properties. The preferred equity has an annual coupon of 4.25% for the first five years, increasing to 4.75% for the next five years and thereafter at a formulaic rate. It can be redeemed under certain conditions on a tax deferred basis.

Net cash proceeds to us from the Transaction are approximately \$1.198 billion, after (i) deductions for the repayment of a \$390,000,000 mortgage loan on 666 Fifth Avenue and a \$140,000,000 mortgage loan on 655 Fifth Avenue, (ii) anticipated proceeds from a new \$500,000,000 mortgage loan on 640 Fifth Avenue, (iii) approximately \$26,000,000 used to purchase noncontrolling investors' interests and (iv) approximately \$56,000,000 of estimated transaction costs. Until the new mortgage closes, Vornado will retain \$500 million of preferred equity interests in addition to the \$1.828 billion referenced above.

The Transaction values the Properties at \$5.556 billion resulting in a financial statement net gain of approximately \$2.6 billion from the Transaction and the related step-up in our basis of the assets to fair value. The net gain will be recognized in our consolidated statements of income for the three months ended June 30, 2019. Our tax gain is approximately \$735,000,000. We continue to manage the Properties and share control over major decisions of the joint venture. Accordingly, the Properties will be deconsolidated and the joint venture will be accounted for under the equity method from the date of transfer.

The table below summarizes our effective ownership interests in the Properties transferred to Fifth Avenue and Times Square JV and our preferred equity interests following the Transaction and the anticipated closing of the mortgage loan on 640 Fifth Avenue.

(Amounts in thousands)	<u>Vornado's Effective Ownership Interest Percentage</u>	<u>Vornado's Preferred Equity Interests</u>
Properties transferred to Fifth Avenue and Times Square JV:		
640 Fifth Avenue	52.0%	\$ —
655 Fifth Avenue	50.0%	140,000
666 Fifth Avenue	52.0%	390,000
689 Fifth Avenue	52.0%	130,000
697-703 Fifth Avenue	44.8%	—
1535 Broadway	52.0%	628,875
1540 Broadway	52.0%	538,875
		<u>\$ 1,827,750</u>

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
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9. Properties Held for Sale - continued

The following table summarizes the assets and liabilities associated with the Properties classified as held for sale:

(Amounts in thousands)

		Balance as of March 31, 2019
Assets held for sale:		
Real estate, net	\$	2,656,509
Right-of-use asset		49,134
Restricted cash		8,828
Receivable arising from the straight-lining of rents		167,612
Deferred leasing costs, net		70,511
Identified intangible assets, net		74,464
	\$	3,027,058
Liabilities related to assets held for sale:		
Mortgages payable, net	\$	971,618
Lease liability		41,235
Deferred revenue		84,497
	\$	1,097,350

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
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10. Identified Intangible Assets and Liabilities

The following summarizes our identified intangible assets (primarily above-market leases) and liabilities (primarily acquired below-market leases) as of March 31, 2019 and December 31, 2018.

(Amounts in thousands)

	Balance as of	
	March 31, 2019	December 31, 2018
Identified intangible assets:		
Gross amount	\$ 131,910	\$ 308,895
Accumulated amortization	(97,749)	(172,114)
Total, net	<u>\$ 34,161</u>	<u>\$ 136,781</u>
Identified intangible liabilities (included in deferred revenue):		
Gross amount	\$ 386,512	\$ 503,373
Accumulated amortization	(321,152)	(341,779)
Total, net	<u>\$ 65,360</u>	<u>\$ 161,594</u>

Amortization of acquired below-market leases, net of acquired above-market leases, resulted in an increase to rental revenues of \$6,525,000 and \$10,581,000 for the three months ended March 31, 2019 and 2018, respectively. Estimated annual amortization of acquired below-market leases, net of acquired above-market leases, for each of the five succeeding years commencing January 1, 2020 is as follows:

(Amounts in thousands)

2020	\$ 16,605
2021	11,932
2022	8,800
2023	6,269
2024	2,497

Amortization of all other identified intangible assets (a component of depreciation and amortization expense) was \$3,545,000 and \$4,876,000 for the three months ended March 31, 2019 and 2018, respectively. Estimated annual amortization of all other identified intangible assets including acquired in-place leases for each of the five succeeding years commencing January 1, 2020 is as follows:

(Amounts in thousands)

2020	\$ 6,308
2021	4,779
2022	3,049
2023	2,962
2024	2,350

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
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11. Debt

On February 4, 2019, we completed a \$95,700,000 refinancing of 435 Seventh Avenue, a 43,000 square foot Manhattan retail property. The interest-only loan carries a rate of LIBOR plus 1.30% (3.78% as of March 31, 2019) and matures in 2024. The recourse loan replaces the previous \$95,700,000 loan that bore interest at LIBOR plus 2.25% and was scheduled to mature in August 2019.

On February 12, 2019, we completed a \$580,000,000 refinancing of 100 West 33rd Street, a 1.1 million square foot Manhattan property comprised of 859,000 square feet of office space and the 256,000 square foot Manhattan Mall. The interest-only loan carries a rate of LIBOR plus 1.55% (4.03% as of March 31, 2019) and matures in April 2024, with two one-year extension options. The loan replaces the previous \$580,000,000 loan that bore interest at LIBOR plus 1.65% and was scheduled to mature in July 2020.

Senior Unsecured Notes

On March 1, 2019, we called for redemption all of our \$400,000,000 5.00% senior unsecured notes. The notes, which were scheduled to mature in January 2022, were redeemed on April 1, 2019 at a redemption price of 105.51% of the principal amount plus accrued interest. In connection therewith, we expensed \$22,540,000 relating to debt prepayment costs which is included in "interest and debt expense" on our consolidated statements of income for the three months ended March 31, 2019.

Unsecured Revolving Credit Facility

On March 26, 2019, we increased to \$1.5 billion (from \$1.25 billion) and extended to March 2024 (as fully extended) from February 2022 one of our two unsecured revolving credit facilities. The interest rate on the extended facility was lowered from LIBOR plus 1.00% to LIBOR plus 0.90%. The facility fee remains unchanged at 20 basis points.

The following is a summary of our debt:

(Amounts in thousands)

	Weighted Average Interest Rate at March 31, 2019	Balance as of	
		March 31, 2019	December 31, 2018
Mortgages Payable:			
Fixed rate	3.52%	\$ 4,610,526	\$ 5,003,465
Variable rate	4.20%	1,945,508	3,212,382
Total	3.72%	6,556,034	8,215,847
Deferred financing costs, net and other		(36,845)	(48,049)
Total, net		\$ 6,519,189	\$ 8,167,798
Unsecured Debt:			
Senior unsecured notes	4.21%	\$ 850,000	\$ 850,000
Deferred financing costs, net and other		(4,739)	(5,998)
Senior unsecured notes, net		845,261	844,002
Unsecured term loan	3.87%	750,000	750,000
Deferred financing costs, net and other		(4,924)	(5,179)
Unsecured term loan, net		745,076	744,821
Unsecured revolving credit facilities	3.46%	530,000	80,000
Total, net		\$ 2,120,337	\$ 1,668,823

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
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12. Redeemable Noncontrolling Interests/Redeemable Partnership Units

Redeemable noncontrolling interests on Vornado's consolidated balance sheets and redeemable partnership units on the consolidated balance sheets of the Operating Partnership are primarily comprised of Class A Operating Partnership units held by third parties and are recorded at the greater of their carrying amount or redemption value at the end of each reporting period. Changes in the value from period to period are charged to "additional capital" in Vornado's consolidated statements of changes in equity and to "partners' capital" on the consolidated balance sheets of the Operating Partnership.

(Amounts in thousands)

Balance, December 31, 2018	\$	783,562
Net income		12,202
Other comprehensive loss		(1,276)
Distributions		(8,488)
Redemption of Class A units for Vornado common shares, at redemption value		(3,181)
Adjustments to carry redeemable Class A units at redemption value		65,818
Other, net		18,448
Balance, March 31, 2019	\$	867,085
Balance, December 31, 2017	\$	984,937
Net loss		(1,124)
Other comprehensive income		654
Distributions		(7,906)
Redemption of Class A units for Vornado common shares, at redemption value		(8,392)
Adjustments to carry redeemable Class A units at redemption value		(114,856)
Other, net		3,713
Balance, March 31, 2018	\$	857,026

As of March 31, 2019 and December 31, 2018, the aggregate redemption value of redeemable Class A units of the Operating Partnership, which are those units held by third parties, was \$862,550,000 and \$778,134,000, respectively.

Redeemable noncontrolling interests/redeemable partnership units exclude our Series G-1 through G-4 convertible preferred units and Series D-13 cumulative redeemable preferred units, as they are accounted for as liabilities in accordance with ASC Topic 480, *Distinguishing Liabilities and Equity*, because of their possible settlement by issuing a variable number of Vornado common shares. Accordingly, the fair value of these units is included as a component of "other liabilities" on our consolidated balance sheets and aggregated \$50,561,000 as of March 31, 2019 and December 31, 2018. Changes in the value from period to period, if any, are charged to "interest and debt expense" on our consolidated statements of income.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
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13. Shareholders' Equity/Partners' Capital

The following table sets forth the details of our dividends/distributions per common share/Class A unit and dividends/distributions per share/unit for each class of preferred shares/units of beneficial interest for the three months ended March 31, 2019 and 2018.

Shares/Units:	Per Share/Unit For the Three Months Ended March 31,	
	2019	2018
Common shares/Class A units held by Vornado: authorized 250,000,000 shares/units	\$ 0.66	\$ 0.63
Convertible Preferred ⁽¹⁾ :		
6.5% Series A: authorized 83,977 shares/units ⁽²⁾	0.8125	0.8125
Cumulative Redeemable Preferred ⁽¹⁾ :		
5.70% Series K: authorized 12,000,000 shares/units ⁽³⁾	0.3563	0.3563
5.40% Series L: authorized 12,000,000 shares/units ⁽³⁾	0.3375	0.3375
5.25% Series M: authorized 12,780,000 shares/units ⁽³⁾	0.3281	0.3281

(1) Dividends on preferred shares and distributions on preferred units are cumulative and are payable quarterly in arrears.

(2) Redeemable at the option of Vornado under certain circumstances, at a redemption price of 1.9531 common shares/Class A units per Series A preferred share/unit plus accrued and unpaid dividends/distributions through the date of redemption, or convertible at any time at the option of the holder for 1.9531 common shares/Class A units per Series A preferred share/unit.

(3) Redeemable at Vornado's option at a redemption price of \$25.00 per share/unit, plus accrued and unpaid dividends/distributions through the date of redemption.

Accumulated Other Comprehensive (Loss) Income

The following tables set forth the changes in accumulated other comprehensive (loss) income by component for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	Total	Marketable securities	Pro rata share of nonconsolidated subsidiaries' OCI	Interest rate swaps	Other
For the Three Months Ended March 31, 2019					
Balance, December 31, 2018	\$ 7,664	\$ —	\$ 3,253	\$ 11,759	\$ (7,348)
Net current period other comprehensive (loss) income	(16,738)	—	(985)	(17,029)	1,276
Amount reclassified from AOCI ⁽¹⁾	(2,311)	—	(2,311)	—	—
Balance, March 31, 2019	<u>\$ (11,385)</u>	<u>\$ —</u>	<u>\$ (43)</u>	<u>\$ (5,270)</u>	<u>\$ (6,072)</u>
For the Three Months Ended March 31, 2018					
Balance, December 31, 2017	\$ 128,682	\$ 109,554	\$ 3,769	\$ 23,542	\$ (8,183)
Cumulative effect of accounting change	(108,374)	(109,554)	(1,671)	2,851	—
Net current period other comprehensive income (loss)	9,950	—	346	10,258	(654)
Balance, March 31, 2018	<u>\$ 30,258</u>	<u>\$ —</u>	<u>\$ 2,444</u>	<u>\$ 36,651</u>	<u>\$ (8,837)</u>

(1) Amount reclassified related to the conversion of our PREIT operating partnership units into common shares.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
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14. Variable Interest Entities ("VIEs")

Unconsolidated VIEs

As of March 31, 2019 and December 31, 2018, we have several unconsolidated VIEs. We do not consolidate these entities because we are not the primary beneficiary and the nature of our involvement in the activities of these entities does not give us power over decisions that significantly affect these entities' economic performance. We account for our investment in these entities under the equity method (see Note 7 – *Investments in Partially Owned Entities*). As of March 31, 2019 and December 31, 2018, the net carrying amount of our investments in these entities was \$213,719,000 and \$257,882,000, respectively, and our maximum exposure to loss in these entities is limited to the carrying amount of our investments.

Consolidated VIEs

Our most significant consolidated VIEs are the Operating Partnership (for Vornado), the Fund and the Crowne Plaza Joint Venture, the Farley joint venture and certain properties that have non-controlling interests. These entities are VIEs because the non-controlling interests do not have substantive kick-out or participating rights. We consolidate these entities because we control all significant business activities.

As of March 31, 2019, the total assets and liabilities of our consolidated VIEs, excluding the Operating Partnership, were \$4,601,771,000 and \$2,381,310,000, respectively. As of December 31, 2018, the total assets and liabilities of our consolidated VIEs, excluding the Operating Partnership, were \$4,445,436,000 and \$2,533,753,000, respectively.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

15. Fair Value Measurements

ASC 820 defines fair value and establishes a framework for measuring fair value. The objective of fair value is to determine the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels: Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities; Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and Level 3 – unobservable inputs that are used when little or no market data is available. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as consider counterparty credit risk in our assessment of fair value. Considerable judgment is necessary to interpret Level 2 and 3 inputs in determining the fair value of our financial and non-financial assets and liabilities. Accordingly, our fair value estimates, which are made at the end of each reporting period, may be different than the amounts that may ultimately be realized upon sale or disposition of these assets.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

Financial assets and liabilities that are measured at fair value on our consolidated balance sheets consist of (i) marketable securities, (ii) real estate fund investments, (iii) the assets in our deferred compensation plan (for which there is a corresponding liability on our consolidated balance sheets), (iv) interest rate swaps and (v) mandatorily redeemable instruments (Series G-1 through G-4 convertible preferred units and Series D-13 cumulative redeemable preferred units). The tables below aggregate the fair values of these financial assets and liabilities by their levels in the fair value hierarchy as of March 31, 2019 and December 31, 2018, respectively.

(Amounts in thousands)

	As of March 31, 2019			
	Total	Level 1	Level 2	Level 3
Marketable securities	\$ 39,866	\$ 39,866	\$ —	\$ —
Real estate fund investments	322,858	—	—	322,858
Deferred compensation plan assets (\$8,747 included in restricted cash and \$93,176 in other assets)	101,923	64,361	—	37,562
Interest rate swaps (included in other assets)	19,613	—	19,613	—
Total assets	\$ 484,260	\$ 104,227	\$ 19,613	\$ 360,420
Mandatorily redeemable instruments (included in other liabilities)	\$ 50,561	\$ 50,561	\$ —	\$ —
Interest rate swaps (included in other liabilities)	24,851	—	24,851	—
Total liabilities	\$ 75,412	\$ 50,561	\$ 24,851	\$ —

(Amounts in thousands)

	As of December 31, 2018			
	Total	Level 1	Level 2	Level 3
Marketable securities	\$ 152,198	\$ 152,198	\$ —	\$ —
Real estate fund investments	318,758	—	—	318,758
Deferred compensation plan assets (\$8,402 included in restricted cash and \$88,122 in other assets)	96,524	58,716	—	37,808
Interest rate swaps (included in other assets)	27,033	—	27,033	—
Total assets	\$ 594,513	\$ 210,914	\$ 27,033	\$ 356,566
Mandatorily redeemable instruments (included in other liabilities)	\$ 50,561	\$ 50,561	\$ —	\$ —
Interest rate swaps (included in other liabilities)	15,236	—	15,236	—
Total liabilities	\$ 65,797	\$ 50,561	\$ 15,236	\$ —

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

15. Fair Value Measurements - continued

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis - continued

Real Estate Fund Investments

As of March 31, 2019, we had four real estate fund investments with an aggregate fair value of \$322,858,000, or \$6,706,000 below our cost. These investments are classified as Level 3.

Significant unobservable quantitative inputs used in determining the fair value of each investment include capitalization rates and discount rates. These rates are based on the location, type and nature of each property, current and anticipated market conditions, industry publications and from the experience of our Acquisitions and Capital Markets departments. Significant unobservable quantitative inputs in the table below were utilized in determining the fair value of these real estate fund investments as of March 31, 2019 and December 31, 2018.

Unobservable Quantitative Input	Range		Weighted Average (based on fair value of investments)	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Discount rates	10.0% to 15.0%	10.0% to 15.0%	13.4%	13.4%
Terminal capitalization rates	5.5% to 7.7%	5.4% to 7.7%	5.8%	5.7%

The above inputs are subject to change based on changes in economic and market conditions and/or changes in use or timing of exit. Changes in discount rates and terminal capitalization rates result in increases or decreases in the fair values of these investments. The discount rates encompass, among other things, uncertainties in the valuation models with respect to terminal capitalization rates and the amount and timing of cash flows. Therefore, a change in the fair value of these investments resulting from a change in the terminal capitalization rate may be partially offset by a change in the discount rate. It is not possible for us to predict the effect of future economic or market conditions on our estimated fair values.

The table below summarizes the changes in the fair value of real estate fund investments that are classified as Level 3, for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Beginning balance	\$ 318,758	\$ 354,804
Purchases/additional fundings	4,000	2,950
Net unrealized gain on held investments	100	—
Dispositions	—	(20,291)
Net realized loss on exited investments	—	(911)
Ending balance	<u>\$ 322,858</u>	<u>\$ 336,552</u>

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

15. Fair Value Measurements - continued

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis - continued

Deferred Compensation Plan Assets

Deferred compensation plan assets that are classified as Level 3 consist of investments in limited partnerships and investment funds, which are managed by third parties. We receive quarterly financial reports from a third-party administrator, which are compiled from the quarterly reports provided to them from each limited partnership and investment fund. The quarterly reports provide net asset values on a fair value basis which are audited by independent public accounting firms on an annual basis. The period of time over which these underlying assets are expected to be liquidated is unknown. The third party administrator does not adjust these values in determining our share of the net assets and we do not adjust these values when reported in our consolidated financial statements.

The table below summarizes the changes in the fair value of deferred compensation plan assets that are classified as Level 3, for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Beginning balance	\$ 37,808	\$ 40,128
Sales	(2,114)	(1,635)
Purchases	908	14
Realized and unrealized gains	523	678
Other, net	437	300
Ending balance	<u>\$ 37,562</u>	<u>\$ 39,485</u>

Fair Value Measurements on a Nonrecurring Basis

Assets measured at fair value on a nonrecurring basis on our consolidated balance sheets consist primarily of real estate assets required to be measured for impairment at December 31, 2018. The fair values of real estate assets required to be measured for impairment were determined using comparable sales activity. There were no assets measured at fair value on a nonrecurring basis on our consolidated balance sheet as of March 31, 2019.

(Amounts in thousands)

	As of December 31, 2018			
	Total	Level 1	Level 2	Level 3
Real estate asset	<u>\$ 14,971</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 14,971</u>

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

15. Fair Value Measurements - continued

Financial Assets and Liabilities not Measured at Fair Value

Financial assets and liabilities that are not measured at fair value on our consolidated balance sheets include cash equivalents (primarily money market funds, which invest in obligations of the United States government), and our secured and unsecured debt. Estimates of the fair value of these instruments are determined by the standard practice of modeling the contractual cash flows required under the instrument and discounting them back to their present value at the appropriate current risk adjusted interest rate, which is provided by a third-party specialist. For floating rate debt, we use forward rates derived from observable market yield curves to project the expected cash flows we would be required to make under the instrument. The fair values of cash equivalents and borrowings under our unsecured revolving credit facilities and unsecured term loan are classified as Level 1. The fair values of our secured and unsecured debt are classified as Level 2. The table below summarizes the carrying amounts and fair value of these financial instruments as of March 31, 2019 and December 31, 2018.

(Amounts in thousands)

	As of March 31, 2019		As of December 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash equivalents	\$ 207,481	\$ 207,000	\$ 261,981	\$ 262,000
Debt:				
Mortgages payable	\$ 6,556,034	\$ 6,565,000	\$ 8,215,847	\$ 8,179,000
Senior unsecured notes	850,000	868,000	850,000	847,000
Unsecured term loan	750,000	750,000	750,000	750,000
Unsecured revolving credit facilities	530,000	530,000	80,000	80,000
Total	\$ 8,686,034 ⁽¹⁾	\$ 8,713,000	\$ 9,895,847 ⁽¹⁾	\$ 9,856,000

(1) Excludes \$46,508 and \$59,226 of deferred financing costs, net and other as of March 31, 2019 and December 31, 2018, respectively.

16. Stock-based Compensation

Vornado's 2010 Omnibus Share Plan (the "Plan") provides the Compensation Committee of Vornado's Board of Trustees (the "Committee") the ability to grant incentive and non-qualified Vornado stock options, restricted stock, restricted Operating Partnership units ("OP units"), out-performance plan awards ("OPPs"), appreciation-only long-term incentive plan units ("AO LTIP Units") and Performance Conditioned Appreciation-Only Long-Term Incentive Plan Units ("Performance Conditioned AO LTIP Units") to certain of our employees and officers. We account for all equity-based compensation in accordance with ASC Topic 718, *Compensation - Stock Compensation*. Stock-based compensation expense, a component of "general and administrative" expenses on our consolidated statements of income, was \$31,654,000 and \$13,669,000 for the three months ended March 31, 2019 and 2018, respectively. General and administrative expense for the three months ended March 31, 2019 includes \$16,211,000 of non-cash expense for the accelerated vesting of previously issued OP Units and Vornado restricted stock due to the removal of the time-based vesting requirement to participants who have reached 65 years of age. The right to sell such awards remains subject to original terms of grant. The increase in expense in the first quarter of 2019 will be completely offset by lower non-cash stock-based compensation expense of \$2,578,000 in each of the second, third and fourth quarters of 2019 and \$8,477,000 thereafter.

Performance Conditioned AO LTIP Units

On January 14, 2019, the Committee approved the issuance of Performance Conditioned AO LTIP Units pursuant to the Plan to our named executive officers in our 2019 proxy statement ("NEOs"). Performance Conditioned AO LTIP Units are AO LTIP Units that require the achievement of certain performance conditions by a specified date or they are forfeited. The performance based condition is met if Vornado common shares trade at or above 110% of the \$64.48 grant price per share for any 20 consecutive days on or before the fourth anniversary following the date of grant. If the performance conditions are not met, the awards are forfeited. If the performance conditions are met, once vested, the awards may be converted into Class A Operating Partnership units in the same manner as AO LTIP Units until ten years from the date of grant. The fair value of the Performance Conditioned AO LTIP Units on the date of grant was \$8,983,000, of which \$7,481,000 was immediately expensed due to the acceleration of vesting for employees who are retirement eligible. The remaining \$1,502,000 is being amortized into expense over a four-year period from the date of grant using a graded vesting attribution model.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

17. Interest and Other Investment Income (Loss), Net

The following table sets forth the details of interest and other investment income (loss), net:

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Increase (decrease) in fair value of marketable securities:		
Lexington (see page 24 for details)	\$ 16,068	\$ (32,875)
PREIT (see page 24 for details)	(15,649)	—
Other	42	(111)
	<u>461</u>	<u>(32,986)</u>
Interest on cash and cash equivalents and restricted cash	2,067	3,557
Interest on loans receivable	1,606	743
Dividends on marketable securities	—	3,353
Other, net	911	949
	<u>\$ 5,045</u>	<u>\$ (24,384)</u>

18. Interest and Debt Expense

The following table sets forth the details of interest and debt expense:

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Interest expense ⁽¹⁾	\$ 117,647	\$ 94,788
Capitalized interest and debt expense	(23,325)	(14,726)
Amortization of deferred financing costs	8,141	8,104
	<u>\$ 102,463</u>	<u>\$ 88,166</u>

(1) Includes \$22,540 debt prepayment costs in connection with the redemption of \$400,000 5.00% senior unsecured notes which were scheduled to mature in January 2022.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

19. Income (Loss) Per Share/Income (Loss) Per Class A Unit

Vornado Realty Trust

The following table provides a reconciliation of both net income attributable to Vornado and the number of common shares used in the computation of (i) basic income (loss) per common share - which includes the weighted average number of common shares outstanding without regard to dilutive potential common shares, and (ii) diluted income (loss) per common share - which includes the weighted average common shares and dilutive share equivalents. Dilutive share equivalents may include our Series A convertible preferred shares, employee stock options, restricted stock awards, OP Performance Units, AO LTIP Units, Performance Conditioned AO LTIP Units and OPPs.

(Amounts in thousands, except per share amounts)

	For the Three Months Ended March 31,	
	2019	2018
Numerator:		
Income from continuing operations, net of income attributable to noncontrolling interests	\$ 194,150	\$ 10,021
Loss from discontinued operations, net of income attributable to noncontrolling interests	(128)	(341)
Net income attributable to Vornado	194,022	9,680
Preferred share dividends	(12,534)	(13,035)
Preferred share issuance costs	—	(14,486)
Net income (loss) attributable to common shareholders	181,488	(17,841)
Earnings allocated to unvested participating securities	(19)	(11)
Numerator for basic income (loss) per share	181,469	(17,852)
Impact of assumed conversions:		
Convertible preferred share dividends	15	—
Numerator for diluted income (loss) per share	\$ 181,484	\$ (17,852)
Denominator:		
Denominator for basic income (loss) per share – weighted average shares	190,689	190,081
Effect of dilutive securities⁽¹⁾:		
Employee stock options and restricted share awards	271	—
Convertible preferred shares	36	—
Denominator for diluted income (loss) per share – weighted average shares and assumed conversions	190,996	190,081
INCOME (LOSS) PER COMMON SHARE – BASIC:		
Income (loss) from continuing operations, net	\$ 0.95	\$ (0.09)
Net income (loss) per common share	\$ 0.95	\$ (0.09)
INCOME (LOSS) PER COMMON SHARE – DILUTED:		
Income (loss) from continuing operations, net	\$ 0.95	\$ (0.09)
Net income (loss) per common share	\$ 0.95	\$ (0.09)

(1) The effect of dilutive securities for the three months ended March 31, 2019 and 2018 excludes an aggregate of 12,525 and 13,334 weighted average common share equivalents, respectively, as their effect was anti-dilutive.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

19. Income (Loss) Per Share/Income (Loss) Per Class A Unit - continued

Vornado Realty L.P.

The following table provides a reconciliation of both net income attributable to Vornado Realty L.P. and the number of Class A units used in the computation of (i) basic income (loss) per Class A unit - which includes the weighted average number of Class A units outstanding without regard to dilutive potential Class A units, and (ii) diluted income (loss) per Class A unit - which includes the weighted average Class A units and dilutive unit equivalents. Dilutive unit equivalents may include our Series A convertible preferred units, Vornado stock options, Vornado restricted stock awards, OP Units, AO LTIP Units, Performance Conditioned AO LTIP Units and OPPs.

(Amounts in thousands, except per unit amounts)

	For the Three Months Ended March 31,	
	2019	2018
Numerator:		
Income from continuing operations, net of income attributable to noncontrolling interests in consolidated subsidiaries	\$ 206,361	\$ 8,919
Loss from discontinued operations	(137)	(363)
Net income attributable to Vornado Realty L.P.	206,224	8,556
Preferred unit distributions	(12,575)	(13,084)
Preferred unit issuance costs	—	(14,486)
Net income (loss) attributable to Class A unitholders	193,649	(19,014)
Earnings allocated to unvested participating securities	(1,147)	(771)
Numerator for basic income (loss) per Class A unit	192,502	(19,785)
Impact of assumed conversions:		
Convertible preferred unit distributions	15	—
Numerator for diluted income (loss) per Class A unit	\$ 192,517	\$ (19,785)
Denominator:		
Denominator for basic income (loss) per Class A unit – weighted average units	202,772	201,929
Effect of dilutive securities⁽¹⁾:		
Vornado stock options and restricted unit awards	536	—
Convertible preferred units	36	—
Denominator for diluted income (loss) per Class A unit – weighted average units and assumed conversions	203,344	201,929
INCOME (LOSS) PER CLASS A UNIT – BASIC:		
Income (loss) from continuing operations, net	\$ 0.95	\$ (0.10)
Net income (loss) per Class A unit	\$ 0.95	\$ (0.10)
INCOME (LOSS) PER CLASS A UNIT – DILUTED:		
Income (loss) from continuing operations, net	\$ 0.95	\$ (0.10)
Net income (loss) per Class A unit	\$ 0.95	\$ (0.10)

(1) The effect of dilutive securities for the three months ended March 31, 2019 and 2018 excludes an aggregate of 177 and 1,446 weighted average Class A unit equivalents, respectively, as their effect was anti-dilutive.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

20. Leases

As lessor

We lease space to tenants under operating leases. Most of the leases provide for the payment of fixed base rent payable monthly in advance. Office building leases generally require tenants to reimburse us for operating costs and real estate taxes above their base year costs. Certain leases provide for pass-through to tenants for their share of real estate taxes, insurance and common area maintenance. Certain leases also require additional variable rent payments based on a percentage of the tenants' sales. None of our tenants accounted for more than 10% of total revenues for the three months ended March 31, 2019 and 2018. We have elected to account for lease revenues (including base and variable rent) and the reimbursement of common area maintenance expenses as a single lease component recorded as "rental revenues" on our consolidated statements of income. As of March 31, 2019, under ASC 842, future undiscounted cash flows under non-cancelable operating leases were as follows:

(Amounts in thousands)	<u>As of March 31, 2019</u>
For the remainder of 2019	\$ 1,977,372
For the year ended December 31,	
2020	1,525,340
2021	1,492,760
2022	1,433,740
2023	1,298,470
2024	1,080,729
Thereafter	4,929,317

As of December 31, 2018, under ASC 840, future undiscounted cash flows under non-cancelable operating leases were as follows:

(Amounts in thousands)	<u>As of December 31, 2018</u>
For the year ended December 31,	
2019	\$ 1,547,162
2020	1,510,097
2021	1,465,024
2022	1,407,615
2023	1,269,141
Thereafter	5,832,467

The components of lease revenues for the three months ended March 31, 2019 were as follows:

(Amounts in thousands)	<u>For the Three Months Ended March 31, 2019</u>
Fixed lease revenues	\$ 414,877
Variable lease revenues	72,429
Lease revenues	<u>\$ 487,306</u>

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

20. Leases - continued

As lessee

We have a number of ground leases which are classified as operating leases. On January 1, 2019, we recorded \$526,866,000 of ROU assets and lease liabilities. Our ROU assets were reduced by \$37,269,000 of accrued rent expense reclassified from "other liabilities" and \$4,267,000 of acquired above-market lease liabilities, net, reclassified from "deferred revenue" and increased by \$23,665,000 of acquired below-market lease assets, net, reclassified from "identified intangible assets, net of accumulated amortization" and \$1,584,000 of prepaid lease payments reclassified from "other assets." As of March 31, 2019, our ROU assets and lease liabilities were \$457,662,000 and \$484,173,000, respectively.

The discount rate applied to measure each ROU asset and lease liability is based on our incremental borrowing rate ("IBR"). We consider the general economic environment and our credit rating and factor in various financing and asset specific adjustments to ensure the IBR is appropriate to the intended use of the underlying lease. As we did not elect to apply hindsight, lease term assumptions determined under ASC 840 were carried forward and applied in calculating the lease liabilities recorded under ASC 842. Certain of our ground leases offer renewal options which we assess against relevant economic factors to determine whether we are reasonably certain of exercising or not exercising the option. Lease payments associated with renewal periods that we are reasonably certain will be exercised are included in the measurement of the corresponding lease liability and ROU asset.

The following table sets forth information related to the measurement of our lease liabilities as of March 31, 2019:

(Amounts in thousands)	As of March 31, 2019
Weighted average remaining lease term (in years)	41.55
Weighted average discount rate	4.89%
Cash paid for operating leases	\$ 6,111

We recognize rent expense as a component of "operating" expenses on our consolidated statements of income. Rent expense is comprised of fixed and variable lease payments. Variable lease payments include percentage rent and rent resets based on an index or rate. The following table sets forth the details of rent expense for the three months ended March 31, 2019:

(Amounts in thousands)	For the Three Months Ended March 31, 2019
Fixed rent expense	\$ 10,626
Variable rent expense	620
Rent expense	\$ 11,246

As of March 31, 2019, future lease payments under operating ground leases were as follows:

(Amounts in thousands)	As of March 31, 2019
For the remainder of 2019	\$ 20,361
For the year ended December 31,	
2020	28,352
2021	28,745
2022	29,646
2023	30,061
2024	30,495
Thereafter	1,037,252
Total undiscounted cash flows	1,204,912
Present value discount	(720,739)
Lease liabilities	\$ 484,173

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

20. Leases - continued

As lessee - continued

The future lease payments detailed on the previous page exclude the ground and building lease at the Farley Office and Retail Building (the "Project"). We have a 95% ownership interest in a joint venture with the Related Companies ("Related") which was designated by Empire State Development ("ESD"), an entity of New York State, to develop the Project. The Project will include a new Moynihan Train Hall and approximately 850,000 rentable square feet of commercial space, comprised of approximately 730,000 square feet of office space and approximately 120,000 square feet of retail space. The joint venture has a 99-year triple-net lease with ESD for the commercial space at the Project. The lease has not yet commenced since construction of the Project is on-going.

The joint venture has entered into a development agreement with ESD to build the adjacent Moynihan Train Hall, with Vornado and Related each guaranteeing the joint venture's obligations. The joint venture has entered into a design-build contract with Skanska Moynihan Train Hall Builders pursuant to which they will build the Moynihan Train Hall, thereby fulfilling all of the joint venture's obligations to ESD. The obligations of Skanska Moynihan Train Hall Builders have been bonded by Skanska USA and bear a full guaranty from Skanska AB. As a result of our involvement in the construction of the asset, we have been deemed the accounting owner of the property in accordance with ASC 842-40-55. Future undiscounted cash flows for the lease, including fixed payments in lieu of real estate taxes, as of March 31, 2019 were as follows:

(Amounts in thousands)	<u>As of March 31, 2019</u>
For the remainder of 2019	\$ 6,822
For the year ended December 31,	
2020	10,402
2021	7,229
2022	7,444
2023	7,809
2024	8,330
Thereafter	519,048

As of December 31, 2018, under ASC 840, future lease payments under operating ground leases were as follows:

(Amounts in thousands)	<u>As of December 31, 2018</u>
For the year ended December 31,	
2019	\$ 46,147
2020	45,258
2021	42,600
2022	43,840
2023	44,747
Thereafter	1,612,627

Certain of our ground leases are subject to fair market rent resets based on a percentage of the appraised value of the underlying assets at specified future dates. Fair market rent resets do not give rise to remeasurement of the related right-of-use assets and lease liabilities. Fair market rent resets, which may be material, will be recognized in the periods in which they are incurred.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
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21. Commitments and Contingencies

Insurance

We maintain general liability insurance with limits of \$300,000,000 per occurrence and per property, and all risk property and rental value insurance with limits of \$2.0 billion per occurrence, with sub-limits for certain perils such as flood and earthquake. Our California properties have earthquake insurance with coverage of \$260,000,000 per occurrence and in the aggregate, subject to a deductible in the amount of 5% of the value of the affected property. We maintain coverage for terrorism acts with limits of \$4.0 billion per occurrence and in the aggregate, and \$2.0 billion per occurrence and in the aggregate for terrorism involving nuclear, biological, chemical and radiological (“NBCR”) terrorism events, as defined by the Terrorism Risk Insurance Program Reauthorization Act of 2015, which expires in December 2020.

Penn Plaza Insurance Company, LLC (“PPIC”), our wholly owned consolidated subsidiary, acts as a re-insurer with respect to a portion of all risk property and rental value insurance and a portion of our earthquake insurance coverage, and as a direct insurer for coverage for acts of terrorism including NBCR acts. Coverage for acts of terrorism (excluding NBCR acts) is fully reinsured by third-party insurance companies and the Federal government with no exposure to PPIC. For NBCR acts, PPIC is responsible for a deductible of \$1,453,000 and 19% of the balance of a covered loss and the Federal government is responsible for the remaining portion of a covered loss. We are ultimately responsible for any loss incurred by PPIC.

We continue to monitor the state of the insurance market and the scope and cost of coverage for acts of terrorism. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future. We are responsible for deductibles and losses in excess of our insurance coverage, which could be material.

Our debt instruments, consisting of mortgage loans secured by our properties, senior unsecured notes and revolving credit agreements, contain customary covenants requiring us to maintain insurance. Although we believe that we have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at a reasonable cost in the future. Further, if lenders insist on greater coverage than we are able to obtain, it could adversely affect our ability to finance or refinance our properties and expand our portfolio.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

21. Commitments and Contingencies - continued

Other Commitments and Contingencies

We are from time to time involved in legal actions arising in the ordinary course of business. In our opinion, after consultation with legal counsel, the outcome of such matters is not currently expected to have a material adverse effect on our financial position, results of operations or cash flows.

Each of our properties has been subjected to varying degrees of environmental assessment at various times. The environmental assessments did not reveal any material environmental contamination. However, there can be no assurance that the identification of new areas of contamination, changes in the extent or known scope of contamination, the discovery of additional sites or changes in cleanup requirements would not result in significant cost to us.

Our mortgage loans are non-recourse to us, except for the mortgage loan secured by 7 West 34th Street and 435 Seventh Avenue, which we guaranteed and therefore is part of our tax basis. In certain cases we have provided guarantees or master leased tenant space. These guarantees and master leases terminate either upon the satisfaction of specified circumstances or repayment of the underlying loans. As of March 31, 2019, the aggregate dollar amount of these guarantees and master leases is approximately \$582,000,000.

As of March 31, 2019, \$15,365,000 of letters of credit was outstanding under one of our unsecured revolving credit facilities. Our unsecured revolving credit facilities contain financial covenants that require us to maintain minimum interest rate coverage and maximum debt to market capitalization ratios, and provide for higher interest rates in the event of a decline in our ratings below Baa3/BBB. Our unsecured revolving credit facilities also contain customary conditions precedent to borrowing, including representations and warranties, and also contain customary events of default that could give rise to accelerated repayment, including such items as failure to pay interest or principal.

A joint venture in which we own a 95.0% ownership interest was designated by Empire State Development ("ESD"), an entity of New York State, to develop the Farley Office and Retail Building. The joint venture entered into a development agreement with ESD and a design-build contract with Skanska Moynihan Train Hall Builders. Under the development agreement with ESD, the joint venture is obligated to build the Moynihan Train Hall, with Vornado and Related each guaranteeing the joint venture's obligations. Under the design-build agreement, Skanska Moynihan Train Hall Builders is obligated to fulfill all of the joint venture's obligations. The obligations of Skanska Moynihan Train Hall Builders have been bonded by Skanska USA and bear a full guaranty from Skanska AB.

As of March 31, 2019, we expect to fund additional capital to certain of our partially owned entities aggregating approximately \$16,000,000.

As of March 31, 2019, we have construction commitments aggregating approximately \$774,000,000.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

22. Segment Information

Net Operating Income (“NOI”) represents total revenues less operating expenses. We consider NOI to be the primary non-GAAP financial measure for making decisions and assessing the unlevered performance of our segments as it relates to the total return on assets as opposed to the levered return on equity. As properties are bought and sold based on NOI, we utilize this measure to make investment decisions as well as to compare the performance of our assets to that of our peers. NOI should not be considered a substitute for net income. NOI may not be comparable to similarly titled measures employed by other companies.

Below is a reconciliation of net income, the most directly comparable GAAP financial measure, to NOI at share and NOI at share - cash basis for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Net income	\$ 213,044	\$ 282
Deduct:		
(Income) loss from partially owned entities	(7,320)	9,904
Interest and other investment (income) loss, net	(5,045)	24,384
Net gains on disposition of wholly owned and partially owned assets	(220,294)	—
NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,403)	(17,312)
Add:		
Loss from real estate fund investments	167	8,807
Depreciation and amortization expense	116,709	108,686
General and administrative expense	58,020	42,533
Transaction related costs and other	149	13,156
NOI from partially owned entities	67,402	67,513
Interest and debt expense	102,463	88,166
Loss from discontinued operations	137	363
Income tax expense	29,743	2,554
NOI at share	337,772	349,036
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net, and other	(5,181)	(17,948)
NOI at share - cash basis	\$ 332,591	\$ 331,088

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(UNAUDITED)

22. Segment Information - continued

Below is a summary of NOI at share and NOI at share - cash basis by segment for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	For the Three Months Ended March 31, 2019		
	Total	New York	Other
Total revenues	\$ 534,668	\$ 443,285	\$ 91,383
Operating expenses	246,895	198,095	48,800
NOI - consolidated	287,773	245,190	42,583
Deduct: NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,403)	(11,407)	(5,996)
Add: NOI from partially owned entities	67,402	49,575	17,827
NOI at share	337,772	283,358	54,414
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net, and other	(5,181)	(6,618)	1,437
NOI at share - cash basis	<u>\$ 332,591</u>	<u>\$ 276,740</u>	<u>\$ 55,851</u>

(Amounts in thousands)

	For the Three Months Ended March 31, 2018		
	Total	New York	Other
Total revenues	\$ 536,437	\$ 448,484	\$ 87,953
Operating expenses	237,602	197,916	39,686
NOI - consolidated	298,835	250,568	48,267
Deduct: NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,312)	(11,745)	(5,567)
Add: NOI from partially owned entities	67,513	49,773	17,740
NOI at share	349,036	288,596	60,440
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net, and other	(17,948)	(17,323)	(625)
NOI at share - cash basis	<u>\$ 331,088</u>	<u>\$ 271,273</u>	<u>\$ 59,815</u>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Trustees of Vornado Realty Trust

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of Vornado Realty Trust and subsidiaries (the "Company") as of March 31, 2019, the related consolidated statements of income and comprehensive income for the three-month periods ended March 31, 2019 and 2018, and of changes in equity, and cash flows, for the three-month periods ended March 31, 2019 and 2018, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2018, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended; and in our report dated February 11, 2019, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2018, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our review in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
April 29, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of Vornado Realty L.P.

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of Vornado Realty L.P. and subsidiaries (the "Partnership") as of March 31, 2019, the related consolidated statements of income and comprehensive income for the three-month periods ended March 31, 2019 and 2018, and of changes in equity, and cash flows, for the three-month periods ended March 31, 2019 and 2018, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Partnership as of December 31, 2018, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended; and in our report dated February 11, 2019, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2018, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our review in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
April 29, 2019

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Certain statements contained in this Quarterly Report constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Our future results, financial condition and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as “approximates,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “would,” “may” or other similar expressions in this Quarterly Report on Form 10-Q. We also note the following forward-looking statements: in the case of our development and redevelopment projects, the estimated completion date, estimated project cost and cost to complete; and estimates of future capital expenditures, dividends to common and preferred shareholders and operating partnership distributions. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict. For further discussion of factors that could materially affect the outcome of our forward-looking statements, see “Item 1A. Risk Factors” in Part I of our Annual Report on Form 10-K for the year ended December 31, 2018. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q or the date of any document incorporated by reference. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances occurring after the date of this Quarterly Report on Form 10-Q.

Management’s Discussion and Analysis of Financial Condition and Results of Operations includes a discussion of our consolidated financial statements for the three months ended March 31, 2019. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The results of operations for the three months ended March 31, 2019 are not necessarily indicative of the operating results for the full year. Certain prior year balances have been reclassified in order to conform to the current year presentation.

Overview

Vornado Realty Trust (“Vornado”) is a fully-integrated real estate investment trust (“REIT”) and conducts its business through, and substantially all of its interests in properties are held by, Vornado Realty L.P., a Delaware limited partnership (the “Operating Partnership”). Vornado is the sole general partner of, and owned approximately 93.4% of the common limited partnership interest in the Operating Partnership as of March 31, 2019. All references to the “Company,” “we,” “us” and “our” mean, collectively, Vornado, the Operating Partnership and those entities/subsidiaries consolidated by Vornado.

We compete with a large number of real estate property owners and developers, some of which may be willing to accept lower returns on their investments. Principal factors of competition are rents charged, sales prices, attractiveness of location, the quality of the property and the breadth and the quality of services provided. Our success depends upon, among other factors, trends of the global, national, regional and local economies, the financial condition and operating results of current and prospective tenants and customers, availability and cost of capital, construction and renovation costs, taxes, governmental regulations, legislation, population and employment trends. See “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018 for additional information regarding these factors.

Vornado Realty Trust

Quarter Ended March 31, 2019 Financial Results Summary

Net income attributable to common shareholders for the quarter ended March 31, 2019 was \$181,488,000, or \$0.95 per diluted share, compared to a net loss of \$17,841,000, or \$0.09 per diluted share, for the prior year’s quarter. The quarters ended March 31, 2019 and 2018 include certain items that impact the comparability of period to period net income (loss) attributable to common shareholders, which are listed in the table on the following page. The aggregate of these items, net of amounts attributable to noncontrolling interests, increased net income attributable to common shareholders for the quarter ended March 31, 2019 by \$156,674,000, or \$0.82 per diluted share, and increased net loss attributable to common shareholders by \$73,181,000, or \$0.38 per diluted share, for the quarter ended March 31, 2018. The decrease in net income attributable to common shareholders was partially due to \$16,211,000, or \$0.08 per share, of non-cash expense for the accelerated vesting of previously issued OP Units and Vornado restricted stock due to the removal of the time-based vesting requirement to participants who have reached 65 years of age. The right to sell such awards remains subject to original terms of grant. The increase in expense in the first quarter of 2019 will be completely offset by lower non-cash stock-based compensation expense of \$2,578,000 in each of the second, third and fourth quarters of 2019 and \$8,477,000 thereafter.

Funds From Operations (“FFO”) attributable to common shareholders plus assumed conversions for the quarter ended March 31, 2019 was \$247,684,000, or \$1.30 per diluted share, compared to \$135,000,000, or \$0.71 per diluted share, for the prior year’s quarter. FFO attributable to common shareholders plus assumed conversions for the quarters ended March 31, 2019 and 2018 include certain items that impact the comparability of period to period FFO, which are listed in the table on the following page. The aggregate of these items, net of amounts attributable to noncontrolling interests, increased FFO attributable to common shareholders plus assumed conversions for the quarter ended March 31, 2019 by \$97,745,000, or \$0.51 per diluted share, and decreased FFO attributable to common shareholders plus assumed conversions by \$37,907,000, or \$0.20 per diluted share, for the quarter ended March 31, 2018. The decrease in FFO attributable to common shareholders was partially due to \$16,211,000, or \$0.08 per share, of non-cash expense for the accelerated vesting of previously issued OP Units and Vornado restricted stock, as described above.

Overview - continued

The following table reconciles the difference between our net income (loss) attributable to common shareholders and our net income attributable to common shareholders, as adjusted:

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Certain (income) expense items that impact net income (loss) attributable to common shareholders:		
After-tax net gain on sale of 220 Central Park South ("220 CPS") condominium units	\$ (130,954)	\$ —
Net gain from sale of Urban Edge Properties ("UE") common shares	(62,395)	—
Prepayment penalty in connection with redemption of \$400 million 5.00% senior unsecured notes due January 2022	22,540	—
Mark-to-market (increase) decrease in Lexington Realty Trust ("Lexington") common shares (sold on March 1, 2019)	(16,068)	32,875
Mark-to-market decrease in Pennsylvania Real Estate Investment Trust ("PREIT") common shares (accounted for as a marketable security from March 12, 2019)	15,649	—
Our share of disputed additional New York City transfer taxes based on a Tax Tribunal interpretation	—	23,503
Preferred share issuance costs	—	14,486
Previously capitalized internal leasing costs ⁽¹⁾	—	(1,348)
Other	4,056	8,666
	(167,172)	78,182
Noncontrolling interests' share of above adjustments	10,498	(5,001)
Total of certain (income) expense items that impact net income (loss) attributable to common shareholders	\$ (156,674)	\$ 73,181

(1) The three months ended March 31, 2018 have been reduced by \$1,348 for previously capitalized internal leasing cost to present 2018 "as adjusted" financial results on a comparable basis with the current year as a result of the January 1, 2019 adoption of a new GAAP accounting standard under which internal leasing costs can no longer be capitalized.

The following table reconciles the difference between our FFO attributable to common shareholders plus assumed conversions and our FFO attributable to common shareholders plus assumed conversions, as adjusted:

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Certain (income) expense items that impact FFO attributable to common shareholders plus assumed conversions:		
After-tax net gain on sale of 220 CPS condominium units	\$ (130,954)	\$ —
Prepayment penalty in connection with redemption of \$400 million 5.00% senior unsecured notes due January 2022	22,540	—
Our share of disputed additional New York City transfer taxes based on a Tax Tribunal interpretation	—	23,503
Preferred share issuance costs	—	14,486
Previously capitalized internal leasing costs ⁽¹⁾	—	(1,348)
Other	4,110	3,607
	(104,304)	40,248
Noncontrolling interests' share of above adjustments	6,559	(2,341)
Total of certain (income) expense items that impact FFO attributable to common shareholders plus assumed conversions, net	\$ (97,745)	\$ 37,907

(1) The three months ended March 31, 2018 have been reduced by \$1,348 for previously capitalized internal leasing cost to present 2018 "as adjusted" financial results on a comparable basis with the current year as a result of the January 1, 2019 adoption of a new GAAP accounting standard under which internal leasing costs can no longer be capitalized.

Overview - continued

Vornado Realty Trust and Vornado Realty L.P.

Same Store Net Operating Income (“NOI”) At Share

The percentage (decrease) increase in same store NOI at share and same store NOI at share - cash basis of our New York segment, theMART and 555 California Street are summarized below.

	<u>Total</u>	<u>New York⁽¹⁾</u>	<u>theMART</u>	<u>555 California Street</u>
Same store NOI at share % (decrease) increase:				
Three months ended March 31, 2019 compared to March 31, 2018	(0.1)%	(0.1)%	(4.3)%	7.3%
Three months ended March 31, 2019 compared to December 31, 2018	1.0 %	(3.0)%	106.2 % ⁽²⁾	3.4%
Same store NOI at share - cash basis % increase (decrease):				
Three months ended March 31, 2019 compared to March 31, 2018	3.0 %	2.6 %	0.9 %	15.0%
Three months ended March 31, 2019 compared to December 31, 2018	0.2 %	(4.2)%	88.6 % ⁽²⁾	6.9%

	<u>Increase</u>
(1) Excluding Hotel Pennsylvania, same store NOI at share % increase:	
Three months ended March 31, 2019 compared to March 31, 2018	0.5%
Three months ended March 31, 2019 compared to December 31, 2018	1.2%
Excluding Hotel Pennsylvania, same store NOI at share - cash basis % increase:	
Three months ended March 31, 2019 compared to March 31, 2018	3.3%
Three months ended March 31, 2019 compared to December 31, 2018	0.2%

(2) The three months ended December 31, 2018 includes an additional \$12,124,000 real estate tax expense accrual due to an increase in the tax-assessed value of theMART.

Calculations of same store NOI at share, reconciliations of our net income to NOI at share, NOI at share - cash basis and FFO and the reasons we consider these non-GAAP financial measures useful are provided in the following pages of Management’s Discussion and Analysis of the Financial Condition and Results of Operations.

Overview - continued

Dispositions

220 Central Park South ("220 CPS")

During the first quarter of 2019, we closed on the sale of 12 condominium units at 220 CPS for net proceeds aggregating \$425,484,000 and resulting in a financial statement net gain of \$157,899,000 which is included in "net gains on disposition of wholly owned and partially owned assets" on our consolidated statements of income. In connection with these sales, \$26,945,000 of income tax expense was recognized in our consolidated statements of income. From inception to March 31, 2019, we closed on the sale of 23 units for aggregate net proceeds of \$640,260,000 which was used to pay \$637,000,000 of the \$950,000,000 220 CPS loan.

Lexington Realty Trust ("Lexington")

On March 1, 2019, we sold all of our 18,468,969 common shares of Lexington realizing net proceeds of \$167,698,000. For the three months ended March 31, 2019, we recorded a \$16,068,000 mark-to-market increase in the fair value of our common shares for the period from January 1, 2019 through the date of sale, which is included in "interest and other investment income (loss), net" on our consolidated statements of income.

Urban Edge Properties ("UE")

On March 4, 2019, we converted to common shares and sold all of our 5,717,184 partnership units of UE, realizing net proceeds of \$108,512,000. The sale resulted in a net gain of \$62,395,000 which is included in "net gains on disposition of wholly owned and partially owned assets" on our consolidated statements of income for the three months ended March 31, 2019.

Fifth Avenue and Times Square JV

On April 18, 2019 ("Closing Date"), we entered into a transaction agreement (the "Transaction Agreement") with a group of institutional investors (the "Investors"). The Transaction Agreement provides for a series of transactions (collectively, the "Transaction") pursuant to which (i) prior to the Closing Date, the Operating Partnership contributed its interests in properties located at 640 Fifth Avenue, 655 Fifth Avenue, 666 Fifth Avenue, 689 Fifth Avenue, 697-703 Fifth Avenue, 1535 Broadway and 1540 Broadway (collectively, the "Properties") to subsidiaries of a newly formed joint venture ("Fifth Avenue and Times Square JV") and (ii) on the Closing Date, transferred a 48.5% common interest in Fifth Avenue and Times Square JV to the Investors. The 48.5% common interest in the joint venture represents an effective 47.2% interest in the Properties. The Properties include approximately 489,000 square feet of retail space, 327,000 square feet of office space, signage associated with 1535 and 1540 Broadway, the parking garage at 1540 Broadway and the theatre at 1535 Broadway.

We retained the remaining 51.5% common interest in Fifth Avenue and Times Square JV which represents an effective 51.0% interest in the Properties and an aggregate \$1.828 billion of preferred equity interests in certain of the properties. The preferred equity has an annual coupon of 4.25% for the first five years, increasing to 4.75% for the next five years and thereafter at a formulaic rate. It can be redeemed under certain conditions on a tax deferred basis.

Net cash proceeds to us from the Transaction are approximately \$1.198 billion, after (i) deductions for the repayment of a \$390,000,000 mortgage loan on 666 Fifth Avenue and a \$140,000,000 mortgage loan on 655 Fifth Avenue, (ii) anticipated proceeds from a new \$500,000,000 mortgage loan on 640 Fifth Avenue, (iii) approximately \$26,000,000 used to purchase noncontrolling investors' interests and (iv) approximately \$56,000,000 of estimated transaction costs. Until the new mortgage closes, Vornado will retain \$500 million of preferred equity interests in addition to the \$1.828 billion referenced above.

The Transaction values the Properties at \$5.556 billion resulting in a financial statement net gain of approximately \$2.6 billion from the Transaction and the related step-up in our basis of the assets to fair value. The net gain will be recognized in our consolidated statements of income for the three months ended June 30, 2019. Our tax gain is approximately \$735,000,000. We continue to manage the Properties and share control over major decisions of the joint venture. Accordingly, the Properties will be deconsolidated and the joint venture will be accounted for under the equity method from the date of transfer. As of March 31, 2019, the assets and liabilities associated with the Properties were classified as "assets held for sale" and "liabilities related to assets held for sale", respectively, on our consolidated balance sheets.

Overview - continued

Financings

On January 28, 2019, the joint venture, in which we have a 45.1% interest, completed a \$167,500,000 refinancing of 61 Ninth Avenue, a 166,000 square foot newly constructed office and retail property in the Meatpacking district of Manhattan which is fully leased to Aetna and Starbucks. The seven-year interest only loan carries a rate of LIBOR plus 1.35% (3.85% as of March 31, 2019) and matures in January 2026. We realized net proceeds of approximately \$31,000,000. The loan replaces the previous \$90,000,000 construction loan that bore interest at LIBOR plus 3.05% and was scheduled to mature in 2021.

On February 4, 2019, we completed a \$95,700,000 refinancing of 435 Seventh Avenue, a 43,000 square foot Manhattan retail property. The interest-only loan carries a rate of LIBOR plus 1.30% (3.78% as of March 31, 2019) and matures in 2024. The recourse loan replaces the previous \$95,700,000 loan that bore interest at LIBOR plus 2.25% and was scheduled to mature in August 2019.

On February 12, 2019, we completed a \$580,000,000 refinancing of 100 West 33rd Street, a 1.1 million square foot Manhattan property comprised of 859,000 square feet of office space and the 256,000 square foot Manhattan Mall. The interest-only loan carries a rate of LIBOR plus 1.55% (4.03% as of March 31, 2019) and matures in April 2024, with two one-year extension options. The loan replaces the previous \$580,000,000 loan that bore interest at LIBOR plus 1.65% and was scheduled to mature in July 2020.

On March 1, 2019, we called for redemption all of our \$400,000,000 5.00% senior unsecured notes. The notes, which were scheduled to mature in January 2022, were redeemed on April 1, 2019 at a redemption price of 105.51% of the principal amount plus accrued interest. In connection therewith, we expensed \$22,540,000 relating to debt prepayment costs which is included in "interest and debt expense" on our consolidated statements of income for the three months ended March 31, 2019.

On March 26, 2019, we increased to \$1.5 billion (from \$1.25 billion) and extended to March 2024 (as fully extended) from February 2022 one of our two unsecured revolving credit facilities. The interest rate on the extended facility was lowered from LIBOR plus 1.00% to LIBOR plus 0.90%. The facility fee remains unchanged at 20 basis points.

Overview - continued

Leasing Activity

The leasing activity and related statistics in the table below are based on leases signed during the period and are not intended to coincide with the commencement of rental revenue in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Second generation relet space represents square footage that has not been vacant for more than nine months and tenant improvements and leasing commissions are based on our share of square feet leased during the period.

(Square feet in thousands)

	New York			
	Office	Retail	theMART	555 California Street
Three Months Ended March 31, 2019				
Total square feet leased	396	49	159	61
Our share of square feet leased:	350	43	159	43
Initial rent ⁽¹⁾	\$ 75.91	\$ 113.37	\$ 46.67	\$ 81.05
Weighted average lease term (years)	9.0	3.4	7.0	5.1
Second generation relet space:				
Square feet	312	38	157	43
GAAP basis:				
Straight-line rent ⁽²⁾	\$ 73.27	\$ 116.99	\$ 45.37	\$ 84.32
Prior straight-line rent	\$ 72.64	\$ 114.48	\$ 40.76	\$ 49.92
Percentage increase	0.9%	2.2 %	11.3%	68.9%
Cash basis:				
Initial rent ⁽¹⁾	\$ 74.43	\$ 115.36	\$ 46.59	\$ 81.05
Prior escalated rent	\$ 73.13	\$ 126.09	\$ 43.85	\$ 58.92
Percentage increase (decrease)	1.8%	(8.5)%	6.2%	37.6%
Tenant improvements and leasing commissions:				
Per square foot	\$ 87.05	\$ 20.15	\$ 35.20	\$ 49.14
Per square foot per annum	\$ 9.67	\$ 5.93	\$ 5.03	\$ 9.64
Percentage of initial rent	12.7%	5.2 %	10.8%	11.9%

(1) Represents the cash basis weighted average starting rent per square foot, which is generally indicative of market rents. Most leases include free rent and periodic step-ups in rent which are not included in the initial cash basis rent per square foot but are included in the GAAP basis straight-line rent per square foot.

(2) Represents the GAAP basis weighted average rent per square foot that is recognized over the term of the respective leases, and includes the effect of free rent and periodic step-ups in rent.

Overview - continued

Square Footage (in service) and Occupancy as of March 31, 2019

(Square feet in thousands)

	Number of Properties	Square Feet (in service)		Occupancy %
		Total Portfolio	Our Share	
New York:				
Office	36	19,948	16,641	97.0%
Retail (includes retail properties that are in the base of our office properties)	71	2,621	2,404	97.1%
Residential - 1,683 units	10	1,529	796	96.7%
Alexander's, Inc. ("Alexander's") including 312 residential units	7	2,242	726	97.3%
Hotel Pennsylvania	1	1,400	1,400	
		<u>27,740</u>	<u>21,967</u>	97.0%
Other:				
theMART	3	3,695	3,686	94.9%
555 California Street	3	1,743	1,220	99.4%
Other	10	2,527	1,192	92.8%
		<u>7,965</u>	<u>6,098</u>	
Total square feet as of March 31, 2019		<u>35,705</u>	<u>28,065</u>	

Square Footage (in service) and Occupancy as of December 31, 2018

(Square feet in thousands)

	Number of properties	Square Feet (in service)		Occupancy %
		Total Portfolio	Our Share	
New York:				
Office	36	19,858	16,632	97.2%
Retail (includes retail properties that are in the base of our office properties)	71	2,648	2,419	97.3%
Residential - 1,687 units	10	1,533	800	96.6%
Alexander's, including 312 residential units	7	2,437	790	91.4%
Hotel Pennsylvania	1	1,400	1,400	
		<u>27,876</u>	<u>22,041</u>	97.0%
Other:				
theMART	3	3,694	3,685	94.7%
555 California Street	3	1,743	1,220	99.4%
Other	10	2,522	1,187	92.8%
		<u>7,959</u>	<u>6,092</u>	
Total square feet as of December 31, 2018		<u>35,835</u>	<u>28,133</u>	

Critical Accounting Policies

A summary of our critical accounting policies is included in our Annual Report on Form 10-K for the year ended December 31, 2018. For the three months ended March 31, 2019, there were no material changes to these policies, other than the adoption of the Accounting Standards Codification Topic 842, *Leases*, described in Note 3 - *Recently Issued Accounting Literature* and Note 20 - *Leases* to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q.

Recently Issued Accounting Literature

Refer to Note 3 - *Recently Issued Accounting Literature* to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q for information regarding recent accounting pronouncements that may affect us.

Net Operating Income At Share by Segment for the Three Months Ended March 31, 2019 and 2018

NOI represents total revenues less operating expenses. We consider NOI to be the primary non-GAAP financial measure for making decisions and assessing the unlevered performance of our segments as it relates to the total return on assets as opposed to the levered return on equity. As properties are bought and sold based on NOI, we utilize this measure to make investment decisions as well as to compare the performance of our assets to that of our peers. NOI should not be considered a substitute for net income. NOI may not be comparable to similarly titled measures employed by other companies.

Below is a summary of NOI at share and NOI at share - cash basis by segment for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	For the Three Months Ended March 31, 2019		
	Total	New York	Other
Total revenues	\$ 534,668	\$ 443,285	\$ 91,383
Operating expenses	246,895	198,095	48,800
NOI - consolidated	287,773	245,190	42,583
Deduct: NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,403)	(11,407)	(5,996)
Add: NOI from partially owned entities	67,402	49,575	17,827
NOI at share	337,772	283,358	54,414
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net, and other	(5,181)	(6,618)	1,437
NOI at share - cash basis	\$ 332,591	\$ 276,740	\$ 55,851

(Amounts in thousands)

	For the Three Months Ended March 31, 2018		
	Total	New York	Other
Total revenues	\$ 536,437	\$ 448,484	\$ 87,953
Operating expenses	237,602	197,916	39,686
NOI - consolidated	298,835	250,568	48,267
Deduct: NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,312)	(11,745)	(5,567)
Add: NOI from partially owned entities	67,513	49,773	17,740
NOI at share	349,036	288,596	60,440
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net, and other	(17,948)	(17,323)	(625)
NOI at share - cash basis	\$ 331,088	\$ 271,273	\$ 59,815

Net Operating Income At Share by Segment for the Three Months Ended March 31, 2019 and 2018 - continued

The elements of our New York and Other NOI at share for the three months ended March 31, 2019 and 2018 are summarized below.

(Amounts in thousands)	For the Three Months Ended March 31,	
	2019	2018
New York:		
Office	\$ 183,540	\$ 187,156
Retail	88,267	87,909
Residential	6,045	6,141
Alexander's	11,322	11,575
Hotel Pennsylvania	(5,816)	(4,185)
Total New York	283,358	288,596
Other:		
theMART	23,523	26,875
555 California Street	14,501	13,511
Other investments ⁽¹⁾	16,390	20,054
Total Other	54,414	60,440
NOI at share	\$ 337,772	\$ 349,036

(1) The three months ended March 31, 2018 includes \$5,273 from 666 Fifth Avenue Office Condominium (sold on August 3, 2018).

The elements of our New York and Other NOI at share - cash basis for the three months ended March 31, 2019 and 2018 are summarized below.

(Amounts in thousands)	For the Three Months Ended March 31,	
	2019	2018
New York:		
Office	\$ 184,370	\$ 178,199
Retail	80,936	79,589
Residential	5,771	5,599
Alexander's	11,527	12,039
Hotel Pennsylvania	(5,864)	(4,153)
Total New York	276,740	271,273
Other:		
theMART	24,912	27,079
555 California Street	14,745	12,826
Other investments ⁽¹⁾	16,194	19,910
Total Other	55,851	59,815
NOI at share - cash basis	\$ 332,591	\$ 331,088

(1) The three months ended March 31, 2018 includes \$5,180 from 666 Fifth Avenue Office Condominium (sold on August 3, 2018).

Reconciliation of Net Income to Net Operating Income At Share for the Three Months Ended March 31, 2019 and 2018

Below is a reconciliation of net income to NOI at share and NOI at share - cash basis for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Net income	\$ 213,044	\$ 282
Deduct:		
(Income) loss from partially owned entities	(7,320)	9,904
Interest and other investment (income) loss, net	(5,045)	24,384
Net gains on disposition of wholly owned and partially owned assets	(220,294)	—
NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,403)	(17,312)
Add:		
Loss from real estate fund investments	167	8,807
Depreciation and amortization expense	116,709	108,686
General and administrative expense	58,020	42,533
Transaction related costs and other	149	13,156
NOI from partially owned entities	67,402	67,513
Interest and debt expense	102,463	88,166
Loss from discontinued operations	137	363
Income tax expense	29,743	2,554
NOI at share	337,772	349,036
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net and other	(5,181)	(17,948)
NOI at share - cash basis	\$ 332,591	\$ 331,088

NOI At Share by Region

Below is a summary of the percentages of NOI at share by geographic region for the three months ended March 31, 2019 and 2018.

Region:	For the Three Months Ended March 31,	
	2019	2018
New York City metropolitan area	88%	88%
Chicago, IL	7%	8%
San Francisco, CA	5%	4%
	100%	100%

Results of Operations – Three Months Ended March 31, 2019 Compared to March 31, 2018

Revenues

Our revenues, which consist of rental revenues and fee and other income, were \$534,668,000 for the three months ended March 31, 2019 compared to \$536,437,000 for the prior year's quarter, a decrease of \$1,769,000. Below are the details of the (decrease) increase by segment:

(Amounts in thousands)

	Total	New York	Other
(Decrease) increase due to:			
Rental revenues:			
Acquisitions, dispositions and other	\$ (2,249)	\$ (1,962)	\$ (287)
Development and redevelopment	(1,793)	(1,859)	66
Hotel Pennsylvania	(1,869)	(1,869)	—
Trade shows	(2,075)	—	(2,075)
Same store operations	7,443	(509)	7,952
	<u>(543)</u>	<u>(6,199)</u>	<u>5,656</u>
Fee and other income:			
BMS cleaning fees	1,430	1,604	(174)
Management and leasing fees	(527)	(230)	(297)
Lease termination fees	217	180	37
Other income	(2,346)	(554)	(1,792)
	<u>(1,226)</u>	<u>1,000</u>	<u>(2,226)</u>
Total (decrease) increase in revenues	<u>\$ (1,769)</u>	<u>\$ (5,199)</u>	<u>\$ 3,430</u>

Expenses

Our expenses, which consist of operating, depreciation and amortization, general and administrative, expense from deferred compensation plan liability, and transaction related costs and other, were \$427,206,000 for the three months ended March 31, 2019, compared to \$401,573,000 for the prior year's quarter, an increase of \$25,633,000. Below are the details of the increase (decrease) by segment:

(Amounts in thousands)

	Total	New York	Other
Increase (decrease) due to:			
Operating:			
Acquisitions, dispositions and other	\$ 287	\$ 287	\$ —
Development and redevelopment	(586)	(762)	176
Non-reimbursable expenses	(3,591)	(3,812)	221
Hotel Pennsylvania	(232)	(232)	—
Trade shows	140	—	140
BMS expenses	1,697	1,697	—
Same store operations	11,578	3,001	8,577
	<u>9,293</u>	<u>179</u>	<u>9,114</u>
Depreciation and amortization:			
Acquisitions, dispositions and other	72	72	—
Development and redevelopment	(1,693)	(1,710)	17
Same store operations	9,644	9,299	345
	<u>8,023</u>	<u>7,661</u>	<u>362</u>
General and administrative	<u>15,487</u> ⁽¹⁾	<u>5,448</u>	<u>10,039</u>
Expense from deferred compensation plan liability	<u>5,837</u>	<u>—</u>	<u>5,837</u>
Transaction related costs and other	<u>(13,007)</u>	<u>(13,103)</u> ⁽²⁾	<u>96</u>
Total increase in expenses	<u>\$ 25,633</u>	<u>\$ 185</u>	<u>\$ 25,448</u>

(1) Primarily due to \$16,211 of non-cash expense for the accelerated vesting of previously issued OP Units and Vornado restricted stock due to the removal of the time-based vesting requirement to participants who have reached 65 years of age. The right to sell such awards remains subject to original terms of grant. The increase in expense in the first quarter of 2019 will be completely offset by lower non-cash stock-based compensation expense of \$2,578 in each of the second, third and fourth quarters of 2019 and \$8,477 thereafter.

(2) Disputed additional New York City real property transfer tax ("Transfer Tax") related to the December 2012 acquisition of Independence Plaza recorded in the first quarter of 2018. The joint venture, in which we have a 50.1% economic interest, that owns Independence Plaza recorded this expense based on the precedent established by the New York City Tax Appeals Tribunal (the "Tax Tribunal") decision regarding One Park Avenue. See Note 5 - Real Estate Fund Investments to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q for additional information regarding this matter.

Results of Operations – Three Months Ended March 31, 2019 Compared to March 31, 2018 - continued

Income (Loss) from Partially Owned Entities

Below are the components of income (loss) from partially owned entities for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	Ownership Percentage at March 31, 2019	For the Three Months Ended March 31,	
		2019	2018
Our share of net income (loss):			
Alexander's ⁽¹⁾	32.4%	\$ 6,774	\$ (2,001)
Partially owned office buildings ⁽²⁾	Various	106	(4,283)
Other investments ⁽³⁾	Various	440	(3,620)
		<u>\$ 7,320</u>	<u>\$ (9,904)</u>

(1) 2018 includes our \$7,708 share of Alexander's disputed additional Transfer Tax related to the November 2012 sale of Kings Plaza Regional Shopping Center. Alexander's recorded this expense based on the precedent established by the Tax Tribunal decision regarding One Park Avenue. See Note 5 - *Real Estate Fund Investments* to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q for additional information regarding this matter.

(2) Includes interests in 280 Park Avenue, 650 Madison Avenue, One Park Avenue, 7 West 34th Street, 330 Madison Avenue, 512 West 22nd Street, 85 Tenth Avenue and others. 2018 includes our \$4,978 share of disputed additional Transfer Tax related to the March 2011 acquisition of One Park Avenue. See Note 5 - *Real Estate Fund Investments* to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q for additional information regarding this matter.

(3) Includes interests in Independence Plaza, Fashion Centre Mall/Washington Tower, Rosslyn Plaza, 50-70 West 93rd Street, 666 Fifth Avenue Office Condominium (sold on August 3, 2018), UE (sold on March 4, 2019), PREIT (accounted as a marketable security from March 12, 2019) and others.

Loss from Real Estate Fund Investments

Below are the components of the loss from our real estate fund investments for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Net investment (loss) income	\$ (267)	\$ 2,734
Net unrealized gain on held investments	100	—
Transfer Tax	—	(10,630)
Net realized loss on exited investments	—	(911)
Loss from real estate fund investments	(167)	(8,807)
Less (income) loss attributable to noncontrolling interests in consolidated subsidiaries	(2,737)	5,369
Loss from real estate fund investments attributable to the Operating Partnership	(2,904)	(3,438)
Less loss attributable to noncontrolling interests in the Operating Partnership	182	212
Loss from real estate fund investments attributable to Vornado	<u>\$ (2,722)</u>	<u>\$ (3,226)</u>

Interest and Other Investment Income (Loss), net

Below are the components of interest and other investment income (loss), net for the three months ended March 31, 2019 and 2018.

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2019	2018
Interest on cash and cash equivalents and restricted cash	\$ 2,067	\$ 3,557
Interest on loans receivable	1,606	743
Increase (decrease) in fair value of marketable securities	461 ⁽¹⁾	(32,986) ⁽²⁾
Dividends on marketable securities	—	3,353
Other, net	911	949
	<u>\$ 5,045</u>	<u>\$ (24,384)</u>

(1) Primarily due to a \$16,068 mark-to-market increase in fair value of our Lexington common shares through March 1, 2019, the date of sale of our investment, partially offset by a \$15,649 decrease in the value of our investment in PREIT.

(2) Primarily due to a \$32,875 mark-to-market decrease in fair value of our Lexington common shares.

Results of Operations – Three Months Ended March 31, 2019 Compared to March 31, 2018 - continued

Interest and Debt Expense

Interest and debt expense for the three months ended March 31, 2019 was \$102,463,000 compared to \$88,166,000 for the prior year's quarter, an increase of \$14,297,000. This increase resulted primarily due to (i) \$22,540,000 of debt prepayment costs relating to redemption of our \$400,000,000 5.00% senior unsecured notes and (ii) \$4,897,000 of higher interest expense resulting from higher average interest rates on our variable rate loans, partially offset by (iii) \$8,599,000 higher capitalized interest and debt expense and (iv) \$4,640,000 lower capital lease interest.

Net Gains on Disposition of Wholly Owned and Partially Owned Assets

Net gains on disposition of wholly owned and partially owned assets for the three months ended March 31, 2019 were \$220,294,000, due to (i) \$157,899,000 of net gains on sale of 220 CPS condominium units and (ii) \$62,395,000 net gain from the sale of all our UE partnership units.

Income Tax Expense

Income tax expense for the three months ended March 31, 2019 was \$29,743,000 compared to \$2,554,000 for the prior year's quarter, an increase of \$27,189,000. This increase resulted primarily from \$26,945,000 of income tax expense on the sale of 220 CPS condominium units in the three months ended March 31, 2019.

Loss from Discontinued Operations

Loss from discontinued operations for the three months ended March 31, 2019 was \$137,000 compared to \$363,000 for the prior year's quarter, a decrease of \$226,000.

Net Income (Loss) Attributable to Noncontrolling Interests in Consolidated Subsidiaries

Net income attributable to noncontrolling interests in consolidated subsidiaries was \$6,820,000 for the three months ended March 31, 2019, compared to a loss of \$8,274,000 for the prior year's quarter, an increase in income of \$15,094,000. This increase resulted primarily from \$6,538,000 of disputed additional Transfer Tax allocated to noncontrolling interests related to the December 2012 acquisition of Independence Plaza and \$6,378,000 of disputed additional Transfer Tax allocated to noncontrolling interests of our real estate fund investments related to the March 2011 acquisition of One Park Avenue in the three months ended March 31, 2018.

Net Income (Loss) Attributable to Noncontrolling Interests in the Operating Partnership (Vornado Realty Trust)

Net income attributable to noncontrolling interests in the Operating Partnership was \$12,202,000 for the three months ended March 31, 2019, compared to a net loss of \$1,124,000 for the prior year's quarter, an increase in income of \$13,326,000. This increase resulted primarily from higher net income subject to allocation to unitholders.

Preferred Share Dividends of Vornado Realty Trust

Preferred share dividends were \$12,534,000 for the three months ended March 31, 2019, compared to \$13,035,000 for the prior year's quarter, a decrease of \$501,000.

Preferred Unit Distributions of Vornado Realty L.P.

Preferred unit distributions were \$12,575,000 for the three months ended March 31, 2019, compared to \$13,084,000 for the prior year's quarter, a decrease of \$509,000.

Preferred Share/Unit Issuance Costs

In the three months ended March 31, 2018, we recognized preferred share/unit issuance costs of \$14,486,000 representing the write-off of issuance costs upon the redemption of all the outstanding 6.625% Series G and Series I cumulative redeemable preferred shares/units in January 2018.

Results of Operations – Three Months Ended March 31, 2019 Compared to March 31, 2018 - continued

Same Store Net Operating Income At Share

Same store NOI at share represents NOI at share from property operations which are owned by us and in service in both the current and prior year reporting periods. Same store NOI at share - cash basis is NOI at share from operations before straight-line rental income and expense, amortization of acquired below and above market leases, net and other non-cash adjustments which are owned by us and in service in both the current and prior year reporting periods. We present these non-GAAP measures to (i) facilitate meaningful comparisons of the operational performance of our properties and segments, (ii) make decisions on whether to buy, sell or refinance properties, and (iii) compare the performance of our properties and segments to those of our peers. Same store NOI at share and same store NOI at share - cash basis should not be considered as an alternative to net income or cash flow from operations and may not be comparable to similarly titled measures employed by other companies.

Below are reconciliations of NOI at share to same store NOI at share for our New York segment, theMART, 555 California Street and other investments for the three months ended March 31, 2019 compared to March 31, 2018.

(Amounts in thousands)

	Total	New York	theMART	555 California Street	Other
NOI at share for the three months ended March 31, 2019	\$ 337,772	\$ 283,358	\$ 23,523	\$ 14,501	\$ 16,390
Less NOI at share from:					
Acquisitions	(227)	(227)	—	—	—
Dispositions	2	2	—	—	—
Development properties	(11,710)	(11,710)	—	—	—
Lease termination income, net of write-offs of straight-line receivables and acquired below-market leases, net	1,902	1,902	—	—	—
Other non-same store income, net	(18,779)	(558)	(1,831)	—	(16,390)
Same store NOI at share for the three months ended March 31, 2019	<u>\$ 308,960</u>	<u>\$ 272,767</u>	<u>\$ 21,692</u>	<u>\$ 14,501</u>	<u>\$ —</u>
NOI at share for the three months ended March 31, 2018	\$ 349,036	\$ 288,596	\$ 26,875	\$ 13,511	\$ 20,054
Less NOI at share from:					
Acquisitions	(121)	(121)	—	—	—
Dispositions	(62)	(62)	—	—	—
Development properties	(13,686)	(13,686)	—	—	—
Lease termination income, net of write-offs of straight-line receivables and acquired below-market leases, net	(1,127)	(1,127)	—	—	—
Other non-same store income, net	(24,805)	(551)	(4,200)	—	(20,054)
Same store NOI at share for the three months ended March 31, 2018	<u>\$ 309,235</u>	<u>\$ 273,049</u>	<u>\$ 22,675</u>	<u>\$ 13,511</u>	<u>\$ —</u>
(Decrease) increase in same store NOI at share for the three months ended March 31, 2019 compared to March 31, 2018	<u>\$ (275)</u>	<u>\$ (282)</u>	<u>\$ (983)</u>	<u>\$ 990</u>	<u>\$ —</u>
% (decrease) increase in same store NOI at share	<u>(0.1)%</u>	<u>(0.1)% ⁽¹⁾</u>	<u>(4.3)%</u>	<u>7.3%</u>	<u>—%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share increased by 0.5%.

Results of Operations – Three Months Ended March 31, 2019 Compared to March 31, 2018 - continued
Same Store Net Operating Income At Share - continued

Below are reconciliations of NOI at share - cash basis to same store NOI at share - cash basis for our New York segment, theMART, 555 California Street and other investments for the three months ended March 31, 2019 compared to March 31, 2018.

(Amounts in thousands)

	<u>Total</u>	<u>New York</u>	<u>theMART</u>	<u>555 California Street</u>	<u>Other</u>
NOI at share - cash basis for the three months ended March 31, 2019	\$ 332,591	\$ 276,740	\$ 24,912	\$ 14,745	\$ 16,194
Less NOI at share - cash basis from:					
Acquisitions	(228)	(228)	—	—	—
Dispositions	2	2	—	—	—
Development properties	(14,286)	(14,286)	—	—	—
Lease termination income	(429)	(429)	—	—	—
Other non-same store income, net	(18,585)	(560)	(1,831)	—	(16,194)
Same store NOI at share - cash basis for the three months ended March 31, 2019	<u>\$ 299,065</u>	<u>\$ 261,239</u>	<u>\$ 23,081</u>	<u>\$ 14,745</u>	<u>\$ —</u>
NOI at share - cash basis for the three months ended March 31, 2018	\$ 331,088	\$ 271,273	\$ 27,079	\$ 12,826	\$ 19,910
Less NOI at share - cash basis from:					
Acquisitions	(121)	(121)	—	—	—
Dispositions	(65)	(65)	—	—	—
Development properties	(14,945)	(14,945)	—	—	—
Lease termination income	(1,061)	(1,061)	—	—	—
Other non-same store income, net	(24,661)	(551)	(4,200)	—	(19,910)
Same store NOI at share - cash basis for the three months ended March 31, 2018	<u>\$ 290,235</u>	<u>\$ 254,530</u>	<u>\$ 22,879</u>	<u>\$ 12,826</u>	<u>\$ —</u>
Increase (decrease) in same store NOI at share - cash basis for the three months ended March 31, 2019 compared to March 31, 2018	<u>\$ 8,830</u>	<u>\$ 6,709</u>	<u>\$ 202</u>	<u>\$ 1,919</u>	<u>\$ —</u>
% increase (decrease) in same store NOI at share - cash basis	<u>3.0%</u>	<u>2.6% ⁽¹⁾</u>	<u>0.9%</u>	<u>15.0%</u>	<u>—%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share - cash basis increased by 3.3%.

SUPPLEMENTAL INFORMATION

Net Operating Income At Share by Segment for the Three Months Ended March 31, 2019 and December 31, 2018

NOI represents total revenues less operating expenses. We consider NOI to be the primary non-GAAP financial measure for making decisions and assessing the unlevered performance of our segments as it relates to the total return on assets as opposed to the levered return on equity. As properties are bought and sold based on NOI, we utilize this measure to make investment decisions as well as to compare the performance of our assets to that of our peers. NOI should not be considered a substitute for net income. NOI may not be comparable to similarly titled measures employed by other companies.

Below is a summary of NOI at share and NOI at share - cash basis by segment for the three months ended March 31, 2019 and December 31, 2018.

(Amounts in thousands)

	For the Three Months Ended March 31, 2019		
	Total	New York	Other
Total revenues	\$ 534,668	\$ 443,285	\$ 91,383
Operating expenses	246,895	198,095	48,800
NOI - consolidated	287,773	245,190	42,583
Deduct: NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,403)	(11,407)	(5,996)
Add: NOI from partially owned entities	67,402	49,575	17,827
NOI at share	337,772	283,358	54,414
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net, and other	(5,181)	(6,618)	1,437
NOI at share - cash basis	\$ 332,591	\$ 276,740	\$ 55,851

(Amounts in thousands)

	For the Three Months Ended December 31, 2018		
	Total	New York	Other
Total revenues	\$ 543,417	\$ 466,554	\$ 76,863
Operating expenses	254,320	206,696	47,624
NOI - consolidated	289,097	259,858	29,239
Deduct: NOI attributable to noncontrolling interests in consolidated subsidiaries	(19,771)	(13,837)	(5,934)
Add: NOI from partially owned entities	60,205	49,178	11,027
NOI at share	329,531	295,199	34,332
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net, and other	(5,532)	(6,266)	734
NOI at share - cash basis	\$ 323,999	\$ 288,933	\$ 35,066

SUPPLEMENTAL INFORMATION - CONTINUED

Net Operating Income At Share by Segment for the Three Months Ended March 31, 2019 and December 31, 2018 - continued

The elements of our New York and Other NOI at share for the three months ended March 31, 2019 and December 31, 2018 are summarized below.

(Amounts in thousands)

	For the Three Months Ended	
	March 31, 2019	December 31, 2018
New York:		
Office	\$ 183,540	\$ 186,832
Retail	88,267	85,549
Residential	6,045	5,834
Alexander's	11,322	11,023
Hotel Pennsylvania	(5,816)	5,961
Total New York	283,358	295,199
Other:		
theMART	23,523	10,981 ⁽¹⁾
555 California Street	14,501	14,005
Other investments	16,390	9,346
Total Other	54,414	34,332
NOI at share	\$ 337,772	\$ 329,531

(1) The three months ended December 31, 2018 includes an additional \$12,124 real estate tax expense accrual due to an increase in the tax-assessed value of theMART.

The elements of our New York and Other NOI at share - cash basis for the three months ended March 31, 2019 and December 31, 2018 are summarized below.

(Amounts in thousands)

	For the Three Months Ended	
	March 31, 2019	December 31, 2018
New York:		
Office	\$ 184,370	\$ 185,624
Retail	80,936	80,515
Residential	5,771	5,656
Alexander's	11,527	11,129
Hotel Pennsylvania	(5,864)	6,009
Total New York	276,740	288,933
Other:		
theMART	24,912	12,758 ⁽¹⁾
555 California Street	14,745	13,784
Other investments	16,194	8,524
Total Other	55,851	35,066
NOI at share - cash basis	\$ 332,591	\$ 323,999

(1) The three months ended December 31, 2018 includes an additional \$12,124 real estate tax expense accrual due to an increase in the tax-assessed value of theMART.

SUPPLEMENTAL INFORMATION - CONTINUED

Reconciliation of Net Income to Net Operating Income At Share for the Three Months Ended March 31, 2019 and December 31, 2018

(Amounts in thousands)

	For the Three Months Ended	
	March 31, 2019	December 31, 2018
Net income	\$ 213,044	\$ 97,821
Deduct:		
Income from partially owned entities	(7,320)	(3,090)
Interest and other investment income, net	(5,045)	(7,656)
Net gains on disposition of wholly owned and partially owned assets	(220,294)	(81,203)
Purchase price fair value adjustment	—	(44,060)
NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,403)	(19,771)
Add:		
Loss from real estate fund investments	167	51,258
Depreciation and amortization expense	116,709	112,869
General and administrative expense	58,020	32,934
Transaction related costs, impairment loss and other	149	14,637
NOI from partially owned entities	67,402	60,205
Interest and debt expense	102,463	83,175
Loss (income) from discontinued operations	137	(257)
Income tax expense	29,743	32,669
NOI at share	337,772	329,531
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net, and other	(5,181)	(5,532)
NOI at share - cash basis	\$ 332,591	\$ 323,999

SUPPLEMENTAL INFORMATION - CONTINUED

Three Months Ended March 31, 2019 Compared to December 31, 2018

Same Store Net Operating Income At Share

Below are reconciliations of NOI at share to same store NOI at share for our New York segment, theMART, 555 California Street and other investments for the three months ended March 31, 2019 compared to December 31, 2018.

(Amounts in thousands)

	Total	New York	theMART	555 California Street	Other
NOI at share for the three months ended March 31, 2019	\$ 337,772	\$ 283,358	\$ 23,523	\$ 14,501	\$ 16,390
Less NOI at share from:					
Dispositions	2	2	—	—	—
Development properties	(11,710)	(11,710)	—	—	—
Lease termination income, net of write-offs of straight-line receivables and acquired below-market leases, net	1,902	1,902	—	—	—
Other non-same store income, net	(18,780)	(559)	(1,831)	—	(16,390)
Same store NOI at share for the three months ended March 31, 2019	<u>\$ 309,186</u>	<u>\$ 272,993</u>	<u>\$ 21,692</u>	<u>\$ 14,501</u>	<u>\$ —</u>
NOI at share for the three months ended December 31, 2018	\$ 329,531	\$ 295,199	\$ 10,981	\$ 14,005	\$ 9,346
Less NOI at share from:					
Dispositions	19	19	—	—	—
Development properties	(12,986)	(13,000)	—	14	—
Lease termination income, net of write-offs of straight-line receivables and acquired below-market leases, net	(95)	368	(463)	—	—
Other non-same store income, net	(10,414)	(1,068)	—	—	(9,346)
Same store NOI at share for the three months ended December 31, 2018	<u>\$ 306,055</u>	<u>\$ 281,518</u>	<u>\$ 10,518</u>	<u>\$ 14,019</u>	<u>\$ —</u>
Increase (decrease) in same store NOI at share for the three months ended March 31, 2019 compared to December 31, 2018	<u>\$ 3,131</u>	<u>\$ (8,525)</u>	<u>\$ 11,174</u>	<u>\$ 482</u>	<u>\$ —</u>
% increase (decrease) in same store NOI at share	<u>1.0%</u>	<u>(3.0)% ⁽¹⁾</u>	<u>106.2% ⁽²⁾</u>	<u>3.4%</u>	<u>—%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share increased by 1.2%.

(2) The three months ended December 31, 2018 includes an additional \$12,124 real estate tax expense accrual due to an increase in the tax-assessed value of theMART.

SUPPLEMENTAL INFORMATION - CONTINUED

Three Months Ended March 31, 2019 Compared to December 31, 2018 - continued

Same Store Net Operating Income At Share - continued

Below are reconciliations of NOI at share - cash basis to same store NOI at share - cash basis for our New York segment, theMART, 555 California Street and other investments for the three months ended March 31, 2019 compared to December 31, 2018.

(Amounts in thousands)

	Total	New York	theMART	555 California Street	Other
NOI at share - cash basis for the three months ended March 31, 2019	\$ 332,591	\$ 276,740	\$ 24,912	\$ 14,745	\$ 16,194
Less NOI at share - cash basis from:					
Dispositions	2	2	—	—	—
Development properties	(14,286)	(14,286)	—	—	—
Lease termination income	(429)	(429)	—	—	—
Other non-same store income, net	(18,585)	(560)	(1,831)	—	(16,194)
Same store NOI at share - cash basis for the three months ended March 31, 2019	\$ 299,293	\$ 261,467	\$ 23,081	\$ 14,745	\$ —
NOI at share - cash basis for the three months ended December 31, 2018	\$ 323,999	\$ 288,933	\$ 12,758	\$ 13,784	\$ 8,524
Less NOI at share - cash basis from:					
Dispositions	19	19	—	—	—
Development properties	(15,041)	(15,055)	—	14	—
Lease termination income	(563)	(43)	(520)	—	—
Other non-same store income, net	(9,590)	(1,066)	—	—	(8,524)
Same store NOI at share - cash basis for the three months ended December 31, 2018	\$ 298,824	\$ 272,788	\$ 12,238	\$ 13,798	\$ —
Increase (decrease) in same store NOI at share - cash basis for the three months ended March 31, 2019 compared to December 31, 2018	\$ 469	\$ (11,321)	\$ 10,843	\$ 947	\$ —
% increase (decrease) in same store NOI at share - cash basis	0.2%	(4.2)% ⁽¹⁾	88.6% ⁽²⁾	6.9%	—%

(1) Excluding Hotel Pennsylvania, same store NOI at share - cash basis increased by 0.2%.

(2) The three months ended December 31, 2018 includes an additional \$12,124 real estate tax expense accrual due to an increase in the tax-assessed value of theMART.

Liquidity and Capital Resources

Rental revenue is our primary source of cash flow and is dependent upon the occupancy and rental rates of our properties. Our cash requirements include property operating expenses, capital improvements, tenant improvements, debt service, leasing commissions, dividends to shareholders and distributions to unitholders of the Operating Partnership, as well as acquisition and development costs. Other sources of liquidity to fund cash requirements include proceeds from debt financings, including mortgage loans, senior unsecured borrowings, unsecured term loans and unsecured revolving credit facilities; proceeds from the issuance of common and preferred equity; and asset sales.

We anticipate that cash flow from continuing operations over the next twelve months will be adequate to fund our business operations, cash distributions to unitholders of the Operating Partnership, cash dividends to shareholders, debt amortization and recurring capital expenditures. Capital requirements for development expenditures and acquisitions may require funding from borrowings and/or equity offerings.

We expect to generate approximately \$1 billion of after tax cash flow and net income resulting from the sales of 100% of the residential condominium units at 220 Central Park South.

We may from time to time purchase or retire outstanding debt securities or redeem our equity securities. Such purchases, if any, will depend on prevailing market conditions, liquidity requirements and other factors. The amounts involved in connection with these transactions could be material to our consolidated financial statements.

Cash Flows for the Three Months Ended March 31, 2019 and 2018

Our cash flow activities for the three months ended March 31, 2019 and 2018 are summarized as follows:

(Amounts in thousands)

	For the Three Months Ended March 31,		(Decrease) Increase in Cash Flow
	2019	2018	
Net cash provided by operating activities	\$ 64,118	\$ 265,418	\$ (201,300)
Net cash provided by (used in) investing activities	403,294	(190,620)	593,914
Net cash used in financing activities	(274,683)	(571,542)	296,859

Cash and cash equivalents and restricted cash was \$909,634,000 at March 31, 2019, a \$192,729,000 increase from the balance at December 31, 2018.

Net cash provided by operating activities of \$64,118,000 for the three months ended March 31, 2019 was comprised of \$150,228,000 of cash from operations, including distributions of income from partially owned entities of \$14,316,000, and a net decrease of \$86,110,000 in cash due to the timing of cash receipts and payments related to changes in operating assets and liabilities.

The following table details the cash provided by (used in) investing activities for the three months ended March 31, 2019 and 2018:

(Amounts in thousands)

	For the Three Months Ended March 31,		Increase (Decrease) in Cash Flow
	2019	2018	
Proceeds from sale of condominium units at 220 Central Park South	\$ 425,484	\$ —	\$ 425,484
Proceeds from sales of marketable securities	167,755	—	167,755
Development costs and construction in progress	(143,302)	(86,808)	(56,494)
Moynihan Train Hall expenditures	(123,533)	—	(123,533)
Proceeds from sale of real estate and related investment	108,512	—	108,512
Additions to real estate	(55,759)	(54,284)	(1,475)
Distributions of capital from partially owned entities	24,851	2,086	22,765
Investments in partially owned entities	(918)	(7,519)	6,601
Proceeds from repayments of loans receivable	204	—	204
Acquisitions of real estate and other	—	(44,095)	44,095
Net cash provided by (used in) investing activities	\$ 403,294	\$ (190,620)	\$ 593,914

Liquidity and Capital Resources - continued

Cash Flows for the Three Months Ended March 31, 2019 and 2018 - continued

The following table details the cash used in financing activities for the three months ended March 31, 2019 and 2018:

(Amounts in thousands)

	For the Three Months Ended March 31,		(Decrease) Increase in Cash Flow
	2019	2018	
Repayments of borrowings	\$ (686,555)	\$ (144,822)	\$ (541,733)
Proceeds from borrowings	456,741	185,701	271,040
Dividends paid on common shares/Distributions to Vornado	(125,876)	(119,764)	(6,112)
Moynihan Train Hall reimbursement from Empire State Development	123,533	—	123,533
Distributions to redeemable security holders and noncontrolling interests in consolidated subsidiaries	(16,252)	(13,266)	(2,986)
Dividends paid on preferred shares/Distributions to preferred unitholders	(12,534)	(16,628)	4,094
Debt issuance costs	(10,860)	(3,300)	(7,560)
Repurchase of shares/Class A units related to stock compensation agreements and related tax withholdings and other	(8,692)	(784)	(7,908)
Contributions from noncontrolling interests in consolidated subsidiaries	5,194	8,370	(3,176)
Proceeds received from exercise of Vornado stock options and other	1,511	3,769	(2,258)
Redemption of preferred shares/units	(893)	(470,000)	469,107
Debt prepayment and extinguishment costs	—	(818)	818
Net cash used in financing activities	\$ (274,683)	\$ (571,542)	\$ 296,859

Capital Expenditures for the Three Months Ended March 31, 2019

Capital expenditures consist of expenditures to maintain assets, tenant improvement allowances and leasing commissions. Recurring capital expenditures include expenditures to maintain a property's competitive position within the market and tenant improvements and leasing commissions necessary to re-lease expiring leases or renew or extend existing leases. Non-recurring capital improvements include expenditures to lease space that has been vacant for more than nine months and expenditures completed in the year of acquisition and the following two years that were planned at the time of acquisition, as well as tenant improvements and leasing commissions for space that was vacant at the time of acquisition of a property.

Below is a summary of amounts paid for capital expenditures and leasing commissions for the three months ended March 31, 2019.

(Amounts in thousands)

	Total	New York	theMART	555 California Street
Expenditures to maintain assets	\$ 26,377	\$ 24,106	\$ 2,019	\$ 252
Tenant improvements	9,479	8,462	1,015	2
Leasing commissions	5,122	5,122	—	—
Recurring tenant improvements, leasing commissions and other capital expenditures	40,978	37,690	3,034	254
Non-recurring capital expenditures	12,704	12,622	74	8
Total capital expenditures and leasing commissions	\$ 53,682	\$ 50,312	\$ 3,108	\$ 262

Liquidity and Capital Resources - continued

Development and Redevelopment Expenditures for the Three Months Ended March 31, 2019

Development and redevelopment expenditures consist of all hard and soft costs associated with the development or redevelopment of a property, including capitalized interest, debt and operating costs until the property is substantially completed and ready for its intended use. Our development project estimates below include initial leasing costs, which are reflected as non-recurring capital expenditures in the table on the previous page.

We are constructing a residential condominium tower containing 397,000 salable square feet at 220 CPS. The development cost of this project (exclusive of land cost of \$515.4 million) is estimated to be approximately \$1.4 billion, of which \$1.3 billion has been expended as of March 31, 2019.

We are developing a 173,000 square foot Class A office building, located along the western edge of the High Line at 512 West 22nd Street in the West Chelsea submarket of Manhattan (55.0% interest). The development cost of this project is estimated to be approximately \$130,000,000, of which our share is \$72,000,000. As of March 31, 2019, \$98,705,000 has been expended, of which our share is \$54,288,000.

We are developing a 35,000 square foot office and retail building at 606 Broadway, located on the northeast corner of Broadway and Houston Street in Manhattan (50.0% interest). The development cost of this project is estimated to be approximately \$60,000,000, of which our share is \$30,000,000. As of March 31, 2019, \$53,839,000 has been expended, of which our share is \$26,920,000.

We are redeveloping a 78,000 square foot Class A office building at 345 Montgomery Street, a part of our 555 California Street complex in San Francisco (70.0% interest) located at the corner of California and Pine Street. The development cost of this project is estimated to be approximately \$46,000,000, of which our share is \$32,000,000. As of March 31, 2019, \$23,488,000 has been expended, of which our share is \$16,442,000.

We are redeveloping a 165,000 square foot office building at 825 Seventh Avenue, located at the corner of 53rd Street and Seventh Avenue (50.0% interest). The redevelopment cost of this project is estimated to be approximately \$30,000,000, of which our share is \$15,000,000. As of March 31, 2019, \$14,265,000 has been expended, of which our share is \$7,133,000.

We are redeveloping PENN1, a 2,543,000 square foot office building located on 34th Street between Seventh and Eighth Avenue. The development cost of this project is estimated to be over \$200,000,000, of which \$41,872,000 has been expended as of March 31, 2019.

We are in the planning phase to redevelop PENN2, a 1,634,000 square foot office building located on the west side of 7th Avenue between 31st and 33rd Street.

Farley Office and Retail Building and Moynihan Train Hall

Our 95.0% joint venture (the remaining 5.0% is owned by the Related Companies ("Related")) is developing the Farley Office and Retail Building (the "Project"), which will include approximately 850,000 rentable square feet of commercial space, comprised of approximately 730,000 square feet of office space and approximately 120,000 square feet of retail space. The total development cost of the Project is estimated to be approximately \$800,000,000 (exclusive of a \$230,000,000 upfront contribution and net of anticipated historic tax credits). As of March 31, 2019, \$207,115,000 has been expended.

The joint venture has entered into a development agreement with Empire State Development ("ESD"), an entity of New York State, to build the adjacent Moynihan Train Hall, with Vornado and Related each guaranteeing the joint venture's obligations. The joint venture has entered into a design-build contract with Skanska Moynihan Train Hall Builders pursuant to which they will build the Moynihan Train Hall, thereby fulfilling all of the joint venture's obligations to ESD. The obligations of Skanska Moynihan Train Hall Builders have been bonded by Skanska USA and bear a full guaranty from Skanska AB. The development expenditures for the Moynihan Train Hall are estimated to be approximately \$1.6 billion, which will be funded by governmental agencies. Pursuant to Accounting Standards Codification 842-40-55, the joint venture, which we consolidate on our consolidated balance sheets, is required to recognize all development expenditures for the Moynihan Train Hall. Accordingly, the development expenditures paid for by governmental agencies through March 31, 2019 and December 31, 2018 of \$550,996,000 and \$445,693,000, respectively, are shown as "Moynihan Train Hall development expenditures" with a corresponding obligation recorded in "Moynihan Train Hall obligation" on our consolidated balance sheets. Upon completion of the development, the "Moynihan Train Hall development expenditures" and the offsetting "Moynihan Train Hall obligation" will be removed from our consolidated balance sheets.

Liquidity and Capital Resources - continued

Development and Redevelopment Expenditures for the Three Months Ended March 31, 2019 - continued

We are also evaluating other development and redevelopment opportunities at certain of our properties in Manhattan, including, in particular, the Penn District.

There can be no assurance that any of our development or redevelopment projects will commence, or if commenced, be completed, or completed on schedule or within budget.

Below is a summary of amounts paid for development and redevelopment expenditures for the three months ended March 31, 2019. These expenditures include interest and debt expense of \$23,325,000, payroll of \$4,590,000 and other soft costs (primarily architectural and engineering fees, permits, real estate taxes and professional fees) aggregating \$13,030,000, which were capitalized in connection with the development and redevelopment of these projects.

(Amounts in thousands)

	Total	New York	theMART	555 California Street	Other
220 Central Park South	\$ 54,623	\$ —	\$ —	\$ —	\$ 54,623
Farley Office and Retail Building	51,506	51,506	—	—	—
606 Broadway	4,980	4,980	—	—	—
PENN1	4,941	4,941	—	—	—
345 Montgomery Street	3,250	—	—	3,250	—
1535 Broadway	1,031	1,031	—	—	—
Other	22,971	20,018	686	1,388	879
	<u>\$ 143,302</u>	<u>\$ 82,476</u>	<u>\$ 686</u>	<u>\$ 4,638</u>	<u>\$ 55,502</u>

Capital Expenditures for the Three Months Ended March 31, 2018

Below is a summary of amounts paid for capital expenditures and leasing commissions for the three months ended March 31, 2018.

(Amounts in thousands)

	Total	New York	theMART	555 California Street
Expenditures to maintain assets	\$ 20,544	\$ 13,593	\$ 2,517	\$ 4,434
Tenant improvements	20,188	16,323	2,044	1,821
Leasing commissions	7,813	7,813	—	—
Recurring tenant improvements, leasing commissions and other capital expenditures	48,545	37,729	4,561	6,255
Non-recurring capital expenditures	10,699	7,524	—	3,175
Total capital expenditures and leasing commissions	<u>\$ 59,244</u>	<u>\$ 45,253</u>	<u>\$ 4,561</u>	<u>\$ 9,430</u>

Development and Redevelopment Expenditures for the Three Months Ended March 31, 2018

Below is a summary of amounts paid for development and redevelopment expenditures for the three months ended March 31, 2018. These expenditures include interest and debt expense of \$14,726,000, payroll of \$1,709,000, and other soft costs (primarily architectural and engineering fees, permits, real estate taxes and professional fees) aggregating \$9,756,000, which were capitalized in connection with the development and redevelopment of these projects.

(Amounts in thousands)

	Total	New York	theMART	555 California Street	Other
220 Central Park South	\$ 75,239	\$ —	\$ —	\$ —	\$ 75,239
606 Broadway	4,791	4,791	—	—	—
345 Montgomery Street	2,196	—	—	2,196	—
PENN1	926	926	—	—	—
Other	3,656	3,098	265	134	159
	<u>\$ 86,808</u>	<u>\$ 8,815</u>	<u>\$ 265</u>	<u>\$ 2,330</u>	<u>\$ 75,398</u>

Liquidity and Capital Resources - continued

Other Commitments and Contingencies

We are from time to time involved in legal actions arising in the ordinary course of business. In our opinion, after consultation with legal counsel, the outcome of such matters is not currently expected to have a material adverse effect on our financial position, results of operations or cash flows.

Each of our properties has been subjected to varying degrees of environmental assessment at various times. The environmental assessments did not reveal any material environmental contamination. However, there can be no assurance that the identification of new areas of contamination, changes in the extent or known scope of contamination, the discovery of additional sites or changes in cleanup requirements would not result in significant cost to us.

Our mortgage loans are non-recourse to us, except for the mortgage loan secured by 7 West 34th Street and 435 Seventh Avenue, which we guaranteed and therefore is part of our tax basis. In certain cases we have provided guarantees or master leased tenant space. These guarantees and master leases terminate either upon the satisfaction of specified circumstances or repayment of the underlying loans. As of March 31, 2019, the aggregate dollar amount of these guarantees and master leases is approximately \$582,000,000.

As of March 31, 2019, \$15,365,000 of letters of credit was outstanding under one of our unsecured revolving credit facilities. Our unsecured revolving credit facilities contain financial covenants that require us to maintain minimum interest rate coverage and maximum debt to market capitalization ratios, and provide for higher interest rates in the event of a decline in our ratings below Baa3/BBB. Our unsecured revolving credit facilities also contain customary conditions precedent to borrowing, including representations and warranties, and also contain customary events of default that could give rise to accelerated repayment, including such items as failure to pay interest or principal.

A joint venture in which we own a 95.0% ownership interest was designated by ESD, an entity of New York State, to develop the Farley Office and Retail Building. The joint venture entered into a development agreement with ESD and a design-build contract with Skanska Moynihan Train Hall Builders. Under the development agreement with ESD, the joint venture is obligated to build the Moynihan Train Hall, with Vornado and Related each guaranteeing the joint venture's obligations. Under the design-build agreement, Skanska Moynihan Train Hall Builders is obligated to fulfill all of the joint venture's obligations. The obligations of Skanska Moynihan Train Hall Builders have been bonded by Skanska USA and bear a full guaranty from Skanska AB.

As of March 31, 2019, we expect to fund additional capital to certain of our partially owned entities aggregating approximately \$16,000,000.

As of March 31, 2019, we have construction commitments aggregating approximately \$774,000,000.

Funds From Operations (“FFO”)

Vornado Realty Trust

FFO is computed in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts (“NAREIT”). NAREIT defines FFO as GAAP net income or loss adjusted to exclude net gains from sales of depreciable real estate assets, real estate impairment losses, depreciation and amortization expense from real estate assets and other specified items, including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO and FFO per diluted share are non-GAAP financial measures used by management, investors and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. FFO does not represent cash generated from operating activities and is not necessarily indicative of cash available to fund cash requirements and should not be considered as an alternative to net income as a performance measure or cash flow as a liquidity measure. FFO may not be comparable to similarly titled measures employed by other companies. The calculations of both the numerator and denominator used in the computation of income per share are disclosed in Note 19 – *Income (Loss) Per Share/Income (Loss) Per Class A Unit*, in our consolidated financial statements on page 39 of this Quarterly Report on Form 10-Q.

In accordance with the NAREIT December 2018 restated definition of FFO, we have elected to exclude the mark-to-market adjustments of marketable equity securities from the calculation of FFO. Our FFO for the three months ended March 31, 2018 has been adjusted to exclude the \$34,660,000, or \$0.17 per share, decrease in fair value of marketable equity securities previously reported.

FFO attributable to common shareholders plus assumed conversions was \$247,684,000, or \$1.30 per diluted share for the three months ended March 31, 2019, compared to \$135,000,000, or \$0.71 per diluted share, for the prior year’s three months. Details of certain adjustments to FFO are discussed in the financial results summary of our “Overview”.

(Amounts in thousands, except per share amounts)

	For the Three Months Ended March 31,	
	2019	2018
Reconciliation of our net income (loss) attributable to common shareholders to FFO attributable to common shareholders plus assumed conversions:		
Net income (loss) attributable to common shareholders	\$ 181,488	\$ (17,841)
Per diluted share	\$ 0.95	\$ (0.09)
FFO adjustments:		
Depreciation and amortization of real property	\$ 108,483	\$ 100,410
Net gain from sale of UE common shares	(62,395)	—
(Increase) decrease in fair value of marketable securities:		
Lexington	(16,068)	32,875
PREIT	15,649	—
Other	(42)	111
Proportionate share of adjustments to equity in net income (loss) of partially owned entities to arrive at FFO:		
Depreciation and amortization of real property	24,990	28,106
Net gains on sale of real estate	—	(305)
(Increase) decrease in fair value of marketable securities	(12)	1,674
	70,605	162,871
Noncontrolling interests' share of above adjustments	(4,424)	(10,046)
FFO adjustments, net	\$ 66,181	\$ 152,825
FFO attributable to common shareholders	\$ 247,669	\$ 134,984
Convertible preferred share dividends	15	16
FFO attributable to common shareholders plus assumed conversions	\$ 247,684	\$ 135,000
Per diluted share	\$ 1.30	\$ 0.71
Reconciliation of Weighted Average Shares		
Weighted average common shares outstanding	190,689	190,081
Effect of dilutive securities:		
Employee stock options and restricted share awards	271	938
Convertible preferred shares	36	38
Denominator for FFO per diluted share	190,996	191,057

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have exposure to fluctuations in market interest rates. Market interest rates are sensitive to many factors that are beyond our control. Our exposure to a change in interest rates on our consolidated and non-consolidated debt (all of which arises out of non-trading activity) is as follows:

(Amounts in thousands, except per share and per unit amounts)

	2019			2018	
	March 31, Balance	Weighted Average Interest Rate	Effect of 1% Change In Base Rates	December 31, Balance	Weighted Average Interest Rate
Consolidated debt:					
Variable rate	\$ 2,475,508	4.04%	\$ 24,755	\$ 3,292,382	4.31%
Fixed rate	6,210,526	3.65%	—	6,603,465	3.65%
	<u>\$ 8,686,034</u>	3.76%	<u>24,755</u>	<u>\$ 9,895,847</u>	3.87%
Pro rata share of debt of non-consolidated entities ⁽¹⁾⁽²⁾ :					
Variable rate	\$ 1,266,752	4.10%	12,668	\$ 1,237,388	4.06%
Fixed rate	1,192,648	4.23%	—	1,382,068	4.19%
	<u>\$ 2,459,400</u>	4.16%	<u>12,668</u>	<u>\$ 2,619,456</u>	4.13%
Noncontrolling interests' share of consolidated subsidiaries			(282)		
Total change in annual net income attributable to the Operating Partnership			37,141		
Noncontrolling interests' share of the Operating Partnership			(2,332)		
Total change in annual net income attributable to Vornado			<u>\$ 34,809</u>		
Total change in annual net income attributable to the Operating Partnership per diluted Class A unit			<u>\$ 0.18</u>		
Total change in annual net income attributable to Vornado per diluted share			<u>\$ 0.19</u>		

(1) As a result of Toys "R" Us ("Toys") filing a voluntary petition under chapter 11 of the United States Bankruptcy Code, we determined the Company no longer has the ability to exercise significant influence over Toys. Accordingly, we have excluded our share of Toys debt in 2018. The voluntary petition was declared effective in 2019 and our stock was canceled. As a result we no longer hold an investment in Toys.

(2) Our pro rata share of debt of non-consolidated entities as of March 31, 2019 and December 31, 2018 is net of our \$63,409 share of Alexander's participation in its Rego Park II shopping center mortgage loan which is considered partially extinguished as the participation interest is a reacquisition of debt.

We may utilize various financial instruments to mitigate the impact of interest rate fluctuations on our cash flows and earnings, including hedging strategies, depending on our analysis of the interest rate environment and the costs and risks of such strategies. As of March 31, 2019, we have an interest rate swap on a \$375,000,000 mortgage loan on 888 Seventh Avenue that swapped the rate from LIBOR plus 1.60% (4.09% as of March 31, 2019) to a fixed rate of 3.15% through December 2020; an interest rate swap on a \$700,000,000 mortgage loan on 770 Broadway that swapped the rate from LIBOR plus 1.75% (4.23% as of March 31, 2019) to a fixed rate of 2.56% through September 2020; an interest rate swap on a \$100,000,000 mortgage loan on 33-00 Northern Boulevard that swapped the rate from LIBOR plus 1.80% (4.30% as of March 31, 2019) to a fixed rate of 4.14% through January 2025; and an interest rate swap on our \$750,000,000 unsecured term loan that swapped the rate from LIBOR plus 1.00% (3.50% as of March 31, 2019) to a fixed rate of 3.87% through October 2023.

Fair Value of Debt

The estimated fair value of our consolidated debt is calculated based on current market prices and discounted cash flows at the current rate at which similar loans would be made to borrowers with similar credit ratings for the remaining term of such debt. As of March 31, 2019, the estimated fair value of our consolidated debt was \$8,713,000,000.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures (Vornado Realty Trust)

Disclosure Controls and Procedures: Our management, with the participation of Vornado's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on such evaluation, Vornado's Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2019, such disclosure controls and procedures were effective.

Internal Control Over Financial Reporting: There have not been any changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities and Exchange Act of 1934, as amended) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures (Vornado Realty L.P.)

Disclosure Controls and Procedures: Vornado Realty L.P.'s management, with the participation of Vornado's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on such evaluation, Vornado's Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2019, such disclosure controls and procedures were effective.

Internal Control Over Financial Reporting: There have not been any changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities and Exchange Act of 1934, as amended) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are from time to time involved in legal actions arising in the ordinary course of business. In our opinion, after consultation with legal counsel, the outcome of such matters is not currently expected to have a material adverse effect on our financial position, results of operations or cash flows.

Item 1A. Risk Factors

There were no material changes to the Risk Factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Vornado Realty Trust

None.

Vornado Realty L.P.

During the quarter ended March 31, 2019, we issued 762,145 Class A units in connection with equity awards issued pursuant to Vornado's omnibus share plan, including with respect to grants of restricted Vornado common shares and restricted units of the Operating Partnership and upon conversion, surrender or exchange of the Operating Partnership's units or Vornado stock options, and consideration received included \$11,670,545 in cash proceeds. Such units were issued in reliance on an exemption from registration under Section 4(2) of the Securities Act of 1933, as amended.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits required by Item 601 of Regulation S-K are filed herewith or incorporated herein by reference and are listed in the attached Exhibit Index.

EXHIBIT INDEX

Exhibit No.

10.40	— Second Amended and Restated Revolving Credit Agreement dated as of March 26, 2019, among Vornado Realty L.P., as Borrower, Vornado Realty Trust as General Partner, the Banks listed on the signature pages thereof, and JPMorgan Chase Bank N.A., as Administrative Agent for the Banks.
15.1	— Letter regarding Unaudited Interim Financial Information of Vornado Realty Trust
15.2	— Letter regarding Unaudited Interim Financial Information of Vornado Realty L.P.
31.1	— Rule 13a-14 (a) Certification of the Chief Executive Officer of Vornado Realty Trust
31.2	— Rule 13a-14 (a) Certification of the Chief Financial Officer of Vornado Realty Trust
31.3	— Rule 13a-14 (a) Certification of the Chief Executive Officer of Vornado Realty L.P.
31.4	— Rule 13a-14 (a) Certification of the Chief Financial Officer of Vornado Realty L.P.
32.1	— Section 1350 Certification of the Chief Executive Officer of Vornado Realty Trust
32.2	— Section 1350 Certification of the Chief Financial Officer of Vornado Realty Trust
32.3	— Section 1350 Certification of the Chief Executive Officer of Vornado Realty L.P.
32.4	— Section 1350 Certification of the Chief Financial Officer of Vornado Realty L.P.
101.INS	— XBRL Instance Document of Vornado Realty Trust and Vornado Realty L.P. - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	— XBRL Taxonomy Extension Schema of Vornado Realty Trust and Vornado Realty L.P.
101.CAL	— XBRL Taxonomy Extension Calculation Linkbase of Vornado Realty Trust and Vornado Realty L.P.
101.DEF	— XBRL Taxonomy Extension Definition Linkbase of Vornado Realty Trust and Vornado Realty L.P.
101.LAB	— XBRL Taxonomy Extension Label Linkbase of Vornado Realty Trust and Vornado Realty L.P.
101.PRE	— XBRL Taxonomy Extension Presentation Linkbase of Vornado Realty Trust and Vornado Realty L.P.

SIGNATURES

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

VORNADO REALTY TRUST

(Registrant)

Date: April 29, 2019

By:

/s/ Matthew Iocco

Matthew Iocco, Chief Accounting Officer (duly
authorized officer and principal accounting officer)

SIGNATURES

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

VORNADO REALTY L.P.

(Registrant)

Date: April 29, 2019

By: /s/ Matthew Iocco

Matthew Iocco, Chief Accounting Officer of Vornado Realty Trust, sole General Partner of Vornado Realty L.P. (duly authorized officer and principal accounting officer)

SECOND AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT

dated as of March 26, 2019,

among

VORNADO REALTY L.P.,
as Borrower,

THE BANKS SIGNATORY HERETO,
each as a Bank,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

BANK OF AMERICA, N.A., U.S. BANK NATIONAL ASSOCIATION,
and WELLS FARGO BANK, N.A.,
as Co-Syndication Agents,

and

BARCLAYS BANK PLC, BMO HARRIS BANK, N.A.,
CITIBANK, N.A., DEUTSCHE BANK AG NEW YORK BRANCH,
GOLDMAN SACHS BANK USA, MIZUHO BANK, LTD.,
MORGAN STANLEY SENIOR FUNDING INC.,
PNC BANK, NATIONAL ASSOCIATION, SOCIÉTÉ GÉNÉRALE,
and TD BANK, N.A.,
as Documentation Agents

JPMORGAN CHASE BANK, N.A.,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
U.S. BANK NATIONAL ASSOCIATION, and WELLS FARGO SECURITIES LLC,
as Joint Lead Arrangers and Joint Bookrunners

BANK OF MONTREAL, CITIGROUP GLOBAL MARKETS INC.,
MIZUHO BANK, LTD., PNC CAPITAL MARKETS LLC

and

TD SECURITIES (USA) LLC,
as Joint Lead Arrangers

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SECOND AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this “Agreement”) dated as of March 26, 2019 among VORNADO REALTY L.P., a limited partnership organized and existing under the laws of the State of Delaware (“Borrower”), JPMORGAN CHASE BANK, N.A., as agent for the Banks (in such capacity, together with its successors in such capacity, “Administrative Agent”), BANK OF AMERICA, N.A., WELLS FARGO BANK, N.A. and U.S. BANK NATIONAL ASSOCIATION, as Co-Syndication Agents, the Persons listed on the cover sheet hereto as “Documentation Agents”, and JPMORGAN CHASE BANK, N.A., in its individual capacity and not as Administrative Agent, and the other lenders signatory hereto (said lenders signatory hereto and the lenders who from time to time become Banks pursuant to Section 3.07 or 12.05 and, if applicable, any of the foregoing lenders’ Designated Lenders, each a “Bank” and collectively, the “Banks”).

WHEREAS, the Borrower, the Administrative Agent and certain of the Banks are parties to an Amended and Restated Revolving Credit Agreement dated as of November 7, 2016, as amended by Amendment No. 1 to Amended and Restated Revolving Credit Agreement dated as of December 21, 2017 (as so amended, the “Existing 2016 Credit Agreement”), pursuant to which such Banks made available to the Borrower a revolving line of credit in the amount of One Billion Two Hundred Fifty Million Dollars (\$1,250,000,000), which may be increased to One Billion Seven Hundred Fifty Million Dollars (\$1,750,000,000);

WHEREAS, the Borrower has requested that the Administrative Agent and the Banks amend and restate the Existing 2016 Credit Agreement in its entirety, and the Administrative Agent and the Banks are willing to so amend and restate the Existing 2016 Credit Agreement in its entirety as set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual agreements, covenants and conditions hereinafter set forth, Borrower, the Administrative Agent and each of the Banks agree to amend and restate the Existing 2016 Credit Agreement in its entirety as follows:

ARTICLE I DEFINITIONS; ETC.

SECTION 1.01. Definitions. As used in this Agreement the following terms have the following meanings (except as otherwise provided, terms defined in the singular have a correlative meaning when used in the plural, and vice versa):

“Additional Costs” has the meaning specified in Section 3.01.

“Administrative Agent” has the meaning specified in the preamble.

“Administrative Agent’s Office” means Administrative Agent’s office located at 270 Park Avenue, New York, New York 10017, or such other office in the United States as Administrative Agent may designate by written notice to Borrower and the Banks.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Bank” has the meaning specified in Section 3.07.

“Affected Loan” has the meaning specified in Section 3.04.

“Affiliate” means, with respect to any Person (the “first Person”), any other Person: (1) which directly or indirectly controls, or is controlled by, or is under common control with, the first Person. The term “control” means the possession, directly or indirectly, of the power, alone, 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.

“Agent” means, individually and collectively, Administrative Agent, each Syndication Agent and each Documentation Agent.

“Agreement” means this Second Amended and Restated Revolving Credit Agreement.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Affiliates from time to time concerning or relating to bribery, corruption or money laundering.

“Applicable Lending Office” means, for each Bank and for its LIBOR Loan, Bid Rate Loan(s), Base Rate Loan or LIBOR Daily Loan, as applicable, the lending office of such Bank (or of an Affiliate of such Bank) designated as such on its Administrative Questionnaire or in the applicable Assignment and Assumption Agreement, or such other office of such Bank (or of an Affiliate of such Bank) as such Bank may from time to time specify to Administrative Agent and Borrower as the office by which its LIBOR Loan, Bid Rate Loan(s), Base Rate Loan or LIBOR Daily Loan, as applicable, is to be made and maintained.

“Applicable Margin” means, with respect to Base Rate Loans, LIBOR Loans and LIBOR Daily Loans, the respective percentages per annum determined, at any time, based on the range into which any Credit Rating then falls, in accordance with the table set forth below. Any change in any Credit Rating causing it to move to a different range on the table shall effect an immediate change in the Applicable Margin as of the day of such change. Borrower shall have not less than two (2) Credit Ratings at all times, one of which shall be from S&P or Moody’s. In the event that Borrower receives only two (2) Credit Ratings, and such Credit Ratings are not equivalent, the Applicable Margin shall be the higher of the two Credit Ratings. In the event that Borrower receives more than two (2) Credit Ratings, and such Credit Ratings are not all equivalent, the Applicable Margin shall be (A) if the difference between the highest and the lowest such Credit Ratings is one ratings category (e.g. Baa2 by Moody’s and BBB- by S&P or Fitch), the Applicable Margin shall be the rate per annum that would be applicable if the highest of the Credit Ratings were used; and (B) if the difference between the highest and the lowest such Credit Ratings is two ratings categories (e.g. Baa1 by Moody’s and BBB- by S&P or Fitch) or more, the Applicable Margin shall be the rate per annum that would be applicable if the average of the two (2) highest Credit Ratings were used, provided that if such average is not a recognized rating category (i.e., the difference between the Credit Ratings is an even number of ratings categories), then the Applicable Margin shall be based on the lower of the two (2) highest Credit Ratings.

Borrower's Credit Rating (S&P or Fitch/Moody's Ratings)	Applicable Margin for Base Rate Loans (% per annum)	Applicable Margin for LIBOR Loans and LIBOR Daily Loans (% per annum)
A+/A1 or higher	0.000	0.700
A/A2	0.000	0.750
A-/A3	0.000	0.775
BBB+/Baa1	0.000	0.825
BBB/Baa2	0.000	0.900
BBB-/Baa3	0.100	1.100
Below BBB-/Baa3 or unrated	0.450	1.450

“Approved Electronic Platform” has the meaning assigned in Section 12.07(d)(i).

“Assignee” has the meaning specified in Section 12.05(c).

“Assignment and Assumption Agreement” means an Assignment and Assumption Agreement, substantially in the form of EXHIBIT E or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent and containing substantially the same terms as EXHIBIT E, pursuant to which a Bank assigns and an Assignee assumes rights and obligations in accordance with Section 12.05.

“Authorization Letter” means a letter agreement executed by Borrower in the form of EXHIBIT A.

“Available Total Loan Commitment” has the meaning specified in Section 2.01(b).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bank” and “Banks” have the respective meanings specified in the preamble; provided, however, that the term “Bank” shall exclude each Designated Lender when used in reference to a Ratable Loan, the Loan Commitments or terms relating to the Ratable Loans and the Loan Commitments. Unless the context otherwise requires, the term “Banks” includes the Fronting Banks.

“Bank Affiliate” means, (a) with respect to any Bank, (i) a Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Bank or (ii) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by such Bank or a Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Bank and (b) with respect to any Bank that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit

and is managed by the same investment advisor as such Bank or by a Person directly or indirectly controlling or controlled by or under direct or indirect common control with such investment advisor.

“Bank Parties” means Administrative Agent and the Banks.

“Banking Day” means (1) any day except a Saturday or Sunday on which commercial banks are not authorized or required to close in New York City and (2) whenever such day relates to a LIBOR Loan, a LIBOR Daily Loan or a LIBOR Bid Rate Loan, an Interest Period with respect to such LIBOR Loan, LIBOR Daily Loan or LIBOR Bid Rate Loan, or notice with respect to such LIBOR Loan, LIBOR Daily Loan or LIBOR Bid Rate Loan, a day on which dealings in Dollar deposits are carried out in the London interbank market and banks are open for business in London and New York City, and (3) in the case of Letters of Credit transactions for a particular Fronting Bank, any day except a Saturday or Sunday on which commercial banks are not authorized or required to close in the place where its office for issuance or administration of the pertinent Letter of Credit is located and in New York City.

“Bank Reply Period” has the meaning specified in Section 12.02.

“Bankruptcy Code” means Title 11 of the United States Code, entitled “Bankruptcy”, as amended from time to time, and any successor or statute or statutes.

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Banks’ L/C Fee Rate” has the meaning specified in Section 2.17(g).

“Base Rate” means, for any day, the highest of (1) the NYFRB Rate for such day plus one-half percent (0.50%), (2) the Prime Rate for such day, and (3) the LIBOR Interest Rate for such day if a LIBOR Loan with an Interest Period of one month were being made on such day plus one percent (1.0%); provided that, for the purpose of this definition, the LIBOR Interest Rate for any day shall be based on the LIBO Screen Rate (or if the LIBO Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Base Rate due to a change in the Prime Rate, the NYFRB Rate or the LIBOR Interest Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the LIBOR Interest Rate, respectively. If

the Base Rate is being used as an alternate rate of interest pursuant to Section 3.02 hereof, then the Base Rate shall be the greater of clause (1) and (2) above and shall be determined without reference to clause (3) above. For the avoidance of doubt if the Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Base Rate Loan” means all or any portion (as the context requires) of a Bank’s Ratable Loan which shall accrue interest at a rate determined in relation to the Base Rate.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Bid Borrowing Limit” has the meaning specified in Section 2.01(c).

“Bid Rate” means, with respect to any Bid Rate Loan, the LIBOR Bid Rate or the Fixed Rate, as applicable, offered by the Bank making such Bid Rate Loan in its Bid Rate Quote.

“Bid Rate Loan” has the meaning specified in Section 2.01(c).

“Bid Rate Loan Note” has the meaning specified in Section 2.09.

“Bid Rate Quote” means an offer by a Bank to make a Bid Rate Loan in accordance with Section 2.02.

“Bid Rate Quote Request” has the meaning specified in Section 2.02(a).

“Borrower” has the meaning specified in the preamble.

“Borrower’s Accountants” means Deloitte LLP, any other “Big 4” accounting firm selected by Borrower (or a successor thereof), or such other accounting firm(s) selected by Borrower and reasonably acceptable to the Required Banks.

“Borrower’s Consolidated Financial Statements” means the consolidated balance sheet and related consolidated statements of operations, changes in equity and cash flows, and footnotes thereto, of the Borrower, in each case prepared in accordance with GAAP and as filed with the SEC as SEC Reports.

“Borrower’s Pro Rata Share” means an amount determined based on the pro rata ownership of the equity interests of a Person by Borrower and Borrower’s consolidated subsidiaries.

“Capitalization Value” means, at any time, the sum of (1) with respect to Real Property Businesses (other than UJVs), individually determined, the greater of (x) Combined EBITDA from such businesses (a) in the case of all Real Property Businesses other than hotels or trade show space, for the most recently ended calendar quarter, annualized (i.e., multiplied by four), and (b) in the case of hotels or trade show space, for the most recently ended four consecutive calendar quarters, in both cases, capitalized at a rate of 6.0% per annum, and (y) the Gross Book Value of such businesses; (2) with respect to Other Investments, which do not have publicly traded shares, the Net Equity Value of such Other Investments; (3) with respect to Real Property UJVs, which do not have publicly traded shares, individually determined, the greater of (x) Combined EBITDA from such Real Property UJVs (a) in the case of all Real Property UJVs other than those owning hotels or trade show space, for the most recently ended calendar quarter, annualized (i.e., multiplied by four), and (b) in the case of Real Property UJVs owning hotels or trade show space, for the most recently ended four consecutive calendar quarters, in both cases, capitalized at the rate of 6.0%, less Borrower’s Pro Rata Share of any Debt attributable to such Real Property UJVs, and (y) the Net Equity Value of such Real Property UJVs (subject to the last sentence of this definition); and (4) without duplication, Borrower’s Pro Rata Share of Unrestricted Cash and Cash Equivalents, the book value of notes and mortgage loans receivable and capitalized development costs (exclusive of tenant improvements and tenant leasing commission costs), and the fair market value of publicly traded securities, at such time, all as determined in accordance with GAAP. For clarity, the parties acknowledge and agree that the calculations pursuant to clause (1)(x) and (y) and clause (3)(x) and (y) above in this definition are intended to be made on a Real-Property-Asset-by-Real-Property-Asset basis. For the purposes of this definition, (1) for any Disposition of Real Property Assets by a Real Property Business during any calendar quarter, Combined EBITDA will be reduced by actual Combined EBITDA generated from such asset or assets, (2) the aggregate contribution to Capitalization Value in excess of 35% of the total Capitalization Value from all Real Property Businesses and Other Investments owned by UJVs shall not be included in Capitalization Value, and (3) the aggregate contribution to Capitalization Value from leasing commissions and management and development fees in excess of 15% of Combined EBITDA shall not be included in Capitalization Value. To the extent that liabilities of a Real Property UJV are Recourse to Borrower or the General Partner, then for purposes of clause (3)(y) above, the Net Equity Value of such Real Property UJV shall not be reduced by such Recourse liabilities.

“Capitalization Value of Unencumbered Assets” means, at any time, the sum of (1) with respect to Real Property Businesses (other than UJVs), individually determined, the greater of (x) Unencumbered Combined EBITDA from such Real Property Businesses (a) in the case of all Real Property Businesses other than hotels or trade show space, for the most recently ended calendar quarter, annualized (i.e., multiplied by four), and (b) in the case of hotels or trade show space, the most recently ended four consecutive calendar quarters, in both cases, capitalized at a rate of 6.0% per annum, and (y) the Gross Book Value of such businesses; (2) with respect to Real Property UJVs, which do not have publicly traded shares, individually determined, the greater of (x) the Unencumbered Combined EBITDA from such Real Property UJVs (a) in the case of Real Property UJVs other than those owning hotels or trade show space, for the most recently ended calendar quarter, annualized (i.e., multiplied by four), and (b) in the case of Real Property UJVs owning hotels or trade show space, for the most recently ended four consecutive calendar quarters, in both cases, capitalized at a rate of 6.0% per annum, and (y) the Net Equity Value of such Real Property UJVs; and (3) without duplication, Borrower’s Pro Rata Share of

Unrestricted Cash and Cash Equivalents, the book value of notes and mortgage loans receivable and capitalized development costs (exclusive of tenant improvements and tenant leasing commission costs), and the fair market value of publicly traded securities that are Unencumbered Assets of Borrower, at such time, all as determined in accordance with GAAP. For the purposes of this definition, (1) for any Disposition of Real Property Assets by a Real Property Business during any calendar quarter, Unencumbered Combined EBITDA will be reduced by actual Unencumbered Combined EBITDA generated from such asset or assets, (2) the aggregate contribution to Capitalization Value of Unencumbered Assets in excess of 35% of the total Capitalization Value of Unencumbered Assets from the aggregate of all Real Property Businesses owned by UJVs, and notes and mortgage loans receivable that are Unencumbered Assets at such time, as determined, in accordance with GAAP, shall not be included in Capitalization Value of Unencumbered Assets, and (3) the aggregate contribution to Capitalization Value of Unencumbered Assets from leasing commissions and management and development fees in excess of 15% of Unencumbered Combined EBITDA shall not be included in Capitalization Value of Unencumbered Assets.

“Capital Lease” means any lease which has been or should be capitalized on the books of the lessee in accordance with GAAP.

“Cash or Cash Equivalents” means (a) cash; (b) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by an agency thereof and backed by the full faith and credit of the United States, in each case maturing within one (1) year after the date of acquisition thereof; (c) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within ninety (90) days after the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from any two of S&P, Moody’s or Fitch (or, if at any time no two of the foregoing shall be rating such obligations, then from such other nationally recognized rating services as are reasonably acceptable to Administrative Agent); (d) domestic corporate bonds, other than domestic corporate bonds issued by Borrower or any of its Affiliates, maturing no more than two (2) years after the date of acquisition thereof and, at the time of acquisition, having a rating of at least A or the equivalent from any two (2) of S&P, Moody’s or Fitch (or, if at any time no two of the foregoing shall be rating such obligations, then from such other nationally recognized rating services as are reasonably acceptable to Administrative Agent); (e) variable-rate domestic corporate notes or medium term corporate notes, other than notes issued by Borrower or any of its Affiliates, maturing or resetting no more than one (1) year after the date of acquisition thereof and having a rating of at least A or the equivalent from two of S&P, Moody’s or Fitch (or, if at any time no two of the foregoing shall be rating such obligations, then from such other nationally recognized rating services as are reasonably acceptable to Administrative Agent); (f) commercial paper (foreign and domestic) or master notes, other than commercial paper or master notes issued by Borrower or any of its Affiliates, and, at the time of acquisition, having a long-term rating of at least A or the equivalent from S&P, Moody’s or Fitch and having a short-term rating of at least A-2 and P-2 from S&P and Moody’s, respectively (or, if at any time neither S&P nor Moody’s shall be rating such obligations, then the highest rating from such other nationally recognized rating services as are reasonably acceptable to Administrative Agent); (g) domestic and foreign certificates of deposit or domestic time deposits or foreign deposits or bankers’ acceptances (foreign or domestic) in Dollars, Hong Kong Dollars, Singapore Dollars, Pounds Sterling, Euros

or Yen that are issued by a bank (I) which has, at the time of acquisition, a long-term rating of at least A or the equivalent from S&P, Moody's or Fitch (or, if at any time no two of the foregoing shall be rating such obligations, then from such other nationally recognized rating services as are reasonably acceptable to Administrative Agent) and (II) if a domestic bank, which is a member of the Federal Deposit Insurance Corporation; (h) overnight securities repurchase agreements, or reverse repurchase agreements secured by any of the foregoing types of securities or debt instruments, provided that the collateral supporting such repurchase agreements shall have a value not less than 101% of the principal amount of the repurchase agreement plus accrued interest; and (i) money market funds invested in investments substantially all of which consist of the items described in clauses (a) through (h) above.

“Charges” has the meaning specified in Section 2.07.

“Closing Date” means the date the Initial Advance is made.

“Code” means the Internal Revenue Code of 1986, as amended.

“Combined EBITDA” means, for any quarter, the Borrower's Pro Rata Share of net income or loss plus Interest Expense, income taxes, depreciation and amortization and excluding the effect of non-recurring items (such as, without limitation, (i) gains or losses from asset sales, (ii) gains or losses from debt restructurings or write-ups or forgiveness of indebtedness, and costs and expenses incurred during such period with respect to acquisitions consummated during such period, and (iii) non-cash gains or losses from foreign currency fluctuations), all as determined in accordance with GAAP, of Consolidated Businesses and UJVs (provided, however, that for purposes of determining the ratio of Combined EBITDA to Fixed Charges, Combined EBITDA of UJVs shall exclude UJVs that are not Real Property UJVs), as the case may be, multiplied by four, provided however, that Combined EBITDA shall include only general and administrative expenses that are attributable to the management and operation of the assets in accordance with GAAP and shall not include any corporate general and administrative expenses of Borrower, General Partner, Consolidated Businesses or UJVs (e.g., salaries of corporate officers).

“Communications” has the meaning specified in Section 12.07(d)(iii).

“Consolidated Businesses” means, at any time, the Borrower and Subsidiaries of the Borrower that the Borrower consolidates in its consolidated financial statements prepared in accordance with GAAP, provided, however, that UJVs which are consolidated in accordance with GAAP are not Consolidated Businesses.

“Continue”, “Continuation” and “Continued” refer to the continuation pursuant to Section 2.12 of a LIBOR Loan as a LIBOR Loan from one Interest Period to the next interest Period.

“Convert”, “Conversion” and “Converted” refer to a conversion pursuant to Section 2.12 of (x) a Base Rate Loan into a LIBOR Loan or a LIBOR Daily Loan, (y) a LIBOR Daily Loan into a Base Rate Loan or a LIBOR Loan, or (z) a LIBOR Loan into a Base Rate Loan or a LIBOR Daily Loan, each of which may be accompanied by the transfer by a Bank (at its sole discretion) of all or a portion of its Ratable Loan from one Applicable Lending Office to another.

“Credit Party” means the Administrative Agent, the Fronting Bank or any other Bank.

“Credit Rating” means the rating assigned by Moody’s, S&P, and/or Fitch to Borrower’s senior unsecured long-term indebtedness.

“Debt” means, at any time, without duplication, (i) all indebtedness and liabilities of a Person for borrowed money, secured or unsecured, including mortgage and other notes payable (but excluding any indebtedness to the extent secured by cash or cash equivalents or marketable securities, or defeased), as determined in accordance with GAAP, and (ii) without duplication, all liabilities of a Person consisting of indebtedness for borrowed money, determined in accordance with GAAP, that are or would be stated and quantified as contingent liabilities in the notes to the consolidated financial statements of such Person as of that date. For purposes of determining “Total Outstanding Indebtedness” and “Debt”, the term “without duplication” shall mean (without limitation) that amounts loaned from one Person to a second Person that under GAAP would be consolidated with the first Person shall not be treated as Debt of the second Person.

“Default” means any event which with the giving of notice or lapse of time, or both, would become an Event of Default.

“Defaulting Lender” means any Bank that (a) has failed, within three Banking Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Bank notifies the Administrative Agent in writing that such failure is the result of such Bank’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, or, in the case of clause (iii) above, such Bank notifies the Administrative Agent in writing that such failure is the result of a good faith dispute which has been specifically identified, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Bank’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Banking Days after request by the Administrative Agent, a Fronting Bank or Borrower, acting in good faith, to provide a certification in writing from an authorized officer of such Bank that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Bank shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent’s, such Fronting Bank’s or Borrower’s (with simultaneous notice to the Administrative Agent) (as applicable) receipt of such certification in form and substance reasonably satisfactory to it or them (as applicable), or (d) has, or has a direct or indirect parent company that has, become the subject of a Bankruptcy Event or a Bail-In Action.

“Default Rate” means a rate per annum equal to: (1) with respect to Base Rate Loans or LIBOR Daily Loans, a variable rate of three percent (3%) plus the rate of interest then in effect

thereon (including the Applicable Margin); and (2) with respect to LIBOR Loans and Bid Rate Loans, a fixed rate of three percent (3%) plus the rate(s) of interest in effect thereon (including the Applicable Margin or the LIBOR Bid Margin, as the case may be) at the time of any Default or Event of Default until the end of the then current Interest Period therefor and, thereafter, a variable rate of three percent (3%) plus the rate of interest for a Base Rate Loan (including the Applicable Margin).

“Designated Lender” means a special purpose corporation that (i) shall have become a party to this Agreement pursuant to Section 12.16 and (ii) is not otherwise a Bank.

“Designating Lender” has the meaning specified in Section 12.16.

“Designation Agreement” means an agreement in substantially the form of EXHIBIT H, entered into by a Bank and a Designated Lender and accepted by Administrative Agent.

“Disposition” means a sale (whether by assignment, transfer or Capital Lease) of an asset.

“Dollars” and the sign “\$” mean lawful money of the United States of America.

“EEA Financial Institution” means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Elect”, “Election” and “Elected” refer to elections, if any, by Borrower pursuant to Section 2.12 to have all or a portion of an advance of the Ratable Loans be outstanding as LIBOR Loans.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

“Electronic System” means any electronic system, including e-mail, e-fax, Intralinks[®], ClearPar[®], Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and any of its Affiliates or any other Person, providing for access to data protected by passcodes or other security system(s).

“Environmental Discharge” means any discharge or release of any Hazardous Materials in violation of any applicable Environmental Law.

“Environmental Law” means any applicable Law relating to pollution or the environment, including Laws relating to noise or to emissions, discharges, releases or threatened releases of Hazardous Materials into the work place, the community or the environment, or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials.

“Environmental Notice” means any written complaint, order, citation, letter, inquiry, notice or other written communication from any Person (1) affecting or relating to Borrower’s compliance with any Environmental Law in connection with any activity or operations at any time conducted by Borrower, (2) relating to the occurrence or presence of or exposure to or possible or threatened or alleged occurrence or presence of or exposure to Environmental Discharges or Hazardous Materials at any of Borrower’s locations or facilities, including, without limitation: (a) the existence of any contamination or possible or threatened contamination at any such location or facility and (b) remediation of any Environmental Discharge or Hazardous Materials at any such location or facility or any part thereof; and (3) any violation or alleged violation of any relevant Environmental Law.

“ERISA” means the Employee Retirement Income Security Act of 1974, including the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any corporation or trade or business which is a member of the same controlled group of organizations (within the meaning of Section 414(b) of the Code) as Borrower or General Partner or is under common control (within the meaning of Section 414(c) of the Code) with Borrower or General Partner or is required to be treated as a single employer with Borrower or General Partner under Section 414(m) or 414(o) of the Code.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning specified in Section 9.01.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), profits or gains, franchise Taxes (imposed in lieu of income Taxes), and branch profits Taxes (or any similar Taxes), in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Bank, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Bank, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Bank with respect to an applicable interest in a Loan, Letter of Credit or Loan Commitment pursuant to a law in effect on the date on which (i) such Bank acquires such interest in such Loan, Letter of Credit or Loan Commitment (other than pursuant to an assignment requested by the Borrower under Section 3.07) or (ii) such Bank changes its lending office, except in each case to the extent that, pursuant to Section 10.13,

amounts with respect to such Taxes were payable either to such Bank's assignor immediately before such Bank acquired the applicable interest in a Loan, Letter of Credit or Loan Commitment or to such Bank immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 10.13 and (d) any U.S. Federal withholding Taxes imposed under FATCA.

“Execution Date” means the date of this Agreement.

“Existing 2016 Credit Agreement” has the meaning specified in the recitals.

“Exiting Bank” has the meaning specified in Section 12.24(a).

“Extension Date” has the meaning specified in Section 2.18.

“Extension Notice” has the meaning specified in Section 2.18.

“Facility Fee” means the respective percentages per annum determined, at any time, based on the range into which any Credit Rating then falls, in accordance with the table set forth below. Any change in any Credit Rating causing it to move to a different range on the table shall effect an immediate change in the Facility Fee as of the day of such change. Borrower shall have not less than two (2) Credit Ratings at all times, one of which shall be from S&P or Moody's. In the event that Borrower receives only two (2) Credit Ratings, and such Credit Ratings are not equivalent, the Facility Fee shall be the higher of the two Credit Ratings. In the event that Borrower receives more than two (2) Credit Ratings, and such Credit Ratings are not all equivalent, the Facility Fee shall be (A) if the difference between the highest and the lowest such Credit Ratings is one ratings category (e.g. Baa2 by Moody's and BBB- by S&P or Fitch), the Facility Fee shall be the rate per annum that would be applicable if the highest of the Credit Ratings were used; and (B) if the difference between the highest and the lowest such Credit Ratings is two ratings categories (e.g. Baa1 by Moody's and BBB- by S&P or Fitch) or more, the Facility Fee shall be the rate per annum that would be applicable if the average of the two (2) highest Credit Ratings were used, provided that if such average is not a recognized rating category (i.e., the difference between the Credit Ratings is an even number of ratings categories), then the Facility Fee shall be based on the lower of the two (2) highest Credit Ratings.

Borrower's Credit Rating (<u>S&P or Fitch/Moody's Ratings</u>)	Facility Fee (<u>% per annum</u>)
A+/A1 or higher	0.100
A/A2	0.100
A-/A3	0.125
BBB+/Baa1	0.150
BBB/Baa2	0.200
BBB-/Baa3	0.250
Below BBB-/Baa3 or unrated	0.300

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code or

any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Banking Day by the NYFRB as the federal funds effective rate; provided, that, if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Fiscal Year” means each period from January 1 to December 31.

“Fitch” means Fitch, Inc. and its successors.

“Fixed Charges” means, without duplication, in respect of any quarter, the sum of (i) the Borrower’s Pro Rata Share of Interest Expense for such period attributable to Debt in respect of Consolidated Businesses and Real Property UJVs, as well as to any other Debt that is Recourse to the Borrower, multiplied by four (4); and (ii) distributions during such period on preferred units of the Borrower, as determined on a consolidated basis, in accordance with GAAP, multiplied by four (4).

“Fixed Rate” means, with respect to any Bid Rate Loan (other than a LIBOR Bid Rate Loan), the fixed rate of interest per annum specified by the Bank making such Bid Rate Loan in its Bid Rate Quote.

“Fixed Rate Loan” means a Bid Rate Loan bearing interest at a Fixed Rate.

“Foreign Bank” means a Bank that is not a U.S. Person.

“Fronting Bank” means JPMorgan Chase Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., U.S. Bank National Association, or another Bank that shall have agreed to be designated by Borrower from among those Banks identified by Administrative Agent as being a permissible Fronting Bank pursuant to Section 2.17, each in its capacity as the issuer of Letters of Credit hereunder and its successors in such capacity. A Fronting Bank may, in its discretion, arrange for Letters of Credit to be issued by one of its Affiliates, in which case “Fronting Bank” shall include such Affiliate. When used herein, “Fronting Bank” shall mean the applicable Fronting Bank, each Fronting Bank, any Fronting Bank or all of the Fronting Banks, as the context may require.

“GAAP” means accounting principles generally accepted in the United States of America as in effect from time to time, applied on a basis consistent with those used in the preparation of the financial statements referred to in Section 5.15 (captioned “Financial Statements”) (except for changes concurred to by Borrower’s Accountants); provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application of any such change on the operation of such provision, or if the Administrative Agent notifies the Borrower that the Required Banks request an amendment to any provision hereof for such purpose, in either case, regardless of whether any such notice is given before or after such

change in GAAP or in the application of any such change, then such provision shall be interpreted on the basis of GAAP as in effect and applied for purposes of this Agreement immediately before such change shall have become effective.

“General Partner” means Vornado Realty Trust, a real estate investment trust organized and existing under the laws of the State of Maryland and the sole general partner of Borrower.

“Good Faith Contest” means the contest of an item if: (1) the item is diligently contested in good faith, and, if appropriate, by proceedings timely instituted; (2) adequate reserves are established with respect to the contested item; (3) during the period of such contest, the enforcement of any contested item is effectively stayed; and (4) the failure to pay or comply with the contested item during the period of the contest is not likely to result in a Material Adverse Change.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, and any agency, authority, regulatory body, central bank or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Gross Book Value” means the undepreciated book value of assets comprising a business, determined in accordance with GAAP.

“Hazardous Materials” means any pollutant, effluents, emissions, contaminants, toxic or hazardous wastes or substances, as any of those terms are defined from time to time in or for the purposes of any relevant Environmental Law, including asbestos fibers and friable asbestos, polychlorinated biphenyls, and any petroleum or hydrocarbon-based products or derivatives.

“Impacted Interest Period” has the meaning assigned to it in the definition of “LIBOR Base Rate”.

“Incremental Commitments” has the meaning specified in Section 2.16(c).

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a) hereof, Other Taxes.

“Initial Advance” means the first advance of proceeds of the Loans and/or issuance of Letters of Credit (including the deemed issuance of Letters of Credit pursuant to Section 2.17(j)).

“Interest Expense” means, for any quarter, the consolidated interest expense, whether paid, accrued or capitalized (without deduction of consolidated interest income) of Borrower that is attributable to Borrower’s Pro Rata Share in its Consolidated Businesses in respect of Real Property Businesses, including, without limitation or duplication (or, to the extent not so included, with the addition of), (1) the portion of any rental obligation in respect of any Capital Lease obligation allocable to interest expense in accordance with GAAP; (2) the amortization of Debt discounts and premiums; (3) any payments or fees (other than upfront fees) with respect to interest rate swap or similar agreements; and (4) the interest expense and items listed in clauses

(1) through (3) above applicable to each of the UJVs (to the extent not included above) multiplied by Borrower's Pro Rata Share in the UJVs in respect of Real Property Businesses, in all cases as reflected in the Borrower's Consolidated Financial Statements, provided that there shall be excluded from Interest Expense capitalized interest covered by an interest reserve established under a loan facility (such as capitalized construction interest provided for in a construction loan). "Interest Expense" shall not include the non-cash portion of interest expense attributable to convertible Debt determined in accordance with ASC 470-20.

"Interest Period" means, (1) with respect to any LIBOR Loan, the period commencing on the date the same is advanced, converted from a Base Rate Loan or a LIBOR Daily Loan or Continued, as the case may be, and ending, as Borrower may select pursuant to Section 2.06, on the numerically corresponding day in the first, second, third or, if available from all of the Banks, sixth calendar month thereafter (or at Administrative Agent's reasonable discretion a period of shorter duration), provided that each such Interest Period which commences on the last Banking Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Banking Day of the appropriate calendar month; (2) with respect to any LIBOR Bid Rate Loan, the period commencing on the date the same is advanced and ending, as Borrower may select pursuant to Section 2.02, on the numerically corresponding day in the first, second, third or sixth calendar month thereafter (or at Administrative Agent's reasonable discretion a period of shorter duration) provided that each such Interest Period which commences on the last Banking Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Banking Day of the appropriate calendar month; and (3) with respect to any Fixed Rate Loan, the period (which shall not be less than 30 days or more than 180 days) commencing on the date of such Loan and ending on the date specified in the applicable Bid Rate Quote Request.

"Interpolated Rate" means, at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available) that is longer than the Impacted Interest Period, in each case, at such time.

"Invitation for Bid Rate Quotes" has the meaning specified in Section 2.02(b).

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Law" means any federal, state or local statute, law, rule, regulation, ordinance, order, code, or rule of common law, now or hereafter in effect, and in each case as amended, and any judicial or administrative interpretation thereof by a Governmental Authority or otherwise, including any judicial or administrative order, consent decree or judgment.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all drawings under Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower (including, for clarity, by means of advances of Loans pursuant to this Agreement) at such time. The LC Exposure of any Bank at any time shall be its Pro Rata Share of the total LC Exposure at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn

“Lead Arrangers” means JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities LLC and U.S. Bank National Association.

“Letter of Credit” has the meaning specified in Section 2.17(a).

“Letter of Credit Commitment” means, with respect to each Fronting Bank, the commitment of each Fronting Bank to issue Letters of Credit hereunder. The initial amount of each Fronting Bank’s Letter of Credit Commitment is set forth on Schedule 1A attached hereto, or if a Fronting Bank has otherwise assumed a Letter of Credit Commitment after the Closing Date, the amount set forth for such Fronting Bank as its Letter of Credit Commitment in the Register maintained by the Administrative Agent. The Letter of Credit Commitment of a Fronting Bank may be modified from time to time by agreement between such Fronting Bank and the Borrower, and notified to the Administrative Agent.

“LIBO Screen Rate” has the meaning assigned to it in the definition of “LIBOR Base Rate”.

“LIBOR Base Rate” means, with respect to any LIBOR Loan for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for Dollars for a period equal in length to such Interest Period as displayed on page LIBOR01 of the Reuters screen that displays such rate or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion (in each case the “LIBO Screen Rate”), at approximately 11:00 a.m., London time, two Banking Days prior to the commencement of such Interest Period; provided that if the LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided further that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”) then the LIBOR Base Rate shall be the Interpolated Rate; provided that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“LIBOR Bid Margin” has the meaning specified in Section 2.02(c)(2)(iii).

“LIBOR Bid Rate” means a rate per annum equal to the sum of (1) the LIBOR Interest Rate for a Bid Rate Loan with the applicable Interest Period and (2) the LIBOR Bid Margin.

“LIBOR Bid Rate Loan” means a Bid Rate Loan bearing interest at a LIBOR Bid Rate.

“LIBOR Daily Floating Rate” means for any day, a fluctuating rate of interest per annum, which can change on each Banking Day, equal to the LIBO Screen Rate at or about 11:00 a.m., London time on such Banking Day, for Dollar deposits with a term equivalent to a one (1) month term beginning on that date; provided that: (i) to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice and in a non-discriminatory manner in comparison to the Administrative Agent’s other borrowers; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and (ii) if the LIBOR Daily Floating Rate shall be less than zero, such rate shall be deemed zero for purposes hereof.

“LIBOR Daily Loan” means a Ratable Loan bearing interest at a rate based on the LIBOR Daily Floating Rate.

“LIBOR Interest Rate” means, for any LIBOR Loan or LIBOR Bid Rate Loan, a rate per annum determined by Administrative Agent to be equal to the quotient of (1) the LIBOR Base Rate for such LIBOR Loan or LIBOR Bid Rate Loan, as the case may be, for the Interest Period therefor divided by (2) one minus the LIBOR Reserve Requirement for such LIBOR Loan or LIBOR Bid Rate Loan, as the case may be, for such Interest Period.

“LIBOR Loan” means all or any portion (as the context requires) of any Bank’s Ratable Loan which shall accrue interest at rate(s) determined in relation to LIBOR Interest Rate(s).

“LIBOR Reserve Requirement” means, for any LIBOR Loan or LIBOR Bid Rate Loan, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during the Interest Period for such LIBOR Loan or LIBOR Bid Rate Loan under Regulation D by member banks of the Federal Reserve System in New York City with deposits exceeding One Billion Dollars (\$1,000,000,000) against “Eurocurrency liabilities” (as such term is used in Regulation D). Without limiting the effect of the foregoing, the LIBOR Reserve Requirement shall also reflect any other reserves required to be maintained by such member banks by reason of any Regulatory Change against (1) any category of liabilities which includes deposits by reference to which the LIBOR Base Rate is to be determined as provided in the definition of “LIBOR Base Rate” in this Section 1.01 or (2) any category of extensions of credit or other assets which include loans the interest rate on which is determined on the basis of rates referred to in said definition of “LIBOR Base Rate”.

“Lien” means any mortgage, deed of trust, pledge, security interest, hypothecation, assignment for collateral purposes, deposit arrangement, lien (statutory or other), or other security agreement or charge of any kind or nature whatsoever of any third party (excluding any right of setoff but including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction to evidence any of the foregoing).

“Loan” means, with respect to each Bank, its Ratable Loan (including any LIBOR Daily Loan(s)), Bid Rate Loan(s), and New Term Loan(s) (if any), collectively.

“Loan Commitment” means, with respect to each Bank, the obligation to make a Ratable Loan in the principal amount set forth on Schedule 1 attached hereto and incorporated herein, as such amount may be reduced or increased from time to time in accordance with the provisions of Section 2.16 or pursuant to assignments made under Section 12.05(c) (and upon the execution of an amendment agreement described in Section 2.16(c)(ii) or Assignment and Assumption Agreements, the definition of Loan Commitment shall be deemed revised to reflect the Incremental Commitment or the assignment being effected pursuant to each such Assignment and Assumption Agreement, as the case may be).

“Loan Documents” means this Agreement, the Notes, the Authorization Letter and the Solvency Certificate.

“Material Adverse Change” means either (1) a material adverse change in the status of the business, results of operations, financial condition, or property of Borrower or (2) any event or occurrence of whatever nature which is likely to have a material adverse effect on the ability of Borrower to perform its obligations under the Loan Documents.

“Material Affiliates” means the Affiliates of Borrower listed on EXHIBIT F.

“Maturity Date” means March 24, 2023, subject to extension pursuant to Section 2.18.

“Maximum Rate” has the meaning specified in Section 2.07.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Multiemployer Plan” means a Plan defined as such in Section 3(37) of ERISA to which contributions have been or are required to be made by Borrower or General Partner or any ERISA Affiliate and which is covered by Title IV of ERISA.

“Net Equity Value” means, at any time, the total assets of the applicable business less the total liabilities of such business less the amounts attributable to the minority interest in such business, in each case as determined on a consolidated basis, in accordance with GAAP, subject to the last sentence of the definition of Capitalization Value.

“New Ratable Bank” has the meaning specified in Section 2.16(c).

“New Ratable Commitments” has the meaning specified in Section 2.16(c).

“New Ratable Loan” has the meaning specified in Section 2.16(c).

“New Term Bank” has the meaning specified in Section 2.16(c).

“New Term Commitments” has the meaning specified in Section 2.16(c).

“New Term Loan” has the meaning specified in Section 2.16(c).

“Note” and “Notes” have the respective meanings specified in Section 2.09.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Banking Day, for the immediately preceding Banking Day); provided that if none of such rates are published for any day that is a Banking Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Obligations” means each and every obligation, covenant and agreement of Borrower, now or hereafter existing, contained in this Agreement, and any of the other Loan Documents, whether for principal, reimbursement obligations, interest, fees, expenses, indemnities or otherwise, and any amendments or supplements thereto, extensions or renewals thereof or replacements therefor, including but not limited to all indebtedness, obligations and liabilities of Borrower to Administrative Agent and any Bank now existing or hereafter incurred under or arising out of or in connection with the Notes, this Agreement, the other Loan Documents, and any documents or instruments executed in connection therewith; in each case whether direct or indirect, joint or several, absolute or contingent, liquidated or unliquidated, now or hereafter existing, renewed or restructured, whether or not from time to time decreased or extinguished and later increased, created or incurred, and including all indebtedness of Borrower under any instrument now or hereafter evidencing or securing any of the foregoing.

“OFAC” means The Office of Foreign Assets Control of the United States Department of the Treasury.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

“Other Investment” means a Consolidated Business or UJV that does not own primarily Real Property Assets or publicly traded securities, including, without limitation, those entities more particularly set forth on Schedule 2 attached hereto.

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.07).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of

depository institutions (as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time) and published on the next succeeding Banking Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

“Parent” means, with respect to any Bank, any Person controlling such Bank.

“Participant” has the meaning specified in Section 12.05(b).

“Participant Register” has the meaning specified in Section 12.05(b).

“Payor” has the meaning specified in Section 10.12.

“PBGC” means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

“Person” means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, limited liability company, Governmental Authority or other entity of whatever nature.

“Plan” means any employee benefit or other plan (other than a Multiemployer Plan) established or maintained, or to which contributions have been or are required to be made, by Borrower or General Partner or any ERISA Affiliate and which is covered by Title IV of ERISA or to which Section 412 of the Code applies.

“presence”, when used in connection with any Environmental Discharge or Hazardous Materials, means and includes presence, generation, manufacture, installation, treatment, use, storage, handling, repair, encapsulation, disposal, transportation, spill, discharge and release.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as reasonably determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as reasonably determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Pro Rata Share” means, with respect to each Bank, the percentage of the Total Loan Commitment represented by such Bank’s Loan Commitment; provided that solely in the case of Section 12.20(c) when a Defaulting Lender shall exist, “Pro Rata Share” shall mean the percentage of the Total Loan Commitment (disregarding any Defaulting Lender’s Loan Commitment) represented by such Bank’s Loan Commitment. If the Loan Commitments have terminated or expired, the Pro Rata Share shall be determined based upon the Loan Commitments most recently in effect, giving effect to any assignments and to any Bank’s status as a Defaulting Lender at the time of determination.

“Prohibited Transaction” means any non-exempt transaction set forth in Section 406 of ERISA or Section 4975 of the Code.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Qualified Institution” means a Bank, or one or more banks, finance companies, insurance or other financial institutions which (A) has (or, in the case of a banking institution which is a subsidiary, such banking institution’s parent has) a rating of its senior debt obligations of not less than BBB+ by S&P or Baal by Moody’s or a comparable rating by a rating agency reasonably acceptable to the Administrative Agent and (B) has (or, in the case of a banking institution which is a subsidiary, such banking institution’s parent has) total assets in excess of Ten Billion Dollars (\$10,000,000,000), but shall exclude any natural person, any Defaulting Lender and the Borrower or any of its Affiliates.

“Ratable Loan” has the meaning specified in Section 2.01(b).

“Ratable Loan Note” has the meaning specified in Section 2.09.

“Real Property Asset” means an asset from which income is, or upon completion expected by the Borrower to be, derived predominantly from contractual rent payments under leases with unaffiliated third party tenants, hotel operations, tradeshow operations or leasing commissions and management and development fees, and shall include those investments in mortgages and mortgage participations owned by the Borrower as to which the Borrower has demonstrated to the Administrative Agent, in the Administrative Agent’s reasonable discretion, that Borrower has control of the decision-making functions of management and leasing of such mortgaged properties, has control of the economic benefits of such mortgaged properties, and holds the right to acquire such mortgaged properties.

“Real Property Business” means a Consolidated Business or UJV that owns primarily Real Property Assets.

“Real Property UJV” means a UJV that is a Real Property Business.

“Recipient” means the Administrative Agent, any Bank and any Fronting Bank, as applicable.

“Recourse” means, with reference to any obligation or liability, any liability or obligation that is not Without Recourse to the obligor thereunder, directly or indirectly. For purposes hereof, a Person shall not be deemed to be “indirectly” liable for the liabilities or obligations of an obligor solely by reason of the fact that such Person has an ownership interest in such obligor, provided that such Person is not otherwise legally liable, directly or indirectly, for such obligor’s liabilities or obligations (e.g. by reason of a guaranty or contribution obligation, by operation of law or by reason of such Person being a general partner of such obligor). A guaranty of Debt issued by Borrower or General Partner (as distinguished from a Subsidiary) shall be Recourse, but a guaranty for completion of improvements in connection with Debt shall be deemed Without Recourse, unless and except to the extent of a claim made under such guaranty that remains unpaid.

“Refinancing Mortgage” has the meaning specified in Section 12.21.

“Regulation D” means Regulation D of the Board of Governors of the Federal Reserve System, as the same may be amended or supplemented from time to time, or any similar Law from time to time in effect.

“Regulation U” means Regulation U of the Board of Governors of the Federal Reserve System, as the same may be amended or supplemented from time to time, or any similar Law from time to time in effect.

“Regulatory Change” means the occurrence after the date of this Agreement or, with respect to any Bank, such later date on which such Bank becomes a party to this Agreement, of (a) the adoption of or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Bank or any Fronting Bank (or, for purposes of Section 3.06, by any lending office of such Bank or by such Bank's or such Fronting Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a “Regulatory Change,” regardless of the date enacted, adopted or issued, provided, however, that if the applicable Bank shall have implemented changes prior to the Execution Date in response to any such requests, rules, guidelines or directives, then the same shall not be deemed to be a Regulatory Change with respect to such Bank.

“REIT” means a “real estate investment trust,” as such term is defined in Section 856 of the Code.

“Relevant Documents” has the meaning specified in Section 11.02.

“Replacement Bank” has the meaning specified in Section 3.07.

“Replacement Notice” has the meaning specified in Section 3.07.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty (30) day notice period is waived by the PBGC.

“Required Banks” means at any time Banks having Loan Commitments and outstanding New Term Loans (if any) aggregating at least 51% of the sum of the Total Loan Commitments plus the outstanding principal amount of the New Term Loans (if any) of all of the Banks (excluding, however, any Defaulting Lender) at such time; provided, however, that following the termination of the Loan Commitments, the “Required Banks” shall be the Banks holding at least 51% of the then aggregate unpaid principal amount of the Loans (excluding, however, any Defaulting Lender).

“Required Payment” has the meaning set forth in Section 10.12.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, including but not limited to Cuba, Crimea, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, or by the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or any other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of Sanctions.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority.

“SEC” means the United States Securities and Exchange Commission.

“SEC Reports” means the reports required to be delivered to the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“Secured Indebtedness” means, at any time, that portion of Total Outstanding Indebtedness that is not Unsecured Indebtedness.

“Secured Indebtedness Adjustment” has the meaning set forth in Section 8.07.

“Series” has the meaning set forth in Section 2.16(c).

“Solvency Certificate” means a certificate in substantially the form of EXHIBIT D, to be delivered by Borrower pursuant to the terms of this Agreement.

“Solvent” means, when used with respect to any Person, that (1) the fair value of the property of such Person, on a going concern basis, is greater than the total amount of liabilities (including, without limitation, contingent liabilities) of such Person; (2) the present fair saleable value of the assets of such Person, on a going concern basis, is not less than the amount that will be required to pay the probable liabilities of such Person on its debts as they become absolute and matured; (3) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature; (4) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged; and (5) such Person has sufficient resources, provided that such resources are prudently utilized, to satisfy all of such Person’s obligations. Contingent liabilities will be computed at the

amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“S&P” means S&P Global Ratings and its successors.

“Subsidiary” means, with respect to any Person, a corporation, partnership, joint venture, limited liability company or other entity, fifty percent (50%) or more of the outstanding voting stock, partnership interests or membership interests, as the case may be, of which are owned, directly or indirectly, by that Person or by one or more other Subsidiaries of that Person and over which that Person or one or more other Subsidiaries of that Person exercise sole control. For the purposes of this definition, “voting stock” means stock having voting power for the election of directors or trustees, as the case may be, whether at all times or only so long as no senior class of stock has voting power for the election of directors or trustees by reason of any contingency, and “control” means the power to direct the management and policies of a Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Total Loan Commitment” means an amount equal to the aggregate amount of all Loan Commitments.

“Total Outstanding Indebtedness” means, at any time, without duplication, the sum of Debt of the Borrower, the Borrower’s Pro Rata Share of Debt in respect of Consolidated Businesses, and any Debt of UJVs to the extent Recourse to the Borrower, as determined on a consolidated basis in accordance with GAAP.

“UJVs” means, at any time, (1) investments of the Borrower that are accounted for under the equity method in the Borrower’s Consolidated Financial Statements prepared in accordance with GAAP and (2) investments of the Borrower in which the Borrower owns less than 50% of the equity interests and that are consolidated in the Borrower’s Consolidated Financial Statements prepared in accordance with GAAP.

“Unencumbered Assets” means, collectively, assets, reflected in the Borrower’s Consolidated Financial Statements, owned in whole or in part, directly or indirectly, by Borrower and not subject to any Lien to secure all or any portion of Secured Indebtedness or to any negative pledge or similar agreement, and assets of Consolidated Businesses and UJVs which are not subject to any Lien to secure all or any portion of Secured Indebtedness or to any negative pledge or similar agreement, provided that any such Consolidated Business or UJV is not the borrower or guarantor of any Unsecured Indebtedness. For clarity, an agreement that conditions the ability to encumber assets upon the maintenance of one or more specified ratios but that does not generally prohibit the encumbrance of assets, or the encumbrance of specific assets, shall not constitute a negative pledge or similar agreement.

“Unencumbered Combined EBITDA” means that portion of Combined EBITDA attributable to Unencumbered Assets; provided that Unencumbered Combined EBITDA shall include only general and administrative expenses that are attributable to the management and

operation of the Unencumbered Assets in accordance with GAAP and shall not include any corporate general and administrative expenses of Borrower, General Partner, Consolidated Businesses or UJVs (e.g., salaries of corporate officers).

“Unfunded Current Liability” of any Plan means the amount, if any, by which the actuarial present value of accumulated plan benefits as of the close of its most recent plan year, based upon the actuarial assumptions used by such Plan’s actuary in the most recent annual valuation of such Plan, exceeds the fair market value of the assets allocable thereto, determined in accordance with Section 412 of the Code.

“Unrestricted Cash and Cash Equivalents” means Cash or Cash Equivalents owned by Borrower, and Borrower’s Pro Rata Share of any Cash or Cash Equivalents owned by any Consolidated Businesses or UJV, that are not subject to any pledge, lien or control agreement, less amounts placed with third parties as deposits or security for contractual obligations.

“Unsecured Indebtedness” means, at any time, Total Outstanding Indebtedness that is not secured by a lien on assets of the Borrower, a Consolidated Business or a UJV, as the case may be.

“Unsecured Indebtedness Adjustment” has the meaning set forth in Section 8.06.

“Unsecured Interest Expense” means, for any quarter, the Borrower’s Pro Rata Share of Interest Expense attributable to Total Outstanding Indebtedness constituting Unsecured Indebtedness.

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 10.13(f)(ii)(B)(3).

“VRT Principals” means the trustees, executive officers and directors of Borrower (other than General Partner) or General Partner at any applicable time.

“Without Recourse” means, with reference to any obligation or liability, any obligation or liability for which the obligor thereunder is not liable or obligated other than as to its interest in a designated asset or assets only, subject to such exceptions to the non-recourse nature of such obligation or liability (such as, but not limited to, fraud, misappropriation, misapplication and environmental indemnities), as are usual and customary in like transactions involving institutional lenders at the time of the incurrence of such obligation or liability.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.02. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and, except as otherwise provided herein, all

financial data required to be delivered hereunder shall be prepared in accordance with GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Debt or other liabilities of the Borrower or any Subsidiary at “fair value”, as defined therein, so that such Debt and other liabilities will be valued at the historical cost basis, which generally is the contractual amount owed adjusted for amortization or accretion of any premium or discount, and (ii) in a manner such that any obligations relating to a lease that was accounted for by a Person as an operating lease as of December 31, 2018 and any similar lease entered into after December 31, 2018 by such Person shall be accounted for as obligations relating to an operating lease and not as a Capital Lease.

SECTION 1.03. Computation of Time Periods. Except as otherwise provided herein, in this Agreement, in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and words “to” and “until” each means “to but excluding”.

SECTION 1.04. Rules of Construction. When used in this Agreement: (1) “or” is not exclusive; (2) a reference to a Law includes any amendment or modification to such Law; (3) a reference to a Person includes its permitted successors and permitted assigns; (4) except as provided otherwise, all references to the singular shall include the plural and vice versa; (5) except as provided in this Agreement, a reference to an agreement, instrument or document shall include such agreement, instrument or document as the same may be amended, modified or supplemented from time to time in accordance with its terms and as permitted by the Loan Documents; (6) all references to Articles or Sections shall be to Articles and Sections of this Agreement unless otherwise indicated; and (7) all Exhibits to this Agreement shall be incorporated into this Agreement.

SECTION 1.05. Interest Rates; LIBOR Notification. The interest rate on LIBOR Loans, LIBOR Daily Loans and LIBOR Bid Rate Loans is determined by reference to the LIBOR Interest Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on LIBOR Loans, LIBOR Daily Loans and LIBOR Bid Rate Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. In the event that the London interbank offered rate is no longer available or in certain other circumstances as set forth in Section 3.02(b) of this Agreement, such Section 3.02(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent will notify the Borrower, pursuant to Section 3.02, in

advance of any change to the reference rate upon which the interest rate on LIBOR Loans, LIBOR Daily Loans and LIBOR Bid Rate Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “LIBOR Interest Rate” or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to Section 3.02(b), will be similar to, or produce the same value or economic equivalence of, the LIBOR Interest Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

ARTICLE II THE LOANS

SECTION 2.01. (a) Ratable Loans; Bid Rate Loans. (a) Subject to the terms and conditions of this Agreement, the Banks agree to make loans to Borrower as provided in this Article II.

(b) Each of the Banks severally agrees to make a loan to Borrower in Dollars (each such loan by a Bank, a “Ratable Loan”) in an amount up to its Loan Commitment pursuant to which such Bank shall from time to time advance and readvance to Borrower an amount equal to its Pro Rata Share of the excess (the “Available Total Loan Commitment”) of the Total Loan Commitment minus the sum of (1) all advances previously drawn and currently outstanding (including Bid Rate Loans) made by the Banks which remain unpaid and (2) the LC Exposure. Within the limits set forth herein, Borrower may borrow from time to time under this paragraph (b) and prepay from time to time pursuant to Section 2.10 (subject, however, to the restrictions on prepayment set forth in said Section), and thereafter reborrow pursuant to this paragraph (b). The Ratable Loans may be outstanding as: (1) Base Rate Loans; (2) LIBOR Loans; (3) LIBOR Daily Loans; or (4) a combination of the foregoing, as Borrower shall elect and notify Administrative Agent in accordance with Section 2.14. Each LIBOR Loan, Bid Rate Loan, Base Rate Loan and LIBOR Daily Loan of each Bank shall be maintained at such Bank’s Applicable Lending Office.

(c) In addition to Ratable Loans pursuant to paragraph (b) above, so long as Borrower’s Credit Rating is BBB- or better by S&P (if rated by S&P) or Baa3 or better by Moody’s (if rated by Moody’s), one or more Banks may, at Borrower’s request and in their sole discretion, make non-ratable loans in Dollars which shall bear interest at the Bid Rate in accordance with Section 2.02 (such loans being referred to in this Agreement as “Bid Rate Loans”). Borrower may borrow Bid Rate Loans from time to time pursuant to this paragraph (c) in an amount up to fifty percent (50%) of the Total Loan Commitment at the time of the borrowing (taking into account any repayments of the Loans made simultaneously therewith) (the “Bid Borrowing Limit”), provided that at no time shall the sum of all Loans outstanding plus the outstanding amount of all Letters of Credit exceed the Total Loan Commitment, and shall repay such Bid Rate Loans as required by Section 2.09, and it may thereafter reborrow pursuant to this paragraph (c) or paragraph (b) above; provided, however, that the aggregate outstanding principal amount of Bid Rate Loans at any particular time shall not exceed the Bid Borrowing Limit.

(d) The obligations of the Banks under this Agreement are several, and no Bank shall be responsible for the failure of any other Bank to make any advance of a Loan to be made by such other Bank. However, the failure of any Bank to make any advance of each Loan to be made by it hereunder on the date specified therefor shall not relieve any other Bank of its obligation to make any advance of its Loans specified hereby to be made on such date.

SECTION 2.02. Bid Rate Loans. When Borrower has the Credit Rating required by Section 2.01(c) and wishes to request offers from the Banks to make Bid Rate Loans, it shall transmit to Administrative Agent by facsimile a request (a "Bid Rate Quote Request") substantially in the form of EXHIBIT G-1 so as to be received not later than 10:30 a.m. (New York time) on the fourth Banking Day prior to the date for funding of the Bid Rate Loan(s) proposed therein, specifying:

- (1) the proposed date of funding of such Bid Rate Loan(s), which shall be a Banking Day;
- (2) the aggregate amount of the Bid Rate Loans requested, which shall be at least Five Million Dollars (\$5,000,000) and an integral multiple of One Million Dollars (\$1,000,000);
- (3) whether such Bid Rate Loan is to be a LIBOR Bid Rate Loan or a Fixed Rate Loan;
- (4) the prepayment terms of such Bid Rate Loan(s), which, if not specified, shall have the same prepayment terms as Ratable Loans; and
- (5) the duration of the Interest Period(s) applicable thereto, subject to the provisions of the definition of "Interest Period" in Section 1.01.

Borrower may request offers to make Bid Rate Loans for more than one (1) Interest Period in a single Bid Rate Quote Request. No Bid Rate Quote Request may be submitted by Borrower sooner than seven (7) calendar days after the submission of any other Bid Rate Quote Request.

(b) Promptly upon receipt of a Bid Rate Quote Request, Administrative Agent shall send to the Banks by facsimile an invitation (an "Invitation for Bid Rate Quotes") substantially in the form of EXHIBIT G-2, which shall constitute an invitation by Borrower to the Banks to submit Bid Rate Quotes offering to make Bid Rate Loans to which such Bid Rate Quote Request relates in accordance with this Section 2.02.

(c) (1) Each Bank may submit a Bid Rate Quote containing an offer or offers to make Bid Rate Loans in response to any Invitation for Bid Rate Quotes. Each Bid Rate Quote must comply with the requirements of this paragraph (c) and must be submitted to Administrative Agent by facsimile not later than 10:00 a.m. (New York time) on the third Banking Day prior to the proposed date of the Bid Rate Loan(s); provided that Bid Rate Quotes submitted by the Bank serving as Administrative Agent (or any Affiliate of the Bank serving as Administrative Agent) in its capacity as a Bank may be submitted, and may only be submitted, if the Bank serving as Administrative Agent or such Affiliate notifies Borrower of the terms of the offer or offers contained therein not later than fifteen (15) minutes prior to the deadline for the

other Banks. Any Bid Rate Quote so made shall (subject to Borrower's satisfaction of the conditions precedent set forth in this Agreement to its entitlement to an advance) be irrevocable except with the written consent of Administrative Agent given on the instructions of Borrower. Bid Rate Loans to be funded pursuant to a Bid Rate Quote may, as provided in Section 12.16, be funded by a Bank's Designated Lender. A Bank making a Bid Rate Quote shall specify in its Bid Rate Quote whether the related Bid Rate Loans are intended to be funded by such Bank's Designated Lender, as provided in Section 12.16.

(2) Each Bid Rate Quote shall be in substantially the form of EXHIBIT G-3 and shall in any case specify:

(i) the proposed date of funding of the Bid Rate Loan(s);

(ii) the principal amount of the Bid Rate Loan(s) for which each such offer is being made, which principal amount (w) may be greater than or less than the applicable Loan Commitment of the quoting Bank, (x) must be in the aggregate at least Five Million Dollars (\$5,000,000) and an integral multiple of One Hundred Thousand Dollars (\$100,000), (y) may not exceed the principal amount of Bid Rate Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Bid Rate Loans for which offers being made by such quoting Bank may be accepted;

(iii) (A) in the case of a LIBOR Bid Rate Loan, the margin above or below the applicable LIBOR Interest Rate (the "LIBOR Bid Margin") offered for each such LIBOR Bid Rate Loan, expressed as a percentage per annum (specified to the nearest 1/1,000th of 1%) to be added to (or subtracted from) the applicable LIBOR Interest Rate or (B) in the case of a Fixed Rate Loan, the Fixed Rate offered for such Fixed Rate Loan;

(iv) the applicable Interest Period; and

(v) the identity of the quoting Bank.

A Bid Rate Quote may set forth up to five (5) separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Bid Rate Quotes.

(3) Any Bid Rate Quote shall be disregarded if it:

(i) is not substantially in conformity with EXHIBIT G-3 or does not specify all of the information required by sub-paragraph (c)(2) above;

(ii) contains qualifying, conditional or similar language (except for an aggregate limitation as provided in subparagraph (c)(2)(ii)(z) above);

(iii) proposes terms other than or in addition to those set forth in the applicable Invitation for Bid Rate Quotes (except for an aggregate limitation as provided in subparagraph (c)(2)(ii)(z) above); or

(iv) arrives after the time set forth in sub-paragraph (c)(1) above.

(d) Administrative Agent shall no later than 10:15 a.m. (New York City time) on the third Banking Day prior to the proposed date for the requested Bid Rate Loan notify Borrower in writing of the terms of any Bid Rate Quote submitted by a Bank that is in accordance with paragraph (c). Any subsequent Bid Rate Quote shall be disregarded by Administrative Agent unless such subsequent Bid Rate Quote is submitted solely to correct a manifest error in such former Bid Rate Quote. Administrative Agent's notice to Borrower shall specify (A) the aggregate principal amount of Bid Rate Loans for which offers have been received for each Interest Period specified in the related Bid Rate Quote Request, (B) the respective principal amounts and LIBOR Bid Margins or Fixed Rates, as applicable, so offered and (C) if applicable, limitations on the aggregate principal amount of Bid Rate Loans for which offers in any single Bid Rate Quote may be accepted.

(e) Not later than 11:00 a.m. (New York time) on the third Banking Day prior to the proposed date of funding of the Bid Rate Loan, Borrower shall notify Administrative Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to paragraph (d). A notice of acceptance shall be substantially in the form of EXHIBIT G-4 and shall specify the aggregate principal amount of offers for each Interest Period that are accepted. Borrower may accept any Bid Rate Quote in whole or in part; provided that:

(i) the principal amount of each Bid Rate Loan may not exceed the applicable amount set forth in the related Bid Rate Quote Request or be less than Five Million Dollars (\$5,000,000) and shall be an integral multiple of One Hundred Thousand Dollars (\$100,000);

(ii) acceptance of offers with respect to a particular Interest Period may only be made on the basis of ascending LIBOR Bid Margins or Fixed Rates, as applicable, offered for such Interest Period from the lowest effective cost; and

(iii) Borrower may not accept any offer that is described in subparagraph (c)(3) or that otherwise fails to comply with the requirements of this Agreement.

(f) If offers are made by two (2) or more Banks with the same LIBOR Bid Margins or Fixed Rates, as applicable, for a greater aggregate principal amount than the amount in respect of which such offers are permitted to be accepted for the related Interest Period, the principal amount of Bid Rate Loans in respect of which such offers are accepted shall be allocated by Administrative Agent among such Banks as nearly as possible (in multiples of One Hundred Thousand Dollars (\$100,000)) in proportion to the aggregate principal amounts of such offers. Administrative Agent shall promptly (and in any event within one (1) Banking Day after such offers are accepted) notify Borrower and each such Bank in writing of any such allocation of Bid Rate Loans. Determinations by Administrative Agent of the allocation of Bid Rate Loans shall be conclusive in the absence of manifest error.

(g) In the event that Borrower accepts the offer(s) contained in one (1) or more Bid Rate Quotes in accordance with paragraph (e), the Bank(s) making such offer(s) shall make a Bid Rate Loan in the accepted amount (as allocated, if necessary, pursuant to paragraph (f)) on the date specified therefor, in accordance with the procedures specified in Section 2.05.

(h) Notwithstanding anything to the contrary contained herein, each Bank shall be required to fund its Pro Rata Share of the Available Total Loan Commitment in accordance with Section 2.01(b) despite the fact that any Bank's Loan Commitment may have been or may be exceeded as a result of such Bank's making Bid Rate Loans.

(i) A Bank who is notified that it has been selected to make a Bid Rate Loan as provided above may designate its Designated Lender (if any) to fund such Bid Rate Loan on its behalf, as described in Section 12.16. Any Designated Lender which funds a Bid Rate Loan shall on and after the time of such funding become the obligee under such Bid Rate Loan and be entitled to receive payment thereof when due. No Bank shall be relieved of its obligation to fund a Bid Rate Loan, and no Designated Lender shall assume such obligation, prior to the time the applicable Bid Rate Loan is funded.

SECTION 2.03. [Reserved.]

SECTION 2.04. Advances, Generally. The Initial Advance shall be at least One Million Dollars (\$1,000,000) and in an integral multiple of One Hundred Thousand Dollars (\$100,000) and shall be made upon satisfaction of the conditions set forth in Section 4.01. Subsequent advances shall be made upon satisfaction of the conditions set forth in Section 4.02. The amount of each advance subsequent to the Initial Advance shall, subject to Section 2.13, be at least One Million Dollars (\$1,000,000) (unless less than One Million Dollars (\$1,000,000) is available for disbursement pursuant to the terms hereof at the time of any subsequent advance, in which case the amount of such subsequent advance shall be equal to such remaining availability) and in an integral multiple of One Hundred Thousand Dollars (\$100,000). Additional restrictions on the amounts and timing of, and conditions to the making of, advances of Bid Rate Loans are set forth in Section 2.02.

Each advance shall be subject, in addition to the limitations and conditions applicable to advances of the Loans generally, to Administrative Agent's receipt, on or immediately prior to the date the request for such advance is made, of a certificate from the officer requesting the advance certifying that Borrower is in compliance with all covenants enumerated in paragraphs 3(a) and 3(b) of Section 6.09 and containing covenant compliance calculations with respect to Sections 8.02 and 8.06 only, that include the proforma adjustments described below, which calculations shall demonstrate Borrower's compliance with covenants on a proforma basis.

In connection with each advance of Loan proceeds, the following proforma adjustments shall be made to the covenant compliance calculations required with respect to Sections 8.02 and 8.06 as of the end of the most recently ended calendar quarter for which financial results are required hereunder to have been reported by Borrower:

(i) Total Outstanding Indebtedness and Unsecured Indebtedness shall be adjusted by adding thereto, respectively, all Debt and Unsecured Indebtedness, respectively, that is incurred by Borrower in connection with such advance;

(ii) Capitalization Value, shall be adjusted by adding thereto the purchase price of any Real Property Assets (including capitalized acquisition costs determined in accordance with GAAP) or the Net Equity Value of any Other Investments, together with

the Borrower's Pro Rata Share of any Unrestricted Cash and Cash Equivalents, the book value of notes and mortgage loans receivable and marketable securities and the cost of non-marketable securities that are acquired in connection with such advance; and

(iii) Capitalization Value of Unencumbered Assets shall be adjusted by adding thereto the purchase price of any Real Property Assets (including capitalized acquisition costs determined in accordance with GAAP) that are Unencumbered Assets together with Borrower's Pro Rata Share of any Unrestricted Cash and Cash Equivalents, the book value of notes and mortgage loans receivable and marketable securities and the cost of non-marketable securities that are acquired in connection with such advance.

SECTION 2.05. Procedures for Advances. In the case of advances of Ratable Loans, Borrower shall submit to Administrative Agent a request for each advance, stating the amount requested and the expected purpose for which such advance is to be used, no later than 11:00 a.m. (New York time) on the date, in the case of advances of Base Rate Loans and LIBOR Daily Loans, which is the proposed date of such Base Rate Loan or LIBOR Daily Loan, and, in the case of advances of LIBOR Loans, which is three (3) Banking Days, prior to the date such advance is to be made; provided that if the Closing Date occurs on March 26, 2019, March 27, 2019 or March 28, 2019, the Borrower may submit a request on the Closing Date for an advance of LIBOR Loans to be made on March 28, 2019. In the case of advances of Bid Rate Loans, Borrower shall submit a Bid Rate Quote Request at the time specified in Section 2.02. Administrative Agent, upon its receipt and approval of the request for advance, will so notify the Banks by facsimile. Not later than 11:30 a.m. (New York time) on the date of each advance (or 1:00 p.m. (New York time) in the case of a Base Rate Loan or a LIBOR Daily Loan for which the Borrower has made a Loan request on such date), each Bank (in the case of Ratable Loans) or the applicable Banks (in the case of Bid Rate Loans) shall, through its Applicable Lending Office and subject to the conditions of this Agreement, make the amount to be advanced by it on such day available to Administrative Agent, at Administrative Agent's Office and in immediately available funds for the account of Borrower. The amount so received by Administrative Agent shall, subject to the conditions of this Agreement, be made available to Borrower, in immediately available funds, by Administrative Agent's to an account designated by Borrower.

SECTION 2.06. Interest Periods; Renewals. In the case of the LIBOR Loans, Borrower shall select an Interest Period of any duration in accordance with the definition of Interest Period in Section 1.01, subject to the following limitations: (1) no Interest Period may extend beyond the Maturity Date; (2) if an Interest Period would end on a day which is not a Banking Day, such Interest Period shall be extended to the next Banking Day, unless such Banking Day would fall in the next calendar month, in which event such Interest Period shall end on the immediately preceding Banking Day; and (3) only eight (8) discrete segments of a Bank's Ratable Loan bearing interest at a LIBOR Interest Rate for a designated Interest Period pursuant to a particular Election, Conversion or Continuation, may be outstanding at any one time (each such segment of each Bank's Ratable Loan corresponding to a proportionate segment of each of the other Banks' Ratable Loans).

Upon notice to Administrative Agent as provided in Section 2.14, Borrower may Continue any LIBOR Loan on the last day of the Interest Period of the same or different duration in accordance with the limitations provided above.

SECTION 2.07. Interest. Borrower shall pay interest to Administrative Agent for the account of the applicable Bank on the outstanding and unpaid principal amount of the Loans, at a rate per annum as follows: (1) for Base Rate Loans at a rate equal to the Base Rate plus the Applicable Margin; (2) for LIBOR Loans at a rate equal to the applicable LIBOR Interest Rate plus the Applicable Margin; (3) for LIBOR Daily Loans at a rate equal to the LIBOR Daily Floating Rate plus the Applicable Margin; and (4) for Bid Rate Loans at a rate equal to the applicable Bid Rate. Any principal amount not paid when due (when scheduled, at acceleration or otherwise) shall bear interest thereafter, payable on demand, at the Default Rate.

The interest rate on Base Rate Loans shall change when the Base Rate changes. Interest shall be calculated for the actual number of days elapsed on the basis of a year consisting of three hundred sixty (360) days.

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Bank holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this paragraph shall be cumulated and the interest and Charges payable to such Bank in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Bank.

Accrued interest shall be due and payable in arrears, (x) in the case of Base Rate Loans, LIBOR Loans and LIBOR Daily Loans, on the first Banking Day of each calendar month and (y) in the case of Bid Rate Loans, at the expiration of the Interest Period applicable thereto, but no less frequently than once every three (3) months determined on the basis of the first (1st) day of the Interest Period applicable to the Loan in question; provided, however, that interest accruing at the Default Rate shall be due and payable on demand.

SECTION 2.08. Fees. Borrower shall, during the term of the Loans commencing as of the Execution Date, pay to Administrative Agent for the account of each Bank a facility fee computed, on the daily Loan Commitment of such Bank, by multiplying the aggregate Loan Commitments on such day by an amount equal to the daily Facility Fee, calculated on the basis of a year of three hundred sixty (360) days for the actual number of days elapsed. The accrued facility fee shall be due and payable in arrears on the first Banking Day of January, April, July and October of each year, commencing on the first such date after the Execution Date, and upon the Maturity Date (as the case may be accelerated) or earlier termination of the Loan Commitments.

SECTION 2.09. Notes. Unless otherwise requested by a Bank, any Ratable Loans made by each Bank under this Agreement shall be evidenced by, and repaid with interest in accordance with, a promissory note of Borrower in the form of EXHIBIT B duly completed and executed by Borrower, in a principal amount equal to such Bank's Loan Commitment, payable to such Bank for the account of its Applicable Lending Office (each such note, as the same may hereafter be amended, modified, extended, severed, assigned, substituted, renewed or restated from time to time, including any substitute note pursuant to Section 3.07 or 12.05, a "Ratable Loan Note"). The Bid Rate Loans of the Banks shall be evidenced by a single global promissory note of Borrower in the form of EXHIBIT C, duly completed and executed by Borrower, in the principal amount of Seven Hundred Fifty Million Dollars (\$750,000,000), subject to adjustment pursuant to Sections 2.16(a) and (c), payable to Administrative Agent for the account of the respective Banks making Bid Rate Loans (such note, as the same may hereafter be amended, modified, extended, severed, assigned, substituted, renewed or restated from time to time, the "Bid Rate Loan Note"). A particular Bank's Ratable Loan Note, together with its interest, if any, in the Bid Rate Loan Note, are referred to collectively in this Agreement as such Bank's "Note"; all such Ratable Loan Notes and interests are referred to collectively in this Agreement as the "Notes". The Ratable Loans shall mature, and all outstanding principal and accrued interest and other Obligations shall be paid in full, on the Maturity Date, as the same may be accelerated in accordance with this Agreement. The outstanding principal amount of each Bid Rate Loan evidenced by the Bid Rate Loan Note, and all accrued interest and other sums with respect thereto, shall become due and payable to the Bank making such Bid Rate Loan at the earlier of the expiration of the Interest Period applicable thereto or the Maturity Date, as the same may be accelerated in accordance with this Agreement.

Each Bank is hereby authorized by Borrower to endorse on the schedule attached to the Ratable Loan Note held by it, the amount of each advance, and each payment of principal received by such Bank for the account of its Applicable Lending Office(s) on account of its Ratable Loans, which endorsement shall, in the absence of manifest error, be conclusive as to the outstanding balance of the Ratable Loans made by such Bank. Administrative Agent is hereby authorized by Borrower to endorse on the schedule attached to the Bid Rate Loan Note the amount of each Bid Rate Loan, the name of the Bank making the same, the date of the advance thereof, the interest rate applicable thereto and the expiration of the Interest Period applicable thereto (i.e., the maturity date thereof). The failure by Administrative Agent or any Bank to make such notations with respect to the Loans or each advance or payment shall not limit or otherwise affect the obligations of Borrower under this Agreement or the Notes.

In connection with a Refinancing Mortgage, Borrower shall deliver to the Administrative Agent, a mortgage note, payable to the Administrative Agent for the account of the Banks, which shall be secured by the applicable Refinancing Mortgage. Such note shall be in such form as shall be requested by Borrower, subject to the Administrative Agent's reasonable approval. Each reference in this Agreement to the "Notes" shall be deemed to refer to and include any or all of such mortgage notes, as the context may require.

SECTION 2.10. Prepayments.

Without prepayment premium or penalty but subject to Section 3.05, Borrower may, upon at least one (1) Banking Day's notice to Administrative Agent in the case of the Base Rate

Loans and LIBOR Daily Loans, and at least three (3) Banking Days' notice to Administrative Agent in the case of LIBOR Loans, prepay the Ratable Loans, in whole or in part, provided that (1) any partial prepayment under this Section shall be in integral multiples of One Million Dollars (\$1,000,000); and (2) each prepayment under this Section shall include, at Administrative Agent's option, all interest accrued on the amount of principal prepaid to (but excluding) the date of prepayment. Borrower shall have the right to prepay Bid Rate Loans only if so provided in the Bid Rate Loan Request, and otherwise with the consent of the Bank or the Designated Lender that funded the Bid Rate Loan that Borrower desires to prepay.

SECTION 2.11. Method of Payment.

Borrower shall make each payment under this Agreement and under the Notes not later than 1:00 p.m. (New York time) on the date when due in Dollars to Administrative Agent at Administrative Agent's Office in immediately available funds, without condition or deduction for any counterclaim, defense, recoupment or setoff. Borrower shall deliver federal reference number(s) evidencing the applicable wire transfer(s) to Administrative Agent as soon as available thereafter on such day. Administrative Agent will thereafter, on the day of its receipt of each such payment(s), cause to be distributed to each Bank (1) such Bank's appropriate share (based upon the respective outstanding principal amounts and interest due under the Loans of the Banks) of the payments of principal and interest in like funds for the account of such Bank's Applicable Lending Office; and (2) fees payable to such Bank by Borrower in accordance with the terms of this Agreement. If and to the extent that the Administrative Agent shall receive any such payment for the account of the Banks on or before 11:00 a.m. (New York time) on any Banking Day, and Administrative Agent shall not have distributed to any Bank its applicable share of such payment on such day, Administrative Agent shall distribute such amount to such Bank together with interest thereon paid by the Administrative Agent, for each day from the date such amount should have been distributed to such Bank until the date Administrative Agent distributes such amount to such Bank, at the Federal Funds Effective Rate.

Except to the extent provided in this Agreement, whenever any payment to be made under this Agreement or under the Notes is due on any day other than a Banking Day, such payment shall be made on the next succeeding Banking Day, and such extension of time shall in such case be included in the computation of the payment of interest and other fees, as the case may be.

SECTION 2.12. Elections, Conversions or Continuation of Loans.

Subject to the provisions of Article III and Sections 2.06 and 2.13, Borrower shall have the right to Elect to have all or a portion of any advance of the Ratable Loans be LIBOR Loans, to Convert Base Rate Loans into LIBOR Loans or LIBOR Daily Loans, to convert LIBOR Daily Loans into Base Rate Loans or LIBOR Loans, to Convert LIBOR Loans into Base Rate Loans or LIBOR Daily Loans, or to Continue LIBOR Loans as LIBOR Loans, at any time or from time to time, provided that: (1) Borrower shall give Administrative Agent notice of each such Election, Conversion or Continuation as provided in Section 2.14; and (2) a LIBOR Loan may be Continued or Converted only on the last day of the applicable Interest Period for such LIBOR Loan. Except as otherwise provided in this Agreement, each Election, Continuation and Conversion shall be applicable to each Bank's Ratable Loan in accordance with its Pro Rata

Share. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, the Administrative Agent, at the request of the Required Banks, may require, by notice to Borrower, that (i) no outstanding Ratable Loan may be converted to or continued as a LIBOR Loan and (ii) unless repaid, each Ratable Loan shall be converted to a Base Rate Loan at the end of the Interest Period applicable thereto.

SECTION 2.13. Minimum Amounts.

With respect to the Ratable Loans as a whole, each Election and each Conversion shall be in an amount at least equal to One Million Dollars (\$1,000,000) and in integral multiples of One Hundred Thousand Dollars (\$100,000) or such lesser amount as shall be available or outstanding, as the case may be.

SECTION 2.14. Certain Notices Regarding Elections, Conversions and Continuations of Loans.

Notices by Borrower to Administrative Agent of Elections, Conversions and Continuations of LIBOR Loans shall be irrevocable and shall be effective only if received by Administrative Agent not later than 11:00 a.m. (New York time) on the number of Banking Days prior to the date of the relevant Election, Conversion or Continuation specified below:

<u>Notice</u>	<u>Number of Banking Days Prior</u>
Conversions into or Continuations as Base Rate Loans or LIBOR Daily Loans	Same Banking Day
Elections of, Conversions into or Continuations as LIBOR Loans	Three (3)

Promptly following its receipt of any such notice, Administrative Agent shall so advise the Banks by facsimile. Each such notice of Election shall specify the portion of the amount of the advance that is to be LIBOR Loans (subject to Section 2.13) and the duration of the Interest Period applicable thereto (subject to Section 2.06); each such notice of Conversion shall specify the LIBOR Loans, LIBOR Daily Loans or Base Rate Loans to be Converted; and each such notice of Conversion or Continuation shall specify the date of Conversion or Continuation (which shall be a Banking Day), the amount thereof (subject to Section 2.13) and the duration of the Interest Period applicable thereto (subject to Section 2.06). In the event that Borrower fails to Elect to have any portion of an advance of the Ratable Loans be LIBOR Loans, the portion of such advance for which a LIBOR Loan Election is not made shall constitute Base Rate Loans. In the event that Borrower fails to Continue LIBOR Loans within the time period and as otherwise provided in this Section, such LIBOR Loans will be automatically Converted into Base Rate Loans on the last day of the then current applicable Interest Period for such LIBOR Loans.

SECTION 2.15. Payments Generally. If any Bank shall fail to make any payment required to be made by it pursuant to Section 2.17(h) or 10.05, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Bank for the benefit of the Administrative Agent or the Fronting Bank to satisfy such Bank's obligations to it under such Section until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a

segregated account as cash collateral for, and application to, any future funding obligations of such Bank under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.16. Changes of Loan Commitments.

(a) At any time, Borrower shall have the right, without premium or penalty, to terminate any unused Loan Commitments existing as of the date of such termination, in whole or in part, from time to time, provided that: (1) Borrower shall give notice of each such termination to Administrative Agent (which shall promptly notify each of the Banks) no later than 10:00 a.m. (New York time) on the date which is three (3) Banking Days prior to the effectiveness of such termination; (2) the Loan Commitments of each of the Banks must be terminated (and, in the case of a partial termination, on a pro rata basis) (taking into account, however, Section 2.02(h)) and simultaneously with those of the other Banks; and (3) each partial termination of the Loan Commitments in the aggregate (and corresponding reduction of the Total Loan Commitment) shall be in an integral multiple of One Million Dollars (\$1,000,000).

(b) The Loan Commitments, to the extent terminated pursuant to this Section 2.16, may not be reinstated.

(c) (1) Unless a Default or an Event of Default has occurred and is continuing, Borrower, by written notice to Administrative Agent, may request on up to four (4) occasions during the term of this Agreement that (A) the Total Loan Commitment be increased (the "New Ratable Commitments") or (B) new term loan commitments be established (the "New Term Commitments", and together with the New Ratable Commitments, the "Incremental Commitments") by an amount not less than Twenty Five Million Dollars (\$25,000,000) per request for any Incremental Commitment and not more than Five Hundred Million Dollars (\$500,000,000) in the aggregate for all Incremental Commitments (such that the sum of the Total Loan Commitment plus the initial amount of all New Term Loans (as defined below) made pursuant to the New Term Commitments after such Incremental Commitments shall never exceed Two Billion Dollars (\$2,000,000,000) less any voluntary reductions in the Loan Commitments pursuant to Section 2.16(a)); provided that for any such request for an Incremental Commitment (a) the Borrower shall not have delivered an Extension Notice prior to, or simultaneously with, such request, (b) any Bank which is a party to this Agreement prior to such request for an Incremental Commitment, at its sole discretion, may elect to provide all or a portion of such Incremental Commitment but shall not have any obligation to provide any Incremental Commitment, and (c) in the event that existing Banks do not elect to provide such Incremental Commitment, the Lead Arrangers shall use commercially reasonable efforts to locate additional Qualified Institutions willing to hold the requested Incremental Commitment, and Borrower may also identify additional Qualified Institutions willing to hold the requested Incremental Commitment; provided however that Administrative Agent and each Fronting Bank (in the case of a New Ratable Commitment) shall have the right to approve any such additional Qualified Institutions, which approval will not be unreasonably withheld or delayed. If (x) existing or new Banks are willing to provide such New Ratable Commitments, the Total Loan Commitment may be increased from time to time by the addition of a new Bank or the increase of the Loan Commitment of an existing Bank (each, a "New Ratable Bank", and the loans made pursuant to any New Ratable Commitment being referred to herein as "New Ratable Loans") or

(y) Banks are willing to provide such New Term Commitments, term loans may be made hereunder (the “New Term Loans”) by such Banks (each, a “New Term Bank”).

(ii) Any Incremental Commitments hereunder shall be evidenced by the execution and delivery of an amendment to this Agreement by the Borrower, the Administrative Agent, the Fronting Banks (in the case of New Ratable Commitments) and the New Ratable Banks or New Term Banks, as applicable, providing such Incremental Commitments, a copy of which shall be forwarded to each Bank by the Administrative Agent promptly after execution thereof. Each such amendment executed in connection with an Incremental Commitment hereunder may, without the consent of any other Banks, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the good faith judgment of Administrative Agent, to effect the provisions of this Section 2.16(c), subject to approval by the Borrower and the New Ratable Banks or New Term Banks, as applicable, including without limitation to (x) include the New Ratable Banks and/or New Term Banks as “Banks” hereunder, (y) to include the New Ratable Loans and New Term Loans as “Loans” hereunder, and (z) to include the New Ratable Banks and their Pro Rata Shares and/or the New Term Banks and their New Term Loans for purposes of the definition of “Required Banks”; provided however, that any amendments to Articles V through IX, inclusive, and Section 12.02 that adversely affect a Bank or any amendment to provisions of this Agreement other than those effecting this Section 2.16(c) shall be subject to Section 12.02. All such amendments and joinder agreements entered into with the Borrower by the Administrative Agent, the Fronting Banks (in the case of New Ratable Commitments) and the New Ratable Banks or New Term Banks, as applicable, shall be binding and conclusive on all Banks.

(iii) On the effective date of any New Ratable Commitments, the Total Loan Commitment and the Loan Commitments of the New Ratable Banks shall be increased, the Pro Rata Shares shall be adjusted and the Borrower and the Administrative Agent shall cause the New Ratable Banks to hold their Pro Rata Share of all Ratable Loans outstanding at the close of business on such day, by either funding more than its or their Pro Rata Share of New Ratable Loans made on such date or purchasing shares of outstanding Ratable Loans held by the other Banks or a combination thereof. The Banks agree to cooperate in any required sale and purchase of outstanding Ratable Loans to achieve such result. The Borrower agrees to pay all fees associated with the New Ratable Commitments including any amounts due under Section 3.05 in connection with any reallocation of LIBOR Loans. In no event will such New Ratable Banks be required to fund or purchase a portion of any Bid Rate Loan to comply with this Section 2.16(c) on such date.

(iv) On the effective date of any New Term Commitments of any Series, (a) each New Term Bank of such Series shall make a New Term Loan to the Borrower in an amount equal to its New Term Commitment of such Series, and (b) each New Term Bank of such Series shall become a Bank hereunder with respect to the New Term Commitments of such Series and the New Term Loans of such Series made pursuant thereto. Any New Term Loans made on such effective date shall be designated a separate series (a “Series”) of New Term Loans for all purposes of this Agreement.

(v) The terms and provisions of the New Ratable Loans and New Ratable Commitments shall be identical to the then existing Ratable Loans and Loan Commitments. The terms of any New Term Loans of any Series made hereunder (a) shall not provide for any amortization payments on or prior to the Maturity Date, but may permit voluntary prepayments, (b) shall provide that the applicable New Term Loan maturity date of each Series shall be no earlier than the Maturity Date, (c) shall rank pari passu to the other Loans hereunder and (d) subject to paragraph (c)(ii) above, shall include such other terms and pricing as may be agreed by the Borrower, the Administrative Agent and the New Term Banks.

(vi) Notwithstanding the foregoing, no Incremental Commitment shall become effective under this Section 2.16(c) unless (a) on the date of such effectiveness, the conditions set forth in Section 4.02 shall be satisfied or otherwise waived by the Banks providing such Incremental Commitments and the Administrative Agent shall have received a certificate to that effect dated such date and executed by an authorized signatory of the Borrower, (b) the Administrative Agent shall have received a certificate of an authorized signatory of the Borrower as to the board resolutions evidencing authority for such Incremental Commitment and as to any changes to the formation documents of the Borrower since the Closing Date, (c) the Borrower shall be in pro forma compliance with the covenants set forth in Article VIII after giving effect to the Loans to be made on such date pursuant to such Incremental Commitments and the application of the proceeds therefrom as if made and applied on such date to the extent such Incremental Commitments are drawn and funded on such date, (d) the Borrower shall deliver any legal opinions reasonably requested by the Administrative Agent in connection with such Incremental Commitments, consistent with those delivered on the Closing Date, and (e) the Borrower shall have paid all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent pursuant to Section 12.04 and all agreed-upon fees payable to the Administrative Agent and the New Ratable Banks or New Term Banks, as applicable, in connection with such Incremental Commitments.

(vii) Notwithstanding the foregoing, nothing in this Section 2.16(c) shall constitute or be deemed to constitute an agreement by any Bank to provide any Incremental Commitment.

SECTION 2.17. Letters of Credit.

(a) Borrower, by notice to Administrative Agent and the applicable Fronting Bank, may request, in lieu of advances of proceeds of the Ratable Loans, that such Fronting Bank issue unconditional, irrevocable standby letters of credit (each, a "Letter of Credit") for the account of Borrower or its designee (which shall be an Affiliate of Borrower), payable by sight drafts, for such beneficiaries and with such other terms as Borrower shall specify. Unless the applicable Fronting Bank has received written notice from the Administrative Agent, not less than one (1) Banking Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Section 4.02 shall not have been satisfied, then, subject to the terms and conditions hereof, such Fronting

Bank, on the requested date, shall issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be, in each case in a form reasonably acceptable to such Fronting Bank and in accordance with such Fronting Bank's usual and customary business practices. Promptly upon issuance of a Letter of Credit, the applicable Fronting Bank shall notify Administrative Agent and Administrative Agent shall notify each of the Banks by telephone or by facsimile. Notwithstanding anything herein to the contrary, the Fronting Banks shall have no obligation hereunder to issue, and shall not issue, any Letter of Credit the proceeds of which would be made available to any Person (i) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions or (ii) in any manner that would result in a violation of any Sanctions by any party to this Agreement. In addition, a Fronting Bank shall not be under any obligation to issue any Letter of Credit if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Fronting Bank from issuing the Letter of Credit, or any Law applicable to such Fronting Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Fronting Bank shall prohibit, or request that such Fronting Bank refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such Fronting Bank with respect to the Letter of Credit any restriction, reserve or capital requirement (for which the Fronting Bank is not otherwise compensated hereunder) not in effect on the Execution Date, or shall impose upon the Fronting Bank any unreimbursed loss, cost or expense which was not applicable on the Execution Date and which such Fronting Bank in good faith deems material to it.

(b) To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Fronting Bank) to the Fronting Bank or Fronting Banks which are being requested to issue (or has or have issued, in the case of an amendment, renewal or extension) such Letter of Credit and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension, but in any event no less than three Banking Days or such shorter period as the applicable Fronting Bank shall agree to) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Banking Day), the identity of the Fronting Bank(s) selected to issue such Letter of Credit, the date on which such Letter of Credit is to expire (which shall comply with paragraph (e) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Fronting Bank, Borrower also shall submit a letter of credit application on the Fronting Bank's standard form in connection with any request for a Letter of Credit; provided that the provisions of this Agreement shall prevail if there is an inconsistency between this Agreement and such letter of credit application. The Borrower and the Fronting Banks shall use reasonable efforts, to the extent practical, to cause any Letters of Credit to be issued by the Fronting Banks on a proportionate basis in accordance with their respective Letter of Credit Commitments, although, for the avoidance of doubt, no single Letter of Credit will be required to be issued by more than one Fronting Bank unless the amount of such Letter of Credit will exceed the available Letter of Credit Commitment of the applicable Fronting Bank. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) (x) the aggregate

undrawn amount of all outstanding Letters of Credit issued by the applicable Fronting Bank at such time plus (y) the aggregate amount of all drawings under Letters of Credit issued by such Fronting Bank that have not yet been reimbursed by or on behalf of the Borrower (including, for clarity, by means of advances of Loans pursuant to this Agreement) at such time shall not exceed its Letter of Credit Commitment (unless agreed to by such Fronting Bank), (ii) the aggregate LC Exposure at such time shall not exceed \$200,000,000 (as such amount may be reduced by written notice from the Borrower consistent with Section 2.16(a) so long as the outstanding Letters of Credit do not exceed such reduced amount), (iii) the amount of such Letter of Credit shall not exceed the Available Total Loan Commitment, and (iv) the amount of such Letter of Credit shall not exceed the excess of the Fronting Bank's Loan Commitment minus the sum of the outstanding principal amount of such Fronting Bank's Ratable Loans and LC Exposure at such time. The Borrower may, at any time and from time to time, reduce the Letter of Credit Commitment of any Fronting Bank with the consent of such Fronting Bank; provided that the Borrower shall not reduce the Letter of Credit Commitment of any Fronting Bank if, after giving effect of such reduction, the conditions set forth in clauses (i) through (iv) of this paragraph (b) shall not be satisfied. The amount of each Letter of Credit issued and outstanding shall effect a reduction, by an equal amount, of the Available Total Loan Commitment as provided in Section 2.01(b) (such reduction to be allocated to each Bank's Loan Commitment ratably in accordance with the Banks' respective Pro Rata Shares).

(c) The amount of each Letter of Credit shall be further subject to the conditions and limitations applicable to amounts of advances set forth in Section 2.04 and except as otherwise provided in clause (b) above, the procedures for the issuance of each Letter of Credit shall be the same as the procedures applicable to the making of advances as set forth in the first sentence of Section 2.05.

(d) The Fronting Bank's issuance of each Letter of Credit shall be subject to Borrower's satisfaction of all conditions precedent to its entitlement to an advance of proceeds of the Loans.

(e) Each Letter of Credit shall (i) unless approved by the Administrative Agent and the applicable Fronting Bank, expire no later than the earlier of (x) fourteen (14) days prior to the Maturity Date or (y) one (1) year after the date of its issuance (without regard to any automatic renewal provisions thereof), and (ii) be in a minimum amount of One Hundred Thousand Dollars (\$100,000), or such lesser amount approved by the Fronting Bank. In no event shall a Letter of Credit expire later than the first anniversary of the Maturity Date. Notwithstanding the foregoing, in the event that, with the approval of the Administrative Agent and the Fronting Bank, any Letters of Credit are issued and outstanding on the date that is fourteen (14) days prior to the Maturity Date, Borrower shall deliver to Administrative Agent on such date by wire transfer of immediately available funds a cash deposit in the amount of such Letters of Credit in accordance with the provisions of Section 2.17(i). Such funds shall be held by Administrative Agent and applied to repay the amount of each drawing under such Letters of Credit on or after the Maturity Date. Such funds, with any interest earned thereon, will be returned to Borrower (and may be returned from time to time with respect to any applicable Letter of Credit) on the earlier of (a) the date that the applicable Letter of Credit or Letters of Credit expire in accordance with their terms; and (b) the date that the applicable Letter of Credit or Letters of Credit are cancelled.

(f) In connection with, and as a further condition to the issuance of, each Letter of Credit, Borrower shall execute and deliver to the Fronting Bank an application for the Letter of Credit in such form, and together with such other documents, opinions and assurances, as the Fronting Bank shall reasonably require.

(g) In connection with each Letter of Credit, Borrower hereby covenants to pay (i) to Administrative Agent, quarterly in arrears (on the first Banking Day of each calendar quarter following the issuance of such Letter of Credit), a fee, payable to Administrative Agent for the account of the Banks, computed daily (calculated on the basis of a year of three hundred and sixty (360) days for the actual number of days elapsed) on the face amount of such Letter of Credit issued and outstanding at a rate per annum equal to the "Banks' L/C Fee Rate" (as hereinafter defined) and (ii) to the Fronting Bank, payable quarterly in arrears, a fee, payable to the Fronting Bank for its own account, computed daily (calculated on the basis of a year of three hundred and sixty (360) days for the actual number of days elapsed) on the amount of such Letter of Credit issued and outstanding at a rate per annum equal to 0.125%. Administrative Agent shall have no responsibility for the collection of the fee for any Letter of Credit that is payable to the Fronting Bank. For purposes of this Agreement, the "Banks' L/C Fee Rate" shall mean, provided no Event of Default has occurred and is continuing, a rate per annum (calculated on the basis of a year of three hundred and sixty (360) days for the actual number of days elapsed) equal to the Applicable Margin for LIBOR Loans minus 0.125% and, in the event an Event of Default has occurred and is continuing, a rate per annum (calculated on the basis of a year of three hundred and sixty (360) days for the actual number of days elapsed) equal to 3%. It is understood and agreed that the last installment of the fees provided for in this paragraph (g) with respect to any particular Letter of Credit shall be due and payable on the first day of the calendar quarter following the surrender or cancellation, of such Letter of Credit.

(h) The Fronting Bank shall promptly notify Administrative Agent of any drawing under a Letter of Credit issued by such Fronting Bank. The parties hereto acknowledge and agree that, immediately upon notice from Administrative Agent of any drawing under a Letter of Credit, each Bank shall, notwithstanding the existence of a Default or Event of Default or the non-satisfaction of any conditions precedent to the making of an advance of the Loans, advance proceeds of its Ratable Loan as a Base Rate Loan, in an amount equal to its Pro Rata Share of such drawing, which advance shall be made to Administrative Agent for disbursement to the Fronting Bank issuing such Letter of Credit to reimburse the Fronting Bank, for its own account, for such drawing, all in satisfaction of Borrower's obligation to reimburse such drawing. Each of the Banks further acknowledges that its obligation to fund its Pro Rata Share of drawings under Letters of Credit as aforesaid shall survive the Banks' termination of this Agreement or enforcement of remedies hereunder or under the other Loan Documents. If any Ratable Loan cannot for any reason be made on the date otherwise required above (including, without limitation, as a result of the commencement of a proceeding under any applicable bankruptcy law with respect to Borrower), then Borrower shall immediately reimburse such drawing by paying to the Administrative Agent the amount of such drawing and each of the Banks shall purchase (on the date such Ratable Loan would otherwise have been made) from the Fronting Bank a participation interest in any unreimbursed drawing in an amount equal to its Pro Rata Share of such unreimbursed drawing.

(i) Borrower agrees, upon and during the occurrence of an Event of Default and at the request of Administrative Agent or the Required Banks (or automatically upon an Event of Default under Section 9.01(5)), (x) to deposit with Administrative Agent cash collateral in the amount of all the outstanding Letters of Credit, which cash collateral is hereby pledged and shall be held by Administrative Agent for the benefit of the Banks and the Fronting Banks in an account as security for Borrower's obligations in connection with the Letters of Credit and (y) to execute and deliver to Administrative Agent such documents as Administrative Agent requests to confirm and perfect the assignment of such cash collateral and such account to Administrative Agent for the benefit of the Banks. Any such cash collateral deposited with Administrative Agent shall be returned immediately to Borrower upon the cure of such Event of Default.

(j) It is hereby acknowledged and agreed by the Borrower, the Administrative Agent and all the Banks party hereto that on the Execution Date, the letters of credit previously issued by Bank of America, N.A., JPMorgan Chase Bank, N.A. and/or Wells Fargo Bank, N.A. as "Fronting Bank" under the Existing 2016 Credit Agreement and listed on SCHEDULE 2.17(j) attached hereto shall be transferred to this Agreement and shall be deemed to be Letters of Credit hereunder.

(k) A Fronting Bank may be replaced at any time by written agreement in a form reasonably satisfactory to the Administrative Agent among the Borrower, the Administrative Agent, the replaced Fronting Bank and the successor Fronting Bank. In addition, the Borrower, by written agreement in a form reasonably satisfactory to the Administrative Agent among Borrower, Administrative Agent and a Bank delivered to Administrative Agent, may designate such Bank as an additional Fronting Bank with such Letter of Credit Commitment as may be agreed on between such Bank and the Borrower provided that the sum of (x) all Letter of Credit Commitments plus (y) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (z) the aggregate amount of all drawings under Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower (including, for clarity, by means of advances of Loans pursuant to this Agreement) shall not exceed \$200,000,000 (and the Letter of Credit Commitment of each other Fronting Bank shall be reduced pro rata by the amount of the additional Fronting Bank's Letter of Credit Commitment). The Administrative Agent shall notify the Banks of any such replacement of the Fronting Bank and any additional Fronting Bank. At the time any such replacement of a Fronting Bank shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Fronting Bank pursuant to Section 2.17(g). From and after the effective date of any such replacement or addition of a Fronting Bank, (x) the successor or additional (as applicable) Fronting Bank shall have all the rights and obligations of a Fronting Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (y) references herein to the term "Fronting Bank" shall be deemed to refer to such successor or additional Fronting Bank, or to any previous Fronting Bank, or to such successor or additional, and all previous, Fronting Banks and all other Fronting Banks, as the context shall require. After the replacement of a Fronting Bank hereunder, the replaced Fronting Bank shall remain a party hereto and shall continue to have all the rights and obligations of a Fronting Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit. Subject to the appointment and acceptance by Administrative Agent and Borrower of a successor Fronting Bank, any Fronting Bank may resign as a Fronting Bank at any time upon

thirty days' prior written notice to the Administrative Agent, the Borrower and the Banks, in which case, such Fronting Bank shall be replaced as provided above.

(l) The Borrower's obligation to reimburse drawings under Letters of Credit as provided in paragraph (h) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Fronting Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Banks nor the Fronting Bank shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Fronting Bank; provided that the foregoing shall not be construed to excuse the Fronting Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Fronting Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Fronting Bank (as finally determined by a court of competent jurisdiction), the Fronting Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Fronting Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(m) Notwithstanding that a Letter of Credit issued or outstanding hereunder supports any obligations of, or is for the account of, a Subsidiary or Affiliate of the Borrower, or states that a Subsidiary or Affiliate of the Borrower is the "account party," "applicant," "customer," "instructing party," or the like of or for such Letter of Credit, and without derogating from any rights of the applicable Fronting Bank (whether arising by contract, at law, in equity or otherwise) against such Subsidiary or Affiliate in respect of such Letter of Credit, the Borrower (i) shall reimburse, indemnify and compensate the applicable Fronting Bank hereunder for such Letter of Credit (including to reimburse any and all drawings thereunder) as if such Letter of Credit had been issued solely for the account of the Borrower and (ii) irrevocably waives any and

all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Subsidiary or Affiliate in respect of such Letter of Credit. The Borrower hereby acknowledges that the issuance of such Letters of Credit for its Subsidiaries and Affiliates inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries and Affiliates.

SECTION 2.18. Extension Option. Borrower may extend the Maturity Date two (2) times only for a period of six (6) months per extension upon satisfaction of the following terms and conditions for each extension: (i) delivery by Borrower of a written notice to Administrative Agent (an "Extension Notice") on or before a date that is not more than one hundred twenty (120) days nor less than one (1) month prior to the then-scheduled Maturity Date, which Extension Notice Administrative Agent shall promptly deliver to the Banks, which Extension Notice shall include a certification dated as of the date of such Extension Notice signed by a duly authorized signatory of Borrower, stating, to the best of the certifying party's knowledge, (x) all representations and warranties contained in this Agreement and in each of the other Loan Documents are true and correct on and as of the date of such Extension Notice (except in those cases where such representation or warranty expressly relates to an earlier date, in which case such representations and warranties were true and correct as of such date, and except for changes in factual circumstances not prohibited under the Loan Documents), and (y) no Event of Default has occurred and is continuing; (ii) no Event of Default shall have occurred and be continuing on the original Maturity Date (an "Extension Date"); and (iii) Borrower shall pay to Administrative Agent on or before such Extension Date a fee equal to 0.0625% of the Total Loan Commitment on such Extension Date for each extension, which fee shall be distributed by Administrative Agent pro rata to each of the Banks based on each Bank's Pro Rata Share. Borrower's delivery of an Extension Notice shall be irrevocable.

ARTICLE III

YIELD PROTECTION; ILLEGALITY; ETC.

SECTION 3.01. Additional Costs. Borrower shall pay directly to each Bank from time to time on demand such amounts as such Bank or Fronting Bank may reasonably determine to be necessary to compensate it for any increased costs which such Bank or Fronting Bank determines are attributable to its making or maintaining any Loan, or its obligation to issue, maintain or participate in any Letter of Credit, or its obligation to make or maintain any Loan, or its obligation to Convert any Loan hereunder, or any reduction in any amount receivable by such Bank or Fronting Bank hereunder in respect of its Loan(s) or such obligations (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), in each case resulting from any Regulatory Change which:

- (1) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, and (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or
- (2) (other than to the extent the LIBOR Reserve Requirement is taken into account in determining the LIBOR Interest Rate at the commencement of the applicable Interest Period) imposes or modifies any reserve, special deposit, liquidity, deposit

insurance or assessment, minimum capital, capital ratio or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Bank (including any LIBOR Loan, LIBOR Daily Loan or LIBOR Bid Rate Loan or any deposits referred to in the definition of “LIBOR Interest Rate”), or any commitment of such Bank (including such Bank’s Loan Commitment hereunder); or

(3) imposes any other condition, cost or expense (other than Taxes) affecting this Agreement or the Notes (or any of such extensions of credit or liabilities).

Without limiting the effect of the provisions of the first paragraph of this Section, in the event that, by reason of any Regulatory Change, any Bank becomes subject to restrictions on the amount of such a category of liabilities or assets which it may hold, then, if such Bank so elects by notice to Borrower (with a copy to Administrative Agent), the obligation of such Bank to permit Elections of, to Continue, or to Convert Loans shall be suspended (in which case the provisions of Section 3.04 shall be applicable) until such Regulatory Change ceases to be in effect.

The obligations of Borrower under this Section shall survive the repayment of all amounts due under or in connection with any of the Loan Documents and the termination of the Loan Commitments in respect of the period prior to such termination.

Determinations and allocations by a Bank for purposes of this Section of the effect of any Regulatory Change pursuant to the first or second paragraph of this Section, on its costs or rate of return of making or maintaining its Loan or portions thereof or on amounts receivable by it in respect of its Loan or portions thereof, and the amounts required to compensate such Bank under this Section, shall be included in a calculation of such amounts given to Borrower and shall be conclusive absent manifest error.

Notwithstanding anything contained in this Article III to the contrary, Borrower shall only be obligated to pay any amounts due under this Section 3.01 or under Section 3.06 if, and a Bank shall not exercise any right under this Section 3.01 or Sections 3.02, 3.03, 3.04 or 3.06 unless, the applicable Bank is generally imposing a similar charge on, or otherwise similarly enforcing its agreements with, its other similarly situated borrowers. In addition, Borrower shall not be obligated to compensate any Bank under any such provision for any amounts attributable to any period which is more than nine (9) months prior to such Bank’s delivery of notice thereof to Borrower (except that if a Regulatory Change is retroactive, then such period shall be extended to include the period of retroactive effect, provided that such Bank delivered notice thereof to Borrower no later than nine (9) months after the date on which the Regulatory Change with such retroactive effect was made).

For purposes of this Section 3.01, the term “Bank” includes any Fronting Bank.

SECTION 3.02. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a LIBOR Loan or the determination of the LIBOR Daily Floating Rate for any LIBOR Daily Loan:

(1) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the

LIBOR Interest Rate, the LIBOR Daily Floating Rate or the LIBOR Base Rate, as applicable (including because the LIBO Screen Rate is not available or published on a current basis), for such Interest Period; or

(2) the Administrative Agent is advised by the Required Banks (or, in the case of a LIBOR Bid Rate Loan, the Bank that is required to make such Loan) that the LIBOR Interest Rate or the LIBOR Base Rate, as applicable, for such Interest Period or the LIBOR Daily Floating Rate will not adequately and fairly reflect the cost to such Banks (or Bank) of making or maintaining their Loans (or its Loan) included in such borrowing for such Interest Period (to the extent such Loan has an Interest Period);

then the Administrative Agent shall give notice thereof to the Borrower and the Banks by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Banks that the circumstances giving rise to such notice no longer exist, (i) any notice by the Borrower of Election, Conversion or Continuation that requests the Conversion of any Loan to, or Continuation of any Loan as, a LIBOR Loan or a LIBOR Daily Loan shall be ineffective, (ii) if the Borrower requests a Ratable Loan, such Loan shall be made or Continued as a Base Rate Loan and (iii) any request by the Borrower for a LIBOR Bid Rate Loan shall be ineffective; provided that if the circumstances giving rise to such notice do not affect all the Banks, then requests by the Borrower for LIBOR Bid Rate Loans may be made to Banks that are not affected thereby.

(b) If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) or the Required Banks notify the Administrative Agent (with a copy to the Borrower) that (i) the circumstances set forth in clause (a)(1) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a)(1) have not arisen but either (w) the supervisor for the administrator of the LIBO Screen Rate has made a public statement that the administrator of the LIBO Screen Rate is insolvent (and there is no successor administrator that will continue publication of the LIBO Screen Rate), (x) the administrator of the LIBO Screen Rate has made a public statement identifying a specific date after which the LIBO Screen Rate will permanently or indefinitely cease to be published by it (and there is no successor administrator that will continue publication of the LIBO Screen Rate), (y) the supervisor for the administrator of the LIBO Screen Rate has made a public statement identifying a specific date after which the LIBO Screen Rate will permanently or indefinitely cease to be published or (z) the supervisor for the administrator of the LIBO Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Screen Rate may no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to the LIBOR Base Rate and the LIBOR Daily Floating Rate that gives due consideration to (1) the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time and (2) any alternate rate of interest (and the application of such alternate rate) that has been approved by the Administrative Agent for use in two or more similar senior unsecured, publicly-available revolving credit facilities for which (A) the Administrative Agent acts as administrative agent and (B) the borrower is an investment-grade REIT (or the investment-grade rated operating partnership of a REIT) located in the United States, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this

Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Margin); provided that, if such alternate rate of interest as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 12.02, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Banking Days of the date notice of such alternate rate of interest and a copy of such amendment is provided to the Banks, a written notice from the Required Banks stating that such Required Banks object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 3.02(b), only to the extent the LIBO Screen Rate for such Interest Period is not available or published at such time on a current basis), (x) any notice by the Borrower of Election, Conversion or Continuation that requests the Conversion of any Loan to, or Continuation of any Loan as, a LIBOR Loan or a LIBOR Daily Loan shall be ineffective, (y) if the Borrower requests a Ratable Loan, such Loan shall be made or Continued as a Base Rate Loan and (z) any request by the Borrower for a LIBOR Bid Rate Loan shall be ineffective.

SECTION 3.03. Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Bank or its Applicable Lending Office to honor its obligation to make or maintain a LIBOR Loan, a LIBOR Daily Loan or LIBOR Bid Rate Loan hereunder, to allow Elections or Continuations of a LIBOR Loan or a LIBOR Daily Loan or to Convert a Base Rate Loan into a LIBOR Loan or a LIBOR Daily Loan, or to Convert a LIBOR Daily Loan into a LIBOR Loan, then such Bank shall promptly notify Administrative Agent and Borrower thereof and such Bank's obligation to make or maintain a LIBOR Loan, a LIBOR Daily Loan or LIBOR Bid Rate Loan, or to permit Elections of, to Continue, or to Convert its Base Rate Loan into, a LIBOR Loan or a LIBOR Daily Loan shall be suspended (in which case the provisions of Section 3.04 shall be applicable) until such time as such Bank may again make and maintain a LIBOR Loan, a LIBOR Daily Loan or LIBOR Bid Rate Loan.

SECTION 3.04. Treatment of Affected Loans. If the obligations of any Bank to make or maintain a LIBOR Loan, a LIBOR Daily Loan or a LIBOR Bid Rate Loan, or to permit an Election of a LIBOR Loan or a LIBOR Daily Loan, to Continue its LIBOR Loan, or to Convert its Base Rate Loan into a LIBOR Loan or a LIBOR Daily Loan, are suspended pursuant to Section 3.01 or 3.03 (each LIBOR Loan, LIBOR Daily Loan or LIBOR Bid Rate Loan so affected being herein called an "Affected Loan"), such Bank's Affected Loan shall be automatically Converted into a Base Rate Loan (or, in the case of an Affected Loan that is a LIBOR Bid Rate Loan, the interest rate thereon shall be converted to the rate applicable to Base Rate Loans) on the last day of the then current Interest Period for the Affected Loan (or, in the case of a Conversion or conversion resulting from Section 3.03 or a Conversion of a LIBOR Daily Loan, on such earlier date as such Bank may specify to Borrower).

To the extent that such Bank's Affected Loan has been so Converted (or the interest rate thereon so converted), all payments and prepayments of principal which would otherwise be applied to such Bank's Affected Loan shall be applied instead to its Base Rate Loan (or to its LIBOR Bid Rate Loan bearing interest at the converted rate) and such Bank shall have no obligation to Convert its Base Rate Loan into a LIBOR Loan or a LIBOR Daily Loan.

SECTION 3.05. Certain Compensation. Other than in connection with a Conversion of an Affected Loan, Borrower shall pay to Administrative Agent for the account of the applicable Bank, upon the request of such Bank through Administrative Agent which request includes a calculation of the amount(s) due, such amount or amounts as shall be sufficient (in the reasonable opinion of such Bank) to compensate it for any loss, cost or expense which such Bank reasonably determines is attributable to:

(1) any payment or prepayment of a LIBOR Loan or Bid Rate Loan made by such Bank, or any Conversion of a LIBOR Loan (or conversion of the rate of interest on a Bid Rate Loan) made by such Bank, in any such case on a date other than the last day of an applicable Interest Period, whether by reason of acceleration or otherwise;

(2) any failure by Borrower for any reason to Convert a LIBOR Loan, a LIBOR Daily Loan or a Base Rate Loan or to Continue a LIBOR Loan, as the case may be, to be Converted or Continued by such Bank on the date specified therefor in the relevant notice under Section 2.14;

(3) any failure by Borrower to borrow (or to qualify for a borrowing of) a LIBOR Loan or Bid Rate Loan which would otherwise be made hereunder on the date specified in the relevant Election notice under Section 2.14 or Bid Rate Quote acceptance under Section 2.02(e) given or submitted by Borrower; or

(4) any failure by Borrower to prepay a LIBOR Loan or Bid Rate Loan on the date specified in a notice of prepayment.

Without limiting the foregoing, such compensation shall include an amount equal to the present value (using as the discount rate an interest rate equal to the rate determined under (2) below) of the excess, if any, of (1) the amount of interest (less the Applicable Margin) which otherwise would have accrued on the principal amount so paid, prepaid, Converted or Continued (or not Converted, Continued or borrowed) for the period from the date of such payment, prepayment, Conversion or Continuation (or failure to Convert, Continue or borrow) to the last day of the then current applicable Interest Period (or, in the case of a failure to Convert, Continue or borrow, to the last day of the applicable Interest Period which would have commenced on the date specified therefor in the relevant notice) at the applicable rate of interest for the LIBOR Loan or Bid Rate Loan provided for herein, over (2) the amount of interest (as reasonably determined by such Bank) based upon the interest rate which such Bank would have bid in the London interbank market for Dollar deposits, for amounts comparable to such principal amount and maturities comparable to such period. A determination of any Bank as to the amounts payable pursuant to this Section shall be conclusive absent manifest error.

The obligations of Borrower under this Section shall survive the repayment of all amounts due under or in connection with any of the Loan Documents and the termination of the Loan Commitments in respect of the period prior to such termination.

SECTION 3.06. Capital Adequacy. If any Bank or Fronting Bank shall have determined that, after the date hereof, due to any Regulatory Change or the adoption of, or any change in, any applicable law, rule or regulation regarding capital adequacy or liquidity requirements, or

any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy or liquidity requirements (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of such Bank or Fronting Bank (or its Parent) as a consequence of such Bank's or Fronting Bank's obligations hereunder to a level below that which such Bank or Fronting Bank (or its Parent) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy and liquidity) by an amount deemed by such Bank or Fronting Bank to be material, then from time to time, within fifteen (15) days after demand by such Bank or Fronting Bank (with a copy to Administrative Agent), Borrower shall pay to such Bank or Fronting Bank such additional amount or amounts as will compensate such Bank or Fronting Bank (or its Parent) for such reduction. A certificate of any Bank or Fronting Bank claiming compensation under this Section, setting forth in reasonable detail the basis therefor, shall be conclusive absent manifest error. The obligations of Borrower under this Section shall survive the repayment of all amounts due under or in connection with any of the Loan Documents and the termination of the Loan Commitments in respect of the period prior to such termination.

SECTION 3.07. Substitution of Banks. If any Bank (an "Affected Bank") (i) makes demand upon Borrower for (or if Borrower is otherwise required to pay) Additional Costs pursuant to Section 3.01, (ii) is unable to make or maintain a LIBOR Loan, LIBOR Daily Loan or LIBOR Bid Rate Loan as a result of a condition described in Section 3.03 or clause (2) of Section 3.02, (iii) has any increased costs as described in Section 3.06, (iv) requires the Borrower to pay any Indemnified Taxes or other amounts to such Bank or any Governmental Authority pursuant to Section 10.13, or (v) becomes a Defaulting Lender, Borrower may, within ninety (90) days of receipt of such demand or notice of the occurrence of an event described above in this Section 3.07 (provided (A) such 90-day limit shall not be applicable for a Defaulting Lender and (B) such 90-day period shall be extended for an additional period of 60 days if Borrower shall have attempted during such 90-day period to secure a Replacement Bank (as defined below) and shall be diligently pursuing such attempt), give written notice (a "Replacement Notice") to Administrative Agent and to each Bank of Borrower's intention either (x) to prepay in full the Affected Bank's Loans and to terminate the Affected Bank's entire Loan Commitment or (y) to replace the Affected Bank with another financial institution (the "Replacement Bank") designated in such Replacement Notice. After its replacement, an Affected Bank shall remain entitled to the benefits of Sections 3.01, 3.06, 10.13 and 12.04 in respect of the period prior to its replacement.

In the event Borrower opts to give the Replacement Notice described in clause (x) above, and if the Affected Bank shall not agree within thirty (30) days of its receipt thereof to waive the payment of the Additional Costs, Indemnified Taxes or other amounts in question or the effect of the circumstances described in Section 3.03, in clause (2) of Section 3.02 or in Section 3.06 or the Affected Bank shall continue to be a Defaulting Lender, then, so long as no Event of Default shall exist, Borrower may (notwithstanding the provisions of clause (2) of Section 2.16(a)) terminate the Affected Bank's entire Loan Commitment, provided that in connection therewith it pays to the Affected Bank all outstanding principal and accrued and unpaid interest under the Affected Bank's Loans, together with all other amounts, if any, due from Borrower to the Affected Bank, including all amounts properly demanded and unreimbursed under Sections 3.01,

3.05 or 10.13. After any termination as provided in this paragraph, an Affected Bank shall remain entitled to the benefits of Sections 3.01, 3.06, 10.13 and 12.04 in respect of the period prior to such termination.

In the event Borrower opts to give the Replacement Notice described in clause (y) above, and if Administrative Agent shall promptly (and in any event, within thirty (30) days of its receipt of the Replacement Notice), notify Borrower and each Bank in writing that the Replacement Bank is reasonably satisfactory to Administrative Agent, then the Affected Bank shall, so long as no Event of Default shall exist, assign its Loans and all of its rights and obligations under this Agreement to the Replacement Bank, and the Replacement Bank shall assume all of the Affected Bank's rights and obligations, pursuant to an agreement, substantially in the form of an Assignment and Assumption Agreement, executed by the Affected Bank and the Replacement Bank. In connection with such assignment and assumption, the Replacement Bank shall pay to the Affected Bank an amount equal to the outstanding principal amount of the Affected Bank's Loans plus all interest accrued thereon, plus all other amounts, if any (other than the Additional Costs in question), then due and payable to the Affected Bank; provided, however, that prior to or simultaneously with any such assignment and assumption, Borrower shall have paid to such Affected Bank all amounts properly demanded and unreimbursed under Sections 3.01, 3.05 and 10.13. Upon the effective date of such assignment and assumption, the Replacement Bank shall become a Bank Party to this Agreement and shall have all the rights and obligations of a Bank as set forth in such Assignment and Assumption Agreement, and the Affected Bank shall be released from its obligations hereunder, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this Section, a substitute Ratable Loan Note shall be issued to the Replacement Bank by Borrower, in exchange for the return of the Affected Bank's Ratable Loan Note. The obligations evidenced by such substitute note shall constitute "Obligations" for all purposes of this Agreement and the other Loan Documents. If the Replacement Bank is not incorporated under the laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to Borrower and Administrative Agent a certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 10.13. Each Replacement Bank shall be deemed to have made the representations contained in, and shall be bound by the provisions of, Section 10.13. After any assignment as provided in this paragraph, an Affected Bank shall remain entitled to the benefits of Sections 3.01, 3.06, 10.13 and 12.04 in respect of the period prior to such assignment.

Borrower, Administrative Agent and the Banks shall execute such modifications to the Loan Documents as shall be reasonably required in connection with and to effectuate the foregoing.

SECTION 3.08. Obligation of Banks to Mitigate. Each Bank agrees that, as promptly as practicable after such Bank has actual knowledge of the occurrence of an event or the existence of a condition that would cause such Bank to become an Affected Bank or that would entitle such Bank to receive payments under Sections 3.01, 3.02, 3.03, 3.06 or 10.13, it will, to the extent not inconsistent with any applicable legal or regulatory restrictions, use reasonable efforts at the cost and expense of the Borrower (i) to make, issue, fund, or maintain the Loan Commitment of such Bank or the affected Loans of such Bank through another lending office of such Bank, or (ii) to assign its rights and obligations hereunder to another of its offices, branches

or Affiliates, if as a result thereof the circumstances that would cause such Bank to be an Affected Bank would cease to exist or the additional amounts that would otherwise be required to be paid to such Bank pursuant to Sections 3.01, 3.02, 3.03, 3.06 or 10.13 would be reduced and if, as reasonably determined by such Bank in its sole discretion, the making, issuing, funding, or maintaining of such Loan Commitment or Loans through such other lending office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Loan Commitment or Loans or would not be otherwise disadvantageous to the interests of such Bank.

ARTICLE IV CONDITIONS PRECEDENT

SECTION 4.01. Conditions Precedent to the Loans. The obligations of the Banks hereunder and the obligation of each Bank to make the Initial Advance are subject to the condition precedent that Administrative Agent shall have received on or before the Execution Date (other than with respect to paragraphs (11) and (14) below, which shall be required by the Closing Date) each of the following documents, and each of the following requirements shall have been fulfilled:

(1) Fees and Expenses. The payment of all fees and expenses owed to or incurred by Administrative Agent in connection with the origination of the Loans (including, without limitation, the reasonable fees and expenses of legal counsel);

(2) Note. A Ratable Loan Note for each Bank, unless not requested by such Bank, and the Bid Rate Loan Note for Administrative Agent, each duly executed by Borrower;

(3) Financial Statements. Audited Borrower's Consolidated Financial Statements as of and for the year ended December 31, 2018;

(4) Certificates of Limited Partnership/Trust. A copy of the Certificate of Limited Partnership for Borrower and a copy of the articles of trust of General Partner, each certified by the appropriate Secretary of State or equivalent state official;

(5) Agreements of Limited Partnership/Bylaws. A copy of the Agreement of Limited Partnership for Borrower and a copy of the bylaws of General Partner, including all amendments thereto, each certified by the Secretary or an Assistant Secretary of General Partner as being in full force and effect on the Execution Date;

(6) Good Standing Certificates. A certified copy of a certificate from the Secretary of State or equivalent state official of the states where Borrower and General Partner are organized, dated as of the most recent practicable date, showing the good standing or partnership qualification of (i) Borrower and (ii) General Partner;

(7) Foreign Qualification Certificates. A certified copy of a certificate from the Secretary of State or equivalent state official of the state where Borrower and General Partner maintain their principal places of business, dated as of the most recent practicable

date, showing the qualification to transact business in such state as a foreign limited partnership or foreign trust, as the case may be, for (i) Borrower and (ii) General Partner;

(8) Resolutions. A copy of a resolution or resolutions adopted by the Board of Trustees of General Partner, certified by the Secretary or an Assistant Secretary of General Partner as being in full force and effect on the Execution Date, authorizing the Loans provided for herein and the execution, delivery and performance of the Loan Documents to be executed and delivered by General Partner hereunder on behalf Borrower;

(9) Incumbency Certificate. A certificate, signed by the Secretary or an Assistant Secretary of General Partner and dated the Execution Date, as to the incumbency, and containing the specimen signature or signatures, of the Persons authorized to execute and deliver the Loan Documents to be executed and delivered by it and Borrower hereunder;

(10) Solvency Certificate. A Solvency Certificate, duly executed, from Borrower;

(11) Opinion of Counsel for Borrower. Favorable opinions, dated as of the Closing Date, from counsels for Borrower and General Partner, as to such matters as Administrative Agent may reasonably request;

(12) Authorization Letter. The Authorization Letter, duly executed by Borrower;

(13) Intentionally Omitted.

(14) Request for Advance. A request for an advance in accordance with Section 2.05;

(15) Certificate. The following statements shall be true and Administrative Agent shall have received a certificate dated as of the Execution Date signed by a duly authorized signatory of Borrower stating, to the best of the certifying party's knowledge, the following:

(a) All representations and warranties contained in this Agreement and in each of the other Loan Documents are true and correct on and as of the Execution Date as though made on and as of such date, and

(b) No Default or Event of Default has occurred and is continuing;

(16) Compliance Certificate. A certificate of the sort required by paragraph (3) of Section 6.09; and

(17) Insurance. Evidence of the insurance described in Section 5.17.

(18) KYC Information. (A) The Administrative Agent and the Banks shall have received all documentation and other information about the Borrower as shall have been reasonably requested by the Administrative Agent or such Bank that it shall have reasonably determined is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations and (B) to the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five days prior to the Closing Date, any Bank that has requested, in a written notice to the Borrower at least 10 days prior to the Closing Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Bank of its signature page to this Agreement, the condition set forth in this clause (B) shall be deemed to be satisfied).

SECTION 4.02. Conditions Precedent to Advances After the Initial Advance. The obligation of each Bank to make any advance of the Loans or issue, renew or increase the amount of any Letter of Credit subsequent to the Initial Advance shall be subject to satisfaction of the following conditions precedent:

(1) No Default or Event of Default shall have occurred and be continuing;

(2) Each of the representations and warranties of Borrower contained in this Agreement and in each of the other Loan Documents shall be true and correct in all material respects as of the date of the advance, issuance, renewal or increase (except in those cases where such representation or warranty expressly relates to an earlier date or is qualified as to “materiality”, “Material Adverse Change” or similar language (which shall be true and correct in all respects) and except for changes in factual circumstances permitted hereunder); and

(3) Administrative Agent shall have received a request for an advance in accordance with Section 2.05.

SECTION 4.03. Deemed Representations. Each request by Borrower for, and acceptance by Borrower of, an advance of proceeds of the Loans or the issuance, renewal or increase of any Letter of Credit, shall constitute a representation and warranty by Borrower that, as of both the date of such request and the date of such advance, issuance, renewal or increase (1) no Default or Event of Default has occurred and is continuing as of the date of such advance, issuance, renewal or increase, and (2) each of the representations and warranties by Borrower contained in this Agreement and in each of the other Loan Documents is true and correct in all material respects on and as of such date with the same effect as if made on and as of such date, except where such representation or warranty expressly relates to an earlier date or is qualified as to “materiality”, “Material Adverse Change” or similar language (which shall be true and correct in all respects) and except for changes in factual circumstances not prohibited hereunder. In addition, the request by Borrower for, and acceptance by Borrower of, the Initial Advance shall constitute a representation and warranty by Borrower that, as of the Closing Date, each certificate delivered pursuant to Section 4.01 is true and correct in all material respects.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Administrative Agent and each Bank as follows:

SECTION 5.01. Existence. Borrower is a limited partnership duly organized and existing under the laws of the State of Delaware, with its principal executive office in the State of New York, and is duly qualified as a foreign limited partnership, properly licensed, in good standing and has all requisite authority to conduct its business in each jurisdiction in which it owns properties or conducts business except where the failure to be so qualified or to obtain such authority would not constitute a Material Adverse Change. Each of its Consolidated Businesses is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has all requisite authority to conduct its business in each jurisdiction in which it owns property or conducts business, except where the failure to be so qualified or to obtain such authority would not constitute a Material Adverse Change. General Partner is a REIT duly organized and existing under the laws of the State of Maryland, with its principal executive office in the State of New York, is duly qualified as a foreign corporation or trust and properly licensed and in good standing in each jurisdiction where the failure to qualify or be licensed would constitute a Material Adverse Change. The common shares of beneficial interest of General Partner are listed on the New York Stock Exchange.

SECTION 5.02. Corporate/Partnership Powers. The execution, delivery and performance of this Agreement and the other Loan Documents required to be delivered by Borrower hereunder are within its partnership authority, have been duly authorized by all requisite action, and are not in conflict with the terms of any organizational documents of such entity, or any instrument or agreement to which Borrower or General Partner is a party or by which Borrower, General Partner or any of their respective assets may be bound or affected (which conflict with any such instrument or agreement would likely cause a Material Adverse Change).

SECTION 5.03. Power of Officers. The officers of General Partner executing the Loan Documents required to be delivered by it on behalf of Borrower hereunder have been duly elected or appointed and were fully authorized to execute the same at the time each such Loan Document was executed.

SECTION 5.04. Power and Authority; No Conflicts; Compliance With Laws. The execution and delivery of, and the performance of the obligations required to be performed by Borrower under, the Loan Documents do not and will not (a) violate any provision of, or, except for those which have been made or obtained, require any filing (other than SEC disclosure filings), registration, consent or approval under, any Law (including, without limitation, Regulation U), order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to it, except for such violations, or filings, registrations, consents and approvals which if not done or obtained would not likely cause a Material Adverse Change to occur, (b) result in a breach of or constitute a default under or require any consent under any indenture or loan or credit agreement or any other agreement, lease or instrument to which it may be a party or by which it or its properties may be bound or affected except for consents which have been obtained or which if not obtained are not likely to cause a Material Adverse Change to

occur, (c) result in, or require, the creation or imposition of any Lien, upon or with respect to any of its properties now owned or hereafter acquired which would likely cause a Material Adverse Change to occur, or (d) cause it to be in default under any such Law, order, writ, judgment, injunction, decree, determination or award or any such indenture, agreement, lease or instrument which would likely cause a Material Adverse Change to occur; to the best of its knowledge, Borrower is in compliance with all Laws applicable to it and its properties where the failure to be in compliance would cause a Material Adverse Change to occur.

SECTION 5.05. Legally Enforceable Agreements. Each Loan Document is a legal, valid and binding obligation of Borrower, enforceable in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, as well as general principles of equity and an implied covenant of good faith and fair dealing.

SECTION 5.06. Litigation. Except as disclosed in General Partner's SEC Reports existing as of the date hereof, there are no investigations, actions, suits or proceedings pending or, to its knowledge, threatened against Borrower, General Partner or any of their Affiliates before any court or arbitrator or any Governmental Authority reasonably likely to (i) have a material effect on Borrower's ability to repay the Loans, (ii) result in a Material Adverse Change, or (iii) affect the validity or enforceability of any Loan Document.

SECTION 5.07. Good Title to Properties. Borrower and each of its Material Affiliates have good, marketable and legal title to all of the properties and assets each of them purports to own (including, without limitation, those reflected in the financial statements referred to in Sections 4.01(3) and 5.15 and only with exceptions which do not materially detract from the value of such property or assets or the use thereof in Borrower's and such Affiliate's businesses, and except to the extent that any such properties and assets have been encumbered or disposed of since the date of such financial statements without violating any of the covenants contained in Article VII or elsewhere in this Agreement) and except where failure to comply with the foregoing would likely result in a Material Adverse Change. Borrower and its Material Affiliates enjoy peaceful and undisturbed possession of all leased property under leases which are valid and subsisting and are in full force and effect, except to the extent that the failure to be so would not likely result in a Material Adverse Change.

SECTION 5.08. Taxes. Borrower has filed all tax returns (federal, state and local) required to be filed and has paid all taxes, assessments and governmental charges and levies due and payable without the imposition of a penalty, including interest and penalties, except to the extent they are the subject of a Good Faith Contest or where the failure to comply with the foregoing would not likely result in a Material Adverse Change.

SECTION 5.09. ERISA. To the knowledge of Borrower, each Plan is in compliance in all material respects with its terms and all applicable provisions of ERISA. Neither a Reportable Event nor a Prohibited Transaction has occurred with respect to any Plan that, assuming the taxable period of the transaction expired as of the date hereof, could subject Borrower, General Partner or any ERISA Affiliate to a tax or penalty imposed under Section 4975 of the Code or Section 502(i) of ERISA in an amount that would reasonably be expected to result in a Material Adverse Change; except as would not likely result in a Material Adverse Change, no Reportable

Event has occurred with respect to any Plan within the last six (6) years; except as would not likely result in a Material Adverse Change, no notice of intent to terminate a Plan has been filed nor has any Plan been terminated within the past five (5) years; to the knowledge of Borrower, there are no circumstances which constitute grounds under Section 4042 of ERISA entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administer, a Plan, nor has the PBGC instituted any such proceedings; except as would not likely result in a Material Adverse Change, Borrower, General Partner and the ERISA Affiliates have met the minimum funding requirements of Section 412 of the Code and Section 302 of ERISA with respect to the Plans of each and except as disclosed in the Borrower's Consolidated Financial Statements there was no Unfunded Current Liability with respect to any Plan established or maintained by each as of the last day of the most recent plan year of each Plan; and except as would not likely result in a Material Adverse Change, Borrower, General Partner and the ERISA Affiliates have not incurred any liability to the PBGC under ERISA (other than for the payment of premiums under Section 4007 of ERISA) which is due and payable for more than 45 days and has not been reserved against. None of the assets of Borrower or General Partner under this Agreement constitute "plan assets" (within the meaning of C.F.R. §2510.3-101, as modified by Section 3(42) of ERISA) of any "employee benefit plan" within the meaning of ERISA or of any "plan" within the meaning of Section 4975(e)(1) of the Code.

SECTION 5.10. No Default on Outstanding Judgments or Orders. Borrower has satisfied all judgments which are not being appealed and is not in default with respect to any rule or regulation or any judgment, order, writ, injunction or decree applicable to Borrower, of any court, arbitrator or federal, state, municipal or other Governmental Authority, commission, board, bureau, agency or instrumentality, domestic or foreign, in each case which failure to satisfy or which being in default is likely to result in a Material Adverse Change.

SECTION 5.11. No Defaults on Other Agreements. Except as disclosed to the Bank Parties in writing or as disclosed in General Partner's SEC Reports existing as of the date hereof, Borrower, to the best of its knowledge, is not a party to any indenture, loan or credit agreement or any lease or other agreement or instrument or subject to any partnership, trust or other restriction which is likely to result in a Material Adverse Change. To the best of its knowledge, Borrower is not in default in any respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument which is likely to result in a Material Adverse Change.

SECTION 5.12. Government Regulation. Neither Borrower nor General Partner is or is required to be registered as an "investment company", or subject to regulation, under the Investment Company Act of 1940.

SECTION 5.13. Environmental Protection. To Borrower's knowledge, except as disclosed in General Partner's SEC Reports existing as of the date hereof, none of Borrower's or its Affiliates' properties contains any Hazardous Materials that, under any Environmental Law currently in effect, (1) would impose liability on Borrower that is likely to result in a Material Adverse Change, or (2) is likely to result in the imposition of a Lien on any assets of Borrower or any Material Affiliates that is likely to result in a Material Adverse Change. To Borrower's knowledge, neither it nor any Material Affiliates are in violation of, or subject to any existing,

pending or threatened investigation or proceeding by any Governmental Authority under any Environmental Law that is likely to result in a Material Adverse Change.

SECTION 5.14. Solvency. Borrower is, and upon consummation of the transactions contemplated by this Agreement, the other Loan Documents and any other documents, instruments or agreements relating thereto, will be, Solvent.

SECTION 5.15. Financial Statements. Borrower's Consolidated Financial Statements most recently delivered to the Banks prior to the date of this Agreement are in all material respects complete and fairly present the financial condition and results of operations of the subjects thereof as of the dates of and for the periods covered by such statements, all in accordance with GAAP. There has been no Material Adverse Change since the date of such most recently delivered Borrower's Consolidated Financial Statements or if any of Borrower's Consolidated Financial Statements have been delivered pursuant to Section 6.09(1) subsequent to the date of this Agreement, there has been no Material Adverse Change since the date of Borrower's Consolidated Financial Statements most recently delivered pursuant to one of such section.

SECTION 5.16. Valid Existence of Affiliates. Each Material Affiliate is an entity duly organized and existing in good standing under the laws of the jurisdiction of its formation. As to each Material Affiliate, its correct name, the jurisdiction of its formation, Borrower's direct or indirect percentage of beneficial interest therein, and the type of business in which it is primarily engaged, are set forth on EXHIBIT F. Borrower and each of its Material Affiliates have the power to own their respective properties and to carry on their respective businesses now being conducted. Each Material Affiliate is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the nature of the respective businesses conducted by it or its respective properties, owned or held under lease, make such qualification necessary and where the failure to be so qualified would likely cause a Material Adverse Change to occur.

SECTION 5.17. Insurance. Each of Borrower and each of its Material Affiliates has in force paid insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks as are usually carried by companies engaged in the same or a similar business and similarly situated.

SECTION 5.18. Accuracy of Information; Full Disclosure. (a) Neither this Agreement nor any documents, financial statements, reports, notices, schedules, certificates, statements or other writings furnished by or on behalf of Borrower to Administrative Agent or any Bank in connection with the negotiation of this Agreement or the consummation of the transactions contemplated hereby, required herein to be furnished by or on behalf of Borrower (other than projections which are made by Borrower in good faith) or certified as being true and correct by or on behalf of the Borrower to the Administrative Agent or any Bank in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so certified) contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein or therein, in the light of the circumstances under which they were made, not misleading in any material respect; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time. There is no

fact which Borrower has not disclosed to Administrative Agent and the Banks in writing or that is not included in General Partner's SEC Reports that materially affects adversely or, so far as Borrower can now reasonably foresee, will materially affect adversely the business or financial condition of Borrower or the ability of Borrower to perform this Agreement and the other Loan Documents.

(b) As of the Closing Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Closing Date (if any) to any Bank in connection with this Agreement is true and correct in all respects.

SECTION 5.19. Use of Proceeds. All proceeds of the Loans will be used by Borrower for any purpose permitted by law, including, without limitation, working capital and other general corporate purposes. Neither the making of any Loan nor the use of the proceeds thereof nor any other extension of credit hereunder will violate the provisions of Regulations T, U, or X of the Federal Reserve Board. None of the General Partner, the Borrower or their Subsidiaries is engaged principally or as one of its important activities in the business of extending credit for the purposes of "purchasing" or "carrying" any "margin stock" within the respective meanings of such terms under Regulations T, U and X of the Federal Reserve Board.

SECTION 5.20. Governmental Approvals. No order, consent, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required in connection with the execution, delivery and performance of any Loan Document or the consummation of any of the transactions contemplated thereby other than those that have already been duly made or obtained and remain in full force and effect or those which, if not made or obtained, would not likely result in a Material Adverse Change and those which will be made in due course as SEC disclosure filings.

SECTION 5.21. Principal Offices. As of the Execution Date, the principal office, chief executive office and principal place of business of Borrower is 888 Seventh Avenue, New York, New York 10106.

SECTION 5.22. General Partner Status

(1) General Partner is qualified and General Partner intends to continue to qualify as a REIT.

(2) As of the date hereof, the General Partner owns no assets other than ownership interests in Borrower or as disclosed on SCHEDULE 2A attached hereto.

(3) The General Partner is neither the borrower nor guarantor of any Debt except as disclosed on SCHEDULE 3 attached hereto.

SECTION 5.23. Labor Matters. Except for collective bargaining agreements disclosed on EXHIBIT I and Multiemployer Plans named in such collective bargaining agreements, (i) as of the date hereof, there are no collective bargaining agreements or Multiemployer Plans covering the employees of Borrower, General Partner, or any ERISA Affiliate and (ii) neither Borrower, General Partner, nor any ERISA Affiliate has suffered any strikes, walkouts, work

stoppages or other material labor difficulty within the last five years which would likely result in a Material Adverse Change.

SECTION 5.24. Organizational Documents. The documents delivered pursuant to Section 4.01(4) and (5) constitute, as of the Execution Date, all of the organizational documents of the Borrower and General Partner. Borrower represents that it has delivered to Administrative Agent true, correct and complete copies of each such documents. General Partner is the general partner of the Borrower. General Partner holds (directly or indirectly) not less than ninety percent (90%) of the ownership interests in Borrower as of the Execution Date.

SECTION 5.25. Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to attain compliance by the General Partner, the Borrower, its Subsidiaries and their respective directors, trustees, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective directors, officers and employees and to the knowledge of the Borrower its agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the General Partner, the Borrower, any Subsidiary or any of their respective directors, trustees, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Loan or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

SECTION 5.26. EEA Financial Institutions. Neither Borrower nor any of its Subsidiaries is an EEA Financial Institution.

ARTICLE VI AFFIRMATIVE COVENANTS

So long as any of the Loans shall remain unpaid or the Loan Commitments remain in effect, or any other amount is owing by Borrower to any Bank hereunder or under any other Loan Document or any Letter of Credit remains outstanding, Borrower shall:

SECTION 6.01. Maintenance of Existence. Preserve and maintain its legal existence and, if applicable, good standing in its jurisdiction of organization and, if applicable, qualify and remain qualified as a foreign entity in each jurisdiction in which such qualification is required, except to the extent that failure to so qualify would not likely result in a Material Adverse Change.

SECTION 6.02. Maintenance of Records. Keep adequate records and books of account, in which entries will be made in accordance with GAAP in all material respects, except as disclosed in Borrower's financial statements, reflecting all of its financial transactions.

SECTION 6.03. Maintenance of Insurance. At all times, maintain and keep in force, and cause each of its Material Affiliates to maintain and keep in force, insurance with financially sound and reputable insurance companies or associations in such amounts and covering such

risks as are usually carried by companies engaged in the same or a similar business and similarly situated, which insurance may provide for reasonable deductibles from coverage thereof.

SECTION 6.04. Compliance with Laws: Payment of Taxes. Comply in all material respects with all Laws applicable to it or to any of its properties or any part thereof, such compliance to include, without limitation, paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon any of its property, except to the extent they are the subject of a Good Faith Contest or the failure to so comply would not cause a Material Adverse Change. The Borrower will maintain in effect and enforce policies and procedures designed to attain compliance by the General Partner, the Borrower, its Subsidiaries and their respective directors, trustees, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 6.05. Right of Inspection. At any reasonable time and from time to time upon reasonable notice, but not more frequently than twice in any 12-month period provided that no Event of Default shall have occurred and be continuing, permit Administrative Agent or any Bank or any agent or representative thereof (provided that, at Borrower's request, Administrative Agent or such Bank, or such representative, must be accompanied by a representative of Borrower), to examine and make copies and abstracts from the records and books of account of, and visit the properties of, Borrower and to discuss the affairs, finances and accounts of Borrower with the independent accountants of Borrower. The request by any Bank or agent or representative thereof for such an inspection shall be made to the Administrative Agent and the Administrative Agent promptly shall notify all the Banks of such request (or if the Administrative Agent shall have requested the same on its behalf, the Administrative Agent shall notify all the Banks thereof) and any Bank that shall so desire may accompany Administrative Agent or such Bank, or such representative on such examination.

SECTION 6.06. Compliance With Environmental Laws. Comply in all material respects with all applicable Environmental Laws and immediately pay or cause to be paid all costs and expenses incurred in connection with such compliance, except to the extent there is a Good Faith Contest or the failure to so comply would not likely cause a Material Adverse Change.

SECTION 6.07. Payment of Costs. Pay all fees and expenses of the Administrative Agent required by this Agreement.

SECTION 6.08. Maintenance of Properties. Do all things reasonably necessary to maintain, preserve, protect and keep its and its Affiliates' properties in good repair, working order and condition except where the failure to do so would not result in a Material Adverse Change.

SECTION 6.09. Reporting and Miscellaneous Document Requirements. Furnish to Administrative Agent (which shall promptly distribute to each of the Banks):

(1) Annual Financial Statements. As soon as available and in any event within ninety-five (95) days after the end of each Fiscal Year, the Borrower's Consolidated Financial Statements as of the end of and for such Fiscal Year, audited by Borrower's Accountants;

(2) Quarterly Financial Statements. As soon as available and in any event within fifty (50) days after the end of each calendar quarter (other than the last quarter of the Fiscal Year), commencing with the Fiscal Quarter ending March 31, 2019, the unaudited Borrower's Consolidated Financial Statements as of the end of and for such calendar quarter, reviewed by Borrower's Accountants;

(3) Certificate of No Default and Financial Compliance. Within fifty (50) days after the end of each of the first three quarters of each Fiscal Year and within ninety-five (95) days after the end of each Fiscal Year, a certificate of the chief financial officer or other appropriate financial officer of General Partner (a) stating that, to the best of his or her knowledge, no Default or Event of Default has occurred and is continuing, or if a Default or Event of Default has occurred and is continuing, specifying the nature thereof and the action which is being taken with respect thereto; (b) stating that the covenants contained in Article VIII have been complied with (or specifying those that have not been complied with) and including computations demonstrating such compliance (or non-compliance); (c) setting forth all items comprising Total Outstanding Indebtedness (including amount, maturity, interest rate and amortization requirements), Capitalization Value, Secured Indebtedness, Combined EBITDA, Unencumbered Combined EBITDA, Interest Expense, Unsecured Interest Expense and Unsecured Indebtedness; and (d) only at the end of each Fiscal Year an estimate of Borrower's taxable income;

(4) Certificate of Borrower's Accountants. Within ninety-five (95) days after the end of each Fiscal Year, a report with respect thereto of Borrower's Accountants, which report shall be unqualified, except as provided in the second sentence of this clause (4), and shall state that such financial statements fairly present the consolidated financial position of each of the Borrower and its Subsidiaries as at the dates indicated and the consolidated results of their operations and cash flows for the periods indicated, in conformity with GAAP applied on a basis consistent with prior years (except for changes which shall have been disclosed in the notes to the financial statements). In the event that such report is qualified, a copy of the Borrower's Accountants' communications with those charged with governance or any similar report delivered to the General Partner or to any officer or employee thereof by Borrower's Accountants in connection with such financial statements (which letter or report shall be subject to the confidentiality limitations set forth herein), as well as a statement of Borrower's Accountants to the effect that in connection with their audit, nothing came to their attention that caused them to believe that the Borrower failed to comply with the terms, covenants, provisions or conditions of Article VIII, insofar as they relate to financial and accounting matters.

(5) Notice of Litigation. Promptly after the commencement and knowledge thereof, notice of all actions, suits, and proceedings before any court or arbitrator, affecting Borrower which, if determined adversely to Borrower is likely to result in a Material Adverse Change and which would be required to be reported in Borrower's SEC Reports;

(6) Notice of ERISA Events. Promptly after the occurrence thereof, notice of any action or event described in clauses (c) or (d) of Section 9.01(7);

(7) Notices of Defaults and Events of Default. As soon as possible and in any event within ten (10) days after Borrower becomes aware of the occurrence of a material Default or any Event of Default a written notice setting forth the details of such Default or Event of Default and the action which is proposed to be taken with respect thereto;

(8) Sales or Acquisitions of Assets. Promptly after the occurrence thereof, written notice of any Disposition or acquisition of an individual asset (other than acquisitions or Dispositions of investments such as certificates of deposit, Treasury securities and money market deposits in the ordinary course of Borrower's cash management) in excess of One Billion Dollars (\$1,000,000,000);

(9) Material Adverse Change. As soon as is practicable and in any event within five (5) days after knowledge of the occurrence of any event or circumstance which is likely to result in or has resulted in a Material Adverse Change and which would be required to be reported in Borrower's SEC Reports, written notice thereof;

(10) Bankruptcy of Tenants. Promptly after becoming aware of the same, written notice of the bankruptcy, insolvency or cessation of operations of any tenant in any Real Property Asset of Borrower or in which Borrower has an interest to which four percent (4%) or more of aggregate annual minimum rent payable to Borrower directly or through its Consolidated Businesses or UJVs is attributable;

(11) Offices. Thirty (30) days' prior written notice of any change in the principal executive office of Borrower;

(12) Environmental and Other Notices. As soon as possible and in any event within thirty (30) days after receipt, copies of all Environmental Notices received by Borrower which are not received in the ordinary course of business and which relate to a previously undisclosed situation which is likely to result in a Material Adverse Change;

(13) Insurance Coverage. Promptly, such information concerning Borrower's insurance coverage as Administrative Agent may reasonably request;

(14) Proxy Statements, Etc. Promptly after the sending or filing thereof, copies of all proxy statements, financial statements and reports which Borrower or General Partner sends to its respective shareholders, and copies of all regular, periodic and special reports, and all registration statements, which Borrower or General Partner files with the SEC or any Governmental Authority which may be substituted therefor, or with any national securities exchange;

(15) Capital Expenditures. If reasonably requested by the Administrative Agent, a schedule of such Fiscal Year's capital expenditures and a budget for the next Fiscal Year's planned capital expenditures for each Consolidated Business that is a Real Property Business;

(16) Change in Borrower's Credit Rating or Beneficial Ownership. Within two (2) Banking Days after Borrower's receipt of notice of any change in Borrower's Credit Rating, written notice of such change, and prompt notice of any change in the

information provided in any Beneficial Ownership Certification delivered to any Bank that would result in a change to the list of beneficial owners identified in such certification; and

(17) General Information. Promptly, such other information respecting the condition or operations, financial or otherwise (including information and documentation reasonably requested by the Administrative Agent or any Bank for purposes of compliance with applicable “know-your-customer” requirements, Anti-Corruption Laws, including the Patriot Act, and the Beneficial Ownership Regulation), of Borrower or any properties of Borrower as Administrative Agent or any Bank may from time to time reasonably request.

ARTICLE VII NEGATIVE COVENANTS

So long as any of the Loans shall remain unpaid, or the Loan Commitments remain in effect, or any other amount is owing by Borrower to Administrative Agent or any Bank hereunder or under any other Loan Document or any Letter of Credit remains outstanding, Borrower shall not do any or all of the following:

SECTION 7.01. Mergers, Etc. Without the Required Banks’ consent (which shall not be unreasonably withheld) merge or consolidate with (except where Borrower or General Partner is the surviving entity, or in a transaction of which the purpose is to redomesticate such entity in another United States jurisdiction, and no Default or Event of Default has occurred and is continuing (except where such Default or Event of Default shall be cured concurrently with the effectuation of such merger, consolidation or transaction)), or sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions, including pursuant to a limited liability company division described below) Borrower’s or General Partner’s assets substantially as an entirety (whether now owned or hereafter acquired), or if Borrower or General Partner changes its form of organization to a limited liability company, divide itself into two or more limited liability companies or series thereof (pursuant to a “plan of division” as contemplated under the Delaware Limited Liability Company Act or otherwise), or enter into any agreement to do any of the foregoing (unless Borrower’s obligation to close thereunder is conditioned on obtaining the Required Banks’ consent). Without the Required Banks’ consent (which shall not be unreasonably withheld) neither Borrower nor General Partner shall liquidate, wind up or dissolve (or suffer any liquidation or dissolution) or discontinue its business.

SECTION 7.02. Distributions.

Distribute cash and other property to the General Partner except only in anticipation of payment by the General Partner of dividends to its shareholders.

SECTION 7.03. Amendments to Organizational Documents.

(a) Amend Borrower’s agreement of limited partnership or other organizational documents in any manner that would result in a Material Adverse Change without the Required Banks’ consent, which consent shall not be unreasonably withheld. Without limitation of the

foregoing, no Person shall be admitted as a general partner of the Borrower other than General Partner.

(b) Make any “in-kind” transfer of any of Borrower’s property or assets to any of Borrower’s constituent partners if such transfer would result in an Event of Default, without, in each case, the Required Banks’ consent, which consent shall not be unreasonably withheld.

SECTION 7.04. Use of Proceeds and Letters of Credit. Request any Loan or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, trustees, officers, employees and agents shall not use, the proceeds of any Loan or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

ARTICLE VIII FINANCIAL COVENANTS

So long as any of the Loans shall remain unpaid, or the Loan Commitments remain in effect, or any other amount is owing by Borrower to Administrative Agent or any Bank under this Agreement or under any other Loan Document or any Letter of Credit remains outstanding, Borrower shall not permit or suffer:

SECTION 8.01. [Intentionally Omitted].

SECTION 8.02. Ratio of Total Outstanding Indebtedness to Capitalization Value. Total Outstanding Indebtedness to exceed sixty percent (60%) of Capitalization Value, each measured as of the most recently ended calendar quarter; provided, however, with respect to any fiscal quarter in which Borrower or any of its Consolidated Businesses or UJVs have acquired Real Property Assets, the ratio of Total Outstanding Indebtedness to Capitalization Value as of the end of such fiscal quarter and the next succeeding three (3) fiscal quarters may increase to 65%, provided such ratio does not exceed 60% as of the end of the fiscal quarter immediately thereafter; for purposes of this covenant, (i) Total Outstanding Indebtedness shall be adjusted by deducting therefrom an amount equal to the lesser of (x) Total Outstanding Indebtedness that by its terms is either (1) scheduled to mature (including by reason of the election of the borrower of such debt to call such debt prior to its maturity) on or before the date that is 24 months from the date of calculation, or (2) convertible Debt with the right to put all or a portion thereof on or before the date that is 24 months from the date of calculation, and (y) Unrestricted Cash and Cash Equivalents, and (ii) Capitalization Value shall be adjusted by deducting therefrom the amount by which Total Outstanding Indebtedness is adjusted under clause (i); for purposes of determining Capitalization Value for this covenant only, (A) costs and expenses incurred during the applicable period with respect to acquisitions that failed to close and were abandoned during such period shall not be deducted in determining EBITDA, and (B) Unrestricted Cash and Cash Equivalents shall be adjusted to deduct therefrom \$35,000,000 and without inclusion of Borrower’s Pro Rata Share of any Cash or Cash Equivalents owned by any UJV.

SECTION 8.03. Intentionally Omitted

SECTION 8.04. Ratio of Combined EBITDA to Fixed Charges. The ratio of Combined EBITDA to Fixed Charges, each measured as of the most recently ended calendar quarter, to be less than 1.40 to 1.00.

SECTION 8.05. Ratio of Unencumbered Combined EBITDA to Unsecured Interest Expense. The ratio of Unencumbered Combined EBITDA to Unsecured Interest Expense, each measured as of the most recently ended calendar quarter, to be less than 1.50 to 1.00.

SECTION 8.06. Ratio of Unsecured Indebtedness to Capitalization Value of Unencumbered Assets. Unsecured Indebtedness to exceed sixty percent (60%) of Capitalization Value of Unencumbered Assets, each measured as of the most recently ended calendar quarter; provided, however, with respect to any fiscal quarter in which Borrower or any of its Consolidated Businesses or UJVs has acquired Real Property Assets, the ratio of Unsecured Indebtedness to Capitalization Value of Unencumbered Assets as of the end of such fiscal quarter and the next succeeding three (3) fiscal quarters may increase to 65%, provided such ratio does not exceed 60% as of the end of the fiscal quarter immediately thereafter; for purposes of this covenant, (i) Unsecured Indebtedness shall be adjusted by deducting therefrom an amount equal to the lesser of (x) Unsecured Indebtedness that by its terms is either (1) scheduled to mature (including by reason of the election of the borrower of such debt to call such debt prior to its maturity) on or before the date that is 24 months from the date of calculation, or (2) convertible Debt with the right to put all or a portion thereof on or before the date that is 24 months from the date of calculation, and (y) Unrestricted Cash and Cash Equivalents or such lesser amount of Unrestricted Cash and Cash Equivalents as Borrower shall specify for this purpose (the "Unsecured Indebtedness Adjustment"), and (ii) Capitalization Value shall be adjusted by deducting therefrom the Unsecured Indebtedness Adjustment; for purposes of determining Capitalization Value of Unencumbered Assets for this covenant only, costs and expenses incurred during the applicable period with respect to acquisitions that failed to close and were abandoned during such period shall not be deducted in determining EBITDA; and for purposes of clause (i)(y) above, Unrestricted Cash and Cash Equivalents shall be adjusted to deduct therefrom \$35,000,000 as well as any Unrestricted Cash and Cash Equivalents used to determine the Secured Indebtedness Adjustment in Section 8.07, and without inclusion of Borrower's Pro Rata Share of any Cash or Cash Equivalents owned by any UJV.

SECTION 8.07. Ratio of Secured Indebtedness to Capitalization Value. The ratio of Secured Indebtedness to Capitalization Value, each measured as of the most recently ended calendar quarter, to exceed 50%; for purposes of this covenant, (i) Secured Indebtedness shall be adjusted by deducting therefrom an amount equal to the lesser of (x) Secured Indebtedness that by its terms is either (1) scheduled to mature on (including by reason of the election of the borrower of such debt to call such debt prior to its maturity) or before the date that is 24 months from the date of calculation, or (2) convertible Debt with the right to put all or a portion thereof on or before the date that is 24 months from the date of calculation, and (y) Unrestricted Cash and Cash Equivalents or such lesser amount of Unrestricted Cash and Cash Equivalents as Borrower shall specify for this purpose (the "Secured Indebtedness Adjustment"), and (ii) Capitalization Value shall be adjusted by deducting therefrom the Secured Indebtedness Adjustment; for purposes of determining Capitalization Value for this covenant only, costs and

expenses incurred during the applicable period with respect to acquisitions that failed to close and were abandoned during such period shall not be deducted in determining EBITDA; and for purposes of clause (i)(y) above, Unrestricted Cash and Cash Equivalents shall be adjusted to deduct therefrom \$35,000,000 as well as any Unrestricted Cash and Cash Equivalents used to determine the Unsecured Indebtedness Adjustment in Section 8.06, and without inclusion of Borrower's Pro Rata Share of any Cash or Cash Equivalents owned by any UJV.

SECTION 8.08. Debt of the General Partner. Notwithstanding anything contained herein to the contrary, any Debt of the General Partner shall be deemed to be Debt of the Borrower (provided that the same shall be without duplication), for purposes of calculating the financial covenants set forth in this Article VIII.

ARTICLE IX EVENTS OF DEFAULT

SECTION 9.01. Events of Default. Any of the following events shall be an "Event of Default":

(1) If Borrower shall fail to pay the principal of any Loans or reimburse any drawing on a Letter of Credit as and when due; or fail to pay interest accruing on any Loans as and when due and such failure to pay shall continue unremedied for five (5) days after the due date of such amount; or fail to pay any fee or any other amount due under this Agreement or any other Loan Document as and when due and such failure to pay shall continue unremedied for five (5) days after notice by Administrative Agent of such failure to pay;

(2) If any representation or warranty made or deemed made by Borrower in this Agreement or in any other Loan Document or which is contained in any certificate, document, opinion, financial or other statement furnished at any time under or in connection with a Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made;

(3) If Borrower shall fail (a) to perform or observe any term, covenant or agreement contained in Article VII or Article VIII; or (b) to perform or observe any term, covenant or agreement contained in this Agreement (other than obligations specifically referred to elsewhere in this Section 9.01) and such failure shall remain unremedied for thirty (30) consecutive calendar days after notice thereof; provided, however, that if any such default under clause (b) above cannot by its nature be cured within such thirty (30) day grace period and so long as Borrower shall have commenced cure within such thirty (30) day grace period and shall, at all times thereafter, diligently prosecute the same to completion, Borrower shall have an additional period to cure such default; provided, however, that, in no event, is the foregoing intended to effect an extension of the Maturity Date;

(4) If Borrower shall fail (a) to pay any Debt (other than the payment obligations described in paragraph (1) of this Section 9.01 or obligations that are recourse

to Borrower solely for fraud, misappropriation, environmental liability and other normal and customary bad-act carveouts to nonrecourse obligations) the Recourse portion of which to Borrower is an amount equal to or greater than Fifty Million Dollars (\$50,000,000) when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) after the expiration of any applicable grace period, or (b) to perform or observe any material term, covenant, or condition under any agreement or instrument relating to any such Debt, when required to be performed or observed, if the effect of such failure to perform or observe is to accelerate, or to permit the acceleration of, after the giving of notice or the lapse of time, or both (other than in cases where, in the judgment of the Required Banks, meaningful discussions likely to result in (i) a waiver or cure of the failure to perform or observe, or (ii) otherwise averting such acceleration are in progress between Borrower and the obligee of such Debt), the maturity of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled or otherwise required prepayment, repurchase or defeasance), prior to the stated maturity thereof;

(5) If either Borrower or General Partner shall (a) generally not, or be unable to, or shall admit in writing its inability to, pay its debts as such debts become due; (b) make an assignment for the benefit of creditors, petition or apply to any tribunal for the appointment of a custodian, receiver or trustee for it or a substantial part of its assets; (c) commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; (d) have had any such petition or application filed or any such proceeding shall have been commenced, against it, in which an adjudication or appointment is made or order for relief is entered, or which petition, application or proceeding remains undismissed or unstayed for a period of sixty (60) days or more; (e) be the subject of any proceeding under which all or a substantial part of its assets may be subject to seizure, forfeiture or divestiture by any governmental entity; (f) by any act or omission indicate its consent to, approval of or acquiescence in any such petition, application or proceeding or order for relief or the appointment of a custodian, receiver or trustee for all or any substantial part of its property; or (g) suffer any such custodianship, receivership or trusteeship for all or any substantial part of its property, to continue undischarged for a period of sixty (60) days or more;

(6) If one or more judgments, decrees or orders for the payment of money in excess of Fifty Million Dollars (\$50,000,000) in the aggregate shall be rendered against Borrower or General Partner, and any such judgments, decrees or orders shall continue unsatisfied and in effect for a period of thirty (30) consecutive days without being vacated, discharged, satisfied or stayed or bonded pending appeal;

(7) If any of the following events shall occur or exist with respect to any Plan: (a) any Prohibited Transaction; (b) any Reportable Event; (c) the filing under Section 4041 of ERISA of a notice of intent to terminate any Plan or the termination of any Plan; (d) receipt of notice of an application by the PBGC to institute proceedings under Section 4042 of ERISA for the termination of, or for the appointment of a trustee to administer, any Plan, or the institution by the PBGC of any such proceedings; (e) a condition exists which gives rise to imposition of a lien under Section 412(n) or (f) of the Code on

Borrower, General Partner or any ERISA Affiliate, and in each case above, if either (1) such event or conditions, if any, result in Borrower, General Partner or any ERISA Affiliate being subject to any tax, penalty or other liability to a Plan, the PBGC or otherwise (or any combination thereof), which in the aggregate exceeds or is reasonably likely to exceed Twenty Million Dollars (\$20,000,000), and the same continues unremedied or unpaid for a period of forty-five (45) consecutive days after the date upon which such amount became due and payable or (2) such event or conditions, if any, is reasonably likely to result in Borrower, General Partner or any ERISA Affiliate being subject to any tax, penalty or other liability to a Plan, the PBGC or otherwise (or any combination thereof), which in the aggregate exceeds or may exceed Twenty Million Dollars (\$20,000,000) and such event or condition is unremedied, or such tax, penalty or other liability is not reserved against or the payment thereof otherwise secured to the reasonable satisfaction of the Administrative Agent, for a period of forty-five (45) consecutive days after the later of (x) the date upon which such amount became due and payable and (y) notice from the Administrative Agent;

(8) If General Partner shall fail at any time to (i) maintain at least one class of its common shares which has trading privileges on the New York Stock Exchange or the American Stock Exchange or is the subject of price quotations in the over-the-counter market as reported by the National Association of Securities Dealers Automated Quotation System, or (ii) maintain its status as a self-directed and self-administered REIT, and in either case such failure shall remain unremedied for thirty (30) consecutive calendar days after notice thereof;

(9) If General Partner acquires any material assets other than additional interests in Borrower or as permitted by Borrower's partnership agreement and shall fail to dispose of any such material asset for thirty (30) consecutive calendar days after notice thereof;

(10) If at any time assets of the Borrower or General Partner constitute plan assets for ERISA purposes (within the meaning of C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA); or

(11) A default beyond applicable notice and grace periods (if any) under any of the other Loan Documents.

SECTION 9.02. Remedies. If any Event of Default shall occur and be continuing, Administrative Agent shall, upon request of the Required Banks, by notice to Borrower, (1) terminate the Loan Commitments, whereupon the Loan Commitments shall terminate and the Banks shall have no further obligation to extend credit hereunder; and/or (2) declare the unpaid balance of the Loans, all interest thereon, and all other Obligations payable under this Agreement to be forthwith due and payable, whereupon such balance, all such interest, and all such Obligations due under this Agreement shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Borrower; and/or (3) exercise any remedies provided in any of the Loan Documents or by law; provided, however, that upon the occurrence of any Event of Default specified in Section 9.01(5), the Loan Commitments shall automatically terminate (and the Banks shall have

no further obligation to extend credit hereunder) and the unpaid balance of the Loans, all interest thereon, and all other Obligations payable under this Agreement shall automatically be and become forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Borrower.

ARTICLE X
ADMINISTRATIVE AGENT; RELATIONS AMONG BANKS

SECTION 10.01. Appointment, Powers and Immunities of Administrative Agent. Each Bank and each Fronting Bank hereby irrevocably appoints and authorizes Administrative Agent to act as its agent hereunder and under any other Loan Document with such powers as are specifically delegated to Administrative Agent by the terms of this Agreement and any other Loan Document, together with such other powers as are reasonably incidental thereto. Administrative Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and any other Loan Document or required by law, and shall not by reason of this Agreement be a fiduciary or trustee for any Bank except to the extent that Administrative Agent acts as an agent with respect to the receipt or payment of funds (nor shall Administrative Agent have any fiduciary duty to Borrower nor shall any Bank have any fiduciary duty to Borrower or to any other Bank) (and it is understood and agreed that the use of the term “agent” (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Bank agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and the transactions contemplated hereby. Administrative Agent shall not be responsible to the Banks for any recitals, statements, representations or warranties made by Borrower or any officer, partner or official of Borrower or any other Person contained in this Agreement or any other Loan Document, or in any certificate or other document or instrument referred to or provided for in, or received by any of them under, this Agreement or any other Loan Document, or for the value, legality, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or any other document or instrument referred to or provided for herein or therein, for the perfection or priority of any Lien securing the Obligations or for any failure by Borrower to perform any of its obligations hereunder or thereunder. Administrative Agent may employ agents and attorneys-in-fact and shall not be responsible, except as to money or securities received by it or its authorized agents, for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Neither Administrative Agent nor any of its directors, officers, employees or agents shall be liable or responsible for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith, except for its or their own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable judgment. Borrower shall pay any fee agreed to by Borrower and Administrative Agent with respect to Administrative Agent’s services hereunder.

SECTION 10.02. Reliance by Administrative Agent. Administrative Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by

telephone, telefax or cable) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by Administrative Agent. Administrative Agent may deem and treat each Bank as the holder of the Loan made by it for all purposes hereof and shall not be required to deal with any Person who has acquired a participation in any Loan or participation from a Bank. As to any matters not expressly provided for by this Agreement or any other Loan Document, Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or refrain from acting (and shall in all cases be fully protected in acting, or in refraining from acting) hereunder in accordance with instructions signed by the Required Banks (or such other number or percentage of Banks required hereunder), and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Banks and any other holder of all or any portion of any Loan or participation; provided, however, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification and is exculpated in a manner satisfactory to it from the Banks with respect to such action or (ii) is contrary to this Agreement or any other Loan Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; provided, further, that the Administrative Agent may seek clarification or direction from the Required Banks prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided.

SECTION 10.03. Defaults. Administrative Agent shall not be deemed to have knowledge of the occurrence of a Default or Event of Default (other than an Event of Default pursuant to Section 9.01(1)) unless Administrative Agent has received notice from a Bank or Borrower specifying such Default or Event of Default and stating that such notice is a "Notice of Default." In the event that Administrative Agent receives a Notice of Default, Administrative Agent shall give prompt notice thereof to the Banks. Administrative Agent, following consultation with the Banks, shall (subject to Section 10.07 and Section 12.02) take such action with respect to such Default or Event of Default which is continuing as shall be directed by the Required Banks; provided that, unless and until Administrative Agent shall have received such directions, Administrative Agent may take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interest of the Banks; and provided further that Administrative Agent shall not send a notice of Default, Event of Default or acceleration to Borrower without the approval of the Required Banks. In no event shall Administrative Agent be required to take any such action which it determines to be contrary to law.

SECTION 10.04. Rights of Agent as a Bank. With respect to its Loan Commitment and the Loan provided by it, each Person serving as an Agent in its capacity as a Bank hereunder shall have the same rights and powers hereunder as any other Bank and may exercise the same as though it were not acting as such Agent, and the term any "Bank" or "Banks" shall include each Person serving as an Agent in its capacity as a Bank. Each Person serving as an Agent and its Affiliates may (without having to account therefor to any Bank) accept deposits from, lend

money to (on a secured or unsecured basis), and generally engage in any kind of banking, trust or other business with, Borrower (and any Affiliates of Borrower) as if it were not acting as such Agent.

SECTION 10.05. Indemnification of Agents. Each Bank agrees to indemnify each Agent (to the extent not reimbursed under Section 12.04 or under the applicable provisions of any other Loan Document, but without limiting the obligations of Borrower under Section 12.04 or such provisions), for its Pro Rata Share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of this Agreement, any other Loan Document or any other documents contemplated by or referred to herein or the transactions contemplated hereby or thereby (including, without limitation, the costs and expenses which Borrower is obligated to pay under Section 12.04) or under the applicable provisions of any other Loan Document or the enforcement of any of the terms hereof or thereof or of any such other documents or instruments; provided that no Bank shall be liable for (1) any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the party to be indemnified, (2) any loss of principal or interest with respect to the Loan of any Bank serving as an Agent or (3) any loss suffered by such Agent in connection with a swap or other interest rate hedging arrangement entered into with Borrower.

SECTION 10.06. Non-Reliance on Agents and Other Banks. Each Bank agrees that it has, independently and without reliance on any Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis of Borrower and the decision to enter into this Agreement and that it will, independently and without reliance upon any Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement or any other Loan Document. Each Agent shall not be required to keep itself informed as to the performance or observance by Borrower of this Agreement or any other Loan Document or any other document referred to or provided for herein or therein or to inspect the properties or books of Borrower. Except for notices, reports and other documents and information expressly required to be furnished to the Banks by any Agent hereunder, each Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the affairs, financial condition or business of Borrower (or any Affiliate of Borrower) which may come into the possession of such Agent or any of its Affiliates. Each Agent shall not be required to file this Agreement, any other Loan Document or any document or instrument referred to herein or therein for record, or give notice of this Agreement, any other Loan Document or any document or instrument referred to herein or therein, to anyone.

SECTION 10.07. Failure of Administrative Agent to Act. Except for action expressly required of Administrative Agent hereunder, Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder unless it shall have received further assurances (which may include cash collateral) of the indemnification obligations of the Banks under Section 10.05 in respect of any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

SECTION 10.08. Resignation or Removal of Administrative Agent. Administrative Agent shall have the right to resign at any time. Administrative Agent may be removed at any time with cause by the Required Banks as a result of its gross negligence or willful misconduct as determined by a court of competent jurisdiction by a final and non-appealable judgment, provided that Borrower and the other Banks shall be promptly notified in writing thereof. Upon any such removal or resignation, the Required Banks shall have the right to appoint a successor Administrative Agent which successor Administrative Agent, so long as it is reasonably acceptable both to the Required Banks and, provided that no Default or Event of Default shall then exist, the Borrower, shall be that Bank then having the greatest Loan Commitment (other than the Bank resigning or being removed as Administrative Agent). If no successor Administrative Agent shall have been so appointed by the Required Banks and shall have accepted such appointment within thirty (30) days after the Required Banks' removal or resignation of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Banks, appoint a successor Administrative Agent, which shall be one of the Banks. The Required Banks or the retiring Administrative Agent, as the case may be, shall upon the appointment of a successor Administrative Agent promptly so notify in writing Borrower and the other Banks. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article X and Section 12.04 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

SECTION 10.09. Amendments Concerning Agency Function. Notwithstanding anything to the contrary contained in this Agreement, no Agent shall be bound by any waiver, amendment, supplement or modification of this Agreement or any other Loan Document which affects its duties, rights, and/or function hereunder or thereunder unless it shall have given its prior written consent thereto.

SECTION 10.10. Liability of Administrative Agent. Administrative Agent shall not have any liabilities or responsibilities to Borrower on account of the failure of any Bank to perform its obligations hereunder or to any Bank on account of the failure of Borrower to perform its obligations hereunder or under any other Loan Document.

SECTION 10.11. Transfer of Agency Function. Without the consent of Borrower or any Bank, Administrative Agent may at any time or from time to time transfer its functions as Administrative Agent hereunder to any of its offices wherever located in the United States, provided that Administrative Agent shall promptly notify in writing Borrower and the Banks thereof.

SECTION 10.12. Non-Receipt of Funds by Administrative Agent. Unless Administrative Agent shall have received notice from a Bank or Borrower (either one as appropriate being the "Payor") prior to the date on which such Bank is to make payment hereunder to Administrative Agent of the proceeds of a Loan or Borrower is to make payment to Administrative Agent, as the case may be (either such payment being a "Required Payment"),

which notice shall be effective upon receipt, that the Payor will not make the Required Payment in full to Administrative Agent, Administrative Agent may assume that the Required Payment has been made in full to Administrative Agent on such date, and Administrative Agent in its sole discretion may, but shall not be obligated to, in reliance upon such assumption, make the amount thereof available to the intended recipient on such date. If and to the extent the Payor shall not have in fact so made the Required Payment in full to Administrative Agent, the recipient of such payment shall repay to Administrative Agent forthwith on demand such amount made available to it together with interest thereon, for each day from the date such amount was so made available by Administrative Agent until the date Administrative Agent recovers such amount, at the customary rate set by Administrative Agent for the correction of errors among Banks for three (3) Banking Days and thereafter at the Base Rate.

SECTION 10.13. (a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 10.13) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 10.13, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Borrower. The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

(e) Indemnification by the Banks. Each Bank shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Bank (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Bank's failure to comply with the provisions of Section 12.05(b) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Bank, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Bank by the Administrative Agent shall be conclusive absent manifest error. Each Bank hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Bank under any Loan Document or otherwise payable by the Administrative Agent to such Bank from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Banks. (i) Any Bank that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Bank, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Bank is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 10.13(f)(ii)(A),(B) and (D) below) shall not be required if in the applicable Bank's reasonable judgment such completion, execution or submission would subject such Bank to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Bank.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Bank that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Bank becomes a Bank under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), an executed copy of IRS Form W-9 certifying that such Bank is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Bank shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such

Foreign Bank becomes a Bank under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Bank claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, an executed copy of IRS Form W-8BEN or Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) in the case of a Foreign Bank claiming that its extension of credit will generate U.S. effectively connected income, an executed copy of IRS Form W-8ECI;

(3) in the case of a Foreign Bank claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of EXHIBIT J-1 to the effect that such Foreign Bank is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” within the meaning of Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) an executed copy of IRS Form W-8BEN or W-8BEN-E; or

(4) to the extent a Foreign Bank is not the beneficial owner, an executed copy of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, or IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of EXHIBIT J-2 or EXHIBIT J-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Bank is a partnership and one or more direct or indirect partners of such Foreign Bank are claiming the portfolio interest exemption, such Foreign Bank may provide a U.S. Tax Compliance Certificate substantially in the form of EXHIBIT J-4 on behalf of each such direct and indirect partner;

(C) any Foreign Bank shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Bank becomes a Bank under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a

basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Bank under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Bank were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Bank shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Bank has complied with such Bank's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Bank agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 10.13 (including by the payment of additional amounts pursuant to this Section 10.13), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 10.13 with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will any indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place such indemnified party in a less favorable net after-Tax position than such indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating

to its Taxes that it deems confidential) to, or to apply for or seek a refund of any Taxes on behalf of, any indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 10.13 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Bank, the termination of the Loan Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(h) Defined Terms. For purposes of this Section 10.13, the term “**Bank**” includes any Fronting Bank or Designated Lender and the term “**applicable law**” includes FATCA.

(i) FATCA Acknowledgement. The Borrower, the Administrative Agent and the Banks acknowledge and agree that, solely for purposes of determining the applicability of U.S. Federal withholding Taxes imposed by FATCA, this Agreement will continue to not be treated as a “grandfathered obligation” under FATCA.

SECTION 10.14. Pro Rata Treatment. Except to the extent otherwise provided, (1) each advance of proceeds of the Ratable Loans shall be made by the Banks, (2) each reduction of the amount of the Total Loan Commitment under Section 2.16 shall be applied to the Loan Commitments of the Banks and (3) each payment of the facility fee accruing under Section 2.08 shall be made for the account of the Banks, ratably according to the amounts of their respective Loan Commitments.

SECTION 10.15. Sharing of Payments Among Banks. If a Bank shall obtain payment of any principal of or interest on any Loan made by it through the exercise of any right of setoff, banker's lien or counterclaim, or by any other means (including direct payment), and such payment results in such Bank receiving a greater payment than it would have been entitled to had such payment been paid directly to Administrative Agent for disbursement to the Banks, then such Bank shall promptly purchase for cash from the other Banks participations in the Loans made by the other Banks in such amounts, and make such other adjustments from time to time as shall be equitable to the end that all the Banks shall share ratably the benefit of such payment; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Bank as consideration for the assignment of or sale of a participation in any of its Loans or participations in Letters of Credit to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). To such end the Banks shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored. Borrower agrees that any Bank so purchasing a participation in the Loans made by other Banks may exercise all rights of setoff, banker's lien, counterclaim or similar rights with respect to such participation. Nothing contained herein shall require any Bank to exercise any such right or shall affect the right of any Bank to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness of Borrower.

SECTION 10.16. Possession of Documents. Each Bank shall keep possession of its own Ratable Loan Note. Administrative Agent shall hold all the other Loan Documents and related documents in its possession and maintain separate records and accounts with respect thereto, and shall permit the Banks and their representatives access at all reasonable times to inspect such Loan Documents, related documents, records and accounts.

SECTION 10.17. Syndication Agents and Documentation Agents. The Banks serving as Syndication Agents or Documentation Agents shall have no duties or obligations in such capacities. In addition, in acting as an Agent, no Bank will have any responsibility except as set forth herein and shall in no event be subject to any fiduciary or other implied duties.

SECTION 10.18. Certain ERISA Matters.

(a) Each Bank (x) represents and warrants, as of the date such Person became a Bank party hereto, to, and (y) covenants, from the date such Person became a Bank party hereto to the date such Person ceases being a Bank party hereto, for the benefit of the Administrative Agent and each Lead Arranger and their respective Affiliates and not, for the avoidance of doubt, to or for the benefit of the General Partner or the Borrower, that at least one of the following is and will be true:

(i) such Bank is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Bank's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Loan Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Bank's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Loan Commitments and this Agreement,

(iii) (A) such Bank is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Bank to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Loan Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Loan Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Bank, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Bank's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Loan Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Bank.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Bank or (2) such Bank has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Bank further (x) represents and warrants, as of the date such Person became a Bank party hereto, to, and (y) covenants, from the date such Person became a Bank party hereto to the date such Person ceases being a Bank party hereto, for the benefit of the Administrative Agent and each Lead Arranger and their respective Affiliates and not, for the avoidance of doubt, to or for the benefit of the General Partner or the Borrower, that none of the Administrative Agent or any Lead Arranger or any of their Affiliates is a fiduciary with respect to the assets of such Bank involved in the Loans, the Letters of Credit, the Loan Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

(c) The Administrative Agent and each Lead Arranger hereby informs the Banks that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Loan Commitments, this Agreement and any other Loan Documents (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Loan Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Loan Commitments by such Bank or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE XI NATURE OF OBLIGATIONS

SECTION 11.01. Absolute and Unconditional Obligations. Borrower acknowledges and agrees that its obligations and liabilities under this Agreement and under the other Loan Documents shall be absolute and unconditional irrespective of (1) any lack of validity or enforceability of any of the Obligations, any Loan Documents, or any agreement or instrument relating thereto; (2) any change in the time, manner or place of payment of, or in any other term in respect of, all or any of the Obligations, or any other amendment or waiver of or consent to any departure from any Loan Documents or any other documents or instruments executed in connection with or related to the Obligations; (3) any exchange or release of any collateral, if any, or of any other Person from all or any of the Obligations; or (4) any other circumstances which might otherwise constitute a defense available to, or a discharge of, Borrower or any other Person in respect of the Obligations.

The obligations and liabilities of Borrower under this Agreement and the other Loan Documents shall not be conditioned or contingent upon the pursuit by any Bank or any other Person at any time of any right or remedy against Borrower, General Partner or any other Person which may be or become liable in respect of all or any part of the Obligations or against any collateral or security or guarantee therefor or right of setoff with respect thereto.

SECTION 11.02. Non-Recourse to VRT Principals and the General Partner. This Agreement and the obligations hereunder and under the other Loan Documents are fully recourse to Borrower. Notwithstanding anything to the contrary contained in this Agreement, in any of the other Loan Documents, or in any other instruments, certificates, documents or agreements executed in connection with the Loans (all of the foregoing, for purposes of this Section, hereinafter referred to, individually and collectively, as the “Relevant Documents”), and notwithstanding any applicable law that would make the General Partner liable for the debts or obligations of the Borrower, including as a general partner, no recourse under or upon any Obligation, representation, warranty, promise or other matter whatsoever shall be had against any of the VRT Principals or the General Partner, and each Bank expressly waives and releases, on behalf of itself and its successors and assigns, all right to assert any liability whatsoever under or with respect to the Relevant Documents against, or to satisfy any claim or obligation arising thereunder against, any of the VRT Principals or the General Partner or out of any assets of the VRT Principals or the General Partner, provided, however, that nothing in this Section shall be deemed to (1) release Borrower from any liability pursuant to, or from any of its obligations under, the Relevant Documents, or from liability for its fraudulent actions or fraudulent omissions; (2) release any VRT Principals or the General Partner from personal liability arising outside of the terms of this Agreement for its, his or her own fraudulent actions, fraudulent omissions, misappropriation of funds, rents or insurance proceeds, gross negligence or willful misconduct; (3) constitute a waiver of any obligation evidenced or secured by, or contained in, the Relevant Documents or affect in any way the validity or enforceability of the Relevant Documents; or (4) limit the right of Administrative Agent and/or the Banks to proceed against or realize upon any collateral hereafter given for the Loans and Letters of Credit or any and all of the assets of Borrower (notwithstanding the fact that the VRT Principals and the General Partner have an ownership interest in Borrower and, thereby, an interest in the assets of Borrower) or to name Borrower (or, to the extent that the same are required by applicable law or are determined by a court to be necessary parties in connection with an action or suit against Borrower or any collateral hereafter given for the Loans, the General Partner) as a party defendant in, and to enforce against any collateral hereafter given for the Loans and/or assets of Borrower any judgment obtained by Administrative Agent and/or the Banks with respect to, any action or suit under the Relevant Documents so long as no judgment shall be taken (except to the extent taking a judgment is required by applicable law or determined by a court to be necessary to preserve Administrative Agent’s and/or Banks’ rights against any collateral hereafter given for the Loans or Borrower, but not otherwise) or shall be enforced against any of the VRT Principals or the General Partner or their assets.

ARTICLE XII

MISCELLANEOUS

SECTION 12.01. Binding Effect of Request for Advance. Borrower agrees that, by its acceptance of any advance of proceeds of the Loans under this Agreement or the issuance of any Letter of Credit, it shall be bound in all respects by the request for advance or Letter of Credit submitted on its behalf in connection therewith with the same force and effect as if Borrower had itself executed and submitted the request for advance or Letter of Credit and whether or not the request for advance is executed and/or submitted by an authorized person.

SECTION 12.02. Amendments and Waivers. Except as permitted by Section 2.16(c) (with respect to the Incremental Commitments) and Section 3.02(b), no amendment, forbearance or material waiver of any provision of this Agreement or any other Loan Document nor consent to any material departure by Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Banks and, solely for purposes of its acknowledgment thereof, Administrative Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given, provided, however, that no amendment, waiver, consent or forbearance shall, unless in writing and signed by all the Banks (or in the case of (1), (2) and (6) below, signed by all the Banks affected thereby) do any of the following: (1) forgive or reduce the principal of, or interest on, the Loans or any fees due hereunder or any other amount due hereunder or under any other Loan Document; (2) postpone or extend any date fixed for any payment of principal of, or interest on, the Loans or any fees or other amounts due hereunder or under any other Loan Document, or postpone the scheduled date of expiration of any Loan Commitment; (3) change the definition of Required Banks or Pro Rata Share or change Section 10.14 or 10.15 in a manner that would alter the pro rata sharing of payments required thereby; (4) amend this Section 12.02 or any other provision requiring the unanimous consent of the Banks; (5) waive any default in payment under paragraph (1) of Section 9.01 or any default under paragraph (5) of Section 9.01; (6) increase or decrease any Loan Commitment of any Bank (except changes in Loan Commitments pursuant to Section 2.16); (7) release any guaranty (other than a guaranty given pursuant to Section 12.21 or Section 12.22); (8) permit the expiration date of any Letter of Credit to be later than the first anniversary of the Maturity Date; or (9) permit the assignment or transfer by the Borrower of any of its rights or obligations hereunder or under any other Loan Document except in a transaction permitted (with or without the Required Banks' consent) pursuant to Section 7.01; and provided further, that (A) an amendment, waiver or consent relating to the time specified for payment of principal, interest and fees with respect to Bid Rate Loans shall only be binding if in writing and signed by the affected Bank or Designated Lender and (B) an amendment, waiver or consent relating to the Letters of Credit (including any letter of credit application; provided that the provisions of this Agreement shall prevail if there is an inconsistency between this Agreement and such amendment, waiver or consent to a letter of credit application) shall only be binding if in writing and signed by the Fronting Banks affected thereby. Any advance of proceeds of the Loans made prior to or without the fulfillment by Borrower of all of the conditions precedent thereto, whether or not known to Administrative Agent and the Banks, shall not constitute a waiver of the requirement that all conditions, including the non-performed conditions, shall be required with respect to all future advances. No failure on the part of Administrative Agent or any Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof or preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. All communications from Administrative Agent to the Banks requesting the Banks' determination, consent, approval or disapproval (i) shall be given in the form of a written notice to each Bank,

(ii) shall be accompanied by a description of the matter or thing as to which such determination, approval, consent or disapproval is requested and (iii) shall include Administrative Agent's recommended course of action or determination in respect thereof. Each Bank shall reply promptly, but in any event within fifteen (15) Banking Days (or five (5) Banking Days with respect to any decision to accelerate or stop acceleration of the Loan) after receipt of the request therefor by Administrative Agent (the "Bank Reply Period"). Other than with respect to item (1) through (9) above, unless a Bank shall give written notice to Administrative Agent that it objects to the recommendation or determination of Administrative Agent within the Bank Reply Period, such Bank shall be deemed to have approved or consented to such recommendation or determination.

SECTION 12.03. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Bank may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as any Obligations hereunder are outstanding and unpaid.

SECTION 12.04. Expenses; Indemnification. Borrower agrees to reimburse Administrative Agent on demand for all reasonable out-of-pocket costs, expenses, and charges (including, without limitation, all reasonable fees and charges of engineers, appraisers and external legal counsel) incurred by Administrative Agent in connection with the Loans and the Loan Documents (including any amendments, modifications and waivers thereto), to reimburse each Fronting Bank for all reasonable out-of-pocket expenses incurred by it in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and to reimburse each of the Banks for reasonable out-of-pocket legal costs, expenses and charges incurred by each of the Banks in connection with the performance or enforcement of this Agreement, the Notes, or any other Loan Documents, including during any workout or restructuring; provided, however, that Borrower is not responsible for costs, expenses and charges incurred by the Bank Parties in connection with the administration or syndication of the Loans (other than any administration fee payable to Administrative Agent). Borrower agrees to indemnify Administrative Agent, each Bank, Affiliates of the foregoing, and their respective directors, officers, employees, partners, agents and advisors (each, an "indemnified person") from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses incurred by any of them arising out of or by reason of (w) the execution, delivery or performance of the Loan Documents by Borrower or the use of the proceeds of the Loans or Letters of Credit, directly or indirectly, by Borrower, (x) any claims by brokers due to acts or omissions by Borrower, (y) any investigation or litigation or other proceedings (including any threatened investigation or litigation or other proceedings) relating to any actual or proposed use by Borrower of the proceeds of the Loans, including without limitation, the reasonable fees and disbursements of third-party counsel incurred in connection with any such investigation or litigation or other proceedings, or (z) third party claims or actions against any indemnified person relating to or arising from this Agreement and the other Loan Documents and the transactions contemplated pursuant to this Agreement and the other Loan Documents, in all cases

whether or not such investigation or litigation or other proceeding is brought by the Borrower or its equity holders, Affiliates, creditors or any other third Person and regardless of whether any indemnified person is a party thereto; provided, however, that such indemnification shall exclude any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of such indemnified person to be indemnified as determined by a final and non-appealable judgment of a court of competent jurisdiction.

The obligations of Borrower under this Section shall survive the repayment of all amounts due under or in connection with any of the Loan Documents and the termination of the Loan Commitments.

SECTION 12.05. Assignment; Participation.

(a) This Agreement shall be binding upon, and shall inure to the benefit of, Borrower, Administrative Agent, the Banks and their respective successors and permitted assigns. Except as provided in Section 7.01, the Borrower may not assign or transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written consent of all the Banks (and any attempted such assignment or transfer without such consent shall be null and void). Except as otherwise provided under Section 12.04, nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Fronting Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (b) of this Section) and, to the extent expressly contemplated hereby, the Affiliates and their respective directors, officers, employees, agents and advisors of each of the Administrative Agent, the Fronting Bank and the Banks) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Subject to Section 12.05(e), prior to the occurrence of an Event of Default, any Bank may at any time, grant to an existing Bank or one or more banks, finance companies, insurance companies or other entities, other than a natural person or the Borrower and its Affiliates or a Defaulting Lender (a "Participant"), in minimum amounts for a voting participation of not less than \$5,000,000 (or any lesser amount in the case of voting participations to an existing Bank or any lesser amount equal to such Bank's entire remaining amount of Loans and Loan Commitments) participating interests in its Loan Commitment or any or all of its Loans. After the occurrence and during the continuance of an Event of Default, any Bank may at any time grant to any Person, other than a natural person or the Borrower and its Affiliates, in any amount (also a "Participant"), participating interests in its Loan Commitment or any or all of its Loans. Any participation made during the continuation of an Event of Default shall not be affected by the subsequent cure of such Event of Default. In the event of any such grant by a Bank of a participating interest to a Participant, whether or not upon notice to Borrower and Administrative Agent, such Bank shall remain responsible for the performance of its obligations hereunder, and Borrower and Administrative Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement pursuant to which any Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of Borrower hereunder and under any other Loan Document, including, without limitation, the right to approve any amendment, modification or waiver of any provision of this

Agreement or any other Loan Document; provided that such participation agreement may provide that such Bank will not agree to any modification, amendment or waiver of this Agreement described in clause (1), (2), (3), (4), (5), (6) or (7) of Section 12.02 without the consent of the Participant (subject to the final proviso of the first sentence of Section 12.02). The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Article III with respect to its participating interest. The Borrower agrees that each Participant shall be entitled to the benefits of Section 10.13 (subject to the requirements and limitations therein, including the requirements under Section 10.13(f) (it being understood that the documentation required under Section 10.13(f) shall be delivered to the participating Bank)) to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to paragraph (c) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.07 and 3.08 as if it were an assignee under paragraph (c) of this Section; and (B) shall not be entitled to receive any greater payment under Section 10.13, with respect to any participation, than its participating Bank would have been entitled to receive. Each Bank that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.07 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.08 as though it were a Bank; provided that such Participant agrees to be subject to Section 10.15 as though it were a Bank. Each Bank that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Bank shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Loan Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Loan Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Bank shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent shall have no responsibility for maintaining a Participant Register.

(c) Subject to Section 12.05(e), any Bank may at any time assign to a Qualified Institution (in each case, an "Assignee") (i) prior to the occurrence of an Event of Default, in minimum amounts of not less than Five Million Dollars (\$5,000,000) and integral multiples of One Million Dollars (\$1,000,000) thereafter (or any lesser amount in the case of assignments to an existing Bank or an assignment by a Bank to a Bank Affiliate or any lesser amount equal to such Bank's entire remaining amount of Loans and Loan Commitments) and (ii) after the occurrence and during the continuance of an Event of Default, in any amount, all or a proportionate part of all, of its rights and obligations under this Agreement, the Notes and the other Loan Documents, and, in either case, such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement executed by such Assignee and such transferor Bank; provided, that such assignment shall be subject to the consent of the Administrative Agent and the Fronting Bank and if no Event of Default shall have occurred and be continuing, the consent of Borrower, which consents shall not be unreasonably withheld or

delayed; and provided further that if an Assignee is a Bank Affiliate of such transferor Bank or was a Bank immediately prior to such assignment, no such consents shall be required unless in either case the Assignee is a Defaulting Lender or an Affiliate of a Defaulting Lender (in which case, such consent may be withheld in the sole discretion of the Administrative Agent or the Borrower); and provided further that such assignment may, but need not, include rights of the transferor Bank in respect of outstanding Bid Rate Loans. Upon execution and delivery of such instrument and an Administrative Questionnaire and payment by such Assignee to such transferor Bank of an amount equal to the purchase price agreed between such transferor Bank and such Assignee, such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Loan Commitment as set forth in such Assignment and Assumption Agreement, and no further consent or action by any party shall be required and the transferor Bank shall be released from its obligations hereunder to a corresponding extent. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Bank, Administrative Agent and Borrower shall make appropriate arrangements so that, if required, a new Note is issued to the Assignee. In connection with any such assignment (other than an assignment by a Bank to a Bank Affiliate), the transferor Bank shall pay to Administrative Agent an administrative fee for processing such assignment in the amount of \$3,500. If the Assignee is not incorporated under the laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to Borrower and Administrative Agent certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 10.13. Any assignment made during the continuation of an Event of Default shall not be affected by any subsequent cure of such Event of Default. Any consent required hereunder shall be given or denied within ten (10) Banking Days after receipt by the applicable Person of request therefor; any failure to respond within such ten (10) Banking Day period shall be deemed a denial. The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption Agreement delivered to it and a register for the recordation of the names and addresses of the Banks, and the Loan Commitment of, and principal amount (and stated interest) of the Loans and Letter of Credit participations owing to, each Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Fronting Bank and the Banks shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Fronting Bank and any Bank, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Bank may at any time assign or pledge all or any portion of its rights under this Agreement and its Note to secure the obligations of such Bank, including to a Federal Reserve Bank or other central bank having jurisdiction over such Bank. No such assignment shall release the transferor Bank from its obligations hereunder.

(e) Except as provided in Section 12.05(d), so long as no Event of Default shall have occurred and be continuing, no Bank shall be permitted to enter into an assignment of, or sell a participation interest in, its Loans and Loan Commitment, which would result in such Bank holding Loans and a Loan Commitment, without Participants, of less than Ten Million Dollars (\$10,000,000), which minimum amount shall be reduced pro rata as a result of a decrease of the

aggregate Loan Commitments pursuant to Section 2.16; provided, however, that no Bank shall be prohibited from assigning its entire Loans and Loan Commitment so long as such assignment is otherwise permitted hereby.

(f) Borrower recognizes that in connection with a Bank's selling of Participations or making of assignments, any or all documentation, financial statements and other data, or copies thereof, relevant to Borrower or the Loans may be exhibited to and retained by any such Participant or assignee or prospective Participant or assignee. In connection with a Bank's delivery of any financial statements and appraisals to any such Participant or assignee or prospective Participant or assignee, such Bank shall also indicate that the same are delivered on a confidential basis. Borrower agrees to provide all assistance reasonably requested by a Bank to enable such Bank to sell Participations or make assignments of its Loan and Loan Commitment as permitted by this Section 12.05.

SECTION 12.06. Documentation Satisfactory. All documentation required from or to be submitted on behalf of Borrower in connection with this Agreement and the documents relating hereto shall be subject to the prior approval of, and be satisfactory in form and substance to, Administrative Agent, its counsel and, where specifically provided herein, the Banks. In addition, the persons or parties responsible for the execution and delivery of, and signatories to, all of such documentation, shall be acceptable to, and subject to the approval of, Administrative Agent and its counsel and the Banks.

SECTION 12.07. (a) Notices. Unless the party to be notified otherwise notifies the other parties in writing as provided in this Section, and except as otherwise provided in this Agreement, notices shall be given to Administrative Agent by telephone, confirmed by writing, and to the Banks and to Borrower by ordinary mail or overnight courier or telecopy, receipt confirmed, addressed to such party at (i) if to the Borrower, the Administrative Agent or a Fronting Bank, its address on the signature page of this Agreement, or (ii) if to any other Bank, its address (or telecopy number) set forth in its Administrative Questionnaire. Notices shall be effective: (1) if by telephone, at the time of such telephone conversation, (2) if given by mail, three (3) calendar days after mailing; (3) if given by overnight courier, upon receipt; and (4) if given by telecopy, upon receipt if received by the recipient during its normal business hours. Notices delivered through Electronic Systems, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Banks and the Fronting Banks hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Bank. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested")

function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Banking Day for the recipient.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto in accordance with this Section 12.07, except that each Bank must only give such notice to the Administrative Agent, the Borrower and the Fronting Banks.

(d) Electronic Systems.

(i) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Fronting Banks and the other Banks by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System chosen by the Administrative Agent to be its electronic transmission system (the “Approved Electronic Platform”).

(ii) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Closing Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Banks and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Bank that are added to the Approved Electronic Platform, and that there are confidentiality and other risks associated with such distribution. Each of the Banks and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(iii) Any Electronic System used by the Administrative Agent is provided “as is” and “as available.” None of the Administrative Agent or the Borrower or any of their respective Affiliates and such Affiliates’ respective directors, officers, employees, agents or advisors (the “Communications Parties”) warrant the adequacy of such Electronic Systems and each expressly disclaims liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Communications Party in connection with the Communications or any Electronic System. In no event shall any Communications Party have any liability to the other

parties hereto or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of communications through an Electronic System. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Bank or any Fronting Bank by means of electronic communications pursuant to this Section, including through an Electronic System.

(iv) Each Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Bank for purposes of the Loan Documents to the extent such Communications have been so posted. Each Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Bank's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Banks and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent or any Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 12.08. Setoff. Upon the occurrence of an Event of Default, to the extent permitted or not expressly prohibited by applicable law, Borrower agrees that, in addition to (and without limitation of) any right of setoff, bankers' lien or counterclaim a Bank may otherwise have, each Bank shall be entitled, at its option, to offset balances (general or special, time or demand, provisional or final) held by it for the account of Borrower at any of such Bank's offices, in Dollars or in any other currency, against any amount payable by Borrower to such Bank under this Agreement or such Bank's Note, or any other Loan Document, which is not paid when due (regardless of whether such balances are then due to Borrower or General Partner), in which case it shall promptly notify Borrower and Administrative Agent thereof; provided that such Bank's failure to give such notice shall not affect the validity thereof. Payments by Borrower hereunder or under the other Loan Documents shall be made without setoff or counterclaim.

SECTION 12.09. Table of Contents; Headings. Any table of contents and the headings and captions hereunder are for convenience only and shall not affect the interpretation or construction of this Agreement.

SECTION 12.10. Severability. The provisions of this Agreement are intended to be severable. If for any reason any provision of this Agreement shall be held invalid or

unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

SECTION 12.11. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

SECTION 12.12. Integration. The Loan Documents set forth the entire agreement among the parties hereto relating to the transactions contemplated thereby (except with respect to agreements relating solely to compensation, consideration and the coordinated syndication of the Loan) and supersede any prior oral or written statements or agreements with respect to such transactions.

SECTION 12.13. Governing Law. This Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of New York.

SECTION 12.14. Waivers. To the extent permitted or not expressly prohibited by applicable law, in connection with the obligations and liabilities as aforesaid, Borrower hereby waives (1) notice of any actions taken by any Bank Party under this Agreement, any other Loan Document or any other agreement or instrument relating hereto or thereto except to the extent otherwise provided herein; (2) all other notices, demands and protests, and all other formalities of every kind in connection with the enforcement of the Obligations, the omission of or delay in which, but for the provisions of this Section 12.14, might constitute grounds for relieving Borrower of its obligations hereunder; (3) any requirement that any Bank Party protect, secure, perfect or insure any Lien on any collateral or exhaust any right or take any action against Borrower or any other Person or any collateral; (4) any right or claim of right to cause a marshalling of the assets of Borrower; and (5) all rights of subrogation or contribution, whether arising by contract or operation of law (including, without limitation, any such right arising under the Bankruptcy Code) or otherwise by reason of payment by Borrower, pursuant to this Agreement or any other Loan Document.

SECTION 12.15. Jurisdiction; Immunities. Borrower, Administrative Agent and each Bank hereby irrevocably submit to the exclusive jurisdiction of any New York State or United States Federal court sitting in New York City, Borough of Manhattan, over any action or proceeding arising out of or relating to this Agreement, the Notes or any other Loan Document. Borrower, Administrative Agent, and each Bank irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such New York State or United States Federal court. Borrower, Administrative Agent, and each Bank irrevocably consent to the service of any and all process in any such action or proceeding by the mailing of copies of such process to Borrower, Administrative Agent or each Bank, as the case may be, at the addresses specified herein. Borrower, Administrative Agent and each Bank agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Borrower, Administrative Agent and each Bank further waive any objection to venue in the State of New York and any objection to an action or proceeding in the State of New York on the basis of forum non conveniens. Borrower, Administrative Agent and each Bank agree that any action or proceeding brought against Borrower, Administrative Agent or any Bank, as the case may be, shall be brought only in a New York State court sitting in New York City, Borough of Manhattan, or a United States Federal court sitting in New York City, Borough of Manhattan, to the extent permitted or not expressly prohibited by applicable law.

Nothing in this Section shall affect the right of Borrower, Administrative Agent or any Bank to serve legal process in any other manner permitted by law.

To the extent that Borrower, Administrative Agent or any Bank have or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether from service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, Borrower, Administrative Agent and each Bank hereby irrevocably waive such immunity in respect of its obligations under this Agreement, the Notes and any other Loan Document.

BORROWER, ADMINISTRATIVE AGENT AND EACH BANK WAIVE ANY RIGHT EACH SUCH PARTY MAY HAVE TO JURY TRIAL IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT WITH RESPECT TO THIS AGREEMENT, THE NOTES OR THE LOAN. IN ADDITION, BORROWER HEREBY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT BY ADMINISTRATIVE AGENT OR THE BANKS WITH RESPECT TO THE NOTES, ANY RIGHT BORROWER MAY HAVE (1) TO THE EXTENT PERMITTED OR NOT EXPRESSLY PROHIBITED BY APPLICABLE LAW, TO INTERPOSE ANY COUNTERCLAIM THEREIN (OTHER THAN A COUNTERCLAIM THAT IF NOT BROUGHT IN THE SUIT, ACTION OR PROCEEDING BROUGHT BY ADMINISTRATIVE AGENT OR THE BANKS COULD NOT BE BROUGHT IN A SEPARATE SUIT, ACTION OR PROCEEDING OR WOULD BE SUBJECT TO DISMISSAL OR SIMILAR DISPOSITION FOR FAILURE TO HAVE BEEN ASSERTED IN SUCH SUIT, ACTION OR PROCEEDING BROUGHT BY ADMINISTRATIVE AGENT OR THE BANKS) OR (2) TO THE EXTENT PERMITTED OR NOT EXPRESSLY PROHIBITED BY APPLICABLE LAW, TO HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING. NOTHING HEREIN CONTAINED SHALL PREVENT OR

PROHIBIT BORROWER FROM INSTITUTING OR MAINTAINING A SEPARATE ACTION AGAINST ADMINISTRATIVE AGENT OR THE BANKS WITH RESPECT TO ANY ASSERTED CLAIM.

To the extent not prohibited by applicable law, Borrower shall not assert, and Borrower hereby waives, any claim against any Bank or any Agent, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, any Loan or other extension of credit hereunder or the use of the proceeds thereof.

SECTION 12.16. Designated Lender. Any Bank (other than an Affected Bank or a Bank which is such solely because it is a Designated Lender) (each, a "Designating Lender") may at any time designate one (1) Designated Lender to fund Bid Rate Loans on behalf of such Designating Lender subject to the terms of this Section and the provisions in Section 12.05 shall not apply to such designation. No Bank may designate more than one (1) Designated Lender. The parties to each such designation shall execute and deliver to Administrative Agent for its acceptance a Designation Agreement. Upon such receipt of an appropriately completed Designation Agreement executed by a Designating Lender and a designee representing that it is a Designated Lender, Administrative Agent will accept such Designation Agreement and give prompt notice thereof to Borrower, whereupon, (i) from and after the "Effective Date" specified in the Designation Agreement, the Designated Lender shall become a party to this Agreement with a right to make Bid Rate Loans on behalf of its Designating Lender pursuant to Section 2.02 after Borrower has accepted the Bid Rate Quote of the Designating Lender and (ii) the Designated Lender shall not be required to make payments with respect to any obligations in this Agreement except to the extent of excess cash flow of such Designated Lender which is not otherwise required to repay obligations of such Designated Lender which are then due and payable; provided, however, that regardless of such designation and assumption by the Designated Lender, the Designating Lender shall be and remain obligated to Borrower, Administrative Agent and the Banks for each and every of the obligations of the Designating Lender and its related Designated Lender with respect to this Agreement, including, without limitation, any indemnification obligations under Section 10.05. Each Designating Lender shall serve as the administrative agent of its Designated Lender and shall on behalf of, and to the exclusion of, the Designated Lender (i) receive any and all payments made for the benefit of the Designated Lender and (ii) give and receive all communications and notices and take all actions hereunder, including, without limitation, votes, approvals, waivers and consents under or relating to this Agreement and the other Loan Documents. Any such notice, communication, vote, approval, waiver or consent shall be signed by the Designating Lender as administrative agent for the Designated Lender and shall not be signed by the Designated Lender on its own behalf, but shall be binding on the Designated Lender to the same extent as if actually signed by the Designated Lender. Borrower, Administrative Agent and the Banks may rely thereon without any requirement that the Designated Lender sign or acknowledge the same. No Designated Lender may assign or transfer all or any portion of its interest hereunder or under any other Loan Document, other than assignments to the Designating Lender which originally designated such Designated Lender.

SECTION 12.17. No Bankruptcy Proceedings. Each of Borrower, the Banks and Administrative Agent hereby agrees that it will not institute against any Designated Lender or join any other Person in instituting against any Designated Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any federal or state bankruptcy or similar law, for 366 days after the payment in full of the latest maturing commercial paper note issued by such Designated Lender.

SECTION 12.18. Intentionally Omitted.

SECTION 12.19. USA Patriot Act. Each Bank hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower and the General Partner, which information includes the name and address of the Borrower and the General Partner and other information that will allow such Bank to identify the Borrower and the General Partner in accordance with the Act. The Borrower shall provide such information and take such actions as are reasonably requested by the Administrative Agent or any Bank in order to assist the Administrative Agent and the Banks in maintaining compliance with applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Act.

SECTION 12.20. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Bank becomes a Defaulting Lender, then the following provisions shall apply for so long as such Bank is a Defaulting Lender:

(a) fees shall cease to accrue on the Loan Commitment of such Defaulting Lender pursuant to Section 2.08;

(b) the Loan Commitment and outstanding New Term Loans (if any) of such Defaulting Lender shall not be included in determining whether the Required Banks have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 12.02); provided, that (i) such Defaulting Lender's Loan Commitment may not be increased or extended without its consent and (ii) the principal amount of, or interest or fees payable on, Loans or Letters of Credit may not be reduced or excused or the scheduled date of payment may not be postponed as to such Defaulting Lender without such Defaulting Lender's consent;

(c) if any Letters of Credit are outstanding at the time such Bank becomes a Defaulting Lender then:

(1) all or any part of such Defaulting Lender's Pro Rata Share of such Letters of Credit shall be reallocated among the non-Defaulting Lenders in accordance with their respective Pro Rata Shares but only (x) to the extent (A) the sum of all non-Defaulting Lenders' Pro Rata Shares of Loans (other than Bid Rate Loans) and Letters of Credit plus such Defaulting Lender's Pro Rata Share of Letters of Credit does not exceed (B) the total of all non-Defaulting Lenders' Loan Commitments and (y) if the conditions set forth in Sections 4.02(1) and (2) are satisfied at such time;

(2) to the extent the reallocation described in clause (1) above cannot be effected, Borrower shall within one Banking Day following notice by the Administrative Agent, cash collateralize for the benefit of the Fronting Bank only the Borrower's obligations corresponding to such Defaulting Lender's Pro Rata Share of the Letters of Credit (after giving effect to any partial reallocation pursuant to clause (1) above) in accordance with the procedures set forth in Section 2.17(e) for so long as such Letters of Credit are outstanding or until such time and to the extent that, as a result of the paydown of the Loans, the reallocation described in clause (1) above can be effected;

(3) if Borrower cash collateralizes any portion of such Defaulting Lender's Pro Rata Share of the Letters of Credit pursuant to clause (2) above, Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.17(g) with respect to such Defaulting Lender's Pro Rata Share of the Letters of Credit during the period such Defaulting Lender's Pro Rata Share of the Letters of Credit is cash collateralized;

(4) if the Pro Rata Shares of the non-Defaulting Lenders are reallocated pursuant to clause (1) above, then the fees payable to the Banks pursuant to Section 2.08 and Section 2.17(g) shall be adjusted in accordance with such non-Defaulting Lenders' reallocated Pro Rata Shares;

(5) if all or any portion of such Defaulting Lender's Pro Rata Share of outstanding Letters of Credit is neither reallocated nor cash collateralized pursuant to clause (1) or (2) above, then, without prejudice to any rights or remedies of the Fronting Bank or any other Bank hereunder, all facility fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Loan Commitment that was utilized by such Pro Rata Share of the outstanding Letters of Credit) and letter of credit fees payable under Section 2.17(g) with respect to such Defaulting Lender's Pro Rata Share of the outstanding Letters of Credit shall be payable to the Fronting Bank until and to the extent that such Pro Rata Share is reallocated and/or cash collateralized; and

(6) so long as such Bank is a Defaulting Lender, the Fronting Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding Pro Rata Share of outstanding Letters of Credit will be 100% covered by the Loan Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 12.20(c)(2), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 12.20(c)(1) (and such Defaulting Lender shall not participate therein).

(d) If (i) a Bankruptcy Event or a Bail-In Action with respect to a Parent of any Bank shall occur following the date hereof and for so long as such event shall continue or (ii) the Fronting Bank has a good faith belief that any Bank has defaulted in fulfilling its obligations under one or more other agreements in which such bank commits to extend credit, the Fronting Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Fronting

Bank (x) shall have entered into arrangements with Borrower or such Bank, satisfactory to the Fronting Bank to defease any risk to it in respect of such Bank hereunder, or (y) is satisfied that the related exposure and such Bank's then outstanding Pro Rata Share of outstanding Letters of Credit will be 100% covered by the Loan Commitments of the other Banks and/or cash collateral will be provided by the Borrower in accordance with Section 12.20(c)(2), and participating interests in any newly issued or increased Letter of Credit shall be allocated among the other Banks in a manner consistent with Section 12.20(c)(1) (and such Bank shall not participate therein).

(e) In the event that the Administrative Agent, the Borrower, and the Fronting Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Bank to be a Defaulting Lender, then such Bank shall thereupon cease to be a Defaulting Lender and the Pro Rata Shares of the Banks with respect to the outstanding Letters of Credit shall be readjusted to reflect the inclusion of such Bank's Loan Commitment and on such date such Bank shall purchase at par such of the Loans of the other Banks (other than Bid Rate Loans) as the Administrative Agent shall determine may be necessary in order for such Bank to hold such Loans in accordance with its Pro Rata Share and cash collateral under Section 12.20(c)(3) to be redelivered to the Borrower.

(f) In the event that a Bank shall become a Defaulting Lender, then, provided that no Event of Default shall have occurred and be outstanding, and subject to the provisions of applicable law, for so long as such Bank shall remain a Defaulting Lender, Borrower shall have the right to replace such Defaulting Lender as though it were an Affected Bank, in accordance with the provisions of Section 3.07.

SECTION 12.21. Use for Mortgages. From time to time, on not less than ten (10) Banking Days' notice, the Borrower may request proceeds of the Loans be used to refinance or acquire properties secured by certain secured mortgage Debt of the Borrower and/or its Subsidiaries, in which event, a portion of the Loans equal to the amount of the advances made hereunder in connection with such refinancing or acquisition, at the Borrower's election, may be secured by an amended and restated mortgage on the property securing the mortgage Debt to be so refinanced or acquired (a "Refinancing Mortgage") and evidenced by a mortgage note executed by Borrower and/or one or more Subsidiaries (provided that if Borrower shall not execute such mortgage note, the Borrower shall execute a guaranty of such mortgage note), as more particularly set forth in Section 2.09, provided that no Refinancing Mortgage may encumber a property located in a Special Flood Hazard Area as designated by the Federal Emergency Management Agency. At least seven (7) Banking Days prior to the recordation of any Refinancing Mortgage, the Administrative Agent shall provide all Banks with a legal description and special flood hazard determination form for all property proposed to be encumbered thereby. Any such Refinancing Mortgage and any other agreement, certifications, opinions and other documents will be (i) in form and substance reasonably acceptable to the Administrative Agent and its counsel, (ii) be consistent in all respects with the terms of this Agreement, and (iii) subject to being released or assigned by the Administrative Agent at the request of the Borrower (it being understood and agreed that the Administrative Agent and the Banks shall not be required to give any representations or warranties with respect to any such release or assignment, including with respect to any aspects of the Debt secured thereby, except that it is the holder thereof and authorized to execute and deliver the same). In addition, in

connection with each Refinancing Mortgage, the Administrative Agent, at the request and expense of Borrower, will provide subordination, non-disturbance and attornment agreements and intercreditor and/or subordination agreements with respect to any other Debt secured by the related mortgaged property, in each case in form and substance reasonably satisfactory to the Administrative Agent. Unless otherwise directed by Borrower, any prepayments made by the Borrower shall be applied first to any and all Loans outstanding that are not secured by a Refinancing Mortgage, and only to Loans secured by Refinancing Mortgages if there shall be no other Loans outstanding at the time.

SECTION 12.22. Partner Guaranties. At Borrower's request from time to time, Administrative Agent shall accept "partner" guaranties of the Loans from limited partners in Borrower in such amounts and on such terms as Borrower shall request, provided that Administrative Agent shall have reasonably satisfied itself and the Banks with respect to know-your-customer requirements, Anti-Corruption Laws, OFAC, the Beneficial Ownership Regulation and similar restrictions in respect of any such proposed guarantor.

SECTION 12.23. Confidentiality. Each of the Administrative Agent, the Fronting Banks and the Banks agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees, and agents, including accountants, legal counsel, consultants and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower, (h) on a confidential basis to any rating agency in connection with rating the Borrower or the Loans or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Fronting Bank or any Bank on a non-confidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that was available to the Administrative Agent, any Fronting Bank or any Bank on a non-confidential basis prior to disclosure by the Borrower. In addition, the Administrative Agent and the Banks may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Banks in connection with the administration of this Agreement, the other Loan Documents, and the Loan Commitments.

SECTION 12.24. Transitional Arrangements.

(a) Existing 2016 Credit Agreement Superseded. This Agreement shall supersede the Existing 2016 Credit Agreement in its entirety, except as provided in this Section 12.24. On the Execution Date, (i) the loans outstanding under the Existing 2016 Credit Agreement shall become Loans hereunder, (ii) the rights and obligations of the parties under the Existing 2016 Credit Agreement and the “Notes” defined therein shall be subsumed within and be governed by this Agreement and the Notes; provided, however, that for purposes of this clause (ii) any of the “Obligations” (as defined in the Existing 2016 Credit Agreement) outstanding under the Existing 2016 Credit Agreement shall, for purposes of this Agreement, be Obligations hereunder, (iii) this Agreement shall not in any way release or impair the rights, duties or obligations created pursuant to the Existing 2016 Credit Agreement or any other Loan Document or affect the relative priorities thereof, in each case to the extent in force and effect thereunder as of the Execution Date, except as modified hereby or by documents, instruments and agreements executed and delivered in connection herewith, and all of such rights, duties and obligations are assumed, ratified and affirmed by the Borrower; (iv) the obligations incurred under the Existing 2016 Credit Agreement shall, to the extent outstanding on the Execution Date, continue outstanding under this Agreement and shall not be deemed to be paid, released, discharged or otherwise satisfied by the execution of this Agreement, and this Agreement shall not constitute a refinancing, substitution or novation of such obligations or any of the other rights, duties and obligations of the parties hereunder; and (v) the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of the Banks or the Administrative Agent under the Existing 2016 Credit Agreement, or constitute a waiver of any covenant, agreement or obligation under the Existing 2016 Credit Agreement, except to the extent that any such covenant, agreement or obligation is no longer set forth herein or is modified hereby. The Banks’ interests in such obligations, and participations in outstanding Letters of Credit under the Existing 2016 Credit Agreement, shall be reallocated on the Execution Date in accordance with each Bank's Pro Rata Share. On the Execution Date, (A) the loan commitment of each Bank that is a party to the Existing 2016 Credit Agreement but is not a party to this Agreement (an “Exiting Bank”) shall be terminated, all outstanding obligations owing to such Exiting Banks under the Existing 2016 Credit Agreement on the Execution Date shall be paid in full, and each Exiting Bank shall cease to be a Bank under this Agreement; provided, however, that, notwithstanding anything else provided herein or otherwise, any rights of an Exiting Bank under the Loan Documents that are intended by their express terms to survive termination of the Loan Commitments and/or the repayment, satisfaction or discharge of obligations under any Loan Document shall survive for such Exiting Bank hereunder, and (B) each Person listed on Schedule 1 attached to this Agreement shall be a Bank under this Agreement with the Loan Commitment set forth opposite its name on such Schedule 1. All existing Interest Periods outstanding under the Existing 2016 Credit Agreement shall remain in place on and after the Execution Date in accordance with their terms until the end of each such Interest Period, or the conversion or continuation thereof, or prepayment of the portion of the Loans subject to such Interest Period.

(b) Interest and Fees under Existing 2016 Credit Agreement. All interest and all commitment, facility and other fees and expenses owing or accruing under or in respect of the Existing 2016 Credit Agreement shall be calculated as of the Execution Date (prorated in the case of any fractional periods), and shall be paid on the Execution Date in accordance with the method specified in the Existing 2016 Credit Agreement as if such agreement were still in effect.

SECTION 12.25. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Lead Arrangers, and the Banks are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Lead Arrangers, and the Banks, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, each Lead Arranger and each Bank is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent, any Lead Arranger nor any Bank has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Lead Arrangers and the Banks and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent, any Lead Arranger, nor any Bank has any obligation to disclose any of such interests to the Borrower or its Affiliates. The Borrower agrees that it will not assert any claim against the Administrative Agent, any Lead Arranger or any Bank based on an alleged breach of fiduciary duty by such Person in connection with this Agreement and the transactions contemplated hereby.

SECTION 12.26. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

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IN WITNESS WHEREOF, the parties hereto have caused this Second Amended and Restated Revolving Credit Agreement to be duly executed as of the day and year first above written.

VORNADO REALTY L.P.,
a Delaware limited partnership

By: Vornado Realty Trust,
a Maryland real estate investment trust,
general partner

By: /s/ Alan Rice
Name: Alan J. Rice
Title: Senior Vice President

Address for Notices:

210 Route 4 East
Paramus, New Jersey 07652-0910
Attention: Chief Financial Officer
Telephone: (201) 587-1000
Telecopy: (201) 587-0600

with copies to:

Vornado Realty Trust
888 Seventh Avenue
New York, New York 10106
Attention: Executive Vice President - Capital Markets
Telephone: (212) 894-7000
Telecopy: (212) 894-7073

and

Vornado Realty Trust
888 Seventh Avenue
New York, New York 10106
Attention: Senior Vice President - Corporation Counsel
Telephone: (212) 894-7000
Telecopy: (212) 894-7996

JPMORGAN CHASE BANK, N.A., as
Administrative Agent and as a Bank and Fronting Bank

By: /s/ Sangeeta Mahadevan
Name: Sangeeta Mahadevan
Title: Executive Director

Address for Notices:

JPMorgan Chase Bank, N.A.
383 Park Avenue, 24th Floor
New York, New York 10179
Attn: Sangeeta Mahadevan
Telephone: (212) 834-7029
Telecopy: (212) 270-2157

and

JPMorgan Chase Bank, N.A.
500 Stanton Christiana Road, Ops 2, Floor 03
Newark, DE 19713-2107
Attn: Shannon Reaume
Telephone: (302) 634-1156
Telecopy: (302) 634-4733

BANK OF AMERICA, N.A.,
as a Bank and Fronting Bank

By: /s/ Cheryl Sneor
Name: Cheryl Sneor
Title: Vice President

Address for Notices:

Bank of America, N.A.
IL4-135-06-11
135 South LaSalle Street
Chicago, IL 60603
Attn: Cheryl Sneor
Telephone: (312) 828-5215
Telecopy: (312) 453-4893

WELLS FARGO BANK, N.A.,
as Bank and Fronting Bank

By: /s/ D. Bryan Gregory
Name: D. Bryan Gregory
Title: Managing Director

Address for Notices:

Wells Fargo Bank, N.A.
550 South Tryon Street, 6th Floor
Charlotte, NC 28216
Attn: D. Bryan Gregory
Telephone: (704) 410-1776

U.S. BANK NATIONAL ASSOCIATION,
as Bank and Fronting Bank

By: /s/ Kimberly Gill
Name: Kimberly Gill
Title: Vice President

Address for Notices:

U.S. Bank National Association
1 Federal Street, Floor 9
Boston, MA 02110
Attn: Kimberly Gill
Telephone: (617) 603-7659
Telecopy: (617) 603-7645

CITIBANK, N.A.

By: /s/ Christopher J. Albano
Name: Christopher J. Albano
Title: Authorized Signatory

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Denise Smyth
Name: Denise Smyth
Title: Senior Vice President

BMO HARRIS BANK, N.A.

By: /s/ Michael Kauffman
Name: Michael Kauffman
Title: Managing Director

GOLDMAN SACHS BANK USA

By: /s/ Annie Carr
Name: Annie Carr
Title: Authorized Signatory

MIZUHO BANK, LTD.

By: /s/ Tracy Rahn
Name: Tracy Rahn
Title: Authorized Signatory

TD BANK, N.A.

By: /s/ Michael Rogers

Name: Michael Rogers

Title: Vice President

MORGAN STANLEY BANK, N.A.

By: /s/ Michael King

Name: Michael King

Title: Authorized Signatory

BARCLAYS BANK PLC

By: /s/ Sean Duggan

Name: Sean Duggan

Title: Vice President

DEUTSCHE BANK AG NEW YORK BRANCH

By: /s/ Virginia Cosenza

Name: Virginia Cosenza

Title: Vice President

By: /s/ Annie Chung

Name: Annie Chung

Title: Director

SOCIETE GENERALE

By: /s/ John Hogan

Name: John Hogan

Title: Director

BRANCH BANKING AND TRUST COMPANY

By: /s/ Richard de la Vega
Name: Richard de la Vega
Title: Vice President

ING CAPITAL LLC

By: /s/ Jeffrey B. Schwartz
Name: Jeffrey B. Schwartz
Title: Director

By: /s/ Victor Sanchez
Name: Victor Sanchez
Title: Director

THE BANK OF NEW YORK MELLON

By: /s/ Carol Murray
Name: Carol Murray
Title: Director

THE BANK OF NOVA SCOTIA

By: /s/ Paula Czach
Name: Paula Czach
Title: MD/Co-Head

MUFG Bank, Ltd.

By: /s/ Ridge MacLaren
Name: Ridge MacLaren
Title: Vice President

BANK OF CHINA NEW YORK BRANCH

By: /s/ Raymond Qiao
Name: Raymond Qiao
Title: Executive Vice President

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK

By: /s/ Adam Jenner
Name: Adam Jenner
Title: Director

By: /s/ Steven Jonassen
Name: Steven Jonassen
Title: Managing Director

PEOPLE'S UNITED BANK

By: /s/ Jason Bishop
Name: Jason Bishop
Title: SVP

TRISTATE CAPITAL BANK

By: /s/ Alexander Fatenko
Name: Alexander Fatenko
Title: SVP

HSBC BANK USA, NATIONAL ASSOCIATION

By: /s/ Barbara Isaacman
Name: Barbara Isaacman
Title: Senior Vice President

CHANG HWA COMMERCIAL BANK, LTD.,
NEW YORK BRANCH

By: /s/ Jerry Liu
Name: Jerry Liu
Title: VP & General Manager

April 29, 2019

Vornado Realty Trust
New York, New York

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited consolidated interim financial information of Vornado Realty Trust and subsidiaries for the periods ended March 31, 2019, and 2018, and have issued our report dated April 29, 2019. As indicated in our report, because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, is incorporated by reference in the following Registration Statements of Vornado Realty Trust:

Amendment No.1 to Registration Statement No. 333-36080 on Form S-3
Registration Statement No. 333-64015 on Form S-3
Amendment No.1 to Registration Statement No. 333-50095 on Form S-3
Registration Statement No. 333-52573 on Form S-8
Registration Statement No. 333-76327 on Form S-3
Amendment No.1 to Registration Statement No. 333-89667 on Form S-3
Amendment No.1 to Registration Statement No. 333-102215 on Form S-3
Amendment No.1 to Registration Statement No. 333-102217 on Form S-3
Registration Statement No. 333-105838 on Form S-3
Registration Statement No. 333-107024 on Form S-3
Registration Statement No. 333-114146 on Form S-3
Registration Statement No. 333-121929 on Form S-3
Amendment No.1 to Registration Statement No. 333-120384 on Form S-3
Registration Statement No. 333-126963 on Form S-3
Registration Statement No. 333-139646 on Form S-3
Registration Statement No. 333-141162 on Form S-3
Registration Statement No. 333-150592 on Form S-3
Registration Statement No. 333-166856 on Form S-3
Registration Statement No. 333-172880 on Form S-8
Registration Statement No. 333-191865 on Form S-4

and in the following joint registration statement of Vornado Realty Trust and Vornado Realty L. P.:

Registration Statement No. 333-224104 on Form S-3

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey

April 29, 2019

Vornado Realty L.P.
New York, New York

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited consolidated interim financial information of Vornado Realty L.P. and subsidiaries for the periods ended March 31, 2019, and 2018, and have issued our report dated April 29, 2019. As indicated in our report, because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, is incorporated by reference in the joint Registration Statement No. 333-224104 on Form S-3 of Vornado Realty Trust and Vornado Realty L.P.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey

CERTIFICATION

I, Steven Roth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vornado Realty Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 29, 2019

/s/ Steven Roth

Steven Roth

Chairman of the Board and Chief Executive Officer

CERTIFICATION

I, Joseph Macnow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vornado Realty Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 29, 2019

/s/ Joseph Macnow

Joseph Macnow

Executive Vice President – Chief Financial Officer and
Chief Administrative Officer

CERTIFICATION

I, Steven Roth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vornado Realty L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 29, 2019

/s/ Steven Roth

Steven Roth

Chairman of the Board and Chief Executive Officer
of Vornado Realty Trust, sole General Partner of Vornado Realty
L.P.

CERTIFICATION

I, Joseph Macnow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vornado Realty L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 29, 2019

/s/ Joseph Macnow

Joseph Macnow

Executive Vice President – Chief Financial Officer and
Chief Administrative Officer of Vornado Realty Trust,
sole General Partner of Vornado Realty L.P.

CERTIFICATION

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Vornado Realty Trust (the "Company"), hereby certifies, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 29, 2019

/s/ Steven Roth

Name: Steven Roth

Title: Chairman of the Board and Chief Executive Officer

CERTIFICATION

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Vornado Realty Trust (the "Company"), hereby certifies, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 29, 2019

/s/ Joseph Macnow

Name: Joseph Macnow
Title: Executive Vice President – Chief Financial Officer
and Chief Administrative Officer

CERTIFICATION

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Vornado Realty L.P. (the "Company"), hereby certifies, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 29, 2019

/s/ Steven Roth

Name: Steven Roth
Title: Chairman of the Board and Chief Executive Officer
of Vornado Realty Trust, sole General Partner of
Vornado Realty L.P.

CERTIFICATION

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Vornado Realty L.P. (the "Company"), hereby certifies, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 29, 2019

/s/ Joseph Macnow

Name: Joseph Macnow
Title: Executive Vice President – Chief Financial Officer
and Chief Administrative Officer of Vornado Realty
Trust, sole General Partner of Vornado Realty L.P.