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

FORM 10-K

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

For the Fiscal Year Ended: December 31, 2016

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** (State or other jurisdiction of incorporation or organization)	**22-1657560** (I.R.S. Employer Identification Number)
Vornado Realty L.P.	**Delaware** (State or other jurisdiction of incorporation or organization)	**13-3925979** (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)

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of Each Class	Name of Exchange on Which Registered
Vornado Realty Trust	Common Shares of beneficial interest, $.04 par value per share	New York Stock Exchange
	Cumulative Redeemable Preferred Shares of beneficial interest, no par value:	
Vornado Realty Trust	6.625% Series G	New York Stock Exchange
Vornado Realty Trust	6.625% Series I	New York Stock Exchange
Vornado Realty Trust	5.70% Series K	New York Stock Exchange
Vornado Realty Trust	5.40% Series L	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Registrant	Title of Each Class
Vornado Realty L.P.	Class A Units of Limited Partnership Interest

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Vornado Realty Trust: YES ☒ NO o Vornado Realty L.P.: YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Vornado Realty Trust: YES ☒ NO o Vornado Realty L.P.: YES ☐ NO ☒

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 o Vornado Realty L.P.: YES ☒ NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted 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 o Vornado Realty L.P.: YES ☒ NO o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Vornado Realty Trust:

☒ Large Accelerated Filer ☐ Accelerated Filer
☐ Non-Accelerated Filer (Do not check if smaller reporting company) ☐ Smaller Reporting Company

Vornado Realty L.P.:

☐ Large Accelerated Filer ☐ Accelerated Filer
☒ Non-Accelerated Filer (Do not check if smaller reporting company) ☐ Smaller Reporting Company

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 x Vornado Realty L.P.: YES ☐ NO ☒

The aggregate market value of the voting and non-voting common shares held by non-affiliates of Vornado Realty Trust, i.e. by persons other than officers and trustees of Vornado Realty Trust, was $17,294,426,000 at June 30, 2016.

As of December 31, 2016, there were 189,100,876 common shares of beneficial interest outstanding of Vornado Realty Trust.

There is no public market for the Class A units of limited partnership interest of Vornado Realty L.P. Based on the June 30, 2016 closing share price of Vornado Realty Trust's common shares, which are issuable upon redemption of the Class A units, the aggregate market value of the Class A units held by non-affiliates of Vornado Realty L.P., i.e. by persons other than Vornado Realty Trust and its officers and trustees, was $984,737,000 at June 30, 2016.

Documents Incorporated by Reference

Part III: Portions of Proxy Statement for Annual Meeting of Vornado Realty Trust's Shareholders to be held on May 18, 2017.

This Annual Report on Form 10-K omits financial statements required under Rule 3-09 of Regulation S-X, for Toys "R" Us, Inc. An amendment to this Annual Report on Form 10-K will be filed as soon as practicable following the availability of such financial statements.

EXPLANATORY NOTE

This report combines the Annual Reports on Form 10-K for the fiscal year ended December 31, 2016 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 entities/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 93.7% 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 Annual Reports on Form 10-K 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 other 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, which are contributed to the capital of the Operating Partnership in exchange for Class A units of partnership in the Operating Partnership, as applicable, the Operating Partnership generates all remaining capital required by the Company's business. These capital 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 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities;
- Item 6. Selected Financial Data;
- Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations includes information specific to each entity, where applicable; and
- Item 8. Financial Statements and Supplementary Data which includes the following specific disclosures for Vornado Realty Trust and Vornado Realty L.P.:
  - Note 9. Redeemable Noncontrolling Interests/Redeemable Partnership Units
  - Note 10. Shareholders' Equity/Partners' Capital
  - Note 13. Stock-based Compensation
  - Note 17. Income Per Share/Income Per Class A Unit
  - Note 22. Summary of Quarterly Results (Unaudited)

This report also includes separate Part II, Item 9A. Controls and Procedures sections, separate Exhibit 12 computation of ratios, 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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(1) These items are omitted in whole or in part because Vornado, the Operating Partnership's sole general partner, will file a definitive Proxy Statement pursuant to Regulation 14A under the Securities Exchange Act of 1934 with the Securities and Exchange Commission no later than 120 days after December 31, 2016, portions of which are incorporated by reference herein.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein 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 future 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 Annual Report on Form 10-K. 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 this Annual Report on Form 10-K.

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 Annual Report on Form 10-K 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 Annual Report on Form 10-K.

PART I

ITEM 1. BUSINESS

Vornado is a fully-integrated REIT and conducts its business through, and substantially all of its interests in properties are held by, the Operating Partnership, a Delaware limited partnership. Accordingly, Vornado's cash flow and ability to pay dividends to its shareholders is dependent upon the cash flow of the Operating Partnership and the ability of its direct and indirect subsidiaries to first satisfy their obligations to creditors. Vornado is the sole general partner of, and owned approximately 93.7% of the common limited partnership interest in the Operating Partnership at December 31, 2016.

On October 31, 2016, Vornado's Board of Trustees approved the tax-free spin-off of our Washington, DC segment and we entered into a definitive agreement to merge it with the business and certain select assets of The JBG Companies ("JBG"), a Washington, DC real estate company. Steven Roth, the Chairman of the Board of Trustees and Chief Executive Officer of Vornado, will be Chairman of the Board of Trustees of the new company, which will be named JBG SMITH Properties. Mitchell Schear, President of our Washington, DC business, will be a member of the Board of Trustees of the new company. The pro rata distribution to Vornado common shareholders and Class A Operating Partnership unitholders is intended to be treated as a tax-free spin-off for U.S. federal income tax purposes. It is expected to be made on a pro rata 1:2 basis. The initial Form 10 registration statement relating to the spin-off and merger was filed with the SEC on January 23, 2017 and the distribution and combination are expected to be completed in the second quarter of 2017. The distribution and combination are subject to certain conditions, including the SEC declaring the Form 10 registration statement effective, filing and approval of the new company's listing application, receipt of regulatory approvals and third party consents by each of the Company and JBG, and formal declaration of the distribution by Vornado's Board of Trustees. The distribution and combination are not subject to a vote by Vornado's shareholders or Operating Partnership unitholders. Vornado's Board of Trustees has approved the transaction. JBG has obtained all requisite approvals from its investment funds for this transaction. There can be no assurance that this transaction will be completed.

We currently own all or portions of:

New York:

- 20.2 million square feet of Manhattan office space in 36 properties;
- 2.7 million square feet of Manhattan street retail space in 70 properties;
- 2,004 units in twelve residential properties;
- The 1,700 room Hotel Pennsylvania located on Seventh Avenue at 33rd Street in the heart of the Penn Plaza district;
- A 32.4% interest in Alexander's, Inc. ("Alexander's") (NYSE: ALX), which owns seven properties in the greater New York metropolitan area, including 731 Lexington Avenue, the1.3 million square foot Bloomberg, L.P. headquarters building;

Washington, DC:

- 11.1 million square feet of office space in 44 properties;
- 3,156 units in nine residential properties;

Other Real Estate and Related Investments:

- The 3.7 million square foot Mart ("theMART") in Chicago;
- A 70% controlling interest in 555 California Street, a three-building office complex in San Francisco's financial district aggregating1.8 million square feet, known as the Bank of America Center;
- A 25.0% interest in Vornado Capital Partners, our real estate fund. We are the general partner and investment manager of the fund;
- A 32.5% interest in Toys "R" Us, Inc. ("Toys"); and
- Other real estate and other investments.

OBJECTIVES AND STRATEGY

Our business objective is to maximize Vornado shareholder value. We intend to achieve this objective by continuing to pursue our investment philosophy and execute our operating strategies through:

- maintaining a superior team of operating and investment professionals and an entrepreneurial spirit;
- investing in properties in select markets, such as New York City, where we believe there is a high likelihood of capital appreciation;
- acquiring quality properties at a discount to replacement cost and where there is a significant potential for higher rents;
- investing in retail properties in select under-stored locations such as the New York City metropolitan area;
- developing and redeveloping our existing properties to increase returns and maximize value; and
- investing in operating companies that have a significant real estate component.

We expect to finance our growth, acquisitions and investments using internally generated funds, proceeds from asset sales and by accessing the public and private capital markets. We may also offer Vornado common or preferred shares or Operating Partnership units in exchange for property and may repurchase or otherwise reacquire these securities in the future.

ACQUISITIONS

There were no significant acquisitions during 2016.

DISPOSITIONS

On May 27, 2016, we sold a 47% ownership interest in 7 West 34th Street for net proceeds of $127.4 million.

On August 24, 2016, the Skyline properties, located in Fairfax, Virginia, were placed in receivership. On December 21, 2016, the final disposition of the Skyline properties was completed by the receiver. In connection therewith, the Skyline properties' assets (approximately $236.5 million) and liabilities (approximately $724.4 million), were removed from our consolidated balance sheet which resulted in a net gain of $487.9 million. There was no taxable income related to this transaction.

On December 19, 2016, we sold a 20% ownership interest in Fairfax Square for $15.5 million.

FINANCINGS

We completed the following financing transactions during 2016:

- $900 million refinancing of 280 Park Avenue (50% owned);
- $700 million refinancing of 770 Broadway for net proceeds of approximately $330 million;
- $675 million refinancing of theMART for net proceeds of approximately $124 million;
- $400 million refinancing of 350 Park Avenue for net proceeds of approximately $111 million;
- $300 million refinancing of One Park Avenue (55% owned);
- $300 million financing of 7 West 34th Street (53% owned as of May 27, 2016);
- $273 million refinancing of The Warner Building (55% owned);
- $ 80 million refinancing of 50-70 West 93rd Street (49.9% owned); and
- $247 million redemption of all of the outstanding 6.875% Series J cumulative redeemable preferred shares

We also extended one of our two $1.25 billion unsecured revolving credit facilities to February 2021 with two six-month extension options, lowering the interest rate from LIBOR plus 115 basis points to LIBOR plus 100 basis points. The facility fee remains unchanged at 20 basis points.

DEVELOPMENT AND REDEVELOPMENT EXPENDITURES

We are constructing a residential condominium tower containing 397,000 salable square feet on our 220 Central Park South development site. The incremental development cost of this project is estimated to be approximately $1.3 billion, of which $609,420,000 has been expended as of December 31, 2016.

We are developing a 173,000 square foot Class-A office building at 512 West 22nd Street, along the western edge of the High Line in the West Chelsea submarket of Manhattan (55.0% owned). The incremental development cost of this project is estimated to be approximately $130,000,000, of which our share is $72,000,000. As of December 31, 2016, $30,143,000 has been expended, of which our share is $16,579,000.

We are developing a 170,000 square foot office and retail building at 61 Ninth Avenue, located on the southwest corner of Ninth Avenue and 15th Street in the West Chelsea submarket of Manhattan. In February 2016, the venture purchased an adjacent five story loft building and air rights in exchange for a 10% common and preferred equity interest in the venture valued at $19,400,000, which reduced our ownership interest to 45.1% from 50.1%. On December 21, 2016, the venture obtained a $90,000,000 construction loan. The loan matures in December 2020 with two six-month extension options. The interest rate is LIBOR plus 3.05%. As of December 31, 2016, there was nothing drawn on this loan. The incremental development cost of this project is estimated to be approximately $150,000,000, of which our share is $68,000,000. As of December 31, 2016, $38,499,000 has been expended, of which our share is $17,363,000.

We are developing a 34,000 square foot office and retail building at 606 Broadway, located on the northeast corner of Broadway and Houston Street in Manhattan (50.0% owned). At closing, the joint venture obtained a $65,000,000 construction loan, of which approximately $25,800,000 was outstanding as of December 31, 2016. The loan, which bears interest at LIBOR plus 3.00% (3.66% at December 31, 2016), matures in May 2019 with two one-year extension options. The venture's incremental development cost of this project is estimated to be approximately $60,000,000, of which our share is $30,000,000. As of December 31, 2016, $20,833,000 has been expended, of which our share is $10,417,000.

We are in the process of demolishing two adjacent Washington, DC office properties, 1726 M Street and 1150 17th Street, and will replace them in the future with a new 335,000 square foot Class A office building, to be addressed 1700 M Street. The incremental development cost of the project is estimated to be approximately $170,000,000, of which $10,500,000 has been expended as of December 31, 2016.

In September 2016, a joint venture between the Related Companies and Vornado was designated by New York State to redevelop the historic Farley Post Office building. The building will include a new Moynihan Train Hall and approximately 850,000 rentable square feet of office space and ancillary train hall retail. The joint venture will enter into a 99-year, triple-net lease and make a $230,000,000 contribution towards the construction of the train hall. Total costs for the redevelopment of the office and retail space are yet to be determined.

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

SEGMENT DATA

We operate in the following business segments: New York and Washington, DC. Financial information related to these business segments for the years ended December 31, 2016, 2015 and 2014 is set forth in Note 23 -*Segment Information* to our consolidated financial statements in this Annual Report on Form 10-K.

SEASONALITY

Our revenues and expenses are subject to seasonality during the year which impacts quarterly net earnings, cash flows and funds from operations, and therefore impacts comparisons of the current quarter to the previous quarter. The New York and Washington, DC segments have historically experienced higher utility costs in the first and third quarters of the year.

TENANTS ACCOUNTING FOR OVER 10% OF REVENUES

None of our tenants accounted for more than 10% of total revenues in any of the years ended December 31, 2016, 2015 and 2014

CERTAIN ACTIVITIES

We do not base our acquisitions and investments on specific allocations by type of property. We have historically held our properties for long-term investment; however, it is possible that properties in our portfolio may be sold when circumstances warrant. Further, we have not adopted a policy that limits the amount or percentage of assets which could be invested in a specific property or property type. While we may seek the vote of our shareholders in connection with any particular material transaction, generally our activities are reviewed and may be modified from time to time by Vornado's Board of Trustees without the vote of our shareholders or Operating Partnership unitholders.

EMPLOYEES

As of December 31, 2016, we have approximately 4,225 employees, of which 284 are corporate staff. The New York segment has 3,265 employees, including 2,634 employees of Building Maintenance Services LLC, a wholly owned subsidiary, which provides cleaning, security and engineering services primarily to our New York and Washington, DC properties and 459 employees at the Hotel Pennsylvania. The Washington, DC segment and theMART properties have 456 and 220 employees, respectively. The foregoing does not include employees of partially owned entities.

PRINCIPAL EXECUTIVE OFFICES

Our principal executive offices are located at 888 Seventh Avenue, New York, New York 10019; telephone (212) 894-7000.

MATERIALS AVAILABLE ON OUR WEBSITE

Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, as well as Reports on Forms 3, 4 and 5 regarding officers, trustees or 10% beneficial owners, filed or furnished pursuant to Section 13(a), 15(d) or 16(a) of the Securities Exchange Act of 1934 are available free of charge through our website (www.vno.com) as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission. Also available on our website are copies of our Audit Committee Charter, Compensation Committee Charter, Corporate Governance and Nominating Committee Charter, Code of Business Conduct and Ethics and Corporate Governance Guidelines. In the event of any changes to these charters or the code or guidelines, changed copies will also be made available on our website. Copies of these documents are also available directly from us free of charge. Our website also includes other financial information, including certain non-GAAP financial measures, none of which is a part of this Annual Report on Form 10-K. Copies of our filings under the Securities Exchange Act of 1934 are also available free of charge from us, upon request.

ITEM 1A. RISK FACTORS

Material factors that may adversely affect our business, operations and financial condition are summarized below. We refer to the equity and debt securities of both Vornado and the Operating Partnership as our "securities" and the investors who own shares or units, or both, as our "equity holders." The risks and uncertainties described herein may not be the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. See "Forward-Looking Statements" contained herein on page 6.

REAL ESTATE INVESTMENTS' VALUE AND INCOME FLUCTUATE DUE TO VARIOUS FACTORS.

The value of real estate fluctuates depending on conditions in the general economy and the real estate business. These conditions may also adversely impact our revenues and cash flows.

The factors that affect the value of our real estate investments include, among other things:

- global, national, regional and local economic conditions;
- competition from other available space;
- local conditions such as an oversupply of space or a reduction in demand for real estate in the area;
- how well we manage our properties;
- the development and/or redevelopment of our properties;
- changes in market rental rates;
- the timing and costs associated with property improvements and rentals;
- whether we are able to pass all or portions of any increases in operating costs through to tenants;
- changes in real estate taxes and other expenses;
- whether tenants and users such as customers and shoppers consider a property attractive;
- changes in space utilization by our tenants due to technology, economic conditions and business environment;
- the financial condition of our tenants, including the extent of tenant bankruptcies or defaults;
- availability of financing on acceptable terms or at all;
- inflation or deflation;
- fluctuations in interest rates;
- our ability to obtain adequate insurance;
- changes in zoning laws and taxation;
- government regulation;
- consequences of any armed conflict involving, or terrorist attacks against, the United States or individual acts of violence in public spaces including retail centers;
- potential liability under environmental or other laws or regulations;
- natural disasters;
- general competitive factors; and
- climate changes.

The rents or sales proceeds we receive and the occupancy levels at our properties may decline as a result of adverse changes in any of these factors. If rental revenues, sales proceeds and/or occupancy levels decline, we generally would expect to have less cash available to pay indebtedness and for distribution to equity holders. In addition, some of our major expenses, including mortgage payments, real estate taxes and maintenance costs generally do not decline when the related rents decline.

Capital markets and economic conditions can materially affect our liquidity, financial condition and results of operations as well as the value of our debt and equity securities.

There are many factors that can affect the value of our debt and equity securities, including the state of the capital markets and the economy. Demand for office and retail space may decline nationwide, as it did in 2008 and 2009 due to the economic downturn, bankruptcies, downsizing, layoffs and cost cutting. Government action or inaction may adversely affect the state of the capital markets. The cost and availability of credit may be adversely affected by illiquid credit markets and wider credit spreads, which may adversely affect our liquidity and financial condition, including our results of operations, and the liquidity and financial condition of our tenants. Our inability or the inability of our tenants to timely refinance maturing liabilities and access the capital markets to meet liquidity needs may materially affect our financial condition and results of operations and the value of our securities.

Real estate is a competitive business.

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.

We depend on leasing space to tenants on economically favorable terms and collecting rent from tenants who may not be able to pay.

Our financial results depend significantly on leasing space in our properties to tenants on economically favorable terms. In addition, because a majority of our income comes from renting of real property, our income, funds available to pay indebtedness and funds available for distribution to equity holders will decrease if a significant number of our tenants cannot pay their rent or if we are not able to maintain occupancy levels on favorable terms. If a tenant does not pay its rent, we may not be able to enforce our rights as landlord without delays and may incur substantial legal costs. During periods of economic adversity, there may be an increase in the number of tenants that cannot pay their rent and an increase in vacancy rates.

We may be unable to renew leases or relet space as leases expire.

When our tenants decide not to renew their leases upon their expiration, we may not be able to relet the space. Even if tenants do renew or we can relet the space, the terms of renewal or reletting, taking into account among other things, the cost of improvements to the property and leasing commissions, may be less favorable than the terms in the expired leases. In addition, changes in space utilization by our tenants may impact our ability to renew or relet space without the need to incur substantial costs in renovating or redesigning the internal configuration of the relevant property. If we are unable to promptly renew the leases or relet the space at similar rates or if we incur substantial costs in renewing or reletting the space, our cash flow and ability to service debt obligations and pay dividends and distributions to equity holders could be adversely affected.

Bankruptcy or insolvency of tenants may decrease our revenue, net income and available cash.

From time to time, some of our tenants have declared bankruptcy, and other tenants may declare bankruptcy or become insolvent in the future. The bankruptcy or insolvency of a major tenant could cause us to suffer lower revenues and operational difficulties, including leasing the remainder of the property. As a result, the bankruptcy or insolvency of a major tenant could result in decreased revenue, net income and funds available to pay our indebtedness or make distributions to equity holders.

We may incur significant costs to comply with environmental laws and environmental contamination may impair our ability to lease and/or sell real estate.

Our operations and properties are subject to various federal, state and local laws and regulations concerning the protection of the environment, including air and water quality, hazardous or toxic substances and health and safety. Under some environmental laws, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances released at a property. The owner or operator may also be held liable to a governmental entity or to third parties for property damage or personal injuries and for investigation and clean-up costs incurred by those parties because of the contamination. These laws often impose liability without regard to whether the owner or operator knew of the release of the substances or caused the release. The presence of contamination or the failure to remediate contamination may impair our ability to sell or lease real estate or to borrow using the real estate as collateral. Other laws and regulations govern indoor and outdoor air quality including those that can require the abatement or removal of asbestos-containing materials in the event of damage, demolition, renovation or remodeling and also govern emissions of and exposure to asbestos fibers in the air. The maintenance and removal of lead paint and certain electrical equipment containing polychlorinated biphenyls (PCBs) are also regulated by federal and state laws. We are also subject to risks associated with human exposure to chemical or biological contaminants such as molds, pollens, viruses and bacteria which, above certain levels, can be alleged to be connected to allergic or other health effects and symptoms in susceptible individuals. Our predecessor companies may be subject to similar liabilities for activities of those companies in the past. We could incur fines for environmental compliance and be held liable for the costs of remedial action with respect to the foregoing regulated substances or related claims arising out of environmental contamination or human exposure to contamination at or from our properties.

Each of our properties has been subject to varying degrees of environmental assessment. To date, these environmental assessments have not revealed any environmental condition material to our business. However, identification of new compliance concerns or undiscovered areas of contamination, changes in the extent or known scope of contamination, human exposure to contamination or changes in clean-up or compliance requirements could result in significant costs to us.

In addition, we may become subject to costs or taxes, or increases therein, associated with natural resource or energy usage (such as a "carbon tax"). These costs or taxes could increase our operating costs and decrease the cash available to pay our obligations or distribute to equity holders.

We face risks associated with our tenants being designated "Prohibited Persons" by the Office of Foreign Assets Control and similar requirements.

Pursuant to Executive Order 13224 and other laws, the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") maintains a list of persons designated as terrorists or who are otherwise blocked or banned ("Prohibited Persons") from conducting business or engaging in transactions in the United States and thereby restricts our doing business with such persons. In addition, our leases, loans and other agreements may require us to comply with OFAC and related requirements, and any failure to do so may result in a breach of such agreements. If a tenant or other party with whom we conduct business is placed on the OFAC list or is otherwise a party with whom we are prohibited from doing business, we may be required to terminate the lease or other agreement. Any such termination could result in a loss of revenue or otherwise negatively affect our financial results and cash flows.

Our business and operations would suffer in the event of system failures.

Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for our internal information technology systems, our systems are vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, terrorism, war and telecommunication failures. Any system failure or accident that causes interruptions in our operations could result in a material disruption to our business. We may also incur additional costs to remedy damages caused by such disruptions.

The occurrence of cyber incidents, or a deficiency in our cyber security, could negatively impact our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our business relationships or reputation, all of which could negatively impact our financial results.

We face risks associated with security breaches, whether through cyber attacks or cyber intrusions over the Internet, malware, computer viruses, attachments to e-mails, persons who access our systems from inside or outside our organization, and other significant disruptions of our IT networks and related systems. The risk of a security breach or disruption, particularly through cyber attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Our IT networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations (including managing our building systems) and, in some cases, may be critical to the operations of certain of our tenants. Although we make efforts to maintain the security and integrity of these types of IT networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed to not be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

A security breach or other significant disruption involving our IT networks and related systems could disrupt the proper functioning of our networks and systems and therefore our operations and/or those of certain of our tenants; result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of, proprietary, confidential, sensitive or otherwise valuable information of ours or others, which others could use to compete against us or which could expose us to damage claims by third-parties for disruptive, destructive or otherwise harmful purposes and outcomes; result in our inability to maintain the building systems relied upon by our tenants for the efficient use of their leased space; require significant management attention and resources to remedy any damages that result; subject us to claims for breach of contract, damages, credits, penalties or termination of leases or other agreements; or damage our reputation among our tenants and investors generally. Any or all of the foregoing could have a material adverse effect on our results of operations, financial condition and cash flows.

Some of our potential losses may not be covered by 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 $180,000,000 per occurrence and in the annual 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 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 $1,622,000 ($1,976,000 for 2017) and 16% (17% for 2017) 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 costs of coverage for acts of terrorism. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future.

Our debt instruments, consisting of mortgage loans secured by our properties which are non-recourse to us, 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 reasonable costs in the future. Further, if lenders insist on greater coverage than we are able to obtain it could adversely affect our ability to finance our properties and expand our portfolio.

Compliance or failure to comply with the Americans with Disabilities Act or other safety regulations and requirements could result in substantial costs.

The Americans with Disabilities Act ("ADA") generally requires that public buildings, including our properties, meet certain federal requirements related to access and use by disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants and/or legal fees to their counsel. From time to time persons have asserted claims against us with respect to some of our properties under the ADA, but to date such claims have not resulted in any material expense or liability. If, under the ADA, we are required to make substantial alterations and capital expenditures in one or more of our properties, including the removal of access barriers, it could adversely affect our financial condition and results of operations, as well as the amount of cash available for distribution to equity holders.

Our properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If we fail to comply with these requirements, we could incur fines or private damage awards. We do not know whether existing requirements will change or whether compliance with future requirements will require significant unanticipated expenditures that will affect our cash flow and results of operations.

OUR INVESTMENTS ARE CONCENTRATED CURRENTLY IN THE NEW YORK CITY METROPOLITAN AREA AND WASHINGTON, DC/NORTHERN VIRGINIA AREA AND CIRCUMSTANCES AFFECTING THESE AREAS GENERALLY COULD ADVERSELY AFFECT OUR BUSINESS. UPON COMPLETION OF OUR PROPOSED SPIN-OFF OF OUR WASHINGTON, DC SEGMENT, OUR BUSINESS AND INVESTMENTS WILL BE LESS DIVERSIFIED AND MORE CONCENTRATED IN THE NEW YORK CITY METROPOLITAN AREA.

A significant portion of our properties are located currently in the New York City/New Jersey metropolitan area and Washington, DC/Northern Virginia area and are affected by the economic cycles and risks inherent to those areas.

In 2016, approximately 91% of our EBITDA, as adjusted, came from properties located in the New York City metropolitan area and the Washington, DC/Northern Virginia area. We may continue to concentrate a significant portion of our future acquisitions in these areas or in other geographic real estate markets in the United States or abroad. Real estate markets are subject to economic downturns and we cannot predict how economic conditions will impact these markets in either the short or long term. Declines in the economy or declines in real estate markets in these areas could hurt our financial performance and the value of our properties. In addition to the factors affecting the national economic condition generally, the factors affecting economic conditions in these regions include:

- financial performance and productivity of the media, advertising, financial, technology, retail, insurance and real estate industries;
- with respect to our Washington, DC segment, space needs of, and budgetary constraints affecting, the United States Government, including the effect of a deficit reduction plan and/or base closures and repositioning under the Defense Base Closure and Realignment Act of 2005, as amended;
- business layoffs or downsizing;
- industry slowdowns;
- relocations of businesses;
- changing demographics;
- increased telecommuting and use of alternative work places;
- changes in the number of domestic and international tourists to our markets (including, as a result of changes in the relative strengths of world currencies);
- infrastructure quality; and
- any oversupply of, or reduced demand for, real estate.

Assuming we complete the spin-off of our Washington, DC segment as expected, our real estate investments will be more concentrated in New York City and less diversified than prior to the spin-off. After giving effect to the spin-off and assuming it was completed as of January 1, 2016, 89% of our EBITDA, as adjusted, came from properties located in the New York City metropolitan area.

It is impossible for us to assess the future effects of trends in the economic and investment climates of the geographic areas in which we concentrate, and more generally of the United States, or the real estate markets in these areas. Local, national or global economic downturns, would negatively affect our businesses and profitability.

Terrorist attacks, such as those of September 11, 2001 in New York City and the Washington, DC area, may adversely affect the value of our properties and our ability to generate cash flow.

We have significant investments in large metropolitan areas, including the New York, Washington, DC, Chicago and San Francisco metropolitan areas. In response to a terrorist attack or the perceived threat of terrorism, tenants in these areas may choose to relocate their businesses to less populated, lower-profile areas of the United States that may be perceived to be less likely targets of future terrorist activity and fewer customers may choose to patronize businesses in these areas. This, in turn, would trigger a decrease in the demand for space in these areas, which could increase vacancies in our properties and force us to lease space on less favorable terms. As a result, the value of our properties and the level of our revenues and cash flows could decline materially.

Natural disasters and the effects of climate change could have a concentrated impact on the areas where we operate and could adversely impact our results.

Our investments are concentrated in the New York, Washington, DC, Chicago and San Francisco metropolitan areas. Natural disasters, including earthquakes, storms and hurricanes, could impact our properties in these and other areas in which we operate. Potentially adverse consequences of "global warming" could similarly have an impact on our properties. As a result, we could become subject to significant losses and/or repair costs that may or may not be fully covered by insurance and to the risk of business interruption. The incurrence of these losses, costs or business interruptions may adversely affect our operating and financial results.

WE MAY ACQUIRE OR SELL ASSETS OR ENTITIES OR DEVELOP PROPERTIES. OUR FAILURE OR INABILITY TO CONSUMMATE THESE TRANSACTIONS OR MANAGE THE RESULTS OF THESE TRANSACTIONS COULD ADVERSELY AFFECT OUR OPERATIONS AND FINANCIAL RESULTS.

We may acquire, develop or redevelop real estate and acquire related companies and this may create risks.

We may acquire, develop or redevelop properties or acquire real estate related companies when we believe doing so is consistent with our business strategy. We may not succeed in (i) developing, redeveloping or acquiring real estate and real estate related companies; (ii) completing these activities on time or within budget; and (iii) leasing or selling developed, redeveloped or acquired properties at amounts sufficient to cover our costs. Competition in these activities could also significantly increase our costs. Difficulties in integrating acquisitions may prove costly or time-consuming and could divert management's attention. Acquisitions or developments in new markets or industries where we do not have the same level of market knowledge may result in weaker than anticipated performance. We may also abandon acquisition or development opportunities that we have begun pursuing and consequently fail to recover expenses already incurred. Furthermore, we may be exposed to the liabilities of properties or companies acquired, some of which we may not be aware of at the time of acquisition.

From time to time we have made, and in the future we may seek to make, one or more material acquisitions. The announcement of such a material acquisition may result in a rapid and significant decline in the price of our securities.

We are continuously looking at material transactions that we believe will maximize shareholder value. However, an announcement by us of one or more significant acquisitions could result in a quick and significant decline in the price of our securities.

It may be difficult to buy and sell real estate quickly, which may limit our flexibility.

Real estate investments are relatively difficult to buy and sell quickly. Consequently, we may have limited ability to vary our portfolio promptly in response to changes in economic or other conditions.

We may not be permitted to dispose of certain properties or pay down the debt associated with those properties when we might otherwise desire to do so without incurring additional costs. In addition, when we dispose of or sell assets, we may not be able to reinvest the sales proceeds and earn similar returns.

As part of an acquisition of a property, or a portfolio of properties, we may agree, and in the past have agreed, not to dispose of the acquired properties or reduce the mortgage indebtedness for a long-term period, unless we pay certain of the resulting tax costs of the seller. These agreements could result in us holding on to properties that we would otherwise sell and not pay down or refinance. In addition, when we dispose of or sell assets, we may not be able to reinvest the sales proceeds and earn returns similar to those generated by the assets that were sold.

From time to time we have made, and in the future we may seek to make, investments in companies over which we do not have sole control. Some of these companies operate in industries with different risks than investing and operating real estate.

From time to time we have made, and in the future we may seek to make, investments in companies that we may not control, including, but not limited to, Alexander's, Inc. ("Alexander's"), Toys "R" Us, Inc. ("Toys"), Lexington Realty Trust ("Lexington"), Urban Edge Properties ("UE"), Pennsylvania Real Estate Investment Trust ("PREIT"), and other equity and loan investments. Although these businesses generally have a significant real estate component, some of them operate in businesses that are different from investing and operating real estate, including operating or managing toy stores. Consequently, we are subject to operating and financial risks of those industries and to the risks associated with lack of control, such as having differing objectives than our partners or the entities in which we invest, or becoming involved in disputes, or competing directly or indirectly with these partners or entities. In addition, we rely on the internal controls and financial reporting controls of these entities and their failure to maintain effectiveness or comply with applicable standards may adversely affect us.

We are subject to risks that affect the general and New York City retail environments.

Certain of our properties are Manhattan street retail properties. As such, these properties are affected by the general and New York City retail environments, including the level of consumer spending and consumer confidence, change in relative strengths of world currencies, the threat of terrorism, increasing competition from retailers, outlet malls, retail websites and catalog companies and the impact of technological change upon the retail environment generally. These factors could adversely affect the financial condition of our retail tenants and the willingness of retailers to lease space in our retail locations, and in turn, adversely affect us.

Our investment in Toys has in the past and may in the future result in increased seasonality and volatility in our reported earnings.

We carry our Toys investment at zero. As a result, we no longer record our equity in Toys' income or loss. Because Toys is a retailer, its operations subject us to the risks of a retail company that are different than those presented by our other lines of business. The business of Toys is highly seasonal and substantially all of Toys net income is generated in its fourth quarter. It is possible that the value of Toys may increase and we could again resume recording our equity in Toys' income or loss, which would increase the seasonality and volatility of our reported earnings.

Our decision to dispose of real estate assets would change the holding period assumption in our valuation analyses, which could result in material impairment losses and adversely affect our financial results.

We evaluate real estate assets for impairment based on the projected cash flow of the asset over our anticipated holding period. If we change our intended holding period, due to our intention to sell or otherwise dispose of an asset, then under accounting principles generally accepted in the United States of America, we must reevaluate whether that asset is impaired. Depending on the carrying value of the property at the time we change our intention and the amount that we estimate we would receive on disposal, we may record an impairment loss that would adversely affect our financial results. This loss could be material to our results of operations in the period that it is recognized.

We invest in marketable equity securities. The value of these investments may decline as a result of operating performance or economic or market conditions.

We invest in marketable equity securities of publicly-traded companies, such as Lexington. As of December 31, 2016, our marketable securities have an aggregate carrying amount of $203,704,000, at market. Significant declines in the value of these investments due to, among other reasons, operating performance or economic or market conditions, may result in the recognition of impairment losses which could be material.

We may be unable to achieve some or all of the benefits that we expect to achieve from the spin-off.

Although we believe that separating our Washington, DC segment will provide benefits to us and our shareholders, the spin-off may not provide such results on the scope or scale we anticipate, and neither we nor JBG SMITH may realize the intended benefits of the spin-off. In addition, we will incur one-time costs in connection with the spin-off that may exceed our estimates and negate some of the benefits we expect to achieve. Further, if the proposed spin-off is completed, our operational and financial profile will change upon the separation of the Washington, DC segment from us. As a result, our diversification of revenue sources will diminish, and our results of operations, cash flows, working capital, and financing requirements may be subject to increased volatility.

OUR ORGANIZATIONAL AND FINANCIAL STRUCTURE GIVES RISE TO OPERATIONAL AND FINANCIAL RISKS.

We may not be able to obtain capital to make investments.

We depend primarily on external financing to fund the growth of our business. This is because one of the requirements of the Internal Revenue Code of 1986, as amended, for a REIT is that it distributes 90% of its taxable income, excluding net capital gains, to its shareholders. This, in turn, requires the Operating Partnership to make distributions to its unitholders. There is a separate requirement to distribute net capital gains or pay a corporate level tax in lieu thereof. Our access to debt or equity financing depends on the willingness of third parties to lend or make equity investments and on conditions in the capital markets generally. Although we believe that we will be able to finance any investments we may wish to make in the foreseeable future, there can be no assurance that new financing will be available or available on acceptable terms. For information about our available sources of funds, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources"* and the notes to the consolidated financial statements in this Annual Report on Form 10-K.

We depend on dividends and distributions from our direct and indirect subsidiaries. The creditors and preferred equity holders of these subsidiaries are entitled to amounts payable to them by the subsidiaries before the subsidiaries may pay any dividends or distributions to us.

Substantially all of Vornado's assets are held through its Operating Partnership that holds substantially all of its properties and assets through subsidiaries. The Operating Partnership's cash flow is dependent on cash distributions to it by its subsidiaries, and in turn, substantially all of Vornado's cash flow is dependent on cash distributions to it by the Operating Partnership. The creditors of each of Vornado's direct and indirect subsidiaries are entitled to payment of that subsidiary's obligations to them, when due and payable, before distributions may be made by that subsidiary to its equity holders. Thus, the Operating Partnership's ability to make distributions to its equity holders depends on its subsidiaries' ability first to satisfy their obligations to their creditors and then to make distributions to the Operating Partnership. Likewise, Vornado's ability to pay dividends to its holders of common and preferred shares depends on the Operating Partnership's ability first to satisfy its obligations to its creditors and make distributions payable to holders of preferred units and then to make distributions to Vornado.

Furthermore, the holders of preferred units of the Operating Partnership are entitled to receive preferred distributions before payment of distributions to the Operating Partnership's equity holders, including Vornado. Thus, Vornado's ability to pay cash dividends to its equity holders and satisfy its debt obligations depends on the Operating Partnership's ability first to satisfy its obligations to its creditors and make distributions to holders of its preferred units and then to its equity holders, including Vornado. As of December 31, 2016, there were four series of preferred units of the Operating Partnership not held by Vornado with a total liquidation value of $56,047,000.

In addition, Vornado's participation in any distribution of the assets of any of its direct or indirect subsidiaries upon the liquidation, reorganization or insolvency, is only after the claims of the creditors, including trade creditors and preferred equity holders, are satisfied.

We have a substantial amount of indebtedness that could affect our future operations.

As of December 31, 2016, our consolidated mortgages and unsecured indebtedness, excluding related premium, discount and deferred financing costs, net, totaled $10.7 billion. We are subject to the risks normally associated with debt financing, including the risk that our cash flow from operations will be insufficient to meet required debt service. Our debt service costs generally will not be reduced if developments at the property, such as the entry of new competitors or the loss of major tenants, cause a reduction in the income from the property. Should such events occur, our operations may be adversely affected. If a property is mortgaged to secure payment of indebtedness and income from such property is insufficient to pay that indebtedness, the property could be foreclosed upon by the mortgagee resulting in a loss of income and a decline in our total asset value.

We have outstanding debt, and the amount of debt and its cost may increase and refinancing may not be available on acceptable terms.

We rely on both secured and unsecured, variable rate and non-variable rate debt to finance acquisitions and development activities and for working capital. If we are unable to obtain debt financing or refinance existing indebtedness upon maturity, our financial condition and results of operations would likely be adversely affected. In addition, the cost of our existing debt may increase, especially in the case of a rising interest rate environment, and we may not be able to refinance our existing debt in sufficient amounts or on acceptable terms. If the cost or amount of our indebtedness increases or we cannot refinance our debt in sufficient amounts or on acceptable terms, we are at risk of credit ratings downgrades and default on our obligations that could adversely affect our financial condition and results of operations.

Covenants in our debt instruments could adversely affect our financial condition and our acquisitions and development activities.

The mortgages on our properties contain customary covenants such as those that limit our ability, without the prior consent of the lender, to further mortgage the applicable property or to discontinue insurance coverage. Our unsecured indebtedness and debt that we may obtain in the future may contain customary restrictions, requirements and other limitations on our ability to incur indebtedness, including covenants that limit our ability to incur debt based upon the level of our ratio of total debt to total assets, our ratio of secured debt to total assets, our ratio of EBITDA to interest expense, and fixed charges, and that require us to maintain a certain level of unencumbered assets to unsecured debt. Our ability to borrow is subject to compliance with these and other covenants. In addition, failure to comply with our covenants could cause a default under the applicable debt instrument, and we may then be required to repay such debt with capital from other sources or give possession of a secured property to the lender. Under those circumstances, other sources of capital may not be available to us, or may be available only on unattractive terms.

A downgrade in our credit ratings could materially adversely affect our business and financial condition.

Our credit rating and the credit ratings assigned to our debt securities and our preferred shares could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies, and any rating could be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant such action. Moreover, these credit ratings are not recommendations to buy, sell or hold our common shares or any other securities. If any of the credit rating agencies that have rated our securities downgrades or lowers its credit rating, or if any credit rating agency indicates that it has placed any such rating on a "watch list" for a possible downgrading or lowering, or otherwise indicates that its outlook for that rating is negative, such action could have a material adverse effect on our costs and availability of funding, which could in turn have a material adverse effect on our financial condition, results of operations, cash flows, the trading/redemption price of our securities, and our ability to satisfy our debt service obligations and to pay dividends and distributions to our equity holders.

Vornado may fail to qualify or remain qualified as a REIT and may be required to pay income taxes at corporate rates.

Although we believe that Vornado will remain organized and will continue to operate so as to qualify as a REIT for federal income tax purposes, Vornado may fail to remain so qualified. Qualifications are governed by highly technical and complex provisions of the Internal Revenue Code for which there are only limited judicial or administrative interpretations and depend on various facts and circumstances that are not entirely within our control. In addition, legislation, new regulations, administrative interpretations or court decisions may significantly change the relevant tax laws and/or the federal income tax consequences of qualifying as a REIT. If, with respect to any taxable year, Vornado fails to maintain its qualification as a REIT and does not qualify under statutory relief provisions, Vornado could not deduct distributions to shareholders in computing our taxable income and would have to pay federal income tax on its taxable income at regular corporate rates. The federal income tax payable would include any applicable alternative minimum tax. If Vornado had to pay federal income tax, the amount of money available to distribute to equity holders and pay its indebtedness would be reduced for the year or years involved, and Vornado would not be required to make distributions to shareholders in that taxable year and in future years until it was able to qualify as a REIT. In addition, Vornado would also be disqualified from treatment as a REIT for the four taxable years following the year during which qualification was lost, unless Vornado were entitled to relief under the relevant statutory provisions.

We face possible adverse changes in tax laws, which may result in an increase in our tax liability.

From time to time changes in state and local tax laws or regulations are enacted, which may result in an increase in our tax liability. The shortfall in tax revenues for states and municipalities in recent years may lead to an increase in the frequency and size of such changes. If such changes occur, we may be required to pay additional taxes on our assets or income. These increased tax costs could adversely affect our financial condition and results of operations and the amount of cash available for payment of dividends and distributions.

Loss of our key personnel could harm our operations and adversely affect the value of our common shares and Operating Partnership Class A units.

We are dependent on the efforts of Steven Roth, the Chairman of the Board of Trustees and Chief Executive Officer of Vornado. While we believe that we could find a replacement for him and other key personnel, the loss of their services could harm our operations and adversely affect the value of our securities.

VORNADO'S CHARTER DOCUMENTS AND APPLICABLE LAW MAY HINDER ANY ATTEMPT TO ACQUIRE US.

Vornado's Amended and Restated Declaration of Trust (the "declaration of trust") sets limits on the ownership of its shares.

Generally, for Vornado to maintain its qualification as a REIT under the Internal Revenue Code, not more than 50% in value of the outstanding shares of beneficial interest of Vornado may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of Vornado's taxable year. The Internal Revenue Code defines "individuals" for purposes of the requirement described in the preceding sentence to include some types of entities. Under Vornado's declaration of trust, as amended, no person may own more than 6.7% of the outstanding common shares of any class, or 9.9% of the outstanding preferred shares of any class, with some exceptions for persons who held common shares in excess of the 6.7% limit before Vornado adopted the limit and other persons approved by Vornado's Board of Trustees. These restrictions on transferability and ownership may delay, deter or prevent a change in control of Vornado or other transaction that might involve a premium price or otherwise be in the best interest of equity holders.

The Maryland General Corporation Law (the "MGCL") contains provisions that may reduce the likelihood of certain takeover transactions.

The MGCL imposes conditions and restrictions on certain "business combinations" (including, among other transactions, a merger, consolidation, share exchange, or, in certain circumstances, an asset transfer or issuance of equity securities) between a Maryland REIT and certain persons who beneficially own at least 10% of the corporation's stock (an "interested shareholder"). Unless approved in advance by the board of trustees of the trust, or otherwise exempted by the statute, such a business combination is prohibited for a period of five years after the most recent date on which the interested shareholder became an interested shareholder. After such five-year period, a business combination with an interested shareholder must be: (a) recommended by the board of trustees of the trust, and (b) approved by the affirmative vote of at least (i) 80% of the trust's outstanding shares entitled to vote and (ii) two-thirds of the trust's outstanding shares entitled to vote which are not held by the interested shareholder with whom the business combination is to be effected, unless, among other things, the trust's common shareholders receive a "fair price" (as defined by the statute) for their shares and the consideration is received in cash or in the same form as previously paid by the interested shareholder for his or her shares.

In approving a transaction, Vornado's Board of Trustees may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the Board of Trustees. Vornado's Board of Trustees has adopted a resolution exempting any business combination between Vornado and any trustee or officer of Vornado or its affiliates. As a result, any trustee or officer of Vornado or its affiliates may be able to enter into business combinations with Vornado that may not be in the best interest of our equity holders. With respect to business combinations with other persons, the business combination provisions of the MGCL may have the effect of delaying, deferring or preventing a change in control of Vornado or other transaction that might involve a premium price or otherwise be in the best interest of our equity holders. The business combination statute may discourage others from trying to acquire control of Vornado and increase the difficulty of consummating any offer.

Until 2019, Vornado has a classified Board of Trustees and that may reduce the likelihood of certain takeover transactions.

Vornado's Board of Trustees is divided currently into three classes of trustees. Commencing this year, each class of trustees that is up for election will be elected for a one-year term with all trustees forming a single class elected annually commencing in 2019. Historically trustees of each class have been chosen for three-year staggered terms. Staggered terms of trustees may reduce the possibility of a tender offer or an attempt to change control of Vornado, even though a tender offer or change in control might be in the best interest of our equity holders.

Vornado may issue additional shares in a manner that could adversely affect the likelihood of certain takeover transactions.

Vornado's declaration of trust authorizes the Board of Trustees to:

- cause Vornado to issue additional authorized but unissued common shares or preferred shares;
- classify or reclassify, in one or more series, any unissued preferred shares;
- set the preferences, rights and other terms of any classified or reclassified shares that Vornado issues; and
- increase, without shareholder approval, the number of shares of beneficial interest that Vornado may issue.

Vornado's Board of Trustees could establish a series of preferred shares whose terms could delay, deter or prevent a change in control of Vornado, and therefore of the Operating Partnership, or other transaction that might involve a premium price or otherwise be in the best interest of our equity holders, although Vornado's Board of Trustees does not now intend to establish a series of preferred shares of this kind. Vornado's declaration of trust and bylaws contain other provisions that may delay, deter or prevent a change in control of Vornado or other transaction that might involve a premium price or otherwise be in the best interest of our equity holders.

We may change our policies without obtaining the approval of our equity holders.

Our operating and financial policies, including our policies with respect to acquisitions of real estate or other companies, growth, operations, indebtedness, capitalization, dividends and distributions, are exclusively determined by Vornado's Board of Trustees. Accordingly, our equity holders do not control these policies.

OUR OWNERSHIP STRUCTURE AND RELATED-PARTY TRANSACTIONS MAY GIVE RISE TO CONFLICTS OF INTEREST.

Steven Roth and Interstate Properties may exercise substantial influence over us. They and some of Vornado's other trustees and officers have interests or positions in other entities that may compete with us.

As of December 31, 2016, Interstate Properties, a New Jersey general partnership, and its partners owned an aggregate of approximately 7.1% of the common shares of Vornado and 26.3% of the common stock of Alexander's, which is described below. Steven Roth, David Mandelbaum and Russell B. Wight, Jr. are the three partners of Interstate Properties. Mr. Roth is the Chairman of the Board of Trustees and Chief Executive Officer of Vornado, the managing general partner of Interstate Properties, and the Chairman of the Board of Directors and Chief Executive Officer of Alexander's. Messrs. Wight and Mandelbaum are Trustees of Vornado and also Directors of Alexander's.

Because of these overlapping interests, Mr. Roth and Interstate Properties and its partners may have substantial influence over Vornado, and therefore over the Operating Partnership, and on the outcome of any matters submitted to Vornado's shareholders for approval. In addition, certain decisions concerning our operations or financial structure may present conflicts of interest among Messrs. Roth, Mandelbaum and Wight and Interstate Properties and our other equity holders. In addition, Mr. Roth, Interstate Properties and its partners, and Alexander's currently and may in the future engage in a wide variety of activities in the real estate business which may result in conflicts of interest with respect to matters affecting us, such as which of these entities or persons, if any, may take advantage of potential business opportunities, the business focus of these entities, the types of properties and geographic locations in which these entities make investments, potential competition between business activities conducted, or sought to be conducted, competition for properties and tenants, possible corporate transactions such as acquisitions and other strategic decisions affecting the future of these entities.

We manage and lease the real estate assets of Interstate Properties under a management agreement for which we receive an annual fee equal to 4% of annual base rent and percentage rent. See Note 21 *Related Party Transactions* to our consolidated financial statements in this Annual Report on Form 10-K for additional information.

There may be conflicts of interest between Alexander's and us.

As of December 31, 2016, we owned 32.4% of the outstanding common stock of Alexander's. Alexander's is a REIT that has seven properties, which are located in the greater New York metropolitan area. In addition to the 2.3% that they indirectly own through Vornado, Interstate Properties, which is described above, and its partners owned 26.3% of the outstanding common stock of Alexander's as of December 31, 2016. Mr. Roth is the Chairman of the Board of Trustees and Chief Executive Office of Vornado, the managing general partner of Interstate Properties, and the Chairman of the Board of Directors and Chief Executive Officer of Alexander's. Messrs. Wight and Mandelbaum are Trustees of Vornado and also Directors of Alexander's and general partners of Interstate Properties. Dr. Richard West is a Trustee of Vornado and a Director of Alexander's. In addition, Joseph Macnow, our Executive Vice President – Finance and Chief Administrative Officer, is the Executive Vice President and Chief Financial Officer of Alexander's, and Stephen W. Theriot, our Chief Financial Officer, is the Assistant Treasurer of Alexander's.

We manage, develop and lease Alexander's properties under management and development agreements and leasing agreements under which we receive annual fees from Alexander's. See Note 21 – *Related Party Transactions* to our consolidated financial statements in this Annual Report on Form 10-K for additional information.

THE NUMBER OF SHARES OF VORNADO REALTY TRUST AND THE MARKET FOR THOSE SHARES GIVE RISE TO VARIOUS RISKS.

The trading price of Vornado's common shares has been volatile and may fluctuate.

The trading price of Vornado's common shares has been volatile and may continue to fluctuate widely as a result of a number of factors, many of which are outside our control. In addition, the stock market is subject to fluctuations in the share prices and trading volumes that affect the market prices of the shares of many companies. These broad market fluctuations have in the past and may in the future adversely affect the market price of Vornado's common shares and the redemption price of the Operating Partnership's Class A units. Among those factors are:

- our financial condition and performance;
- the financial condition of our tenants, including the extent of tenant bankruptcies or defaults;
- actual or anticipated quarterly fluctuations in our operating results and financial condition;
- our dividend policy;
- the reputation of REITs and real estate investments generally and the attractiveness of REIT equity securities in comparison to other equity securities, including securities issued by other real estate companies, and fixed income securities;
- uncertainty and volatility in the equity and credit markets;
- fluctuations in interest rates;
- changes in revenue or earnings estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other REITs;
- failure to meet analysts' revenue or earnings estimates;
- speculation in the press or investment community;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- the extent of institutional investor interest in us;
- the extent of short-selling of Vornado common shares and the shares of our competitors;
- fluctuations in the stock price and operating results of our competitors;
- general financial and economic market conditions and, in particular, developments related to market conditions for REITs and other real estate related companies;
- domestic and international economic factors unrelated to our performance; and
- all other risk factors addressed elsewhere in this Annual Report on the Form 10-K.

A significant decline in Vornado's stock price could result in substantial losses for our equity holders.

Vornado has many shares available for future sale, which could hurt the market price of its shares and the redemption price of the Operating Partnership's units.

The interests of equity holders could be diluted if we issue additional equity securities. As of December 31, 2016, Vornado had authorized but unissued, 60,899,124 common shares of beneficial interest, $.04 par value and 67,116,023 preferred shares of beneficial interest, no par value; of which 19,538,084 common shares are reserved for issuance upon redemption of Class A Operating Partnership units, convertible securities and employee stock options and 11,200,000 preferred shares are reserved for issuance upon redemption of preferred Operating Partnership units. Any shares not reserved may be issued from time to time in public or private offerings or in connection with acquisitions. In addition, common and preferred shares reserved may be sold upon issuance in the public market after registration under the Securities Act or under Rule 144 under the Securities Act or other available exemptions from registration. We cannot predict the effect that future sales of Vornado's common and preferred shares or Operating Partnership Class A and preferred units will have on the market prices of our securities.

In addition, under Maryland law, Vornado's Board of Trustees has the authority to increase the number of authorized shares without shareholder approval.

ITEM 1B. UNRESOLVED STAFF COMMENTS

There are no unresolved comments from the staff of the Securities Exchange Commission as of the date of this Annual Report on Form 10-K.

ITEM 2. PROPERTIES

We operate in two business segments: New York and Washington, DC. The following pages provide details of our real estate properties as of December 31, 2016.

NEW YORK SEGMENT Property	% Ownership	Type	% Occupancy	Square Feet In Service	Square Feet Under Development or Not Available for Lease	Square Feet Total Property
One Penn Plaza (ground leased through 2098)	100.0%	Office/Retail	92.7%	2,522,000	-	2,522,000
1290 Avenue of the Americas	70.0%	Office/Retail	99.5%	2,110,000	-	2,110,000
Two Penn Plaza	100.0%	Office/Retail	98.9%	1,631,000	-	1,631,000
666 Fifth Avenue Office Condominium[1]	49.5%	Office/Retail	n/a	-	1,448,000	1,448,000
909 Third Avenue (ground leased through 2063)	100.0%	Office	100.0%	1,346,000	-	1,346,000
Independence Plaza, Tribeca (3 buildings) (1,327 units)[1]	50.1%	Retail/Residential	100.0% [2]	1,245,000	12,000	1,257,000
280 Park Avenue[1]	50.0%	Office/Retail	92.3%	1,249,000	-	1,249,000
770 Broadway	100.0%	Office/Retail	98.3%	1,158,000	-	1,158,000
Eleven Penn Plaza	100.0%	Office/Retail	99.1%	1,151,000	-	1,151,000
90 Park Avenue	100.0%	Office/Retail	95.9%	959,000	-	959,000
One Park Avenue[1]	55.0%	Office/Retail	93.4%	949,000	-	949,000
888 Seventh Avenue (ground leased through 2067)	100.0%	Office/Retail	94.6%	885,000	-	885,000
100 West 33rd Street	100.0%	Office	98.2%	855,000	-	855,000
330 Madison Avenue[1]	25.0%	Office/Retail	89.1%	842,000	-	842,000
330 West 34th Street (ground leased through 2149)	100.0%	Office/Retail	87.2%	718,000	-	718,000
85 Tenth Avenue[1]	49.9%	Office/Retail	100.0%	626,000	-	626,000
650 Madison Avenue[1]	20.1%	Office/Retail	95.5%	552,000	40,000	592,000
350 Park Avenue	100.0%	Office/Retail	100.0%	571,000	-	571,000
150 East 58th Street	100.0%	Office/Retail	97.9%	545,000	-	545,000
7 West 34th Street	53.0%	Office/Retail	100.0%	479,000	-	479,000
33-00 Northern Boulevard (Center Building)	100.0%	Office	99.5%	471,000	-	471,000
595 Madison Avenue	100.0%	Office/Retail	97.3%	323,000	-	323,000
640 Fifth Avenue	100.0%	Office/Retail	91.8%	313,000	-	313,000
50-70 W 93rd Street (326 units)[1]	49.9%	Residential	95.4%	283,000	-	283,000
Manhattan Mall	100.0%	Retail	97.6%	256,000	-	256,000
40 Fulton Street	100.0%	Office/Retail	92.7%	250,000	-	250,000
4 Union Square South	100.0%	Retail	100.0%	206,000	-	206,000
260 Eleventh Avenue (ground leased through 2114)	100.0%	Office	100.0%	184,000	-	184,000
512 W 22nd Street[1]	55.0%	Office	n/a	-	173,000	173,000
61 Ninth Avenue (ground leased through 2115)[1]	45.1%	Office/Retail	n/a	-	170,000	170,000
825 Seventh Avenue[1]	51.2%	Office/Retail	100.0%	169,000	-	169,000
1540 Broadway	100.0%	Retail	100.0%	160,000	-	160,000
608 Fifth Avenue (ground leased through 2033)	100.0%	Office/Retail	96.6%	137,000	-	137,000
Paramus	100.0%	Office	94.7%	129,000	-	129,000
666 Fifth Avenue Retail Condominium	100.0%	Retail	100.0%	114,000	-	114,000
1535 Broadway (Marriott Marquis - retail and signage) (ground and building leased through 2032)	100.0%	Retail/Theatre	77.2%	108,000	-	108,000
57th Street (2 buildings)[1]	50.0%	Office/Retail	94.3%	103,000	-	103,000
689 Fifth Avenue	100.0%	Office/Retail	91.8%	100,000	-	100,000
478-486 Broadway (2 buildings) (10 units)	100.0%	Retail/Residential	100.0% [2]	85,000	-	85,000
150 West 34th Street	100.0%	Retail	100.0%	78,000	-	78,000
510 Fifth Avenue	100.0%	Retail	100.0%	66,000	-	66,000
655 Fifth Avenue	92.5%	Retail	100.0%	57,000	-	57,000
155 Spring Street	100.0%	Retail	100.0%	50,000	-	50,000
3040 M Street	100.0%	Retail	86.7%	44,000	-	44,000
435 Seventh Avenue	100.0%	Retail	100.0%	43,000	-	43,000
692 Broadway	100.0%	Retail	100.0%	36,000	-	36,000
606 Broadway	50.0%	Office/Retail	n/a	-	34,000	34,000
697-703 Fifth Avenue (St. Regis - retail)	74.3%	Retail	100.0%	26,000	-	26,000
715 Lexington Avenue	100.0%	Retail	100.0%	23,000	-	23,000

NEW YORK SEGMENT - CONTINUED Property	% Ownership	Type	% Occupancy	Square Feet In Service	Square Feet Under Development or Not Available for Lease	Square Feet Total Property
1131 Third Avenue	100.0%	Retail	100.0%	23,000	-	23,000
40 East 66th Street (5 units)	100.0%	Retail/Residential	100.0%[2]	23,000	-	23,000
131-135 West 33rd Street	100.0%	Retail	100.0%	23,000	-	23,000
828-850 Madison Avenue	100.0%	Retail	100.0%	18,000	-	18,000
443 Broadway	100.0%	Retail	100.0%	16,000	-	16,000
484 Eighth Avenue	100.0%	Retail	n/a	-	16,000	16,000
334 Canal Street (4 units)	100.0%	Retail/Residential	- [2]	15,000	-	15,000
304 Canal Street (4 units)	100.0%	Retail/Residential	n/a	-	13,000	13,000
677-679 Madison Avenue (8 units)	100.0%	Retail/Residential	100.0%[2]	13,000	-	13,000
431 Seventh Avenue	100.0%	Retail	100.0%	10,000	-	10,000
138-142 West 32nd Street	100.0%	Retail	67.4%	8,000	-	8,000
148 Spring Street	100.0%	Retail	100.0%	7,000	-	7,000
150 Spring Street (1 unit)	100.0%	Retail/Residential	100.0%[2]	7,000	-	7,000
966 Third Avenue	100.0%	Retail	100.0%	7,000	-	7,000
488 Eighth Avenue	100.0%	Retail	100.0%	6,000	-	6,000
267 West 34th Street	100.0%	Retail	100.0%	6,000	-	6,000
968 Third Avenue [1]	50.0%	Retail	100.0%	6,000	-	6,000
265 West 34th Street	100.0%	Retail	100.0%	3,000	-	3,000
486 Eighth Avenue	100.0%	Retail	n/a	-	3,000	3,000
137 West 33rd Street	100.0%	Retail	100.0%	3,000	-	3,000
Other (4 buildings) (34 units)	82.0%	Retail/Residential	97.7%[2]	57,000	32,000	89,000
Hotel Pennsylvania	100.0%	Hotel	n/a	1,400,000	-	1,400,000
Alexander's, Inc.:						
731 Lexington Avenue[1]	32.4%	Office/Retail	100.0%	1,063,000	-	1,063,000
Rego Park II, Queens[1]	32.4%	Retail	99.9%	609,000	-	609,000
Rego Park I, Queens[1]	32.4%	Retail	100.0%	343,000	-	343,000
The Alexander Apartment Tower, Queens (312 units)[1]	32.4%	Residential	98.1%	255,000		255,000
Flushing, Queens[1]	32.4%	Retail	100.0%	167,000	-	167,000
Paramus, New Jersey (30.3 acres ground leased through 2041)[1]	32.4%	Retail	100.0%	-	-	-
Rego Park III, Queens (3.2 acres)[1]	32.4%	n/a	n/a	-	-	-
Total New York Segment			**96.5 %**	**28,295,000**	**1,941,000**	**30,236,000**
Our Ownership Interest			**96.5 %**	**22,442,000**	**967,000**	**23,409,000**

See notes on page 26.

				Square Feet		
WASHINGTON, DC SEGMENT **Property**	**% Ownership**	**Type**	**% Occupancy**	**In Service**	**Under Development or Not Available for Lease**	**Total Property**
2011-2451 Crystal Drive (5 buildings)	100.0%	Office	89.7%	2,325,000	-	2,325,000
RiverHouse Apartments (3 buildings) (1,670 units)	100.0%	Residential	97.7%	1,802,000	-	1,802,000
S. Clark Street/12th Street (5 buildings)	100.0%	Office	83.2%	1,546,000	-	1,546,000
1550-1750 Crystal Drive/ 241-251 18th Street (4 buildings)	100.0%	Office	86.8%	1,452,000	30,000	1,482,000
1800, 1851 and 1901 South Bell Street (3 buildings)	100.0%	Office	100.0%	377,000	492,000	869,000
Rosslyn Plaza (4 buildings)[(1)]	46.2%	Office	64.0%	493,000	248,000	741,000
1825-1875 Connecticut Avenue, NW (Universal Buildings) (2 buildings)	100.0%	Office	99.0%	686,000	-	686,000
2200/2300 Clarendon Blvd (Courthouse Plaza) (ground leased through 2062) (2 buildings)	100.0%	Office	94.6%	639,000	-	639,000
1299 Pennsylvania Avenue, NW (Warner Building)[(1)]	55.0%	Office	92.4%	622,000	-	622,000
The Bartlett (699 units)	100.0%	Residential/Retail	100.0% [(2)]	477,000	143,000	620,000
2100/2200 Crystal Drive (2 buildings)	100.0%	Office	73.0%	532,000	-	532,000
Commerce Executive (3 buildings)	100.0%	Office	94.1%	393,000	14,000	407,000
1501 K Street, NW[(1)]	5.0%	Office	91.5%	402,000	-	402,000
2101 L Street, NW	100.0%	Office	99.0%	380,000	-	380,000
1700 M Street	100.0%	Office	n/a	-	333,000	333,000
WestEnd25 (283 units)	100.0%	Residential	97.2%	273,000	-	273,000
220 20th Street (265 units)	100.0%	Residential	97.7%	269,000	-	269,000
Crystal City Hotel	100.0%	Residential	100.0%	266,000	-	266,000
Rosslyn Plaza (196 units)[(1)]	43.7%	Residential	96.9%	253,000	-	253,000
875 15th Street, NW (Bowen Building)	100.0%	Office	84.5%	231,000	-	231,000
1101 17th Street, NW[(1)]	55.0%	Office	99.4%	216,000	-	216,000
Democracy Plaza One (ground leased through 2084)	100.0%	Office	97.6%	214,000	-	214,000
1730 M Street, NW (ground leased through 2061)	100.0%	Office	92.3%	205,000	-	205,000
2221 South Clark Street (216 units)	100.0%	Residential/ Office	100.0% [(2)]	171,000	-	171,000
2001 Jefferson Davis Highway	100.0%	Office	52.4%	162,000	-	162,000
223 23rd Street	100.0%	Office	n/a	-	147,000	147,000
Met Park/Warehouses	100.0%	Warehouses	100.0%	53,000	76,000	129,000
1399 New York Avenue, NW	100.0%	Office	75.2%	129,000	-	129,000
Crystal City Shops at 2100	100.0%	Office	94.6%	80,000	-	80,000
Crystal Drive Retail	100.0%	Retail	100.0%	57,000	-	57,000
Other (3 buildings)	100.0%	Other	100.0%	11,000	-	11,000
Total Washington, DC Segment			**90.2%**	**14,716,000**	**1,483,000**	**16,199,000**
Our Ownership Interest			**90.5%**	**13,556,000**	**1,344,000**	**14,900,000**

See notes on page 26.

OTHER Property	% Ownership	Type	% Occupancy	Square Feet In Service	Square Feet Under Development or Not Available for Lease	Square Feet Total Property
theMART:						
theMART, Chicago	100.0%	Office/Retail/Showroom	98.9%	3,652,000	-	3,652,000
Other (2 properties)[1]	50.0%	Retail	100.0%	19,000	-	19,000
Total theMART			**98.9%**	**3,671,000**	**-**	**3,671,000**
Our Ownership Interest			**98.9%**	**3,662,000**	**-**	**3,662,000**
555 California Street:						
555 California Street	70.0%	Office	98.0%	1,505,000	-	1,505,000
315 Montgomery Street	70.0%	Office/Retail	55.6%	233,000	-	233,000
345 Montgomery Street	70.0%	Office/Retail	n/a	-	64,000	64,000
Total 555 California Street			**92.4%**	**1,738,000**	**64,000**	**1,802,000**
Our Ownership Interest			**92.4%**	**1,217,000**	**45,000**	**1,262,000**
Vornado Capital Partners Real Estate Fund ("the Fund")[3] :						
800 Corporate Pointe, Culver City, CA (2 buildings)	100.0%	Office	96.0%	246,000	-	246,000
Crowne Plaza Times Square, NY	75.3%	Office/Retail/Hotel	68.8%	240,000	-	240,000
Lucida, 86th Street and Lexington Avenue, NY (ground leased through 2082) (39 units)	100.0%	Retail/Residential	100.0%[2]	154,000	-	154,000
1100 Lincoln Road, Miami, FL	100.0%	Retail/Theatre	98.6%	128,000	-	128,000
11 East 68th Street Retail, NY	100.0%	Retail	100.0%	11,000	-	11,000
501 Broadway, NY	100.0%	Retail	100.0%	9,000	-	9,000
Total Real Estate Fund			**89.8%**	**788,000**	**-**	**788,000**
Our Ownership Interest			**86.3%**	**216,000**	**-**	**216,000**
Other:						
Wayne Town Center, Wayne (ground leased through 2064)	100.0%	Retail	100.0%	644,000	12,000	656,000
Annapolis (ground leased through 2042)	100.0%	Retail	100.0%	128,000	-	128,000
Fashion Centre Mall[4]	7.5%	Retail	96.9%	869,000	-	869,000
Washington Tower[4]	7.5%	Office	100.0%	170,000	-	170,000
Total Other			**98.5%**	**1,811,000**	**12,000**	**1,823,000**
Our Ownership Interest			**99.8%**	**850,000**	**12,000**	**862,000**

(1) Denotes property not consolidated in the accompanying consolidated financial statements and related financial data included in the Annual Report on Form 10-K.

(2) Excludes residential occupancy statistics.

(3) We own a 25% interest in the Fund. The ownership percentage in this section represents the Fund's ownership in the underlying assets.

(4) Reclassified to Other from Washington, DC segment.

NEW YORK

As of December 31, 2016, our New York segment consisted of 28.3million square feet in 86 properties. The 28.3 million square feet is comprised of 20.2 million square feet of office space in 36 properties, 2.7 million square feet of retail space in 70 properties, 2,004 units in twelve residential properties, the 1.4 million square foot Hotel Pennsylvania, and our 32.4% interest in Alexander's, Inc. ("Alexander's"), which owns seven properties in the greater New York metropolitan area. The New York segment also includes 11 garages totaling 1.7 million square feet (4,970 spaces) which are managed by, or leased to, third parties.

New York lease terms generally range from five to seven years for smaller tenants to as long as 20 years for major tenants, and may provide for extension options at market rates. Leases typically provide for periodic step-ups in rent over the term of the lease and pass through to tenants their share of increases in real estate taxes and operating expenses over a base year. Electricity is provided to tenants on a sub-metered basis or included in rent based on surveys and adjusted for subsequent utility rate increases. Leases also typically provide for free rent and tenant improvement allowances for all or a portion of the tenant's initial construction costs of its premises.

As of December 31, 2016, the occupancy rate for our New York segment was 96.5%.

Occupancy and weighted average annual rent per square foot (in service):

Office:

		Vornado's Ownership Interest		
As of December 31,	Total Property Square Feet	Square Feet	Occupancy Rate	Weighted Average Annual Rent Per Square Foot
2016	20,227,000	16,962,000	96.3%	$ 68.90
2015	21,288,000	17,412,000	96.3%	66.62
2014	20,154,000	16,408,000	96.9%	65.34
2013	18,744,000	15,303,000	96.4%	62.20
2012	18,319,000	15,338,000	95.6%	60.45

Retail:

		Vornado's Ownership Interest		
As of December 31,	Total Property Square Feet	Square Feet	Occupancy Rate	Weighted Average Annual Rent Per Square Foot
2016	2,672,000	2,464,000	97.1%	$ 213.85
2015	2,641,000	2,408,000	96.2%	202.85
2014	2,469,000	2,162,000	96.5%	173.19
2013	2,349,000	2,116,000	97.4%	162.92
2012	2,171,000	2,001,000	96.8%	148.71

Occupancy and average monthly rent per unit (in service):

Residential:

		Vornado's Ownership Interest		
As of December 31,	Number of Units	Number of Units	Occupancy Rate	Average Monthly Rent Per Unit
2016(1)	2,004	977	95.7%	$ 3,576
2015	1,711	886	95.0%	3,495
2014	1,678	855	95.2%	3,146
2013	1,672	847	94.8%	2,920
2012	1,673	847	96.5%	2,770

(1) Includes The Alexander (32.4% ownership) from the date of stabilization in the third quarter of 2016.

Tenants accounting for 2% or more of revenues:

Tenant	Square Feet Leased	2016 Revenues	Percentage of New York Total Revenues	Percentage of Total Revenues
IPG and affiliates	924,000	$ 53,666,000	3.1%	2.1%
Swatch Group USA	32,000	53,263,000	3.1%	2.1%
AXA Equitable Life Insurance	481,000	40,955,000	2.4%	1.6%
Macy's	646,000	40,886,000	2.4%	1.6%
Neuberger Berman Group LLC	412,000	33,487,000	2.0%	1.3%

2016 rental revenue by tenants' industry:

Industry	Percentage
Office:	
Financial Services	11%
Real Estate	7%
Communications	6%
Family Apparel	6%
Legal Services	5%
Advertising/Marketing	5%
Technology	4%
Insurance	4%
Publishing	3%
Engineering, Architect & Surveying	3%
Government	2%
Banking	2%
Home Entertainment & Electronics	2%
Health Services	1%
Pharmaceutical	1%
Other	9%
	71%
Retail:	
Family Apparel	7%
Women's Apparel	6%
Luxury Retail	6%
Restaurants	2%
Banking	2%
Department Stores	2%
Discount Stores	1%
Other	3%
	29%
Total	100%

NEW YORK – CONTINUED

Lease expirations as of December 31, 2016, assuming none of the tenants exercise renewal options:

Year	Number of Expiring Leases	Square Feet of Expiring Leases	Percentage of New York Square Feet	Weighted Average Annual Rent of Expiring Leases	
				Total	Per Square Foot
Office:					
Month to month	12	25,000	0.2%	$ 1,254,000	$ 50.16
2017	72	489,000[1]	3.0%	31,770,000	64.97[1]
2018	106	1,153,000[2]	7.2%	85,505,000	74.16
2019	95	826,000	5.1%	57,322,000	69.40
2020	121	1,466,000	9.1%	99,053,000	67.57
2021	124	1,242,000	7.7%	86,776,000	69.87
2022	68	688,000	4.3%	37,809,000	54.95
2023	57	1,725,000	10.7%	132,048,000	76.55
2024	71	1,227,000	7.6%	93,797,000	76.44
2025	40	742,000	4.6%	53,343,000	71.89
2026	66	1,298,000	8.1%	92,625,000	71.36
Retail:					
Month to month	12	50,000	2.6 %	$ 2,509,000	$ 50.18
2017	14	28,000 [3]	1.4 %	13,374,000	477.64[3]
2018	30	171,000	8.8 %	44,423,000	259.78
2019	26	202,000	10.4 %	34,039,000	168.51
2020	21	72,000	3.7 %	10,588,000	147.06
2021	16	52,000	2.7 %	10,283,000	197.75
2022	8	33,000	1.7 %	3,855,000	116.82
2023	14	81,000	4.2 %	20,523,000	253.37
2024	18	151,000	7.8 %	59,881,000	396.56
2025	12	38,000	2.0 %	18,428,000	484.95
2026	19	136,000	7.0 %	42,233,000	310.54

(1) Based on current market conditions, we expect to re-lease this space at weighted average rents between $65 to $75 per square foot.

(2) Excludes 492,000 square feet leased at 909 Third Avenue to the U.S. Post Office through 2038 (including four 5-year renewal options) for which the annual escalated rent is $11.70 per square foot.

(3) Based on current market conditions, we expect to re-lease this space at weighted average rents between $550 to $600 per square foot.

Alexander's

As of December 31, 2016, we own 32.4% of the outstanding common stock of Alexander's, which owns seven properties in the greater New York metropolitan area aggregating 2.4 million square feet, including 731 Lexington Avenue, the 1.3 million square foot Bloomberg L.P. headquarters building. Alexander's had $1.05 billion of outstanding debt, net at December 31, 2016, of which our pro rata share was $341.0 million, none of which is recourse to us.

Hotel Pennsylvania

We own the Hotel Pennsylvania which is located in New York City on Seventh Avenue at 33rd Street in the heart of the Penn Plaza district and consists of a hotel portion containing 1,000,000 square feet of hotel space with 1,700 rooms and a commercial portion containing 400,000 square feet of retail and office space.

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Hotel Pennsylvania:					
Average occupancy rate	84.7%	90.7%	92.0%	93.4%	89.1%
Average daily rate	$ 134.38	$ 147.46	$ 162.01	$ 158.01	$ 152.79
Revenue per available room	$ 113.84	$ 133.69	$ 149.04	$ 147.63	$ 136.21

WASHINGTON, DC

On October 31, 2016, Vornado's Board of Trustees approved the tax-free spin-off of our Washington, DC segment and we entered into a definitive agreement to merge it with the business and certain select assets of The JBG Companies ("JBG"), a Washington, DC real estate company. Steven Roth, the Chairman of the Board of Trustees and Chief Executive Officer of Vornado, will be Chairman of the Board of Trustees of the new company, which will be named JBG SMITH Properties. Mitchell Schear, President of our Washington, DC business, will be a member of the Board of Trustees of the new company. The pro rata distribution to Vornado common shareholders and Class A Operating Partnership unitholders is intended to be treated as a tax-free spin-off for U.S. federal income tax purposes. It is expected to be made on a pro rata 1:2 basis. The initial Form 10 registration statement relating to the spin-off and merger was filed with the SEC on January 23, 2017 and the distribution and combination are expected to be completed in the second quarter of 2017. The distribution and combination are subject to certain conditions, including the SEC declaring the Form 10 registration statement effective, filing and approval of the new company's listing application, receipt of regulatory approvals and third party consents by each of the Company and JBG, and formal declaration of the distribution by Vornado's Board of Trustees. The distribution and combination are not subject to a vote by Vornado's shareholders or Operating Partnership unitholders. Vornado's Board of Trustees has approved the transaction. JBG has obtained all requisite approvals from its investment funds for this transaction. There can be no assurance that this transaction will be completed.

On August 24, 2016, the Skyline properties, located in Fairfax, Virginia, were placed in receivership. On December 21, 2016, the final disposition of the Skyline properties was completed by the receiver. In connection therewith, the Skyline properties' assets (approximately $236,535,000) and liabilities (approximately $724,412,000), were removed from our consolidated balance sheet which resulted in a net gain of $487,877,000. There was no taxable income related to this transaction.

On December 19, 2016, we completed the sale of our20% interest in Fairfax Square to our joint venture partner for $l5,500,000, which resulted in a net gain of approximately $l5,302,000.

WASHINGTON, DC – CONTINUED

As of December 31, 2016, our Washington, DC segment consisted of 58 properties aggregating 14.7 million square feet including 11.1 million square feet of office space in 44 properties, nine residential properties containing 3,156 units and a hotel property. The Washington, DC segment also includes 45 garages totaling approximately 7.0 million square feet (22,110 spaces) which are managed by, or leased to, third parties.

Washington, DC office lease terms generally range from five to seven years for smaller tenants to as long as 15 years for major tenants, and may provide for extension options at either pre-negotiated or market rates. Leases typically provide for periodic step-ups in rent over the term of the lease and pass through to tenants, the tenants' share of increases in real estate taxes and certain property operating expenses over a base year. Periodic step-ups in rent are usually based upon fixed percentage increases. Leases also typically provide for free rent and tenant improvement allowances for all or a portion of the tenant's initial construction costs of its premises.

As of December 31, 2016, the occupancy rate for our Washington DC segment was 90.5%, and 22.4% of the occupied space was leased to various agencies of the U.S. Government.

Occupancy and weighted average annual rent per square foot (in service):

Office:

		Vornado's Ownership Interest		
As of December 31,	Total Property Square Feet	Square Feet	Occupancy Rate	Weighted Average Annual Rent Per Square Foot
2016	11,141,000	10,123,000	88.3%	$ 44.05
2015	11,592,000	10,597,000	90.1%	43.99
2014	11,635,000	10,620,000	87.3%	44.03
2013	11,753,000	10,686,000	85.2%	44.03
2012	11,665,000	10,538,000	86.2%	42.91

Occupancy and average monthly rent per unit (in service):

Residential:

		Vornado's Ownership Interest		
As of December 31,	Number of Units	Number of Units	Occupancy Rate	Average Monthly Rent Per Unit
2016	3,156	3,046	97.8%	$ 2,064
2015	2,630	2,520	96.4%	2,044
2014	2,414	2,304	97.4%	2,053
2013	2,414	2,304	96.3%	2,075
2012	2,414	2,304	97.9%	2,122

Tenants accounting for 2% or more of revenues:

Tenant	Square Feet Leased	2016 Revenues	Percentage of Washington, DC Total Revenues	Percentage of Total Revenues
U.S. Government	2,748,000	$ 79,185,000	15.3%	3.4%
Family Health International	323,000	15,199,000	2.9%	0.7%
Arlington County	241,000	11,388,000	2.2%	0.5%

2016 rental revenue by tenants' industry:

Industry	Percentage
U.S. Government	21%
Government Contractors	13%
Membership Organizations	9%
Legal Services	5%
Real Estate	4%
Business Services	4%
Management Consulting Services	3%
State and Local Government	3%
Health Services	2%
Food	2%
Computer and Data Processing	2%
Education	1%
Television Broadcasting	1%
Manufacturing	1%
Other	29%
	100%

Lease expirations as of December 31, 2016, assuming none of the tenants exercise renewal options:

Year	Number of Expiring Leases	Square Feet of Expiring Leases	Percentage of Washington, DC Square Feet	Weighted Average Annual Rent of Expiring Leases	
				Total	Per Square Foot
Month to month	32	93,000	1.1%	$ 2,516,000	$ 27.05
2017	108	955,000 **(1)**	11.5%	36,265,000	37.97**(1)**
2018	105	943,000	11.3%	43,658,000	46.30
2019	94	1,143,000	13.7%	51,492,000	45.05
2020	85	845,000	10.1%	42,980,000	50.86
2021	60	793,000	9.5%	35,331,000	44.55
2022	59	1,149,000	13.8%	52,207,000	45.44
2023	20	225,000	2.7%	10,202,000	45.34
2024	35	377,000	4.5%	15,840,000	42.02
2025	26	319,000	3.8%	12,685,000	39.76
2026	16	192,000	2.3%	9,154,000	47.68

(1) Based on current market conditions, we expect to re-lease this space at weighted average rents between $38 to $42 per square foot.

OTHER INVESTMENTS

theMART

As of December 31, 2016, we own the 3.7 million square foot theMART in Chicago, whose largest tenant is Motorola Mobility at 609,000 square feet, the lease of which is guaranteed by Google. theMART is encumbered by a $675,000,000 mortgage loan that bears interest at a fixed rate of 2.70% and matures in September 2021. As of December 31, 2016, theMART had an occupancy rate of 98.9% and a weighted average annual rent per square foot of $40.39.

555 California Street

As of December 31, 2016, we own a 70% controlling interest in a three-building office complex containing 1.8 million square feet, known as the Bank of America Center, located at California and Montgomery Streets in San Francisco's financial district ("555 California Street"). 555 California Street is encumbered by a $579,795,000 mortgage loan that bears interest at a fixed rate of 5.10% and matures in September 2021. As of December 31, 2016, 555 California Street had an occupancy rate of 92.4% and a weighted average annual rent per square foot of $68.43.

Vornado Capital Partners Real Estate Fund (the "Fund") and Crowne Plaza Times Square Hotel Joint Venture (the "Crowne Plaza Joint Venture")

As of December 31,2016, we own a 25.0% interest in the Fund which currently hassix investments, one of which is the Crowne Plaza Times Square Hotel in which we also own an additional interest through a joint venture.We are the general partner and investment manager of the Fund. As of December 31, 2016, these six investments are carried on our consolidated balance sheet at an aggregate fair value of $462,132,000, including the Crowne Plaza Joint Venture. As of December 31, 2016, our share of unfunded commitments was $34,422,000.

ITEM 3. 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 expected to have a material adverse effect on our financial position, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Vornado's common shares are traded on the New York Stock Exchange under the symbol "VNO."

Quarterly high and low sales prices of Vornado's common shares and dividends paid per common share for the years ended December 31, 2016 and 2015 were as follows:

	Year Ended December 31, 2016			Year Ended December 31, 2015		
Quarter	High	Low	Dividends	High	Low	Dividends
1st	$ 99.97	$ 78.91	$ 0.63	$ 126.62[1]	$ 104.11	$ 0.63
2nd	100.13	90.13	0.63	113.12	94.55	0.63
3rd	108.69	97.18	0.63	98.96	84.60	0.63
4th	105.91	86.35	0.63	103.41	89.32	0.63

(1) Achieved on January 15, 2015, prior to the spin-off of Urban Edge Properties (NYSE: UE).

As of February 1, 2017, there were 1,051 holders of record of Vornado common shares.

There is no established trading market for Class A units of the Operating Partnership. As of February 1, 2017, there were 997 Class A unitholders of record.

Recent Sales of Unregistered Securities

During 2016, the Operating Partnership issued 491,920 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 $8,540,019 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.

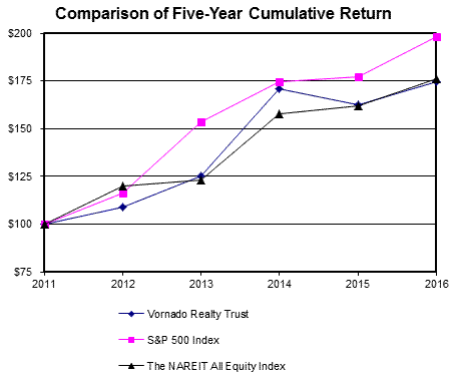
Information relating to compensation plans under which Vornado's equity securities are authorized for issuance is set forth under Part III, Item 12 of this Annual Report on Form 10-K and such information is incorporated by reference herein.

Recent Purchases of Equity Securities

In December 2016, we received 2,755 Vornado common shares at a weighted average price of $103.62 per share as payment for the exercise price of certain employees' stock options.

Performance Graph

The following graph is a comparison of the five-year cumulative return of Vornado's common shares, the Standard & Poor's 500 Index (the "S&P 500 Index") and the National Association of Real Estate Investment Trusts' ("NAREIT") All Equity Index, a peer group index. The graph assumes that $100 was invested on December 31, 2011 in our common shares, the S&P 500 Index and the NAREIT All Equity Index and that all dividends were reinvested without the payment of any commissions. There can be no assurance that the performance of our shares will continue in line with the same or similar trends depicted in the graph below.



	2011	2012	2013	2014	2015	2016
Vornado Realty Trust	$ 100	$ 109	$ 125	$ 171	$ 163	$ 174
S&P 500 Index	100	116	154	175	177	198
The NAREIT All Equity Index	100	120	123	158	162	176

ITEM 6. SELECTED FINANCIAL DATA

Vornado Realty Trust

(Amounts in thousands, except per share amounts)	Year Ended December 31,					
	2016	**2015**	**2014**	**2013**	**2012**	
Operating Data:						
Revenues:						
Property rentals	$ 2,103,728	$ 2,076,586	$ 1,911,487	$ 1,880,405	$ 1,771,264	
Tenant expense reimbursements	260,667	260,976	245,819	226,831	207,149	
Cleveland Medical Mart development project	-	-	-	36,369	235,234	
Fee and other income	141,807	164,705	155,206	155,571	119,077	
Total revenues	2,506,202	2,502,267	2,312,512	2,299,176	2,332,724	
Expenses:						
Operating	1,024,336	1,011,249	953,611	928,565	891,637	
Depreciation and amortization	565,059	542,952	481,303	461,627	435,545	
General and administrative	179,279	175,307	169,270	177,366	167,194	
Cleveland Medical Mart development project	-	-	-	32,210	226,619	
Skyline properties impairment loss	160,700	-	-	-	-	
Acquisition and transaction related costs	26,037	12,511	18,435	24,857	17,386	
Total expenses	1,955,411	1,742,019	1,622,619	1,624,625	1,738,381	
Operating income	550,791	760,248	689,893	674,551	594,343	
(Loss) income from real estate fund investments	(23,602)	74,081	163,034	102,898	63,936	
Income (loss) from partially owned entities	165,389	(12,630)	(59,861)	(340,882)	421,668	
Interest and other investment income (loss), net	29,546	26,978	38,752	(24,887)	(261,200)	
Interest and debt expense	(402,674)	(378,025)	(412,755)	(425,782)	(431,235)	
Net gain on extinguishment of Skyline properties debt	487,877	-	-	-	-	
Net gain on disposition of wholly owned and partially owned assets	175,735	251,821	13,568	2,030	4,856	
Income (loss) before income taxes	983,062	722,473	432,631	(12,072)	392,368	
Income tax (expense) benefit	(8,312)	84,695	(9,281)	8,717	(8,132)	
Income (loss) from continuing operations	974,750	807,168	423,350	(3,355)	384,236	
Income from discontinued operations	7,172	52,262	585,676	568,095	310,305	
Net income	981,922	859,430	1,009,026	564,740	694,541	
Less net income attributable to noncontrolling interests in:						
Consolidated subsidiaries	(21,351)	(55,765)	(96,561)	(63,952)	(32,018)	
Operating Partnership	(53,654)	(43,231)	(47,613)	(24,817)	(45,263)	
Net income attributable to Vornado	906,917	760,434	864,852	475,971	617,260	
Preferred share dividends	(75,903)	(80,578)	(81,464)	(82,807)	(76,937)	
Preferred unit and share redemptions	(7,408)	-	-	(1,130)	8,948	
Net income attributable to common shareholders	$ 823,606	$ 679,856	$ 783,388	$ 392,034	$ 549,271	
Per Share Data:						
Income (loss) from continuing operations, net - basic	$ 4.32	$ 3.35	$ 1.23	$ (0.75)	$ 1.37	
Income (loss) from continuing operations, net - diluted	4.30	3.33	1.22	(0.75)	1.37	
Net income per common share - basic	4.36	3.61	4.18	2.10	2.95	
Net income per common share - diluted	4.34	3.59	4.15	2.09	2.94	
Dividends per common share	2.52	2.52 **(1)**	2.92	2.92	3.76 **(2)**	
Balance Sheet Data:						
Total assets	$ 20,814,847	$ 21,143,293	$ 21,157,980	$ 20,018,210	$ 21,978,802	
Real estate, at cost	18,339,958	18,090,137	16,822,358	15,392,968	15,287,078	
Accumulated depreciation and amortization	(3,513,574)	(3,418,267)	(3,161,633)	(2,829,862)	(2,524,718)	
Debt, net	10,611,685	11,091,010	9,530,337	8,708,414	9,714,819	
Total equity	7,618,496	7,476,078	7,489,382	7,594,744	7,904,144	

(1) Post spin-off of Urban Edge Properties (NYSE: UE) on January 15, 2015.

(2) Includes a special long-term capital gain dividend of $1.00 per share.

ITEM 6. SELECTED FINANCIAL DATA - CONTINUED

Vornado Realty Trust

(Amounts in thousands)	Year Ended December 31,				
	2016	2015	2014	2013	2012
Other Data:					
Funds From Operations ("FFO")[(1)]:					
Net income attributable to common shareholders	$ 823,606	$ 679,856	$ 783,388	$ 392,034	$ 549,271
FFO adjustments:					
Depreciation and amortization of real property	$ 531,620	$ 514,085	$ 517,493	$ 501,753	$ 504,407
Net gains on sale of real estate	(177,023)	(289,117)	(507,192)	(411,593)	(245,799)
Real estate impairment losses	160,700	256	26,518	37,170	129,964
Proportionate share of adjustments to equity in net income (loss) of partially owned entities to arrive at FFO:					
Depreciation and amortization of real property	154,795	143,960	117,766	157,270	154,680
Net gains on sale of real estate	(2,853)	(4,513)	(11,580)	(465)	(241,602)
Real estate impairment losses	6,328	16,758	-	6,552	11,673
Income tax effect of above adjustments	-	-	(7,287)	(26,703)	(27,493)
	673,567	381,429	135,718	263,984	285,830
Noncontrolling interests' share of above adjustments	(41,267)	(22,342)	(8,073)	(15,089)	(16,649)
FFO adjustments, net	$ 632,300	$ 359,087	$ 127,645	$ 248,895	$ 269,181
FFO attributable to common shareholders	$ 1,455,906	$ 1,038,943	$ 911,033	$ 640,929	$ 818,452
Convertible preferred share dividends	86	92	97	108	113
Earnings allocated to Out-Performance Plan units	1,591	-	-	-	-
FFO attributable to common shareholders plus assumed conversions[(1)]	$ 1,457,583	$ 1,039,035	$ 911,130	$ 641,037	$ 818,565

(1) 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 depreciated real estate assets, real estate impairment losses, depreciation and amortization expense from real estate assets and other specified non-cash 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.

ITEM 6. SELECTED FINANCIAL DATA

Vornado Realty L.P.

(Amounts in thousands, except per unit amounts)	Year Ended December 31,					
	2016	2015	2014	2013	2012	
Operating Data:						
Revenues:						
Property rentals	$ 2,103,728	$ 2,076,586	$ 1,911,487	$ 1,880,405	$ 1,771,264	
Tenant expense reimbursements	260,667	260,976	245,819	226,831	207,149	
Cleveland Medical Mart development project	-	-	-	36,369	235,234	
Fee and other income	141,807	164,705	155,206	155,571	119,077	
Total revenues	2,506,202	2,502,267	2,312,512	2,299,176	2,332,724	
Expenses:						
Operating	1,024,336	1,011,249	953,611	928,565	891,637	
Depreciation and amortization	565,059	542,952	481,303	461,627	435,545	
General and administrative	179,279	175,307	169,270	177,366	167,194	
Cleveland Medical Mart development project	-	-	-	32,210	226,619	
Skyline properties impairment loss	160,700	-	-	-	-	
Acquisition and transaction related costs	26,037	12,511	18,435	24,857	17,386	
Total expenses	1,955,411	1,742,019	1,622,619	1,624,625	1,738,381	
Operating income	550,791	760,248	689,893	674,551	594,343	
(Loss) income from real estate fund investments	(23,602)	74,081	163,034	102,898	63,936	
Income (loss) from partially owned entities	165,389	(12,630)	(59,861)	(340,882)	421,668	
Interest and other investment income (loss), net	29,546	26,978	38,752	(24,887)	(261,200)	
Interest and debt expense	(402,674)	(378,025)	(412,755)	(425,782)	(431,235)	
Net gain on extinguishment of Skyline properties debt	487,877	-	-	-	-	
Net gain on disposition of wholly owned and partially owned assets	175,735	251,821	13,568	2,030	4,856	
Income (loss) before income taxes	983,062	722,473	432,631	(12,072)	392,368	
Income tax (expense) benefit	(8,312)	84,695	(9,281)	8,717	(8,132)	
Income (loss) from continuing operations	974,750	807,168	423,350	(3,355)	384,236	
Income from discontinued operations	7,172	52,262	585,676	568,095	310,305	
Net income	981,922	859,430	1,009,026	564,740	694,541	
Less net income attributable to noncontrolling interests in consolidated subsidiaries	(21,351)	(55,765)	(96,561)	(63,952)	(32,018)	
Net income attributable to Vornado Realty L.P.	960,571	803,665	912,465	500,788	662,523	
Preferred unit distributions	(76,097)	(80,736)	(81,514)	(83,965)	(86,873)	
Preferred unit redemptions	(7,408)	-	-	(1,130)	8,948	
Net income attributable to Class A unitholders	$ 877,066	$ 722,929	$ 830,951	$ 415,693	$ 584,598	
Per Unit Data:						
Income (loss) from continuing operations, net - basic	$ 4.32	$ 3.35	$ 1.22	$ (0.79)	$ 1.37	
Income (loss) from continuing operations, net - diluted	4.29	3.31	1.21	(0.78)	1.37	
Net income per Class A unit - basic	4.36	3.61	4.17	2.09	2.95	
Net income per Class A unit - diluted	4.32	3.57	4.14	2.08	2.93	
Distributions per Class A unit	2.52	2.52 **(1)**	2.92	2.92	3.76 **(2)**	
Balance Sheet Data:						
Total assets	$ 20,814,847	$ 21,143,293	$ 21,157,980	$ 20,018,210	$ 21,978,802	
Real estate, at cost	18,339,958	18,090,137	16,822,358	15,392,968	15,287,078	
Accumulated depreciation and amortization	(3,513,574)	(3,418,267)	(3,161,633)	(2,829,862)	(2,524,718)	
Debt, net	10,611,685	11,091,010	9,530,337	8,708,414	9,714,819	
Total equity	7,618,496	7,476,078	7,489,382	7,594,744	7,904,144	

(1) Post spin-off of Urban Edge Properties (NYSE: UE) on January 15, 2015.

(2) Includes a special long-term capital gain distribution of $1.00 per unit.

ITEM 7. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

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"). Accordingly, Vornado's cash flow and ability to pay dividends to its shareholders is dependent upon the cash flow of the Operating Partnership and the ability of its direct and indirect subsidiaries to first satisfy their obligations to creditors. Vornado is the sole general partner of, and owned approximately 93.7% of the common limited partnership interest in the Operating Partnership as of December 31, 2016. All references to the "Company," "we," "us" and "our" mean collectively Vornado, the Operating Partnership and those entities/subsidiaries consolidated by Vornado.

On October 31, 2016, Vornado's Board of Trustees approved the tax-free spin-off of our Washington, DC segment and we entered into a definitive agreement to merge it with the business and certain select assets of The JBG Companies ("JBG"), a Washington, DC real estate company. Steven Roth, the Chairman of the Board of Trustees and Chief Executive Officer of Vornado, will be Chairman of the Board of Trustees of the new company, which will be named JBG SMITH Properties. Mitchell Schear, President of our Washington, DC business, will be a member of the Board of Trustees of the new company. The pro rata distribution to Vornado common shareholders and Class A Operating Partnership unitholders is intended to be treated as a tax-free spin-off for U.S. federal income tax purposes. It is expected to be made on a pro rata 1:2 basis. The initial Form 10 registration statement relating to the spin-off and merger was filed with the SEC on January 23, 2017 and the distribution and combination are expected to be completed in the second quarter of 2017. The distribution and combination are subject to certain conditions, including the SEC declaring the Form 10 registration statement effective, filing and approval of the new company's listing application, receipt of regulatory approvals and third party consents by each of the Company and JBG, and formal declaration of the distribution by Vornado's Board of Trustees. The distribution and combination are not subject to a vote by Vornado's shareholders or Operating Partnership unitholders. Vornado's Board of Trustees has approved the transaction. JBG has obtained all requisite approvals from its investment funds for this transaction. There can be no assurance that this transaction will be completed.

We own and operate office and retail properties with large concentrations in the New York City metropolitan area and in the Washington, DC/Northern Virginia area. In addition, we have a 32.4% interest in Alexander's, Inc. ("Alexander's") (NYSE: ALX), which owns seven properties in the greater New York metropolitan area, a 32.5% interest in Toys "R" Us, Inc. ("Toys") as well as interests in other real estate and related investments.

Our business objective is to maximize Vornado shareholder value, which we measure by the total return provided to our shareholders. Below is a table comparing Vornado's performance to the FTSE NAREIT Office Index ("Office REIT") and the MSCI US REIT Index ("MSCI") for the following periods ended December 31, 2016:

	Total Return[(1)]		
	Vornado	**Office REIT**	**MSCI**
Three-month	3.9%	0.6%	(3.0%)
One-year	7.3%	13.2%	8.6%
Three-year	40.6%	42.8%	45.2%
Five-year	76.0%	72.1%	75.2%
Ten-year	36.9%	31.0%	62.3%

(1) Past performance is not necessarily indicative of future performance.

We intend to achieve this objective by continuing to pursue our investment philosophy and execute our operating strategies through:

- maintaining a superior team of operating and investment professionals and an entrepreneurial spirit;
- investing in properties in select markets, such as New York City, where we believe there is a high likelihood of capital appreciation;
- acquiring quality properties at a discount to replacement cost and where there is a significant potential for higher rents;
- investing in retail properties in select under-stored locations such as the New York City metropolitan area;
- developing and redeveloping our existing properties to increase returns and maximize value; and
- investing in operating companies that have a significant real estate component.

We expect to finance our growth, acquisitions and investments using internally generated funds, proceeds from asset sales and by accessing the public and private capital markets. We may also offer Vornado common or preferred shares or Operating Partnership units in exchange for property and may repurchase or otherwise reacquire these securities in the future.

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 Item 1A for additional information regarding these factors.

Vornado Realty Trust

Year Ended December 31, 2016 Financial Results Summary

Net income attributable to common shareholders for the year ended December 31, 2016 was $823,606,000, or $4.34 per diluted share, compared to $679,856,000, or $3.59 per diluted share, for the year ended December 31, 2015. The years ended December 31, 2016 and 2015 include certain items that impact net income 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 by $569,725,000 and $369,455,000, or $3.00 and $1.95 per diluted share, for the years ended December 31, 2016 and 2015, respectively.

Funds From Operations attributable to common shareholders plus assumed conversions ("FFO") for the year ended December 31, 2016 was $1,457,583,000, or $7.66 per diluted share, compared to $1,039,035,000, or $5.48 per diluted share, for the year ended December 31, 2015. The years ended December 31, 2016 and 2015 include certain items that impact FFO, which are listed in the table on page 43. The aggregate of these items, net of amounts attributable to noncontrolling interests, increased FFO by $570,780,000 and $138,158,000, or $3.00 and $0.73 per diluted share, for the years ended December 31, 2016 and 2015, respectively.

Net income as adjusted and FFO as adjusted for the year ended December 31, 2016 include $41,373,000, or $0.20 per diluted share, for our 33.0% share of a non-cash unrealized loss and related reduction in our carried interest accrual, resulting from the fourth quarter mark-to-market fair value adjustment of our real estate funds' investment in the Crowne Plaza Times Square Hotel.

Vornado Realty Trust – continued

Quarter Ended December 31, 2016 Financial Results Summary

Net income attributable to common shareholders for the quarter ended December 31, 2016 was $651,181,000, or $3.43 per diluted share, compared to $230,742,000, or $1.22 per diluted share, for the prior year's quarter. The quarters ended December 31, 2016 and 2015 include certain items that impact net income attributable to common shareholders, which are listed in the table below. The aggregate of these items, net of amounts attributable to noncontrolling interests, increased net income attributable to common shareholders by $594,473,000 and $144,301,000, or $3.13 and $0.76 per diluted share, for the quarters ended December 31, 2016 and 2015, respectively.

FFO for the quarter ended December 31, 2016 was $797,734,000, or $4.20 per diluted share, compared to $259,528,000, or $1.37 per diluted share, for the prior year's quarter. The quarters ended December 31, 2016 and 2015 include certain items that impact 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 by $582,996,000 and $21,469,000, or $3.07 and $0.11 per diluted share, for the quarters ended December 31, 2016 and 2015, respectively.

Net income as adjusted and FFO as adjusted for the quarter ended December 31, 2016 include $41,373,000, or $0.20 per diluted share, for our 33.0% share of a non-cash unrealized loss and related reduction in our carried interest accrual, resulting from the fourth quarter mark-to-market fair value adjustment of our real estate funds' investment in the Crowne Plaza Times Square Hotel.

(Amounts in thousands)	For the Year Ended December 31,		For the Three Months Ended December 31,	
	2016	2015	2016	2015
Certain items that impact net income attributable to common shareholders:				
Net gain on extinguishment of Skyline properties debt	$ 487,877	$ -	$ 487,877	$ -
Income from the repayment of our investments in 85 Tenth Avenue loans and preferred equity	160,843	-	160,843	-
Skyline properties impairment loss	(160,700)	-	-	-
Net gains on sale of real estate	159,511	255,964	-	142,693
Acquisition and transaction related costs	(26,037)	(12,511)	(14,743)	(4,951)
Net gain on sale of our 20% interest in Fairfax Square	15,302	-	15,302	-
Default interest on Skyline properties mortgage loan	(7,823)	-	(2,480)	-
Preferred share issuance costs (Series J redemption)	(7,408)	-	-	-
Net income (loss) from discontinued operations and sold properties	1,730	32,419	(117)	13,943
Net gains on sale of residential condominiums	714	6,724	-	4,231
Reversal of allowance for deferred tax assets (re: taxable REIT subsidiary's ability to utilize NOLs)	-	90,030	-	-
Net gain on sale of our interest in Monmouth Mall	-	33,153	-	-
Our share of partially owned entities:				
Real estate impairment losses	(20,290)	(21,260)	(14,754)	(4,141)
Net gains on sale of real estate	2,854	4,513	13	-
Other	183	3,004	208	1,671
	606,756	392,036	632,149	153,446
Noncontrolling interests' share of above adjustments	(37,031)	(22,581)	(37,676)	(9,145)
Certain items that impact net income attributable to common shareholders, net	$ 569,725	$ 369,455	$ 594,473	$ 144,301

Overview – continued

Vornado Realty Trust – continued

(Amounts in thousands)	For the Year Ended December 31,		For the Three Months Ended December 31,	
	2016	2015	2016	2015
Certain items that impact FFO:				
Net gain on extinguishment of Skyline properties debt	$ 487,877	$ -	$ 487,877	$ -
Income from the repayment of our investments in 85 Tenth Avenue loans and preferred equity	160,843	-	160,843	-
Acquisition and transaction related costs	(26,037)	(12,511)	(14,743)	(4,951)
FFO from discontinued operations and sold properties	11,923	64,263	2,202	22,137
Default interest on Skyline properties mortgage loan	(7,823)	-	(2,480)	-
Preferred share issuance costs (Series J redemption)	(7,408)	-	-	-
Net gains on sale of residential condominiums	714	6,724	-	4,231
Reversal of allowance for deferred tax assets (re: taxable REIT subsidiary's ability to utilize NOLs)	-	90,030	-	-
Our share of partially owned entities:				
Real estate impairment losses	(13,962)	(4,502)	(13,962)	-
Other	183	3,004	208	1,671
	606,310	147,008	619,945	23,088
Noncontrolling interests' share of above adjustments	(35,530)	(8,850)	(36,949)	(1,619)
Certain items that impact FFO, net	$ 570,780	$ 138,158	$ 582,996	$ 21,469

Vornado Realty L.P.

Year Ended December 31, 2016 Financial Results Summary

Net income attributable to Class A unitholders for the year ended December 31, 2016 was $877,066,000, or $4.32 per diluted Class A unit, compared to $722,929,000, or $3.57 per diluted Class A unit, for the year ended December 31, 2015. The year ended December 31, 2016 and 2015 include certain items that impact net income attributable to Class A unitholders which are listed in the table on the following page. The aggregate of these items increased net income attributable to Class A unitholders by $606,756,000, or $3.00 per diluted Class A unit, and $392,036,000, or $1.95 per diluted Class A unit, for the years ended December 31, 2016 and 2015, respectively.

Net income as adjusted for the year ended December 31, 2016 includes $41,373,000, or $0.20 per diluted Class A unit, for our 33.0% share of a non-cash unrealized loss and related reduction in our carried interest accrual, resulting from the fourth quarter mark-to-market fair value adjustment of our real estate funds' investment in the Crowne Plaza Times Square Hotel.

Quarter Ended December 31, 2016 Financial Results Summary

Net income attributable to Class A unitholders for the quarter ended December 31, 2016 was $693,377,000, or $3.43 per diluted Class A unit, compared to $245,735,000, or $1.21 per diluted Class A unit, for the prior year's quarter. The quarters ended December 31, 2016 and 2015 include certain items that impact net income attributable to Class A unitholders, which are listed in the table on the following page. The aggregate of these items increased net income attributable to Class A unitholders by $632,149,000, or $3.13 per diluted Class A unit, and $153,446,000, or $0.76 per diluted Class A unit, for the quarters ended December 31, 2016 and 2015, respectively.

Net income, as adjusted for the quarter ended December 31, 2016 includes $41,373,000, or $0.20 per diluted Class A unit, for our 33.0% share of a non-cash unrealized loss and related reduction in our carried interest accrual, resulting from the fourth quarter mark-to-market fair value adjustment of our real estate funds' investment in the Crowne Plaza Times Square Hotel.

Vornado Realty L.P. – continued

(Amounts in thousands)	For the Year Ended December 31,		For the Three Months Ended December 31,	
	2016	2015	2016	2015
Certain items that impact net income attributable to Class A unitholders:				
Net gain on extinguishment of Skyline properties debt	$ 487,877	$ -	$ 487,877	$ -
Income from the repayment of our investments in 85 Tenth Avenue loans and preferred equity	160,843	-	160,843	-
Skyline properties impairment loss	(160,700)	-	-	-
Net gains on sale of real estate	159,511	255,964	-	142,693
Acquisition and transaction related costs	(26,037)	(12,511)	(14,743)	(4,951)
Net gain on sale of our 20% interest in Fairfax Square	15,302	-	15,302	-
Default interest on Skyline properties mortgage loan	(7,823)	-	(2,480)	-
Preferred unit issuance costs (Series J redemption)	(7,408)	-	-	-
Net income (loss) from discontinued operations and sold properties	1,730	32,419	(117)	13,943
Net gains on sale of residential condominiums	714	6,724	-	4,231
Reversal of allowance for deferred tax assets (re: taxable REIT subsidiary's ability to utilize NOLs)	-	90,030	-	-
Net gain on sale of our interest in Monmouth Mall	-	33,153	-	-
Our share of partially owned entities:				
Real estate impairment losses	(20,290)	(21,260)	(14,754)	(4,141)
Net gains on sale of real estate	2,854	4,513	13	-
Other	183	3,004	208	1,671
Certain items that impact net income attributable to Class A unitholders	$ 606,756	$ 392,036	$ 632,149	$ 153,446

Vornado Realty Trust and Vornado Realty L.P.

Same Store EBITDA and Cash Basis Same Store EBITDA

The percentage increase (decrease) in same store Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") and cash basis same store EBITDA of our operating segments are summarized below.

	New York		Washington, DC
Same store EBITDA % increase (decrease):			
Year ended December 31, 2016 vs. December 31, 2015	6.3%	**(1)**	2.8%
Year ended December 31, 2015 vs. December 31, 2014	1.5%	**(2)**	(0.1%)
Three months ended December 31, 2016 vs. December 31, 2015	7.8%	**(3)**	2.3%
Three months ended December 31, 2016 vs. September 30, 2016	4.1%	**(4)**	(3.7%)
Cash basis same store EBITDA % increase (decrease):			
Year ended December 31, 2016 vs. December 31, 2015	8.6%	**(1)**	3.8%
Year ended December 31, 2015 vs. December 31, 2014	0.3%	**(2)**	(4.5%)
Three months ended December 31, 2016 vs. December 31, 2015	17.6%	**(3)**	4.4%
Three months ended December 31, 2016 vs. September 30, 2016	8.2%	**(4)**	(2.3%)

(1) Excluding Hotel Pennsylvania, same store EBITDA increased by 7.7% and by 10.3% on a cash basis.
(2) Excluding Hotel Pennsylvania, same store EBITDA increased by 2.4% and by 1.3% on a cash basis.
(3) Excluding Hotel Pennsylvania, same store EBITDA increased by 9.2% and by 19.8% on a cash basis.
(4) Excluding Hotel Pennsylvania, same store EBITDA increased by 3.6% and by 7.6% on a cash basis.

Calculations of same store EBITDA, reconciliations of our net income to EBITDA 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

Washington, DC Segment

Excluding the Skyline Properties which were disposed of on December 21, 2016, our Washington, DC segment EBITDA as adjusted was $290,500,000 for the year ended December 31, 2016, which is flat to 2015 as a result of an increase in EBITDA from the core business of $3,100,000, offset by a decline in EBITDA from properties taken out-of-service of $3,100,000. These results are slightly ahead of the guidance we published for 2016.

We expect to complete the spin-off of our Washington, DC segment in the second quarter of 2017. We expect that Washington, DC's EBITDA as adjusted during the first half of 2017 will be lower than the first half of 2016 by approximately $1,000,000 to $5,000,000, comprised of:

(i) core business approximately $2,000,000 to $6,000,000 higher than 2016, offset by,
(ii) reduction in EBITDA of approximately $6,000,000 to $8,000,000 from 1700 M Street, 1800 South Bell and 1750 Crystal Drive being taken out-of-service for redevelopment.

Investments

On March 17, 2016, we entered into a joint venture, in which we own a33.3% interest, which owns a $150,000,000 mezzanine loan with an interest rate ofLIBOR plus 8.88% and an initial maturity date inNovember 2016, with two three-month extension options. On November 9, 2016, the mezzanine loan was extended to May 2017 with an interest rate ofLIBOR plus 9.42% (10.08% at December 31, 2016) during the extension period. As of December 31, 2016, the joint venture has fully funded its commitments. The joint venture's investment is subordinate to $350,000,000 of third party debt. We account for our investment in the joint venture under the equity method.

On May 20, 2016, we contributed $19,650,000 for a 50.0% equity interest in a joint venture that will develop 606 Broadway, a34,000 square foot office and retail building, located on Houston Street in Manhattan. The development cost of this project is estimated to be approximately $104,000,000. At closing, the joint venture obtained a $65,000,000 construction loan, of which approximately $25,800,000 was outstanding at December 31, 2016. The loan, which bears interest atLIBOR plus 3.00% (3.66% at December 31, 2016), matures in May 2019 with two one-year extension options. Because this joint venture is a VIE and we determined we are the primary beneficiary, we consolidate the accounts of this joint venture from the date of our investment.

Dispositions

On May 27, 2016, we sold a 47% ownership interest in 7 West 34th Street, a 479,000 square foot Manhattan office building leased to Amazon, and retained the remaining 53% interest. This transaction was based on a property value of approximately $561,000,000 or $1,176 per square foot. We received net proceeds of $127,382,000 from the sale and realized a net gain of $203,324,000, of which $159,511,000 was recognized in the second quarter of 2016 and is included in "net gain on disposition of wholly owned and partially owned assets" in our consolidated statements of income. The remaining net gain of $43,813,000 has been deferred until our guarantee of payment of loan principal and interest is removed or the loan is repaid. We realized a net tax gain of $90,017,000. We continue to manage and lease the property. We share control over major decisions with our joint venture partner. Accordingly, this property is accounted for under the equity method from the date of sale.

On December 19, 2016, we completed the sale of our20% interest in Fairfax Square to our joint venture partner for $15,500,000, which resulted in a net gain of approximately $15,302,000.

On August 24, 2016, the Skyline properties, located in Fairfax, Virginia, were placed in receivership. On December 21, 2016, the final disposition of the Skyline properties was completed by the receiver. In connection therewith, the Skyline properties' assets (approximately $236,535,000) and liabilities (approximately $724,412,000), were removed from our consolidated balance sheet which resulted in a net gain of $487,877,000. There was no taxable income related to this transaction.

Overview – continued

Financings

Unsecured Revolving Credit Facility

On November 7, 2016, we extended one of our two $1.25 billion unsecured revolving credit facilities from June 2017 to February 2021 with two six-month extension options. The interest rate on the extended facility was lowered from LIBOR plus 115 basis points to LIBOR plus 100 basis points. The facility fee remains unchanged at 20 basis points.

Secured Debt

On February 8, 2016, we completed a $700,000,000 refinancing of 770 Broadway, a 1,158,000 square foot Manhattan office building. The five-year loan is interest only at LIBOR plus 1.75% (2.40% at December 31, 2016), which was swapped for four and a half years to a fixed rate of 2.56%. The Company realized net proceeds of approximately $330,000,000. The property was previously encumbered by a 5.65%, $353,000,000 mortgage which was scheduled to mature in March 2016.

On May 16, 2016, we completed a $300,000,000 recourse financing of 7 West 34th Street. The ten-year loan is interest only at a fixed rate of 3.65% and matures in June 2026.

On September 6, 2016, we completed a $675,000,000 refinancing of theMART, a 3,652,000 square foot commercial building in Chicago. The five-year loan is interest only and has a fixed rate of 2.70%. The Company realized net proceeds of approximately $124,000,000. The property was previously encumbered by a 5.57%, $550,000,000 mortgage which was scheduled to mature in December 2016.

On December 2, 2016, we completed a $400,000,000 refinancing of 350 Park Avenue, a 571,000 square foot Manhattan office building. The ten-year loan is interest only and has a fixed rate of 3.92%. The Company realized net proceeds of approximately $111,000,000. The property was previously encumbered by a 3.75%, $284,000,000 mortgage which was scheduled to mature in January 2017.

Preferred Securities

On September 1, 2016, we redeemed all of the outstanding 6.875% Series J cumulative redeemable preferred shares/units at their redemption price of $25.00 per share/unit, or $246,250,000 in the aggregate, plus accrued and unpaid dividends/distributions through the date of redemption. In connection therewith, we expensed $7,408,000 of issuance costs, which reduced net income attributable to common shareholders and net income attributable to Class A unitholders in the twelve months ended December 31, 2016. These costs had been initially recorded as a reduction of shareholders' equity and partners' capital.

Overview - continued

Leasing Activity

The leasing activity and related statistics in the tables 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			
	Manhattan	Long Island City (Center Building)	New York Retail	Washington, DC Office
Quarter Ended December 31, 2016:				
Total square feet leased	609	17	10	329
Our share of square feet leased	432	17	10	311
Initial rent[1]	$ 78.29	$ 35.41	$ 906.91	$ 41.59
Weighted average lease term (years)	7.8	9.8	9.8	4.6
Second generation relet space:				
Square feet	358	-	7	272
GAAP basis:				
Straight-line rent[2]	$ 77.10	$ -	$ 178.19	$ 40.43
Prior straight-line rent	$ 71.95	$ -	$ 164.21	$ 39.11
Percentage increase	7.2%	-	8.5%	3.4%
Percentage increase inclusive of 3 square foot Dyson lease at 640 Fifth[3]			515.6%	
Cash basis:				
Initial rent[1]	$ 77.16	$ -	$ 160.47	$ 41.91
Prior escalated rent	$ 72.41	$ -	$ 170.45	$ 41.12
Percentage increase (decrease)	6.6%	-	(5.9%)	1.9%
Percentage increase inclusive of 3 square foot Dyson lease at 640 Fifth[3]			396.4%	
Tenant improvements and leasing commissions:				
Per square foot	$ 73.69	$ 75.81	$ 813.04	$ 23.20
Per square foot per annum:	$ 9.45	$ 7.74	$ 82.96	$ 5.04
Percentage of initial rent	12.1%	21.8%	9.1%	12.1%

(Square feet in thousands)	New York Office			
	Manhattan	Long Island City (Center Building)	New York Retail	Washington, DC Office
Year Ended December 31, 2016:				
Total square feet leased	1,939	302	111	1,427
Our share of square feet leased	1,541	302	90	1,350
Initial rent[1]	$ 78.97	$ 39.84	$ 285.17	$ 40.41
Weighted average lease term (years)	9.3	6.0	9.1	4.2
Second generation relet space:				
Square feet	1,382	285	69	1,072
GAAP basis:				
Straight-line rent[2]	$ 78.30	$ 38.68	$ 204.95	$ 38.56
Prior straight-line rent	$ 66.15	$ 28.69	$ 166.14	$ 39.53
Percentage increase (decrease)	18.4%	34.8%	23.4%	(2.5%)
Percentage increase inclusive of 3 square foot Dyson lease at 640 Fifth[3]			94.9%	
Cash basis:				
Initial rent[1]	$ 78.37	$ 40.10	$ 194.35	$ 41.08
Prior escalated rent	$ 68.03	$ 30.53	$ 173.70	$ 42.47
Percentage increase (decrease)	15.2%	31.4%	11.9%	(3.3%)
Percentage increase inclusive of 3 square foot Dyson lease at 640 Fifth[3]			70.1%	
Tenant improvements and leasing commissions:				
Per square foot	$ 72.81	$ 21.66	$ 184.74	$ 19.62
Per square foot per annum:	$ 7.83	$ 3.61	$ 20.30	$ 4.67
Percentage of initial rent	9.9%	9.1%	7.1%	11.6%

See notes on the following page.

Leasing Activity - continued

(Square feet in thousands)	New York		Washington, DC
	Office	Retail	Office
Year Ended December 31, 2015:			
Total square feet leased	2,276	91	1,987
Our share of square feet leased:	1,838	82	1,847
Initial rent[(1)]	$ 78.55	$ 917.59	$ 40.20
Weighted average lease term (years)	9.2	13.7	8.6
Second generation relet space:			
Square feet	1,297	74	1,322
GAAP basis:			
Straight-line rent[(2)]	$ 77.03	$ 1,056.66	$ 39.57 [(4)]
Prior straight-line rent	$ 62.73	$ 529.31	$ 43.08 [(4)]
Percentage increase (decrease)	22.8%	99.6%	(8.2%)[(4)]
Cash basis:			
Initial rent[(1)]	$ 78.89	$ 907.49	$ 40.12 [(4)]
Prior escalated rent	$ 66.21	$ 364.56	$ 43.99 [(4)]
Percentage increase (decrease)	19.1%	148.9%	(8.8%)[(4)]
Tenant improvements and leasing commissions:			
Per square foot	$ 69.36	$ 688.42	$ 55.14
Per square foot per annum:	$ 7.54	$ 50.25	$ 6.41
Percentage of initial rent	9.6%	5.5%	15.9%

(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.

(3) The Dyson lease was signed after this space had been vacant for greater than nine months and therefore, by company policy, does not qualify as "second generation" relet space.

(4) Excluding 371 square feet of leasing activity with the U.S. Marshals Service (of which 293 square feet is second generation relet space), the initial rent and prior escalated rent on a GAAP basis was $42.30 and $43.89 per square foot, respectively (3.6% decrease), and the initial rent and prior escalated rent on a cash basis was $42.43 and $43.96 per square foot, respectively (3.5% decrease).

Overview - continued

Square footage (in service) and Occupancy as of December 31, 2016:

(Square feet in thousands)	Number of properties	Square Feet (in service)		Occupancy %
		Total Portfolio	Our Share	
New York:				
Office	36	20,227	16,962	96.3%
Retail	70	2,672	2,464	97.1%
Residential - 1,692 units	11	1,559	826	95.7%
Alexander's, including 312 residential units	7	2,437	790	99.8%
Hotel Pennsylvania	1	1,400	1,400	
		28,295	22,442	96.5%
Washington, DC:				
Office	44	11,141	10,123	88.3%
Residential - 3,156 units	9	3,245	3,103	97.8%
Other	5	330	330	100.0%
		14,716	13,556	90.5%
Other:				
theMART	3	3,671	3,662	98.9%
555 California Street	3	1,738	1,217	92.4%
Other	4	1,811	850	99.8%
		7,220	5,729	
Total square feet at December 31, 2016		50,231	41,727	

Overview - continued

Square footage (in service) and Occupancy as of December 31, 2015:

(Square feet in thousands)	Number of properties	Square Feet (in service)		Occupancy %
		Total Portfolio	Our Share	
New York:				
Office	35	21,288	17,412	96.3%
Retail	65	2,641	2,408	96.2%
Residential - 1,711 units	11	1,561	827	95.0%
Alexander's, including 296 residential units	7	2,419	784	99.7%
Hotel Pennsylvania	1	1,400	1,400	
		29,309	22,831	96.4%
Washington, DC:				
Office	44	11,592	10,597	90.1%
Residential - 2,630 units	9	2,808	2,666	96.4%
Other	5	386	386	100.0%
		14,786	13,649	91.6%
Other:				
theMART	3	3,658	3,649	98.5%
555 California Street	3	1,736	1,215	93.3%
Other	4	1,749	837	99.8%
		7,143	5,701	
Total square feet at December 31, 2015		51,238	42,181	

Critical Accounting Policies

In preparing the consolidated financial statements we have made estimates and assumptions that affect the reported amounts of 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. Set forth below is a summary of the accounting policies that we believe are critical to the preparation of our consolidated financial statements. The summary should be read in conjunction with the more complete discussion of our accounting policies included in Note 2 – *Basis of Presentation and Significant Accounting Policies* to our consolidated financial statements in this Annual Report on Form 10-K.

Real Estate

Real estate is carried at cost, net of accumulated depreciation and amortization. Betterments, major renewals and certain costs directly related to the improvement and leasing of real estate are capitalized. Maintenance and repairs are expensed as incurred. For redevelopment of existing operating properties, the net book value of the existing property under redevelopment plus the cost for the construction and improvements incurred in connection with the redevelopment are capitalized to the extent the capitalized costs of the property do not exceed the estimated fair value of the redeveloped property when complete. If the cost of the redeveloped property, including the net book value of the existing property, exceeds the estimated fair value of redeveloped property, the excess is charged to expense. Depreciation is recognized on a straight-line basis over estimated useful lives which range from 7 to 40 years. Tenant allowances are amortized on a straight-line basis over the lives of the related leases, which approximate the useful lives of the assets.

Upon the acquisition of real estate that meets the criteria of a business under ASU 2017-01, we assess the fair value of acquired assets (including land, buildings and improvements, identified intangibles, such as acquired above and below-market leases, acquired in-place leases and tenant relationships) and acquired liabilities and we allocate the purchase price based on these assessments. We assess fair value based on estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors including historical operating results, known trends, and market/economic conditions. We record acquired intangible assets (including acquired above-market leases, acquired in-place leases and tenant relationships) and acquired intangible liabilities (including below–market leases) at their estimated fair value separate and apart from goodwill. We amortize identified intangibles that have finite lives over the period they are expected to contribute directly or indirectly to the future cash flows of the property or business acquired.

As of December 31, 2016 and 2015, the carrying amounts of real estate, net of accumulated depreciation, were $14.8 billion and $14.7 billion, respectively. As of December 31, 2016 and 2015, the carrying amounts of identified intangible assets (including acquired above-market leases, tenant relationships and acquired in-place leases) were $192,731,000 and $227,901,000, respectively, and the carrying amounts of identified intangible liabilities, a component of "deferred revenue" on our consolidated balance sheets, were $263,786,000 and $318,148,000, respectively.

Our properties, including any related intangible assets, are individually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment exists when the carrying amount of an asset exceeds the aggregate projected future cash flows over the anticipated holding period on an undiscounted basis. An impairment loss is measured based on the excess of the property's carrying amount over its estimated fair value. Impairment analyses are based on our current plans, intended holding periods and available market information at the time the analyses are prepared. If our estimates of the projected future cash flows, anticipated holding periods, or market conditions change, our evaluation of impairment losses may be different and such differences could be material to our consolidated financial statements. The evaluation of anticipated cash flows is subjective and is based, in part, on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results. Plans to hold properties over longer periods decrease the likelihood of recording impairment losses.

Critical Accounting Policies – continued

Partially Owned Entities

We consolidate entities in which we have a controlling financial interest. In determining whether we have a controlling financial interest in a partially owned entity and the requirement to consolidate the accounts of that entity, we consider factors such as ownership interest, board representation, management representation, authority to make decisions, and contractual and substantive participating rights of the partners/members as well as whether the entity is a variable interest entity ("VIE") and whether we are the primary beneficiary. We are deemed to be the primary beneficiary of a VIE when we have (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses or receive benefits that could potentially be significant to the VIE. We generally do not control a partially owned entity if the entity is not considered a VIE and the approval of all of the partners/members is contractually required with respect to major decisions, such as operating and capital budgets, the sale, exchange or other disposition of real property, the hiring of a chief executive officer, the commencement, compromise or settlement of any lawsuit, legal proceeding or arbitration or the placement of new or additional financing secured by assets of the venture. We account for investments under the equity method when the requirements for consolidation are not met, and we have significant influence over the operations of the investee. Equity method investments are initially recorded at cost and subsequently adjusted for our share of net income or loss and cash contributions and distributions each period. Investments that do not qualify for consolidation or equity method accounting are accounted for on the cost method.

Investments in partially owned entities are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is measured based on the excess of the carrying amount of an investment over its estimated fair value. Impairment analyses are based on current plans, intended holding periods and available information at the time the analyses are prepared. The ultimate realization of our investments in partially owned entities is dependent on a number of factors, including the performance of each investment and market conditions. If our estimates of the projected future cash flows, the nature of development activities for properties for which such activities are planned and the estimated fair value of the investment change based on market conditions or otherwise, our evaluation of impairment losses may be different and such differences could be material to our consolidated financial statements. The evaluation of anticipated cash flows is subjective and is based, in part, on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results.

As of December 31, 2016 and 2015, the carrying amounts of investments in partially owned entities were $1.4 billion and $1.6 billion, respectively.

Allowance for Doubtful Accounts

We periodically evaluate the collectability of amounts due from tenants and maintain an allowance for doubtful accounts ($10,920,000 and $11,908,000 as of December 31, 2016 and 2015, respectively) for estimated losses resulting from the inability of tenants to make required payments under the lease agreements. We also maintain an allowance for receivables arising from the straight-lining of rents ($2,227,000 and $2,751,000 as of December 31, 2016 and 2015, respectively). This receivable arises from earnings recognized in excess of amounts currently due under the lease agreements. Management exercises judgment in establishing these allowances and considers payment history and current credit status in developing these estimates. These estimates may differ from actual results, which could be material to our consolidated financial statements.

Critical Accounting Policies – continued

Revenue Recognition

We have the following revenue sources and revenue recognition policies:

- Base Rent — income arising from tenant leases. These rents are recognized over the non-cancelable term of the related leases on a straight-line basis which includes the effects of rent steps and rent abatements under the leases. We commence rental revenue recognition when the tenant takes possession of the leased space and the leased space is substantially ready for its intended use. In addition, in circumstances where we provide a tenant improvement allowance for improvements that are owned by the tenant, we recognize the allowance as a reduction of rental revenue on a straight-line basis over the term of the lease.

- Percentage Rent — income arising from retail tenant leases that is contingent upon tenant sales exceeding defined thresholds. These rents are recognized only after the contingency has been removed (i.e., when tenant sales thresholds have been achieved).

- Hotel Revenue — income arising from the operation of the Hotel Pennsylvania which consists of rooms revenue, food and beverage revenue, and banquet revenue. Income is recognized when rooms are occupied. Food and beverage and banquet revenue are recognized when the services have been rendered.

- Trade Shows Revenue — income arising from the operation of trade shows, including rentals of booths. This revenue is recognized when the trade shows have occurred.

- Expense Reimbursements — revenue arising from tenant leases which provide for the recovery of all or a portion of the operating expenses and real estate taxes of the respective property. This revenue is recognized in the same periods as the expenses are incurred.

- Management, Leasing and Other Fees — income arising from contractual agreements with third parties or with partially owned entities. This revenue is recognized as the related services are performed under the respective agreements.

Before we recognize revenue, we assess, among other things, its collectability. If our assessment of the collectability of revenue changes, the impact on our consolidated financial statements could be material.

Income Taxes

Vornado operates in a manner intended to enable it to continue to qualify as a Real Estate Investment Trust ("REIT") under Sections 856-860 of the Internal Revenue Code of 1986, as amended. Under those sections, a REIT which distributes at least 90% of its REIT taxable income as a dividend to its shareholders each year and which meets certain other conditions will not be taxed on that portion of its taxable income which is distributed to its shareholders. Vornado distributes to its shareholders 100% of its taxable income and therefore, no provision for Federal income taxes is required. If Vornado fails to distribute the required amount of income to its shareholders, or fails to meet other REIT requirements, it may fail to qualify as a REIT which may result in substantial adverse tax consequences.

Recent Accounting Pronouncements

See Note 2 – *Basis of Presentation and Significant Accounting Policies* to our consolidated financial statements in this Annual Report on Form 10-K for a discussion concerning recent accounting pronouncements.

Net Income and EBITDA by Segment for the Years Ended December 31, 2016, 2015 and 2014

Below is a summary of net income and a reconciliation of net income to EBITDA[(1)] by segment for the years ended December 31, 2016 and 2015.

(Amounts in thousands)	For the Year Ended December 31, 2016			
	Total	New York	Washington, DC	Other
Total revenues	$ 2,506,202	$ 1,713,374	$ 518,117	$ 274,711
Total expenses	1,955,411	1,093,587	528,863	332,961
Operating income (loss)	550,791	619,787	(10,746)	(58,250)
Income (loss) from partially owned entities	165,389	(2,379)	(7,227)	174,995
Loss from real estate fund investments	(23,602)	-	-	(23,602)
Interest and other investment income (loss), net	29,546	5,093	(2)	24,455
Interest and debt expense	(402,674)	(216,685)	(72,434)	(113,555)
Net gain on extinguishment of Skyline properties debt	487,877	-	487,877	-
Net gain on disposition of wholly owned and partially owned assets	175,735	159,511	15,302	922
Income before income taxes	983,062	565,327	412,770	4,965
Income tax expense	(8,312)	(5,508)	(1,083)	(1,721)
Income from continuing operations	974,750	559,819	411,687	3,244
Income from discontinued operations	7,172	-	-	7,172
Net income	981,922	559,819	411,687	10,416
Less net income attributable to noncontrolling interests in consolidated subsidiaries	(21,351)	(13,558)	-	(7,793)
Net income attributable to the Operating Partnership	960,571	546,261	411,687	2,623
Interest and debt expense[(2)]	507,362	280,563	81,723	145,076
Depreciation and amortization[(2)]	694,214	435,961	158,720	99,533
Income tax expense[(2)]	11,838	5,911	2,979	2,948
EBITDA[(1)]	$ 2,173,985	$ 1,268,696 [(3)]	$ 655,109 [(4)]	$ 250,180 [(5)]

(Amounts in thousands)	For the Year Ended December 31, 2015			
	Total	New York	Washington, DC	Other
Total revenues	$ 2,502,267	$ 1,695,925	$ 532,812	$ 273,530
Total expenses	1,742,019	1,032,015	390,921	319,083
Operating income (loss)	760,248	663,910	141,891	(45,553)
(Loss) income from partially owned entities	(12,630)	655	(6,020)	(7,265)
Income from real estate fund investments	74,081	-	-	74,081
Interest and other investment income (loss), net	26,978	7,722	(262)	19,518
Interest and debt expense	(378,025)	(194,278)	(68,727)	(115,020)
Net gain on disposition of wholly owned and partially owned assets	251,821	142,693	102,404	6,724
Income (loss) before income taxes	722,473	620,702	169,286	(67,515)
Income tax benefit (expense)	84,695	(4,379)	(317)	89,391
Income from continuing operations	807,168	616,323	168,969	21,876
Income from discontinued operations	52,262	-	-	52,262
Net income	859,430	616,323	168,969	74,138
Less net income attributable to noncontrolling interests in consolidated subsidiaries	(55,765)	(13,022)	-	(42,743)
Net income attributable to the Operating Partnership	803,665	603,301	168,969	31,395
Interest and debt expense[(2)]	469,843	248,724	80,795	140,324
Depreciation and amortization[(2)]	664,637	394,028	178,021	92,588
Income tax (benefit) expense[(2)]	(85,379)	4,766	(1,610)	(88,535)
EBITDA[(1)]	$ 1,852,766	$ 1,250,819 [(3)]	$ 426,175 [(4)]	$ 175,772 [(5)]

See notes on pages 56 and 57.

Net Income and EBITDA by Segment for the Years Ended December 31, 2016, 2015 and 2014 - continued

Below is a summary of net income and a reconciliation of net income to EBITDA[(1)] by segment for the year ended December 31, 2014.

(Amounts in thousands)	For the Year Ended December 31, 2014			
	Total	New York	Washington, DC	Other
Total revenues	$ 2,312,512	$ 1,520,845	$ 537,151	$ 254,516
Total expenses	1,622,619	946,466	358,019	318,134
Operating income (loss)	689,893	574,379	179,132	(63,618)
(Loss) income from partially owned entities	(59,861)	20,701	(4,767)	(75,795)
Income from real estate fund investments	163,034	-	-	163,034
Interest and other investment income, net	38,752	6,711	183	31,858
Interest and debt expense	(412,755)	(183,427)	(75,395)	(153,933)
Net gain on disposition of wholly owned and partially owned assets	13,568	-	-	13,568
Income (loss) before income taxes	432,631	418,364	99,153	(84,886)
Income tax expense	(9,281)	(4,305)	(242)	(4,734)
Income (loss) from continuing operations	423,350	414,059	98,911	(89,620)
Income from discontinued operations	585,676	463,163	-	122,513
Net income	1,009,026	877,222	98,911	32,893
Less net income attributable to noncontrolling interests in consolidated subsidiaries	(96,561)	(8,626)	-	(87,935)
Net income (loss) attributable to the Operating Partnership	912,465	868,596	98,911	(55,042)
Interest and debt expense[(2)]	654,398	241,959	87,778	324,661
Depreciation and amortization[(2)]	685,973	324,239	144,124	217,610
Income tax expense[(2)]	24,248	4,395	288	19,565
EBITDA[(1)]	$ 2,277,084	$ 1,439,189 [(3)]	$ 331,101 [(4)]	$ 506,794 [(5)]

See notes on the following pages.

Net Income and EBITDA by Segment for the Years Ended December 31, 2016, 2015 and 2014 - continued

Notes to preceding tabular information:

(1) We calculate EBITDA on an Operating Partnership basis which is before allocation to the noncontrolling interest of the Operating Partnership. We consider EBITDA a 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 a multiple of EBITDA, we utilize this measure to make investment decisions as well as to compare the performance of our assets to that of our peers. EBITDA should not be considered a substitute for net income. EBITDA may not be comparable to similarly titled measures employed by other companies.

Our 7.5% interest in Fashion Centre Mall/Washington Tower will not be included in the spin-off of our Washington, DC segment and have been reclassified to Other. The prior year's presentation has been conformed to the current year.

(2) Interest and debt expense, depreciation and amortization and income tax expense (benefit) in the reconciliation of net income to EBITDA includes our share of these items from partially owned entities.

(3) The elements of "New York" EBITDA are summarized below.

(Amounts in thousands)	For the Year Ended December 31,		
	2016	**2015**	**2014**
Office	$ 805,708	$ 804,272	$ 1,063,355
Retail	381,739	358,379	281,428
Residential	25,060	22,266	21,907
Alexander's	46,182	42,858	41,746
Hotel Pennsylvania	10,007	23,044	30,753
Total New York EBITDA	1,268,696	1,250,819	1,439,189
Certain items that impact EBITDA:			
Net gains on sale of real estate	(159,511)	(142,693)	(440,537)
EBITDA from discontinued operations and sold properties	(3,120)	(35,985)	(39,743)
Other	-	(1,300)	(171)
Certain items that impact EBITDA	(162,631)	(179,978)	(480,451)
Total New York EBITDA, as adjusted	$ 1,106,065	$ 1,070,841	$ 958,738

(4) The elements of "Washington, DC" EBITDA are summarized below.

(Amounts in thousands)	For the Year Ended December 31,		
	2016	**2015**	**2014**
Office, excluding the Skyline properties	$ 260,436	$ 359,063	$ 260,270
Skyline properties	348,016	26,325	29,250
Total Office	608,452	385,388	289,520
Residential	46,657	40,787	41,581
Total Washington, DC EBITDA	655,109	426,175	331,101
Certain items that impact EBITDA:			
Net gain on extinguishment of Skyline properties debt	(487,877)	-	-
Skyline properties impairment loss	160,700	-	-
EBITDA from discontinued operations and sold properties	(22,131)	(33,605)	(38,876)
Net gains on sale of real estate and a land parcel	(15,302)	(102,404)	(1,800)
Other	-	405	-
Certain items that impact EBITDA	(364,610)	(135,604)	(40,676)
Total Washington, DC EBITDA, as adjusted	$ 290,499	$ 290,571	$ 290,425

Net Income and EBITDA by Segment for the Years Ended December 31, 2016, 2015 and 2014 - continued

Notes to preceding tabular information:

(5) The elements of "Other" EBITDA are summarized below.

(Amounts in thousands)	For the Year Ended December 31,		
	2016	2015	2014
Our share of real estate fund investments:			
Income before net realized/unrealized (loss) gain	$ 8,607	$ 8,611	$ 8,056
Net realized/unrealized (loss) gain	(16,270)	14,657	37,535
Carried interest	(13,379)	10,696	24,715
Total (loss) income from real estate fund investments	(21,042)	33,964	70,306
theMART (including trade shows)	91,845	79,159	79,636
555 California Street	45,827	49,975	48,844
India real estate ventures	3,685	3,933	6,434
Our share of Toys[(a)]	2,000	2,500	103,632
Other investments	77,240	42,436	21,385
	199,555	211,967	330,237
Corporate general and administrative expenses[(b)(c)]	(100,594)	(106,416)	(94,929)
Investment income and other, net[(b)]	22,501	26,385	31,665
Income from the repayment of our investments in 85 Tenth Avenue loans and preferred equity	160,843	-	-
Acquisition and transaction related costs	(26,062)	(12,511)	(16,392)
Our share of impairment losses on India real estate ventures	(13,962)	(14,806)	(5,771)
Discontinued operations[(d)]	7,185	28,314	245,679
Net gains on sale of real estate	714	44,390	26,568
Impairment loss and loan loss reserve on investment in Suffolk Downs	-	(1,551)	(10,263)
Total Other	$ 250,180	$ 175,772	$ 506,794

(a) As a result of our investment being reduced to zero, we suspended equity method accounting in 2014. The year ended December 31, 2014 includes an impairment loss of $75,196.

(b) The amounts in these captions (for this table only) exclude the results of the mark-to-market of our deferred compensation plan of $5,213, $111, and $11,557 of income, respectively.

(c) The year ended December 31, 2015 includes a cumulative catch up of $4,542 from the acceleration of recognition of compensation expense related to the modification of the 2012-2014 Out-Performance Plans.

(d) The years ended December 31, 2015 and 2014 include $22,684 and $14,956, respectively, of transaction costs related to the spin-off of our strip shopping centers and malls.

EBITDA by Region

Below is a summary of the percentages of EBITDA by geographic region, excluding gains on sale of real estate, non-cash impairment losses, and operations of sold properties.

	For the Year Ended December 31,		
	2016	2015	2014
Region:			
New York City metropolitan area	72%	72%	70%
Washington, DC/Northern Virginia area	19%	20%	21%
Chicago, IL	6%	5%	6%
San Francisco, CA	3%	3%	3%
	100%	100%	100%

Results of Operations – Year Ended December 31, 2016 Compared to December 31, 2015

Revenues

Our revenues, which consist of property rentals (including hotel and trade show revenues), tenant expense reimbursements, and fee and other income, were $2,506,202,000 in the year ended December 31, 2016, compared to $2,502,267,000 in the prior year, an increase of $3,935,000. Below are the details of the increase (decrease) by segment:

(Amounts in thousands) Increase (decrease) due to:	Total	New York	Washington, DC	Other
Property rentals:				
Acquisitions, dispositions and other	$ (48,446)	$ (33,841)**(1)**	$ (14,605)**(2)**	$ -
Development and redevelopment	2,151	(150)	(195)	2,496
Hotel Pennsylvania	(12,837)	(12,837)**(3)**	-	-
Trade shows	(852)	-	-	(852)
Same store operations	87,126	77,676	6,622	2,828
	27,142	30,848	(8,178)	4,472
Tenant expense reimbursements:				
Acquisitions, dispositions and other	(5,074)	(4,698)	(377)	1
Development and redevelopment	244	(3)	(796)	1,043
Same store operations	4,521	10,170	(1,960)	(3,689)
	(309)	5,469	(3,133)	(2,645)
Fee and other income:				
BMS cleaning fees	(3,193)	(3,233)	-	40
Management and leasing fees	4,060	1,105	2,023	932
Lease termination fees	(16,717)	(13,878)**(4)**	(3,118)	279
Other income	(7,048)	(2,862)	(2,289)	(1,897)
	(22,898)	(18,868)	(3,384)	(646)
Total increase (decrease) in revenues	$ 3,935	$ 17,449	$ (14,695)	$ 1,181

(1) Primarily due to (i) $20,515 from the write-off of New York office straight-line rents recorded in 2016, (ii) $18,014 from the disposition of 20 Broad Street and (iii) $14,238 of income in 2015 from the acceleration of amortization of acquired below-market lease liabilities at 697-703 Fifth Avenue (St. Regis - retail), partially offset by asset acquisitions.

(2) Primarily from the disposition of 1750 Pennsylvania Avenue and higher vacancies at the Skyline properties. On December 21, 2016, the disposition of the Skyline properties was completed by the receiver.

(3) Average occupancy and revenue per available room were 84.7% and $113.84, respectively, for 2016 as compared to 90.7% and $133.69, respectively, for 2015.

(4) Primarily from a lease termination fee received from a tenant at 20 Broad Street in the fourth quarter of 2015.

Results of Operations – Year Ended December 31, 2016 Compared to December 31, 2015 - continued

Expenses

Our expenses, which consist primarily of operating (including hotel and trade show expenses), depreciation and amortization and general and administrative expenses, were $1,955,411,000 in the year ended December 31, 2016, compared to $1,742,019,000 in the prior year, an increase of $213,392,000. Below are the details of the increase by segment:

(Amounts in thousands) Increase (decrease) due to:	Total	New York	Washington, DC	Other
Operating:				
Acquisitions, dispositions and other	$ (3,098)	$ 2,527	$ (5,625)[1]	$ -
Development and redevelopment	(701)	(99)	(2,090)	1,488
Non-reimbursable expenses, including bad-debt reserves	(1,975)	(2,296)	551	(230)
Hotel Pennsylvania	322	322	-	-
Trade shows	456	-	-	456
BMS expenses	(3,019)	(3,152)	-	133
Same store operations	21,102	25,224	(159)	(3,963)
	13,087	22,526	(7,323)	(2,116)
Depreciation and amortization:				
Acquisitions, dispositions and other	(4,077)	3,229	(7,306)[1]	-
Development and redevelopment	(22,207)	(296)	(23,232)[2]	1,321
Same store operations	48,391	35,275	11,425	1,691
	22,107	38,208	(19,113)	3,012
General and administrative:				
Mark-to-market of deferred compensation plan liability	5,102	-	-	5,102 [3]
Same store operations	(1,130)	838	3,678	(5,646)[4]
	3,972	838	3,678	(544)
Skyline properties impairment loss	160,700	-	160,700 [5]	-
Acquisition and transaction related costs	13,526	-	-	13,526
Total increase in expenses	$ 213,392	$ 61,572	$ 137,942	$ 13,878

(1) Primarily from the disposition of 1750 Pennsylvania Avenue and higher vacancies at the Skyline properties. On December 21, 2016, the disposition of the Skyline properties was completed by the receiver.

(2) Primarily due to the demolition of two adjacent office properties, 1726 M Street and 1150 17th Street.

(3) This increase in expense is entirely offset by a corresponding decrease in income from the mark-to-market of the deferred compensation plan assets, a component of "interest and other investment income, net" on our consolidated statements of income.

(4) Results primarily from the acceleration of the recognition of compensation expense in 2015 of $4,542 related to 2012-2014 Out-Performance Plans due to the modification of the vesting criteria of awards such that they fully vest at age 65.

(5) On March 15, 2016, we notified the servicer of the $678,000 non-recourse mortgage loan on the Skyline properties in Virginia that cash flow will be insufficient to service the debt and pay other property related costs and expenses and that we were not willing to fund additional cash shortfalls. Accordingly, at our request, the loan was transferred to the special servicer. Consequently, based on the shortened holding period for the underlying assets, we concluded that the excess of carrying amount over our estimate of fair value was not recoverable and recognized a $160,700 non-cash impairment loss in the first quarter of 2016.

(Loss) Income from Real Estate Fund Investments

Below are the components of the (loss) income from our real estate fund investments for the years ended December 31, 2016 and 2015.

(Amounts in thousands)	For the Year Ended December 31,	
	2016	2015
Net investment income	$ 17,053	$ 16,329
Net realized gain on exited investments	14,761	26,036
Previously recorded unrealized gain on exited investment	(14,254)	(23,279)
Net unrealized (loss) gain on held investments	(41,162)	54,995
(Loss) income from real estate fund investments	(23,602)	74,081
Less loss (income) attributable to noncontrolling interests in consolidated subsidiaries	2,560	(40,117)
(Loss) income from real estate fund investments attributable to the Operating Partnership **(1)**	(21,042)	33,964
Less loss (income) attributable to noncontrolling interests in the Operating Partnership	1,270	(2,011)
(Loss) income from real estate fund investments attributable to Vornado	$ (19,772)	$ 31,953

(1) Excludes $3,831, and $2,939 of management and leasing fees in the years ended December 31, 2016 and 2015, respectively, which are included as a component of "fee and other income" on our consolidated statements of income.

Income (Loss) from Partially Owned Entities

Summarized below are the components of income (loss) from partially owned entities for the years ended December 31, 2016 and 2015.

(Amounts in thousands)	Percentage Ownership at December 31, 2016	For the Year Ended December 31,	
		2016	2015
Equity in Net Income (Loss):			
85 Tenth Avenue **(1)**	49.9%	$ 178,072	$ (1,015)
Alexander's	32.4%	34,240	31,078
Partially owned office buildings **(2)**	Various	(42,100)	(23,556)
India real estate ventures **(3)**	4.1%-36.5%	(18,122)	(18,746)
Urban Edge Properties ("UE")	5.4%	5,839	4,394
PREIT	8.0%	(5,213)	(7,450)
Toys **(4)**	32.5%	2,000	2,500
Other investments **(5)**	Various	10,673	165
		$ 165,389	$ (12,630)

(1) On December 1, 2016, the owner of 85 Tenth Avenue completed a 10-year, 4.55% $625,000 refinancing of the property and we received net proceeds of $191,779 in repayment of our existing loans and preferred equity investments. We recognized $160,843 of income as a result of this transaction.

(2) Includes interests in 280 Park Avenue, 650 Madison Avenue, One Park Avenue, 666 Fifth Avenue (Office), 330 Madison Avenue, 512 West 22nd Street and others. In 2016 and 2015, we recognized net losses of $47,000 and $39,600, respectively, from our 666 Fifth Avenue (Office) joint venture as a result of our share of depreciation expense. In addition, in 2015 we recognized our $12,800 share of a write-off of a below-market lease liability related to a tenant vacating at 650 Madison Avenue.

(3) Includes non-cash impairment losses of $13,962 and $14,806, respectively.

(4) Represents management fees earned and received from our investment in Toys.

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

Results of Operations – Year Ended December 31, 2016 Compared to December 31, 2015 - continued

Interest and Other Investment Income, net

Interest and other investment income, net was $29,546,000 in the year ended December 31, 2016, compared to $26,978,000 in the prior year, an increase of $2,568,000. This increase resulted primarily from an increase in the value of investments in our deferred compensation plan (offset by a corresponding decrease in the liability for plan assets in general and administrative expenses).

Interest and Debt Expense

Interest and debt expense was $402,674,000 in the year ended December 31, 2016, compared to $378,025,000 in the prior year, an increase of $24,649,000. This increase was primarily due to (i) $23,205,000 of higher interest expense from the full year effect of 2015 financings of the St. Regis Retail, 150 West 34th Street, 100 West 33rd Street, and from the $375,000,000 drawn on our $750,000,000 delayed draw term loan, (ii) $10,208,000 of lower capitalized interest, and (iii) $7,823,000 of default interest on our Skyline properties mortgage loan, partially offset by (iv) $13,127,000 of interest savings from the re-financings of 888 7th Avenue and 770 Broadway and (v) $4,177,000 of interest savings from the repayment of the Bowen Building loan.

Net Gain on Extinguishment of Skyline Properties Debt

In the year ended December 31, 2016, upon the final disposition of the Skyline properties, all assets (approximately $236,535,000) and liabilities (approximately $724,412,000), were removed from our consolidated balance sheet which resulted in a net gain of $487,877,000.

Net Gain on Disposition of Wholly Owned and Partially Owned Assets

The net gain of $175,735,000 in the year ended December 31, 2016, consists primarily of a $159,511,000 net gain on sale of our 47% ownership interest in 7 West 34th Street and a $15,302,000 net gain on sale of our 20% ownership interest in Fairfax Square. The net gain of $251,821,000 in the prior year, consists of a $142,693,000 net gain on sale of 20 Broad Street, a $102,404,000 net gain on sale of 1750 Pennsylvania Avenue and $6,724,000 from the sale of residential condominiums.

Income Tax (Expense) Benefit

In the year ended December 31, 2016, we had an income tax expense of $8,312,000, compared to a benefit of $84,695,000 in the prior year, an increase in expense of $93,007,000. This increase in expense resulted primarily from the prior year reversal of $90,030,000 of valuation allowances against certain of our deferred tax assets, as we concluded that it was more-likely-than-not that we will generate sufficient taxable income from the sale of 220 Central Park South residential condominium units to realize the deferred tax assets.

Income from Discontinued Operations

We have reclassified the revenues and expenses of our strip shopping center and mall business which was spun off to UE on January 15, 2015 and other related retail assets that were sold or are currently held for sale to "income from discontinued operations" and the related assets and liabilities to "assets related to discontinued operations" and "liabilities related to discontinued operations" for all the periods presented in the accompanying financial statements. The table below sets forth the combined results of assets related to discontinued operations for the years ended December 31, 2016 and 2015.

(Amounts in thousands)	For the Year Ended December 31,	
	2016	2015
Total revenues	$ 3,998	$ 27,831
Total expenses	1,435	17,651
	2,563	10,180
Net gains on sale of real estate and a lease position	5,074	65,396
Impairment losses	(465)	(256)
UE spin-off transaction related costs	-	(22,972)
Pretax income from discontinued operations	7,172	52,348
Income tax expense	-	(86)
Income from discontinued operations	$ 7,172	$ 52,262

Net Income Attributable to Noncontrolling Interests in Consolidated Subsidiaries

Net income attributable to noncontrolling interests in consolidated subsidiaries was $21,351,000 in the year ended December 31, 2016, compared to $55,765,000 in the prior year, a decrease of $34,414,000. This decrease resulted primarily from lower net income allocated to the noncontrolling interests of our real estate fund investments.

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

Net income attributable to noncontrolling interests in the Operating Partnership was $53,654,000 in the year ended December 31, 2016, compared to $43,231,000 in the prior year, an increase of $10,423,000. This increase resulted primarily from higher net income subject to allocation to unitholders.

Preferred Share Dividends of Vornado Realty Trust

Preferred share dividends were $75,903,000 in the year ended December 31, 2016, compared to $80,578,000 in the prior year, a decrease of $4,675,000. This decrease resulted primarily from the redemption of the 6.875% Series J cumulative redeemable preferred shares on September 1, 2016.

Preferred Unit Distributions of Vornado Realty L.P.

Preferred unit distributions were $76,097,000 in the year ended December 31, 2016, compared to $80,736,000 in the prior year, a decrease of $4,639,000. This decrease resulted primarily from the redemption of the 6.875% Series J cumulative redeemable preferred units on September 1, 2016.

Preferred Share Issuance Costs

In the year ended December 31, 2016, we recognized a $7,408,000 expense in connection with the write-off of issuance costs upon redeeming all of the outstanding 6.875% Series J cumulative redeemable preferred shares on September 1, 2016.

Results of Operations – Year Ended December 31, 2016 Compared to December 31, 2015 - continued

Same Store EBITDA

Same store EBITDA represents EBITDA from property level operations which are owned by us in both the current and prior year reporting periods. Same store EBITDA excludes segment-level overhead expenses, which are expenses that we do not consider to be property-level expenses, as well as other non-operating items. We also present same store EBITDA on a cash basis (which excludes income from the straight-lining of rents, amortization of acquired below-market leases, net of above-market leases and other non-cash adjustments). We present these non-GAAP financial 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 EBITDA 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 is the reconciliation of EBITDA to same store EBITDA for each of our segments for the year ended December 31, 2016, compared to the year ended December 31, 2015.

(Amounts in thousands)	New York	Washington, DC
EBITDA for the year ended December 31, 2016	$ 1,268,696	$ 655,109
Add-back:		
Non-property level overhead expenses included above	35,864	29,729
Less EBITDA from:		
Acquisitions	(24,809)	-
Dispositions, including net gains on sale	(159,498)	(525,223)
Properties taken out-of-service for redevelopment	(26,816)	(3,118)
Other non-operating expenses	6,568	159,860
Same store EBITDA for the year ended December 31, 2016	$ 1,100,005	$ 316,357
EBITDA for the year ended December 31, 2015	$ 1,250,819	$ 426,175
Add-back:		
Non-property level overhead expenses included above	35,026	26,051
Less EBITDA from:		
Acquisitions	(2,840)	-
Dispositions, including net gains on sale	(173,843)	(135,929)
Properties taken out-of-service for redevelopment	(21,171)	(2,851)
Other non-operating income	(52,762)	(5,746)
Same store EBITDA for the year ended December 31, 2015	$ 1,035,229	$ 307,700
Increase in same store EBITDA -		
Year ended December 31, 2016 vs. December 31, 2015	$ 64,776 **(1)**	$ 8,657 **(3)**
% increase in same store EBITDA	6.3% **(2)**	2.8%

(1) The $64,776 increase in New York same store EBITDA resulted primarily from increases in Office and Retail EBITDA of $43,187 and $33,360, respectively, partially offset by a decrease in Hotel Pennsylvania EBITDA of $13,037. The Office and Retail EBITDA increases resulted primarily from higher rents, including signage, partially offset by lower management and leasing fees and higher operating expenses, net of reimbursements.

(2) Excluding Hotel Pennsylvania, same store EBITDA increased by 7.7%.

(3) The $8,657 increase in Washington, DC same store EBITDA resulted primarily from higher rental revenue of $8,542, higher management and leasing fees of $2,023, partially offset by higher net operating expenses of $2,351.

Results of Operations – Year Ended December 31, 2016 Compared to December 31, 2015 - continued

Reconciliation of Same Store EBITDA to Cash basis Same Store EBITDA

(Amounts in thousands)	New York	Washington, DC
Same store EBITDA for the year ended December 31, 2016	$ 1,100,005	$ 316,357
Less: Adjustments for straight line rents, amortization of acquired below-market leases, net, and other non-cash adjustments	(170,920)	(19,446)
Cash basis same store EBITDA for the year ended December 31, 2016	$ 929,085	$ 296,911
Same store EBITDA for the year ended December 31, 2015	$ 1,035,229	$ 307,700
Less: Adjustments for straight line rents, amortization of acquired below-market leases, net, and other non-cash adjustments	(179,403)	(21,641)
Cash basis same store EBITDA for the year ended December 31, 2015	$ 855,826	$ 286,059
Increase in cash basis same store EBITDA - Year ended December 31, 2016 vs. December 31, 2015	$ 73,259	$ 10,852
% increase in cash basis same store EBITDA	8.6%	**(1)** 3.8%

(1) Excluding Hotel Pennsylvania, same store EBITDA increased by 10.3% on a cash basis.

Results of Operations – Year Ended December 31, 2015 Compared to December 31, 2014

Revenues

Our revenues, which consist of property rentals (including hotel and trade show revenues), tenant expense reimbursements, and fee and other income, were $2,502,267,000 in the year ended December 31, 2015, compared to $2,312,512,000 in the year ended December 31, 2014, an increase of $189,755,000. Below are the details of the increase (decrease) by segment:

(Amounts in thousands) Increase (decrease) due to:	Total	New York	Washington, DC	Other
Property rentals:				
Acquisitions, dispositions and other	$ 57,430	$ 62,316 **(1)**	$ (4,886)	$ -
Development and redevelopment	55,559	52,547 **(2)**	142	2,870
Hotel Pennsylvania	(6,501)	(6,501)	-	-
Trade shows	2,195	-	-	2,195
Same store operations	56,416	46,024	2,616	7,776
	165,099	154,386	(2,128)	12,841
Tenant expense reimbursements:				
Acquisitions, dispositions and other	4,521	5,098 **(1)**	(577)	-
Development and redevelopment	2,863	2,904 **(2)**	(41)	-
Same store operations	7,773	4,046	57	3,670
	15,157	12,048	(561)	3,670
Fee and other income:				
BMS cleaning fees	(3,545)	(4,271)	-	726
Management and leasing fees	(3,089)	(2,509)	(480)	(100)
Lease termination fees	10,307	12,207	(1,900)	-
Other income	5,826	3,219	730	1,877
	9,499	8,646	(1,650)	2,503
Total increase (decrease) in revenues	$ 189,755	$ 175,080	$ (4,339)	$ 19,014

(1) Includes the acquisitions of 33-00 Northern Boulevard (Center Building), 260 Eleventh Avenue, 697-703 Fifth Avenue (St. Regis - retail) and 150 West 34th Street.

(2) Primarily 330 West 34th Street, 7 West 34th Street and 1535 Broadway (Marriott Marquis - retail and signage).

Results of Operations – Year Ended December 31, 2015 Compared to December 31, 2014 - continued

Expenses

Our expenses, which consist primarily of operating (including hotel and trade show expenses), depreciation and amortization and general and administrative expenses, were $1,742,019,000 in the year ended December 31, 2015, compared to $1,622,619,000 in the year ended December 31, 2014, an increase of $119,400,000. Below are the details of the increase by segment:

(Amounts in thousands) Increase (decrease) due to:	Total	New York	Washington, DC	Other
Operating:				
Acquisitions, dispositions and other	$ 9,518	$ 11,729 **(1)**	$ (2,211)	$ -
Development and redevelopment	19,761	14,289 **(2)**	1,449	4,023
Non-reimbursable expenses, including bad-debt reserves	(3,397)	(3,026)	(538)	167
Hotel Pennsylvania	915	915	-	-
Trade shows	249	-	-	249
BMS expenses	(2,963)	(4,229)	-	1,266
Same store operations	33,555	22,718	2,061	8,776
	57,638	42,396	761	14,481
Depreciation and amortization:				
Acquisitions, dispositions and other	34,960	34,816 **(1)**	144	-
Development and redevelopment	17,014	(6,120) **(2)**	30,599	(7,465)
Same store operations	9,675	7,910	2,686	(921)
	61,649	36,606	33,429	(8,386)
General and administrative:				
Mark-to-market of deferred compensation plan liability	(11,446)	-	-	(11,446) **(3)**
Same store operations	17,483	6,547 **(4)**	(1,288)	12,224 **(5)**
	6,037	6,547	(1,288)	778
Acquisition and transaction related costs	(5,924)	-	-	(5,924)
Total increase in expenses	$ 119,400	$ 85,549	$ 32,902	$ 949

(1) Includes the acquisitions of 33-00 Northern Boulevard (Center Building), 260 Eleventh Avenue, 697-703 Fifth Avenue (St. Regis - retail) and 150 West 34th Street.

(2) Primarily 330 West 34th Street, 7 West 34th Street and 1535 Broadway (Marriott Marquis - retail and signage).

(3) This decrease in expense is entirely offset by a corresponding decrease in income from the mark-to-market of the deferred compensation plan assets, a component of "interest and other investment income, net" on our consolidated statements of income.

(4) Results primarily from (i) the acceleration of the recognition of compensation expense of $1,555 related to 2013-2015 Out-Performance Plans due to the modification of the vesting criteria of awards such that they fully vest at age 65, and (ii) higher payroll and related costs.

(5) Results primarily from (i) the acceleration of the recognition of compensation expense of $6,217 related to 2013-2015 Out-Performance Plans due to the modification of the vesting criteria of awards such that they fully vest at age 65, (ii) higher payroll and related costs of $2,900 and (iii) higher professional fees and other of $2,400.

Income from Real Estate Fund Investments

Below are the components of the income from our real estate fund investments for the years ended December 31, 2015 and 2014.

(Amounts in thousands)	For the Year Ended December 31,	
	2015	2014
Net investment income	$ 16,329	$ 12,895
Net realized gain on exited investments	26,036	126,653
Previously recorded unrealized gain on exited investment	(23,279)	(50,316)
Net unrealized gain on held investments	54,995	73,802
Income from real estate fund investments	74,081	163,034
Less income attributable to noncontrolling interests in consolidated subsidiaries	(40,117)	(92,728)
Income from real estate fund investments attributable to the Operating Partnership	33,964	70,306
Less income attributable to noncontrolling interests in the Operating Partnership	(2,011)	(4,047)
Income from real estate fund investments attributable to Vornado[(1)]	$ 31,953	$ 66,259

(1) Excludes $2,939, and $2,562 of management and leasing fees in the years ended December 31, 2015 and 2014, respectively, which are included as a component of "fee and other income" on our consolidated statements of income.

Loss from Partially Owned Entities

Summarized below are the components of loss from partially owned entities for the years ended December 31, 2015 and 2014.

(Amounts in thousands)	Percentage Ownership at December 31, 2015	For the Year Ended December 31,	
		2015	2014
Equity in Net (Loss) Income:			
Alexander's	32.4%	$ 31,078	$ 30,009
Partially owned office buildings[(1)]	Various	(24,571)	(6,138)
India real estate ventures[(2)]	4.1%-36.5%	(18,746)	(8,309)
PREIT	8.0%	(7,450)	-
UE	5.4%	4,394	-
Toys[(3)]	32.5%	2,500	(73,556)
Other investments[(4)]	Various	165	(1,867)
		$ (12,630)	$ (59,861)

(1) Includes interests in 280 Park Avenue, 650 Madison Avenue, One Park Avenue, 666 Fifth Avenue (Office), 330 Madison Avenue, 85 Tenth Avenue, 512 West 22nd Street and others. In 2015, we recognized net losses of $39,600 from our 666 Fifth Avenue (Office) joint venture as a result of our share of depreciation expense. Also in 2015, we recognized our $12,800 share of a write-off of a below-market lease liability related to a tenant vacating at 650 Madison Avenue. In 2014, we recognized our $14,500 share of accelerated depreciation from our West 57th Street joint ventures in connection with the change in estimated useful life of those properties.

(2) Includes non-cash impairment losses of $14,806 and $5,771, respectively.

(3) For the year ended December 31, 2015, we recognized net income of $2,500 from our investment in Toys, representing management fees earned and received, compared to a net loss of $73,556 for the year ended December 31, 2014, which was primarily due to a $75,196 non-cash impairment loss.

(4) Includes interests in Independence Plaza, Fashion Centre Mall/Washington Tower, 50-70 West 93rd Street and others. In 2014, we recognized a $10,263 non-cash charge comprised of a $5,959 impairment loss and a $4,304 loan loss reserve on our equity and debt investments in Suffolk Downs.

Results of Operations – Year Ended December 31, 2015 Compared to December 31, 2014 - continued

Interest and Other Investment Income, net

Interest and other investment income, net, was $26,978,000 in the year ended December 31, 2015, compared to $38,752,000 in the year ended December 31, 2014, a decrease of $11,774,000. This decrease resulted primarily from a decrease in the value of investments in our deferred compensation plan (offset by a corresponding increase in the liability for plan assets in general and administrative expenses).

Interest and Debt Expense

Interest and debt expense was $378,025,000 in the year ended December 31, 2015, compared to $412,755,000 in the year ended December 31, 2014, a decrease of $34,730,000. This decrease was primarily due to (i) $26,652,000 of interest savings from the redemption of the $445,000,000 principal amount of the outstanding 7.875% senior unsecured notes during the fourth quarter of 2014, (ii) $21,375,000 of interest savings from the redemption of the $500,000,000 principal amount of the outstanding 4.25% senior unsecured notes on January 1, 2015, partially offset by (iii) $5,297,000 of interest expense from the issuance of $450,000,000 of 2.50% senior unsecured notes in June 2014, (iv) $5,182,000 of interest expense from the current year's financings of 150 West 34th Street and the Center Building, and (v) $3,481,000 of lower capitalized interest.

Net Gain on Disposition of Wholly Owned and Partially Owned Assets

The net gain of $251,821,000 in year ended December 31, 2015, consists of a $142,693,000 net gain on sale of 20 Broad Street, a $102,404,000 net gain on sale of 1750 Pennsylvania Avenue and $6,724,000 from the sale of residential condominiums. The net gain of $13,568,000 in the year ended December 31, 2014is from the sale of residential condominiums and a land parcel.

Income Tax Benefit (Expense)

In the year ended December 31, 2015, we had an income tax benefit of $84,695,000, compared to an expense of $9,281,000 in the year ended December 31, 2014, a decrease in expense of $93,976,000. This decrease in expense resulted primarily from the reversal of the valuation allowances against certain of our deferred tax assets, as we concluded that it was more-likely than not that we will generate sufficient taxable income from the sale of 220 Central Park South residential condominium units to realize the deferred tax assets.

Income from Discontinued Operations

The table below sets forth the combined results of operations of assets related to discontinued operations for the years ended December 31, 2015 and 2014.

(Amounts in thousands)	For the Year Ended December 31,	
	2015	2014
Total revenues	$ 27,831	$ 395,786
Total expenses	17,651	274,107
	10,180	121,679
Net gains on sales of real estate	65,396	507,192
UE spin-off transaction related costs	(22,972)	(14,956)
Impairment losses	(256)	(26,518)
Pretax income from discontinued operations	52,348	587,397
Income tax expense	(86)	(1,721)
Income from discontinued operations	$ 52,262	$ 585,676

Net Income Attributable to Noncontrolling Interests in Consolidated Subsidiaries

Net income attributable to noncontrolling interests in consolidated subsidiaries was $55,765,000 in the year ended December 31, 2015, compared to $96,561,000 in the year ended December 31, 2014, a decrease of $40,796,000. This decrease resulted primarily from lower net income allocated to the noncontrolling interests, including noncontrolling interests of our real estate fund investments.

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

Net income attributable to noncontrolling interests in the Operating Partnership was $43,231,000 in the year ended December 31, 2015, compared to $47,613,000 in the year ended December 31, 2014, a decrease of $4,382,000. This decrease resulted primarily from lower net income subject to allocation to unitholders.

Preferred Share Dividends of Vornado Realty Trust

Preferred share dividends were $80,578,000 in the year ended December 31, 2015, compared to $81,464,000 in the year ended December 31, 2014,a decrease of $886,000.

Preferred Unit Distributions of Vornado Realty L.P.

Preferred unit distributions were $80,736,000 in the year ended December 31, 2015, compared to $81,514,000 in the year ended December 31, 2014,a decrease of $778,000.

Results of Operations – Year Ended December 31, 2015 Compared to December 31, 2014 - continued

Same Store EBITDA

Below is the reconciliation of EBITDA to same store EBITDA for each of our segments for the year ended December 31, 2015, compared to the year ended December 31, 2014.

(Amounts in thousands)	New York	Washington, DC
EBITDA for the year ended December 31, 2015	$ 1,250,819	$ 426,175
Add-back:		
Non-property level overhead expenses included above	35,026	26,051
Less EBITDA from:		
Acquisitions	(61,369)	-
Dispositions, including net gains on sale	(169,362)	(135,930)
Properties taken out-of-service for redevelopment	(71,705)	2,271
Other non-operating income	(17,692)	(5,746)
Same store EBITDA for the year ended December 31, 2015	$ 965,717	$ 312,821
EBITDA for the year ended December 31, 2014	$ 1,439,189	$ 331,101
Add-back:		
Non-property level overhead expenses included above	28,479	27,339
Less EBITDA from:		
Acquisitions	(4,141)	-
Dispositions, including net gains on sale	(476,465)	(40,478)
Properties taken out-of-service for redevelopment	(26,832)	621
Other non-operating income	(8,815)	(5,446)
Same store EBITDA for the year ended December 31, 2014	$ 951,415	$ 313,137
Increase (decrease) in same store EBITDA -		
Year ended December 31, 2015 vs. December 31, 2014	$ 14,302 **(1)**	$ (316) **(3)**
% increase (decrease) in same store EBITDA	1.5% **(2)**	(0.1%)

(1) The $14,302 increase in New York same store EBITDA resulted primarily from increases in Office and Retail EBITDA of $13,688 and $6,519, respectively, partially offset by a decrease in Hotel Pennsylvania EBITDA of $7,709. The Office and Retail EBITDA increases resulted primarily from higher rents, including signage, partially offset by lower management and leasing fees and higher net operating expenses.

(2) Excluding Hotel Pennsylvania, same store EBITDA increased by 2.4%.

(3) The $316 decrease in Washington, DC same store EBITDA resulted primarily from higher net operating expenses of $2,629 and lower fee and other income of $715, partially offset by higher rental revenue of $3,162.

Results of Operations – Year Ended December 31, 2015 Compared to December 31, 2014 - continued

Reconciliation of Same Store EBITDA to Cash basis Same Store EBITDA

(Amounts in thousands)	New York	Washington, DC
Same store EBITDA for the year ended December 31, 2015	$ 965,717	$ 312,821
Less: Adjustments for straight line rents, amortization of acquired below-market leases, net, and other non-cash adjustments	(131,561)	(19,726)
Cash basis same store EBITDA for the year ended December 31, 2015	$ 834,156	$ 293,095
Same store EBITDA for the year ended December 31, 2014	$ 951,415	$ 313,137
Less: Adjustments for straight line rents, amortization of acquired below-market leases, net, and other non-cash adjustments	(119,842)	(6,358)
Cash basis same store EBITDA for the year ended December 31, 2014	$ 831,573	$ 306,779
Increase (decrease) in cash basis same store EBITDA - Year ended December 31, 2015 vs. December 31, 2014	$ 2,583	$ (13,684)
% increase (decrease) in cash basis same store EBITDA	0.3%	**(1)** (4.5%)

(1) Excluding Hotel Pennsylvania, same store EBITDA increased by 1.3% on a cash basis.

Supplemental Information

Net Income and EBITDA by Segment for the Three Months Ended December 31, 2016 and 2015

Below is a summary of net income and a reconciliation of net income to EBITDA[(1)] by segment for the three months ended December 31, 2016.

(Amounts in thousands)	For the Three Months Ended December 31, 2016			
	Total	**New York**	**Washington, DC**	**Other**
Total revenues	$ 638,260	$ 443,910	$ 128,191	$ 66,159
Total expenses	463,156	275,168	92,436	95,552
Operating income (loss)	175,104	168,742	35,755	(29,393)
Income (loss) from partially owned entities	164,860	2,764	(1,097)	163,193
Loss from real estate fund investments	(52,352)	-	-	(52,352)
Interest and other investment income (loss), net	9,284	1,409	(143)	8,018
Interest and debt expense	(98,244)	(54,492)	(18,038)	(25,714)
Net gain on extinguishment of Skyline properties debt	487,877	-	487,877	-
Net gain on disposition of wholly owned and partially owned assets	15,510	-	15,302	208
Income before income taxes	702,039	118,423	519,656	63,960
Income tax benefit (expense)	1,493	(1,377)	(199)	3,069
Income from continuing operations	703,532	117,046	519,457	67,029
Income from discontinued operations	1,012	-	-	1,012
Net income	704,544	117,046	519,457	68,041
Less net loss (income) attributable to noncontrolling interests in consolidated subsidiaries	5,010	(3,747)	-	8,757
Net income attributable to the Operating Partnership	709,554	113,299	519,457	76,798
Interest and debt expense[(2)]	130,464	71,880	19,934	38,650
Depreciation and amortization[(2)]	173,071	104,513	41,007	27,551
Income tax (benefit) expense[(2)]	(1,229)	1,487	199	(2,915)
EBITDA[(1)]	$ 1,011,860	$ 291,179 [(3)]	$ 580,597 [(4)]	$ 140,084 [(5)]

See notes on pages 74 and 75.

Net Income and EBITDA by Segment for the Three Months Ended December 31, 2016 and 2015 – continued

Below is a summary of net income and a reconciliation of net income to EBITDA[(1)] by segment for the three months ended December 31, 2015.

(Amounts in thousands)	For the Three Months Ended December 31, 2015			
	Total	**New York**	**Washington, DC**	**Other**
Total revenues	$ 651,581	$ 452,717	$ 131,284	$ 67,580
Total expenses	443,878	265,152	97,149	81,577
Operating income (loss)	207,703	187,565	34,135	(13,997)
Loss from partially owned entities	(3,921)	(868)	(1,713)	(1,340)
Income from real estate fund investments	21,959	-	-	21,959
Interest and other investment income (loss), net	7,360	2,080	(322)	5,602
Interest and debt expense	(98,915)	(51,274)	(16,504)	(31,137)
Net gain on disposition of wholly owned and partially owned assets	146,924	142,693	-	4,231
Income (loss) before income taxes	281,110	280,196	15,596	(14,682)
Income tax benefit (expense)	450	(1,194)	(238)	1,882
Income (loss) from continuing operations	281,560	279,002	15,358	(12,800)
Income from discontinued operations	1,984	-	-	1,984
Net income (loss)	283,544	279,002	15,358	(10,816)
Less net income attributable to noncontrolling interests in consolidated subsidiaries	(17,395)	(6,382)	-	(11,013)
Net income (loss) attributable to the Operating Partnership	266,149	272,620	15,358	(21,829)
Interest and debt expense[(2)]	121,118	64,347	19,574	37,197
Depreciation and amortization[(2)]	170,733	105,131	42,601	23,001
Income tax (benefit) expense[(2)]	(30)	1,398	246	(1,674)
EBITDA[(1)]	$ 557,970	$ 443,496 [(3)]	$ 77,779 [(4)]	$ 36,695 [(5)]

See notes on the following pages.

Net Income and EBITDA by Segment for the Three Months Ended December 31, 2016 and 2015 - continued

Notes to preceding tabular information:

(1) We calculate EBITDA on an Operating Partnership basis which is before allocation to the noncontrolling interest of the Operating Partnership. We consider EBITDA a 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 a multiple of EBITDA, we utilize this measure to make investment decisions as well as to compare the performance of our assets to that of our peers. EBITDA should not be considered a substitute for net income. EBITDA may not be comparable to similarly titled measures employed by other companies.

Our 7.5% interest in Fashion Centre Mall/Washington Tower will not be included in the spin-off of our Washington, DC segment and have been reclassified to Other. The prior year's presentation has been conformed to the current year.

(2) Interest and debt expense, depreciation and amortization and income tax expense in the reconciliation of net income to EBITDA includes our share of these items from partially owned entities.

(3) The elements of "New York" EBITDA are summarized below.

(Amounts in thousands)	For the Three Months Ended December 31,	
	2016	2015
Office	$ 170,469	$ 323,765
Retail	97,528	93,319
Residential	6,160	6,011
Alexander's	11,302	11,708
Hotel Pennsylvania	5,720	8,693
Total New York EBITDA	291,179	443,496
Certain items that impact EBITDA:		
Net gains on sale of 20 Broad Street	-	(142,693)
EBITDA from discontinued operations and sold properties	-	(18,734)
Certain items that impact EBITDA	-	(161,427)
Total New York EBITDA, as adjusted	$ 291,179	$ 282,069

(4) The elements of "Washington, DC" EBITDA are summarized below.

(Amounts in thousands)	For the Three Months Ended December 31,	
	2016	2015
Office, excluding the Skyline properties	$ 74,242	$ 61,661
Skyline properties	492,964	5,712
Total Office	567,206	67,373
Residential	13,391	10,406
Total Washington, DC EBITDA	580,597	77,779
Certain items that impact EBITDA:		
Net gain on extinguishment of Skyline properties debt	(487,877)	-
Net gains on sale of Fairfax Square	(15,302)	-
EBITDA from discontinued operations and sold properties	(5,333)	(6,110)
Other	-	405
Certain items that impact EBITDA	(508,512)	(5,705)
Total Washington, DC EBITDA, as adjusted	$ 72,085	$ 72,074

Supplemental Information – continued

Net Income and EBITDA by Segment for the Three Months Ended December 31, 2016 and 2015 - continued

Notes to preceding tabular information:

(5) The elements of "Other" EBITDA are summarized below.

(Amounts in thousands)	For the Three Months Ended December 31,	
	2016	2015
Our share of real estate fund investments:		
Income before net realized/unrealized (loss) gain	$ 2,298	$ 1,732
Net realized/unrealized (loss) gain	(19,603)	5,115
Carried interest	(17,399)	4,448
Total (loss) income from real estate fund investments	(34,704)	11,295
theMART (including trade shows)	21,156	16,930
555 California Street	10,690	11,738
India real estate ventures	1,100	1,704
Our share of Toys	500	500
Other investments	29,238	13,466
	27,980	55,633
Corporate general and administrative expenses[(a)]	(24,230)	(24,373)
Investment income and other, net[(a)]	3,184	5,110
Income from the repayment of our investments in 85 Tenth Avenue loans and preferred equity	160,843	-
Acquisition and transaction related costs	(14,743)	(4,951)
Our share of impairment losses on India real estate ventures	(13,962)	-
Discontinued operations	1,012	2,001
Net gain on sale of real estate	-	4,231
Impairment loss on loan loss reserve on investment in Suffolk Downs	-	(956)
Total Other	$ 140,084	$ 36,695

(a) The amounts in these captions (for this table only) exclude the results of the mark-to-market of our deferred compensation plan of $2,588 and $438 income for the three months ended December 31, 2016 and 2015, respectively.

EBITDA by Region

Below is a summary of the percentages of EBITDA by geographic region, excluding gains on sale of real estate, non-cash impairment losses, and operations of sold properties.

	For the Three Months Ended December 31,	
	2016	2015
Region:		
New York City metropolitan area	74%	74%
Washington, DC/Northern Virginia area	18%	19%
Chicago, IL	5%	4%
San Francisco, CA	3%	3%
	100%	100%

Supplemental Information – continued

Three Months Ended December 31, 2016 Compared to December 31, 2015

Same Store EBITDA

Same store EBITDA represents EBITDA from property level operations which are owned by us in both the current and prior year reporting periods. Same store EBITDA excludes segment-level overhead expenses, which are expenses that we do not consider to be property-level expenses, as well as other non-operating items. We also present same store EBITDA on a cash basis (which excludes income from the straight-lining of rents, amortization of acquired below-market leases, net of above-market leases and other non-cash adjustments). We present these non-GAAP financial 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 EBITDA 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 is the reconciliation of EBITDA to same store EBITDA for each of our segments for the three months ended December 31, 2016, compared to the three months ended December 31, 2015.

(Amounts in thousands)	New York	Washington, DC
EBITDA for the three months ended December 31, 2016	$ 291,179	$ 580,597
Add-back:		
Non-property level overhead expenses included above	8,307	7,612
Less EBITDA from:		
Acquisitions	(2,159)	-
Dispositions, including net gains on sale	(106)	(508,494)
Properties taken out-of-service for redevelopment	(6,871)	(1,530)
Other non-operating (income) expenses	(212)	23
Same store EBITDA for the three months ended December 31, 2016	$ 290,138	$ 78,208
EBITDA for the three months ended December 31, 2015	$ 443,496	$ 77,779
Add-back:		
Non-property level overhead expenses included above	6,788	7,553
Less EBITDA from:		
Acquisitions	(239)	-
Dispositions, including net gains on sale	(161,312)	(6,039)
Properties taken out-of-service for redevelopment	(5,041)	(415)
Other non-operating income	(14,560)	(2,451)
Same store EBITDA for the three months ended December 31, 2015	$ 269,132	$ 76,427
Increase in GAAP basis same store EBITDA -		
Three months ended December 31, 2016 vs. December 31, 2015	$ 21,006	$ 1,781
% increase in same store EBITDA	7.8% **(1)**	2.3%

(1) Excluding Hotel Pennsylvania, same store EBITDA increased by 9.2%.

Supplemental Information – continued

Three Months Ended December 31, 2016 Compared to December 31, 2015 - continued

Reconciliation of Same Store EBITDA to Cash basis Same Store EBITDA

(Amounts in thousands)	New York	Washington, DC
Same store EBITDA for the three months ended December 31, 2016	$ 290,138	$ 78,208
Less: Adjustments for straight line rents, amortization of acquired below-market leases, net, and other non-cash adjustments	(35,746)	(4,235)
Cash basis same store EBITDA for the three months ended December 31, 2016	$ 254,392	$ 73,973
Same store EBITDA for the three months ended December 31, 2015	$ 269,132	$ 76,427
Less: Adjustments for straight line rents, amortization of acquired below-market leases, net, and other non-cash adjustments	(52,852)	(5,546)
Cash basis same store EBITDA for the three months ended December 31, 2015	$ 216,280	$ 70,881
Increase in cash basis same store EBITDA - Three months ended December 31, 2016 vs. December 31, 2015	$ 38,112	$ 3,092
% increase in cash basis same store EBITDA	17.6%	**(1)** 4.4%

(1) Excluding Hotel Pennsylvania, same store EBITDA increased by 19.8% on a cash basis.

Supplemental Information – continued

Three Months Ended December 31, 2016 Compared to September 30, 2016

Below is the reconciliation of Net Income to EBITDA for the three months ended September 30, 2016.

(Amounts in thousands)	New York	Washington, DC
Net income attributable to Vornado for the three months ended September 30, 2016	$ 96,403	$ 24,107
Interest and debt expense	66,314	20,565
Depreciation and amortization	111,731	36,637
Income tax expense	2,445	310
EBITDA for the three months ended September 30, 2016	$ 276,893	$ 81,619

Below is the reconciliation of EBITDA to same store EBITDA for each of our segments for the three months ended December 31, 2016, compared to the three months ended September 30, 2016.

(Amounts in thousands)	New York	Washington, DC
EBITDA for the three months ended December 31, 2016	$ 291,179	$ 580,597
Add-back:		
Non-property level overhead expenses included above	8,307	7,612
Less EBITDA from:		
Acquisitions	-	-
Dispositions, including net gains on sale	(106)	(508,494)
Properties taken out-of-service for redevelopment	(7,583)	(1,530)
Other non-operating (income) expenses	(282)	23
Same store EBITDA for the three months ended December 31, 2016	$ 291,515	$ 78,208
EBITDA for the three months ended September 30, 2016	$ 276,893	$ 81,619
Add-back:		
Non-property level overhead expenses included above	9,783	6,858
Less EBITDA from:		
Acquisitions	-	-
Dispositions, including net gains on sale	(51)	(5,085)
Properties taken out-of-service for redevelopment	(7,966)	(1,581)
Other non-operating expenses (income)	1,286	(563)
Same store EBITDA for the three months ended September 30, 2016	$ 279,945	$ 81,248
Increase (decrease) in same store EBITDA -		
Three months ended December 31, 2016 vs. September 30, 2016	$ 11,570	$ (3,040)
% increase (decrease) in same store EBITDA	4.1% **(1)**	(3.7%)

(1) Excluding Hotel Pennsylvania, same store EBITDA increased by 3.6%.

Supplemental Information – continued

Three Months Ended December 31, 2016 Compared to September 30, 2016 - continued

Reconciliation of Same Store EBITDA to Cash Basis Same Store EBITDA

(Amounts in thousands)	New York	Washington, DC
Same store EBITDA for the three months ended December 31, 2016	$ 291,515	$ 78,208
Less: Adjustments for straight line rents, amortization of acquired below-market leases, net, and other non-cash adjustments	(36,201)	(4,235)
Cash basis same store EBITDA for the three months ended December 31, 2016	$ 255,314	$ 73,973
Same store EBITDA for the three months ended September 30, 2016	$ 279,945	$ 81,248
Less: Adjustments for straight line rents, amortization of acquired below-market leases, net, and other non-cash adjustments	(43,938)	(5,505)
Cash basis same store EBITDA for the three months ended September 30, 2016	$ 236,007	$ 75,743
Increase (decrease) in cash basis same store EBITDA - Three months ended December 31, 2016 vs. September 30, 2016	$ 19,307	$ (1,770)
% increase (decrease) in cash basis same store EBITDA	8.2%	**(1)** (2.3%)

(1) Excluding Hotel Pennsylvania, same store EBITDA increased by 7.6% on a cash basis.

Related Party Transactions

Alexander's, Inc.

We own 32.4% of Alexander's. Steven Roth, the Chairman of Vornado's Board of Trustees and its Chief Executive Officer is also the Chairman of the Board and Chief Executive Officer of Alexander's. We provide various services to Alexander's in accordance with management, development and leasing agreements. These agreements are described in Note 5 - *Investments in Partially Owned Entities* to our consolidated financial statements in this Annual Report on Form 10-K.

Urban Edge Properties

We own 5.4% of UE. During 2015, we provided transition services to UE, primarily for information technology, human resources, tax and financial planning. In 2016, we continue to provide UE transition services for information technology and human resources. UE is providing us with leasing, development and property management services for certain of our retail properties including the retail assets of Alexander's. Fees to UE for servicing the retail assets of Alexander's are similar to the fees that we are receiving from Alexander's as described in Note 5 - *Investments in Partially Owned* Entities to our consolidated financial statements in this Annual Report on Form 10-K.

Interstate Properties ("Interstate")

Interstate is a general partnership in which Mr. Roth is the managing general partner. David Mandelbaum and Russell B. Wight, Jr., Trustees of Vornado and Directors of Alexander's, are Interstate's two other general partners. As of December 31, 2016, Interstate and its partners beneficially owned an aggregate of approximately 7.1% of the common shares of beneficial interest of Vornado and 26.3% of Alexander's common stock.

We manage and lease the real estate assets of Interstate pursuant to a management agreement for which we receive an annual fee equal to 4% of annual base rent and percentage rent. The management agreement has a term of one year and is automatically renewable unless terminated by either of the parties on 60 days' notice at the end of the term. We believe, based upon comparable fees charged by other real estate companies, that the management agreement terms are fair to us. We earned $521,000, $541,000, and $535,000 of management fees under the agreement for the years ended December 31, 2016, 2015 and 2014, respectively.

Liquidity and Capital Resources

Property rental income 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 loan and unsecured revolving credit facilities; proceeds from the issuance of common and preferred equity securities; 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 may from time to time purchase or retire outstanding preferred shares and debt 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.

Dividends

On January 18, 2017, Vornado declared a quarterly common dividend of $0.71 per share (an indicated annual rate of $2.84 per common share). This dividend, if continued for all of 2017, would require Vornado to pay out approximately $537,000,000 of cash for common share dividends. In addition, during 2017, Vornado expects to pay approximately $65,000,000 of cash dividends on outstanding preferred shares and approximately $35,000,000 of cash distributions to unitholders of the Operating Partnership.

Liquidity and Capital Resources – continued

Financing Activities and Contractual Obligations

We have an effective shelf registration for the offering of our equity and debt securities that is not limited in amount due to our status as a "well-known seasoned issuer." We have issued senior unsecured notes from a shelf registration statement that contain financial covenants that restrict our ability to incur debt, and that require us to maintain a level of unencumbered assets based on the level of our secured debt. Our unsecured revolving credit facilities contain financial covenants that require us to maintain minimum interest 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 contain customary events of default that could give rise to accelerated repayment, including such items as failure to pay interest or principal. As of December 31, 2016, we are in compliance with all of the financial covenants required by our senior unsecured notes and our unsecured revolving credit facilities.

As of December 31, 2016, we had $1,501,027,000 of cash and cash equivalents and $2,364,523,000 of borrowing capacity under our unsecured revolving credit facilities, net of outstanding borrowings and letters of credit of $115,630,000 and $19,847,000, respectively. A summary of our consolidated debt as of December 31, 2016 and 2015 is presented below.

(Amounts in thousands)	2016		2015	
Consolidated debt:	December 31, Balance	Weighted Average Interest Rate	December 31, Balance	Weighted Average Interest Rate
Variable rate	$ 3,765,054	2.40%	$ 3,995,704	2.00%
Fixed rate	6,949,873	3.82%	7,206,634	4.21%
Total	10,714,927	3.32%	11,202,338	3.42%
Deferred financing costs, net and other	(103,242)		(111,328)	
Total, net	$ 10,611,685		$ 11,091,010	

During 2017 and 2018, $118,585,000 and $209,208,000, respectively, of our outstanding debt matures; we may refinance this maturing debt as it comes due or choose to repay it using cash and cash equivalents or our unsecured revolving credit facilities. We may also refinance or prepay other outstanding debt depending 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.

Below is a schedule of our contractual obligations and commitments at December 31, 2016.

(Amounts in thousands)		Less than			
Contractual cash obligations (principal and interest[(1)]):	Total	1 Year	1 – 3 Years	3 – 5 Years	Thereafter
Notes and mortgages payable	$ 10,829,548	$ 476,269	$ 2,357,201	$ 5,446,252	$ 2,549,826
Operating leases	1,791,440	34,871	71,222	73,352	1,611,995
Purchase obligations, primarily construction commitments	771,850	477,074	294,776	-	-
Unsecured revolving credit facilities	118,231	27	118,204	-	-
Senior unsecured notes due 2022	500,833	20,000	40,000	40,000	400,833
Senior unsecured notes due 2019	489,375	11,250	472,500	5,625	-
Capital lease obligations	372,379	12,508	25,016	25,016	309,839
Unsecured term loan	392,915	8,888	384,027	-	-
Total contractual cash obligations	$ 15,266,571	$ 1,040,887	$ 3,762,946	$ 5,590,245	$ 4,872,493
Commitments:					
Capital commitments to partially owned entities	$ 173,311	$ 173,311	$ -	$ -	$ -
Standby letters of credit	19,847	19,847	-	-	-
Total commitments	$ 193,158	$ 193,158	$ -	$ -	$ -

(1) Interest on variable rate debt is computed using rates in effect at December 31, 2016.

Liquidity and Capital Resources – continued

Financing Activities and Contractual Obligations – continued

Details of 2016 financing activities are provided in the "Overview" of Management's Discussion and Analysis of Financial Conditions and Results of Operations. Details of 2015 financing activities are discussed below.

Secured Debt

On April 1, 2015, we completed a $308,000,000 refinancing of RiverHouse Apartments, a three building, 1,670 unit rental complex located in Arlington, VA. The loan is interest only at LIBOR plus 1.28% and matures in 2025. We realized net proceeds of approximately $43,000,000. The property was previously encumbered by a 5.43%, $195,000,000 mortgage which was scheduled to mature in April 2015 and a $64,000,000 mortgage at LIBOR plus 1.53% which was scheduled to mature in 2018.

On June 2, 2015, we completed a $205,000,000 financing in connection with the acquisition of 150 West 34th Street. The loan bears interest at LIBOR plus 2.25% and matures in 2018 with two one-year extension options.

On July 28, 2015, we completed a $580,000,000 refinancing of 100 West 33rd Street, a 1.1 million square foot property comprised of 855,000 square feet of office space and the 256,000 square foot Manhattan Mall. The loan is interest only at LIBOR plus 1.65% and matures in July 2020. We realized net proceeds of approximately $242,000,000.

On September 22, 2015, we upsized the loan on our 220 Central Park South development by $350,000,000 to $950,000,000. The interest rate on the loan is LIBOR plus 2.00% and the final maturity date is 2020. In connection with the upsizing, the standby commitment for a $500,000,000 mezzanine loan for this development has been terminated by payment of a $15,000,000 contractual termination fee, which was capitalized as a component of "development costs and construction in progress" on our consolidated balance sheet as of December 31, 2015.

On December 11, 2015, we completed a $375,000,000 refinancing of 888 Seventh Avenue, a 882,000 square foot Manhattan office building. The five-year loan is interest only at LIBOR plus 1.60% which was swapped for the term of the loan to a fixed rate of 3.15% and matures in December 2020. We realized net proceeds of approximately $49,000,000.

On December 21, 2015, we completed a $450,000,000 financing of the retail condominium of the St. Regis Hotel and the adjacent retail town house located on Fifth Avenue at 55th Street. The loan matures in December 2020, with two one-year extension options. The loan is interest only at LIBOR plus 1.80% for the first three years, LIBOR plus 1.90% for years four and five, and LIBOR plus 2.00% during the extension periods. We own a 74.3% controlling interest in the joint venture which owns the property.

Senior Unsecured Notes

On January 1, 2015, we redeemed all of the $500,000,000 principal amount of our outstanding 4.25% senior unsecured notes, which were scheduled to mature on April 1, 2015, at a redemption price of 100% of the principal amount plus accrued interest through December 31, 2014.

Unsecured Term Loan

On October 30, 2015, we entered into an unsecured delayed-draw term loan facility in the maximum amount of $750,000,000. The facility matures in October 2018 with two one-year extension options. The interest rate is LIBOR plus 1.15% with a fee of 0.20% per annum on the unused portion. At closing, we drew $187,500,000. The facility provides that the maximum amount available is twice the amount outstanding on April 29, 2016, limited to $750,000,000, and all draws must be made by October 2017. This facility, together with the $950,000,000 development loan mentioned above, provides the funding for our 220 Central Park South development.

Liquidity and Capital Resources – continued

Financing Activities and Contractual Obligations – continued

Acquisitions and Investments

On January 20, 2015, we co-invested with the Vornado Capital Partners Real Estate Fund ("Fund") and one of the Fund's limited partners to buy out the Fund's joint venture partner's 57.1% interest in the Crowne Plaza Times Square Hotel. The purchase price for the 57.1% interest was approximately $95,000,000 (our share $39,000,000) which valued the property at approximately $480,000,000. The property is encumbered by a $310,000,000 mortgage loan bearing interest at LIBOR plus 2.80% and maturing in December 2018 with a one-year extension option. Our aggregate ownership interest in the property increased to 33% from 11%.

On March 18, 2015, we acquired the Center Building, a 437,000 square foot office building, located at 33-00 Northern Boulevard in Long Island City, New York, for $142,000,000, including the assumption of an existing $62,000,000, 4.43% mortgage maturing in October 2018.

On June 2, 2015, we completed the acquisition of 150 West 34th Street, a 78,000 square foot retail property leased to Old Navy through May 2019, and 226,000 square feet of additional zoning air rights, for approximately $355,000,000. At closing we completed a $205,000,000 financing of the property.

On June 24, 2015, we entered into a joint venture, in which we own a 55% interest, to develop a 173,000 square foot Class-A office building, located along the western edge of the High Line at 512 West 22nd Street. The development cost of this project is approximately $235,000,000. The development commenced during the fourth quarter of 2015 and is expected to be completed in 2018. We account for our investment in the joint venture under the equity method.

On July 31, 2015, we acquired 260 Eleventh Avenue, a 235,000 square foot office property leased to the City of New York through 2021 with two five-year renewal options, a 10,000 square foot parking lot and additional air rights. The transaction is structured as a 99-year ground lease with an option to purchase the land for $110,000,000. The $3,900,000 annual ground rent and the purchase option price escalate annually at the lesser of 1.5% or CPI. The buildings were purchased for 813,900 newly issued Operating Partnership units valued at approximately $80,000,000.

On September 25, 2015, we acquired 265 West 34th Street, a 1,700 square foot retail property and 15,200 square feet of additional zoning air rights, for approximately $28,500,000.

Certain Future Cash Requirements

Capital Expenditures

The following table summarizes anticipated 2017 capital expenditures.

(Amounts in millions, except square foot data)	Total	New York	Washington, DC	Other[(1)]
Expenditures to maintain assets	$ 168.8	$ 99.0	$ 29.0	$ 40.8
Tenant improvements	121.0	53.0	50.0	18.0
Leasing commissions	38.1	22.0	13.0	3.1
Total capital expenditures and leasing commissions	$ 327.9	$ 174.0	$ 92.0	$ 61.9
Square feet budgeted to be leased (in thousands)		*1,000*	*1,217*	
Weighted average lease term (years)		*10*	*8*	
Tenant improvements and leasing commissions:				
Per square foot		*$ 75.00*	*$ 51.35*	
Per square foot per annum		*$ 7.50*	*$ 6.50*	

(1) Primarily theMART and 555 California Street.

The table above excludes anticipated capital expenditures of each of our partially owned non-consolidated subsidiaries, as these entities fund their capital expenditures without additional equity contributions from us.

Liquidity and Capital Resources – continued

Development and Redevelopment Expenditures

We are constructing a residential condominium tower containing 397,000 salable square feet on our 220 Central Park South development site. The incremental development cost of this project is estimated to be approximately $1.3 billion, of which $609,420,000 has been expended as of December 31, 2016.

We are developing a 173,000 square foot Class-A office building at 512 West 22nd Street, along the western edge of the High Line in the West Chelsea submarket of Manhattan (55.0% owned). The incremental development cost of this project is estimated to be approximately $130,000,000, of which our share is $72,000,000. As of December 31, 2016, $30,143,000 has been expended, of which our share is $16,579,000.

We are developing a 170,000 square foot office and retail building at 61 Ninth Avenue, located on the southwest corner of Ninth Avenue and 15th Street in the West Chelsea submarket of Manhattan. In February 2016, the venture purchased an adjacent five story loft building and air rights in exchange for a 10% common and preferred equity interest in the venture valued at $19,400,000, which reduced our ownership interest to 45.1% from 50.1%. On December 21, 2016, the venture obtained a $90,000,000 construction loan. The loan matures in December 2020 with two six-month extension options. The interest rate is LIBOR plus 3.05%. As of December 31, 2016, there was nothing drawn on this loan. The incremental development cost of this project is estimated to be approximately $150,000,000, of which our share is $68,000,000. As of December 31, 2016, $38,499,000 has been expended, of which our share is $17,363,000.

We are developing a 34,000 square foot office and retail building at 606 Broadway, located on the northeast corner of Broadway and Houston Street in Manhattan (50.0% owned). At closing, the joint venture obtained a $65,000,000 construction loan, of which approximately $25,800,000 was outstanding as of December 31, 2016. The loan, which bears interest at LIBOR plus 3.00% (3.66% at December 31, 2016), matures in May 2019 with two one-year extension options. The venture's incremental development cost of this project is estimated to be approximately $60,000,000, of which our share is $30,000,000. As of December 31, 2016, $20,833,000 has been expended, of which our share is $10,417,000.

We are in the process of demolishing two adjacent Washington, DC office properties, 1726 M Street and 1150 17th Street, and will replace them in the future with a new 335,000 square foot Class A office building, to be addressed 1700 M Street. The incremental development cost of the project is estimated to be approximately $170,000,000, of which $10,500,000 has been expended as of December 31, 2016.

In September 2016, a joint venture between the Related Companies and Vornado was designated by New York State to redevelop the historic Farley Post Office building. The building will include a new Moynihan Train Hall and approximately 850,000 rentable square feet of office space and ancillary train hall retail. The joint venture will enter into a 99-year, triple-net lease and make a $230,000,000 contribution towards the construction of the train hall. Total costs for the redevelopment of the office and retail space are yet to be determined.

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

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 $180,000,000 per occurrence and in the annual 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 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 $1,622,000 ($1,976,000 for 2017) and 16% (17% for 2017) 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 costs of coverage for acts of terrorism. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future.

Our debt instruments, consisting of mortgage loans secured by our properties which are non-recourse to us, 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 reasonable costs in the future. Further, if lenders insist on greater coverage than we are able to obtain it could adversely affect our ability to finance our properties and expand our portfolio.

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 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 costs to us.

Our mortgage loans are non-recourse to us. However, 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 December 31, 2016, the aggregate dollar amount of these guarantees and master leases is approximately $737,000,000.

As of December 31, 2016, $19,847,000 of letters of credit were outstanding under one of our unsecured revolving credit facilities. Our unsecured revolving credit facilities contain financial covenants that require us to maintain minimum interest 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.

As of December 31, 2016, we expect to fund additional capital to certain of our partially owned entities aggregating approximately $173,000,000, which includes our share of the commitments of the Farley Post Office redevelopment joint venture.

As of December 31, 2016, we have construction commitments aggregating $653,940,000.

Liquidity and Capital Resources – continued

Cash Flows for the Year Ended December 31, 2016

Our cash and cash equivalents were $1,501,027,000 at December 31, 2016, a $334,680,000 decrease from the balance at December 31, 2015. Our consolidated outstanding debt, net was $10,611,685,000 at December 31, 2016, a $479,325,000 decrease from the balance at December 31, 2015. As of December 31, 2016 and December 31, 2015, $115,630,000 and $550,000,000, respectively, was outstanding under our revolving credit facilities. During 2017 and 2018, $118,585,000 and $209,208,000, respectively, of our outstanding debt matures; we may refinance this maturing debt as it comes due or choose to repay it.

Net Cash Provided by Operating Activities

Cash flows provided by operating activities of $1,000,667,000 was comprised of (i) net income of $981,922,000, (ii) distributions of income from partially owned entities of $217,468,000, (iii) return of capital from real estate fund investments of $71,888,000, partially offset by (iv) $197,568,000 of non-cash adjustments, which include depreciation and amortization expense, net gain on extinguishment of Skyline properties debt, net gain on the disposition of wholly owned and partially owned assets, equity in net income from partially owned entities, real estate impairment losses, the effect of straight-lining of rental income, amortization of below-market leases, net realized and unrealized loss on real estate fund investments and net gains on sale of real estate and other, and (v) the net change in operating assets and liabilities of $73,043,000.

Net Cash Used in Investing Activities

Net cash used in investing activities of $889,193,000 was primarily comprised of (i) $606,565,000 of development costs and construction in progress, (ii) $387,545,000 of additions to real estate, (iii) $127,608,000 of investments in partially owned entities, (iv) $61,464,000 of acquisitions of real estate and other, (v) $42,000,000 due to the net deconsolidation of 7 West 34th Street, (vi) $11,700,000 of investments in loans receivable and other, and (vii) $4,379,000 in purchases of marketable securities, partially offset by (viii) $193,967,000 of capital distributions from partially owned entities, (ix) $153,534,000 of proceeds from sales of real estate and related investments, (x) $3,937,000 of proceeds from the sale of marketable securities, and (xi) $585,000 of changes in restricted cash.

Net Cash Used in Financing Activities

Net cash used in financing activities of Vornado Realty Trust of $446,154,000 was comprised of (i) $1,894,990,000 for the repayments of borrowings, (ii) $475,961,000 of dividends paid on common shares, (iii) $246,250,000 for the redemption of preferred shares, (iv) $130,590,000 of distributions to noncontrolling interests, (v) $80,137,000 of dividends paid on preferred shares, (vi) $42,157,000 of debt issuance and other costs, and (vii) $186,000 for the repurchase of shares related to stock compensation agreements and related tax withholdings and other, partially offset by (viii) $2,403,898,000 of proceeds from borrowings, (ix) $11,950,000 of contributions from noncontrolling interests and (x) $8,269,000 of proceeds received from the exercise of employee share options.

Net cash used in financing activities of the Operating Partnership of $446,154,000 was comprised of (i) $1,894,990,000 for the repayments of borrowings, (ii) $475,961,000 of distributions to Vornado, (iii) $246,250,000 for the redemption of preferred units, (iv) $130,590,000 of distributions to redeemable security holders and noncontrolling interests in consolidated subsidiaries, (v) $80,137,000 of distributions to preferred unitholders, (vi) $42,157,000 of debt issuance and other costs, and (vii) $186,000 for the repurchase of Class A units related to equity compensation agreements and related tax withholdings and other, partially offset by (viii) $2,403,898,000 of proceeds from borrowings, (ix) $11,950,000 of contributions from noncontrolling interests in consolidated subsidiaries and (x) $8,269,000 of proceeds received from the exercise of Vornado stock options.

Liquidity and Capital Resources – continued

Capital Expenditures for the Year Ended December 31, 2016

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 capital expenditures, leasing commissions and a reconciliation of total expenditures on an accrual basis to the cash expended in the year ended December 31, 2016.

(Amounts in thousands)	Total	New York	Washington, DC	Other
Expenditures to maintain assets	$ 114,031	$ 67,239	$ 24,745	$ 22,047
Tenant improvements	86,630	63,995	12,712	9,923
Leasing commissions	38,938	32,475	4,067	2,396
Non-recurring capital expenditures	55,636	41,322	8,725	5,589
Total capital expenditures and leasing commissions (accrual basis)	295,235	205,031	50,249	39,955
Adjustments to reconcile to cash basis:				
Expenditures in the current year applicable to prior periods	268,101	159,144	71,935	37,022
Expenditures to be made in future periods for the current period	(117,910)	(100,151)	(16,357)	(1,402)
Total capital expenditures and leasing commissions (cash basis)	$ 445,426	$ 264,024	$ 105,827	$ 75,575
Tenant improvements and leasing commissions:				
Per square foot per annum	*$ 7.15*	*$ 7.98*	*$ 4.67*	*$ n/a*
Percentage of initial rent	*11.0%*	*9.7%*	*11.6%*	*n/a*

Development and Redevelopment Expenditures for the Year Ended December 31, 2016

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 budgets below include initial leasing costs, which are reflected as non-recurring capital expenditures in the table above.

Below is a summary of development and redevelopment expenditures incurred in the year ended December 31, 2016. These expenditures include interest of $34,097,000, payroll of $12,516,000, and other soft costs (primarily architectural and engineering fees, permits, real estate taxes and professional fees) aggregating $46,995,000, that were capitalized in connection with the development and redevelopment of these projects.

(Amounts in thousands)	Total	New York	Washington, DC	Other
220 Central Park South	$ 303,974	$ -	$ -	$ 303,974
The Bartlett	67,580	-	67,580	-
640 Fifth Avenue	46,282	46,282	-	-
90 Park Avenue	33,308	33,308	-	-
theMART	24,788	-	-	24,788
2221 South Clark Street (residential conversion)	15,939	-	15,939	-
Penn Plaza	11,904	11,904	-	-
Wayne Towne Center	8,461	-	-	8,461
330 West 34th Street	5,492	5,492	-	-
Other	88,837	21,217	56,863	10,757
	$ 606,565	$ 118,203	$ 140,382	$ 347,980

Liquidity and Capital Resources – continued

Cash Flows for the Year Ended December 31, 2015

Our cash and cash equivalents were $1,835,707,000 at December 31, 2015, a $637,230,000 increase over the balance at December 31, 2014. Our consolidated outstanding debt, net was $11,091,010,000 at December 31, 2015, a $1,560,673,000 increase over the balance at December 31, 2014.

Net Cash Provided by Operating Activities

Cash flows provided by operating activities of $672,150,000 was comprised of (i) net income of $859,430,000, (ii) return of capital from real estate fund investments of $91,458,000, and (iii) distributions of income from partially owned entities of $65,018,000, partially offset by (iv) $81,654,000 of non-cash adjustments, which include depreciation and amortization expense, the reversal of allowance for deferred tax assets, the effect of straight-lining of rental income, equity in net loss from partially owned entities and net gains on sale of real estate and other, and (v) the net change in operating assets and liabilities of $262,102,000 (including $95,010,000 related to real estate fund investments).

Net Cash Used in Investing Activities

Net cash used in investing activities of $678,746,000 was comprised of (i) $490,819,000 of development costs and construction in progress, (ii) $478,215,000 of acquisitions of real estate and other, (iii) $301,413,000 of additions to real estate, (iv) $235,439,000 of investments in partially owned entities, and (v) $1,000,000 of investment in loans receivable and other, partially offset by (vi) $573,303,000 of proceeds from sales of real estate and related investments, (vii) $200,229,000 of changes in restricted cash, (viii) $37,818,000 of capital distributions from partially owned entities, and (ix) $16,790,000 of proceeds from sales and repayment of mezzanine loans receivable and other.

Net Cash Provided by Financing Activities

Net cash provided by financing activities of Vornado Realty Trust of $643,826,000 was comprised of (i) $4,468,872,000 of proceeds from borrowings, (ii) $51,975,000 of contributions from noncontrolling interests, and (iii) $16,779,000 of proceeds received from exercise of employee share options, partially offset by (iv) $2,936,578,000 for the repayments of borrowings, (v) $474,751,000 of dividends paid on common shares, (vi) $225,000,000 of distributions in connection with the spin-off of UE, (vii) $102,866,000 of distributions to noncontrolling interests, (viii) $80,578,000 of dividends paid on preferred shares, (ix) $66,554,000 of debt issuance and other costs, and (x) $7,473,000 for the repurchase of shares related to stock compensation agreements and related tax withholdings and other.

Net cash provided by financing activities of the Operating Partnership of $643,826,000 was comprised of (i) $4,468,872,000 of proceeds from borrowings, (ii) $51,975,000 of contributions from noncontrolling interests in consolidated subsidiaries, and (iii) $16,779,000 of proceeds received from exercise of Vornado stock options, partially offset by (iv) $2,936,578,000 for the repayments of borrowings, (v) $474,751,000 of distributions to Vornado, (vi) $225,000,000 of distributions in connection with the spin-off of UE, (vii) $102,866,000 of distributions to redeemable security holders and noncontrolling interests in consolidated subsidiaries, (viii) $80,578,000 of distributions to preferred unitholders, (ix) $66,554,000 of debt issuance and other costs, and (x) $7,473,000 for the repurchase of Class A units related to stock compensation agreements and related tax withholdings and other.

Liquidity and Capital Resources – continued

Capital Expenditures for the Year Ended December 31, 2015

Below is a summary of capital expenditures, leasing commissions and a reconciliation of total expenditures on an accrual basis to the cash expended in the year ended December 31, 2015.

(Amounts in thousands)	Total	New York	Washington, DC	Other
Expenditures to maintain assets	$ 125,215	$ 57,752	$ 25,589	$ 41,874
Tenant improvements	153,696	68,869	51,497	33,330
Leasing commissions	50,081	35,099	6,761	8,221
Non-recurring capital expenditures	116,875	81,240	34,428	1,207
Total capital expenditures and leasing commissions (accrual basis)	445,867	242,960	118,275	84,632
Adjustments to reconcile to cash basis:				
Expenditures in the current year applicable to prior periods	156,753	93,105	35,805	27,843
Expenditures to be made in future periods for the current period	(222,469)	(118,911)	(73,227)	(30,331)
Total capital expenditures and leasing commissions (cash basis)	$ 380,151	$ 217,154	$ 80,853	$ 82,144
Tenant improvements and leasing commissions:				
Per square foot per annum	$ *8.43*	$ *10.20*	$ *6.41*	$ *n/a*
Percentage of initial rent	*10.8%*	*8.9%*	*15.9%*	*n/a*

Development and Redevelopment Expenditures for the Year Ended December 31, 2015

Below is a summary of development and redevelopment expenditures incurred in the year ended December 31, 2015. These expenditures include interest of $59,305,000, payroll of $6,077,000, and other soft costs (primarily architectural and engineering fees, permits, real estate taxes and professional fees) aggregating $90,922,000, that were capitalized in connection with the development and redevelopment of these projects.

(Amounts in thousands)	Total	New York	Washington, DC	Other
220 Central Park South	$ 158,014	$ -	$ -	$ 158,014
The Bartlett	103,878	-	103,878	-
330 West 34th Street	32,613	32,613	-	-
90 Park Avenue	29,937	29,937	-	-
2221 South Clark Street (residential conversion)	23,711	-	23,711	-
Marriott Marquis Times Square - retail and signage	21,929	21,929	-	-
Wayne Towne Center	20,633	-	-	20,633
640 Fifth Avenue	17,899	17,899	-	-
Penn Plaza	17,701	17,701	-	-
251 18th Street	5,897	-	5,897	-
S. Clark Street/12th Street	4,579	-	4,579	-
1700 M Street	2,695	-	2,695	-
Other	51,333	8,100	27,525	15,708
	$ 490,819	$ 128,179	$ 168,285	$ 194,355

Liquidity and Capital Resources – continued

Cash Flows for the Year Ended December 31, 2014

Our cash and cash equivalents were $1,198,477,000 at December 31, 2014, a $615,187,000 decrease over the balance at December 31, 2013. Our consolidated outstanding debt was $9,530,337,000 at December 31, 2014, a $821,923,000 increase from the balance at December 31, 2013.

Net Cash Provided by Operating Activities

Cash flows provided by operating activities of $1,135,310,000 was comprised of (i) net income of $1,009,026,000, (ii) return of capital from real estate fund investments of $215,676,000, and (iii) distributions of income from partially owned entities of $96,286,000, partially offset by (iv) $89,536,000 of non-cash adjustments, which include depreciation and amortization expense, the effect of straight-lining of rental income, equity in net loss from partially owned entities and net gains on sale of real estate and other, and (v) the net change in operating assets and liabilities of $96,142,000, including $3,392,000 related to real estate fund investments.

Net Cash Used in Investing Activities

Net cash used in investing activities of $574,465,000 was comprised of (i) $544,187,000 of development costs and construction in progress, (ii) $279,206,000 of additions to real estate, (iii) $211,354,000 of acquisitions of real estate and other, (iv) $120,639,000 of investments in partially owned entities, and (v) $30,175,000 of investments in loans receivable and other, partially offset by (vi) $388,776,000 of proceeds from sales of real estate and related investments, (vii) $99,464,000 of changes in restricted cash, (viii) $96,913,000 of proceeds from sales and repayments of mortgages and mezzanine loans receivable and other, and (ix) $25,943,000 of capital distributions from partially owned entities.

Net Cash Provided by Financing Activities

Net cash provided by financing activities of Vornado Realty Trust of $54,342,000 was comprised of (i) $2,428,285,000 of proceeds from borrowings, (ii) $30,295,000 of contributions from noncontrolling interests, and (iii) $19,245,000 of proceeds received from exercise of employee share options, partially offset by (iv) $1,312,258,000 for the repayments of borrowings, (v) $547,831,000 of dividends paid on common shares, (vi) $220,895,000 of distributions to noncontrolling interests, (vii) purchase of marketable securities in connection with the defeasance of mortgage payable of $198,884,000, (viii) $81,468,000 of dividends paid on preferred shares, (ix) $58,336,000 of debt issuance and other costs, and (x) $3,811,000 for the repurchase of shares related to stock compensation agreements and related tax withholdings and other.

Net cash provided by financing activities of the Operating Partnership of $54,342,000 was comprised of (i) $2,428,285,000 of proceeds from borrowings, (ii) $30,295,000 of contributions from noncontrolling interests in consolidated subsidiaries, and (iii) $19,245,000 of proceeds received from exercise of Vornado stock options, partially offset by (iv) $1,312,258,000 for the repayments of borrowings, (v) $547,831,000 of distributions to Vornado, (vi) $220,895,000 of distributions to redeemable security holders and noncontrolling interests in consolidated subsidiaries, (vii) purchase of marketable securities in connection with the defeasance of mortgage payable of $198,884,000, (viii) $81,468,000 of distributions to preferred unitholders, (ix) $58,336,000 of debt issuance and other costs, and (x) $3,811,000 for the repurchase of Class A units related to stock compensation agreements and related tax withholdings and other.

Liquidity and Capital Resources – continued

Capital Expenditures for the Year Ended December 31, 2014

Below is a summary of capital expenditures, leasing commissions and a reconciliation of total expenditures on an accrual basis to the cash expended in the year ended December 31, 2014.

(Amounts in thousands)	Total	New York	Washington, DC	Other
Expenditures to maintain assets	$ 107,728	$ 48,518	$ 23,425	$ 35,785
Tenant improvements	205,037	143,007	37,842	24,188
Leasing commissions	79,636	66,369	5,857	7,410
Non-recurring capital expenditures	122,330	64,423	37,798	20,109
Total capital expenditures and leasing commissions (accrual basis)	514,731	322,317	104,922	87,492
Adjustments to reconcile to cash basis:				
Expenditures in the current year applicable to prior periods	140,490	67,577	45,084	27,829
Expenditures to be made in future periods for the current period	(313,746)	(205,258)	(63,283)	(45,205)
Total capital expenditures and leasing commissions (cash basis)	$ 341,475	$ 184,636	$ 86,723	$ 70,116
Tenant improvements and leasing commissions:				
Per square foot per annum	$ *6.53*	$ *6.82*	$ *5.70*	$ *n/a*
Percentage of initial rent	*10.3%*	*9.1%*	*14.8%*	*n/a*

Development and Redevelopment Expenditures for the Year Ended December 31, 2014

Below is a summary of development and redevelopment expenditures incurred in the year ended December 31, 2014. These expenditures include interest of $62,787,000, payroll of $7,319,000, and other soft costs (primarily architectural and engineering fees, permits, real estate taxes and professional fees) aggregating $67,939,000, that were capitalized in connection with the development and redevelopment of these projects.

(Amounts in thousands)	Total	New York	Washington, DC	Other
Springfield Mall	$ 127,467	$ -	$ -	$ 127,467
Marriott Marquis Times Square - retail and signage	112,390	112,390	-	-
220 Central Park South	78,059	-	-	78,059
330 West 34th Street	41,592	41,592	-	-
The Bartlett	38,163	-	38,163	-
608 Fifth Avenue	20,377	20,377	-	-
Wayne Towne Center	19,740	-	-	19,740
7 West 34th Street	11,555	11,555	-	-
Other	94,844	27,892	45,482	21,470
	$ 544,187	$ 213,806	$ 83,645	$ 246,736

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 depreciated real estate assets, real estate impairment losses, depreciation and amortization expense from real estate assets and other specified non-cash 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.

FFO attributable to common shareholders plus assumed conversions was $1,457,583,000, or $7.66 per diluted share for the year ended December 31, 2016, compared to $1,039,035,000, or $5.48 per diluted share for the year ended December 31, 2015. FFO attributable to common shareholders plus assumed conversions was $797,734,000, or $4.20 per diluted share for the three months ended December 31, 2016, compared to $259,528,000, or $1.37 per diluted share for the three months ended December 31, 2015. Details of certain items that impact FFO are discussed in the financial results summary of our "Overview."

(Amounts in thousands, except per share amounts)	For the Year Ended December 31,		For the Three Months Ended December 31,	
	2016	2015	2016	2015
Reconciliation of our net income to FFO:				
Net income attributable to common shareholders	$ 823,606	$ 679,856	$ 651,181	$ 230,742
Per diluted share	$ 4.34	$ 3.59	$ 3.43	$ 1.22
FFO adjustments:				
Depreciation and amortization of real property	$ 531,620	$ 514,085	$ 133,389	$ 131,910
Net gains on sale of real estate	(177,023)	(289,117)	(15,302)	(142,693)
Real estate impairment losses	160,700	256	-	-
Proportionate share of adjustments to equity in net income (loss) of partially owned entities to arrive at FFO:				
Depreciation and amortization of real property	154,795	143,960	37,160	37,275
Net gains on sale of real estate	(2,853)	(4,513)	(12)	-
Real estate impairment losses	6,328	16,758	792	4,141
	673,567	381,429	156,027	30,633
Noncontrolling interests' share of above adjustments	(41,267)	(22,342)	(9,495)	(1,869)
FFO adjustments, net	$ 632,300	$ 359,087	$ 146,532	$ 28,764
FFO attributable to common shareholders	$ 1,455,906	$ 1,038,943	$ 797,713	$ 259,506
Convertible preferred share dividends	86	92	21	22
Earnings allocated to Out-Performance Plan units	1,591	-	-	-
FFO attributable to common shareholders plus assumed conversions	$ 1,457,583	$ 1,039,035	$ 797,734	$ 259,528
Per diluted share	$ 7.66	$ 5.48	$ 4.20	$ 1.37
Reconciliation of Weighted Average Shares				
Weighted average common shares outstanding	188,837	188,353	189,013	188,537
Effect of dilutive securities:				
Employee stock options and restricted share awards	1,064	1,166	1,055	1,107
Convertible preferred shares	42	45	40	44
Out-Performance Plan units	230	-	-	-
Denominator for FFO per diluted share	190,173	189,564	190,108	189,688

ITEM 7A. 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 amounts)	2016			2015	
	December 31, Balance	Weighted Average Interest Rate	Effect of 1% Change In Base Rates	December 31, Balance	Weighted Average Interest Rate
Consolidated debt:					
Variable rate	$ 3,765,054	2.40%	$ 37,651	$ 3,995,704	2.00%
Fixed rate	6,949,873	3.82%	-	7,206,634	4.21%
	$ 10,714,927	3.32%	37,651	$ 11,202,338	3.42%
Pro rata share of debt of non-consolidated entities (non-recourse):					
Variable rate – excluding Toys "R" Us, Inc.	$ 1,109,376	2.49%	11,094	$ 485,160	1.97%
Variable rate – Toys "R" Us, Inc.	1,162,072	6.05%	11,621	1,164,893	6.61%
Fixed rate (including $671,181 and $661,513 of Toys "R" Us, Inc. debt in 2016 and 2015)	2,791,249	6.09%	-	2,782,025	6.37%
	$ 5,062,697	5.30%	22,715	$ 4,432,078	5.95%
Noncontrolling interests' share of consolidated subsidiaries			(1,393)		
Total change in annual net income attributable to the Operating Partnership			58,973		
Noncontrolling interests' share of the Operating Partnership			(3,676)		
Total change in annual net income attributable to Vornado			$ 55,297		
Total change in annual net income attributable to the Operating Partnership per diluted Class A unit			$ 0.29		
Total change in annual net income attributable to Vornado per diluted share			$ 0.29		

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 December 31, 2016, we have an interest rate swap on a $412,000,000 mortgage loan that swapped the rate from LIBOR plus 1.65% (2.27% at December 31, 2016) to a fixed rate of 4.78% through March 2018 and an interest swap on a $375,000,000 mortgage loan on 888 Seventh Avenue that swapped the rate from LIBOR plus 1.60% (2.22% at December 31, 2016) to a fixed rate of 3.15% through December 2020.

In connection with the $700,000,000 refinancing of 770 Broadway, we entered into an interest rate swap from LIBOR plus 1.75% (2.40% at December 31, 2016) to a fixed rate of 2.56% through September 2020.

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 December 31, 2016, the estimated fair value of our consolidated debt was $10,746,000,000.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Trustees
Vornado Realty Trust
New York, New York

We have audited the accompanying consolidated balance sheets of Vornado Realty Trust (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Vornado Realty Trust at December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2016, based on the criteria established in*Internal Control— Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 13, 2017 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
February 13, 2017

VORNADO REALTY TRUST
CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except unit, share and per share amounts)	December 31, 2016	December 31, 2015
ASSETS		
Real estate, at cost:		
Land	$ 4,065,142	$ 4,164,799
Buildings and improvements	12,727,980	12,582,671
Development costs and construction in progress	1,430,276	1,226,637
Leasehold improvements and equipment	116,560	116,030
Total	18,339,958	18,090,137
Less accumulated depreciation and amortization	(3,513,574)	(3,418,267)
Real estate, net	14,826,384	14,671,870
Cash and cash equivalents	1,501,027	1,835,707
Restricted cash	98,295	107,799
Marketable securities	203,704	150,997
Tenant and other receivables, net of allowance for doubtful accounts of $10,920 and $11,908	94,467	98,062
Investments in partially owned entities	1,428,019	1,550,422
Real estate fund investments	462,132	574,761
Receivable arising from the straight-lining of rents, net of allowance of $2,227 and $2,751	1,032,736	931,245
Deferred leasing costs, net of accumulated amortization of $228,862 and $218,239	454,345	480,421
Identified intangible assets, net of accumulated amortization of $207,330 and $187,360	192,731	227,901
Assets related to discontinued operations	5,570	37,020
Other assets	515,437	477,088
	$ 20,814,847	$ 21,143,293
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Mortgages payable, net	$ 9,278,263	$ 9,513,713
Senior unsecured notes, net	845,577	844,159
Unsecured revolving credit facilities	115,630	550,000
Unsecured term loan, net	372,215	183,138
Accounts payable and accrued expenses	458,694	443,955
Deferred revenue	287,846	346,119
Deferred compensation plan	121,374	117,475
Liabilities related to discontinued operations	2,870	12,470
Other liabilities	435,436	426,965
Total liabilities	11,917,905	12,437,994
Commitments and contingencies		
Redeemable noncontrolling interests:		
Class A units - 12,197,162 and 12,242,820 units outstanding	1,273,018	1,223,793
Series D cumulative redeemable preferred units - 177,101 units outstanding	5,428	5,428
Total redeemable noncontrolling interests	1,278,446	1,229,221
Vornado shareholders' equity:		
Preferred shares of beneficial interest: no par value per share; authorized 110,000,000 shares; issued and outstanding 42,824,829 and 52,676,629 shares	1,038,055	1,276,954
Common shares of beneficial interest: $.04 par value per share; authorized 250,000,000 shares; issued and outstanding 189,100,876 and 188,576,853 shares	7,542	7,521
Additional capital	7,153,332	7,132,979
Earnings less than distributions	(1,419,382)	(1,766,780)
Accumulated other comprehensive income	118,972	46,921
Total Vornado shareholders' equity	6,898,519	6,697,595
Noncontrolling interests in consolidated subsidiaries	719,977	778,483
Total equity	7,618,496	7,476,078
	$ 20,814,847	$ 21,143,293

See notes to the consolidated financial statements.

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF INCOME

(Amounts in thousands, except per share amounts)	Year Ended December 31,		
	2016	**2015**	**2014**
REVENUES:			
Property rentals	$ 2,103,728	$ 2,076,586	$ 1,911,487
Tenant expense reimbursements	260,667	260,976	245,819
Fee and other income	141,807	164,705	155,206
Total revenues	2,506,202	2,502,267	2,312,512
EXPENSES:			
Operating	1,024,336	1,011,249	953,611
Depreciation and amortization	565,059	542,952	481,303
General and administrative	179,279	175,307	169,270
Skyline properties impairment loss	160,700	-	-
Acquisition and transaction related costs	26,037	12,511	18,435
Total expenses	1,955,411	1,742,019	1,622,619
Operating income	550,791	760,248	689,893
(Loss) income from real estate fund investments	(23,602)	74,081	163,034
Income (loss) from partially owned entities	165,389	(12,630)	(59,861)
Interest and other investment income, net	29,546	26,978	38,752
Interest and debt expense	(402,674)	(378,025)	(412,755)
Net gain on extinguishment of Skyline properties debt	487,877	-	-
Net gain on disposition of wholly owned and partially owned assets	175,735	251,821	13,568
Income before income taxes	983,062	722,473	432,631
Income tax (expense) benefit	(8,312)	84,695	(9,281)
Income from continuing operations	974,750	807,168	423,350
Income from discontinued operations	7,172	52,262	585,676
Net income	981,922	859,430	1,009,026
Less net income attributable to noncontrolling interests in:			
Consolidated subsidiaries	(21,351)	(55,765)	(96,561)
Operating Partnership	(53,654)	(43,231)	(47,613)
Net income attributable to Vornado	906,917	760,434	864,852
Preferred share dividends	(75,903)	(80,578)	(81,464)
Preferred share issuance costs (Series J redemption)	(7,408)	-	-
NET INCOME attributable to common shareholders	$ 823,606	$ 679,856	$ 783,388
INCOME PER COMMON SHARE - BASIC:			
Income from continuing operations, net	$ 4.32	$ 3.35	$ 1.23
Income from discontinued operations, net	0.04	0.26	2.95
Net income per common share	$ 4.36	$ 3.61	$ 4.18
Weighted average shares outstanding	188,837	188,353	187,572
INCOME PER COMMON SHARE - DILUTED:			
Income from continuing operations, net	$ 4.30	$ 3.33	$ 1.22
Income from discontinued operations, net	0.04	0.26	2.93
Net income per common share	$ 4.34	$ 3.59	$ 4.15
Weighted average shares outstanding	190,173	189,564	188,690

See notes to consolidated financial statements.

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in thousands)	Year Ended December 31,		
	2016	2015	2014
Net income	$ 981,922	$ 859,430	$ 1,009,026
Other comprehensive income (loss):			
Increase (reduction) in unrealized net gain on available-for-sale securities	52,057	(55,326)	14,465
Pro rata share of other comprehensive (loss) income of nonconsolidated subsidiaries	(2,739)	(327)	2,509
Increase in value of interest rate swap and other	27,432	6,441	6,079
Comprehensive income	1,058,672	810,218	1,032,079
Less comprehensive income attributable to noncontrolling interests	(79,704)	(96,130)	(145,497)
Comprehensive income attributable to Vornado	$ 978,968	$ 714,088	$ 886,582

See notes to consolidated financial statements.

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in thousands)

	Preferred Shares		Common Shares		Additional	Earnings Less Than	Accumulated Other Comprehensive	Non-controlling Interests in Consolidated	Total
	Shares	Amount	Shares	Amount	Capital	Distributions	Income (Loss)	Subsidiaries	Equity
Balance, December 31, 2015	52,677	$ 1,276,954	188,577	$ 7,521	$ 7,132,979	$ (1,766,780)	$ 46,921	$ 778,483	$ 7,476,078
Net income attributable to Vornado	-	-	-	-	-	906,917	-	-	906,917
Net income attributable to noncontrolling interests in consolidated subsidiaries	-	-	-	-	-	-	-	21,351	21,351
Dividends on common shares	-	-	-	-	-	(475,961)	-	-	(475,961)
Dividends on preferred shares	-	-	-	-	-	(75,903)	-	-	(75,903)
Redemption of Series J preferred shares	(9,850)	(238,842)	-	-	-	(7,408)	-	-	(246,250)
Common shares issued:									
Upon redemption of Class A units, at redemption value	-	-	376	15	36,495	-	-	-	36,510
Under employees' share option plan	-	-	123	5	6,820	-	-	-	6,825
Under dividend reinvestment plan	-	-	16	1	1,443	-	-	-	1,444
Contributions	-	-	-	-	-	-	-	19,749	19,749
Distributions:									
Real estate fund investments	-	-	-	-	-	-	-	(62,444)	(62,444)
Other	-	-	-	-	-	-	-	(36,804)	(36,804)
Conversion of Series A preferred shares to common shares	(2)	(56)	3	-	56	-	-	-	-
Deferred compensation shares and options	-	-	7	-	1,788	(186)	-	-	1,602
Increase in unrealized net gain on available-for-sale securities	-	-	-	-	-	-	52,057	-	52,057
Pro rata share of other comprehensive loss of nonconsolidated subsidiaries	-	-	-	-	-	-	(2,739)	-	(2,739)
Increase in value of interest rate swap	-	-	-	-	-	-	27,434	-	27,434
Adjustments to carry redeemable Class A units at redemption value	-	-	-	-	(26,251)	-	-	-	(26,251)
Redeemable noncontrolling interests' share of above adjustments	-	-	-	-	-	-	(4,699)	-	(4,699)
Other	-	(1)	(1)	-	2	(61)	(2)	(358)	(420)
Balance, December 31, 2016	42,825	$ 1,038,055	189,101	$ 7,542	$ 7,133,332	$ (1,419,382)	$ 118,972	$ 719,977	$ 7,618,496

See notes to consolidated financial statements.

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in thousands)

	Preferred Shares		Common Shares		Additional	Earnings Less Than	Accumulated Other Comprehensive	Non-controlling Interests in Consolidated	Total
	Shares	Amount	Shares	Amount	Capital	Distributions	Income (Loss)	Subsidiaries	Equity
Balance, December 31, 2014	52,679	$ 1,277,026	187,887	$ 7,493	$ 6,873,025	$ (1,505,385)	$ 93,267	$ 743,956	$ 7,489,382
Net income attributable to Vornado	-	-	-	-	-	760,434	-	-	760,434
Net income attributable to noncontrolling interests in consolidated subsidiaries	-	-	-	-	-	-	-	55,765	55,765
Distribution of Urban Edge Properties	-	-	-	-	-	(464,262)	-	(341)	(464,603)
Dividends on common shares	-	-	-	-	-	(474,751)	-	-	(474,751)
Dividends on preferred shares	-	-	-	-	-	(80,578)	-	-	(80,578)
Common shares issued:									
Upon redemption of Class A units, at redemption value	-	-	452	18	48,212	-	-	-	48,230
Under employees' share option plan	-	-	214	9	15,332	(2,579)	-	-	12,762
Under dividend reinvestment plan	-	-	14	1	1,437	-	-	-	1,438
Contributions:									
Real estate fund investments	-	-	-	-	-	-	-	51,725	51,725
Other	-	-	-	-	-	-	-	250	250
Distributions:									
Real estate fund investments	-	-	-	-	-	-	-	(72,114)	(72,114)
Other	-	-	-	-	-	-	-	(525)	(525)
Conversion of Series A preferred shares to common shares	(2)	(72)	4	1	71	-	-	-	-
Deferred compensation shares and options	-	-	6	1	2,438	(359)	-	-	2,080
Reduction in unrealized net gain on available-for-sale securities	-	-	-	-	-	-	(55,326)	-	(55,326)
Pro rata share of other comprehensive loss of nonconsolidated subsidiaries	-	-	-	-	-	-	(327)	-	(327)
Increase in value of interest rate swap	-	-	-	-	-	-	6,435	-	6,435
Adjustments to carry redeemable Class A units at redemption value	-	-	-	-	192,464	-	-	-	192,464
Redeemable noncontrolling interests' share of above adjustments	-	-	-	-	-	-	2,866	-	2,866
Other	-	-	-	(2)	-	700	6	(233)	471
Balance, December 31, 2015	52,677	$ 1,276,954	188,577	$ 7,521	$ 7,132,979	$ (1,766,780)	$ 46,921	$ 778,483	$ 7,476,078

See notes to consolidated financial statements.

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - CONTINUED

(Amounts in thousands)

	Preferred Shares		Common Shares		Additional	Earnings Less Than	Accumulated Other Comprehensive	Non-controlling Interests in Consolidated	Total
	Shares	Amount	Shares	Amount	Capital	Distributions	Income (Loss)	Subsidiaries	Equity
Balance, December 31, 2013	52,683	$ 1,277,225	187,285	$ 7,469	$ 7,143,840	$ (1,734,839)	$ 71,537	$ 829,512	$ 7,594,744
Net income attributable to Vornado	-	-	-	-	-	864,852	-	-	864,852
Net income attributable to noncontrolling interests in consolidated subsidiaries	-	-	-	-	-	-	-	96,561	96,561
Dividends on common shares	-	-	-	-	-	(547,831)	-	-	(547,831)
Dividends on preferred shares	-	-	-	-	-	(81,464)	-	-	(81,464)
Common shares issued:									
Upon redemption of Class A units, at redemption value	-	-	271	11	27,262	-	-	-	27,273
Under employees' share option plan	-	-	304	12	17,428	(3,393)	-	-	14,047
Under dividend reinvestment plan	-	-	17	1	1,803	-	-	-	1,804
Contributions:									
Real estate fund investments	-	-	-	-	-	-	-	5,297	5,297
Other	-	-	-	-	-	-	-	32,998	32,998
Distributions:									
Real estate fund investments	-	-	-	-	-	-	-	(182,964)	(182,964)
Other	-	-	-	-	-	-	-	(4,463)	(4,463)
Transfer of noncontrolling interest in real estate fund investments	-	-	-	-	-	-	-	(33,028)	(33,028)
Conversion of Series A preferred shares to common shares	(4)	(193)	5	-	193	-	-	-	-
Deferred compensation shares and options	-	-	5	-	5,852	(340)	-	-	5,512
Increase in unrealized net gain on available-for-sale securities	-	-	-	-	-	-	14,465	-	14,465
Pro rata share of other comprehensive income of nonconsolidated subsidiaries	-	-	-	-	-	-	2,509	-	2,509
Increase in value of interest rate swap	-	-	-	-	-	-	6,079	-	6,079
Adjustments to carry redeemable Class A units at redemption value	-	-	-	-	(315,276)	-	-	-	(315,276)
Redeemable noncontrolling interests' share of above adjustments	-	-	-	-	-	-	(1,323)	-	(1,323)
Other	-	(6)	-	-	(8,077)	(2,370)	-	43	(10,410)
Balance, December 31, 2014	52,679	$ 1,277,026	187,887	$ 7,493	$ 6,873,025	$ (1,505,385)	$ 93,267	$ 743,956	$ 7,489,382

See notes to consolidated financial statements.

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands)	Year Ended December 31,		
	2016	2015	2014
Cash Flows from Operating Activities:			
Net income	$ 981,922	$ 859,430	$ 1,009,026
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization (including amortization of deferred financing costs)	595,270	566,207	583,408
Net gain on extinguishment of Skyline properties debt	(487,877)	-	-
Distributions of income from partially owned entities	217,468	65,018	96,286
Net gain on disposition of wholly owned and partially owned assets	(175,735)	(251,821)	(13,568)
Equity in net (income) loss of partially owned entities	(165,389)	11,882	58,131
Real estate impairment losses	161,165	256	26,518
Straight-lining of rental income	(146,787)	(153,668)	(82,800)
Return of capital from real estate fund investments	71,888	91,458	215,676
Amortization of below-market leases, net	(53,202)	(79,053)	(46,786)
Net realized and unrealized loss (gain) on real estate fund investments	40,655	(57,752)	(150,139)
Other non-cash adjustments	39,406	37,721	37,303
Net gains on sale of real estate and other	(5,074)	(65,396)	(507,192)
Reversal of allowance for deferred tax assets	-	(90,030)	-
Defeasance cost in connection with the refinancing of mortgage payable	-	-	5,589
Changes in operating assets and liabilities:			
Real estate fund investments	-	(95,010)	(3,392)
Tenant and other receivables, net	(7,459)	11,936	(8,282)
Prepaid assets	(8,023)	(14,804)	(8,786)
Other assets	(70,120)	(116,157)	(123,435)
Accounts payable and accrued expenses	32,389	(33,747)	44,628
Other liabilities	(19,830)	(14,320)	3,125
Net cash provided by operating activities	1,000,667	672,150	1,135,310
Cash Flows from Investing Activities:			
Development costs and construction in progress	(606,565)	(490,819)	(544,187)
Additions to real estate	(387,545)	(301,413)	(279,206)
Distributions of capital from partially owned entities	193,967	37,818	25,943
Proceeds from sales of real estate and related investments	153,534	573,303	388,776
Investments in partially owned entities	(127,608)	(235,439)	(120,639)
Acquisitions of real estate and other	(61,464)	(478,215)	(211,354)
Net deconsolidation of 7 West 34th Street	(42,000)	-	-
Investments in loans receivable and other	(11,700)	(1,000)	(30,175)
Purchases of marketable securities	(4,379)	-	-
Proceeds from the sale of marketable securities	3,937	-	-
Restricted cash	585	200,229	99,464
Proceeds from sales and repayments of mortgage and mezzanine loans receivable and other	45	16,790	96,913
Net cash used in investing activities	(889,193)	(678,746)	(574,465)

See notes to consolidated financial statements.

VORNADO REALTY TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

(Amounts in thousands)	For the Year Ended December 31,		
	2016	**2015**	**2014**
Cash Flows from Financing Activities:			
Proceeds from borrowings	$ 2,403,898	$ 4,468,872	$ 2,428,285
Repayments of borrowings	(1,894,990)	(2,936,578)	(1,312,258)
Dividends paid on common shares	(475,961)	(474,751)	(547,831)
Redemption of preferred shares	(246,250)	-	-
Distributions to noncontrolling interests	(130,590)	(102,866)	(220,895)
Dividends paid on preferred shares	(80,137)	(80,578)	(81,468)
Debt issuance and other costs	(42,157)	(66,554)	(58,336)
Contributions from noncontrolling interests	11,950	51,975	30,295
Proceeds received from exercise of employee share options	8,269	16,779	19,245
Repurchase of shares related to stock compensation agreements and related tax withholdings and other	(186)	(7,473)	(3,811)
Cash included in the spin-off of Urban Edge Properties	-	(225,000)	-
Purchase of marketable securities in connection with the defeasance of mortgage payable	-	-	(198,884)
Net cash (used in) provided by financing activities	(446,154)	643,826	54,342
Net (decrease) increase in cash and cash equivalents	(334,680)	637,230	615,187
Cash and cash equivalents at beginning of period	1,835,707	1,198,477	583,290
Cash and cash equivalents at end of period	$ 1,501,027	$ 1,835,707	$ 1,198,477
Supplemental Disclosure of Cash Flow Information:			
Cash payments for interest, excluding capitalized interest of $29,584, $48,539, and $53,139	$ 368,762	$ 376,620	$ 443,538
Cash payments for income taxes	$ 9,716	$ 8,287	$ 11,696
Non-Cash Investing and Financing Activities:			
Decrease in assets and liabilities resulting from the disposition of Skyline properties:			
Real estate, net	$ (189,284)	$ -	$ -
Mortgages payable, net	(690,263)	-	-
Decrease in assets and liabilities resulting from the deconsolidation of 7 West 34th Street:			
Real estate, net	(122,047)	-	-
Mortgages payable, net	(290,418)	-	-
Write-off of fully depreciated assets	(305,679)	(167,250)	(121,673)
Accrued capital expenditures included in accounts payable and accrued expenses	120,564	122,711	100,528
Change in unrealized net gain on securities available-for-sale	52,057	(55,326)	14,465
Like-kind exchange of real estate:			
Acquisitions	29,639	80,269	606,816
Dispositions	(29,639)	(213,621)	(630,352)
Adjustments to carry redeemable Class A units at redemption value	(26,251)	192,464	(315,276)
Non-cash distribution of Urban Edge Properties:			
Assets	-	1,709,256	-
Liabilities	-	(1,469,659)	-
Equity	-	(239,597)	-
Transfer of interest in real estate to Pennsylvania Real Estate Investment Trust	-	(145,313)	-
Class A units in connection with acquisition	-	80,000	-
Financing assumed in acquisitions	-	62,000	-
Marketable securities transferred in connection with the defeasance of mortgage payable	-	-	198,884
Defeasance of mortgage payable	-	-	(193,406)
Elimination of a mortgage and mezzanine loan asset and liability	-	-	59,375
Transfer of interest in real estate fund to an unconsolidated joint venture	-	-	(58,564)
Transfer of noncontrolling interest in real estate fund	-	-	(33,028)
Beverly Connection seller financing	-	-	13,620

See notes to consolidated financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Partners
Vornado Realty L.P.
New York, New York

We have audited the accompanying consolidated balance sheets of Vornado Realty L.P. and consolidated subsidiaries (the "Partnership") as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and financial statement schedules are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Vornado Realty L.P. and consolidated subsidiaries at December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Partnership's internal control over financial reporting as of December 31, 2016, based on the criteria established in*Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 13, 2017 expressed an unqualified opinion on the Partnership's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
February 13, 2017

VORNADO REALTY L.P.
CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except unit amounts)	December 31, 2016	December 31, 2015
ASSETS		
Real estate, at cost:		
Land	$ 4,065,142	$ 4,164,799
Buildings and improvements	12,727,980	12,582,671
Development costs and construction in progress	1,430,276	1,226,637
Leasehold improvements and equipment	116,560	116,030
Total	18,339,958	18,090,137
Less accumulated depreciation and amortization	(3,513,574)	(3,418,267)
Real estate, net	14,826,384	14,671,870
Cash and cash equivalents	1,501,027	1,835,707
Restricted cash	98,295	107,799
Marketable securities	203,704	150,997
Tenant and other receivables, net of allowance for doubtful accounts of $10,920 and $11,908	94,467	98,062
Investments in partially owned entities	1,428,019	1,550,422
Real estate fund investments	462,132	574,761
Receivable arising from the straight-lining of rents, net of allowance of $2,227 and $2,751	1,032,736	931,245
Deferred leasing costs, net of accumulated amortization of $228,862 and $218,239	454,345	480,421
Identified intangible assets, net of accumulated amortization of $207,330 and $187,360	192,731	227,901
Assets related to discontinued operations	5,570	37,020
Other assets	515,437	477,088
	$ 20,814,847	$ 21,143,293
LIABILITIES, REDEEMABLE PARTNERSHIP UNITS AND EQUITY		
Mortgages payable, net	$ 9,278,263	$ 9,513,713
Senior unsecured notes, net	845,577	844,159
Unsecured revolving credit facilities	115,630	550,000
Unsecured term loan, net	372,215	183,138
Accounts payable and accrued expenses	458,694	443,955
Deferred revenue	287,846	346,119
Deferred compensation plan	121,374	117,475
Liabilities related to discontinued operations	2,870	12,470
Other liabilities	435,436	426,965
Total liabilities	11,917,905	12,437,994
Commitments and contingencies		
Redeemable partnership units:		
Class A units - 12,197,162 and 12,242,820 units outstanding	1,273,018	1,223,793
Series D cumulative redeemable preferred units - 177,101 units outstanding	5,428	5,428
Total redeemable partnership units	1,278,446	1,229,221
Equity:		
Partners' capital	8,198,929	8,417,454
Earnings less than distributions	(1,419,382)	(1,766,780)
Accumulated other comprehensive income	118,972	46,921
Total Vornado Realty L.P. equity	6,898,519	6,697,595
Noncontrolling interests in consolidated subsidiaries	719,977	778,483
Total equity	7,618,496	7,476,078
	$ 20,814,847	$ 21,143,293

See notes to the consolidated financial statements.

VORNADO REALTY L.P.
CONSOLIDATED STATEMENTS OF INCOME

(Amounts in thousands, except per unit amounts)	Year Ended December 31,		
	2016	**2015**	**2014**
REVENUES:			
Property rentals	$ 2,103,728	$ 2,076,586	$ 1,911,487
Tenant expense reimbursements	260,667	260,976	245,819
Fee and other income	141,807	164,705	155,206
Total revenues	2,506,202	2,502,267	2,312,512
EXPENSES:			
Operating	1,024,336	1,011,249	953,611
Depreciation and amortization	565,059	542,952	481,303
General and administrative	179,279	175,307	169,270
Skyline properties impairment loss	160,700	-	-
Acquisition and transaction related costs	26,037	12,511	18,435
Total expenses	1,955,411	1,742,019	1,622,619
Operating income	550,791	760,248	689,893
(Loss) income from real estate fund investments	(23,602)	74,081	163,034
Income (loss) from partially owned entities	165,389	(12,630)	(59,861)
Interest and other investment income, net	29,546	26,978	38,752
Interest and debt expense	(402,674)	(378,025)	(412,755)
Net gain on extinguishment of Skyline properties debt	487,877	-	-
Net gain on disposition of wholly owned and partially owned assets	175,735	251,821	13,568
Income before income taxes	983,062	722,473	432,631
Income tax (expense) benefit	(8,312)	84,695	(9,281)
Income from continuing operations	974,750	807,168	423,350
Income from discontinued operations	7,172	52,262	585,676
Net income	981,922	859,430	1,009,026
Less net income attributable to noncontrolling interests in consolidated subsidiaries	(21,351)	(55,765)	(96,561)
Net income attributable to Vornado Realty L.P.	960,571	803,665	912,465
Preferred unit distributions	(76,097)	(80,736)	(81,514)
Preferred unit issuance costs (Series J redemption)	(7,408)	-	-
NET INCOME attributable to Class A unitholders	$ 877,066	$ 722,929	$ 830,951
INCOME PER CLASS A UNIT - BASIC:			
Income from continuing operations, net	$ 4.32	$ 3.35	$ 1.22
Income from discontinued operations, net	0.04	0.26	2.95
Net income per Class A unit	$ 4.36	$ 3.61	$ 4.17
Weighted average units outstanding	200,350	199,309	198,213
INCOME PER CLASS A UNIT - DILUTED:			
Income from continuing operations, net	$ 4.29	$ 3.31	$ 1.21
Income from discontinued operations, net	0.03	0.26	2.93
Net income per Class A unit	$ 4.32	$ 3.57	$ 4.14
Weighted average units outstanding	202,017	201,158	199,813

See notes to consolidated financial statements.

VORNADO REALTY L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in thousands)	Year Ended December 31,		
	2016	2015	2014
Net income	$ 981,922	$ 859,430	$ 1,009,026
Other comprehensive income (loss):			
Increase (reduction) in unrealized net gain on available-for-sale securities	52,057	(55,326)	14,465
Pro rata share of other comprehensive (loss) income of nonconsolidated subsidiaries	(2,739)	(327)	2,509
Increase in value of interest rate swap and other	27,432	6,441	6,079
Comprehensive income	1,058,672	810,218	1,032,079
Less comprehensive income attributable to noncontrolling interests	(21,351)	(55,765)	(96,561)
Comprehensive income attributable to Vornado Realty L.P.	$ 1,037,321	$ 754,453	$ 935,518

See notes to consolidated financial statements.

VORNADO REALTY L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in thousands)

	Preferred Units		Class A Units Owned by Vornado		Earnings Less Than Distributions	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests in Consolidated Subsidiaries	Total Equity
	Units	Amount	Units	Amount				
Balance, December 31, 2015	52,677	$ 1,276,954	188,577	$ 7,140,500	$ (1,766,780)	$ 46,921	$ 778,483	$ 7,476,078
Net income attributable to Vornado Realty L.P.	-	-	-	-	960,571	-	-	960,571
Net income attributable to redeemable partnership units	-	-	-	-	(53,654)	-	-	(53,654)
Net income attributable to noncontrolling interests in consolidated subsidiaries	-	-	-	-	-	-	21,351	21,351
Distributions to Vornado	-	-	-	-	(475,961)	-	-	(475,961)
Distributions to preferred unitholders	-	-	-	-	(75,903)	-	-	(75,903)
Redemption of Series J preferred units	(9,850)	(238,842)	-	-	(7,408)	-	-	(246,250)
Class A Units issued to Vornado:								
Upon redemption of redeemable Class A units, at redemption value	-	-	376	36,510	-	-	-	36,510
Under Vornado's employees' share option plan	-	-	123	6,825	-	-	-	6,825
Under Vornado's dividend reinvestment plan	-	-	16	1,444	-	-	-	1,444
Contributions	-	-	-	-	-	-	19,749	19,749
Distributions:								
Real estate fund investments	-	-	-	-	-	-	(62,444)	(62,444)
Other	-	-	-	-	-	-	(36,804)	(36,804)
Conversion of Series A preferred units to Class A units	(2)	(56)	3	56	-	-	-	-
Deferred compensation units and options	-	-	7	1,788	(186)	-	-	1,602
Increase in unrealized net gain on available-for-sale securities	-	-	-	-	-	52,057	-	52,057
Pro rata share of other comprehensive loss of nonconsolidated subsidiaries	-	-	-	-	-	(2,739)	-	(2,739)
Increase in value of interest rate swap	-	-	-	-	-	27,434	-	27,434
Adjustments to carry redeemable Class A units at redemption value	-	-	-	(26,251)	-	-	-	(26,251)
Redeemable partnership units' share of above adjustments	-	-	-	-	-	(4,699)	-	(4,699)
Other	-	(1)	(1)	2	(61)	(2)	(358)	(420)
Balance, December 31, 2016	42,825	$ 1,038,055	189,101	$ 7,160,874	$ (1,419,382)	$ 118,972	$ 719,977	$ 7,618,496

See notes to consolidated financial statements.

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

(Amounts in thousands)

	Preferred Units		Class A Units Owned by Vornado		Earnings Less Than Distributions	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests in Consolidated Subsidiaries	Total Equity
	Units	Amount	Units	Amount				
Balance, December 31, 2014	52,679	$ 1,277,026	187,887	$ 6,880,518	$ (1,505,385)	$ 93,267	$ 743,956	$ 7,489,382
Net income attributable to Vornado Realty L.P.	-	-	-	-	803,665	-	-	803,665
Net income attributable to redeemable partnership units	-	-	-	-	(43,231)	-	-	(43,231)
Net income attributable to noncontrolling interests in consolidated subsidiaries	-	-	-	-	-	-	55,765	55,765
Distribution of Urban Edge Properties	-	-	-	-	(464,262)	-	(341)	(464,603)
Distributions to Vornado	-	-	-	-	(474,751)	-	-	(474,751)
Distributions to preferred unitholders	-	-	-	-	(80,578)	-	-	(80,578)
Class A Units issued to Vornado:								
Upon redemption of redeemable Class A units, at redemption value	-	-	452	48,230	-	-	-	48,230
Under Vornado's employees' share option plan	-	-	214	15,341	(2,579)	-	-	12,762
Under Vornado's dividend reinvestment plan	-	-	14	1,438	-	-	-	1,438
Contributions:								
Real estate fund investments	-	-	-	-	-	-	51,725	51,725
Other	-	-	-	-	-	-	250	250
Distributions:								
Real estate fund investments	-	-	-	-	-	-	(72,114)	(72,114)
Other	-	-	-	-	-	-	(525)	(525)
Conversion of Series A preferred units to Class A units	(2)	(72)	4	72	-	-	-	-
Deferred compensation units and options	-	-	6	2,439	(359)	-	-	2,080
Reduction in unrealized net gain on available-for-sale securities	-	-	-	-	-	(55,326)	-	(55,326)
Pro rata share of other comprehensive loss of nonconsolidated subsidiaries	-	-	-	-	-	(327)	-	(327)
Increase in value of interest rate swap	-	-	-	-	-	6,435	-	6,435
Adjustments to carry redeemable Class A units at redemption value	-	-	-	192,464	-	-	-	192,464
Redeemable partnership units' share of above adjustments	-	-	-	-	-	2,866	-	2,866
Other	-	-	-	(2)	700	6	(233)	471
Balance, December 31, 2015	52,677	$ 1,276,954	188,577	$ 7,140,500	$ (1,766,780)	$ 46,921	$ 778,483	$ 7,476,078

See notes to consolidated financial statements.

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

(Amounts in thousands)

	Preferred Units		Class A Units Owned by Vornado		Earnings Less Than Distributions	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests in Consolidated Subsidiaries	Total Equity
	Units	Amount	Units	Amount				
Balance, December 31, 2013	52,683	$ 1,277,225	187,285	$ 7,151,309	$ (1,734,839)	$ 71,537	$ 829,512	$ 7,594,744
Net income attributable to Vornado Realty L.P.	-	-	-	-	912,465	-	-	912,465
Net income attributable to redeemable partnership units	-	-	-	-	(47,613)	-	-	(47,613)
Net income attributable to noncontrolling interests in consolidated subsidiaries	-	-	-	-	-	-	96,561	96,561
Distributions to Vornado	-	-	-	-	(547,831)	-	-	(547,831)
Distributions to preferred unitholders	-	-	-	-	(81,464)	-	-	(81,464)
Class A Units issued to Vornado								
Upon redemption of redeemable Class A units, at redemption value	-	-	271	27,273	-	-	-	27,273
Under Vornado's employees' share option plan	-	-	304	17,440	(3,393)	-	-	14,047
Under Vornado's dividend reinvestment plan	-	-	17	1,804	-	-	-	1,804
Contributions:								
Real estate fund investments	-	-	-	-	-	-	5,297	5,297
Other	-	-	-	-	-	-	32,998	32,998
Distributions:								
Real estate fund investments	-	-	-	-	-	-	(182,964)	(182,964)
Other	-	-	-	-	-	-	(4,463)	(4,463)
Transfer of noncontrolling interest in real estate fund investments	-	-	-	-	-	-	(33,028)	(33,028)
Conversion of Series A preferred units to Class A units	(4)	(193)	5	193	-	-	-	-
Deferred compensation units and options	-	-	5	5,852	(340)	-	-	5,512
Increase in unrealized net gain on available-for-sale securities	-	-	-	-	-	14,465	-	14,465
Pro rata share of other comprehensive income of nonconsolidated subsidiaries	-	-	-	-	-	2,509	-	2,509
Increase in value of interest rate swap	-	-	-	-	-	6,079	-	6,079
Adjustments to carry redeemable Class A units at redemption value	-	-	-	(315,276)	-	-	-	(315,276)
Redeemable partnership units' share of above adjustments	-	-	-	-	-	(1,323)	-	(1,323)
Other	-	(6)	-	(8,077)	(2,370)	-	43	(10,410)
Balance, December 31, 2014	52,679	$ 1,277,026	187,887	$ 6,880,518	$ (1,505,385)	$ 93,267	$ 743,956	$ 7,489,382

See notes to consolidated financial statements.

VORNADO REALTY L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands)	Year Ended December 31,		
	2016	2015	2014
Cash Flows from Operating Activities:			
Net income	$ 981,922	$ 859,430	$ 1,009,026
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization (including amortization of deferred financing costs)	595,270	566,207	583,408
Net gain on extinguishment of Skyline properties debt	(487,877)	-	-
Distributions of income from partially owned entities	217,468	65,018	96,286
Net gain on disposition of wholly owned and partially owned assets	(175,735)	(251,821)	(13,568)
Equity in net (income) loss of partially owned entities	(165,389)	11,882	58,131
Real estate impairment losses	161,165	256	26,518
Straight-lining of rental income	(146,787)	(153,668)	(82,800)
Return of capital from real estate fund investments	71,888	91,458	215,676
Amortization of below-market leases, net	(53,202)	(79,053)	(46,786)
Net realized and unrealized loss (gain) on real estate fund investments	40,655	(57,752)	(150,139)
Other non-cash adjustments	39,406	37,721	37,303
Net gains on sale of real estate and other	(5,074)	(65,396)	(507,192)
Reversal of allowance for deferred tax assets	-	(90,030)	-
Defeasance cost in connection with the refinancing of mortgage payable	-	-	5,589
Changes in operating assets and liabilities:			
Real estate fund investments	-	(95,010)	(3,392)
Tenant and other receivables, net	(7,459)	11,936	(8,282)
Prepaid assets	(8,023)	(14,804)	(8,786)
Other assets	(70,120)	(116,157)	(123,435)
Accounts payable and accrued expenses	32,389	(33,747)	44,628
Other liabilities	(19,830)	(14,320)	3,125
Net cash provided by operating activities	1,000,667	672,150	1,135,310
Cash Flows from Investing Activities:			
Development costs and construction in progress	(606,565)	(490,819)	(544,187)
Additions to real estate	(387,545)	(301,413)	(279,206)
Distributions of capital from partially owned entities	193,967	37,818	25,943
Proceeds from sales of real estate and related investments	153,534	573,303	388,776
Investments in partially owned entities	(127,608)	(235,439)	(120,639)
Acquisitions of real estate and other	(61,464)	(478,215)	(211,354)
Net deconsolidation of 7 West 34th Street	(42,000)	-	-
Investments in loans receivable and other	(11,700)	(1,000)	(30,175)
Purchases of marketable securities	(4,379)	-	-
Proceeds from the sale of marketable securities	3,937	-	-
Restricted cash	585	200,229	99,464
Proceeds from sales and repayments of mortgage and mezzanine loans receivable and other	45	16,790	96,913
Net cash used in investing activities	(889,193)	(678,746)	(574,465)

See notes to consolidated financial statements.

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

(Amounts in thousands)	For the Year Ended December 31,		
	2016	**2015**	**2014**
Cash Flows from Financing Activities:			
Proceeds from borrowings	$ 2,403,898	$ 4,468,872	$ 2,428,285
Repayments of borrowings	(1,894,990)	(2,936,578)	(1,312,258)
Distributions to Vornado	(475,961)	(474,751)	(547,831)
Redemption of preferred units	(246,250)	-	-
Distributions to redeemable security holders and noncontrolling interests in consolidated subsidiaries	(130,590)	(102,866)	(220,895)
Distributions to preferred unitholders	(80,137)	(80,578)	(81,468)
Debt issuance and other costs	(42,157)	(66,554)	(58,336)
Contributions from noncontrolling interests in consolidated subsidiaries	11,950	51,975	30,295
Proceeds received from exercise of Vornado stock options	8,269	16,779	19,245
Repurchase of Class A units related to stock compensation agreements and related tax withholdings and other	(186)	(7,473)	(3,811)
Cash included in the spin-off of Urban Edge Properties	-	(225,000)	-
Purchase of marketable securities in connection with the defeasance of mortgage payable	-	-	(198,884)
Net cash (used in) provided by financing activities	(446,154)	643,826	54,342
Net (decrease) increase in cash and cash equivalents	(334,680)	637,230	615,187
Cash and cash equivalents at beginning of period	1,835,707	1,198,477	583,290
Cash and cash equivalents at end of period	$ 1,501,027	$ 1,835,707	$ 1,198,477
Supplemental Disclosure of Cash Flow Information:			
Cash payments for interest, excluding capitalized interest of $29,584, $48,539, and $53,139	$ 368,762	$ 376,620	$ 443,538
Cash payments for income taxes	$ 9,716	$ 8,287	$ 11,696
Non-Cash Investing and Financing Activities:			
Decrease in assets and liabilities resulting from the disposition of Skyline properties:			
Real estate, net	$ (189,284)	$ -	$ -
Mortgages payable, net	(690,263)	-	-
Decrease in assets and liabilities resulting from the deconsolidation of 7 West 34th Street:			
Real estate, net	(122,047)	-	-
Mortgages payable, net	(290,418)	-	-
Write-off of fully depreciated assets	(305,679)	(167,250)	(121,673)
Accrued capital expenditures included in accounts payable and accrued expenses	120,564	122,711	100,528
Change in unrealized net gain on securities available-for-sale	52,057	(55,326)	14,465
Like-kind exchange of real estate:			
Acquisitions	29,639	80,269	606,816
Dispositions	(29,639)	(213,621)	(630,352)
Adjustments to carry redeemable Class A units at redemption value	(26,251)	192,464	(315,276)
Non-cash distribution of Urban Edge Properties:			
Assets	-	1,709,256	-
Liabilities	-	(1,469,659)	-
Equity	-	(239,597)	-
Transfer of interest in real estate to Pennsylvania Real Estate Investment Trust	-	(145,313)	-
Class A units in connection with acquisition	-	80,000	-
Financing assumed in acquisitions	-	62,000	-
Marketable securities transferred in connection with the defeasance of mortgage payable	-	-	198,884
Defeasance of mortgage payable	-	-	(193,406)
Elimination of a mortgage and mezzanine loan asset and liability	-	-	59,375
Transfer of interest in real estate fund to an unconsolidated joint venture	-	-	(58,564)
Transfer of noncontrolling interest in real estate fund	-	-	(33,028)
Beverly Connection seller financing	-	-	13,620

See notes to consolidated financial statements.

1. Organization and Business

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"). Accordingly, Vornado's cash flow and ability to pay dividends to its shareholders is dependent upon the cash flow of the Operating Partnership and the ability of its direct and indirect subsidiaries to first satisfy their obligations to creditors. Vornado is the sole general partner of, and owned approximately 93.7% of the common limited partnership interest in the Operating Partnership as of December 31, 2016. All references to the "Company," "we," "us" and "our" mean collectively Vornado, the Operating Partnership and those entities/subsidiaries consolidated by Vornado.

On October 31, 2016, Vornado's Board of Trustees approved the tax-free spin-off of our Washington, DC segment and we entered into a definitive agreement to merge it with the business and certain select assets of The JBG Companies ("JBG"), a Washington, DC real estate company. Steven Roth, the Chairman of the Board of Trustees and Chief Executive Officer of Vornado, will be Chairman of the Board of Trustees of the new company, which will be named JBG SMITH Properties. Mitchell Schear, President of our Washington, DC business, will be a member of the Board of Trustees of the new company. The pro rata distribution to Vornado common shareholders and Class A Operating Partnership unitholders is intended to be treated as a tax-free spin-off for U.S. federal income tax purposes. It is expected to be made on a pro rata 1:2 basis. The initial Form 10 registration statement relating to the spin-off and merger was filed with the SEC on January 23, 2017 and the distribution and combination are expected to be completed in the second quarter of 2017. The distribution and combination are subject to certain conditions, including the SEC declaring the Form 10 registration statement effective, filing and approval of the new company's listing application, receipt of regulatory approvals and third party consents by each of the Company and JBG, and formal declaration of the distribution by Vornado's Board of Trustees. The distribution and combination are not subject to a vote by Vornado's shareholders or Operating Partnership unitholders. Vornado's Board of Trustees has approved the transaction. JBG has obtained all requisite approvals from its investment funds for this transaction. There can be no assurance that this transaction will be completed.

We currently own all or portions of:

New York:

- 20.2 million square feet of Manhattan office space in 36 properties;
- 2.7 million square feet of Manhattan street retail space in 70 properties;
- 2,004 units in twelve residential properties;
- The 1,700 room Hotel Pennsylvania located on Seventh Avenue at 33rd Street in the heart of the Penn Plaza district;
- A 32.4% interest in Alexander's, Inc. ("Alexander's") (NYSE: ALX), which owns seven properties in the greater New York metropolitan area, including 731 Lexington Avenue, the 1.3 million square foot Bloomberg, L.P. headquarters building;

Washington, DC:

- 11.1 million square feet of office space in 44 properties;
- 3,156 units in nine residential properties;

Other Real Estate and Related Investments:

- The 3.7 million square foot Mart ("theMART") in Chicago;
- A 70% controlling interest in 555 California Street, a three-building office complex in San Francisco's financial district aggregating 1.8 million square feet, known as the Bank of America Center;
- A 25.0% interest in Vornado Capital Partners, our real estate fund. We are the general partner and investment manager of the fund;
- A 32.5% interest in Toys "R" Us, Inc. ("Toys"); and
- Other real estate and other investments.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Vornado and the Operating Partnership and their consolidated subsidiaries. All inter-company amounts have been eliminated. Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

Recently Issued Accounting Literature

In May 2014, the Financial Accounting Standards Board ("FASB") issued an update ("ASU 2014-09") establishing Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). ASU 2014-09 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. ASU 2014-09 requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures. In August 2015, the FASB issued an update ("ASU 2015-14") to ASC 606, *Deferral of the Effective Date*, which defers the adoption of ASU 2014-09 to interim and annual reporting periods in fiscal years that begin after December 15, 2017. In March 2016, the FASB issued an update ("ASU 2016-08") to ASC 606 *Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, which clarifies the implementation guidance on principal versus agent considerations in the new revenue recognition standard pursuant to ASU 2014-09. In April 2016, the FASB issued an update ("ASU 2016-10") to ASC 606, *Identifying Performance Obligations and Licensing*, which clarifies guidance related to identifying performance obligations and licensing implementation guidance contained in ASU 2014-09. In May 2016, the FASB issued an update ("ASU 2016-12") to ASC 606, *Narrow-Scope Improvements and Practical Expedients*, which amends certain aspects of the new revenue recognition standard pursuant to ASU 2014-09. We are permitted to use either the retrospective or the modified retrospective method when adopting these standards. We are evaluating the impact of the adoption of these standards on our consolidated financial statements and have not yet concluded on the method of adoption.

In June 2014, the FASB issued an update ("ASU 2014-12") to ASC Topic 718, *Compensation – Stock Compensation* ("ASC 718"). ASU 2014-12 requires an entity to treat performance targets that can be met after the requisite service period of a share based award has ended, as a performance condition that affects vesting. ASU 2014-12 is effective for interim and annual reporting periods in fiscal years that began after December 15, 2015. The adoption of this update as of January 1, 2016, did not have any impact on our consolidated financial statements.

In February 2015, the FASB issued an update ("ASU 2015-02") *Amendments to the Consolidation Analysis* to ASC Topic 810, *Consolidation*. ASU 2015-02 affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. Specifically, the amendments: (i) modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities ("VIEs") or voting interest entities, (ii) eliminate the presumption that a general partner should consolidate a limited partnership, (iii) affect the consolidation analysis of reporting entities that are involved with VIEs, and (iv) provide a scope exception for certain entities. ASU 2015-02 is effective for interim and annual reporting periods beginning after December 15, 2015. The adoption of this update on January 1, 2016 resulted in the identification of additional VIEs, but did not have an impact on our consolidated financial statements other than additional disclosures (see Note 11 - *Variable Interest Entities*).

2. Basis of Presentation and Significant Accounting Policies – continued

Recently Issued Accounting Literature - continued

In January 2016, the FASB issued an update ("ASU 2016-01")*Recognition and Measurement of Financial Assets and Financial Liabilities* to ASC Topic 825, *Financial Instruments*. ASU 2016-01 amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments, including the requirement to measure certain equity investments at fair value with changes in fair value recognized in net income. ASU 2016-01 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017. We are currently evaluating the impact of the adoption of ASU 2016-01 on our consolidated financial statements.

In February 2016, the FASB issued ("ASU 2016-02")*Leases*, 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 dual 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 and a lease liability for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. Lessees will recognize expense based on the effective interest method for finance leases or on a straight-line basis for operating leases. ASU 2016-02 will more significantly impact the accounting for leases in which we are a lessee. We have a number of ground leases for which we will be required to record a right-of-use asset and lease liability upon adoption of this standard. ASU 2016-02 is effective for reporting periods beginning after December 15, 2018, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2016-02 on our consolidated financial statements, including the timing of adopting this standard.

In March 2016, the FASB issued an update ("ASU 2016-09")*Improvements to Employee Share-Based Payment Accounting* to ASC 718. ASU 2016-09 amends several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2016. We are currently evaluating the impact of the adoption of ASU 2016-09 on our consolidated financial statements.

In August 2016, the FASB issued an update ("ASU 2016-15") *Classification of Certain Cash Receipts and Cash Payments* to ASC Topic 230, *Statement of Cash Flows.* ASU 2016-15 clarifies guidance on the classification of certain cash receipts and payments in the statement of cash flows to reduce diversity in practice with respect to (i) debt prepayment or debt extinguishment costs, (ii) settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, (iii) contingent consideration payments made after a business combination, (iv) proceeds from the settlement of insurance claims, (v) proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies, (vi) distributions received from equity method investees, (vii) beneficial interests in securitization transactions, and (viii) separately identifiable cash flows and application of the predominance principle. ASU 2016-15 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017, with early adoption permitted. The adoption of this update is not expected to have a significant impact on our consolidated financial statements.

In November 2016, the FASB issued an update ("ASU 2016-18") *Restricted Cash* to ASC Topic 230, *Statement of Cash Flows*. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Restricted cash and restricted cash equivalents will be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period balances on the statement of cash flows upon adoption of this standard. ASU 2016-18 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017, with early adoption permitted.

In January 2017, the FASB issued an update ("ASU 2017-01")*Clarifying the Definition of a Business* to ASC Topic 805, *Business Combinations.* ASU 2017-01 provides a screen to determine when an asset acquired or group of assets acquired is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This screen reduces the number of transactions that need to be further evaluated. ASU 2017-01 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017. We have elected to early adopt this standard, effective as of October 1, 2016, for all future acquisitions. The adoption of this standard will result in less real estate acquisitions qualifying as businesses and, accordingly, acquisition costs for those acquisitions that are not businesses will be capitalized rather than expensed. There was no impact of the adoption of this standard in the fourth quarter of 2016, as there have been no acquisitions.

2. Basis of Presentation and Significant Accounting Policies - continued

Significant Accounting Policies

Real Estate: Real estate is carried at cost, net of accumulated depreciation and amortization. Betterments, major renewals and certain costs directly related to the improvement and leasing of real estate are capitalized. Maintenance and repairs are expensed as incurred. For redevelopment of existing operating properties, the net book value of the existing property under redevelopment plus the cost for the construction and improvements incurred in connection with the redevelopment are capitalized to the extent the capitalized costs of the property do not exceed the estimated fair value of the redeveloped property when complete. If the cost of the redeveloped property, including the net book value of the existing property, exceeds the estimated fair value of redeveloped property, the excess is charged to expense. Depreciation is recognized on a straight-line basis over estimated useful lives which range from 7 to 40 years. Tenant allowances are amortized on a straight-line basis over the lives of the related leases, which approximate the useful lives of the assets. Additions to real estate include interest and debt expense capitalized during construction of $34,097,000 and $59,305,000 for the years ended December 31, 2016 and 2015, respectively.

Upon the acquisition of real estate that meets the criteria of a business under ASU 2017-01, we assess the fair value of acquired assets (including land, buildings and improvements, identified intangibles, such as acquired above and below-market leases, acquired in-place leases and tenant relationships) and acquired liabilities and we allocate the purchase price based on these assessments. We assess fair value based on estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors including historical operating results, known trends, and market/economic conditions. We record acquired intangible assets (including acquired above-market leases, acquired in-place leases and tenant relationships) and acquired intangible liabilities (including below–market leases) at their estimated fair value separate and apart from goodwill. We amortize identified intangibles that have finite lives over the period they are expected to contribute directly or indirectly to the future cash flows of the property or business acquired.

Our properties, including any related intangible assets, are individually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment exists when the carrying amount of an asset exceeds the aggregate projected future cash flows over the anticipated holding period on an undiscounted basis. An impairment loss is measured based on the excess of the property's carrying amount over its estimated fair value. Impairment analyses are based on our current plans, intended holding periods and available market information at the time the analyses are prepared. If our estimates of the projected future cash flows, anticipated holding periods, or market conditions change, our evaluation of impairment losses may be different and such differences could be material to our consolidated financial statements. The evaluation of anticipated cash flows is subjective and is based, in part, on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results. Plans to hold properties over longer periods decrease the likelihood of recording impairment losses.

2. Basis of Presentation and Significant Accounting Policies – continued

Significant Accounting Policies – continued

Partially Owned Entities: We consolidate entities in which we have a controlling financial interest. In determining whether we have a controlling financial interest in a partially owned entity and the requirement to consolidate the accounts of that entity, we consider factors such as ownership interest, board representation, management representation, authority to make decisions, and contractual and substantive participating rights of the partners/members as well as whether the entity is a variable interest entity ("VIE") and whether we are the primary beneficiary. We are deemed to be the primary beneficiary of a VIE when we have (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses or receive benefits that could potentially be significant to the VIE. We generally do not control a partially owned entity if the entity is not considered a VIE and the approval of all of the partners/members is contractually required with respect to major decisions, such as operating and capital budgets, the sale, exchange or other disposition of real property, the hiring of a chief executive officer, the commencement, compromise or settlement of any lawsuit, legal proceeding or arbitration or the placement of new or additional financing secured by assets of the venture. We account for investments under the equity method when the requirements for consolidation are not met, and we have significant influence over the operations of the investee. Equity method investments are initially recorded at cost and subsequently adjusted for our share of net income or loss and cash contributions and distributions each period. Investments that do not qualify for consolidation or equity method accounting are accounted for on the cost method.

Investments in partially owned entities are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is measured based on the excess of the carrying amount of an investment over its estimated fair value. Impairment analyses are based on current plans, intended holding periods and available information at the time the analyses are prepared. In the years ended December 31, 2016, 2015 and 2014, we recognized non-cash impairment losses on investments in partially owned entities aggregating $20,290,000, $21,260,000 and $85,459,000, respectively. Included in 2014 is a $75,196,000 impairment loss related to our investment in Toys.

Cash and Cash Equivalents: Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates fair value due to their short-term maturities. The majority of our cash and cash equivalents consists of (i) deposits at major commercial banks, which may at times exceed the Federal Deposit Insurance Corporation limit, (ii) United States Treasury Bills, and (iii) Certificate of Deposits placed through an Account Registry Service ("CDARS"). To date, we have not experienced any losses on our invested cash.

Restricted Cash: Restricted cash consists of security deposits, cash restricted for the purposes of facilitating a Section 1031 Like-Kind exchange, cash restricted in connection with our deferred compensation plan and cash escrowed under loan agreements for debt service, real estate taxes, property insurance and capital improvements.

Allowance for Doubtful Accounts: We periodically evaluate the collectability of amounts due from tenants and maintain an allowance for doubtful accounts for estimated losses resulting from the inability of tenants to make required payments under the lease agreements. We also maintain an allowance for receivables arising from the straight-lining of rents. These receivables arise from earnings recognized in excess of amounts currently due under the lease agreements. Management exercises judgment in establishing these allowances and considers payment history and current credit status in developing these estimates. As of December 31, 2016 and 2015, we had $10,920,000 and $11,908,000, respectively, in allowances for doubtful accounts. In addition, as of December 31, 2016 and 2015, we had $2,227,000 and $2,751,000, respectively, in allowances for receivables arising from the straight-lining of rents.

2. Basis of Presentation and Significant Accounting Policies – continued

Significant Accounting Policies – continued

Deferred Charges: Direct financing costs are deferred and amortized over the terms of the related agreements as a component of interest expense. Direct costs related to successful leasing activities are capitalized and amortized on a straight line basis over the lives of the related leases. All other deferred charges are amortized on a straight line basis, which approximates the effective interest rate method, in accordance with the terms of the agreements to which they relate.

Revenue Recognition: We have the following revenue sources and revenue recognition policies:

- Base Rent — income arising from tenant leases. These rents are recognized over the non-cancelable term of the related leases on a straight-line basis which includes the effects of rent steps and rent abatements under the leases. We commence rental revenue recognition when the tenant takes possession of the leased space and the leased space is substantially ready for its intended use. In addition, in circumstances where we provide a tenant improvement allowance for improvements that are owned by the tenant, we recognize the allowance as a reduction of rental revenue on a straight-line basis over the term of the lease.
- Percentage Rent — income arising from retail tenant leases that is contingent upon tenant sales exceeding defined thresholds. These rents are recognized only after the contingency has been removed (i.e., when tenant sales thresholds have been achieved).
- Hotel Revenue — income arising from the operation of the Hotel Pennsylvania which consists of rooms revenue, food and beverage revenue, and banquet revenue. Income is recognized when rooms are occupied. Food and beverage and banquet revenue is recognized when the services have been rendered.
- Trade Shows Revenue — income arising from the operation of trade shows, including rentals of booths. This revenue is recognized when the trade shows have occurred.
- Expense Reimbursements — revenue arising from tenant leases which provide for the recovery of all or a portion of the operating expenses and real estate taxes of the respective property. This revenue is recognized in the same periods as the expenses are incurred.
- Management, Leasing and Other Fees — income arising from contractual agreements with third parties or with partially owned entities. This revenue is recognized as the related services are performed under the respective agreements.

Derivative Instruments and Hedging Activities: ASC 815, *Derivatives and Hedging*, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. As of December 31, 2016 and 2015, our derivative instruments consisted of two and one interest rate swaps, respectively. We record all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and the resulting designation. Derivatives used to hedge the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives used to hedge the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges.

For derivatives designated as fair value hedges, changes in the fair value of the derivative and the hedged item related to the hedged risk are recognized in earnings. For derivatives designated as cash flow hedges, the effective portion of changes in the fair value of the derivative is initially reported in other comprehensive income (loss) (outside of earnings) and subsequently reclassified to earnings when the hedged transaction affects earnings, and the ineffective portion of changes in the fair value of the derivative is recognized directly in earnings. We assess the effectiveness of each hedging relationship by comparing the changes in fair value or cash flows of the derivative hedging instrument with the changes in fair value or cash flows of the designated hedged item or transaction. For derivatives not designated as hedges, changes in fair value are recognized in earnings.

2. Basis of Presentation and Significant Accounting Policies – continued

Significant Accounting Policies – continued

Income Taxes: Vornado operates in a manner intended to enable it to continue to qualify as a REIT under Sections 856-860 of the Internal Revenue Code of 1986, as amended. Under those sections, a REIT which distributes at least 90% of its REIT taxable income as a dividend to its shareholders each year and which meets certain other conditions will not be taxed on that portion of its taxable income which is distributed to its shareholders. Vornado distributes to its shareholders 100% of its taxable income and therefore, no provision for Federal income taxes is required. Dividends distributed for the year ended December 31, 2016, were characterized, for federal income tax purposes, as 83.5% ordinary income and 16.5% long-term capital gain. Dividends distributed for the year ended December 31, 2015, were characterized, for federal income tax purposes, as long-term capital gain income. Dividends distributed for the year ended December 31, 2014, were characterized, for federal income tax purposes, as ordinary income.

The Operating Partnership's partners are required to report their respective share of taxable income on their individual tax returns. We have elected to treat certain consolidated subsidiaries, and may in the future elect to treat newly formed subsidiaries, as taxable REIT subsidiaries pursuant to an amendment to the Internal Revenue Code that became effective January 1, 2001. Taxable REIT subsidiaries may participate in non-real estate related activities and/or perform non-customary services for tenants and are subject to Federal and State income tax at regular corporate tax rates. Our taxable REIT subsidiaries had a combined current income tax expense of approximately $7,946,000, $8,322,000 and $10,777,000 for the years ended December 31, 2016, 2015 and 2014, respectively, and have immaterial differences between the financial reporting and tax basis of assets and liabilities.

At December 31, 2016 and 2015,our taxable REIT subsidiaries had deferred tax assets related to net operating loss carryforwards of $98,013,000 and $97,104,000, respectively, which are included in "other assets" on our consolidated balance sheets. Prior to the quarter ended June 30, 2015, there was a full valuation allowance against these deferred tax assets because we had not determined that it is more-likely-than-not that we would use the net operating loss carryforwards to offset future taxable income. In our quarter ended June 30, 2015, based upon residential condominium unit sales, among other factors, we concluded that it was more-likely-than-not that we will generate sufficient taxable income to realize these deferred tax assets. Accordingly, we reversed $ 90,030,000 of the allowance for deferred tax assets and recognized an income tax benefit in our consolidated statements of income.

The following table reconciles net income attributable to Vornado common shareholders to estimated taxable income for the years ended December 31, 2016, 2015 and 2014.

(Amounts in thousands)	For the Year Ended December 31,		
	2016	2015	2014
Net income attributable to Vornado common shareholders	$ 823,606	$ 679,856	$ 783,388
Book to tax differences (unaudited):			
Net gain on extinguishment of Skyline properties debt	(457,970)	-	-
Depreciation and amortization	302,092	227,297	219,403
Impairment losses	170,332	20,281	34,670
Earnings of partially owned entities	(149,094)	(5,299)	71,960
Straight-line rent adjustments	(137,941)	(144,727)	(77,526)
Sale of real estate and other capital transactions	(39,109)	320,326	(477,061)
Vornado stock options	(3,593)	(8,278)	(9,566)
Tangible Property Regulations	-	(575,618) **(1)**	-
Other, net	9,121	(26,114)	(33,410)
Estimated taxable income (unaudited)	$ 517,444	$ 487,724	$ 511,858

(1) Represents one-time deductions pursuant to the implementation of the Tangible Property Regulations issued by the Internal Revenue Service.

The net basis of Vornado's assets and liabilities for tax reporting purposes is approximately $3.7 billion lower than the amounts reported in Vornado's consolidated balance sheet at December 31, 2016.

3. 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 has an eight-year term and a three-year investment period that ended in July 2013. During the investment period, the Fund was our exclusive investment vehicle for all investments that fit within its investment parameters, as defined. The Fund is accounted for under ASC 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.

At December 31, 2016, we had six real estate fund investments through the Fund and the Crowne Plaza Joint Venture with an aggregate fair value of $362,132,000, or $153,197,000 in excess of cost, and had remaining unfunded commitments of $117,907,000, of which our share was $34,422,000. At December 31, 2015, we had six real estate fund investments with an aggregate fair value of $374,761,000.

Below is a summary of income from the Fund and the Crowne Plaza Joint Venture for the years ended December 31, 2016, 2015 and 2014.

(Amounts in thousands)	For the Year Ended December 31,		
	2016	2015	2014
Net investment income	$ 17,053	$ 16,329	$ 12,895
Net realized gain on exited investments	14,761	26,036	126,653
Previously recorded unrealized gain on exited investment	(14,254)	(23,279)	(50,316)
Net unrealized (loss) gain on held investments	(41,162)	54,995	73,802
(Loss) income from real estate fund investments	(23,602)	74,081	163,034
Less loss (income) attributable to noncontrolling interests in consolidated subsidiaries	2,560	(40,117)	(92,728)
(Loss) income from real estate fund investments attributable to the Operating Partnership[(1)]	(21,042)	33,964	70,306
Less loss (income) attributable to noncontrolling interests in the Operating Partnership	1,270	(2,011)	(4,047)
(Loss) income from real estate fund investments attributable to Vornado	$ (19,772)	$ 31,953	$ 66,259

(1) Excludes $3,831, $2,939, and $2,562 of management and leasing fees in the years ended December 31, 2016, 2015 and 2014, respectively, which are included as a component of "fee and other income" on our consolidated statements of income.

On March 25, 2015, the Fund completed the sale of 520 Broadway in Santa Monica, CA for $91,650,000. The Fund realized a $23,768,000 net gain over the holding period.

On January 20, 2015, we co-invested with the Fund and one of the Fund's limited partners to buy out the Fund's joint venture partner's 57.1% interest in the Crowne Plaza Times Square Hotel. The purchase price for the 57.1% interest was approximately $95,000,000 (our share $39,000,000) which valued the property at approximately $480,000,000. The property is encumbered by a $310,000,000 mortgage loan bearing interest at LIBOR plus 2.80% and maturing in December 2018 with a one-year extension option. Our aggregate ownership interest in the property increased to 33% from 11%.

On August 21, 2014, the Fund and its 50% joint venture partner completed the sale of The Shops at Georgetown Park, a 305,000 square foot retail property, for $272,500,000. From the inception of this investment through its disposition, the Fund realized a $51,124,000 net gain.

On June 26, 2014, the Fund sold its 64.7% interest in One Park Avenue to a newly formed joint venture that we and an institutional investor own 55% and 45%, respectively. This transaction was based on a property value of $560,000,000. From the inception of this investment through its disposition, the Fund realized a $75,529,000 net gain.

4. Marketable Securities

Our portfolio of marketable securities is comprised of equity securities that are classified as available-for-sale. Available-for-sale securities are presented on our consolidated balance sheets at fair value. Unrealized gains and losses resulting from the mark-to-market of these securities are included in "other comprehensive income (loss)." Realized gains and losses are recognized in earnings only upon the sale of the securities and are recorded based on the weighted average cost of such securities.

We evaluate our portfolio of marketable securities for impairment each reporting period. For each of the securities in our portfolio with unrealized losses, we review the underlying cause of the decline in value and the estimated recovery period, as well as the severity and duration of the decline. In our evaluation, we consider our ability and intent to hold these investments for a reasonable period of time sufficient for us to recover our cost basis. We also evaluate the near-term prospects for each of these investments in relation to the severity and duration of the decline.

Below is a summary of our marketable securities portfolio as of December 31, 2016 and 2015.

(Amounts in thousands)	As of December 31, 2016			As of December 31, 2015		
	Fair Value	GAAP Cost	Unrealized Gain	Fair Value	GAAP Cost	Unrealized Gain
Equity securities:						
Lexington Realty Trust	$ 199,465	$ 72,549	$ 126,916	$ 147,752	$ 72,549	$ 75,203
Other	4,239	650	3,589	3,245	-	3,245
	$ 203,704	$ 73,199	$ 130,505	$ 150,997	$ 72,549	$ 78,448

5. Investments in Partially Owned Entities

Alexander's, Inc.

As of December 31, 2016, we own1,654,068 Alexander's common shares, or approximately 32.4% of Alexander's common equity. We manage, develop and lease Alexander's properties pursuant to agreements which expire in March of each year and are automatically renewable. As of December 31, 2016 and 2015, Alexander's owed us an aggregate of $1,070,000 and $8,551,000, respectively, pursuant to such agreements.

As of December 31, 2016 the market value ("fair value" pursuant to ASC 820) of our investment in Alexander's, based on Alexander's December 31, 2016 closing share price of $426.87, was $706,072,000, or $576,748,000 in excess of the carrying amount on our consolidated balance sheet. As of December 31, 2016, the carrying amount of our investment in Alexander's exceeds our share of the equity in the net assets of Alexander's by approximately $ 39,723,000. 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.

Management, Development and Leasing Agreements

We receive an annual fee for managing Alexander's and all of its properties equal to the sum of (i) $2,800,000, (ii) 2% of the gross revenue from the Rego Park II Shopping Center, (iii) $0.50 per square foot of the tenant-occupied office and retail space at 731 Lexington Avenue, and (iv) $297,000, escalating at 3% per annum, for managing the common area of 731 Lexington Avenue. In addition, we are entitled to a development fee of6% of development costs, as defined.

We provide Alexander's with leasing services for a fee of 3% of rent for the first ten years of a lease term,2% of rent for the eleventh through twentieth year of a lease term and1% of rent for the twenty-first through thirtieth year of a lease term, subject to the payment of rents by Alexander's tenants. In the event third-party real estate brokers are used, our fee increases by 1% and we are responsible for the fees to the third-parties. We are also entitled to a commission upon the sale of any of Alexander's assets equal to 3% of gross proceeds, as defined, for asset sales less than $50,000,000, and 1% of gross proceeds, as defined, for asset sales of $50,000,000 or more.

On December 22, 2014, the leasing agreements with Alexander's were amended to eliminate the annual installment cap of $8,000,000. In addition, Alexander's repaid to us the outstanding balance of $40,353,000.

Other Agreements

Building Maintenance Services ("BMS"), our wholly-owned subsidiary, supervises (i) cleaning, engineering and security services at Alexander's 731 Lexington Avenue property and (ii) security services at Alexander's Rego Park I and Rego Park II properties. During the years ended December 31, 2016, 2015 and 2014, we recognized $2,583,000, $2,221,000 and $2,318,000 of income, respectively, for these services.

5. Investments in Partially Owned Entities – continued

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

On January 15, 2015, we completed the spin-off of UE as a separate public company. As of December 31, 2016, we own 5,717,184 UE operating partnership units, representing a 5.4% ownership interest in UE. We account for our investment in UE under the equity method and record our share of UE's net income or loss on a one-quarter lag basis. As of December 31, 2016, the fair value of our investment in UE, based on UE's December 31, 2016 closing share price of $ 27.51, was $157,280,000, or $132,757,000 in excess of the carrying amount on our consolidated balance sheet. See Note 21 – *Related Party Transactions* for details of our relationship with UE.

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

As of December 31, 2016, we own 6,250,000 PREIT operating partnership units, representing an 8.0% interest in PREIT. We account for our investment in PREIT under the equity method and record our share of PREIT's net income or loss on a one-quarter lag basis. As of December 31, 2016, the fair value of our investment in PREIT, based on PREIT's December 31, 2016 closing share price of $ 18.96, was $118,500,000, or $4,383,000 below the carrying amount on our consolidated balance sheet. As of December 31, 2016, the carrying amount of our investment in PREIT exceeds our share of the equity in the net assets of PREIT by approximately $63,750,000. The majority of this basis difference resulted from the excess of the fair value of the PREIT operating units received over our share of the book value of PREIT's net assets. Substantially all of this basis difference was allocated, based on our estimates of the fair values of PREIT'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 PREIT's net loss. The basis difference related to the land will be recognized upon disposition of our investment.

One Park Avenue

On March 7, 2016, the joint venture, in which we have a 55% ownership interest, completed a $300,000,000 refinancing of One Park Avenue, a 949,000 square foot Manhattan office building. The loan matures in March 2021 and is interest only at LIBOR plus 1.75% (2.40% at December 31, 2016). The property was previously encumbered by a 4.995%, $250,000,000 mortgage which matured in March 2016.

Mezzanine Loan – New York

On March 17, 2016, we entered into a joint venture, in which we own a 33.3% interest, which owns a $150,000,000 mezzanine loan with an interest rate of LIBOR plus 8.88% and an initial maturity date in November 2016, with two three-month extension options. On November 9, 2016, the mezzanine loan was extended to May 2017 with an interest rate of LIBOR plus 9.42% (10.08% at December 31, 2016) during the extension period. As of December 31, 2016, the joint venture has fully funded its commitments. The joint venture's investment is subordinate to $350,000,000 of third party debt. We account for our investment in the joint venture under the equity method.

5. Investments in Partially Owned Entities – continued

The Warner Building

On May 6, 2016, the joint venture, in which we have a 55% ownership interest, completed a $273,000,000 refinancing of The Warner Building, a 622,000 square foot Washington, DC office building. The loan matures in June 2023, has a fixed rate of 3.65%, is interest only for the first two years and amortizes based on a 30-year schedule beginning in year three. The property was previously encumbered by a 6.26%, $293,000,000 mortgage which matured in May 2016.

280 Park Avenue

On May 11, 2016, the joint venture, in which we have a 50% ownership interest, completed a $900,000,000 refinancing of 280 Park Avenue, a 1,249,000 square foot Manhattan office building. The three-year loan with four one-year extensions is interest only at LIBOR plus 2.00% (2.66% at December 31, 2016). The property was previously encumbered by a 6.35%, $721,000,000 mortgage which was scheduled to mature in June 2016.

7 West 34th Street

On May 16, 2016, we completed a $300,000,000 recourse financing of 7 West 34th Street, a 479,000 square foot Manhattan office building leased to Amazon. The ten-year loan is interest only at a fixed rate of 3.65% and matures in June 2026. Subsequently, on May 27, 2016, we sold a 47% ownership interest in this property and retained the remaining 53% interest. This transaction was based on a property value of approximately $561,000,000 or $1,176 per square foot. We received net proceeds of $127,382,000 from the sale and realized a net gain of $203,324,000, of which $159,511,000 was recognized in the second quarter of 2016 and is included in "net gain on disposition of wholly owned and partially owned assets" in our consolidated statements of income. The remaining net gain of $43,813,000 has been deferred until our guarantee of payment of loan principal and interest is removed or the loan is repaid. We realized a net tax gain of $90,017,000. We continue to manage and lease the property. We share control over major decisions with our joint venture partner. Accordingly, this property is accounted for under the equity method from the date of sale.

606 Broadway

On May 20, 2016, we contributed $19,650,000 for a 50.0% equity interest in a joint venture that will develop 606 Broadway, a 34,000 square foot office and retail building, located on Houston Street in Manhattan. The development cost of this project is estimated to be approximately $104,000,000. At closing, the joint venture obtained a $65,000,000 construction loan, of which approximately $25,800,000 was outstanding at December 31, 2016. The loan, which bears interest at LIBOR plus 3.00% (3.66% at December 31, 2016), matures in May 2019 with two one-year extension options. Because this joint venture is a VIE and we determined we are the primary beneficiary, we consolidate the accounts of this joint venture from the date of our investment.

50-70 West 93rd Street

On August 3, 2016, the joint venture, in which we have 49.9% ownership interest, completed an $80,000,000 refinancing of 50-70 West 93rd Street, a 326 unit Manhattan residential complex. The three-year loan with two one-year extensions is interest only at LIBOR plus 1.70% (2.40% at December 31, 2016). The property was previously encumbered by a $44,980,000 first mortgage at LIBOR plus 1.90% and an $18,481,000 second mortgage at LIBOR plus 1.65%, which were scheduled to mature in September 2016.

5. Investments in Partially Owned Entities – continued

85 Tenth Avenue

In 2007, we made $50,000,000 of junior and senior mezzanine loans to the owner of 85 Tenth Avenue, a 626,000 square foot Manhattan office building. The loans were secured by equity interests in the property. In connection with the loans, we received the right to acquire a 49.9% equity interest in the property upon repayment of the loans. Pursuant to ASC 310-10-25-14, we accounted for our investment as an investment in real estate under the equity method. In February 2013, through a joint venture with an affiliate of the owner of 85 Tenth Avenue, we invested an additional $14,583,000 in senior mezzanine loans. In August 2014, we made an $8,413,000 preferred equity investment in the owner of 85 Tenth Avenue, bringing our total cash investment in 85 Tenth Owner to $72,996,000.

As of December 1, 2016, our share of the net losses of 85 Tenth Avenue reduced our basis to $0, $0,936,000. On December 1, 2016, the owner of 85 Tenth Avenue completed a 10-year, 4.55% $625,000,000 refinancing of the property and we received net proceeds of $191,779,000 in repayment of our existing loans and preferred equity investments. We recognized $160,843,000 of income and no tax gain as a result of this transaction. In conjunction with the repayment of the loans, we exercised our right to receive a 49.9% interest in the property, which we are accounting for under the equity method.

Fairfax Square

On December 19, 2016, we completed the sale of our 20% interest in Fairfax Square to our joint venture partner for $15,500,000, which resulted in a net gain of approximately $15,302,000.

Below is a summary of our investments in partially owned entities.

(Amounts in thousands)	Percentage Ownership at December 31, 2016	As of December 31, 2016	As of December 31, 2015
Investments:			
Partially owned office buildings[(1)]	Various	$ 797,205	$ 947,883
Alexander's	32.4%	129,324	133,568
PREIT	8.0%	122,883	133,375
India real estate ventures	4.1%-36.5%	30,290	48,310
UE	5.4%	24,523	25,351
Other investments[(2)]	Various	323,794	261,935
		$ 1,428,019	$ 1,550,422

(1) Includes interests in 280 Park Avenue, 650 Madison Avenue, One Park Avenue, 666 Fifth Avenue (Office), 330 Madison Avenue, 85 Tenth Avenue, 512 West 22nd Street and others.
(2) Includes interests in Independence Plaza, Fashion Centre Mall/Washington Tower, 50-70 West 93rd Street and others.

5. Investments in Partially Owned Entities – continued

Below is a summary of our income (loss) from partially owned entities.

(Amounts in thousands)	Percentage Ownership at December 31, 2016	For the Year Ended December 31, 2016	2015	2014
Our Share of Net Income (Loss):				
85 Tenth Avenue (see page 126 for details):				
Income from the repayment of loans and preferred equity	49.9%	$ 160,843	$ -	$ -
Equity in net income (loss)		17,229	(1,015)	(6,231)
		178,072	(1,015)	(6,231)
Alexander's:				
Equity in net income	32.4%	27,470	24,209	21,287
Management, leasing and development fees		6,770	6,869	8,722
		34,240	31,078	30,009
UE (see page 124 for details):				
Equity in net income	5.4%	5,003	2,430	-
Management fees		836	1,964	-
		5,839	4,394	-
Toys:				
Equity in net loss[(1)]	32.5%	-	-	(4,691)
Non-cash impairment losses		-	-	(75,196)
Management fees		2,000	2,500	6,331
		2,000	2,500	(73,556)
Partially owned office buildings[(2)]	Various	(42,100)	(23,556)	93
India real estate ventures[(3)]	4.1%-36.5%	(18,122)	(18,746)	(8,309)
PREIT (see page 124 for details)	8.0%	(5,213)	(7,450)	-
Other investments[(4)]	Various	10,673	165	(1,867)
		$ 165,389	$ (12,630)	$ (59,861)

(1) Pursuant to Rule 4-08(g) of Regulation S-X, in 2014 Toys was considered a significant subsidiary where as in 2016 and 2015 it was not. For the twelve months ended November 1, 2014, Toys' total revenue was $12,645,000 and net loss attributable to Toys was $343,000.

(2) Includes interests in 280 Park Avenue, 650 Madison Avenue, One Park Avenue, 666 Fifth Avenue (Office), 330 Madison Avenue, 512 West 22nd Street and others. In 2016 and 2015, we recognized net losses of $47,000 and $39,600, respectively, from our 666 Fifth Avenue (Office) joint venture as a result of our share of depreciation expense. In 2015, we recognized our $12,800 share of a write-off of a below-market lease liability related to a tenant vacating at 650 Madison Avenue. In 2014, we recognized our $14,500 share of accelerated depreciation from our West 57th Street joint ventures in connection with the change in estimated useful life of those properties.

(3) Includes non-cash impairment losses of $13,962, $14,806 and $5,771, respectively.

(4) Includes interests in Independence Plaza, Fashion Centre Mall/Washington Tower, 50-70 West 93rd Street and others. In 2014, we recognized a $10,263 non-cash charge comprised of a $5,959 impairment loss and a $4,304 loan loss reserve on our equity and debt investments in Suffolk Downs.

5. Investments in Partially Owned Entities – continued

Below is a summary of the debt of our partially owned entities as of December 31, 2016 and 2015, none of which is recourse to us.

(Amounts in thousands)	Percentage Ownership at December 31, 2016	Maturity	Interest Rate at December 31, 2016	100% Partially Owned Entities' Debt at December 31, 2016	2015
Toys:					
Notes, loans and mortgages payable	32.5%	2017-2021	7.28%	$ 5,640,779	$ 5,619,710
Partially owned office buildings[(1)]:					
Mortgages payable	Various	2017-2026	4.43%	4,341,056	3,771,255
PREIT:					
Mortgages payable	8.0%	2017-2025	3.77%	1,747,543	1,852,270
UE:					
Mortgages payable	5.4%	2018-2034	4.19%	1,209,994	1,246,155
Alexander's:					
Mortgages payable	32.4%	2018-2022	2.01%	1,056,147	1,053,262
85 Tenth Avenue:					
Mortgages payable	49.9%	2026	4.55%	625,000	-
India Real Estate Ventures:					
TCG Urban Infrastructure Holdings mortgages payable	25.0%	2017-2033	11.98%	187,296	185,607
Other[(2)]:					
Mortgages payable	Various	2017-2023	4.20%	1,277,632	1,316,641

(1) Includes 280 Park Avenue, 650 Madison Avenue, One Park Avenue, 666 Fifth Avenue (Office), 330 Madison Avenue, 512 West 22nd Street and others.
(2) Includes Independence Plaza, Fashion Centre Mall/Washington Tower, 50-70 West 93rd Street and others.

Based on our ownership interest in the partially owned entities above, our pro rata share of the debt of these partially owned entities, was $5,062,697,000 and $4,432,078,000 as of December 31, 2016 and 2015, respectively.

Summary of Condensed Combined Financial Information

The following is a summary of condensed combined financial information for all of our partially owned entities, including Toys and Alexander's, as of December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014.

(Amounts in thousands)	Balance as of December 31, 2016	2015
Balance Sheet:		
Assets	$ 24,926,000	$ 25,526,000
Liabilities	21,357,000	21,162,000
Noncontrolling interests	265,000	146,000
Equity	3,305,000	4,218,000

(Amounts in thousands)	For the Year Ended December 31, 2016	2015	2014
Income Statement:			
Total revenue	$ 13,600,000	$ 13,423,000	$ 13,620,000
Net loss	(65,000)	(224,000)	(434,000)

6. Dispositions

New York

On December 22, 2015, we completed the sale of 20 Broad Street, a 473,000 square foot office building in Manhattan for an aggregate consideration of $200,000,000. The total income from this transaction was approximately $157,000,000 comprised of approximately $142,000,000 from the gain on sale and $15,000,000 of lease termination income set forth in Note 14 – *Fee and Other Income.*

On December 18, 2014, we completed the sale of 1740 Broadway, a 601,000 square foot office building in Manhattan for $605,000,000. The sale resulted in net proceeds of approximately $580,000,000, after closing costs, and resulted in a financial statement gain of approximately $441,000,000. The tax gain of approximately $484,000,000, was deferred in like-kind exchanges, primarily for the acquisition of the St. Regis Fifth Avenue retail.

Washington, DC

On September 9, 2015, we completed the sale of 1750 Pennsylvania Avenue, NW, a 278,000 square foot office building in Washington, DC for $182,000,000, resulting in a net gain of approximately $102,000,000 which is included in "net gain on disposition of wholly owned and partially owned assets" on our consolidated statement of income. The tax gain of approximately $137,000,000 was deferred as part of a like-kind exchange. We are managing the property on behalf of the new owner.

Discontinued Operations

On January 15, 2015, we completed the spin-off of substantially all of our retail segment comprised of 79 strip shopping centers, three malls, a warehouse park and $225,000,000 of cash to UE. In addition, we completed the following retail property sales, substantially completing the exit of the retail strips and malls business.

On March 13, 2015, we sold our Geary Street, CA lease for $34,189,000, which resulted in a net gain of $21,376,000.

On March 31, 2015, we transferred the redeveloped Springfield Town Center, a 1,350,000 square foot mall located in Springfield, Fairfax County, Virginia, to PREIT in exchange for $485,313,000, comprised of $340,000,000 of cash and 6,250,000 of PREIT operating partnership units (valued at $145,313,000 or $23.25 per PREIT unit). The financial statement gain was $7,823,000, of which $7,192,000 was recognized in the first quarter of 2015 and the remaining $631,000 was deferred based on our ownership interest in PREIT. On March 31, 2018, we will be entitled to additional consideration of 50% of the increase in the value of Springfield Town Center, if any, over $465,000,000, calculated utilizing a 5.5% capitalization rate. In the first quarter of 2014, we recorded a non-cash impairment loss of $20,000,000 on Springfield Town Center which is included in "income from discontinued operations" on our consolidated statements of income.

On August 6, 2015, we sold our 50% interest in the Monmouth Mall in Eatontown, NJ to our joint venture partner for $38,000,000, valuing the property at approximately $229,000,000, which resulted in a net gain of $33,153,000.

On February 24, 2014, we completed the sale of Broadway Mall in Hicksville, Long Island, New York, for $94,000,000. The sale resulted in net proceeds of $92,174,000 after closing costs.

On July 8, 2014, we completed the sale of Beverly Connection, a 335,000 square foot power shopping center in Los Angeles, California, for $260,000,000, of which $239,000,000 was cash and $21,000,000 was 10-year mezzanine seller financing. The sale resulted in a net gain of $44,155,000.

In 2014, we also sold six strip shopping centers, in separate transactions, for an aggregate of $66,410,000 in cash, which resulted in a net gain aggregating $22,500,000.

6. Dispositions - continued

In accordance with the provisions of ASC 360, *Property, Plant, and Equipment*, we have reclassified the revenues and expenses of our strip shopping center and mall business which was spun off to UE on January 15, 2015 and other related retail assets that were sold or are currently held for sale to "income from discontinued operations" and the related assets and liabilities to "assets related to discontinued operations" and "liabilities related to discontinued operations" for all of the periods presented in the accompanying financial statements. The net gains resulting from the sale of these properties are included in "income from discontinued operations" on our consolidated statements of income. The tables below set forth the assets and liabilities related to discontinued operations at December 31, 2016 and 2015, and their combined results of operations for the years ended December 31, 2016, 2015 and 2014.

(Amounts in thousands)	Balance as of	
	December 31, 2016	December 31, 2015
Assets related to discontinued operations:		
Real estate, net	$ 2,642	$ 29,561
Other assets	2,928	7,459
	$ 5,570	$ 37,020
Liabilities related to discontinued operations:		
Other liabilities	$ 2,870	$ 12,470

(Amounts in thousands)	For the Year Ended December 31,		
	2016	2015	2014
Income from discontinued operations:			
Total revenues	$ 3,998	$ 27,831	$ 395,786
Total expenses	1,435	17,651	274,107
	2,563	10,180	121,679
Net gains on sale of real estate and a lease position	5,074	65,396	507,192
Impairment losses	(465)	(256)	(26,518)
UE spin-off transaction related costs	-	(22,972)	(14,956)
Pretax income from discontinued operations	7,172	52,348	587,397
Income tax expense	-	(86)	(1,721)
Income from discontinued operations	$ 7,172	$ 52,262	$ 585,676
Cash flows related to discontinued operations:			
Cash flows from operating activities	$ 455	$ (33,462)	$ 123,837
Cash flows from investing activities	2,785	346,865	(180,019)

7. Identified Intangible Assets and Liabilities

The following summarizes our identified intangible assets (primarily acquired above-market leases) and liabilities (primarily acquired below-market leases) as of December 31, 2016 and 2015.

(Amounts in thousands)	Balance as of December 31, 2016	Balance as of December 31, 2015
Identified intangible assets:		
Gross amount	$ 400,061	$ 415,261
Accumulated amortization	(207,330)	(187,360)
Net	$ 192,731	$ 227,901
Identified intangible liabilities (included in deferred revenue):		
Gross amount	$ 586,969	$ 643,488
Accumulated amortization	(323,183)	(325,340)
Net	$ 263,786	$ 318,148

Amortization of acquired below-market leases, net of acquired above-market leases, resulted in an increase to rental income of $3,202,000, $78,749,000 and $37,516,000 for the years ended December 31, 2016, 2015 and 2014, 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, 2017 is as follows:

(Amounts in thousands)	
2017	$ 45,576
2018	44,346
2019	32,168
2020	23,343
2021	18,159

Amortization of all other identified intangible assets (a component of depreciation and amortization expense) was $29,543,000, $36,659,000 and $28,275,000 for the years ended December 31, 2016, 2015 and 2014, respectively. Estimated annual amortization of all other identified intangible assets including acquired in-place leases, customer relationships, and third party contracts for each of the five succeeding years commencing January 1, 2017 is as follows:

(Amounts in thousands)	
2017	$ 24,456
2018	20,201
2019	15,863
2020	12,394
2021	11,177

We are a tenant under ground leases at certain properties. Amortization of these acquired below-market leases, net of above-market leases, resulted in an increase to rent expense of $1,832,000, $1,832,000, and $1,832,000 for the years ended December 31, 2016, 2015 and 2014. Estimated annual amortization of these below-market leases, net of above-market leases, for each of the five succeeding years commencing January 1, 2017 is as follows:

(Amounts in thousands)	
2017	$ 1,832
2018	1,832
2019	1,832
2020	1,832
2021	1,832

8. Debt

Unsecured Revolving Credit Facility

On November 7, 2016, we extended one of our two $1.25 billion unsecured revolving credit facilities from June 2017 to February 2021 with two six-month extension options. The interest rate on the extended facility was lowered from LIBOR plus 115 basis points to LIBOR plus 100 basis points. The facility fee remains unchanged at 20 basis points.

Secured Debt

On February 8, 2016, we completed a $700,000,000 refinancing of 770 Broadway, a 1,158,000 square foot Manhattan office building. The five-year loan is interest only at LIBOR plus 1.75% (2.40% at December 31, 2016), which was swapped for four and a half years to a fixed rate of 2.56%. The Company realized net proceeds of approximately $330,000,000. The property was previously encumbered by a 5.65%, $353,000,000 mortgage which was scheduled to mature in March 2016.

On September 6, 2016, we completed a $675,000,000 refinancing of theMART, a 3,652,000 square foot commercial building in Chicago. The five-year loan is interest only and has a fixed rate of 2.70%. The Company realized net proceeds of approximately $124,000,000. The property was previously encumbered by a 5.57%, $550,000,000 mortgage which was scheduled to mature in December 2016.

On December 2, 2016, we completed a $400,000,000 refinancing of 350 Park Avenue, a 571,000 square foot Manhattan office building. The ten-year loan is interest only and has a fixed rate of 3.92%. The Company realized net proceeds of approximately $111,000,000. The property was previously encumbered by a 3.75%, $284,000,000 mortgage which was scheduled to mature in January 2017.

On March 15, 2016, we notified the servicer of the $678,000,000 non-recourse mortgage loan on the Skyline properties located in Fairfax, Virginia, that cash flow will be insufficient to service the debt and pay other property related costs and expenses and that we were not willing to fund additional cash shortfalls. Accordingly, at our request, the loan was transferred to the special servicer. Consequently, based on the shortened holding period for the underlying assets, we concluded that the excess of carrying amount over our estimate of fair value was not recoverable and recognized a $160,700,000 non-cash impairment loss in the first quarter of 2016. The Company's estimate of fair value was derived from a discounted cash flow model based upon market conditions and expectations of growth and utilized unobservable quantitative inputs including a capitalization rate of 8.0% and a discount rate of 8.2%. In the second quarter of 2016, cash flow became insufficient to service the debt and we ceased making debt service payments. Pursuant to the loan agreement, the loan was in default, and was subject to incremental default interest which increased the weighted average interest rate from 2.97% to 4.51% while the outstanding balance remains unpaid. For the year ended December 31, 2016, we recognized $7,823,000 of default interest expense. On August 24, 2016, the Skyline properties were placed in receivership. On December 21, 2016, the disposition of the Skyline properties was completed by the receiver. In connection therewith, the Skyline properties' assets (approximately $236,535,000) and liabilities (approximately aggregating $724,412,000), were removed from our consolidated balance sheet which resulted in a net gain of $187,877,000. There was no taxable income related to this transaction.

8. Debt – continued

The following is a summary of our debt:

(Amounts in thousands)	Weighted Average Interest Rate at December 31, 2016	Balance at December 31, 2016	Balance at December 31, 2015
Mortgages Payable:			
Fixed rate	3.84%	$ 6,099,873	$ 6,356,634
Variable rate	2.49%	3,274,424	3,258,204
Total	3.37%	9,374,297	9,614,838
Deferred financing costs, net and other		(96,034)	(101,125)
Total, net		$ 9,278,263	$ 9,513,713
Unsecured Debt:			
Senior unsecured notes	3.68%	$ 850,000	$ 850,000
Deferred financing costs, net and other		(4,423)	(5,841)
Senior unsecured notes, net		845,577	844,159
Unsecured term loan	1.88%	375,000	187,500
Deferred financing costs, net and other		(2,785)	(4,362)
Unsecured term loan, net		372,215	183,138
Unsecured revolving credit facilities	1.68%	115,630	550,000
Total, net		$ 1,333,422	$ 1,577,297

The net carrying amount of properties collateralizing the mortgages payable amounted to $10.7 billion at December 31, 2016. As of December 31, 2016, the principal repayments required for the next five years and thereafter are as follows:

(Amounts in thousands)	Mortgages Payable	Senior Unsecured Debt and Unsecured Revolving Credit Facilities
Year Ending December 31,		
2017	$ 156,702	$ -
2018	1,389,341	490,630
2019	399,661	450,000
2020	1,882,443	-
2021	3,173,705	-
Thereafter	2,372,445	400,000

9. 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. 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.

Below are the details of redeemable noncontrolling interests/redeemable partnership units as of December 31, 2016 and 2015.

(Amounts in thousands, except units and per unit amounts)	Balance as of December 31,		Units Outstanding at December 31,		Per Unit Liquidation	Preferred or Annual Distribution
Unit Series	**2016**	**2015**	**2016**	**2015**	**Preference**	**Rate**
Common:						
Class A units held by third parties	$ 1,273,018	$ 1,223,793	12,197,162	12,242,820	n/a	$ 2.52
Perpetual Preferred/Redeemable Preferred[(1)]:						
5.00% D-16 Cumulative Redeemable	$ 1,000	$ 1,000	1	1	$ 1,000,000.00	$ 50,000.00
3.25% D-17 Cumulative Redeemable	$ 4,428	$ 4,428	177,100	177,100	$ 25.00	$ 0.8125

(1) Holders may tender units for redemption to the Operating Partnership for cash at their stated redemption amount; Vornado, at its option, may assume that obligation and pay the holders either cash or Vornado preferred shares on a one-for-one basis. These units are redeemable at Vornado's option at any time.

Below is a table summarizing the activity of redeemable noncontrolling interests/redeemable partnership units.

(Amounts in thousands)	
Balance at December 31, 2014	$ 1,337,780
Net income	43,231
Other comprehensive loss	(2,866)
Distributions	(30,263)
Redemption of Class A units for Vornado common shares, at redemption value	(48,230)
Adjustments to carry redeemable Class A units at redemption value	(192,464)
Issuance of Class A units	80,000
Issuance of Series D-17 Preferred Units	4,428
Other, net	37,605
Balance at December 31, 2015	1,229,221
Net income	53,654
Other comprehensive income	4,699
Distributions	(31,342)
Redemption of Class A units for Vornado common shares, at redemption value	(36,510)
Adjustments to carry redeemable Class A units at redemption value	26,251
Other, net	32,473
Balance at December 31, 2016	$ 1,278,446

9. Redeemable Noncontrolling Interests/Redeemable Partnership Units – continued

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 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 December 31, 2016 and 2015, respectively. Changes in the value from period to period, if any, are charged to "interest and debt expense" on our consolidated statements of income.

10. Shareholders' Equity/Partners' Capital

Common Shares (Vornado Realty Trust)

As of December 31, 2016, there were189,100,876 common shares outstanding. During 2016, we paid an aggregate of $475,961,000 of common dividends comprised of quarterly common dividends of $0.63 per share.

Class A Units (Vornado Realty L.P.)

As of December 31, 2016, there were189,100,876 Class A units outstanding that were held by Vornado. These units are classified as "partners' capital" on the consolidated balance sheets of the Operating Partnership. As of December 31, 2016, there were 12,197,162 Class A units outstanding, that were held by third parties. These units are classified outside of "partners' capital" as "redeemable partnership units" on the consolidated balance sheets of the Operating Partnership (See Note 9 -*Redeemable Noncontrolling Interests/Redeemable Partnership Units*). During 2016, the Operating Partnership paid an aggregate of $475,961,000 of distributions to Vornado comprised of quarterly common distributions of $0.63 per unit.

Preferred Share/Preferred Units

On September 1, 2016, we redeemed all of the outstanding 6.875% Series J cumulative redeemable preferred shares/units at their redemption price of $25.00 per share/unit, or $246,250,000 in the aggregate, plus accrued and unpaid dividends/distributions through the date of redemption. In connection therewith, we expensed $7,408,000 of issuance costs, which reduced net income attributable to common shareholders and net income attributable to Class A unitholders in the twelve months ended December 31, 2016. These costs had been initially recorded as a reduction of shareholders' equity and partners' capital.

The following table sets forth the details of our preferred shares of beneficial interest and the preferred units of the Operating Partnership as of December 31, 2016 and 2015.

(Amounts in thousands, except share/unit and per share/per unit amounts)	Balance as of December 31,		Shares/Units Outstanding at December 31,		Per Share/Unit Liquidation	Annual Dividend/ Distribution
Preferred Shares/Units	**2016**	**2015**	**2016**	**2015**	**Preference**	**Rate[1]**
Convertible Preferred:						
6.5% Series A: authorized 83,977 shares/units[2]	$ 1,264	$ 1,321	24,829	26,629	$ 50.00	$ 3.25
Cumulative Redeemable Preferred:						
6.625% Series G: authorized 8,000,000 shares/units[3]	193,135	193,135	8,000,000	8,000,000	$ 25.00	$ 1.65625
6.625% Series I: authorized 10,800,000 shares/units[3]	262,379	262,379	10,800,000	10,800,000	$ 25.00	$ 1.65625
6.875% Series J: authorized 9,850,000 shares/units	-	238,842	-	9,850,000	n/a	n/a
5.70% Series K: authorized 12,000,000 shares/units[3]	290,971	290,971	12,000,000	12,000,000	$ 25.00	$ 1.425
5.40% Series L: authorized 12,000,000 shares/units[3]	290,306	290,306	12,000,000	12,000,000	$ 25.00	$ 1.35
	$ 1,038,055	$ 1,276,954	42,824,829	52,676,629		

(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 1.5934 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 1.5934 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.

10. Shareholders' Equity/Partners' Capital – continued

Accumulated Other Comprehensive Income (Loss)

The following tables set forth the changes in accumulated other comprehensive income (loss) by component.

(Amounts in thousands)	For the Year Ended December 31, 2016				
	Total	Securities available-for-sale	Pro rata share of nonconsolidated subsidiaries' OCI	Interest rate swap	Other
Balance as of December 31, 2015	$ 46,921	$ 78,448	$ (9,319)	$ (19,368)	$ (2,840)
Net current period OCI	72,051	52,057	(2,739)	27,434	(4,701)
Balance as of December 31, 2016	$ 118,972	$ 130,505	$ (12,058)	$ 8,066	$ (7,541)

11. Variable Interest Entities ("VIEs")

Unconsolidated VIEs

As of December 31, 2016 and 2015, 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 5 – *Investments in Partially Owned Entities*). As of December 31, 2016 and 2015, the net carrying amount of our investments in these entities was $392,150,000 and $414,003,000, respectively, and our maximum exposure to loss in these entities, is limited to our investments.

Consolidated VIEs

We adopted ASU 2015-02 on January 1, 2016 which resulted in the identification of several VIEs which, prior to the adoption of ASU 2015-02, were consolidated under the voting interest model. Vornado's most significant consolidated VIEs are our Operating Partnership, real estate fund investments, 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 December 31, 2016, the total assets and liabilities of our consolidated VIEs, excluding the Operating Partnership, are $8,638,483,000 and $1,762,322,000, respectively.

12. 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 sheet), (iv) mandatorily redeemable instruments (Series G-1 through G-4 convertible preferred units and Series D-13 cumulative redeemable preferred units), and (v) interest rate swaps. The tables below aggregate the fair values of these financial assets and liabilities by their levels in the fair value hierarchy at December 31, 2016 and 2015, respectively.

(Amounts in thousands)	As of December 31, 2016			
	Total	Level 1	Level 2	Level 3
Marketable securities	$ 203,704	$ 203,704	$ -	$ -
Real estate fund investments	462,132	-	-	462,132
Deferred compensation plan assets (included in other assets)	121,374	63,930	-	57,444
Interest rate swaps (included in other assets)	21,816	-	21,816	-
Total assets	$ 809,026	$ 267,634	$ 21,816	$ 519,576
Mandatorily redeemable instruments (included in other liabilities)	$ 50,561	$ 50,561	$ -	$ -
Interest rate swap (included in other liabilities)	10,122	-	10,122	-
Total liabilities	$ 60,683	$ 50,561	$ 10,122	$ -

(Amounts in thousands)	As of December 31, 2015			
	Total	Level 1	Level 2	Level 3
Marketable securities	$ 150,997	$ 150,997	$ -	$ -
Real estate fund investments	574,761	-	-	574,761
Deferred compensation plan assets (included in other assets)	117,475	58,289	-	59,186
Total assets	$ 843,233	$ 209,286	$ -	$ 633,947
Mandatorily redeemable instruments (included in other liabilities)	$ 50,561	$ 50,561	$ -	$ -
Interest rate swaps (included in other liabilities)	19,600	-	19,600	-
Total liabilities	$ 70,161	$ 50,561	$ 19,600	$ -

12. Fair Value Measurements - continued

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

Real Estate Fund Investments

At December 31, 2016, we had six real estate fund investments with an aggregate fair value of $462,132,000, or $153,197,000 in excess of cost. These investments are classified as Level 3. We use a discounted cash flow valuation technique to estimate the fair value of each of these investments, which is updated quarterly by personnel responsible for the management of each investment and reviewed by senior management at each reporting period. The discounted cash flow valuation technique requires us to estimate cash flows for each investment over the anticipated holding period, which currently ranges from 1.0 to 4.0 years. Cash flows are derived from property rental revenue (base rents plus reimbursements) less operating expenses, real estate taxes and capital and other costs, plus projected sales proceeds in the year of exit. Property rental revenue is based on leases currently in place and our estimates for future leasing activity, which are based on current market rents for similar space plus a projected growth factor. Similarly, estimated operating expenses and real estate taxes are based on amounts incurred in the current period plus a projected growth factor for future periods. Anticipated sales proceeds at the end of an investment's expected holding period are determined based on the net cash flow of the investment in the year of exit, divided by a terminal capitalization rate, less estimated selling costs.

The fair value of each property is calculated by discounting the future cash flows (including the projected sales proceeds), using an appropriate discount rate and then reduced by the property's outstanding debt, if any, to determine the fair value of the equity in each investment. 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, and 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 at December 31, 2016.

Unobservable Quantitative Input	Range	Weighted Average (based on fair value of investments)
Discount rates	10.0% to 14.9%	12.6%
Terminal capitalization rates	4.3% to 5.8%	5.3%

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 years ended December 31, 2016 and 2015.

(Amounts in thousands)	For The Year Ended December 31,	
	2016	2015
Beginning balance	$ 574,761	$ 513,973
Purchases	-	95,010
Dispositions/distributions	(71,888)	(91,450)
Net unrealized (loss) gain	(41,162)	54,995
Net realized gain	507	2,757
Other, net	(86)	(524)
Ending balance	$ 462,132	$ 574,761

12. 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 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 years ended December 31, 2016 and 2015.

(Amounts in thousands)	For The Year Ended December 31,	
	2016	2015
Beginning balance	$ 59,186	$ 63,315
Purchases	5,355	9,062
Sales	(9,354)	(13,252)
Realized and unrealized gains (losses)	344	(501)
Other, net	1,913	562
Ending balance	$ 57,444	$ 59,186

Fair Value Measurements on a Nonrecurring Basis

There were no assets measured at fair value on a nonrecurring basis on our consolidated balance sheets at December 31, 2016 and 2015.

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 value of cash equivalents and borrowings under our unsecured revolving credit facilities and unsecured term loan are classified as Level 1. The fair value of our secured debt and senior unsecured debt are classified as Level 2. The table below summarizes the carrying amounts and estimated fair value of these financial instruments as of December 31, 2016 and 2015.

(Amounts in thousands)	As of December 31, 2016		As of December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash equivalents	$ 1,307,105	$ 1,307,000	$ 1,295,980	$ 1,296,000
Debt:				
Mortgages payable	$ 9,374,297	$ 9,356,000	$ 9,614,838	$ 9,306,000
Senior unsecured notes	850,000	899,000	850,000	868,000
Unsecured term loan	375,000	375,000	187,500	187,500
Unsecured revolving credit facilities	115,630	116,000	550,000	550,000
Total	$ 10,714,927	$ 10,746,000	$ 11,202,338	$ 10,911,500

13. 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 and out-performance plan awards to certain of our employees and officers. Under the Plan, awards may be granted up to a maximum of 6,000,000 Vornado shares, if all awards granted are Full Value Awards, as defined, and up to 12,000,000 Vornado shares, if all of the awards granted are Not Full Value Awards, as defined, plus shares in respect of awards forfeited after May 2010 that were issued pursuant to Vornado's 2002 Omnibus Share Plan. Full Value Awards are awards of securities, such as Vornado restricted shares, that, if all vesting requirements are met, do not require the payment of an exercise price or strike price to acquire the securities. Not Full Value Awards are awards of securities, such as Vornado stock options, that do require the payment of an exercise price or strike price. This means, for example, if the Committee were to award only Vornado restricted shares, it could award up to 6,000,000 Vornado restricted shares. On the other hand, if the Committee were to award only Vornado stock options, it could award options to purchase up to 12,000,000 Vornado common shares (at the applicable exercise price). The Committee may also issue any combination of awards under the Plan, with reductions in availability of future awards made in accordance with the above limitations. As of December 31, 2016, Vornado has approximately 2,929,000 shares available for future grants under the Plan, if all awards granted are Full Value Awards, as defined.

In the years ended December 31, 2016, 2015 and 2014, we recognized an aggregate of $33,980,000, $39,846,000 and $36,641,000, respectively, of stock-based compensation expense, which is included as a component of "general and administrative" expenses on our consolidated statements of income. The year ended December 31, 2015 includes $7,834,000 from the acceleration of the recognition of compensation expense related to 2013-2015 Out-Performance Plans due to the modification of the vesting criteria of awards such that they will fully vest at age 65. The details of the various components of our stock-based compensation are discussed on the following pages.

13. Stock-based Compensation - continued

Out-Performance Plans ("the OPPs")

OPPs are multi-year, performance-based equity compensation plans under which participants have the opportunity to earn a class of units ("OPP units") of the Operating Partnership if, and only if, Vornado outperforms a predetermined total shareholder return ("TSR") and/or outperform the market with respect to a relative TSR in any year during the requisite performance periods as described below. OPP units, if earned, become convertible into Class A units of the Operating Partnership (and ultimately into Vornado common shares) following vesting.

Awards under the 2014 OPP have been 99.5% earned. Awards under the 2015 and 2016 OPP may be earned if Vornado (i) achieves a TSR level greater than 7% per annum, or 21% over the three-year performance measurement periods (the "Absolute Component"), and/or (ii) achieves a TSR above that of the SNL US REIT Index ("Index") over the three-year performance measurement periods (the "Relative Component"). To the extent awards would be earned under the Absolute Component of each of the OPPs, but Vornado underperforms the Index, such awards would be reduced (and potentially fully negated) based on the degree to which Vornado underperforms the Index. In certain circumstances, in the event Vornado outperforms the Index but awards would not otherwise be fully earned under the Absolute Component, awards may still be earned or increased under the Relative Component. To the extent awards would otherwise be earned under the Relative Component but Vornado fails to achieve at least a 6% per annum absolute TSR, such awards earned under the Relative Component would be reduced based on Vornado's absolute TSR, with no awards being earned in the event Vornado's TSR during the applicable measurement period is 0% or negative, irrespective of the degree to which Vornado may outperform the Index. Dividends on awards issued and distributions on awards earned accrue during the performance period.

If the designated performance objectives are achieved, OPP units are also subject to time-based vesting requirements. Awards earned under the OPPs vest 33.33% in each of years three, four and five. Vornado's senior executive officers are required to hold earned 2016, 2015 and 2014 OPP awards (or related equity) for at least one year following vesting.

Below is the summary of the OPP units granted during the years December 31, 2016, 2015, and 2014.

Plan Year	Total Plan Notional Amount	Percentage of Notional Amount Granted	Grant Date Fair Value[1]	OPP Units Earned
2016	$ 40,000,000	86.7%	$ 11,800,000	To be determined in 2019
2015	40,000,000	84.5%	9,120,000	To be determined in 2018
2014	50,000,000	58.9%	8,202,000	297,495[2]

(1) Such amounts are being amortized into expense over a five-year period from the date of grant, using a graded vesting attribution model. In the years ended December 31, 2016, 2015 and 2014, we recognized $11,055,000, $15,531,000 and $6,185,000, respectively, of compensation expense related to OPPs. As of December 31, 2016, there was $5,752,000 of total unrecognized compensation cost related to the OPPs, which will be recognized over a weighted-average period of 1.7 years.

(2) 99.5% earned on January 10, 2017.

13. Stock-based Compensation - continued

Vornado Stock Options

Vornado stock options are granted at an exercise price equal to the average of the high and low market price of Vornado's common shares on the NYSE on the date of grant, generally vest over four years and expire 10 years from the date of grant. Compensation expense related to Vornado stock option awards is recognized on a straight-line basis over the vesting period. In the years ended December 31, 2016, 2015 and 2014, we recognized $937,000, $1,298,000 and $4,550,000, respectively, of compensation expense related to Vornado stock options that vested during each year. As of December 31, 2016, there was $1,335,000 of total unrecognized compensation cost related to unvested stock options, which is expected to be recognized over a weighted-average period of 1.7 years.

Below is a summary of Vornado's stock option activity for the year ended December 31, 2016.

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2016	2,827,570	$ 60.06		
Granted	42,466	92.97		
Exercised	(125,724)	56.44		
Cancelled or expired	(11,768)	100.49		
Outstanding at December 31, 2016	2,732,544	$ 65.76	3.1	$ 120,360,377
Options vested and expected to vest at December 31, 2016	2,737,594	$ 60.66	4.1	$ 118,170,212
Options exercisable at December 31, 2016	2,642,684	$ 59.42	2.9	$ 119,269,973

The fair value of each option grant is estimated on the date of grant using an option-pricing model with the following weighted-average assumptions for grants in the years ended December 31, 2016, 2015 and 2014.

	December 31,		
	2016	2015	2014
Expected volatility	35.00 %	35.00 %	36.00 %
Expected life	5.0 years	5.0 years	5.0 years
Risk free interest rate	1.76 %	1.56 %	1.81 %
Expected dividend yield	3.20 %	3.30 %	4.10 %

The weighted average grant date fair value of options granted during the years ended December 31, 2016, 2015 and 2014 was $2.14, $28.85 and $20.31, respectively. Cash received from option exercises for the years ended December 31, 2016, 2015 and 2014 was $6,825,000, $15,343,000 and $17,441,000, respectively. The total intrinsic value of options exercised during the years ended December 31, 2016, 2015 and 2014 was $,519,000, $3,873,000 and $18,223,000, respectively.

13. Stock-based Compensation - continued

Vornado Restricted Stock

Vornado restricted stock awards are granted at the average of the high and low market price of Vornado's common shares on the NYSE on the date of grant and generally vest over four years. Compensation expense related to Vornado's restricted stock awards is recognized on a straight-line basis over the vesting period. In the years ended December 31, 2016, 2015 and 2014, we recognized $851,000, $837,000 and $1,303,000, respectively, of compensation expense related to Vornado restricted stock awards that vested during each year. As of December 31, 2016, there was $ 1,337,000 of total unrecognized compensation cost related to unvested Vornado restricted stock, which is expected to be recognized over a weighted-average period of 1.7 years. Dividends paid on unvested Vornado restricted stock are charged directly to retained earnings and amounted to $56,000, $58,000 and $88,000 for the years ended December 31, 2016, 2015 and 2014, respectively.

Below is a summary of Vornado's restricted stock activity under the Plan for the year ended December 31, 2016.

Unvested Shares	Shares	Weighted-Average Grant-Date Fair Value
Unvested at January 1, 2016	19,592	$ 91.09
Granted	9,973	92.97
Vested	(7,472)	85.80
Cancelled or expired	(1,086)	93.87
Unvested at December 31, 2016	21,007	93.72

Vornado restricted stock awards granted in 2016, 2015 and 2014 had a fair value of $927,000, $906,000 and $1,048,000, respectively. The fair value of restricted stock that vested during the years ended December 31, 2016, 2015 and 2014 was $641,000, $882,000 and $1,174,000, respectively.

Restricted Operating Partnership Units ("OP Units")

OP Units are granted at the average of the high and low market price of Vornado's common shares on the NYSE on the date of grant, vest ratably over four years and are subject to a taxable book-up event, as defined. Compensation expense related to OP Units is recognized ratably over the vesting period using a graded vesting attribution model. In the years ended December 31, 2016, 2015 and 2014, we recognized $21,136,000, $22,180,000 and $24,603,000, respectively, of compensation expense related to OP Units that vested during each year. As of December 31, 2016, there was $ 15,670,000 of total unrecognized compensation cost related to unvested OP Units, which is expected to be recognized over a weighted-average period of 1.6 years. Distributions paid on unvested OP Units are charged to "net income attributable to noncontrolling interests in the Operating Partnership" on Vornado's consolidated statements of income and to "preferred unit distributions" on the Operating Partnership's consolidated statements of income and amounted to $1,968,000, $2,414,000 and $2,866,000 in the years ended December 31, 2016, 2015 and 2014, respectively.

Below is a summary of restricted OP unit activity under the Plan for the year ended December 31, 2016.

Unvested Units	Units	Weighted-Average Grant-Date Fair Value
Unvested at January 1, 2016	639,017	$ 80.46
Granted	211,086	87.60
Vested	(289,515)	78.41
Cancelled or expired	(7,554)	92.01
Unvested at December 31, 2016	553,034	87.11

OP Units granted in 2016, 2015 and 2014 had a fair value of $18,492,000, $20,293,000 and $19,669,000, respectively. The fair value of OP Units that vested during the years ended December 31, 2016, 2015 and 2014 was $2,701,000, $20,072,000 and $22,758,000, respectively.

14. Fee and Other Income

The following table sets forth the details of our fee and other income:

(Amounts in thousands)	For the Year Ended December 31,		
	2016	2015	2014
BMS cleaning fees	$ 78,920	$ 82,113	$ 85,658
Management and leasing fees	20,891	16,831	19,905
Lease termination fees[(1)]	9,516	27,233	16,362
Other income	32,480	38,528	33,281
	$ 141,807	$ 164,705	$ 155,206

(1) The year ended December 31, 2015 includes $15,000 related to the New York Stock Exchange lease termination at 20 Broad Street.

The above table excludes fee income from partially owned entities, which is included in "income (loss) from partially owned entities" (see Note 5 *-Investments in Partially Owned Entities*).

15. Interest and Other Investment Income, Net

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

(Amounts in thousands)	For the Year Ended December 31,		
	2016	2015	2014
Dividends on marketable securities	$ 13,135	$ 12,836	$ 12,707
Mark-to-market income of investments in our deferred compensation plan[(1)]	5,213	111	11,557
Interest on loans receivable	3,890	6,371	6,107
Other, net	7,308	7,660	8,381
	$ 29,546	$ 26,978	$ 38,752

(1) This income is entirely offset by the expense resulting from the mark-to-market of the deferred compensation plan liability, which is included in "general and administrative" expense.

16. Interest and Debt Expense

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

(Amounts in thousands)	For the Year Ended December 31,		
	2016	2015	2014
Interest expense	$ 402,057	$ 405,169	$ 430,278
Amortization of deferred financing costs	34,714	32,161	45,263
Capitalized interest and debt expense	(34,097)	(59,305)	(62,786)
	$ 402,674	$ 378,025	$ 412,755

17. Income Per Share/Income Per Class A Unit

Vornado Realty Trust

The following table provides a reconciliation of both net income and the number of common shares used in the computation of (i) basic income per common share - which includes the weighted average number of common shares outstanding without regard to dilutive potential common shares, and (ii) diluted income 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 and restricted stock awards.

(Amounts in thousands, except per share amounts)	Year Ended December 31,		
	2016	2015	2014
Numerator:			
Income from continuing operations, net of income attributable to noncontrolling interests	$ 900,185	$ 711,240	$ 312,700
Income from discontinued operations, net of income attributable to noncontrolling interests	6,732	49,194	552,152
Net income attributable to Vornado	906,917	760,434	864,852
Preferred share dividends	(75,903)	(80,578)	(81,464)
Preferred share issuance costs (Series J redemption)	(7,408)	-	-
Net income attributable to common shareholders	823,606	679,856	783,388
Earnings allocated to unvested participating securities	(96)	(81)	(125)
Numerator for basic income per share	823,510	679,775	783,263
Impact of assumed conversions:			
Convertible preferred share dividends	86	91	97
Earnings allocated to Out-Performance Plan units	806	-	-
Numerator for diluted income per share	$ 824,402	$ 679,866	$ 783,360
Denominator:			
Denominator for basic income per share – weighted average shares	188,837	188,353	187,572
Effect of dilutive securities [(1)]:			
Employee stock options and restricted share awards	1,064	1,166	1,075
Convertible preferred shares	42	45	43
Out-Performance Plan units	230	-	-
Denominator for diluted income per share – weighted average shares and assumed conversions	190,173	189,564	188,690
INCOME PER COMMON SHARE – BASIC:			
Income from continuing operations, net	$ 4.32	$ 3.35	$ 1.23
Income from discontinued operations, net	0.04	0.26	2.95
Net income per common share	$ 4.36	$ 3.61	$ 4.18
INCOME PER COMMON SHARE – DILUTED:			
Income from continuing operations, net	$ 4.30	$ 3.33	$ 1.22
Income from discontinued operations, net	0.04	0.26	2.93
Net income per common share	$ 4.34	$ 3.59	$ 4.15

(1) The effect of dilutive securities in the years ended December 31, 2016, 2015 and 2014 excludes an aggregate of 12,022, 11,744 and 11,238 weighted average common share equivalents, respectively, as their effect was anti-dilutive.

17. Income Per Share/Income Per Class A Unit - continued

Vornado Realty L.P.

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

(Amounts in thousands, except per unit amounts)	Year Ended December 31,		
	2016	2015	2014
Numerator:			
Income from continuing operations, net of income attributable to noncontrolling interests	$ 953,399	$ 751,403	$ 326,789
Income from discontinued operations, net of income attributable to noncontrolling interests	7,172	52,262	585,676
Net income attributable to Vornado Realty L.P.	960,571	803,665	912,465
Preferred unit distributions	(76,097)	(80,736)	(81,514)
Preferred unit issuance costs (Series J redemption)	(7,408)	-	-
Net income attributable to Class A unitholders	877,066	722,929	830,951
Earnings allocated to unvested participating securities	(4,177)	(4,092)	(4,260)
Numerator for basic income per Class A unit	872,889	718,837	826,691
Impact of assumed conversions:			
Convertible preferred unit distributions	86	92	97
Numerator for diluted income per Class A unit	$ 872,975	$ 718,929	$ 826,788
Denominator:			
Denominator for basic income per Class A unit – weighted average units	200,350	199,309	198,213
Effect of dilutive securities [(1)]:			
Vornado stock options and restricted unit awards	1,625	1,804	1,557
Convertible preferred units	42	45	43
Denominator for diluted income per Class A unit – weighted average units and assumed conversions	202,017	201,158	199,813
INCOME PER CLASS A UNIT – BASIC:			
Income from continuing operations, net	$ 4.32	$ 3.35	$ 1.22
Income from discontinued operations, net	0.04	0.26	2.95
Net income per Class A unit	$ 4.36	$ 3.61	$ 4.17
INCOME PER CLASS A UNIT – DILUTED:			
Income from continuing operations, net	$ 4.29	$ 3.31	$ 1.21
Income from discontinued operations, net	0.03	0.26	2.93
Net income per Class A unit	$ 4.32	$ 3.57	$ 4.14

(1) The effect of dilutive securities in the years ended December 31, 2016, 2015 and 2014 excludes an aggregate of 178, 150 and 116 weighted average Class A unit equivalents, respectively, as their effect was anti-dilutive.

18. Leases

As lessor:

We lease space to tenants under operating leases. Most of the leases provide for the payment of fixed base rentals payable monthly in advance. Office building leases generally require the tenants to reimburse us for operating costs and real estate taxes above their base year costs. Certain leases provide for pass-through to tenants the tenant's share of real estate taxes, insurance and maintenance. Certain leases also provide for the payment by the lessee of additional rent based on a percentage of the tenants' sales. As of December 31, 2016, future base rental revenue under non-cancelable operating leases, excluding rents for leases with an original term of less than one year and rents resulting from the exercise of renewal options, are as follows:

(Amounts in thousands)		
Year Ending December 31:		
2017	$	1,738,779
2018		1,696,355
2019		1,570,197
2020		1,446,485
2021		1,342,749
Thereafter		7,340,929

These amounts do not include percentage rentals based on tenants' sales. These percentage rents approximated $8,037,000, $5,760,000 and $6,343,000, for the years ended December 31, 2016, 2015 and 2014, respectively.

None of our tenants accounted for more than 10% of total revenues in any of the years ended December 31, 2016, 2015 and 2014.

As lessee:

We are a tenant under operating leases for certain properties. These leases have terms that expire during the next thirty years. Future minimum lease payments under operating leases at December 31, 2016 are as follows:

(Amounts in thousands)		
Year Ending December 31:		
2017	$	34,871
2018		35,357
2019		35,865
2020		36,393
2021		36,959
Thereafter		1,611,995

Rent expense, a component of "operating expenses" on our consolidated statements of income, was $42,024,000, $38,887,000 and $36,315,000 for the years ended December 31, 2016, 2015 and 2014, respectively.

18. Leases - continued

1535 Broadway

We are a lessee under a long-term capital lease for the retail and signage components of the Marriott Marquis Times Square Hotel at 1535 Broadway. At inception of the lease in 2012, we recorded a $240,000,000 capital lease asset and liability on our consolidated balance sheet based on the present value of future minimum lease payments. The capital lease asset is being depreciated on a straight-line basis over the estimated life of the asset and the related expense is included in "depreciation and amortization" on our consolidated statements of income. During 2016, we substantially completed the redevelopment of the leased space, as required under the lease, at a total redevelopment cost of approximately $194,147,000. The lease contains a put/call purchase option under which the lessor may exercise its "put" on predetermined dates after March 31, 2018 and we may exercise our "call" at any time after July 30, 2027 and before January 3, 2032.

As of December 31, 2016, future minimum lease payments under this capital lease are as follows:

(Amounts in thousands)	
Year Ending December 31:	
2017	$ 12,508
2018	12,508
2019	12,508
2020	12,508
2021	12,508
Thereafter	309,839
Total minimum obligations	372,379
Interest portion	(132,379)
Present value of net minimum payments	$ 240,000

As of December 31, 2016, the gross carrying amount of the property leased under the capital lease was $194,147,000, which is a component of "buildings and improvements" on our consolidated balance sheets.

19. Multiemployer Benefit Plans

Our subsidiaries make contributions to certain multiemployer defined benefit plans ("Multiemployer Pension Plans") and health plans ("Multiemployer Health Plans") for our union represented employees, pursuant to the respective collective bargaining agreements.

Multiemployer Pension Plans

Multiemployer Pension Plans differ from single-employer pension plans in that (i) contributions to multiemployer plans may be used to provide benefits to employees of other participating employers and (ii) if other participating employers fail to make their contributions, each of our participating subsidiaries may be required to bear its then pro rata share of unfunded obligations. If a participating subsidiary withdraws from a plan in which it participates, it may be subject to a withdrawal liability. As of December 31, 2016, our subsidiaries' participation in these plans was not significant to our consolidated financial statements.

In the years ended December 31, 2016, 2015 and 2014, our subsidiaries contributed $9,479,000, $10,878,000 and $11,431,000, respectively, towards Multiemployer Pension Plans, which is included as a component of "operating" expenses on our consolidated statements of income. Our subsidiaries' contributions did not represent more than 5% of total employer contributions in any of these plans for the years ended December 31, 2016, 2015 and 2014.

Multiemployer Health Plans

Multiemployer Health Plans in which our subsidiaries participate provide health benefits to eligible active and retired employees. In the years ended December 31, 2016, 2015 and 2014, our subsidiaries contributed $32,998,000, $29,269,000 and $29,073,000, respectively, towards these plans, which is included as a component of "operating" expenses on our consolidated statements of income.

20. 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 $180,000,000 per occurrence and in the annual aggregate, subject to a deductible in the amount of5% 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 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 $1,622,000 ($1,976,000 for 2017) and 16% (17% for 2017) 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 costs of coverage for acts of terrorism. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future.

Our debt instruments, consisting of mortgage loans secured by our properties which are non-recourse to us, 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 reasonable costs in the future. Further, if lenders insist on greater coverage than we are able to obtain it could adversely affect our ability to finance our properties and expand our portfolio.

20. 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 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 costs to us.

Our mortgage loans are non-recourse to us. However, 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 December 31, 2016, the aggregate dollar amount of these guarantees and master leases is approximately $737,000,000.

As of December 31, 2016, $19,847,000 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 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.

As of December 31, 2016, we expect to fund additional capital to certain of our partially owned entities aggregating approximately $173,000,000, which includes our share of the commitments of the Farley Post Office redevelopment joint venture.

As of December 31, 2016, we have construction commitments aggregating $653,940,000.

21. Related Party Transactions

Alexander's, Inc.

We own 32.4% of Alexander's. Steven Roth, the Chairman of Vornado's Board of Trustee's and its Chief Executive Officer is also the Chairman of the Board and Chief Executive Officer of Alexander's. We provide various services to Alexander's in accordance with management, development and leasing agreements. These agreements are described in Note 5 - *Investments in Partially Owned Entities.*

Urban Edge Properties

We own 5.4% of UE. During 2015, we provided transition services to UE, primarily for information technology, human resources, tax and financial planning. In 2016, we continue to provide UE transition services for information technology and human resources. UE is providing us with leasing, development and property management services for certain of our retail properties including the retail assets of Alexander's. Fees to UE for servicing the retail assets of Alexander's are similar to the fees that we are receiving from Alexander's as described in Note 5 - *Investments in Partially Owned Entities.*

Interstate Properties ("Interstate")

Interstate is a general partnership in which Mr. Roth is the managing general partner. David Mandelbaum and Russell B. Wight, Jr., Trustees of Vornado and Directors of Alexander's, are Interstate's two other general partners. As of December 31, 2016, Interstate and its partners beneficially owned an aggregate of approximately 7.1% of the common shares of beneficial interest of Vornado and26.3% of Alexander's common stock.

We manage and lease the real estate assets of Interstate pursuant to a management agreement for which we receive an annual fee equal to4% of annual base rent and percentage rent. The management agreement has a term of one year and is automatically renewable unless terminated by either of the parties on 60 days' notice at the end of the term. We believe, based upon comparable fees charged by other real estate companies, that the management agreement terms are fair to us. We earned $ 521,000, $541,000, and $535,000 of management fees under the agreement for the years ended December 31, 2016, 2015 and 2014, respectively.

22. Summary of Quarterly Results (Unaudited)

Vornado Realty Trust

The following summary represents the results of operations for each quarter in 2016 and 2015:

(Amounts in thousands, except per share amounts)		Net Income (Loss) Attributable to Common	Net Income (Loss) Per Common Share (2)	
	Revenues	Shareholders (1)	Basic	Diluted
2016				
December 31	$ 638,260	$ 651,181	$ 3.44	$ 3.43
September 30	633,197	66,125	0.35	0.35
June 30	621,708	220,463	1.17	1.16
March 31	613,037	(114,163)	(0.61)	(0.61)
2015				
December 31	$ 651,581	$ 230,742	$ 1.22	$ 1.22
September 30	627,596	198,870	1.05	1.05
June 30	616,288	165,651	0.88	0.87
March 31	606,802	84,593	0.45	0.45

(1) Fluctuations among quarters resulted primarily from non-cash impairment losses, net gain on extinguishment of debt, net gains on sale of real estate and from seasonality of business operations.

(2) The total for the year may differ from the sum of the quarters as a result of weighting.

Vornado Realty L.P.

The following summary represents the results of operations for each quarter in 2016 and 2015:

(Amounts in thousands, except per unit amounts)		Net Income (Loss) Attributable to Class A	Net Income (Loss) Per Class A Unit (2)	
	Revenues	Unitholders (1)	Basic	Diluted
2016				
December 31	$ 638,260	$ 693,377	$ 3.44	$ 3.43
September 30	633,197	70,442	0.35	0.35
June 30	621,708	234,945	1.17	1.16
March 31	613,037	(121,698)	(0.61)	(0.61)
2015				
December 31	$ 651,581	$ 245,735	$ 1.22	$ 1.21
September 30	627,596	211,526	1.05	1.05
June 30	616,288	175,800	0.88	0.87
March 31	606,802	89,868	0.45	0.44

(1) Fluctuations among quarters resulted primarily from non-cash impairment losses, net gain on extinguishment of debt, net gains on sale of real estate and from seasonality of business operations.

(2) The total for the year may differ from the sum of the quarters as a result of weighting.

23. Segment Information

Below is a summary of net income and a reconciliation of net income to EBITDA[1] by segment for the year ended December 31, 2016.

(Amounts in thousands)	For the Year Ended December 31, 2016			
	Total	New York	Washington, DC	Other
Total revenues	$ 2,506,202	$ 1,713,374	$ 518,117	$ 274,711
Total expenses	1,955,411	1,093,587	528,863	332,961
Operating income (loss)	550,791	619,787	(10,746)	(58,250)
Income (loss) from partially owned entities	165,389	(2,379)	(7,227)	174,995
Loss from real estate fund investments	(23,602)	-	-	(23,602)
Interest and other investment income (loss), net	29,546	5,093	(2)	24,455
Interest and debt expense	(402,674)	(216,685)	(72,434)	(113,555)
Net gain on extinguishment of Skyline properties debt	487,877	-	487,877	-
Net gain on disposition of wholly owned and partially owned assets	175,735	159,511	15,302	922
Income before income taxes	983,062	565,327	412,770	4,965
Income tax expense	(8,312)	(5,508)	(1,083)	(1,721)
Income from continuing operations	974,750	559,819	411,687	3,244
Income from discontinued operations	7,172	-	-	7,172
Net income	981,922	559,819	411,687	10,416
Less net income attributable to noncontrolling interests in consolidated subsidiaries	(21,351)	(13,558)	-	(7,793)
Net income attributable to the Operating Partnership	960,571	546,261	411,687	2,623
Interest and debt expense[2]	507,362	280,563	81,723	145,076
Depreciation and amortization[2]	694,214	435,961	158,720	99,533
Income tax expense[2]	11,838	5,911	2,979	2,948
EBITDA[1]	$ 2,173,985	$ 1,268,696 [3]	$ 655,109 [4]	$ 250,180 [5]
Balance Sheet Data:				
Real estate, at cost	$ 18,339,958	$ 10,787,730	$ 4,152,138	$ 3,400,090
Investments in partially owned entities	1,428,019	1,080,064	94,870	253,085
Total assets	20,814,847	13,312,116	3,645,525	3,857,206

See notes on pages 156 and 157.

23. Segment Information - continued

Below is a summary of net income and a reconciliation of net income to EBITDA[1] by segment for the year ended December 31, 2015.

(Amounts in thousands)	For the Year Ended December 31, 2015			
	Total	New York	Washington, DC	Other
Total revenues	$ 2,502,267	$ 1,695,925	$ 532,812	$ 273,530
Total expenses	1,742,019	1,032,015	390,921	319,083
Operating income (loss)	760,248	663,910	141,891	(45,553)
(Loss) income from partially owned entities	(12,630)	655	(6,020)	(7,265)
Income from real estate fund investments	74,081	-	-	74,081
Interest and other investment income (loss), net	26,978	7,722	(262)	19,518
Interest and debt expense	(378,025)	(194,278)	(68,727)	(115,020)
Net gain on disposition of wholly owned and partially owned assets	251,821	142,693	102,404	6,724
Income (loss) before income taxes	722,473	620,702	169,286	(67,515)
Income tax benefit (expense)	84,695	(4,379)	(317)	89,391
Income from continuing operations	807,168	616,323	168,969	21,876
Income from discontinued operations	52,262	-	-	52,262
Net income	859,430	616,323	168,969	74,138
Less net income attributable to noncontrolling interests in consolidated subsidiaries	(55,765)	(13,022)	-	(42,743)
Net income attributable to the Operating Partnership	803,665	603,301	168,969	31,395
Interest and debt expense[2]	469,843	248,724	80,795	140,324
Depreciation and amortization[2]	664,637	394,028	178,021	92,588
Income tax (benefit) expense[2]	(85,379)	4,766	(1,610)	(88,535)
EBITDA[1]	$ 1,852,766	$ 1,250,819 [3]	$ 426,175 [4]	$ 175,772 [5]
Balance Sheet Data:				
Real estate, at cost	$ 18,090,137	$ 10,577,078	$ 4,544,842	$ 2,968,217
Investments in partially owned entities	1,550,422	1,195,122	80,708	274,592
Total assets	21,143,293	12,257,774	4,517,092	4,368,427

See notes on pages 156 and 157.

23. Segment Information - continued

Below is a summary of net income and a reconciliation of net income to EBITDA[1] by segment for the year ended December 31, 2014.

(Amounts in thousands)	For the Year Ended December 31, 2014			
	Total	New York	Washington, DC	Other
Total revenues	$ 2,312,512	$ 1,520,845	$ 537,151	$ 254,516
Total expenses	1,622,619	946,466	358,019	318,134
Operating income (loss)	689,893	574,379	179,132	(63,618)
(Loss) income from partially owned entities	(59,861)	20,701	(4,767)	(75,795)
Income from real estate fund investments	163,034	-	-	163,034
Interest and other investment income, net	38,752	6,711	183	31,858
Interest and debt expense	(412,755)	(183,427)	(75,395)	(153,933)
Net gain on disposition of wholly owned and partially owned assets	13,568	-	-	13,568
Income (loss) before income taxes	432,631	418,364	99,153	(84,886)
Income tax expense	(9,281)	(4,305)	(242)	(4,734)
Income (loss) from continuing operations	423,350	414,059	98,911	(89,620)
Income from discontinued operations	585,676	463,163	-	122,513
Net income	1,009,026	877,222	98,911	32,893
Less net income attributable to noncontrolling interests in consolidated subsidiaries	(96,561)	(8,626)	-	(87,935)
Net income (loss) attributable to the Operating Partnership	912,465	868,596	98,911	(55,042)
Interest and debt expense[2]	654,398	241,959	87,778	324,661
Depreciation and amortization[2]	685,973	324,239	144,124	217,610
Income tax expense[2]	24,248	4,395	288	19,565
EBITDA[1]	$ 2,277,084	$ 1,439,189 [3]	$ 331,101 [4]	$ 506,794 [5]
Balance Sheet Data:				
Real estate, at cost	$ 16,822,358	$ 9,732,818	$ 4,383,418	$ 2,706,122
Investments in partially owned entities	1,240,489	1,036,130	83,428	120,931
Total assets	21,157,980	10,706,476	4,281,421	6,170,083

See notes on the following pages.

23. Segment Information – continued

Notes to preceding tabular information:

(1) We calculate EBITDA on an Operating Partnership basis which is before allocation to the noncontrolling interest of the Operating Partnership. We consider EBITDA a 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 a multiple of EBITDA, we utilize this measure to make investment decisions as well as to compare the performance of our assets to that of our peers. EBITDA should not be considered a substitute for net income. EBITDA may not be comparable to similarly titled measures employed by other companies.

Our 7.5% interest in Fashion Centre Mall/Washington Tower will not be included in the spin-off of our Washington, DC segment and have been reclassified to Other. The prior year's presentation has been conformed to the current year.

(2) Interest and debt expense, depreciation and amortization and income tax expense (benefit) in the reconciliation of net income to EBITDA includes our share of these items from partially owned entities.

(3) The elements of "New York" EBITDA are summarized below.

(Amounts in thousands)	For the Year Ended December 31,		
	2016	**2015**	**2014**
Office	$ 805,708	$ 804,272	$ 1,063,355
Retail	381,739	358,379	281,428
Residential	25,060	22,266	21,907
Alexander's	46,182	42,858	41,746
Hotel Pennsylvania	10,007	23,044	30,753
Total New York EBITDA	1,268,696	1,250,819	1,439,189
Certain items that impact EBITDA:			
Net gains on sale of real estate	(159,511)	(142,693)	(440,537)
EBITDA from discontinued operations and sold properties	(3,120)	(35,985)	(39,743)
Other	-	(1,300)	(171)
Certain items that impact EBITDA	(162,631)	(179,978)	(480,451)
Total New York EBITDA, as adjusted	$ 1,106,065	$ 1,070,841	$ 958,738

(4) The elements of "Washington, DC" EBITDA are summarized below.

(Amounts in thousands)	For the Year Ended December 31,		
	2016	**2015**	**2014**
Office, excluding the Skyline properties	$ 260,436	$ 359,063	$ 260,270
Skyline properties	348,016	26,325	29,250
Total Office	608,452	385,388	289,520
Residential	46,657	40,787	41,581
Total Washington, DC EBITDA	655,109	426,175	331,101
Certain items that impact EBITDA:			
Net gain on extinguishment of Skyline properties debt	(487,877)	-	-
Skyline properties impairment loss	160,700	-	-
EBITDA from discontinued operations and sold properties	(22,131)	(33,605)	(38,876)
Net gains on sale of real estate and a land parcel	(15,302)	(102,404)	(1,800)
Other	-	405	-
Certain items that impact EBITDA	(364,610)	(135,604)	(40,676)
Total Washington, DC EBITDA, as adjusted	$ 290,499	$ 290,571	$ 290,425

23. Segment Information – continued

Notes to preceding tabular information:

(5) The elements of "Other" EBITDA are summarized below.

(Amounts in thousands)	For the Year Ended December 31,		
	2016	**2015**	**2014**
Our share of real estate fund investments:			
Income before net realized/unrealized (loss) gain	$ 8,607	$ 8,611	$ 8,056
Net realized/unrealized (loss) gain	(16,270)	14,657	37,535
Carried interest	(13,379)	10,696	24,715
Total (loss) income from real estate fund investments	(21,042)	33,964	70,306
theMART (including trade shows)	91,845	79,159	79,636
555 California Street	45,827	49,975	48,844
India real estate ventures	3,685	3,933	6,434
Our share of Toys[(a)]	2,000	2,500	103,632
Other investments	77,240	42,436	21,385
	199,555	211,967	330,237
Corporate general and administrative expenses[(b)(c)]	(100,594)	(106,416)	(94,929)
Investment income and other, net[(b)]	22,501	26,385	31,665
Income from the repayment of our investments in 85 Tenth Avenue loans and preferred equity	160,843	-	-
Acquisition and transaction related costs	(26,062)	(12,511)	(16,392)
Our share of impairment losses on India real estate ventures	(13,962)	(14,806)	(5,771)
Discontinued operations[(d)]	7,185	28,314	245,679
Net gains on sale of real estate	714	44,390	26,568
Impairment loss and loan loss reserve on investment in Suffolk Downs	-	(1,551)	(10,263)
Total Other	$ 250,180	$ 175,772	$ 506,794

(a) As a result of our investment being reduced to zero, we suspended equity method accounting in 2014. The year ended December 31, 2014 includes an impairment loss of $75,196.

(b) The amounts in these captions (for this table only) exclude the results of the mark-to-market of our deferred compensation plan of $5,213, $111, and $11,557 of income, respectively.

(c) The year ended December 31, 2015 includes a cumulative catch up of $4,542 from the acceleration of recognition of compensation expense related to the modification of the 2012-2014 Out-Performance Plans.

(d) The years ended December 31, 2015 and 2014 include $22,684 and $14,956, respectively, of transaction costs related to the spin-off of our strip shopping centers and malls.

24. Subsequent Events

2017 Out-Performance Plan

On January 13, 2017, the Committee approved the 2017 Outperformance Plan, a multi-year, performance-based equity compensation plan (the "2017 OPP"). Awards under the 2017 OPP constitute awards under Vornado's shareholder approved 2010 Omnibus Share Plan. Under the 2017 OPP, participants have the opportunity to earn compensation payable in the form of equity awards if, and only if, Vornado outperforms a predetermined total shareholder return ("TSR") and/or outperform the market with respect to relative total TSR during a three-year performance period. Specifically, awards under our 2017 OPP may potentially be earned if Vornado (i) achieves a TSR level greater than 7% per annum, or 21% over the three-year performance period (the "Absolute Component") and/or (ii) achieves a TSR above that of the SNL US REIT Index (the "Index") over a three-year performance period (the "Relative Component"). To the extent awards would be earned under the Absolute Component but Vornado underperforms the Index, such awards earned under the Absolute Component would be reduced (and potentially fully negated) based on the degree to which Vornado underperforms the Index. In certain circumstances, in the event Vornado outperforms the Index but awards would not otherwise be earned under the Absolute Component, awards may still be earned under the Relative Component. Moreover, to the extent awards would otherwise be earned under the Relative Component but Vornado fails to achieve at least a 3% per annum absolute TSR level, such awards earned under the Relative Component would be reduced based on Vornado's absolute TSR performance, with no awards being earned in the event Vornado's TSR during the applicable measurement period is 0% or negative, irrespective of the degree to which it may outperform the Index. If the designated performance objectives are achieved, OPP Units are also subject to time-based vesting requirements; 33.33% in each of years three, four and five. Dividend payments on awards issued accrue during the performance period and are paid to participants if, and only if, awards are ultimately earned based on the achievement of the designated performance objectives. In addition, all of Vornado's senior executive officers are required to hold any earned OPP awards (or related equity) for at least one year following vesting.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. 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 Annual Report on Form 10-K. Based on such evaluation, Vornado's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

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

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Vornado Realty Trust, together with its consolidated subsidiaries (the "Company"), is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed under the supervision of Vornado's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

As of December 31, 2016, management conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that our internal control over financial reporting as of December 31, 2016 was effective.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States, and that receipts and expenditures are being made only in accordance with authorizations of management and our trustees; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

The effectiveness of our internal control over financial reporting as of December 31, 2016 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing on the following page, which expresses an unqualified opinion on the effectiveness of our internal control over financial reporting as of December 31, 2016.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Trustees
Vornado Realty Trust
New York, New York

We have audited the internal control over financial reporting of Vornado Realty Trust, together with its consolidated subsidiaries (the "Company") as of December 31, 2016, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting* Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of trustees, management, and other personnel 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and trustees of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2016 of the Company and our report dated February 13, 2017 expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
February 13, 2017

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 Annual Report on Form 10-K. Based on such evaluation, Vornado's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

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

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Vornado Realty Trust, sole general partner of Vornado Realty L.P., together with Vornado Realty L.P.'s consolidated subsidiaries (the "Company"), is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed under the supervision of Vornado's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

As of December 31, 2016, management conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that our internal control over financial reporting as of December 31, 2016 was effective.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States, and that receipts and expenditures are being made only in accordance with authorizations of management and Vornado's trustees; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

The effectiveness of our internal control over financial reporting as of December 31, 2016 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing on the following page, which expresses an unqualified opinion on the effectiveness of our internal control over financial reporting as of December 31, 2016.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Partners
Vornado Realty L.P.
New York, New York

We have audited the internal control over financial reporting of Vornado Realty L.P. and consolidated subsidiaries (the "Partnership") as of December 31, 2016, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management of Vornado Realty Trust, sole general partner of the Partnership, is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting* Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of trustees, management, and other personnel 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and trustees of Vornado Realty Trust; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2016 of the Partnership and our report dated February 13, 2017 expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
February 13, 2017

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information relating to trustees of Vornado, the Operating Partnership's sole general partner, including its audit committee and audit committee financial expert, will be contained in Vornado's definitive Proxy Statement involving the election of Vornado's trustees under the caption "Election of Trustees" which Vornado will file with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934 not later than 120 days after December 31, 2016, and such information is incorporated herein by reference. Also incorporated herein by reference is the information under the caption "16(a) Beneficial Ownership Reporting Compliance" of the Proxy Statement.

The following is a list of the names, ages, principal occupations and positions with Vornado of the executive officers of Vornado and the positions held by such officers during the past five years. All executive officers of Vornado have terms of office that run until the next succeeding meeting of the Board of Trustees of Vornado following the Annual Meeting of Vornado's Shareholders unless they are removed sooner by Vornado's Board.

Name	Age	PRINCIPAL OCCUPATION, POSITION AND OFFICE (Current and during past five years with Vornado unless otherwise stated)
Steven Roth	75	Chairman of the Board; Chief Executive Officer since April 2013 and from May 1989 to May 2009; Managing General Partner of Interstate Properties, an owner of shopping centers and an investor in securities and partnerships; Chief Execu Chairman since May 2004.
Michael J. Franco	48	Executive Vice President - Chief Investment Officer since April 2015; Executive Vice President - Head of Acquisitions and Capital Markets since November 2010; Managing Director (2003-2010) and Executive Director (2001-2003) of the Real Es
David R. Greenbaum	65	President of the New York Division since April 1997 (date of our acquisition); President of Mendik Realty (the predecessor to the New York Office division) from 1990 until April 1997.
Joseph Macnow	71	Executive Vice President - Finance and Chief Administrative Officer since June 2013; Executive Vice President - Finance and Administration from January 1998 to June 2013, and Chief Financial Officer from March 2001 to June 2013; Executive
Mitchell N. Schear	58	President of Vornado/Charles E. Smith L.P. (our Washington, DC division) since April 2003; President of the Kaempfer Company from 1998 to April 2003 (date acquired by us).
Stephen W. Theriot	57	Chief Financial Officer since June 2013; Assistant Treasurer of Alexander's, Inc. since May 2014; Partner at Deloitte & Touche LLP (1994 - 2013) and most recently, leader of its Northeast Real Estate practice (2011 - 2013).

Vornado, the Operating Partnership's sole general partner, has adopted a Code of Business Conduct and Ethics that applies to, among others, Steven Roth, Vornado's principal executive officer, and Stephen W. Theriot, Vornado's principal financial and accounting officer. This Code is available on Vornado's website at www.vno.com.

ITEM 11. EXECUTIVE COMPENSATION

Information relating to Vornado's executive officer and trustee compensation will be contained in Vornado's Proxy Statement referred to above in Item 10, "Directors, Executive Officers and Corporate Governance," under the caption "Executive Compensation" and such information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information relating to security ownership of certain beneficial owners and management and related stockholder matters will be contained in Vornado's Proxy Statement referred to in Item 10, "Directors, Executive Officers and Corporate Governance," under the caption "Principal Security Holders" and such information is incorporated herein by reference.

Equity compensation plan information

The following table provides information as of December 31, 2016 regarding Vornado's equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the second column)
Equity compensation plans approved by security holders	4,787,974 **(1)**	$ 65.76	2,928,899 **(2)**
Equity compensation awards not approved by security holders	-	-	-
Total	4,787,974	$ 65.76	2,928,899

(1) Includes an aggregate of 2,055,430 shares/units, comprised of (i) 21,007 restricted Vornado common shares, (ii) 693,567 restricted Operating Partnership units and (iii) 1,340,856 Out-Performance Plan units, which do not have an exercise price.

(2) Based on awards being granted as "Full Value Awards," as defined. If we were to grant "Not Full Value Awards," as defined, the number of securities available for future grants would be 5,857,798.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information relating to certain relationships and related transactions, and director independence will be contained in Vornado's Proxy Statement referred to in Item 10, "Directors, Executive Officers and Corporate Governance," under the caption "Certain Relationships and Related Transactions" and such information is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information relating to principal accounting fees and services will be contained in Vornado's Proxy Statement referred to in Item 10, "Directors, Executive Officers and Corporate Governance," under the caption "Ratification of Selection of Independent Auditors" and such information is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

1. The consolidated financial statements are set forth in Item 8 of this Annual Report on Form 10-K.

The following financial statement schedules should be read in conjunction with the financial statements included in Item 8 of this Annual Report on Form 10-K.

Schedules other than those listed above are omitted because they are not applicable or the information required is included in the consolidated financial statements or the notes thereto.

The following exhibits listed on the Exhibit Index, which is incorporated herein by reference, are filed with this Annual Report on Form 10-K.

Exhibit No.	
2.1	Master Transaction Agreement, dated as of October 31, 2016, by and among Vornado Realty Trust, Vornado Realty L.P., JBG Properties, Inc., JBG/Operating Partners, L.P., certain affiliates of JBG Properties Inc. and JBG/Operating Partners set forth on Schedule A thereto, JBG SMITH Properties and JBG SMITH Properties LP
10.29	Amended and Restated Revolving Credit Agreement dated as of November 7, 2016, 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.
12.1	Computation of Ratios for Vornado Realty Trust
12.2	Computation of Ratios for Vornado Realty L.P.
21	Subsidiaries of Vornado Realty Trust and Vornado Realty L.P.
23.1	Consent of Independent Registered Public Accounting Firm for Vornado Realty Trust
23.2	Consent of Independent Registered Public Accounting Firm for Vornado Realty L.P.
31.1	Rule 13a-14 (a) Certification of Chief Executive Officer of Vornado Realty Trust
31.2	Rule 13a-14 (a) Certification of Chief Financial Officer of Vornado Realty Trust
31.3	Rule 13a-14 (a) Certification of Chief Executive Officer of Vornado Realty L.P.
31.4	Rule 13a-14 (a) Certification of 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.
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: February 13, 2017

By: /s/ Stephen W. Theriot
Stephen W. Theriot, Chief Financial Officer
(duly authorized officer and principal financial and accounting officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

	Signature	Title	Date
By:	/s/Steven Roth (Steven Roth)	Chairman of the Board of Trustees and Chief Executive Officer	February 13, 2017
By:	/s/Candace K. Beinecke (Candace K. Beinecke)	Trustee	February 13, 2017
By:	/s/Michael D. Fascitelli (Michael D. Fascitelli)	Trustee	February 13, 2017
By:	/s/Robert P. Kogod (Robert P. Kogod)	Trustee	February 13, 2017
By:	/s/Michael Lynne (Michael Lynne)	Trustee	February 13, 2017
By:	/s/David Mandelbaum (David Mandelbaum)	Trustee	February 13, 2017
By:	/s/Mandakini Puri (Mandakini Puri)	Trustee	February 13, 2017
By:	/s/Daniel R. Tisch (Daniel R. Tisch)	Trustee	February 13, 2017
By:	/s/Richard R. West (Richard R. West)	Trustee	February 13, 2017
By:	/s/Russell B. Wight (Russell B. Wight, Jr.)	Trustee	February 13, 2017
By:	/s/Stephen W. Theriot (Stephen W. Theriot)	Chief Financial Officer (Principal Financial and Accounting Officer)	February 13, 2017

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: February 13, 2017

By: /s/ Stephen W. Theriot
Stephen W. Theriot, Chief Financial Officer of
Vornado Realty Trust, sole general partner of
Vornado Realty L.P. (duly authorized officer and principal financial and accounting officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

	Signature	Title	Date
By:	/s/Steven Roth (Steven Roth)	Chairman of the Board of Trustees and Chief Executive Officer of Vornado Realty Trust	February 13, 2017
By:	/s/Candace K. Beinecke (Candace K. Beinecke)	Trustee of Vornado Realty Trust	February 13, 2017
By:	/s/Michael D. Fascitelli (Michael D. Fascitelli)	Trustee of Vornado Realty Trust	February 13, 2017
By:	/s/Robert P. Kogod (Robert P. Kogod)	Trustee of Vornado Realty Trust	February 13, 2017
By:	/s/Michael Lynne (Michael Lynne)	Trustee of Vornado Realty Trust	February 13, 2017
By:	/s/David Mandelbaum (David Mandelbaum)	Trustee of Vornado Realty Trust	February 13, 2017
By:	/s/Mandakini Puri (Mandakini Puri)	Trustee of Vornado Realty Trust	February 13, 2017
By:	/s/Daniel R. Tisch (Daniel R. Tisch)	Trustee of Vornado Realty Trust	February 13, 2017
By:	/s/Richard R. West (Richard R. West)	Trustee of Vornado Realty Trust	February 13, 2017
By:	/s/Russell B. Wight (Russell B. Wight, Jr.)	Trustee of Vornado Realty Trust	February 13, 2017
By:	/s/Stephen W. Theriot (Stephen W. Theriot)	Chief Financial Officer of Vornado Realty Trust (Principal Financial and Accounting Officer)	February 13, 2017

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
December 31, 2016
(Amounts in Thousands)

Column A	Column B	Column C	Column D	Column E
Description	**Balance at Beginning of Year**	**Additions Charged Against Operations**	**Uncollectible Accounts Written-off**	**Balance at End of Year**
Year Ended December 31, 2016:				
Allowance for doubtful accounts	$ 14,659	$ 2,679	$ (4,191)	$ 13,147
Year Ended December 31, 2015:				
Allowance for doubtful accounts	$ 21,209	$ (99)	$ (6,451)	$ 14,659
Year Ended December 31, 2014:				
Allowance for doubtful accounts	$ 24,719	$ 3,076	$ (6,586)	$ 21,209

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
(Amounts in thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E			COLUMN F	COLUMN G	COLUMN H	COLUMN I
		Initial cost to company (1)			Gross amount at which carried at close of period						
	Encumbrances (2)	Land	Building and improvements	Costs capitalized subsequent to acquisition	Land	Buildings and improvements	Total (3)	Accumulated depreciation and amortization	Date of construction (4)	Date acquired	Life on which depreciation in latest income statement is computed
New York											
Manhattan											
1290 Avenue of the Americas	$ 950,000	$ 515,539	$ 923,653	$ 218,275	$ 515,539	$ 1,141,928	$ 1,657,467	$ 267,734	1963	2007	(5)
697-703 Fifth Avenue (St. Regis - retail)	450,000	152,825	584,230	15	152,825	584,245	737,070	31,803		2014	(5)
350 Park Avenue	400,000	265,889	363,381	47,355	265,889	410,736	676,625	106,513	1960	2006	(5)
666 Fifth Avenue (Retail Condo)	390,000	189,005	471,072	-	189,005	471,072	660,077	49,040		2012	(5)
One Penn Plaza	-	-	412,169	213,425	-	625,594	625,594	274,984	1972	1998	(5)
100 West 33rd Street	398,402	242,776	247,970	33,439	242,776	281,409	524,185	70,106	1911	2007	(5)
1535 Broadway (Marriott Marquis)	-	-	249,285	146,879	-	396,164	396,164	14,979		2012	(5)
150 West 34th Street	205,000	119,657	268,509	-	119,657	268,509	388,166	10,628	1900	2015	(5)
1540 Broadway	-	105,914	214,208	28,549	105,914	242,757	348,671	48,294		2006	(5)
655 Fifth Avenue	140,000	102,594	231,903	-	102,594	231,903	334,497	18,993		2013	(5)
Two Penn Plaza	575,000	53,615	164,903	104,657	52,689	270,486	323,175	145,896	1968	1997	(5)
90 Park Avenue	-	8,000	175,890	133,922	8,000	309,812	317,812	104,063	1964	1997	(5)
Manhattan Mall	181,598	88,595	113,473	71,543	88,595	185,016	273,611	54,431	2009	2007	(5)
770 Broadway	700,000	52,898	95,686	105,109	52,898	200,795	253,693	81,596	1907	1998	(5)
888 Seventh Avenue	375,000	-	117,269	127,369	-	244,638	244,638	108,194	1980	1998	(5)
Eleven Penn Plaza	450,000	40,333	85,259	90,093	40,333	175,352	215,685	68,628	1923	1997	(5)
640 Fifth Avenue	-	38,224	25,992	149,668	38,224	175,660	213,884	44,685	1950	1997	(5)
909 Third Avenue	350,000	-	120,723	89,018	-	209,741	209,741	83,782	1969	1999	(5)
150 East 58th Street	-	39,303	80,216	42,252	39,303	122,468	161,771	53,983	1969	1998	(5)
595 Madison Avenue	-	62,731	62,888	26,913	62,731	89,801	152,532	35,028	1968	1999	(5)
330 West 34th Street	-	-	8,599	136,606	-	145,205	145,205	13,616	1925	1998	(5)
828-850 Madison Avenue	80,000	107,937	28,261	10	107,937	28,271	136,208	8,245		2005	(5)
33-00 Northern Boulevard	60,782	46,505	86,226	2,000	46,505	88,226	134,731	4,990	1915	2015	(5)
715 Lexington Avenue	-	-	26,903	63,244	63,000	27,147	90,147	7,933	1923	2001	(5)
478-486 Broadway	-	30,000	20,063	34,188	30,000	54,251	84,251	11,003	2009	2007	(5)
4 Union Square South	116,022	24,079	55,220	2,632	24,079	57,852	81,931	17,928	1965/2004	1993	(5)
260 Eleventh Avenue	-	-	80,482	591	-	81,073	81,073	3,207	1911	2015	(5)
510 Fifth Avenue	-	34,602	18,728	20,064	34,602	38,792	73,394	7,129		2010	(5)
606 Broadway	25,768	-	54,399	5,587	-	59,986	59,986	-		2016	(5)
40 Fulton Street	-	15,732	26,388	15,628	15,732	42,016	57,748	18,691	1987	1998	(5)
689 Fifth Avenue	-	19,721	13,446	23,094	19,721	36,540	56,261	10,521	1925	1998	(5)
443 Broadway	-	11,187	41,186	-	11,187	41,186	52,373	3,736		2013	(5)
40 East 66th Street	-	13,616	34,635	142	13,616	34,777	48,393	9,630		2005	(5)

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
(Amounts in thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E			COLUMN F	COLUMN G	COLUMN H	COLUMN I
		Initial cost to company (1)			Gross amount at which carried at close of period						
Description	Encumbrances (2)	Land	Building and improvements	Costs capitalized subsequent to acquisition	Land	Buildings and improvements	Total (3)	Accumulated depreciation and amortization	Date of construction (4)	Date acquired	Life on which depreciation in latest income statement is computed
New York - continued											
Manhattan - continued											
155 Spring Street	$ -	$ 13,700	$ 30,544	$ 3,578	$ 13,700	$ 34,122	$ 47,822	$ 8,470		2007	(5)
435 Seventh Avenue	97,706	19,893	19,091	37	19,893	19,128	39,021	6,934	2002	1997	(5)
3040 M Street	-	7,830	27,490	3,517	7,830	31,007	38,837	8,942		2006	(5)
608 Fifth Avenue	-	-	-	36,499	-	36,499	36,499	6,051	1932	2012	(5)
692 Broadway	-	6,053	22,908	3,540	6,053	26,448	32,501	7,658		2005	(5)
131-135 West 33rd Street	-	8,315	21,312	24	8,315	21,336	29,651	323		2016	(5)
265 West 34th Street	-	28,500	-	-	28,500	-	28,500	-	1920	2015	(5)
304 Canal Street	-	3,511	12,905	8,184	-	24,600	24,600	-	1910	2014	(5)
677-679 Madison Avenue	-	13,070	9,640	388	13,070	10,028	23,098	2,657		2006	(5)
1131 Third Avenue	-	7,844	7,844	5,236	7,844	13,080	20,924	1,076		1997	(5)
486 Eighth Avenue	-	20,000	71	-	20,000	71	20,071	-	1928	2016	(5)
431 Seventh Avenue	-	16,700	2,751	-	16,700	2,751	19,451	671		2007	(5)
138-142 West 32nd Street	-	9,252	9,936	-	9,252	9,936	19,188	476	1920	2015	(5)
334 Canal Street	-	1,693	6,507	7,300	1,693	13,807	15,500	565		2011	(5)
267 West 34th Street	-	5,099	10,037	-	5,099	10,037	15,136	800		2013	(5)
1540 Broadway Garage	-	4,086	8,914	-	4,086	8,914	13,000	2,364	1990	2006	(5)
966 Third Avenue	-	8,869	3,631	-	8,869	3,631	12,500	303		2013	(5)
148 Spring Street	-	3,200	8,112	416	3,200	8,528	11,728	1,848		2008	(5)
150 Spring Street	-	3,200	5,822	277	3,200	6,099	9,299	1,338		2008	(5)
137 West 33rd Street	-	6,398	1,550	-	6,398	1,550	7,948	68	1932	2015	(5)
488 Eighth Avenue	-	10,650	1,767	(4,674)	6,859	884	7,743	200		2007	(5)
484 Eighth Avenue	-	3,856	762	399	3,856	1,161	5,017	385		1997	(5)
825 Seventh Avenue	-	1,483	697	33	1,483	730	2,213	361		1997	(5)
Other (including signage)	-	75,862	14,829	110,071	75,865	124,897	200,762	25,377			
Total Manhattan	5,945,278	2,660,341	5,730,335	2,107,092	2,715,116	7,782,652	10,497,768	1,866,856			
Other Properties											
Hotel Pennsylvania	-	29,903	121,712	95,273	29,903	216,985	246,888	103,008	1919	1997	(5)
Paramus	-	-	-	25,942	1,033	24,909	25,942	14,073	1967	1987	(5)
Total Other Properties	-	29,903	121,712	121,215	30,936	241,894	272,830	117,081			
Total New York	5,945,278	2,690,244	5,852,047	2,228,307	2,746,052	8,024,546	10,770,598	1,983,937			

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
(Amounts in thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E			COLUMN F	COLUMN G	COLUMN H	COLUMN I
		Initial cost to company (1)			Gross amount at which carried at close of period						
Description	Encumbrances (2)	Land	Building and improvements	Costs capitalized subsequent to acquisition	Land	Buildings and improvements	Total (3)	Accumulated depreciation and amortization	Date of construction (4)	Date acquired	Life on which depreciation in latest income statement is computed
Washington, DC											
2011-2451 Crystal Drive - 5 buildings	$ 216,629	$ 100,935	$ 409,920	$ 162,507	$ 100,228	$ 573,134	$ 673,362	$ 228,973	1984-1989	2002	(5)
S. Clark Street/12th Street - 5 buildings	53,708	63,420	231,267	130,043	63,291	361,439	424,730	112,593	1981, 1983-1987	2002	(5)
2001 Jefferson Davis Highway, 2100/2200 Crystal Drive, 223 23rd Street, 2221 South Clark Street, Crystal City Shops at 2100, 220 20th Street	68,426	57,213	131,206	216,730	57,070	348,079	405,149	77,331	1964-1969	2002	(5)
1550-1750 Crystal Drive/ 241-251 18th Street - 4 buildings	37,307	64,817	218,330	96,244	64,652	314,739	379,391	111,549	1974-1980	2002	(5)
RiverHouse Apartments - 3 buildings	307,710	118,421	125,078	76,671	138,851	181,319	320,170	47,192		2007	(5)
The Bartlett	-	41,687	-	216,844	41,687	216,844	258,531	3,664		2007	(5)
1825 - 1875 Connecticut Ave NW - (Universal Buildings) - 2 buildings	185,000	69,393	143,320	19,063	68,612	163,164	231,776	44,146	1956, 1963	2007	
WestEnd 25	100,841	67,049	5,039	107,638	68,198	111,528	179,726	20,143		2007	(5)
2101 L Street, NW	143,415	32,815	51,642	83,064	39,768	127,753	167,521	36,447	1975	2003	(5)
2200/2300 Clarendon Blvd (Courthouse Plaza) - 2 buildings	11,000	-	105,475	53,505	-	158,980	158,980	62,247	1988-1989	2002	(5)
1800, 1851 and 1901 South Bell Street - 3 buildings	-	37,551	118,806	356	37,551	119,162	156,713	39,446	1968	2002	(5)
875 15th Street, NW (Bowen Building)	-	30,077	98,962	5,443	30,176	104,306	134,482	29,760	2004	2005	(5)
1399 New York Avenue, NW	-	33,481	67,363	7,075	34,178	73,741	107,919	10,715	-	2011	(5)
Commerce Executive - 3 buildings	-	13,401	58,705	29,414	13,140	88,380	101,520	32,027	1985-1989	2002	(5)
Met Park/Warehouses	-	65,259	1,326	26,309	82,898	9,996	92,894	28		2007	(5)
H Street - North 10-1D Land Parcel	-	104,473	55	(32,808)	61,970	9,750	71,720	-		2007	(5)
Crystal City Hotel	-	8,000	47,191	11,659	8,000	58,850	66,850	18,059	1968	2004	(5)
1730 M Street, NW	14,853	10,095	17,541	15,521	10,687	32,470	43,157	12,094	1963	2002	(5)
Democracy Plaza One	-	-	33,628	5,954	-	39,582	39,582	20,252	1987	2002	(5)
Crystal Drive Retail	-	-	20,465	5,806	-	26,271	26,271	11,069	2004	2004	(5)
1109 South Capitol Street	-	11,541	178	(253)	11,597	(131)	11,466	-		2007	(5)
South Capitol	-	4,009	6,273	(1,865)	-	8,417	8,417	306		2005	(5)
1726 M Street, NW	-	9,450	22,062	(30,660)	-	852	852	-	1964	2006	(5)
1700 M Street	28,728	23,359	24,876	(48,231)	-	4	4	-	1970	2002	(5)
Other	-	1,763	52,408	14,134	1,763	66,542	68,305	1,104			
Total Washington, DC	1,167,617	968,209	1,991,116	1,170,163	934,317	3,195,171	4,129,488	919,145			

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
(Amounts in thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E			COLUMN F	COLUMN G	COLUMN H	COLUMN I
		Initial cost to company (1)			Gross amount at which carried at close of period						
Description	Encumbrances (2)	Land	Building and improvements	Costs capitalized subsequent to acquisition	Land	Buildings and improvements	Total (3)	Accumulated depreciation and amortization	Date of construction (4)	Date acquired	Life on which depreciation in latest income statement is computed
Other											
theMART											
Illinois											
theMART, Chicago	$ 675,000	$ 64,528	$ 319,146	$ 368,328	$ 64,535	$ 687,467	$ 752,002	$ 259,808	1930	1998	(5)
527 West Kinzie, Chicago	-	5,166	-	25	5,166	25	5,191	-		1998	
Total Illinois	675,000	69,694	319,146	368,353	69,701	687,492	757,193	259,808			
New York											
MMPI Piers	-	-	-	14,663	-	14,663	14,663	1,916		2008	(5)
Total theMART	675,000	69,694	319,146	383,016	69,701	702,155	771,856	261,724			
555 California Street	579,795	221,903	893,324	117,729	221,903	1,011,053	1,232,956	243,944	1922/1969/1970	2007	(5)
220 Central Park South	950,000	115,720	16,420	987,158	-	1,119,298	1,119,298	-		2005	(5)
Borgata Land, Atlantic City, NJ	56,607	83,089	-	-	83,089	-	83,089	-		2010	(5)
Wayne Towne Center	-	-	26,137	51,253	-	77,390	77,390	12,158		2010	(5)
40 East 66th Residential	-	29,199	85,798	(93,222)	8,454	13,321	21,775	3,402		2005	(5)
Annapolis	-	-	9,652	-	-	9,652	9,652	3,458		2005	(5)
677-679 Madison	-	1,462	1,058	284	1,626	1,178	2,804	400		2006	(5)
Other	-	-	3,766	726	-	4,492	4,492	972		2005	(5)
Total Other	2,261,402	521,067	1,355,301	1,446,944	384,773	2,938,539	3,323,312	526,058			
Leasehold improvements equipment and other	-	-	-	116,560	-	116,560	116,560	84,434			
Total December 31, 2016	$ 9,374,297	$ 4,179,520	$ 9,198,464	$ 4,961,974	$ 4,065,142	$ 14,274,816	$ 18,339,958	$ 3,513,574			

(1) Initial cost is cost as of January 30, 1982 (the date on which we commenced real estate operations) unless acquired subsequent to that date see Column H.
(2) Represents the contractual debt obligations.
(3) The net basis of our assets and liabilities for tax reporting purposes is approximately $3.7 billion lower than the amount reported for financial statement purposes.
(4) Date of original construction — many properties have had substantial renovation or additional construction — see Column D.
(5) Depreciation of the buildings and improvements are calculated over lives ranging from the life of the lease to forty years.

VORNADO REALTY TRUST AND VORNADO REALTY L.P.
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
(AMOUNTS IN THOUSANDS)

The following is a reconciliation of real estate assets and accumulated depreciation:

	Year Ended December 31,		
	2016	2015	2014
Real Estate			
Balance at beginning of period	$ 18,090,137	$ 16,822,358	$ 15,392,968
Additions during the period:			
Land	30,805	281,048	225,536
Buildings & improvements	1,074,259	1,288,136	1,348,153
	19,195,201	18,391,542	16,966,657
Less: Assets sold, written-off and deconsolidated	855,243	301,405	144,299
Balance at end of period	$ 18,339,958	$ 18,090,137	$ 16,822,358
Accumulated Depreciation			
Balance at beginning of period	$ 3,418,267	$ 3,161,633	$ 2,829,862
Additions charged to operating expenses	478,788	459,612	461,689
	3,897,055	3,621,245	3,291,551
Less: Accumulated depreciation on assets sold, written-off and deconsolidated	383,481	202,978	129,918
Balance at end of period	$ 3,513,574	$ 3,418,267	$ 3,161,633

EXHIBIT INDEX

Exhibit No.			
2.1	-	Master Transaction Agreement, dated as of October 31, 2016, by and among Vornado Realty Trust, Vornado Realty L.P., JBG Properties, Inc., JBG/Operating Partners, L.P., certain affiliates of JBG Properties Inc. and JBG/Operating Partners set forth on Schedule A thereto, JBG SMITH Properties and JBG SMITH Properties LP	
3.1	-	Articles of Restatement of Vornado Realty Trust, as filed with the State Department of Assessments and Taxation of Maryland on July 30, 2007 - Incorporated by reference to Exhibit 3.75 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 (File No. 001-11954), filed on July 31, 2007	*
3.2	-	Amended and Restated Bylaws of Vornado Realty Trust, as amended on March 2, 2000 - Incorporated by reference to Exhibit 3.12 to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 001-11954), filed on March 9, 2000	*
3.3	-	Articles Supplementary, 5.40% Series L Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference $25.00 per share, no par value – Incorporated by reference to Exhibit 3.6 to Vornado Realty Trust's Registration Statement on Form 8-A (File No. 001-11954), filed on January 25, 2013	*
3.4	-	Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of October 20, 1997 (the "Partnership Agreement") – Incorporated by reference to Exhibit 3.26 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 (File No. 001-11954), filed on May 8, 2003	*
3.5	-	Amendment to the Partnership Agreement, dated as of December 16, 1997 – Incorporated by reference to Exhibit 3.27 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 (File No. 001-11954), filed on May 8, 2003	*
3.6	-	Second Amendment to the Partnership Agreement, dated as of April 1, 1998 – Incorporated by reference to Exhibit 3.5 to Vornado Realty Trust's Registration Statement on Form S-3 (File No. 333-50095), filed on April 14, 1998	*
3.7	-	Third Amendment to the Partnership Agreement, dated as of November 12, 1998 - Incorporated by reference to Exhibit 3.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on November 30, 1998	*
3.8	-	Fourth Amendment to the Partnership Agreement, dated as of November 30, 1998 - Incorporated by reference to Exhibit 3.1 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on February 9, 1999	*
3.9	-	Fifth Amendment to the Partnership Agreement, dated as of March 3, 1999 - Incorporated by reference to Exhibit 3.1 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on March 17, 1999	*
3.10	-	Sixth Amendment to the Partnership Agreement, dated as of March 17, 1999 - Incorporated by reference to Exhibit 3.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on July 7, 1999	*
3.11	-	Seventh Amendment to the Partnership Agreement, dated as of May 20, 1999 - Incorporated by reference to Exhibit 3.3 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on July 7, 1999	*
3.12	-	Eighth Amendment to the Partnership Agreement, dated as of May 27, 1999 - Incorporated by reference to Exhibit 3.4 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on July 7, 1999	*

* Incorporated by reference.

3.13	-	Ninth Amendment to the Partnership Agreement, dated as of September 3, 1999 - Incorporated by reference to Exhibit 3.3 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on October 25, 1999	*
3.14	-	Tenth Amendment to the Partnership Agreement, dated as of September 3, 1999 - Incorporated by reference to Exhibit 3.4 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on October 25, 1999	*
3.15	-	Eleventh Amendment to the Partnership Agreement, dated as of November 24, 1999 - Incorporated by reference to Exhibit 3.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on December 23, 1999	*
3.16	-	Twelfth Amendment to the Partnership Agreement, dated as of May 1, 2000 - Incorporated by reference to Exhibit 3.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on May 19, 2000	*
3.17	-	Thirteenth Amendment to the Partnership Agreement, dated as of May 25, 2000 - Incorporated by reference to Exhibit 3.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on June 16, 2000	*
3.18	-	Fourteenth Amendment to the Partnership Agreement, dated as of December 8, 2000 - Incorporated by reference to Exhibit 3.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on December 28, 2000	*
3.19	-	Fifteenth Amendment to the Partnership Agreement, dated as of December 15, 2000 - Incorporated by reference to Exhibit 4.35 to Vornado Realty Trust's Registration Statement on Form S-8 (File No. 333-68462), filed on August 27, 2001	*
3.20	-	Sixteenth Amendment to the Partnership Agreement, dated as of July 25, 2001 - Incorporated by reference to Exhibit 3.3 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001 11954), filed on October 12, 2001	*
3.21	-	Seventeenth Amendment to the Partnership Agreement, dated as of September 21, 2001 - Incorporated by reference to Exhibit 3.4 to Vornado Realty Trust's Current Report on Form 8 K (File No. 001-11954), filed on October 12, 2001	*
3.22	-	Eighteenth Amendment to the Partnership Agreement, dated as of January 1, 2002 - Incorporated by reference to Exhibit 3.1 to Vornado Realty Trust's Current Report on Form 8-K/A (File No. 001-11954), filed on March 18, 2002	*
3.23	-	Nineteenth Amendment to the Partnership Agreement, dated as of July 1, 2002 - Incorporated by reference to Exhibit 3.47 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (File No. 001-11954), filed on August 7, 2002	*
3.24	-	Twentieth Amendment to the Partnership Agreement, dated April 9, 2003 - Incorporated by reference to Exhibit 3.46 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 (File No. 001-11954), filed on May 8, 2003	*
3.25	-	Twenty-First Amendment to the Partnership Agreement, dated as of July 31, 2003 - Incorporated by reference to Exhibit 3.47 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003 (File No. 001-11954), filed on November 7, 2003	*
3.26	-	Twenty-Second Amendment to the Partnership Agreement, dated as of November 17, 2003 – Incorporated by reference to Exhibit 3.49 to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 001-11954), filed on March 3, 2004	*

* Incorporated by reference.

3.27	-	Twenty-Third Amendment to the Partnership Agreement, dated May 27, 2004 – Incorporated by reference to Exhibit 99.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on June 14, 2004	*
3.28	-	Twenty-Fourth Amendment to the Partnership Agreement, dated August 17, 2004 – Incorporated by reference to Exhibit 3.57 to Vornado Realty Trust and Vornado Realty L.P.'s Registration Statement on Form S-3 (File No. 333-122306), filed on January 26, 2005	*
3.29	-	Twenty-Fifth Amendment to the Partnership Agreement, dated November 17, 2004 – Incorporated by reference to Exhibit 3.58 to Vornado Realty Trust and Vornado Realty L.P.'s Registration Statement on Form S-3 (File No. 333-122306), filed on January 26, 2005	*
3.30	-	Twenty-Sixth Amendment to the Partnership Agreement, dated December 17, 2004 – Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on December 21, 2004	*
3.31	-	Twenty-Seventh Amendment to the Partnership Agreement, dated December 20, 2004 – Incorporated by reference to Exhibit 3.2 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on December 21, 2004	*
3.32	-	Twenty-Eighth Amendment to the Partnership Agreement, dated December 30, 2004 - Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on January 4, 2005	*
3.33	-	Twenty-Ninth Amendment to the Partnership Agreement, dated June 17, 2005 - Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on June 21, 2005	*
3.34	-	Thirtieth Amendment to the Partnership Agreement, dated August 31, 2005 - Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on September 1, 2005	*
3.35	-	Thirty-First Amendment to the Partnership Agreement, dated September 9, 2005 - Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on September 14, 2005	*
3.36	-	Thirty-Second Amendment and Restated Agreement of Limited Partnership, dated as of December 19, 2005 – Incorporated by reference to Exhibit 3.59 to Vornado Realty L.P.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 (File No. 000-22685), filed on May 8, 2006	*
3.37	-	Thirty-Third Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of April 25, 2006 – Incorporated by reference to Exhibit 10.2 to Vornado Realty Trust's Form 8-K (File No. 001-11954), filed on May 1, 2006	*
3.38	-	Thirty-Fourth Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of May 2, 2006 – Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on May 3, 2006	*
3.39	-	Thirty-Fifth Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of August 17, 2006 – Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Form 8-K (File No. 000-22685), filed on August 23, 2006	*
3.40	-	Thirty-Sixth Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of October 2, 2006 – Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Form 8-K (File No. 000-22685), filed on January 22, 2007	*

* Incorporated by reference.

3.41	-	Thirty-Seventh Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of June 28, 2007 – Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on June 27, 2007	*
3.42	-	Thirty-Eighth Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of June 28, 2007 – Incorporated by reference to Exhibit 3.2 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on June 27, 2007	*
3.43	-	Thirty-Ninth Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of June 28, 2007 – Incorporated by reference to Exhibit 3.3 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on June 27, 2007	*
3.44	-	Fortieth Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of June 28, 2007 – Incorporated by reference to Exhibit 3.4 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on June 27, 2007	*
3.45	-	Forty-First Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of March 31, 2008 – Incorporated by reference to Exhibit 3.44 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 (file No. 001-11954), filed on May 6, 2008	*
3.46	-	Forty-Second Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of December 17, 2010 – Incorporated by reference to Exhibit 99.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on December 21, 2010	*
3.47	-	Forty-Third Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of April 20, 2011 – Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 000-22685), filed on April 21, 2011	*
3.48	-	Forty-Fourth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of March 30, 2012 - Incorporated by reference to Exhibit 99.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 001-34482), filed on April 5, 2012	*
3.49	-	Forty-Fourth Amendment to Second Amended and Restated Agreement of Limited Partnership dated as of July 18, 2012 – Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 001-34482), filed on July 18, 2012	*
3.50	-	Forty-Fifth Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of January 25, 2013 – Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 001-34482), filed on January 25, 2013	*
3.51	-	Forty-Sixth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated April 1, 2015 - Incorporated by reference to Exhibit 3.1 to Vornado Realty L.P.'s Current Report on Form 8-K (File No. 001-34482), filed on April 2, 2015	*
4.1	-	Indenture, dated as of November 25, 2003, between Vornado Realty L.P. and The Bank of New York, as Trustee - Incorporated by reference to Exhibit 4.10 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (File No. 001-11954), filed on April 28, 2005	*

* Incorporated by reference.

4.2		-	Indenture, dated as of November 20, 2006, among Vornado Realty Trust, as Issuer, Vornado Realty L.P., as Guarantor and The Bank of New York, as Trustee – Incorporated by reference to Exhibit 4.1 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on November 27, 2006	*
			Certain instruments defining the rights of holders of long-term debt securities of Vornado Realty Trust and its subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. Vornado Realty Trust hereby undertakes to furnish to the Securities and Exchange Commission	
10.1		-	Registration Rights Agreement between Vornado, Inc. and Steven Roth, dated December 29, 1992 - Incorporated by reference to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 001-11954), filed February 16, 1993	*
10.2	**	-	Management Agreement between Interstate Properties and Vornado, Inc. dated July 13, 1992 - Incorporated by reference to Vornado, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 001-11954), filed February 16, 1993	*
10.3	**	-	Employment Agreement, dated as of April 15, 1997, by and among Vornado Realty Trust, The Mendik Company, L.P. and David R. Greenbaum - Incorporated by reference to Exhibit 10.4 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on April 30, 1997	*
10.4		-	Tax Reporting and Protection Agreement, dated December 31, 2001, by and among Vornado, Vornado Realty L.P., Charles E. Smith Commercial Realty L.P. and Charles E. Smith Commercial Realty L.L.C. - Incorporated by reference to Exhibit 10.3 to Vornado Realty Trust's Current Report on Form 8-K/A (File No. 1-11954), filed on March 18, 2002	*
10.5	**	-	Amendment to Real Estate Retention Agreement, dated as of July 3, 2002, by and between Alexander's, Inc. and Vornado Realty L.P. - Incorporated by reference to Exhibit 10(i)(E)(3) to Alexander's Inc.'s Quarterly Report for the quarter ended June 30, 2002 (File No. 001-06064), filed on August 7, 2002	*
10.6	**	-	59th Street Real Estate Retention Agreement, dated as of July 3, 2002, by and between Vornado Realty L.P., 731 Residential LLC and 731 Commercial LLC - Incorporated by reference to Exhibit 10(i)(E)(4) to Alexander's Inc.'s Quarterly Report for the quarter ended June 30, 2002 (File No. 001-06064), filed on August 7, 2002	*
10.7		-	Amended and Restated Management and Development Agreement, dated as of July 3, 2002, by and between Alexander's, Inc., the subsidiaries party thereto and Vornado Management Corp. - Incorporated by reference to Exhibit 10(i)(F)(1) to Alexander's Inc.'s Quarterly Report for the quarter ended June 30, 2002 (File No. 001-06064), filed on August 7, 2002	*
10.8	**	-	Form of Vornado Realty Trust's 2002 Omnibus Share Plan - Incorporated by reference to Exhibit 4.2 to Vornado Realty Trust's Registration Statement on Form S-8 (File No. 333-102216), filed on December 26, 2002.	*
10.9	**	-	Amended and Restated Employment Agreement between Vornado Realty Trust and Joseph Macnow dated July 27, 2006 – Incorporated by reference to Exhibit 10.54 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 (File No. 001-11954), filed on August 1, 2006	*
10.10	**	-	Amendment to Real Estate Retention Agreement, dated January 1, 2007, by and between Vornado Realty L.P. and Alexander's Inc. – Incorporated by reference to Exhibit 10.55 to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 001-11954), filed on February 27, 2007	*

* Incorporated by reference.
** Management contract or compensatory agreement.

10.11	**	-	Amendment to 59th Street Real Estate Retention Agreement, dated January 1, 2007, by and among Vornado Realty L.P., 731 Retail One LLC, 731 Restaurant LLC, 731 Office One LLC and 731 Office Two LLC. – Incorporated by reference to Exhibit 10.56 to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 001-11954), filed on February 27, 2007	*
10.12	**	-	Employment Agreement between Vornado Realty Trust and Mitchell Schear, as of April 19, 2007 – Incorporated by reference to Exhibit 10.46 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 (File No. 001-11954), filed on May 1, 2007	*
10.13	**	-	Amendment to Employment Agreement between Vornado Realty Trust and Joseph Macnow, dated December 29, 2008. Incorporated by reference to Exhibit 10.48 to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-11954) filed on February 24, 2009	*
10.14	**	-	Amendment to Employment Agreement between Vornado Realty Trust and David R. Greenbaum, dated December 29, 2008. Incorporated by reference to Exhibit 10.49 to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-11954) filed on February 24, 2009	*
10.15	**	-	Amendment to Indemnification Agreement between Vornado Realty Trust and David R. Greenbaum, dated December 29, 2008. Incorporated by reference to Exhibit 10.50 to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-11954) filed on February 24, 2009	*
10.16	**	-	Amendment to Employment Agreement between Vornado Realty Trust and Mitchell N. Schear, dated December 29, 2008. Incorporated by reference to Exhibit 10.51 to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-11954) filed on February 24, 2009	*
10.17	**	-	Vornado Realty Trust's 2010 Omnibus Share Plan - Incorporated by reference to Exhibit 10.41 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 (File No. 001-11954) filed on August 3, 2010	*
10.18	**	-	Form of Vornado Realty Trust 2010 Omnibus Share Plan Incentive / Non-Qualified Stock Option Agreement. Incorporated by reference to Exhibit 99.1 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954) filed on April 5, 2012	*
10.19	**	-	Form of Vornado Realty Trust 2010 Omnibus Share Plan Restricted Stock Agreement. Incorporated by reference to Exhibit 99.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954) filed on April 5, 2012	*
10.20	**	-	Form of Vornado Realty Trust 2010 Omnibus Share Plan Restricted LTIP Unit Agreement. Incorporated by reference to Exhibit 99.3 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954) filed on April 5, 2012	*
10.21	**	-	Form of Vornado Realty Trust 2012 Outperformance Plan Award Agreement. Incorporated by reference to Exhibit 10.45 to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 001-11954) filed on February 26, 2013	*

* Incorporated by reference.
** Management contract or compensatory agreement.

10.22	**	-	Form of Vornado Realty Trust 2013 Outperformance Plan Award Agreement. Incorporated by reference to Exhibit 10.50 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (File No. 001-11954), filed on May 6, 2013	*
10.23	**	-	Employment agreement between Vornado Realty Trust and Stephen W. Theriot dated June 1, 2013. Incorporated by reference to Exhibit 10.51 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 (File No. 001-11954), filed on August 5, 2013	*
10.24	**	-	Employment agreement between Vornado Realty Trust and Michael J. Franco dated January 10, 2014. Incorporated by reference to Exhibit 10.52 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 (File No. 001-11954), filed on May 5, 2014	*
10.25	**	-	Form of Vornado Realty Trust 2014 Outperformance Plan Award Agreement. Incorporated by reference to Exhibit 10.53 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 (File No. 001-11954), filed on May 5, 2014	*
10.26		-	Amended and Restated Revolving Credit Agreement dated as of September 30, 2014, by and 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. Incorporated by reference to Exhibit 10.54 to Vornado Realty Trust's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 (File No. 001-11954), filed on November 3, 2014	*
10.27	**	-	Form of Vornado Realty Trust 2016 Outperformance Plan Award Agreement. Incorporated by reference to Exhibit 99.1 to Vornado Realty Trust's Current Report on Form 8-K (File No. 001-11954), filed on January 21, 2016	*
10.28		-	Term Loan Agreement dated as of October 30, 2015, by and 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. Incorporated by reference to Exhibit 10.32 to Vornado Realty Trust's Annual Report on Form 10-K for the year ended December 31, 2015 (File No. 001-11954), filed on February 16, 2016.	*
10.29		-	Amended and Restated Revolving Credit Agreement dated as of November 7, 2016, 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.	

* Incorporated by reference.
** Management contract or compensatory agreement.

12.1	-	Computation of Ratios for Vornado Realty Trust
12.2		Computation of Ratios for Vornado Realty L.P.
21	-	Subsidiaries of Vornado Realty Trust and Vornado Realty L.P.
23.1	-	Consent of Independent Registered Public Accounting Firm for Vornado Realty Trust
23.2	-	Consent of Independent Registered Public Accounting Firm for 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.
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.

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EXHIBIT 2.1

MASTER TRANSACTION AGREEMENT

by and among

VORNADO REALTY TRUST,

VORNADO REALTY L.P.,

JBG PROPERTIES INC.,

JBG/OPERATING PARTNERS, L.P.,

THE JBG PARTIES SET FORTH ON SCHEDULE A,

VORNADO DC SPINCO

and

VORNADO DC SPINCO OP LP

dated as of

October 31, 2016

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Schedules and Exhibits

MASTER TRANSACTION AGREEMENT

This MASTER TRANSACTION AGREEMENT (hereinafter referred to as this "Agreement"), dated as of October 31, 2016, is made by and among Vornado Realty Trust, a Maryland real estate investment trust ("Vornado"), Vornado Realty L.P., a Delaware limited partnership ("Vornado OP", and together with Vornado, the "Vornado Parties"), JBG Properties Inc., a Maryland corporation ("JBG Properties"), JBG/Operating Partners, L.P., a Delaware limited partnership ("JBG Operating Partners" and together with JBG Properties, the "JBG Management Entities") and the JBG Properties affiliates listed on Schedule A (the "JBG Funds" and together with the JBG Management Entities, the "JBG Parties"), Vornado DC Spinco, a Maryland real estate investment trust ("Newco") and Vornado DC Spinco OP LP, a Delaware limited partnership ("Newco OP", and together with the Vornado Parties, the JBG Parties and Newco, collectively, the "Parties"). All capitalized terms used in this Agreement shall have the meaning ascribed to such terms in Section 9.6 (Certain Definitions) or as otherwise defined elsewhere in this Agreement unless the context clearly provides otherwise.

RECITALS

WHEREAS, certain subsidiaries of the Vornado Parties are engaged in real estate investment, development, leasing and property management in the Washington D.C. metropolitan area;

WHEREAS, the JBG Parties and their affiliate entities are engaged in real estate investment, development, leasing and property management predominantly in the Washington D.C. metropolitan area;

WHEREAS, the Vornado Parties own direct or indirect interests in the real properties set forth on Exhibit A-1 hereto (all such real property interests, together with all buildings, structures and other improvements and fixtures located on or under such real property

and all easements, rights and other appurtenances benefitting such real property, collectively, the "Vornado Included Properties") through their ownership of the Equity Interests of the entities set forth on Exhibit A-2 hereto (the "Vornado Included Entities") (collectively, the "Vornado Included Interests");

WHEREAS, the Vornado Included Entities own direct or indirect interests in the real properties listed on Section A of the Vornado Disclosure Letter (collectively, the "Vornado Excluded Properties"), which Vornado Excluded Properties will not be acquired by Newco or Newco OP (together with all other assets and properties of the Vornado Parties that constitute Vornado Assets as defined in the Separation and Distribution Agreement, the "Vornado Excluded Assets");

WHEREAS, certain Vornado Included Entities own direct or indirect debt or equity investments in the entities listed on Exhibit A-3 hereto (collectively, the "Vornado Included Investments");

WHEREAS, the JBG Funds own direct or indirect interests in the real properties and hold real property purchase options and interests set forth on Exhibit B-1 hereto (all such real property interests and purchase options, together with all buildings, structures and other improvements and fixtures located on or under such real property and all easements, rights and other appurtenances benefitting such real property, collectively, the "JBG Included Properties") through their ownership of the Equity Interests of the entities (the "JBG Included Entities") set forth on Exhibit B-2 hereto (collectively, the "JBG Included Interests");

WHEREAS, the entities listed on Exhibit B-3 hereto (the "JBG Managing Member Entities") act as the managing member in respect of certain JBG Included Entities;

WHEREAS, the JBG Funds own direct or indirect interests in the real properties listed on Section A of the JBG Disclosure Letter hereto (collectively, the "JBG Excluded Properties"), which JBG Excluded Properties will not be acquired by Newco or Newco OP (together with all other assets and properties of the JBG Funds other than the JBG Included Assets, the "JBG Excluded Assets");

WHEREAS, prior to the Closing, each JBG Fund will engage in a restructuring through a series of steps pursuant to which, among other things, the JBG Included Assets of each JBG Fund will be transferred to a newly formed entity (each such newly formed entity, a "Transferred LLC") to be owned directly or indirectly by the members or partners of such JBG Fund, as applicable;

WHEREAS, pursuant to the terms and subject to the conditions of this Agreement, the Parties desire to effectuate a series of transactions, including the Pre-Combination Transactions (as defined below), the Combination Transactions (as defined below) and the Restructuring Transactions (as defined below) (together, the "Transactions");

WHEREAS, as consideration for the contributions of the JBG Included Assets, by way of contribution, merger or otherwise, of the Transferred LLCs by way of contribution, merger or otherwise, and of the merger of JBG Operating Partners described below, (a) Newco shall, or shall cause Newco OP to, deliver to the applicable JBG Parties or JBG Designees the Cash Consideration, (b) Newco shall issue to the applicable JBG Parties or JBG Designees the Issued Newco Shares and/or shall contribute certain of the Issued Newco Shares to Newco OP in exchange for an equal number of OP Units, and in turn Newco OP shall deliver such Issued Newco Shares to the applicable JBG Parties or JBG Designees, and (c) Newco OP shall issue to the JBG Parties the Issued OP Units (the transactions contemplated under the preceding clauses (b) and (c) being referred to herein as the "Equity Issuance");

WHEREAS, the board of trustees of Vornado (the "Vornado Board") has duly and validly authorized the execution and delivery of this Agreement and the Transactions to be effected by Vornado, Vornado OP and the Vornado Subsidiaries;

WHEREAS, Vornado in its capacity as the sole general partner of Vornado OP, on behalf of Vornado OP, has approved this Agreement and the Transactions to be effected by Vornado OP and its Subsidiaries;

WHEREAS, each of the JBG Parties has received any requisite approval pursuant to its Governing Documents of the Restructuring Transactions, this Agreement, the contribution of the JBG Included Assets and the other Transactions;

WHEREAS, as an inducement to and condition of the Vornado Parties entering into this Agreement, each of the employees listed in Section B of the JBG Disclosure Letter have concurrently entered into employment agreements with Newco, which shall become effective contingent upon and as of the Closing (the "Employment Agreements"); and

WHEREAS, the Vornado Parties and the JBG Parties desire to make certain representations, warranties, covenants and agreements in connection with the Transactions and also prescribe various conditions to the Transactions as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

ARTICLE I

CONTRIBUTIONS, DISTRIBUTIONS AND MERGERS

Section 1.1. Pre-Combination Transactions. Subject to Section 5.8, and pursuant to the terms and subject to the conditions herein, and in reliance upon the representations, warranties and agreements herein, the steps set forth on Section 1.1 of the Vornado Disclosure Letter constitute the "Pre-Combination Transactions".

Section 1.2. Combination Transactions. Subject to Section 5.8, immediately following the occurrence of the Pre-Combination Transactions, and pursuant to the terms and subject to the conditions herein, and in reliance upon the representations, warranties and agreements herein, the following "Combination Transactions" shall occur:

(a) Fund VI Contribution. Immediately prior to or at the Closing, but following the occurrence of the Pre-Combination Transactions, JBG Investment Fund VI, L.L.C. ("Fund VI") will consummate a series of transactions, pursuant to which the Transferred LLC of Fund VI (which will own all right, title and interest in and to the JBG Included Interests with respect to the JBG Included Properties listed under "Fund VI" on Section 1.2 of the JBG Disclosure Letter and all JBG Included Assets related thereto and no other assets or properties) will merge (pursuant to a merger agreement substantially in the form attached hereto as Exhibit C-1 (such form, with all blanks completed and other applicable revisions made in a manner consistent with this Agreement being hereinafter referred to as the "JBG LLC Merger

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Agreement")) with a wholly-owned subsidiary (directly and indirectly) of Newco OP, with the Transferred LLC of Fund VI surviving in such merger and Newco OP owning all of the interests in the Transferred LLC of Fund VI (directly and indirectly).

(b) Fund VII Contribution. Immediately prior to or at the Closing, but following the occurrence of the Pre-Combination Transactions, JBG Investment Fund VII, L.L.C. ("Fund VII") will consummate a series of transactions, pursuant to which the Transferred LLC of Fund VII (which will own all right, title and interest in and to the JBG Included Interests with respect to the JBG Included Properties listed under "Fund VII" on Section 1.2 of the JBG Disclosure Letter and all JBG Included Assets related thereto and no other assets or properties) will merge (pursuant to a JBG LLC Merger Agreement with all blanks completed and other applicable revisions made in a manner consistent with this Agreement) with a wholly-owned subsidiary (directly and indirectly) of Newco OP, with the Transferred LLC of Fund VII surviving in such merger and Newco OP owning all of the interests in the Transferred LLC of Fund VII (directly and indirectly).

(c) Fund VIII Contribution. Immediately prior to or at the Closing, but following the occurrence of the Pre-Combination Transactions, JBG Investment Fund VIII, L.L.C. ("Fund VIII") will consummate a series of transactions, pursuant to which all of the Equity Interests in the Transferred LLC of Fund VIII (which will own 100% of the outstanding common Equity Interests in JBG/Fund VIII Trust ("Fund VIII REIT") and which together with Fund VIII REIT will collectively own all right, title and interest in and to the JBG Included Interests with respect to the JBG Included Properties listed under "Fund VIII" on Section 1.2 of the JBG Disclosure Letter and all JBG Included Assets related thereto and no other assets or properties) will be contributed to Newco OP pursuant to a contribution agreement substantially in the form attached hereto as Exhibit C-2 (such form, with all blanks completed and other applicable revisions made in a manner consistent with this Agreement being hereinafter referred to as the "JBG Fund Contribution Agreement").

(d) Fund IX Contribution. Immediately prior to or at the Closing, but following the occurrence of the Pre-Combination Transactions, JBG Investment Fund IX, L.L.C. ("Fund IX") will consummate a series of transactions, pursuant to which the Transferred LLC of Fund IX (which will own all right, title and interest in and to the JBG Included Interests with respect to the JBG Included Properties listed under "Fund IX" on Section 1.2 of the JBG Disclosure Letter and all JBG Included Assets related thereto and no other assets or properties) will merge (pursuant to a JBG LLC Merger Agreement with all blanks completed and other applicable revisions made in a manner consistent with this Agreement) with a wholly-owned subsidiary (directly and indirectly) of Newco OP, with the Transferred LLC of Fund IX surviving in such merger and Newco OP owning all of the interests in the Transferred LLC of Fund IX (directly and indirectly).

(e) UDM Contribution. Immediately prior to or at the Closing, but following the occurrence of the Pre-Combination Transactions, JBG/Urban Direct Member, L.L.C. ("UDM") will consummate a series of transactions, pursuant to which all of the Equity Interests in the Transferred LLC of UDM (which will own all right, title and interest in and to the JBG

Included Interests listed under "UDM" on Section 1.2 of the JBG Disclosure Letter and all JBG Included Assets related thereto and no other assets or properties) will be contributed to Newco OP pursuant to a JBG Fund Contribution Agreement with all blanks completed and other applicable revisions made in a manner consistent with this Agreement.

(f) Management Company Transactions. Immediately prior to or at the Closing, but following the occurrence of the Pre-Combination Transactions:

(i) JBG Operating Partners will merge with and into a wholly owned limited liability company Subsidiary of Newco OP, with the partners of JBG Operating Partners receiving OP Units as set forth in a merger agreement substantially in the form attached hereto as Exhibit C-3 (such form with all blanks completed in a manner consistent with this Agreement being hereinafter referred to as the "JBG Partnership Merger Agreement" and together with the JBG LLC Merger Agreement, the "JBG Merger Agreements");

(ii) JBG Properties will transfer all of its assets to Newco OP in exchange for OP Units as set forth in a contribution agreement substantially in the form attached hereto as Exhibit C-4 (such form with all blanks completed in a manner consistent with this Agreement being hereinafter referred to as the "JBG Properties Contribution Agreement"); and

(iii) The JBG Management Entities shall cause each JBG Managing Member Entity to transfer and contribute any managing member interest it has in any JBG Included Entity as set forth on Section 1.2 of the JBG Disclosure Letter (collectively, the "Managing Member Interests") other than any Excluded Managing Member Interest, to a newly formed wholly owned Subsidiary of Newco OP pursuant to a contribution agreement substantially in the form attached hereto as Exhibit C-5 (such form, with all blanks completed and other applicable revisions made in a manner consistent with this Agreement being hereinafter referred to as the "JBG Managing Member Contribution Agreement" and together with the JBG Fund Contribution Agreements and the JBG Properties Contribution Agreement, the "JBG Contribution Agreements").

Section 1.3. Post-Closing Structuring. Immediately following the Closing, Newco shall cause the actions set forth on Section 1.3 of the JBG Disclosure Letter that are contemplated to be taken after Closing (the "Post-Closing Transactions") to be implemented as set forth therein. The Parties will reasonably agree to modify the Post-Closing Transactions as requested by either Party so long as such modifications do not adversely affect the non- requesting Party in any material respect.

Section 1.4. Consideration for JBG Contributions. In consideration of the JBG Parties' contribution of the JBG Included Assets pursuant to the transactions described in Section 1.2, the JBG Parties and their JBG Designees will receive from Newco and Newco OP, collectively, a number of Issued Newco Shares and/or Issued OP Units (collectively, the "Equity

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Consideration") equal to the Share Number. The composition of the Equity Consideration will be determined in accordance with Section 1.7 (it being understood that certain JBG Parties or JBG Designees may be required to accept Cash Consideration in lieu of Equity Consideration as provided by Section 1.7).

Section 1.5. Asset Values of the Included Assets.

(a) As of the applicable Valuation Date, the equity value of each Included Property, each Vornado Included Investment, and of the Vornado management business and of the JBG management business (each such value, the "Asset Value") is set forth on Schedule B.

(b) Adjustments to Valuations.

(i) The Asset Value of each Included Property shall be increased, without duplication, by amounts actually paid prior to the Revaluation Time in connection with such Included Property by the Vornado Parties or their Subsidiaries or the JBG Parties or their Subsidiaries, as applicable, for (A) tenant improvement costs, tenant improvement allowances, landlord work, base building work required in connection with a lease, leasing commissions, buyout costs (net of any subleasing or other similar revenues) with respect to a tenant's former premises and other leasing costs (collectively, "Leasing Costs") actually paid before the Revaluation Time (or, as provided by Section 1.5(d), after the Revaluation Time and before the Closing Date) pursuant to any Vornado Lease or JBG Lease (including any amendments, extensions, expansions or renewals of a Vornado Lease or JBG Lease) first signed after the applicable Valuation Date, provided, that with respect to the Included Properties identified on Section 1.5(b)(i)(A) of the JBG Disclosure Letter or on Section 1.5(b)(i)(A) of the Vornado Disclosure Letter (collectively, the "Under Construction and Predevelopment Properties"), the adjustment described in this clause (A) shall also apply with respect to Leasing Costs actually paid after the Valuation Date with respect to Vornado Leases and JBG Leases (including any amendments, extensions, expansions or renewals of a Vornado Lease or JBG Lease) in existence as of the applicable Valuation Date, (B) costs of capital

expenditures to an Included Property paid after the applicable Valuation Date and before the Revaluation Time (or, as provided by Section 1.5(d), after the Revaluation Time and before the Closing Date), (C) amortization, repayment, prepayment or paydown after the applicable Valuation Date and before the Revaluation Time (or, as provided by Section 1.5(d), after the Revaluation Time and before the Closing Date) of the principal amount of any Indebtedness, other than Intercompany Indebtedness (but excluding, however, any Interest Payments, exit fees, prepayment premiums, LIBOR breakage fees, hedge breakage costs and similar amounts payable in connection therewith, and any other financing fees and closing costs paid in connection therewith) of a JBG Included Entity or a Vornado Included Entity, as applicable, which owns a direct or indirect interest in such Included Property, (D) land acquisition and development costs, including soft costs such as architect's and engineering fees, pre- development fees, development fees, construction management fees, legal fees, marketing expenses, taxes and utilities during construction, brokerage fees, etc. and all

hard costs, including amounts payable to contractors and subcontractors with respect to the development project, including but not limited to site costs, parking and garage costs and base building costs ("Acquisition and Development Costs"), paid for the Included Properties after the applicable Valuation Date and before the Revaluation Time (or, as provided by Section 1.5(d), after the Revaluation Time and before the Closing Date), but excluding, however, (x) Interest Payments and capitalized interest for the Included Properties and (y) real estate taxes, insurance premiums and other carrying costs for the Included Properties (except that the exclusion described in this clause (y) shall not apply to Under Construction and Predevelopment Properties, the amounts for which shall not be excluded), and (z) Acquisition and Development Costs paid to acquire an additional interest in an Included Property, to the extent the ownership percentage in such Included Property is thereby increased as contemplated by Section 1.5(b)(iii), (E) with respect to the Vornado Included Properties only, an amount equal to the fees that would have been paid with respect to such Vornado Included Property between the applicable Valuation Date and the Revaluation Time had the Vornado Parties paid fees in accordance with the fee schedule set forth on Section 1.5(b)(i)(E) of the Vornado Disclosure Letter, (F) costs spent for any purpose set forth on Section 1.5(b)(i)(F) of the Vornado Disclosure Letter or Section 1.5(b)(i)(F) of the JBG Disclosure Letter between the applicable Valuation Date and the Revaluation Time, (G) any overstatement on Schedule B of the debt balance of such Included Property's debt amount as of the applicable Valuation Date, and (H) any positive Net Working Capital balance of a JBG Included Entity or Vornado Included Entity as of the Revaluation Time.

(ii) The Asset Value of each Included Property shall be decreased, without duplication, by the amount of (A) Leasing Costs that are not yet paid as of the Revaluation Time (or, as provided by Section 1.5(d), as of the Closing Date) pursuant to any Vornado Lease or JBG Lease (including any amendments, extensions, expansions or renewals of a Vornado Lease or JBG Lease) existing as of the applicable Valuation Date, provided, that any liability for ongoing lease and other payment obligations related to the assumption of space on behalf of a tenant (net of any subleasing or other similar revenues) shall decrease Asset Value by only fifty percent (50%) of the outstanding liability; provided, further, that this clause (A) shall not apply to Under Construction and Predevelopment Properties, (B) new Indebtedness or advances with respect to existing Indebtedness, or the accrual of additional accrued and unpaid interest of any new or existing Indebtedness, of any JBG Included Entity or Vornado Included Entity, as applicable, which owns a direct or indirect interest in such Included Property incurred after the applicable Valuation Date and existing as of the Revaluation Time, but in each case, excluding any Intercompany Indebtedness, (C) exit fees, prepayment premiums, LIBOR breakage fees, hedge breakage costs and similar amounts payable in connection with the refinancing of Indebtedness pursuant to a Credit Facility Refinancing Draw as provided by Section 5.2(f)(i) or Section 5.2(f)(ii), (D) any understatement on Schedule B of the debt balance of such Included Property's debt amount as of the applicable Valuation Date and (E) any negative Net Working Capital balance of a JBG Included Entity or Vornado Included Entity as of the Revaluation Time.

(iii) Schedule B sets forth the ownership percentage in each Included Property represented by the Vornado Included Interests or the JBG Included Interests, as applicable, as of the applicable Valuation Date. Any adjustments made pursuant to this Section 1.5(b) shall take into account the percentage ownership such that the increase or decrease with respect to a particular item shall be in an amount equal to the product of the total amount paid multiplied by the "Contributed Percentage" with respect to such Included Property as specified on such Schedule B. If as of the Revaluation Time a Vornado Party or the applicable JBG Party owns a percentage of the direct or indirect interests in any Included Property that is different than the percentage specified on Schedule B, then the adjustments made pursuant to this Section 1.5(b) as modified by this clause (iii) shall take into account the actual amount of such ownership as of the Revaluation Time. In addition, the initial Asset Values will be adjusted to reflect the actual amount of the Parties' ownership in any Included Property as of the Revaluation Time.

(iv) Notwithstanding the foregoing, with respect to the Included Properties listed on Section 1.5(b)(iv) of the JBG Disclosure Letter and on Section 1.5(b)(iv) of the Vornado Disclosure Letter, there will be no increase to the Asset Value of such Included Properties on account of payments of amounts described in clauses (A), (B) or (D) of Section 1.5(b)(i), and the Asset Values of such Included Properties shall be decreased by the amount of any Acquisition and Development Costs and any Leasing Costs required to achieve stabilization of such Included Properties, in each case, that are still to be paid as of the Revaluation Time (or, as provided by Section 1.5(d), as of the Closing Date).

(v) The Asset Value of the JBG management business shall be decreased by (A) the amount of any liabilities set forth on Section 1.5(b)(v) of the JBG Disclosure Letter and (B) the amount of any further management fees to be paid by any JBG Fund to any JBG Party other than in cash.

(vi) The Asset Value of any Vornado Included Investment shall be increased by amounts actually contributed after September 30, 2016 and prior to the Revaluation Time by the Vornado Parties or their Subsidiaries (other than from one Vornado Included Entity to another) on account of unfunded capital commitments to the entities pertaining to such Vornado Included Investments.

(vii) The aggregate Asset Values of the JBG Included Assets (such decrease to be allocated among the individual JBG Included Properties on a pro rata basis, based on Asset Values as adjusted on the Revaluation Time pursuant to this Section 1.5) and the aggregate Asset Values of the Vornado Included Assets shall be decreased by the amounts set forth on Section 1.5(b)(vii) of the JBG Disclosure Letter and Section 1.5(b)(vii) of the Vornado Disclosure Letter, respectively.

(c) Each Group shall use Commercially Reasonable Efforts to prepare and provide to the other Group an interim calculation of the adjustments to its Asset Values

described in Section 1.5(b) with respect to the most recently ended fiscal quarter within thirty(30) days after the end of each such fiscal quarter, beginning with the quarter ending December 31, 2016. Promptly after the date hereof, the each Group will engage a "Big Four" accounting firm (each a "Retained Accountant") to periodically review its interim calculations and the draft final adjustments to be made as of the Revaluation Time. Each Group will, and will instruct its Retained Accountant to, cooperate in good faith with the other Group and its Retained Accountant to agree upon sets of procedures that will be conducted on the calculations of the adjustments set forth in this Section 1.5 and the schedules and information supporting such calculations.

(d) With respect to each of its Included Properties, each Group shall be entitled to identify, reasonably and in good faith, the amount of any Leasing Costs, capital expenditures, debt amortization, and Acquisition and Development Costs that such Group anticipates to be paid with respect to such Included Property between the Revaluation Time and the Closing Date and that, had they been paid prior to the Revaluation Time, would have been the subject of an increase in such Included Property's Asset Value pursuant to clauses (A) through (D) of Section 1.5(b)(i), or any Leasing Costs, capital expenditures and Acquisition and Development Costs that such Group anticipates to be paid with respect to such Included Property between the Revaluation Time and the Closing Date and that, had they been paid prior to the Revaluation Time, would have averted a decrease in such Included Property's Asset Value pursuant to clause (A) of Section 1.5(b)(ii) or Section 1.5(b)(iv) (collectively, "Credited Post- Revaluation Time Amounts"), itemizing the same in reasonable detail, and the applicable Included Property's Asset Value will be increased, or will not be decreased, as applicable, on the Revaluation Time by such Credited Post-Revaluation Time Amounts. Between the Revaluation Time and the Closing Date, neither Group shall (x) declare, set aside or pay any Distribution on or with respect to Equity Interests of any of its Included Entities, except as may be expressly contemplated by the Pre-Combination Transactions, the Restructuring Transactions or the Combination Transactions, or (y) permit any of its Included Entities to incur any Indebtedness for borrowed money, in each case, without the approval of the other Group in its sole discretion (and if any Party shall do so in violation of this sentence, the amount of such Distribution shall be added to the amount of cash to be contributed by such Group pursuant to Section 2.2(o) or Section 2.3(k), as applicable).

(e) The Parties shall prepare and file their respective Tax Returns and any Transfer Tax returns or other filings consistent with the Asset Values of the Included Assets as adjusted pursuant to this Section 1.5 and otherwise in accordance with the methodology set forth on Section 1.5(e) of the JBG Disclosure Letter and Section 1.5(e) of the Vornado Disclosure Letter, and shall take no positions contrary thereto in any Tax Return or other Tax filing or proceeding unless otherwise required by applicable Law. Each Party's Transfer Tax returns shall be subject to the approval of the other Group, such approval not to be unreasonably withheld, delayed or conditioned.

Section 1.6. Kickout of Included Interests; Designation of Additional Vornado Excluded Properties.

(a) The Parties acknowledge that certain Included Interests may be Kickout Interests pursuant to Section 5.2(f) or another provision of this Agreement. Notwithstanding anything to the contrary contained herein, no Kickout Interest shall be transferred at the Closing, and the Asset Value of a Kickout Interest shall not be taken into account when calculating the amount of Consideration payable at Closing.

(b) At any time on or before the Revaluation Time, the Vornado Parties shall have the right, upon written notice to the JBG Parties, to designate any or all of the properties listed on Section 1.6(b) of the Vornado Disclosure Letter as Vornado Excluded Properties or JBG Excluded Properties, as applicable. Following such designation, any such properties and any entities that own only a direct or indirect ownership interest in any such properties (and no direct or indirect ownership interest in any Vornado Included Assets or JBG Included Assets) shall constitute Vornado Excluded Assets or JBG Excluded Assets, as applicable, for all purposes of this Agreement (and the Parties shall reasonably modify the Pre-Combination Transactions as necessary to effect the same).

(c) If any Vornado Included Interest is permanently designated as a Kickout Interest pursuant to the terms of this Agreement or if any JBG Included Asset listed on Section 1.6(c) of the JBG Disclosure Letter (the "Must-Have Properties") is permanently designated as a Kickout Interest pursuant to the terms of this Agreement, then for the period beginning on the Closing Date through the later of (i) the Outside Date and (ii) sixty (60) days after the Closing Date, the Vornado Parties or the JBG Parties (as applicable), Newco and Newco OP shall cooperate in good faith and use their Commercially Reasonable Efforts to obtain such Required Consent. If a Required Consent is obtained within such period, then the applicable Party shall cause the applicable Vornado Included Interest or JBG Included Interest to be contributed to Newco OP, and Newco OP shall accept such applicable Vornado Included Interest or JBG Included Interest from the applicable Party. In exchange for such contribution, Newco OP shall issue to the Vornado Parties or the applicable JBG Parties an amount of Issued OP Units or Issued Newco Shares (as elected by such Vornado Parties or such applicable JBG Parties) equal to the Post-Closing Consideration Number. Newco shall pay or reimburse the transferring Party for any Transfer Taxes or other Expenses (other than Consent Expenses, Financial Advisor Expenses and the expenses set forth in Section 6.1(f) of the JBG Disclosure Letter below the cap described therein) owed on account of such contribution. The foregoing provisions of this Section 1.6(c) shall survive the Closing.

(d) If any Joint Venture Partner or ground lease counterparty exercises a right of first offer, right of first refusal, buy/sell right or other similar right to acquire the direct or indirect interest in an Included Property, then (i) the applicable Party shall notify the other Group of the same, (ii) the net purchase price paid or payable to the applicable Party with respect to the applicable Included Property shall be included in the Included Assets and (iii) the applicable Included Property shall not be a Kickout Interest.

Section 1.7. Determination and Election of Consideration to the JBG Parties; Requirements of Equity Consideration of the JBG Parties

(a) Promptly following the first filing of a Form 10 by the Vornado Parties with the SEC as contemplated by Section 5.19 (but in any event no later than ten (10) days after the date of such filing), the Parties shall cause an information statement regarding the Transactions and a JBG Investor Questionnaire to be distributed to each direct and indirect owner of such JBG Party (each, a "JBG Designee"). The JBG Parties shall use their Commercially Reasonable Efforts to obtain from each such JBG Designee within forty-five (45) days after such distribution a completed JBG Investor Questionnaire from such JBG Designee and an election, from each JBG Designee entitled to make such an election, with respect to the composition of the Consideration such JBG Designee may be entitled to pursuant to the Transactions. The JBG Parties shall periodically update the Vornado Parties regarding the status of the receipt of the above-referenced JBG Investor Questionnaires and elections. As soon as reasonably practicable following receipt by the JBG Parties of the above-referenced elections (but in any event no later than seventy-five (75) days after the distribution of the information statement to the JBG Designees), the JBG Parties shall deliver to the Vornado Parties a final schedule (the "JBG Election Schedule"), certified by such JBG Parties as true and complete, setting forth the election of each JBG Party or JBG Designee with respect to the composition (expressed as percentages) of the Consideration such JBG Designee may be entitled to and the name of each JBG Designee with respect thereto; provided, however, that if on the date the JBG Election Schedule is delivered the JBG Parties have not obtained completed JBG Investor Questionnaires (or otherwise received information to enable the Parties to reasonably conclude that the applicable JBG Investor is an Accredited Investor) from a sufficient number of JBG Designees to permit payment of Cash Consideration (as calculated in accordance with Section 1.7(b)) equal to or less than the Cash Consideration Cap, then, unless the Vornado Parties agree that any Cash Consideration in excess of the Cash Consideration Cap may be drawn from the Credit Facility or otherwise borne by Newco and Newco OP in accordance with Section 1.7(b), then the Revaluation Time will be extended until 11:59 p.m. Eastern time on the last day of the calendar month in which the Parties first determine that the Cash Consideration will be equal to or less than the Cash Consideration Cap; provided, that if the Parties first so determine in the last five (5) days of a calendar month, then the Revaluation Time will be extended until the date that is 11:59 p.m. (Eastern time) on the last day of the next calendar month; provided, further, that in no event may the Revaluation Time be extended pursuant to this sentence to a date later than April 30, 2017. The JBG Parties shall have the right to update from time to time the JBG Election Schedule after its initial delivery based on information received following such delivery, provided that any such updates shall not, in the Vornado Parties' reasonable judgment, require any delay in the anticipated Closing Date.

(b) The JBG Parties shall make available to the Vornado Parties each completed JBG Investor Questionnaire received by the JBG Parties with respect to each JBG Party or JBG Designee identified therein. To the extent that the Vornado Parties reasonably determine following a review of such JBG Investor Questionnaires that the issuance of Newco Shares and/or OP Units cannot be effected in a private placement satisfying the requirements of Regulation D of the Securities Act, then the Vornado Parties may require that, with respect to

any JBG Party or JBG Designee as to which there is not a reasonable basis to conclude that such JBG Party or JBG Designee is an Accredited Investor, or as to which the JBG Parties do not timely furnish to the Vornado Parties a JBG Investor Questionnaire by the date that is forty-five (45) days prior to the anticipated Closing Date (or such later date as may be permitted by Section 1.7(a)), Newco and Newco OP shall pay the Consideration owed to such JBG Party or JBG Designee in the form of cash ("Cash Consideration") rather than Equity Consideration. Any such Cash Consideration shall be equal to the product of (x) the number of Issued Newco Shares and/or Issued OP Units that would otherwise have been payable to such JBG Party or JBG Designee *multiplied by* (y) the Trading Price. Any Cash Consideration shall be drawn from the Credit Facility or otherwise paid by Newco and Newco OP, up to a maximum amount equal to the Cash Consideration Cap (unless otherwise agreed pursuant to Section 1.7(a)). Subject to Section 1.7(a), any amount of Cash Consideration in excess of the Cash Consideration Cap shall be contributed to Newco by the JBG Parties. The amount of Cash Consideration shall be determined on the Closing Date and shall be paid to the applicable JBG Party or JBG Designee by Newco within ten (10) Business Days. In exchange for the JBG Parties' contribution of any portion of the Cash Consideration, Newco or Newco OP shall deliver to the JBG Parties Equity Consideration equal to the Share Number that would have been payable to the applicable JBG Party or JBG Designee had such JBG Party or JBG Designee been entitled to receive Equity Consideration in accordance with this Section 1.7.

(c) With respect to the transactions described in Sections 1.2(a) through 1.2(e), the applicable JBG Party (or its JBG Designees) shall be entitled to receive either Issued Newco Shares or Issued OP Units, in each case payable in accordance with Section 1.7(d) (subject, however, to the provisions of Section 1.7(b) with respect to Cash Consideration). With respect to the transactions described in Section 1.2(f)(i), (ii) and (iii), the applicable JBG Party (or its JBG Designees) shall be entitled to receive only Issued OP Units, payable in accordance with Section 1.7(d) (subject, however, to the provisions of Section 1.7(b) with respect to Cash Consideration). With respect to the transactions described in Section 1.2(f), the individuals listed in Section 1.7(c)(i) of the JBG Disclosure Letter must execute an agreement with Newco OP in the form set forth in Section 1.7(c)(ii) of the JBG Disclosure Letter and the individuals listed in Section 1.7(c)(iii) of the JBG Disclosure Letter must execute an agreement with Newco OP in the form set forth in Section 1.7(c)

(iv) of the JBG Disclosure Letter, in each case prior to or at the Closing in order to receive Issued OP Units pursuant to this Section 1.7(c). Vornado agrees to cause Newco OP to enter into agreements in such form with such individuals prior to or at the Closing, provided that such individuals are willing to execute such an agreement with Newco OP.

(d) With respect to any Newco Shares to be delivered by Newco OP to the applicable JBG Parties and/or one or more JBG Designees, Newco shall contribute to Newco OP and the JBG Parties (and/or JBG Designees, if applicable) shall receive from Newco OP, newly issued Newco Shares in a transaction to which Treasury Regulations Section 1.1032-3 is intended to apply, and with respect to any Newco Shares to be issued by Newco directly to the JBG Parties or JBG Designees, Newco shall issue newly issued Newco Shares (collectively, the "Issued Newco Shares"), which shall be validly issued, fully paid and non-assessable, and free and clear of all Liens (other than restrictions arising under the Governing Documents of Newco),

and which will be registered in the name of the applicable JBG Party (and/or JBG Designee) by book entry in an account or accounts with Newco's transfer agent. With respect to any OP Units to be delivered by Newco OP to the applicable JBG Parties and/or one or more JBG Designees, Newco OP shall issue to the JBG Parties (and/or JBG Designees, if applicable), and the JBG Parties (and/or JBG Designees, if applicable) shall receive from Newco OP, a number of newly issued OP Units (collectively, the "Issued OP Units"), which shall be validly issued and free and clear of all Liens (other than restrictions arising under the Governing Documents of Newco OP), and which will be registered in the name of the applicable JBG Party (and/or JBG Designee) by book entry in an account or accounts with Newco OP's transfer agent.

Section 1.8. Distributions of Consideration to the Equityholders of the JBG Parties. The JBG Parties shall cause any Consideration received by the JBG Parties hereunder to be distributed in accordance with the allocation schedule set forth on Section 1.8 of the JBG Disclosure Letter and otherwise in accordance with the respective JBG Contribution Agreements and JBG Merger Agreements, the Restructuring Transactions and the applicable Governing Documents of the JBG Parties and their respective Affiliates.

Section 1.9. JBG Representative.

(a) Each JBG Party (on behalf of itself, its Subsidiaries, its JBG Designees and their respective successors, assigns and heirs) hereby irrevocably appoints JBG Properties as the representative of the JBG Parties (the "JBG Representative") and to be the agent, proxy and attorney-in-fact for such Person regarding any matter relating to or arising from this Agreement, any Ancillary Document or the Transactions, including the full power and authority on such Person's behalf (i) to execute the Partnership Agreement Amendment and Restatement and any other Ancillary Documents and otherwise to consummate the transactions contemplated herein and therein, (ii) to pay such Person's expenses incurred in connection with the negotiation and performance of this Agreement, the Ancillary Documents and any other agreement entered into in connection herewith (whether incurred on or after the date hereof), (iii) to disburse any funds received hereunder to the JBG Parties (as applicable), (iv) to endorse and deliver any certificates or instruments representing the Equity Consideration and execute such further agreements or instruments of assignment as the Vornado Parties, Newco or Newco OP shall reasonably request or which the JBG Representative shall consider necessary or proper to effectuate the Transactions, all of which shall have the effect of binding the JBG Parties, their Subsidiaries and the JBG Designees as if such Person had personally executed such agreement or instrument, (v) to give and receive notices, communications and other deliverables hereunder or under any Ancillary Document on behalf of such Person, (vi) to take all other actions to be taken by or on behalf of such Person in connection herewith, including under any Ancillary Document, (vii) to dispute, compromise, settle and pay any claims made in connection with this Agreement or the Transactions, (viii) to retain legal and other professional advisors on behalf of, and at the expense of such Persons in connection with its actions hereunder and (ix) to take all actions necessary or appropriate in the judgment of the JBG Representative for the accomplishment of the foregoing. Each JBG Party agrees that such agency, proxy and attorney-in-fact and all authority granted hereunder are coupled with an interest, and are therefore irrevocable without the consent of the JBG Representative and shall survive the death, incapacity, bankruptcy,

dissolution or liquidation of any Person. If, after the execution of this Agreement, any JBG Party, its Subsidiaries or its JBG Designee dies, dissolves or liquidates or becomes incapacitated or incompetent, then the JBG Representative is nevertheless authorized, empowered and directed to act in accordance with this Agreement as if that death, dissolution, liquidation, incapacity or incompetency had not occurred and regardless of notice thereof. All actions, decisions or determinations so made or taken by the JBG Representative (to the extent authorized by this Agreement) shall be deemed the actions, decisions or determinations of each such Person, and any notice, communication, document, certificate or information required (other than any notice required by Law or under any JBG Party's or its Subsidiaries' Governing Documents) to be given to any JBG Party, its Subsidiaries or its JBG Designees hereunder or pursuant to any other agreement entered into in connection herewith shall be deemed so given if given to the JBG Representative.

(b) Each JBG Party will severally, for itself, its Subsidiaries, and its JBG Designees only, and not jointly, indemnify the JBG Representative and hold the JBG Representative harmless against all expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred without gross negligence or willful misconduct on the part of the JBG Representative and arising out of or in connection with the good faith acceptance or administration of its duties hereunder, and any act done or omitted pursuant to the advice of counsel will be conclusive evidence of such good faith.

(c) The JBG Representative hereby accepts its appointment as representative of the JBG Parties under this Agreement. The JBG Representative shall act in good faith. Subject to the JBG Representative's right to pay expenses reasonably incurred in connection with the negotiation and performance of this Agreement or otherwise to satisfy the reasonable expenses and obligations of the JBG Parties, their Subsidiaries and their JBG Designees, the JBG Representative shall promptly disburse to each Person such Person's share of any Cash Consideration and Equity Consideration (as applicable) received by the JBG Representative in accordance with the terms of this Agreement. The JBG Representative shall have only the duties expressly stated in this Agreement and shall have no other duty, express or implied. The JBG Representative is not, by virtue of serving as the JBG Representative, a fiduciary of the JBG Parties or any other Person. The JBG Representative, in its capacity as such, has no personal responsibility or liability for any representation, warranty or covenant of the JBG Parties.

(d) The JBG Representative shall not be liable to any JBG Party or any other Person for any action taken or omitted by it or any agent employed by it hereunder or under any other document entered into in connection herewith, except that the JBG Representative shall not be relieved of any liability imposed by Law for fraud or bad faith. The JBG Representative shall not be liable to the JBG Parties or any other Person for any apportionment or distribution of consideration made by the JBG Representative in good faith, and, if any such apportionment or distribution is subsequently determined to have been made in error, the sole recourse of any Person to whom payment was due, but not made, shall be to recover from other JBG Parties any payment in excess of the amount to which they are determined to have been entitled. The JBG Representative shall not be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement. Neither the JBG

Representative nor any agent employed by it shall incur any liability to any JBG Party or any other Person by virtue of the failure or refusal of the JBG Representative for any reason to consummate the Transactions or relating to the performance of its other duties hereunder, except for actions or omissions constituting fraud or bad faith.

(e) The JBG Representative shall not be entitled to and shall not charge or collect from the JBG Parties or any other Person any fees or other compensation for its services as the JBG Representative under this Agreement. The JBG Representative, however, shall be entitled to reimbursement from the JBG Parties for its reasonable out-of-pocket expenses incurred in connection with its services as the JBG Representative under this Agreement.

(f) If the JBG Representative resigns or is otherwise unable or unwilling to serve in such capacity, then the JBG Parties will appoint a new Person to serve as the JBG Representative and will provide prompt written notice thereof to Vornado, Newco and Newco OP. Until such notice is received, the Vornado Parties, Newco and Newco OP will be entitled to rely on the actions and statements of the previous JBG Representative.

Section 1.10. Withholding. Notwithstanding anything to the contrary in this Agreement, Newco and Newco OP shall be entitled to deduct and withhold from any amounts otherwise payable in connection with this Agreement and the Transactions to any Person such amounts as are required to be deducted and withheld under the Code or any provision of applicable Law. Any amounts so withheld shall be paid over to the appropriate Governmental Entity to the extent required by Law. To the extent that amounts are so deducted and withheld, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to such Person in respect of whom such deduction and withholding were made.

ARTICLE II

CLOSING

Section 2.1. Closing. The closing of the Combination Transactions (the "Closing") shall take place at 12:01 a.m. Eastern time on the fifteenth (15th) day of the calendar month immediately following the month in which the Revaluation Time occurs (or, if such day is not a Business Day, the next succeeding Business Day). Subject to the last sentence of Section 7.1(g), the "Revaluation Time" shall be 11:59 p.m. Eastern time on the last day of the calendar month in which all of the conditions set forth in Sections 7.1, 7.2 and 7.3 (other than those that by their terms are to be satisfied at the Closing) are satisfied or waived by the Parties entitled to grant such waiver provided, that if such conditions are so satisfied or waived in the last five (5) days of a calendar month, then the Revaluation Time will be 11:59 p.m. (Eastern time) on the last day of the next calendar month. Notwithstanding the foregoing, (x) in no event shall the Closing take place before March 15, 2017, and (y) the Revaluation Time and the Closing shall be subject to extension as provided by Section 1.7(a). If each of the closing conditions described in Sections 7.1, 7.2 and 7.3 (other than those that by their terms are to be satisfied at the Closing) has been satisfied or waived by the Parties entitled to grant such waiver, then subject to the last sentence of Section 7.1(g), (a) the Vornado Parties may set the Revaluation Time in accordance with the

first two sentences of this paragraph to allow the date of Closing to be on or after March 15, 2017 once (i) no more than ten percent (10%) of the Vornado Included Properties are Kickout Interests and (ii) no more than twenty percent (20%) of the JBG Included Properties are Kickout Interests; (b) the Vornado Parties may set the Revaluation Time in accordance with the first two sentences of this paragraph to allow the date of Closing to be after May 1, 2017 once (i) no more than fifteen percent (15%) of the Vornado Included Properties are Kickout Interests and (ii) no more than thirty percent (30%) of the JBG Included Properties are Kickout Interests; (c) the JBG Parties may set the Revaluation Time in accordance with the first two sentences of this paragraph to allow the date of Closing to be after July 1, 2017 once (i) no more than ten percent (10%) of the Vornado Included Properties are Kickout Interests, (ii) no more than twenty percent (20%) of the JBG Included Properties are Kickout Interests and (iii) no more than twenty percent (20%) of the Must-Have Properties are Kickout Interests; and (d) the JBG Parties may set the Revaluation Time in accordance with the first two sentences of this paragraph to allow the date of Closing to be on or after March 15, 2017 once no Vornado Included Properties or JBG Included Properties are deemed Kickout Interests. For clarity, the percentages described in the immediately preceding sentence shall be calculated (x) with respect to the JBG Included Properties, on the basis of their initial Asset Values as a percentage of the aggregate initial Asset Values of all of the JBG Included Properties, including any Kickout Interests, (y) with respect to the Vornado Included Properties, on the basis of their initial Asset Values as a percentage of the aggregate initial Asset Values of all of the Vornado Included Properties, including any Kickout Interests, and (z) with respect to the Must-Have Properties, on the basis of their initial Asset Values as a percentage of the aggregate initial Asset Values of all of the Must-Have Properties, including any Kickout Interests. The date of the Closing hereunder is referred to herein as the "Closing Date". The documents for the Closing shall be assembled at the offices of Hogan Lovells US LLP, 555 Thirteenth Street, NW, Washington, District of Columbia 20004, or at such other location as is mutually acceptable to the Vornado Parties and the JBG Parties, no later than the Business Day before the Closing Date.

Section 2.2. Deliveries by the Vornado Parties at the Closing. Subject to the terms and conditions set forth herein, and on the basis of the representations, warranties, covenants and agreements set forth herein, at the Closing, the applicable Vornado Party shall deliver, or cause to be delivered, to the JBG Parties (and/or the JBG Designees, as applicable):

(a) evidence of the issuance to the JBG Parties (and/or JBG Designees, as applicable) of the Newco Shares by Newco and/or OP Units by Newco OP issuable pursuant to Section 1.4 and Section 1.7;

(b) the Separation and Distribution Agreement, in the form attached hereto as Exhibit D (the "Separation and Distribution Agreement"), duly executed by Vornado, Vornado OP, Newco and Newco OP (which, for the avoidance of doubt, will be signed no later than the time at which the Pre-Combination Transactions are effected pursuant to Section 5.8(a));

(c) the JBG Contribution Agreements referenced in Section 1.2 and the JBG Merger Agreements referenced in Section 1.2, duly executed by Newco or its applicable Subsidiary;

(d) Registration Rights Agreements, each in the form attached hereto as Exhibit E (the "Registration Rights Agreements"), duly executed by Newco;

(e) an amendment and restatement of the Partnership Agreement in the form attached hereto as Exhibit F (the "Partnership Agreement Amendment and Restatement"), duly executed by Newco in its capacity as the sole general partner of Newco OP and as the attorney- in-fact for the other partners of Newco OP, and effective as of the time during the Pre- Combination Transactions at which a third party is first admitted as a partner of Newco OP;

(f) intentionally omitted;

(g) a certificate executed by a duly authorized officer of Vornado pursuant to Section 7.3(c);

(h) the Vornado REIT Opinions;

(i) any Transfer Tax returns as may be necessary to comply with Title 42, Subtitle 1, Chapter 11 of the District of Columbia Code and the regulations applicable thereto, and Titles 12 and 13 of the Maryland Tax-Property Code and the regulations applicable thereto and any other required Transfer Tax declarations or similar documentation required to evidence the payment of any Tax imposed by any state, county or municipality together with any change of ownership statements required under any legal requirements;

(j) the Employee Matters Agreement, in the form attached hereto as Exhibit G (the "Employee Matters Agreement"), duly executed by Vornado, Vornado OP, Newco and Newco OP;

(k) the Transition Services Agreement, duly executed by Vornado OP, Newco and Newco OP;

(l) the Tax Matters Agreement, in the form attached hereto as Exhibit H (the "Tax Matters Agreement"), duly executed by Vornado and Newco;

(m) the Cleaning Services Agreements, duly executed by Newco and the applicable Vornado Affiliates;

(n) intentionally omitted;

(o) evidence of a cash contribution to Newco in an amount set forth on Section 2.2(o) of the Vornado Disclosure Letter;

(p) one or more subcontracts, in the form attached hereto as Exhibit I (the "GP Subcontracts"), duly executed by Newco or Newco's Subsidiary, pursuant to which the managing members of each of the JBG Funds and of the general partners or managing members of JBG Investment Fund I, L.P., JBG Investment Fund II, L.P., JBG Investment Fund III, L.P., JBG Investment Fund IV, L.L.C., JBG Investment Fund V, L.L.C., JBG/Recap Investors, L.L.C.,

JBG/SEFC Fund Investors, L.L.C. and JBG/SEFC Partners, L.L.C., as applicable, will subcontract asset management services to Newco or a Subsidiary thereof;

(q) all documents, items or agreements required to be delivered by the Vornado Parties or their Affiliates under the Separation and Distribution Agreement, the JBG Merger Agreements and the JBG Contribution Agreements.

Section 2.3. Deliveries by the JBG Parties at the Closing Subject to the terms and conditions set forth herein, and on the basis of the representations, warranties, covenants and agreements set forth herein, at the Closing, the applicable JBG Party shall deliver, or cause to be delivered, to the Vornado Parties:

(a) the Registration Rights Agreements, duly executed by each of the JBG Parties (and/or JBG Designees, as applicable);

(b) a counterpart signature page to the Partnership Agreement Amendment and Restatement and all other documents or instruments as required by the terms of the Partnership Agreement for the admission of the JBG Parties (and/or JBG Designees, as applicable) as limited partners of Newco OP;

(c) counterpart signature pages to JBG Contribution Agreements referenced in Section 1.2 and the JBG Merger Agreements referenced in Section 1.2, duly executed by the applicable JBG Parties;

(d) a certificate executed by a duly authorized officer of each of the JBG Parties or its general partner or manager pursuant to Section 7.2(c);

(e) a certificate duly completed and executed by each of the transferor JBG Parties, dated as of the Closing Date, certifying in accordance with Section 1445 of the Code that each such JBG Party (or, if such JBG Party is a disregarded entity for U.S. federal income tax purposes, the Person treated as the owner of such JBG Party's assets for such purposes) is not a "foreign person" within the meaning of such section, in substantially the form of Exhibit J hereto;

(f) an Internal Revenue Service Form W-9 or relevant Form W-8, as applicable, completed and executed by each JBG Party or Affiliate directly receiving Equity Consideration pursuant to this Agreement;

(g) any Transfer Tax returns as may be necessary to comply with Title 42, Subtitle 1, Chapter 11 of the District of Columbia Code and the regulations applicable thereto, and Titles 12 and 13 of the Maryland Tax-Property Code and the regulations applicable thereto and any other required Transfer Tax declarations or similar documentation required to evidence the payment of any Tax imposed by any state, county or municipality together with any change of ownership statements required under any legal requirements;

(h) the JBG REIT Opinions;

(i) intentionally omitted;

(j) Intentionally omitted;

(k) evidence of a cash contribution to Newco in an amount set forth on Section 2.3(k) of the JBG Disclosure Letter;

(l) counterpart signature pages to the GP Subcontracts, duly executed by the managing members of each of the JBG Funds and of the general partners or managing members of JBG Investment Fund I, L.P., JBG Investment Fund II, L.P., JBG Investment Fund III, L.P., JBG Investment Fund IV, L.L.C., JBG Investment Fund V, L.L.C., JBG/Recap Investors, L.L.C., JBG/SEFC Fund Investors, L.L.C. and JBG/SEFC Partners, L.L.C., as applicable; and

(m) all documents, items or agreements required to be delivered by the JBG Parties or their Affiliates under the Separation and Distribution Agreement, the JBG Merger Agreements and the JBG Contribution Agreements.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE VORNADO PARTIES

The following representations and warranties by the Vornado Parties set forth in this Article III are qualified in their entirety by reference to the disclosures (i) in any document or instrument attached as an exhibit to, or incorporated by reference in, any publicly available Vornado SEC Filings filed or furnished on or after January 1, 2016 and prior to the second Business Day preceding the date hereof; *provided*, *however*, that such disclosures in the Vornado SEC Filings shall not be deemed to qualify the representations and warranties made in Sections 3.1(a) and (c) (Organization and Qualification; Subsidiaries), Section 3.2 (Organizational Documents), Section 3.4 (Authority), Section 3.5 (No Conflict; Required Filings and Consents), and Section 3.24 (Brokers; Expenses) and (ii) set forth in the disclosure letter delivered by the Vornado Parties to the JBG Parties immediately prior to the execution of this Agreement (the "Vornado Disclosure Letter"). Each disclosure set forth in the Vornado Disclosure Letter shall qualify or modify the Section to which it corresponds and any other Section to the extent the applicability of the disclosure to each other Section is reasonably apparent from the text of the disclosure made.

Section 3.1. Organization and Qualification; Subsidiaries.

(a) Each Vornado Party is duly incorporated or organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, as the case may be, and has the requisite organizational power and authority and any necessary governmental authorization to own, lease and, to the extent applicable, operate its properties and to carry on its business as it is now being conducted. Each Vornado Party is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the character of the properties owned, operated or leased by it or the nature of its business makes such qualification,

licensing or good standing necessary, except for such failures to be so qualified, licensed or in good standing that, individually or in the aggregate, have not had and would not reasonably be expected to have a Vornado Material Adverse Effect. Each Vornado Party is in compliance in all material respects with the terms of its Governing Documents.

(b) Each of Newco and Newco OP is, or as of the Closing will be, duly incorporated or organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, as the case may be, and has, or will have as of the Closing, the requisite organizational power and authority and any necessary governmental authorization to own, lease and, to the extent applicable, operate its properties and to carry on its business as it is now being conducted. Each of Newco and Newco OP is, or as of the Closing will be, duly qualified or licensed to do business, and is, or as of the Closing will be, in good standing, in each jurisdiction where the character of the properties owned, operated or leased by it or the nature of its business makes such qualification, licensing or good standing necessary. Each of Newco and Newco OP is, or as of the Closing will be, in compliance in all material respects with the terms of is Governing Documents.

(c) Each Vornado Included Entity is duly incorporated or organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, as the case may be, and has the requisite organizational power and authority and any necessary governmental authorization to own, lease and, to the extent applicable, operate its properties (including its Vornado Included Assets) and to carry on its business as it is now being conducted, except for such failures to be so organized, in good standing or have certain power and authority that, individually or in the aggregate, have not had and would not reasonably be expected to have a Vornado Material Adverse Effect. Each Vornado Included Entity is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the character of the properties owned, operated or leased by it or the nature of its business makes such qualification, licensing or good standing necessary, except for such failures to be so qualified, licensed or in good standing that, individually or in the aggregate, have not had and would not reasonably be expected to have a Vornado Material Adverse Effect. Each Vornado Included Entity is in compliance in all material respects with the terms of its Governing Documents, except for such noncompliance that, individually or in the aggregate, have not had and would not reasonably be expected to have a Vornado Material Adverse Effect.

(d) Section 3.1(d) of the Vornado Disclosure Letter sets forth a true, correct and complete list of Newco, Newco OP and all of the Vornado Included Entities, including a list of each Vornado Included Entity that is a "qualified REIT subsidiary" within the meaning of Section 856(i)(2) of the Code ("Qualified REIT Subsidiary"), a "taxable REIT subsidiary" within the meaning of Section 856(l) of the Code ("Taxable REIT Subsidiary") or a real estate investment trust within the meaning of Sections 856 — 860 of the Code ("REIT"), together with (i) the jurisdiction of incorporation or organization, as the case may be, of each Vornado Included Entity, (ii) the type of and percentage of voting, equity, profits, capital and other beneficial interest held, directly or indirectly, by Vornado OP in and to each Vornado Included Entity, (iii) the names of and the type of and percentage of voting, equity, profits, capital and other beneficial interest held by any Person other than Vornado or a Vornado Subsidiary in each

Vornado Included Entity, and (iv) the classification for U.S. federal income tax purposes of each Vornado Included Entity. None of the Vornado Included Entities other than the Vornado REITs has elected or will elect to be treated as a REIT.

(e) Newco and Newco OP have been organized solely for the purpose of, and have not engaged in activities except in preparation for, the Transactions. The Vornado Included Entities have not engaged in any activities except for the acquisition, construction, development, ownership, operation, management, leasing and repair of the Vornado Included Properties and the management of properties belonging to third parties, and other activities ancillary thereto.

Section 3.2. Organizational Documents. Vornado has made available to the JBG Parties complete and correct copies of (i) Newco's declaration of trust (the "Newco Declaration") and Newco's bylaws, as amended to date (the "Newco Bylaws"), the Partnership Agreement and the certificate of limited partnership of Newco OP, and (ii) the Governing Documents of each Vornado Included Entity, each as in effect on the date hereof.

Section 3.3. Capital Structure; Subsidiaries.

(a) As of the date hereof, (i) the authorized capital stock of Newco consists of 1,000 Newco Shares; (ii) the outstanding partnership interests of Newco OP consist of an undivided one hundred percent (100%) limited partnership interest and a zero percent (0%) noneconomic general partner interest, respectively; (ii) all such Newco Shares are issued and outstanding and owned by Vornado; (iii) the one hundred percent (100%) limited partnership interest in Newco OP is owned by Vornado OP; (iv) the zero percent (0%) noneconomic general partner interest in Newco OP is owned by Vornado DC Spinco GP LLC, a Delaware limited liability company ("Newco GP"); and (v) all of the membership interests in Newco GP are owned by Newco OP. Immediately prior to the Closing, (x) the number of authorized Newco Shares shall be sufficient to issue the Equity Consideration to the JBG Parties and the JBG Designees and (y) the number of authorized OP Units shall be sufficient to issue the Equity Consideration to the JBG Parties and JBG Designees.

(b) All the outstanding shares of capital stock of each of Newco and any of the Vornado Included Entities that is a corporation or trust are, or in the case of Newco, will be as of the Closing, duly authorized, validly issued, fully paid and non-assessable. All Equity Interests in Newco OP and each of the Vornado Included Entities that is a partnership or limited liability company are, or in the case of Newco OP, will be as of the Closing, duly authorized and validly issued. All shares of capital stock of (or other ownership interests in) Newco, Newco OP and each of the Vornado Included Entities that may be issued upon exercise of outstanding options or exchange rights are, or in the case of Newco and Newco OP, will be as of the Closing, duly authorized and, upon issuance, will be validly issued and in the case of Newco, fully paid and non-assessable. Immediately prior to the Vornado Distribution (as defined in Section 1.1 of the Vornado Disclosure Letter), (i) Vornado will own all of the issued and outstanding Newco Shares, (ii) Newco will own all of the limited partnership interests in Newco OP except for those limited partnership interests in Newco OP previously distributed to the limited partners of Vornado OP pursuant to the Pre-Combination Transactions, (iii) Newco GP will own one

hundred percent (100%) of the general partnership interests in Newco OP, and (iv) Newco will own one hundred percent (100%) of the limited liability company interests in Newco GP. Except as set forth in Section 3.3(b) of the Vornado Disclosure Letter, Vornado OP owns, directly or indirectly, all of the issued and outstanding capital stock and other ownership interests of each of the Vornado Included Entities, free and clear of all Liens other than statutory or other Liens for Taxes or assessments which are not yet due or delinquent or the validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves are maintained on Vornado's Financial Statements in accordance with GAAP to the extent required under GAAP, and there are no existing options, warrants, calls, subscriptions, convertible securities or other securities, agreements, commitments (other than commitments to contribute capital to Joint Ventures) or obligations of any character relating to the outstanding capital stock or other securities of any Vornado Included Entity or which would require any Vornado Included Entity to issue or sell any shares of its capital stock, ownership interests or securities convertible into or exchangeable for shares of its capital stock or ownership interests.

(c) Except as set forth in this Agreement or in Section 3.3(c) of the Vornado Disclosure Letter, there are no securities, options, warrants, calls, rights, commitments, agreements, rights of first refusal, arrangements or undertakings of any kind to which Newco, Newco OP or any of the Vornado Included Entities is a party or by which any of them is bound, obligating Newco, Newco OP or any Vornado Included Entity to issue, deliver or sell or create, or cause to be issued, delivered or sold or created, additional Newco Shares, OP Units, or any other partnership units or other Equity Interests or phantom stock or other contractual rights the value of which is determined in whole or in part by the value of or in reference to any equity security of Newco, Newco OP or any Vornado Included Entity or obligating Newco, Newco OP or any Vornado Included Entity to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, right of first refusal, arrangement or undertaking. Except as set forth in this Agreement or in Section 3.3(c) of the Vornado Disclosure Letter, there are no outstanding contractual obligations of Newco, Newco OP or any Vornado Included Entity to repurchase, redeem or otherwise acquire any Newco Shares, OP Units, or any other partnership units

or other Equity Interests. None of Newco, Newco OP or any Vornado Included Entity is a party to or bound by any agreements or understandings concerning the voting (including voting trusts and proxies) of any capital stock of Newco, Newco OP or any Vornado Included Entity.

(d) Section 3.1(d) of the Vornado Disclosure Letter sets forth Vornado OP's direct or indirect percentage ownership interests in Newco, Newco OP and each of the Vornado Included Entities as of the date hereof, and, subject to the exceptions set forth on Section 3.1(d) of the Vornado Disclosure Letter, Vornado OP will own not less than such percentage immediately prior to the consummation of the Pre-Combination Transactions except as adjusted or modified as permitted under this Agreement. Except as set forth on Section 3.1(d) of the Vornado Disclosure Letter, each Vornado Included Entity is and, immediately prior to the Pre- Combination Transactions, will be, directly or indirectly wholly owned by Vornado OP. Newco is and, immediately prior to the Vornado Distribution, will be directly or indirectly wholly owned by Vornado. Newco OP is and, immediately prior to the Pre-Combination Transactions, will be, directly or indirectly wholly owned by Vornado OP.

(e) With regard to the Vornado Included Interests, except as set forth in Section 3.3(e) of the Vornado Disclosure Letter, all of the material capital obligations currently due and payable of Newco, Newco OP and any Vornado Included Entity and, to the knowledge of the Vornado Parties, all of the material capital obligations currently due and payable of any Joint Venture Partner have been fully funded. To the knowledge of the Vornado Parties, except as set forth in Section 3.3(e) of the Vornado Disclosure Letter, no Joint Venture Partner has made or advanced any loans that would adversely impact the Vornado Parties' share of distributions from the Joint Venture.

(f) As of the date hereof, (i) no right of first offer, forced sale, buy/sell or similar right under any Joint Venture Agreement has been exercised by any Vornado Party or any Vornado Included Entity, on the one hand, or any Joint Venture Partner of a Vornado Party or Vornado Included Entity, on the other hand, or is the exercise of any such right now pending or proposed and (ii) no Joint Venture to which a Vornado Included Entity is party has been dissolved or liquidated and not reconstituted in accordance with the applicable Joint Venture Agreement and no event or condition which would trigger or result in the dissolution or liquidation of a Joint Venture has occurred and is continuing without the reconstitution of such Person in accordance with the applicable Joint Venture Agreement.

Section 3.4. Authority.

(a) Each of the Vornado Parties, Newco and Newco OP has all necessary corporate, trust or limited partnership power and authority, as applicable, to execute and deliver this Agreement, and each Ancillary Document to be executed and delivered by it at the Closing, to perform its obligations hereunder and thereunder, and to consummate the Transactions. The execution, delivery and performance by the Vornado Parties, Newco and Newco OP of this Agreement and the execution, delivery and performance by such Vornado Party, Newco or Newco OP of each Ancillary Document to which such Vornado Party, Newco or Newco OP is or will be a party and the consummation by the Vornado Parties, Newco and Newco OP of the Transactions have been duly and validly authorized by all necessary corporate, trust and limited partnership action, and no other corporate, trust or limited partnership proceedings on the part of the Vornado Parties, Newco or Newco OP, as applicable, are, or in the case of Newco and Newco OP, will be as of the Closing, necessary to authorize the execution and delivery by any Vornado Party, Newco and Newco OP of this Agreement, any such Ancillary Document and the consummation by it of the Transactions, subject to the filing with and acceptance by, the applicable Governmental Entity, of any certificate or articles of merger for any merger contemplated by the Transactions. This Agreement has been, and each Ancillary Document to which it is or will be contemplated that such Vornado Party, Newco or Newco OP will be party is or will be, duly executed and delivered by such Vornado Party, Newco or Newco OP (as applicable) and, assuming due and valid authorization, execution and delivery hereof and thereof by such JBG Parties party thereto, is or will be a valid and binding obligation of such Vornado Party, Newco or Newco OP, enforceable against such Vornado Party, Newco or Newco OP in accordance with its terms, except as the enforcement hereof or thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in

effect, relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at Law).

(b) Each of the Vornado Board and the Newco Board, at a duly held meeting, has duly and validly authorized the execution and delivery of this Agreement and each Ancillary Document to be executed and delivered by Vornado and Vornado OP at the Closing, which resolutions remain in full force and effect and have not been subsequently rescinded, modified or withdrawn in any way.

Section 3.5. No Conflict; Required Filings and Consents.

(a) Except as set forth in Section 3.5(a) of the Vornado Disclosure Letter, none of the execution, delivery or performance of this Agreement or the Ancillary Documents to which any Vornado Party, Newco or Newco OP is a party, the consummation of the Transactions or compliance by such Vornado Parties, Newco or Newco OP with any of the provisions of this Agreement or any Ancillary Document will (i) conflict with or result in any breach of any provision of (A) the Newco Declaration, the Newco Bylaws, the certificate of limited partnership of Newco OP or the Partnership Agreement or (B) any Governing Documents of any Vornado Party or Vornado Included Entity, (ii) assuming that all consents, approvals, authorizations and permits described in Section 3.5(b) have been obtained, all filings and notifications described in Section 3.5(b) have been made and any waiting periods thereunder have terminated or expired, require any filing by the Vornado Parties, Newco or Newco OP with, or the obtaining of any permit, authorization, consent or approval of, any court, arbitral tribunal, administrative agency or commission or other governmental or other regulatory authority or agency, whether foreign, federal, state or local (a "Governmental Entity") (except for (x) compliance with applicable requirements of the Exchange Act and (y) such filings as may be required in connection with state and local Transfer Taxes), (iii) automatically result in a modification, violation or breach of, or material increase in cost or obligation of any Vornado Included Entity, Newco or Newco OP under, or constitute (with or without notice or lapse of time or both) a default (or give rise to any right to others, including, but not limited to, any right of termination, amendment, cancellation or acceleration) under, or give rise to any right of purchase, first offer or forced sale under or result in the creation of a Lien on any property or asset of any Vornado Included Entity, Newco or Newco OP pursuant to any note, bond, mortgage, debt instrument, indenture, contract, agreement, ground lease, license, permit or other legally binding obligation to which any Vornado Included Entity, Newco or Newco OP is a party, (iv) assuming that all consents, approvals, authorizations and permits described in Section 3.5(b) have been obtained, all filings and notifications described in Section 3.5(b) have been made and any waiting periods thereunder have terminated or expired, violate any order, writ, injunction, decree or Law applicable to such Vornado Parties, Newco or Newco OP or any of their respective properties or assets, (v) require any consent or approval of, or notice to, any other Person, under any of the terms, conditions or provisions of (x) any Vornado Ground Lease other than any Vornado Ground Lease set forth in Section 3.5(a)(v)(x) of the Vornado Disclosure Letter (the "Required Vornado Ground Lease Consents"), (y) any Joint Venture Agreement of a Vornado Included Entity other than any Joint Venture Agreement set forth on Section 3.5(a)(v)(y) of the Vornado Disclosure Letter (the "Required Vornado JV Consents"), or (z) any Contract constituting an Indebtedness obligation

of a Vornado Included Entity that relates to any of the Vornado Included Assets or pursuant to which any Vornado Included Entity could become an obligor pursuant to the Transactions other than any such Contract set forth on Section 3.5(a)(v)(z) of the Vornado Disclosure Letter (the "Required Vornado Debt Consents"), or (vi) require any consent or approval of, or notice to, any other Person, including, without limitation, from limited partners, members or parties to leases or other agreements or commitments, except, as to clauses (i)(B), (ii), (iii), (iv) and (vi), respectively, for any such conflicts, violations, breaches, defaults or other occurrences which, individually or in the aggregate, have not had and would not reasonably be expected to have a Vornado Material Adverse Effect.

(b) The execution and delivery of this Agreement or the Ancillary Documents to which any Vornado Party, Newco or Newco OP is a party does not, and the performance of this Agreement, any Ancillary Document or the Ancillary Documents to which any Vornado Party, Newco or Newco OP is a party will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity, except for (i) such reports under, and compliance with, the Exchange Act (and the rules and regulations promulgated thereunder) and the Securities Act (and the rules and regulations promulgated thereunder) as may be required in connection with this Agreement and the Transactions, (ii) as may be required under the rules and regulations of the NYSE, (iii) filings, permits, authorizations, consents, waiting period expirations or terminations, and approvals as may be required under the Hart- Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (iv) the filing with SDAT of an amendment and restatement of the Newco Declaration (the "Declaration of Trust Amendment and Restatement") and any articles of merger and the acceptance for record by SDAT of the Declaration of Trust Amendment and Restatement and any such articles of merger, or the filing of any certificate of merger with the Delaware Secretary of State, in each case, as required in connection with any merger contemplated by the Transactions, (v) such filings and approvals as may be required by any applicable state securities or "blue sky" Laws, (vi) such filings as may be required in connection with state and local Transfer Taxes and ordinary course information reporting filings required to be made with the IRS, and (vii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, individually or in the aggregate, has not had and would not reasonably be expected to have a Vornado Material Adverse Effect.

Section 3.6. Financial Statements.

(a) Attached as Section 3.6(a) of the Vornado Disclosure Letter are copies of the following: balance sheets, statements of income, statements of changes in equity and statements of cash flows with respect to the Vornado Included Assets on an aggregate basis, each unaudited and with any footnotes in draft format only, as of and for the fiscal years ended December 31, 2015, 2014 and 2013 and the unaudited consolidated balance sheet as of June 30, 2016 and the related consolidated statements of operations and comprehensive income, consolidated statements of changes in partners' deficit and consolidated statements of cash flows as of and for the six months ended June 30, 2016 and 2015, each unaudited and with any footnotes in draft format only (collectively, the "Newco Financial Statements"). The Newco Financial Statements were derived from the books and records of the Vornado Parties and their

Subsidiaries and were prepared in accordance with GAAP (it being understood, however, that the Vornado Included Entities have not been operating historically as a separate "standalone" entity or reporting segment and, therefore, when the Newco Financial Statements (including footnotes) are audited and filed in connection with the Form 10 (in such form, the "Newco Audited Financial Statements"), they will reflect certain adjustments necessary to be presented on a stand-alone basis in accordance with GAAP and SEC requirements), subject in the case of unaudited combined financial statements, to normal year-end adjustments, as at the dates and for the periods presented, and present fairly in all material respects the financial position, results of operations and cash flows of the Vornado Included Assets as at the dates and for the periods presented. The Newco Financial Statements present fairly, in all material respects, the combined financial position and the combined results of operations of the Vornado Included Entities (taken as a whole and assuming none of them had been designated as Kickout Interests), as of the respective dates thereof or the periods then ended, in each case except as may be noted therein (it being understood, however, that the Vornado Included Entities have not been operating historically as a separate "standalone" entity or reporting segment and, therefore, the Newco Audited Financial Statements will reflect certain adjustments necessary to be presented on a stand-alone basis in accordance with GAAP and SEC requirements).

(b) When delivered, the Newco Audited Financial Statements will present fairly, in all material respects, the combined financial position and the combined results of operations of the Vornado Included Entities (taken as a whole and assuming none of them had been designated as Kickout Interests) as of the dates thereof or for the periods covered thereby, and will have been prepared in accordance with GAAP consistently applied based on the historic practices and accounting policies of Vornado to the extent compliant with GAAP (it being understood, however, that the Vornado Included Entities have not been operating historically as a separate "standalone" entity or reporting segment and, therefore, the Newco Audited Financial Statements will reflect certain adjustments necessary to be presented on a stand-alone basis in accordance with GAAP and SEC requirements). The Newco Audited Financial Statements will conform in all material respects to the published rules and regulations of the SEC applicable to financial statements for each of the periods that will be required to be included in the Form 10.

(c) With respect to Newco and Newco OP, Vornado and its Subsidiaries maintain, and have maintained, a standard system of accounting established and administered in accordance with GAAP applied on a consistent basis. Vornado and its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions in the Vornado Included Entities, Newco and Newco OP are executed in accordance with management's general or specific authorizations; (ii) transactions in the Vornado Included Entities, Newco and Newco OP are recorded as necessary to permit preparation of Newco Financial Statements in conformity with GAAP applied on a consistent basis and to maintain accountability for assets of the Vornado Included Entities, Newco and Newco OP; (iii) access to assets of the Vornado Included Entities, Newco and Newco OP is permitted only in accordance with management's general or specific authorizations; and (iv) the recorded accountability for assets of the Vornado Included Entities, Newco and Newco OP is compared with the existing assets at reasonable intervals and appropriate action is to be taken with respect to any differences.

(d) Vornado and Vornado OP maintain disclosure controls and procedures required by Rule 13a-15 or Rule 15d-15 under the Exchange Act, including in relation to the Vornado Included Assets, and such controls and procedures are effective to ensure that all material information concerning Vornado and Vornado OP and their subsidiaries in relation to the Vornado Included Assets is made known on a timely basis to the individuals responsible for the preparation of Vornado SEC Filings and other public disclosure documents. As used in this Section 3.6, the term "filed" shall be broadly construed to include any manner in which a document or information is furnished, supplied or otherwise made available to the SEC.

Section 3.7. No Undisclosed Liabilities. Except as reflected or reserved against on the most recent balance sheet (or in the notes thereto) included in the Newco Financial Statements, none of Newco, Newco OP or any Vornado Included Entity has any liabilities or obligations of any nature (whether accrued, contingent or otherwise) which are required by GAAP to be reflected in a consolidated balance sheet, except for liabilities or obligations (i) expressly contemplated by, or arising out of, or under this Agreement, (ii) incurred in the ordinary course of business consistent with past practice since the most recent balance sheet set forth in the Newco Financial Statements made through and including the date of this Agreement, (iii) described in Section 3.7 of the Vornado Disclosure Letter or (iv) that, individually or in the aggregate, have not had and would not reasonably be expected to have a Vornado Material Adverse Effect.

Section 3.8. Absence of Certain Changes or Events. Between June 30, 2016 and the date hereof, (a) except as contemplated by this Agreement or as set forth in Section 3.8 of the Vornado Disclosure Letter, Newco, Newco OP and each Vornado Included Entity has conducted its business in the ordinary course in all material respects consistent with past practice and (b) there has not been any Vornado Material Adverse Effect, or any effect, event, development or circumstance that, individually or in the aggregate with all other effects, events, developments and changes, would reasonably be expected to result in a Vornado Material Adverse Effect.

Section 3.9. Litigation. Except as, individually or in the aggregate, has not had and would not reasonably be expected to have a Vornado Material Adverse Effect or adversely affect the ability of Newco, Newco OP, any Vornado Included Entity, any Vornado Party or any other Subsidiary of a Vornado Party to perform its obligations hereunder or under any Ancillary Documents to which such Person is a party, or prevent or materially delay the consummation of the Transactions, and except as set forth in Section 3.9 of the Vornado Disclosure Letter, as of the date hereof, (a) there is no litigation, claim, action, suit, arbitration, alternative dispute resolution action, order, decree, writ, injunction, government investigation, proceeding or any other judicial or administrative proceeding, in Law or equity (each, an "Action"), pending against (or to the knowledge of the Vornado Parties, threatened in writing against), Newco, Newco OP, any Vornado Included Entity or their Included Assets or any Vornado Party, nor, to the knowledge of the Vornado Parties, is there any investigation by a Governmental Entity pending or threatened in writing against Newco, Newco OP or any Vornado Included Entity, and (b) none of Newco, Newco OP, any Vornado Included Entity or with respect to any Included Assets thereof or any Vornado Party is subject to any outstanding order, writ, injunction, decree or arbitration ruling or judgment or award of any Governmental Entity.

Section 3.10. Taxes. Except as expressly set forth in Section 3.10 of the Vornado Disclosure Letter:

(a) Newco, Newco OP and each Vornado Included Entity each has (i) duly and timely filed (or caused to be filed on its behalf) with the appropriate Governmental Entity all U.S. federal and all other material Tax Returns required to be filed by it,

taking into account any extensions of time within which to file such Tax Returns, and all such Tax Returns were and are true, correct and complete in all material respects and (ii) duly and timely paid in full (or there has been duly and timely paid in full on its behalf), or made adequate provision for, all material amounts of Taxes required to be paid by it.

(b) Each Vornado REIT and Newco (i) for its First Applicable Year and through and including its taxable year ended December 31, 2015 (and, for purposes of Section 7.3(a), through and including its taxable year ended December 31, 2016, if the Closing Date occurs in the taxable year ending December 31, 2017) has been subject to taxation as a REIT and has satisfied all requirements to qualify as a REIT for such taxable years; (ii) has operated since January 1, 2016 (and, for purposes of Section 7.3(a), January 1, 2017, if the Closing Date occurs in the taxable year ending December 31, 2017) to the date hereof in such a manner so as to qualify as a REIT; (iii) intends to continue to operate through the Closing Date in such a manner so as to qualify as a REIT; and (iv) has not taken or omitted to take any action that would reasonably be expected to result in a challenge by the IRS or any other Governmental Entity to its status as a REIT, and no such challenge is pending or threatened in writing.

(c) Since the later of its acquisition or formation by Vornado, Newco, Newco OP and each Vornado Included Entity has been and continues to be treated for U.S. federal Tax purposes as a (A) a partnership (or a disregarded entity) and not as a corporation or an association or publicly traded partnership taxable as a corporation, (B) a Qualified REIT Subsidiary, (C) a Taxable REIT Subsidiary, or (D) a REIT.

(d) Other than H Street, UBI and their respective Subsidiaries (and any successors thereof), none of Newco, Newco OP nor any Vornado Included Entity holds, directly or indirectly, any asset the disposition of which would be subject to (or to rules similar to) Section 1374 of the Code or, taking into account the Transactions, Treasury Regulations Section 1.337(d)-7 and Temporary Treasury Regulations Section 1.337(d)-7T.

(e) (i) There are no audits, investigations or proceedings pending (or threatened in writing) for and/or in respect of any material Taxes or material Tax Returns of Newco, Newco OP or any Vornado Included Entity and none of Newco, Newco OP or any Vornado Included Entity is a party to any litigation or administrative proceeding relating to a material amount of Taxes; (ii) no deficiency for a material amount of Taxes of Newco, Newco OP or any Vornado Included Entity has been claimed, proposed or assessed in writing or, to the knowledge of Vornado, threatened in writing, by any Governmental Entity, which deficiency has not yet been settled, except for such deficiencies which are being contested in good faith; (iii) none of Newco, Newco OP or any Vornado Included Entity has extended or waived (nor granted any extension or waiver of) the limitation period for the assessment or collection of any material

amount of Tax that has not since expired; and (iv) none of Newco, Newco OP or any Vornado Included Entity has entered into any "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax Law) regarding a material amount of Tax.

(f) Since its formation, (i) none of Newco, Newco OP or any Vornado Included Entity has incurred any material liability for Taxes under Sections 857(b), 860(c) or 4981 of the Code that has not been previously paid; and (ii) none of Newco, Newco OP or any Vornado Included Entity has incurred any material liability for any other Taxes other than (x) in the ordinary course of business, or (y) transfer or similar Taxes arising in connection with acquisitions or dispositions of property. No event has occurred, and no condition or circumstance exists, which presents a material risk that any material amount of Tax described in the previous sentence will be imposed upon Newco, Newco OP or any Vornado Included Entity (other than transfer or similar Taxes arising in connection with the Transactions).

(g) Newco, Newco OP and each Vornado Included Entity have complied in all material respects with all applicable Laws relating to the payment and withholding of Taxes (including withholding of Taxes pursuant to Sections 1441, 1442, 1445, 1446 and 3402 of the Code or similar provisions under any state and foreign Laws) and have duly and timely withheld and, in each case, have paid over to the appropriate Governmental Entities any and all material amounts required to be so withheld and paid over on or prior to the due date thereof under all applicable Laws.

(h) Except as described on Section 3.10(h) of the Vornado Disclosure Letter, there are no Vornado Included Entity Tax Protection Agreements (as hereinafter defined) in force as of the date of this Agreement, and, as of the date of this Agreement, no Person has raised in writing a material claim against any Vornado Included Entity for any breach of any Vornado Included Entity Tax Protection Agreement. As used herein, "Vornado Included Entity Tax Protection Agreement" means any written agreement which Newco, Newco OP or any Vornado Included Entity is a party to or is otherwise bound by or subject to pursuant to which: (i) any liability to holders of limited partnership interests in a Vornado Included Entity that is a partnership for U.S. federal income tax purposes relating to Taxes may arise, whether or not as a result of the consummation of the Transactions; and/or (ii) in connection with the deferral of income Taxes of a holder of limited partnership interests in a Vornado Included Entity that is a partnership for U.S. federal income tax purposes, Newco, Newco OP or the Vornado Included Entities have agreed to (A) maintain a minimum level of debt, continue a particular debt or provide rights to guarantee debt, (B) retain or not dispose of assets for a period of time that has not since expired, (C) make or refrain from making Tax elections, and/or (D) only dispose of assets in a particular manner.

(i) There are no material Tax Liens upon any property or assets of Newco, Newco OP or any Vornado Included Entity except Liens for Taxes not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP.

(j) None of Newco, Newco OP or any Vornado Included Entity (A) has been a member of an affiliated group filing a consolidated U.S. federal income Tax Return or (B) has any liability for material amounts of Taxes of any Person (other than Vornado, Newco, Newco OP or any Vornado Included Entity) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor.

(k) None of Newco, Newco OP or any Vornado Included Entity has participated in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2).

(l) Other than in connection with the distribution by Vornado of its Equity Interests in Urban Edge Properties to its stockholders on January 15, 2015 and the Pre- Combination Transactions, none of Vornado, Newco, Newco OP or any of the Vornado Included Entities has constituted either a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a) of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code in the two (2) years prior to the date of this Agreement.

(m) None of Newco, Newco OP or any of the Vornado Included Entities (other than Taxable REIT Subsidiaries and other than, in the case of any Vornado REITs, during any taxable year before its First Applicable Year) currently has or, as of December 31 of any taxable year through and including the taxable year ended December 31 immediately prior to the Closing Date, has had any earnings and profits attributable to such entity or any other corporation in any non-REIT year within the meaning of Section 857(a) of the Code.

Section 3.11. Material Contracts.

(a) Except for contracts listed in Section 3.11(a) of the Vornado Disclosure Letter or publicly filed by Vornado or Newco with the SEC, as of the date of this Agreement, none of Newco, Newco OP or any Vornado Included Entity is a party to or bound by or subject to any contract that, as of the date hereof:

(i) obligates Newco, Newco OP or such Vornado Included Entity to make non-contingent aggregate annual expenditures (other than principal and/or interest payments or the deposit of other reserves with respect to debt obligations) in excess of $500,000 and is not cancelable within ninety (90) days without material penalty to such Vornado Included Entity, except for any lease under which such Vornado Included Entity is lessee or any ground lease affecting any Vornado Included Property or relates to tenant improvement expenses under a Vornado Lease;

(ii) contains any non-compete or exclusivity provisions with respect to any line of business or geographic area that restricts the business of Newco, Newco OP or such Vornado Included Entity in any material respect, or would otherwise limit the freedom of such Persons with respect to, or restrict the lines of business conducted by Newco, Newco OP or such Vornado Included Entity or the geographic area in which

Newco, Newco OP or such Vornado Included Entity may conduct business in any material respect, excluding any such contract that is a Vornado Lease;

(iii) is an agreement which obligates Newco, Newco OP or such Vornado Included Entity to indemnify any past or present directors, officers, trustees, employees and agents of Vornado, Newco, Newco OP or such Vornado Included Entity pursuant to which Newco, Newco OP or such Vornado Included Entity is the indemnitor, in each case, other than pursuant to any Governing Documents, operating agreements, property management agreements, advisory agreements or any similar agreement;

(iv) obligates Newco, Newco OP or such Vornado Included Entity to any material continuing contractual obligation (i) for indemnification under any agreements relating to the sale of real property, or any other business or material assets, previously owned, whether directly or indirectly, by Newco, Newco OP or such Vornado Included Entity that are reasonably likely to involve a Liability of $1,000,000 or more or (ii) to make payments, contingent or otherwise, on account of prior acquisitions or sales of any Vornado Included Property;

(v) constitutes an Indebtedness obligation of Newco, Newco OP or such Vornado Included Entity with a principal amount outstanding as of the date hereof greater than $500,000, other than any such Indebtedness for which all parties are Vornado Included Entities;

(vi) requires Newco, Newco OP or such Vornado Included Entity to dispose of or acquire assets or properties (other than in connection with the expiration of a Vornado Lease or a ground lease affecting a Vornado Included Property) with a fair market value in excess of $1,000,000, or involves any pending or contemplated merger, consolidation or similar business combination transaction, except for any Vornado Lease or any ground lease affecting any Vornado Included Property;

(vii) constitutes an interest rate cap, interest rate collar, interest rate swap or other contract or agreement relating to a hedging transaction that relates to any of Newco, Newco OP or a Vornado Included Entity or to Indebtedness secured by any Vornado Included Asset;

(viii) is an agreement, arrangement or understanding between Newco, Newco OP or such Vornado Included Entity, on the one hand, and any other Vornado Party, any Affiliate of Vornado, Newco, Newco OP, any other Vornado Included Entity, or any Vornado Party's respective current directors, officers, trustees, partners, members or other Affiliates, on the other hand, other than any such agreement (A) where all parties are Vornado Included Entities, (B) which will be terminated on or before the Closing or (C) which will otherwise not be binding on Newco, Newco OP or a Vornado Included Entity following Closing;

(ix) sets forth the operational terms of a joint venture, partnership, limited liability company or strategic alliance of Newco, Newco OP or such Vornado Included Entity with any party other than a Vornado Included Entity;

(x) constitutes a loan to any Person (other than a wholly owned Vornado Included Entity) by Newco, Newco OP or such Vornado Included Entity (other than advances made pursuant to the Vornado Leases or any disbursement agreement, development agreement, or development addendum entered into in connection with a Vornado Lease with respect to the development, construction, or equipping of Vornado Included Properties or the funding of improvements to Vornado Included Properties) in an amount in excess of $500,000;

(xi) is an agreement obligating Newco, Newco OP or such Vornado Included Entity to provide any funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other Person in excess of $500,000;

(xii) is an agreement entered into by Newco, Newco OP or such Vornado Included Entity with or for the benefit of any Governmental Entity requiring payment in excess of $500,000 in any calendar year remaining in its term or requires total remaining payment in excess of $500,000, other than any such agreement that is a Vornado Lease or Vornado Ground Lease;

(xiii) is a gross maximum price contract or an agreement for any construction or development work (including any additions or expansions) which are currently in effect and under which Newco, Newco OP or such Vornado Included Entity currently has an obligation in excess of $5,000,000;

(xiv) is a management agreement (i.e., contracts providing for or otherwise governing the management and/or operation of any Vornado Included Entities or Vornado Included Properties), including, without limitation, leasing, asset management, construction management and property management agreements pursuant to which Newco, Newco OP or such Vornado Included Entity are obligated to pay to another party an amount in excess of $1,000,000, other than any such agreement where all parties are Vornado Included Entities;

(xv) is a leasing, development management or property management agreement pursuant to which Newco, Newco OP or any Vornado Included Entity perform such services for a third-party, other than any Vornado Lease or any such agreement where all parties are Vornado Included Entities; or

(xvi) is an agreement that obligates payments to any Person contingent on the future operating results or other similar future events having a material economic effect relating to the Vornado Included Assets or arising out of prior results, leases, acquisitions or sales in respect of the Vornado Included Assets pursuant to which Newco,

Newco OP or such Vornado Included Entity could become an obligor pursuant to the Transactions.

Each contract of the type described above in this Section 3.11(a), whether or not listed on Section 3.11(a) of the Vornado Disclosure Letter, to which Newco, Newco OP or any Vornado Included Entity is a party or by which it is bound as of the date hereof is

referred to herein as a "Vornado Material Contract". True and complete copies of each Vornado Material Contract listed on Section 3.11(a) of the Vornado Disclosure Letter have been provided or made available to the JBG Parties.

(b) Except as, individually or in the aggregate, has not had and would not reasonably be expected to have a Vornado Material Adverse Effect, each Vornado Material Contract is legal, valid, binding and enforceable on Newco, Newco OP or each Vornado Included Entity that is a party thereto and, to the knowledge of Vornado, each other party thereto, and is in full force and effect, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at Law). Except as, individually or in the aggregate, have not had and would not reasonably be expected to have a Vornado Material Adverse Effect, Newco, Newco OP and each Vornado Included Entity has performed all obligations required to be performed by it prior to the date hereof under each Vornado Material Contract and, to the knowledge of Vornado, each other party thereto has performed all obligations required to be performed by it prior to the date hereof under each Vornado Material Contract. None of Newco, Newco OP or any Vornado Included Entity, nor, to the knowledge of Vornado, any other party thereto, is in material breach or violation of, or default under, any Vornado Material Contract, and no event has occurred that, with notice or lapse of time or both, would constitute a violation or breach of, or default under, any Vornado Material Contract, except where in each case such breach, violation or default is not reasonably likely to have, individually or in the aggregate, reasonably be expected to have a Vornado Material Adverse Effect. None of Newco, Newco OP or any Vornado Included Entity has given or received notice of any violation or default under any Vornado Material Contract, except for violations or defaults that would not, individually or in the aggregate, reasonably be expected to have a Vornado Material Adverse Effect.

Section 3.12. Environmental Matters. Except as, individually or in the aggregate, has not had and would not reasonably be expected to have a Vornado Material Adverse Effect, or as set forth in Section 3.12 of the Vornado Disclosure Letter: (a) Newco, Newco OP and each Vornado Included Entity is in compliance with all Environmental Laws; (b) none of Vornado, Vornado OP, Newco, Newco OP or any Vornado Included Entity has received any written notice, demand, letter or claim alleging that Vornado, Newco, Newco OP or any such Vornado Included Entity is in violation of, or liable under, any Environmental Law or with respect to Hazardous Substances or that any judicial, administrative or compliance order has been issued against Newco, Newco OP or any Vornado Included Entity, in each case, which remains unresolved and which relates to any of the Vornado Included Assets; and (c) none of Newco, Newco OP or any Vornado Included Entity has entered into or agreed to any consent decree or order or is subject to any judgment, decree or judicial, administrative or compliance order

relating to compliance with Environmental Laws, Environmental Permits or the investigation, claim, sampling, monitoring, treatment, remediation, removal or cleanup of Hazardous Substances and no investigation, litigation or other proceeding is pending or, to the knowledge of Vornado, threatened against Newco, Newco OP or any Vornado Included Entity under any Environmental Law, in each case, that relates to the Vornado Included Assets. This Section 3.12 contains the exclusive representations and warranties of Vornado with respect to environmental matters.

Section 3.13. Compliance with Laws; Permits.

(a) As of the date hereof, (i) Newco, Newco OP and each Vornado Included Entity has complied and is in compliance with all Laws applicable to Newco, Newco OP or such Vornado Included Entity or by which their Vornado Included Assets and Vornado Included Properties are bound and (ii) no notice, charge or assertion has been received by or, to the knowledge of Vornado, threatened against, Newco, Newco OP or any Vornado Included Entity alleging any non-compliance with any such Laws, except in each case above for such non- compliance that has not had and would not reasonably be expected to have a Vornado Material Adverse Effect. Notwithstanding anything to the contrary in this Section 3.13(a), the provisions of this Section 3.13(a) shall not apply to matters covered by Section 3.12 (Environmental Matters).

(b) Newco, Newco OP and each Vornado Included Entity is in possession of all authorizations, licenses, permits, certificates, approvals variances, exemptions, orders, franchises, certifications and clearances of any Governmental Entity necessary for Newco, Newco OP or such Vornado Included Entity to own, lease and operate its properties or to carry on its respective business as currently conducted (the "Vornado Permits"), and all such Vornado Permits are valid, and in full force and effect, individually or in the aggregate, except where the failure to possess and maintain such Vornado Permits in full force and effect, individually or in the aggregate, has not had and would not reasonably be expected to have a Vornado Material Adverse Effect. All applications required to have been filed for the renewal of the Vornado Permits have been filed on a timely basis with the appropriate Governmental Entity, and all other filings required to have been made with respect to such Vornado Permits have been duly made on a timely basis with the appropriate Governmental Entity, except in each case, where such failure to do so, individually or in the aggregate, has not had and would not reasonably be expected to have a Vornado Material Adverse Effect. None of Newco, Newco OP or any Vornado Included Entity has received any claim or notice, nor has any knowledge indicating, that Newco, Newco OP or such Vornado Included Entity currently is not in compliance with the terms of any Vornado Permit, except where the failure to be in compliance with the terms of any such Vornado Permit, individually or in the aggregate, would not have had and would not reasonably be expected to have a Vornado Material Adverse Effect.

(c) None of Newco, Newco OP or any Vornado Included Entity is an "investment company" within the meaning of the Investment Company Act.

Section 3.14. Intellectual Property. Except as set forth on Section 3.14 of the Vornado Disclosure Letter or, as individually or in the aggregate, has not had and would not reasonably be expected to have a Vornado Material Adverse Effect, (a) Newco, Newco OP and the Vornado Included Entities own or are licensed or otherwise possess valid rights to use all Intellectual Property used in the conduct of their business as it is currently conducted, (b) the conduct of the business of Newco, Newco OP and the Vornado Included Entities as it is currently conducted does not infringe, misappropriate or otherwise violate and, to the knowledge of Vornado, is not alleged to infringe, misappropriate or otherwise violate, the Intellectual Property rights of any third party, (c) there are no pending or, to the knowledge of Vornado, threatened claims with respect to any of the Intellectual Property rights owned by Newco, Newco OP or any Vornado Included Entity, and (d) to the knowledge of Vornado, no third party is currently infringing or misappropriating Intellectual Property rights of Newco, Newco OP or any Vornado Included Entity. This Section 3.14 contains the exclusive representations and warranties of Vornado with respect to Intellectual Property matters.

Section 3.15. Properties.

(a) Section 3.15(a) of the Vornado Disclosure Letter sets forth a list of (i) each Vornado Included Property, and (ii) whether the applicable Vornado Included Entity directly or indirectly owns such Vornado Included Property in fee simple or directly or indirectly holds such Vornado Included Property pursuant to a leasehold, ground leasehold or some other property interest. Except as expressly set forth in Section 3.15(a) of the Vornado Disclosure Letter, as of the date hereof there are no real properties that Newco, Newco OP or any Vornado Included Entity is obligated to buy, lease or sublease at some future date, or otherwise enter into any contract for sale, ground lease or letter of intent to sell or ground lease any such Vornado Included Property or any portion thereof (in each case, excluding any Vornado Leases and the Vornado Ground Leases), and no commissions, fees or other amounts are payable (or are to become payable) in connection with the acquisition or disposition of any Vornado Included Property.

(b) The applicable Vornado Included Entity owns good and marketable fee simple title or leasehold title (as applicable) to each of the Vornado Included Properties, in each case, free and clear of Liens, except for Vornado Permitted Liens. Except as set forth on Section 3.15(b) of the Vornado Disclosure Letter, the Vornado Included Entities have not granted, and to the knowledge of Vornado, none of the Vornado Included Properties is subject to, unexpired option to purchase agreements, rights of first refusal or first offer or any other rights to purchase or otherwise acquire any Vornado Included Property or any portion thereof.

(c) To the knowledge of the Vornado Parties, except as may be disclosed in the third party physical condition reports with respect to the Vornado Included Properties which have been delivered or otherwise made available to the JBG Parties (it being understood and agreed that a reference in a physical condition report to a document not otherwise delivered or made available to the JBG Parties shall not be deemed to constitute disclosure of the contents of such document), as of the date hereof, with respect to each Vornado Included Property, (i) such Vornado Included Property is supplied with utilities and other services as necessary to permit its

continued operation as it is now being operated, (ii) such Vornado Included Property is in good working order sufficient for its normal operation in the manner currently being conducted, (iii) such Vornado Included Property has not suffered any casualty or other damage that has not been repaired, and (iv) there are no patent or latent structural, mechanical or other significant defects or deficiencies in the improvements on any Vornado Included Property, in each case, except as has not had and would not reasonably be expected to have a Vornado Material Adverse Effect; *provided*, *however*, that this Section 3.15(c) shall not apply to any Vornado Included Property that is an Under Construction and Predevelopment Property or is otherwise raw land, under development or not otherwise in active operation.

(d) No Vornado Included Entity has received (i) written notice that any certificate, permit or license from any Governmental Entity having jurisdiction over any of the Vornado Included Properties necessary to permit the lawful use and operation of the buildings and improvements on any of the Vornado Included Properties as currently used and operated or that is necessary to permit the lawful use and operation of all utilities and means of egress and ingress to and from any of the Vornado Included Properties for the current use and operation of the Vornado Included Properties is not in full force and effect as of the date of this Agreement, except for such failures to be in full force and effect that, individually or in the aggregate, has not had and would not reasonably be expected to have a Vornado Material Adverse Effect, or of any pending written threat of modification or cancellation of any of same, that would reasonably be expected to have a Vornado Material Adverse Effect, or (ii) written notice of any uncured violation of any Laws affecting any of the Vornado Included Properties which, individually or in the aggregate, has had or would reasonably be expected to have a Vornado Material Adverse Effect.

(e) Except as set forth in Section 3.15(e) of the Vornado Disclosure Letter, no condemnation, eminent domain or similar proceeding has occurred or to the knowledge of the Vornado Included Entities is pending with respect to any Vornado Included Property and, except as, individually or in the aggregate, has not had and would not reasonably be expected to have a Vornado Material Adverse Effect, no Vornado Included Entity has received any written notice to the effect that (i) any condemnation or rezoning proceedings are threatened with respect to any of the Vornado Included Properties, or (ii) any zoning regulation or ordinance (including with respect to parking), Board of Fire Underwriters rules, building, fire, health or other Law has been violated (and remains in violation) for any Vornado Included Property.

(f) Section 3.15(f) of the Vornado Disclosure Letter sets forth all ground leases affecting the interest of the Vornado Included Entities in any Vornado Included Property, other than ground leases as to which a Vornado Included Entity is both lessor and lessee, and all amendments, modifications (including pursuant to any estoppel), guarantees, renewals and extensions exercised related thereto (collectively, the "Vornado Ground Leases"). Vornado hereby represents that (a) Section 3.15(f) of the Vornado Disclosure Letter contains a true, complete and correct list of all Vornado Ground Leases to which any Vornado Included Entity is bound; (b) true, complete and correct copies of such Vornado Ground Leases have been delivered or made available to the JBG Parties; and (c) each such Vornado Ground Lease is valid, binding and enforceable in accordance with its terms and is in full force and effect with

respect to the applicable Vornado Included Entity and, to the knowledge of Vornado, with respect to the other parties thereto, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at Law). As of the date hereof, there are no monetary or non-monetary material defaults under any Vornado Ground Lease to which any Vornado Included Entity is bound, by any Vornado Included Entity or any other party thereto. As of the date hereof, no Vornado Included Entity has sent or received any notice of any violation or breach of, or default under, any Vornado Ground Lease to which any Vornado Included Entity is bound.

(g) Except for discrepancies, errors or omissions that, individually or in the aggregate, would not reasonably be expected to have a Vornado Material Adverse Effect, the rent rolls for each of the Vornado Included Properties as of September 1, 2016 (with respect to office and retail properties) or as of September 29, 2016 (with respect to residential properties) that have been previously made available to the JBG Parties by the Vornado Included Entities, are true and correct and (i) correctly reference each tenant under each lease that was in effect as of as the respective dates of such rent rolls, and to which a Vornado Included Entity is a party as lessor with respect to each of the Vornado Included Properties (all leases, together with all amendments, modifications, supplements, renewals and extensions related thereto, the "Vornado Leases") and (ii) identify the rent payable under the Vornado Lease as of such date. Except for discrepancies, errors or omissions that, individually or in the aggregate, would not reasonably be expected to have a Vornado Material Adverse Effect, the Vornado Included Entities have made available to the JBG Parties a list of all security deposit amounts currently held under the Vornado Leases as of September 30, 2016.

(h) True and complete (in all material respects) copies of all (x) Vornado Ground Leases and (y) Vornado Leases for space in excess of 25,000 square feet in or at any Vornado Included Properties (the "Material Vornado Leases") (it being understood that a Vornado Lease shall constitute a Material Vornado Lease if there are other Vornado Leases with the same tenant at the same Vornado Included Property that, if aggregated with such Vornado Lease, would exceed 25,000 square feet), in each case in effect as of the date hereof and to the extent within Vornado's possession and control, have been made available to the JBG Parties. Except as would not, individually or in the aggregate, reasonably be expected to have a Vornado Material Adverse Effect, (i) no Vornado Included Entity has given or received written notice of any violation or breach of, or default under, any Material Vornado Lease, which violation or breach remains outstanding and uncured, (ii) except as set forth on Section 3.15(h) of the Vornado Disclosure Letter, no tenant under a Material Vornado Lease is in monetary or non- monetary material default under such Material Vornado Lease, which default remains outstanding and uncured, and (iii) each Material Vornado Lease is valid, binding and enforceable in accordance with its terms and is in full force and effect with respect to a Vornado Included Entity and, to the knowledge of Vornado, with respect to the other parties thereto, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at Law). Except as set forth on Section 3.15(h) of the Vornado Disclosure Letter, any and all material leasing commissions or brokerage

fees payable by Vornado Included Entities with respect to any Material Vornado Leases have been paid in full. To the knowledge of Vornado, except as set forth on Section 3.15(h) of the Vornado Disclosure Letter, all material tenant improvement allowances, relocation allowances or other inducements due with respect to the current unexpired term of each Material Vornado Lease have been paid in full. As of June 30, 2016, except as set forth on Section 3.15(h) of the Vornado Disclosure Letter, there are no other material Leasing Costs to be paid in the future with respect to any Material Vornado Leases.

(i) Except as set forth on Section 3.15(i) of the Vornado Disclosure Letter, there are no material Tax abatements or exemptions specifically affecting the Vornado Included Properties, and the Vornado Included Entities have not received any written notice of (and the Vornado Included Entities do not have any knowledge of) any proposed increase in the assessed valuation of any of the Vornado Included Properties, except in each case for any such Taxes or assessment that have not had and would not reasonably be expected to have, individually or in the aggregate, a Vornado Material Adverse Effect.

(j) Except for Vornado Permitted Liens, as set forth in Vornado Leases and title documents made available to the JBG Parties prior to the date hereof or as would not reasonably be expected to have, individually or in the aggregate, a Vornado Material Adverse Effect and except as set forth on Section 3.15(j) of the Vornado Disclosure Letter, no Vornado Included Entity is a party to any (i) unexpired option to purchase agreements, rights of first refusal or first offer or any other rights to purchase or otherwise acquire any Vornado Included Property or any portion thereof that would materially adversely affect any Vornado Included Entity's, ownership, ground lease or right to use a Vornado Included Property subject to a Material Vornado Lease, and (ii) other outstanding rights or agreements to enter into any contract for sale, ground lease or letter of intent to sell or ground lease any Vornado Included Property or any portion thereof that is owned by any Vornado Included Entity, which, in each case, is in favor of any party other than a Vornado Included Entity.

(k) No written unresolved claim has been made against any title insurance policy evidencing title insurance with respect to a Vornado Included Property which, individually or in the aggregate, would be material to such Vornado Included Property.

(l) Schedule B accurately states the outstanding principal amount of the Indebtedness secured by each Vornado Included Property as of the applicable Valuation Date.

(m) Newco and Newco OP do not directly own any real or personal property.

Section 3.16. Intentionally Omitted.

Section 3.17. Personal Property. The Vornado Included Entities have good and valid title to, or a valid and enforceable leasehold interest in, or other right to use, all personal property owned, used or held for use by them which constitutes part of the "Vornado Included Assets" (other than property owned by tenants and used or held in connection with the applicable tenancy), except as, individually or in the aggregate, has not had and would not reasonably be

expected to have a Vornado Material Adverse Effect. The Vornado Included Entities' ownership of or leasehold interest in any such personal property is not subject to any Liens, except for Vornado Permitted Liens and Liens that have not had and would not reasonably be expected to have a Vornado Material Adverse Effect.

Section 3.18. Approval Required. No approval of the Vornado stockholders, Newco stockholders or any other vote of holders of securities in Vornado or Newco or holders of limited partnership units in Vornado OP or Newco OP is required to approve this Agreement, the transactions contemplated hereby and the Transactions.

Section 3.19. Insurance. Except for those matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Vornado Material Adverse Effect, there is no claim for coverage by Newco, Newco OP or any Vornado Included Entity pending under any of the material insurance policies (including title insurance policies) and all material fidelity bonds or other insurance service contracts in Vornado's possession providing coverage for all material Vornado Included Properties (the "Vornado Insurance Policies") that has been denied or disputed by the insurer. Except for those matters that have not had and would not reasonably be expected to have a Vornado Material Adverse Effect, all premiums due and payable under all Vornado Insurance Policies have been paid, and Newco, Newco OP and the Vornado Included Entities have otherwise complied in all material respects with the terms and conditions of all the Vornado Insurance Policies. To the knowledge of Vornado, such Vornado Insurance Policies are valid and enforceable in accordance with their terms and are in full force and effect and no written notice of cancellation or termination has been received by Vornado, Newco, Newco OP or any Vornado Included Entity with respect to any such policy which has not been replaced on substantially similar terms prior to the date of such cancellation.

Section 3.20. Intentionally Omitted.

Section 3.21. Information in SEC Filings. None of the information supplied or to be supplied by or on behalf of Vornado, Vornado OP, Newco, Newco OP or any Vornado Included Entity for inclusion or incorporation by reference in any registration statement on Form 10, or such other form as required by the SEC, to be filed with the SEC by Newco or Vornado OP (any such registration statement, a "Form 10") will at the time such Form 10 is filed and declared effective under the Exchange Act contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. None of the information supplied or to be supplied by or on behalf of Vornado, Newco, Newco OP or any Vornado Included Entity for inclusion in any of the filings made or to be made by the Vornado Parties, Newco, Newco OP or their Affiliates with the SEC or with any stock exchange of or other regulatory authority will, at the time filed with the SEC, any stock exchange or other regulatory authority, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. All documents that Vornado is responsible for filing with the SEC in connection with the Transactions, including any Form 10,

to the extent relating to Newco, Newco OP or any Vornado Included Entity or other information supplied by or on behalf of Newco, Newco OP or any Vornado Included Entity for inclusion therein, will comply as to form, in all material respects, with the provisions of the Securities Act or Exchange Act, as applicable, and the rules and regulations of the SEC thereunder and each such document required to be filed with any Governmental Entity (other than the SEC) will comply in all material respects with the provisions of any applicable Law as to the information required to be contained therein. The representations and warranties contained in this Section 3.21 will not apply to statements or omissions included any of the filings to be made by the Vornado Parties, Newco, Newco OP or their Affiliates with the SEC or with any stock exchange of or other regulatory authority to the extent based upon information supplied in writing to Vornado by or on behalf of the JBG Parties for use therein.

Section 3.22. Bankruptcy. None of Newco, Newco OP or any Vornado Included Entity has (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by its creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of its assets, which remains pending as of such time, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of its assets, which remains pending as of such time, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

Section 3.23. Employee Benefit Plans.

(a) The Vornado Included Entities do not sponsor, maintain or contribute to any Plans. Except as set forth on Section 3.23(a) of the Vornado Disclosure Letter, no Vornado Service Provider is party to an individual employment Contract with any of the Vornado Parties.

(b) Each Vornado Benefit Plan (other than a Multiemployer Plan) that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service or is the subject of a favorable opinion letter from the Internal Revenue Service on the form of such Vornado Benefit Plan, a copy of such letter has been made available to the JBG Parties, and, to the Vornado Parties' knowledge, there are no facts or circumstances that would be reasonably likely to adversely affect the qualified status of any such Vornado Benefit Plan.

(c) Section 3.23(c) of the Vornado Disclosure Letter sets forth, as of the date of this Agreement, each (i) Multiemployer Plan, or (ii) single employer plan or other pension plan that is subject to Title IV or Section 302 of ERISA or Section 412 of the Code, in each case, that any Vornado Party or any of their respective Subsidiaries or ERISA Affiliates, sponsors, maintains or contributes to, or has within the last six (6) years prior to the date hereof sponsored, maintained or contributed to. For any Vornado Benefit Plan subject to the minimum funding requirements of Section 412 of the Code or Title IV of ERISA (other than a Multiemployer Plan), (i) no such plan has failed to satisfy the minimum funding standards of Section 302 of ERISA or Sections 412 or 418(B) of the Code, respectively, (ii) no unsatisfied liability (other than for premiums to the Pension Benefit Guaranty Corporation (the "PBGC")) under Title IV of

ERISA has been, or is expected to be, incurred by a Vornado Party or any of its Subsidiaries or ERISA Affiliates, (iii) the PBGC has not instituted proceedings to terminate any such Vornado Benefit Plan and (iv) no "reportable event" within the meaning of Section 4043 of ERISA (excluding any such event for which the thirty (30) day notice requirement has been waived under the regulations to Section 4043 of ERISA) has occurred for which there remains any outstanding liability, nor has any event described in Sections 4062, 4063 or 4041 of ERISA occurred. Except as set forth on Section 3.23(c) of the Vornado Disclosure Letter, neither such Vornado Party nor any of its Subsidiaries or ERISA Affiliates have incurred or would be likely to incur (whether as a result of the Transactions or otherwise) any liability (including any indirect, contingent or secondary liability) to or on account of a Multiemployer Plan pursuant to Sections 515, 4201, 4204 or 4212 of ERISA; and Vornado Parties and each of their respective Subsidiaries and ERISA Affiliates have made all required contributions and are not delinquent in any contributions to any Multiemployer Plan.

(d) No assets of the Vornado Parties or any of their ERISA Affiliates constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code or any applicable similar Law.

(e) Except as described on Section 3.23(e) of the Vornado Disclosure Letter, neither the execution and delivery of this Agreement, nor the consummation of the Transactions, either alone or in combination with another event (whether contingent or otherwise) will (i) entitle any current or former Vornado Service Provider to any payment; (ii) increase the amount of compensation or benefits due to any such Vornado Service Provider; (iii) accelerate the vesting, funding or time of payment of any compensation, equity award or other benefit to any Vornado Service Provider; or (iv) result in the payment of any amount to any Vornado Service Provider that could, individually or in combination with any other such payment, constitute an "excess parachute payment" as defined in Section 280G(b)(1) of the Code.

Section 3.24. Brokers; Expenses. No broker, investment banker, financial advisor or other Person (other than Goldman, Sachs & Co. and Morgan Stanley Incorporated), is entitled to receive any broker's, finder's, financial advisor's or other similar fee or commission in connection with this Agreement or the Transactions based upon arrangements made by or on behalf of the Vornado Parties, Newco, Newco OP or any Vornado Included Entity. Other than the arrangements described in the engagement letters with Goldman, Sachs & Co. and Morgan Stanley Incorporated, Section 3.24 of the Vornado Disclosure Letter sets forth the outside legal, accounting and financial advisors retained as of the date hereof by any Vornado Party, Newco, Newco OP or any Vornado Included Entity (on its own behalf or on behalf of any other Person) in connection with the Transactions with which such Vornado Party has any contingent payment arrangements requiring payments to be made after December 31, 2015 in connection with the Transactions that are contingent upon the execution of this Agreement or the Transactions or, in the case of advisors customarily compensated on the basis of hourly time charges, are not based on actual time charges and expense reimbursement and describes such arrangements. Since December 31, 2015, none of the Vornado Parties, Newco, Newco OP or any Vornado Included Entities or their respective Affiliates has made any material payments in excess of the amounts contemplated by this Section 3.24 to any such advisors.

Section 3.25. Labor and Other Employment Matters.

(a) Section 3.25(a) of the Vornado Disclosure Letter sets forth, as of the date of this Agreement, each collective bargaining or similar agreement by which a Vornado Party or any Affiliate thereof is, or has, within the past six (6) years been bound with respect to any Vornado Service Providers. As of the date hereof, there is no, and since January 1, 2014, there has not been any, labor strike, work stoppage, picketing, lockout, walkout or other organized work interruption pending, or to the knowledge of the Vornado Parties threatened in writing or anticipated against any Vornado Included Entity or any Affiliate thereof relating to any Vornado Service Providers. Except as specified in Section 3.25(a) of the Vornado Disclosure Letter, there are no labor unions or other organizations certified or recognized to represent any Vornado Service Providers and as of the date hereof, to the Vornado Parties' knowledge, no union organization campaign is in progress with respect to, any Vornado Service Providers at any of the Vornado Included Assets. As of the date hereof, there are no unfair labor practice charges pending before the National Labor Relations Board or any other Governmental Entity, any grievances, complaints, claims or judicial or administrative proceedings, in each case, which are pending, or to the Vornado Parties' knowledge threatened in writing or, anticipated by or on behalf of any current or former Vornado Service Providers at any of the Vornado Included Assets.

(b) No Vornado Service Provider has been improperly excluded from participation in any Vornado Benefit Plan. Each Vornado Service Provider has been properly classified under the Fair Labor Standards Act with respect to any classification of any person as an independent contractor rather than as an employee, with respect to any classification of any employee as exempt versus non-exempt, and with respect to any employee leased from another employer, and neither the Vornado Parties nor any of their Subsidiaries has any written notice or knowledge of any pending or threatened material claim by any Vornado Service Provider that he/she is or was misclassified for any purpose.

(c) The Vornado Parties and their Subsidiaries are in compliance in all material respects with all applicable Laws, statutes, rules and regulations respecting employment and employment practices, terms and conditions of employment of current and former Vornado Service Providers, wages and hours, discrimination in employment, wrongful discharge, collective bargaining, the Worker Adjustment Retraining and Notification Act of 1988, as amended or similar state or local Law, statute, rule or regulation (the "WARN Act"), fair labor standards, occupational health and safety, and any other labor and employment-related matters, in each case, with respect to all Vornado Service Providers.

(d) During the three (3) years prior to the date of this Agreement, no Vornado Party nor any of their respective Subsidiaries have engaged in or effectuated any "plant closing" or employee "mass layoff" (in each case, as defined in the WARN Act), or any similar state or local Law, statute, rule or regulation affecting any current or former Vornado Service Providers.

Section 3.26. OFAC. None of Newco, Newco OP or any of the Vornado Included Entities constitute a Person with whom a U.S. Person is prohibited from transacting business of

the type contemplated by this Agreement, whether such prohibition arises under United States Laws and lists published by Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC) or otherwise.

Section 3.27. Patriot Act. None of the Vornado Parties, Newco, Newco OP or the Vornado Included Entities nor, to the knowledge of Vornado, any Person that owns more than twenty-five percent (25%) of the direct or indirect ownership interests in any Vornado Party (a) is under investigation by any Governmental Entity for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti-Money Laundering Laws; (b) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (c) has had any of its funds seized or forfeited in any action under any Anti- Money Laundering Laws. For purposes of this Agreement, "Anti-Money Laundering Laws" means all Laws, regulations and sanctions, state and federal, criminal and civil, that (i) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (ii) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (iii) require identification and documentation of the parties with whom a financial institution conducts business; or (iv) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act, 31 U.S.C. Section 5311 et seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

Section 3.28. Anti-Corruption. The Vornado Parties, Newco, Newco OP and the Vornado Included Entities have complied, are in compliance with, and will continue to comply with applicable anti-bribery/anti-corruption laws, including the US Foreign Corrupt Practices Act. None of the Vornado Parties, Newco, Newco OP or any Vornado Included Entity nor, to the knowledge of Vornado, any of their respective principals, owners, officers, directors, trustees, or agents, in each case, acting at the direction or on behalf of a Vornado Party, its Subsidiaries or any of their respective Affiliates, has engaged, promised to engage, will promise to engage, or will cause to be engaged, in any transaction or activity involving a direct or indirect improper inducement to any Person (including but not limited to a government official) to obtain or keep business or to secure some other advantage, in violation of applicable anti-bribery/anti- corruption laws.

Section 3.29. Capital Commitments for Vornado Included Investments. Section 3.29 of the Vornado Disclosure Letter sets forth, for each Vornado Included Investment, the amount of capital commitments that the Vornado Parties or the Vornado Included Entities have made to each Vornado Included Investment through the date hereof and any outstanding capital

commitments of the Vornado Parties or the Vornado Included Entities with respect to each Vornado Included Investment.

Section 3.30. No Other Representations or Warranties. Except for the representations and warranties expressly set forth in this Article III or in any Ancillary Document, no Vornado Party nor any other Person makes any express or implied representation or warranty with respect to the Vornado Parties, the Vornado Included Entities, Newco, Newco OP or the Vornado Included Assets, or with respect to any other information provided to the JBG Parties in connection with (i) the Transactions or (ii) the businesses, affairs, operations, assets, Liabilities, condition (financial or otherwise) or prospects or any other matter relating to the Vornado Parties, Newco, Newco OP, the Vornado Included Entities and the Vornado Included Assets, including with respect to any documentation, forecasts, budgets, projections, estimates or other information (including the accuracy or completeness of, or the reasonableness of the assumptions underlying, such documentation, forecasts, budgets, projections, estimates or other information) provided by the Vornado Parties or any other Person to the JBG Parties. For clarity, none of the representations and warranties set forth in this Article III pertains to or purports to disclose any information with respect to any Vornado Excluded Asset (other than with respect to Liabilities that apply to or could reasonably be expected to adversely impact Newco, Newco OP or any Vornado Included Entity after the Closing), even if such Vornado Excluded Asset is owned by a Vornado Included Entity prior to the Closing.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE JBG PARTIES

The following representations and warranties by the JBG Parties set forth in this Article IV are qualified in their entirety by reference to the disclosures set forth in the disclosure letter delivered by the JBG Parties immediately prior to the execution of this Agreement (the "JBG Disclosure Letter"). Each disclosure set forth in the JBG Disclosure Letter shall qualify or modify the Section to which it corresponds and any other Section to the extent the applicability of the disclosure to each other Section is reasonably apparent from the text of the disclosure made. Except as set forth in the JBG Disclosure Letter, each JBG Party, severally and not jointly, represents to the Vornado Parties as follows; *provided*, that with respect to any representation or warranty made by any JBG Fund, such representation or warranty is made jointly and severally by such JBG Fund and JBG Operating Partners:

Section 4.1. Organization.

(a) Such JBG Party is a limited partnership, limited liability company or other legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction in which it is organized and has the requisite organizational power, as the case may be, and authority and any necessary governmental authorization to own, lease and operate its properties (including its JBG Included Assets) and to conduct its business as it is now being conducted. Such JBG Party and each of its Subsidiaries is duly qualified or licensed to do

business, and is in good standing, in each jurisdiction where the character of the assets owned, operated or leased by it or the nature of its business makes such qualification, licensing or good standing necessary, except for such failures to be so qualified, licensed or in good standing that, individually or in the aggregate, have not had and would not reasonably be expected to have a JBG Material Adverse Effect. Such JBG Party and each of its Subsidiaries is in compliance in all material respects with the terms of its Governing Documents.

(b) Each Subsidiary of such JBG Party is a limited partnership, limited liability company or other legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction in which it is organized and has the requisite organizational power, as the case may be, and authority and any necessary governmental authorization to own, lease and operate its properties (including its JBG Included Assets) and to conduct its business as it is now being conducted, except for such failures to be so organized, in good standing or have certain power and authority that, individually or in the aggregate, have not had and would not reasonably be expected to have a JBG Material Adverse Effect. Each Subsidiary of such JBG Party is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the character of the assets owned, operated or leased by it or the nature of its business makes such qualification, licensing or good standing necessary, except for such failures to be so qualified, licensed or in good standing that, individually or in the aggregate, have not had and would not reasonably be expected to have a JBG Material Adverse Effect. Each Subsidiary of such JBG Party is in compliance in all material respects with the terms of its Governing Documents, except for such noncompliance that, individually or in the aggregate, have not had and would not reasonably be expected to have a JBG Material Adverse Effect.

(c) Section 4.1(c) of the JBG Disclosure Letter sets forth a true, correct and complete list of all of the Subsidiaries of such JBG Party, including a list of each Subsidiary of such JBG Party that is a Qualified REIT Subsidiary, a Taxable REIT Subsidiary, a REIT or an "S corporation" within the meaning of Section 1361(a)(1) of the Code (an "S Corporation"), together with (i) the jurisdiction of incorporation or organization, as the case may be, of each Subsidiary of such JBG Party and (ii) the classification for U.S. federal income tax purposes of each Subsidiary of such JBG Party. As of the date hereof, Exhibit B-2 sets forth for each JBG Included Property, a true, correct and complete organizational chart identifying each JBG Fund, Subsidiary of a JBG Fund, Joint Venture or Subsidiary of a Joint Venture through which any JBG Party holds a direct or indirect ownership interest in such JBG Included Property. None of the JBG Included Entities other than the JBG REITs has elected or will elect to be treated as a REIT. Other than JBG Properties, none of the JBG Included Entities has elected or will elect to be treated as an S Corporation.

(d) Except as set forth on Section 4.1(d) of the JBG Disclosure Letter, no Person, other than a JBG Managing Member Entity, a JBG Included Entity or a JBG Management Entity, is a managing member or holds any managing member or similar interest in any JBG Included Entity. Section 4.1(d) of the JBG Disclosure Letter sets forth, for each JBG Managing Member Entity, each Person owning Equity Interests therein and the percentage interest of each such Person in such JBG Managing Member Entity.

Section 4.2. Authorization; Validity of Agreement.

(a) Such JBG Party and each of its Subsidiaries has all necessary organizational power and authority to execute and deliver this Agreement, the JBG Contribution Agreement, the JBG Merger Agreements and each Ancillary Document to be executed and delivered by it at the Closing, to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution, delivery and performance by such JBG Party of this Agreement and the execution, delivery and performance by such JBG Party or any of its Subsidiaries of each Ancillary Document to which such JBG Party or any such Subsidiary will be a party, and the consummation by such JBG Party and each of its Subsidiaries of the Transactions, have been duly and validly authorized by the general partner or managing member of such JBG Party or each such Subsidiary (as applicable), and each other member or partner or committee of members or partners or their representatives (as applicable and as necessary), and no other organizational action on the part of such JBG Party or any of its Subsidiaries is necessary to authorize the execution and delivery by such JBG Party or any of its Subsidiaries of this Agreement, any such Ancillary Document and the consummation by it of the Transactions. Each JBG Management Entity has obtained all required consents from its stockholders, board of directors or other governing body with respect to the Transactions to be effected by such JBG Management Entity pursuant to this Agreement, including the applicable merger to be effected by such JBG Management Entity, and true, complete and correct copy of such consents have been delivered to the Vornado Parties. This Agreement has been, and each Ancillary Document to which it is contemplated that such JBG Party or any of its Subsidiaries will be party will be, duly executed and delivered by such JBG Party or its Subsidiaries (as applicable) and, assuming due and valid authorization, execution and delivery hereof and thereof by each of the Vornado Parties party thereto, is or will be a valid and binding obligation of such JBG Party or each such Subsidiary, enforceable against such JBG Party or each such Subsidiary in accordance with its terms, except as the enforcement hereof or thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in effect, relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at Law).

(b) Pursuant to a valid power of attorney to be granted by each of its direct and indirect equityholders (as applicable), the JBG Party designated as attorney in fact in such power of attorney will have full power and authority to execute and deliver the Partnership Agreement and any other Ancillary Document so executed and delivered by such JBG Party on each such equityholder's behalf, and the execution and delivery by such JBG Party of such Ancillary Documents on any such equityholder's behalf will be binding on such Person as fully as if such Person had executed and delivered such Ancillary Documents.

Section 4.3. No Conflict; Consents. Except as set forth in Section 4.3 of the JBG Disclosure Letter, none of the execution, delivery or performance of this Agreement or any Ancillary Document to which such JBG Party or any of its Subsidiaries is a party, the consummation by such JBG Party and its Subsidiaries of the direct or indirect sale of its JBG Included Assets, the Equity Issuance or any other Transaction or compliance by such JBG Party or any of its Subsidiaries with any of the provisions of this Agreement or any Ancillary

Document will (i) conflict with or result in any breach of any provision of such JBG Party's or any of its Subsidiaries' Governing Documents, (ii) require any filing by such JBG Party or any of its Subsidiaries with, or the obtaining of any permit, authorization, consent or approval of, any Governmental Entity (except for (x) compliance with any applicable requirements of the Exchange Act, (y) filings, permits, authorizations, consents, waiting period expirations or terminations, and approvals as may be required under the HSR Act or (z) such filings as may be required in connection with state and local Transfer Taxes), (iii) automatically result in a modification, violation or breach of, or material increase in cost or obligation of such JBG Party or any of its Subsidiaries, or constitute (with or without notice or lapse of time or both) a default (or give rise to any right to others, including, but not limited to, any right of termination, amendment, cancellation or acceleration) under, any of the terms, conditions or provisions of any JBG Ground Lease, JBG Lease or other material contract to which such JBG Party or any of its Subsidiaries is a party or by which any of their JBG Included Assets are bound, (iv) assuming that all consents, approvals, authorizations, and permits described in Section 4.3(ii)(y) have been obtained, and all filings and notifications described in Section 4.3(ii)(y) have been made and any waiting periods thereunder have terminated or expired, violate any order, writ, injunction, decree or Law applicable to such JBG Party or any of its Subsidiaries or any of their respective properties or assets, (v) require any consent or approval of, or notice to, any other Person, under any of the terms, conditions or provisions of (x) any JBG Ground Lease other than any JBG Ground Lease set forth in Section 4.3(v)(x) of the JBG Disclosure Letter (the "Required JBG Ground Lease Consents"), (y) any Joint Venture Agreement of a JBG Party or any of its Subsidiaries other than any Joint Venture Agreement set forth on Section 4.3(v)(y) of the JBG Disclosure Letter (the "Required JBG JV Consents"), or (z) any Contract constituting an Indebtedness obligation of such JBG Party or any of its Subsidiaries that relates to any of the JBG Included Assets or pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transactions other than any such Contract set forth on Section 4.3(v)(z) of the JBG Disclosure Letter (the "Required JBG Debt Consents"), or (vi) require any consent or approval of, or notice to, any other Person, including, without limitation, from limited partners, members or parties to leases or other agreements or commitments, except as to clauses (i), (ii), (iv) and (vi), respectively, for any such conflicts, violations, breaches, defaults or other occurrences which, individually or in the aggregate, would not materially and adversely affect any JBG Included Asset or JBG Management Entity or the consummation of any contribution or merger contemplated herein or in any JBG Contribution Agreement or JBG Merger Agreements.

Section 4.4. Capital Structure; Subsidiaries.

(a) Except as set forth on Section 4.4(a) of the JBG Disclosure Letter, JBG Operating Partners directly or indirectly wholly owns each of its Subsidiaries. Other than through its Equity Interests in JBG Operating Partners, JBG Properties owns no Equity Interests in any Person. As of the date hereof, with respect to each JBG Management Entity and each Subsidiary of each JBG Party, all of the outstanding Equity Interests have been duly authorized and validly issued and (i) in the case of outstanding shares of capital stock of any Subsidiary of such JBG Party that is a corporation, are fully paid and non-assessable and (ii) are free of preemptive or other similar rights under Law, any applicable organization document and any

Contract or instrument to which such JBG Party or any of its Subsidiaries is a party or by which it is bound.

(b) Except as set forth in this Agreement or Section 4.4(b) of the JBG Disclosure Letter, there are no securities, options, warrants, calls, rights, commitments, agreements, rights of first refusal, arrangements or undertakings of any kind to which such JBG Party or any of its Subsidiaries is a party or by which any of them is bound, obligating such JBG Party or any of its Subsidiaries to issue, deliver or sell or create, or cause to be issued, delivered or sold or created, additional Equity Interests, phantom stock or other contractual rights, the value of which is determined in whole or in part by the value of or in reference to any equity security of such JBG Party or any of its Subsidiaries or obligating such JBG Party or any of its Subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, right of first refusal, arrangement or undertaking. Except as set forth in Section 4.4(b) of the JBG Disclosure Letter, there are no outstanding contractual obligations of such JBG Party or any of its Subsidiaries to repurchase, redeem or otherwise acquire any partnership units or other Equity Interests. Neither such JBG Party nor any of its Subsidiaries is a party to or bound by any agreements or understandings concerning the voting (including voting trusts and proxies) of any capital stock or other Equity Interests of such JBG Party or any of its Subsidiaries.

(c) Section 4.4(c) of the JBG Disclosure Letter sets forth each JBG Funds' direct or indirect percentage interests in the JBG Included Properties as of the date hereof and, subject to the exceptions set forth on Section 4.4(c) of the JBG Disclosure Letter and after giving effect to the Restructuring Transactions, such JBG Fund will own not less than such percentage immediately prior to the consummation of the Closing except as adjusted or modified as permitted under this Agreement. The JBG Funds own such percentage interests through the JBG Included Entities. Except as set forth on Section 4.4(c) of the JBG Disclosure Letter, each Subsidiary of JBG Operating Partners is and, immediately prior to the Closing, will be, directly or indirectly wholly owned, beneficially and of record by JBG Operating Partners and neither JBG Operating Partners nor any of its Subsidiaries owns directly or indirectly any other capital stock, limited liability company or partnership interest, joint venture interest or other Equity Interest in any other Person.

(d) With regard to the JBG Included Interests, all of the material capital obligations currently due and payable of any JBG Party and, to the knowledge of the JBG Parties, all of the material capital obligations currently due and payable of any Joint Venture Partner have been fully funded. To the knowledge of the JBG Parties, no Joint Venture Partner has made or advanced any loans that would adversely impact the JBG Parties' share of distributions from the Joint Venture.

(e) The JBG Parties own, directly or indirectly, beneficially and of record all of the JBG Included Interests. Each of the Persons on Section 4.4(e) of the JBG Disclosure Letter owns, directly or indirectly, beneficially and or record each of the Equity Interests in each of the JBG Management Entities set forth opposite his, her or its name on Section 4.4(e) of the JBG Disclosure Letter. All of the JBG Included Interests, Managing Member Interests and the

Equity Interests in each of JBG Operating Partners and JBG Properties, are duly authorized, validly issued (and with respect to any corporate or trust Equity Interests, fully paid and non-assessable), and free and clear of all Liens, except for JBG Permitted Liens. Immediately prior to the Closing, the Transferred LLCs will own beneficially and of record all of the JBG Included Interests, free and clear of all Liens, except for JBG Permitted Liens. Upon the consummation of the transactions contemplated by the JBG Merger Agreements and JBG Contribution Agreements, the applicable JBG Parties will own beneficially and of record all of the JBG Included Interests (other than any Kickout Interest) free and clear of any Liens, except for JBG Permitted Liens.

(f) Each Equity Interest in each Subsidiary of a JBG Management Entity has been duly authorized, validly issued (and with respect to any corporate or trust Equity Interests, fully paid and non-assessable), and is free and clear of any Liens, except as otherwise set forth in this Agreement.

(g) As of the date hereof and only with respect to JBG Included Interests, (i) no right of first offer, forced sale, buy/sell or similar right under any Joint Venture Agreement has been exercised by any JBG Party or any Subsidiary thereof, on the one hand, or any Joint Venture Partner of a JBG Party or any Subsidiary thereof, on the other hand, or is the exercise of any such right now pending or proposed and (ii) no Joint Venture of a JBG Party or any Subsidiary thereof has been dissolved or liquidated and not reconstituted in accordance with the applicable Joint Venture Agreement and no event or condition which would trigger or result in the dissolution or liquidation of a Joint Venture of a JBG Party or any Subsidiary thereof has occurred and is continuing without the

reconstitution of such Person in accordance with the applicable Joint Venture Agreement.

Section 4.5. Securities Laws Matters.

(a) Such JBG Party acknowledges (on behalf of itself and the JBG Designees) that the Issued OP Units and Issued Newco Shares have not been registered under the Securities Act or under any state securities Laws. Such JBG Party acknowledges (on behalf of itself and its JBG Designees) that the Issued OP Units and Issued Newco Shares to be acquired by such JBG Party or any of its Subsidiaries or any JBG Designee pursuant hereto are "restricted securities" as that term is defined by Rule 144(a)(3) under the Securities Act and under applicable state securities Laws and that, pursuant to such Laws, such JBG Party and its JBG Designees must hold such Issued OP Units and Issued Newco Shares until they are registered with the SEC and qualified by state authorities, or an exemption from such registration and qualification requirements is available and, other than as set forth in the Registration Rights Agreements, the Vornado Parties, Newco and Newco OP have no obligation to register or qualify such units or shares for resale.

(b) Such JBG Party (i) acknowledges that it or any of its Subsidiaries or any JBG Designee is acquiring the Issued OP Units and Issued Newco Shares pursuant to an exemption from registration under the Securities Act solely for investment with no present intention to distribute any of the Issued OP Units and Issued Newco Shares to any Person in

violation of applicable securities Laws, (ii) will not sell or otherwise dispose of any of the Issued OP Units and Issued Newco Shares, except in compliance with the registration requirements or exemption provisions of the Securities Act and any other applicable securities Laws, (iii) is an Accredited Investor, and (iv) (x) has had access to and has received such financial and other information regarding the Parties, Newco, Newco OP, the Issued Newco Shares and/or the Issued OP Units, as applicable, that it deems necessary to make an informed investment decision regarding such Issued OP Units and Issued Newco Shares and (y) can bear the economic risk of an investment in the Issued OP Units and/or Issued Newco Shares indefinitely. Such JBG Party will have obtained investor questionnaires (each, a "JBG Investor Questionnaire") from each of its JBG Designees to which the Issued OP Units and Issued Newco Shares will be issued, which questionnaires shall contain, for the benefit of Newco and Newco OP (as applicable), acknowledgements with respect to the matters covered in Section 4.5(a) and written representations from each such JBG Designee to the effect that that such JBG Designee is an Accredited Investor (or, in the event any non-Accredited Investor is permitted to receive Equity Consideration consistent with Regulation D pursuant to Section 1.7(b), that such non-Accredited Investor is a Sophisticated Investor) and that the preceding representations and warranties in this Section 4.5(b) are otherwise true, complete and correct with respect to such JBG Designee. To the knowledge of such JBG Party, each such Investor Questionnaire is true, complete and correct.

(c) Each JBG Party acknowledges that the Issued Newco Shares to be acquired by such JBG Party and its JBG Designees pursuant hereto, if certificated, shall bear the following legends (in addition to any legend required under applicable state securities Laws):

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE ENCUMBERED, PLEDGED, HYPOTHECATED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF WITHIN THE UNITED STATES EXCEPT PURSUANT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS AND, IN EACH CASE, IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS."

(d) Each JBG Party acknowledges that the Issued OP Units to be acquired by such JBG Party and its JBG Designees pursuant hereto, if certificated, shall bear the following legends (in addition to any legend required under applicable state securities Laws):

"THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE PARTNERSHIP AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE

SATISFACTORY TO THE PARTNERSHIP, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE."

(e) In addition, such JBG Party acknowledges that the Issued Newco Shares are subject to restrictions on ownership and transfer set forth in the Newco Declaration, and the Newco Shares to be acquired by such JBG Party and its JBG Designees pursuant hereto, if certificated, shall bear the following legends, or such other legend as may be required from time to time by the Newco Declaration:

"THE EQUITY SHARES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND OWNERSHIP FOR THE PURPOSE, AMONG OTHERS, OF THE TRUST'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST (A "REIT") UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE TRUST'S DECLARATION OF TRUST, (I) NO PERSON MAY BENEFICIALLY OWN EQUITY SHARES IN EXCESS OF THE OWNERSHIP LIMIT; (II) NO PERSON MAY CONSTRUCTIVELY OWN EQUITY SHARES IN EXCESS OF THE CONSTRUCTIVE OWNERSHIP LIMIT; (III) NO PERSON MAY TRANSFER EQUITY SHARES IF SUCH TRANSFER WOULD RESULT IN THE EQUITY SHARES OF THE TRUST BEING OWNED BY FEWER THAN 100 PERSONS; AND (IV) NO PERSON MAY TRANSFER EQUITY SHARES IF SUCH TRANSFER WOULD RESULT IN THE TRUST BEING "CLOSELY HELD" UNDER SECTION 856(H) OF THE CODE OR OTHERWISE CAUSE THE TRUST TO FAIL TO QUALIFY AS A REIT. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO BENEFICIALLY OR CONSTRUCTIVELY OWN EQUITY SHARES WHICH CAUSES OR WILL CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN EQUITY SHARES IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE TRUST. ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE WILL BE VOID AB INITIO, AND IF THE BENEFICIAL OWNERSHIP, CONSTRUCTIVE OWNERSHIP OR TRANSFER OF THE EQUITY SHARES REPRESENTED HEREBY VIOLATES

THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN CLAUSES (I), (II) OR (IV), THE EQUITY SHARES REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A SPECIAL TRUST FOR THE BENEFIT OF ONE OR MORE BENEFICIARIES. IN ADDITION, THE TRUST MAY REDEEM EQUITY SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF TRUSTEES IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF TRUSTEES DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. ALL CAPITALIZED TERMS IN THIS LEGEND HAVE THE MEANINGS SET FORTH IN THE DECLARATION OF TRUST, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF EQUITY SHARES OF THE TRUST ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE TRUST AT ITS PRINCIPAL OFFICE."

Section 4.6. Financial Statements. The JBG Parties have delivered to Vornado (i) a copy of the audited consolidated balance sheets and the related consolidated statements of operations and comprehensive income, consolidated statements of changes in partners' deficit and consolidated statements of cash flows as of and for the fiscal years ended December 31, 2015, 2014 and 2013 and the unaudited consolidated balance sheet as of March 31, 2016 and the related consolidated statements of operations and comprehensive income, consolidated statements of changes in partners' deficit and consolidated statements of cash flows as of and for the three months ended March 31, 2016 and 2015 (the "JBG Operating Partners Financial Statements"); (ii) a copy of the audited balance sheet of the JBG/Rosenfeld Retail Properties, LLC and the related statements of operations and comprehensive income, statements of changes in partners' deficit and statements of cash flows as of and for the fiscal years ended December 31, 2015 and 2014 (the "JBG Retail Financial Statements"); and (iii) the audited combined statements of revenues and expenses from real estate operations of the JBG Included Properties listed on Section 4.6 of the JBG Disclosure Letter for the years ended December 31, 2015, 2014 and 2013 and the unaudited combined statements of revenues and expenses from real estate operations of the JBG Included Properties listed on Section 4.6 of the JBG Disclosure Letter for the three months ended March 31, 2016 (the "3-14 Financial Statements" and together with the JBG Operating Partners Financial Statements and the JBG Retail Financial Statements, collectively, the "JBG Financial Statements"). The JBG Financial Statements (x) have been prepared from the books and records of the JBG Parties and their Subsidiaries (as applicable), (y) have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of interim financial statements, for normal and recurring year-end adjustments), and (z) with respect to the JBG Operating Partners Financial Statements, fairly present, in all material respects, the financial position and the results of operations of JBG Operating Partners and its Subsidiaries, with respect to the JBG Retail Financial Statements, fairly present, in all material respects, the financial position and the results of operations of JBG/Rosenfeld Retail Properties, LLC and with respect to the 3-14 Financial Statements, fairly present, in all material respects, the revenues and expenses from the real estate operations presented therein as of the times and for the periods

referred to therein (subject, in the case of unaudited quarterly financial statements, to normal year-end adjustments).

Section 4.7. No Undisclosed Liabilities. Neither the JBG Included Entities nor the JBG Management Entities has any liabilities or obligations of any nature (whether accrued, contingent or otherwise) which are required by GAAP to be reflected in a consolidated balance sheet, except for liabilities or obligations (a) reflected or reserved against on the most recent balance sheet included in the JBG Operating Partners Financial Statements and the JBG Retail Financial Statements, (b) under the Indebtedness disclosed in Section 4.16(a)(v) of the JBG Disclosure Letter, (c) under the JBG Leases and JBG Ground Leases, (d) incurred in the ordinary course of business consistent with past practice since March 31, 2016, (e) set forth on Section 4.7 of the JBG Disclosure Letter, (f) expressly contemplated by, or arising out of, or under this Agreement, or (g) that, individually or in the aggregate, have not had and would not reasonably be expected to have a JBG Material Adverse Effect. Other than as reflected in the JBG Operating Partners Financial Statements, the JBG Management Entities do not have any material amount of Indebtedness.

Section 4.8. Absence of Certain Changes or Events. Between March 31, 2016 and the date hereof, (a) except as contemplated by this Agreement or as set forth in Section 4.8 of the JBG Disclosure Letter, each JBG Management Entity, and with respect to the JBG Included Assets other than the JBG Management Entities each JBG Fund and its Subsidiaries, have conducted their businesses in the ordinary course in all material respects consistent with past practice and (b) there has not been any JBG Material Adverse Effect or any effect, event, development or circumstance that, individually or in the aggregate with all other effects, events, developments and changes, would reasonably be expected to result in a JBG Material Adverse Effect.

Section 4.9. JBG Included Properties.

(a) Section 4.9(a)(i) of the JBG Disclosure Letter sets forth a list of (i) each JBG Included Property, and (ii) whether such JBG Party or its Subsidiary directly or indirectly owns such JBG Included Property in fee simple or directly or indirectly holds such JBG Included Property pursuant to a leasehold, ground leasehold or some other property interest, including purchase options. With respect to each JBG Party, Section 4.9(a)(i) of the JBG Disclosure Letter sets forth a true, complete and correct list of all JBG Included Properties in which such JBG Party owns a direct or indirect interest. Except as expressly set forth in Section 4.9(a)(ii) of the JBG Disclosure Letter, as of the date hereof, neither such JBG Party nor its Subsidiaries is obligated to buy, sell, lease or sublease any JBG Included Properties at some future date, or otherwise enter into any contract for sale, ground lease or letter of intent to sell or ground lease any such JBG Included Property or any portion thereof (in each case, excluding any JBG Leases and the JBG Ground Leases), and no commissions, fees or other amounts are payable (or are to become payable) in connection with the acquisition or disposition of any JBG Included Property.

(b) Such JBG Party and its Subsidiaries owns good and marketable fee simple title or leasehold title (as applicable) to each of their respective JBG Included Properties, in each

case, free and clear of Liens, except for JBG Permitted Liens. Except as set forth on Section 4.9(b) of the JBG Disclosure Letter, such JBG Party and its Subsidiaries have not granted, and to the knowledge of such JBG Party, none of its or its Subsidiaries' JBG Included Properties is subject to, unexpired option to purchase agreements, rights of first refusal or first offer or any other rights to purchase or otherwise acquire any JBG Included Property of such JBG Party or its Subsidiaries or any portion thereof.

(c) To the knowledge of such JBG Party, except as may be disclosed in the third party physical condition reports with respect to its and its Subsidiaries' JBG Included Properties which have been delivered or otherwise made available to the Vornado Parties (it being understood and agreed that a reference in a physical condition report to a document not otherwise delivered or made available to the Vornado Parties shall not be deemed to constitute disclosure of the contents of such document), as of the date hereof, with respect to each JBG Included Property of such JBG Party and its Subsidiaries, (i) such JBG Included Property is supplied with utilities and other services as necessary to permit its continued operation as it is now being operated, (ii) such JBG Included Property is in good working order sufficient for its normal operation in the manner currently being conducted, (iii) such JBG Included Property has not suffered any casualty or other damage that has not been repaired, and (iv) there are no patent or latent structural, mechanical or other significant defects or deficiencies in the improvements on any JBG Included Property, in each case, except as has not had and would not reasonably be expected to have a JBG Material Adverse Effect; *provided*, *however*, that this Section 4.9(c) shall not apply to any JBG Included Property that is raw land, is a JBG Development Property or is not otherwise in active operation.

(d) Neither such JBG Party or any of its Subsidiaries has received (i) written notice that any certificate, permit or license from any Governmental Entity having jurisdiction over any of its JBG Included Properties necessary to permit the lawful use and operation of the buildings and improvements on any of its JBG Included Properties as currently used and operated or that is necessary to permit the lawful use and operation of all utilities and means of egress and ingress to and from any of its JBG Included Properties for the current use and operation of the JBG Included Property is not in full force and effect as of the date of this Agreement, except for such failures to be in full force and effect that, individually or in the aggregate, have not had and would not reasonably be expected to have a JBG Material Adverse Effect, or of any pending written threat of modification or cancellation of any of same, that has had or would reasonably be expected to have a JBG Material Adverse Effect, or (ii) written notice of any uncured violation of any Laws affecting any of its JBG Included Properties which, individually or in the aggregate, has had or would reasonably be expected to have a JBG Material Adverse Effect.

(e) Except as set forth in Section 4.9(e) of the JBG Disclosure Letter, no condemnation, eminent domain or similar proceeding has occurred or to the knowledge of such JBG Party is pending with respect to any JBG Included Property of such JBG Party or any of its Subsidiaries and, except as, individually or in the aggregate, has not had and would not reasonably be expected to have a JBG Material Adverse Effect, neither such JBG Party nor any of its Subsidiaries has received any written notice to the effect that (i) any condemnation or

rezoning proceedings are threatened with respect to any of its JBG Included Properties, or (ii) any zoning regulation or ordinance (including with respect to parking), Board of Fire Underwriters rules, building, fire, health or other Law has been violated (and remains in violation) for any of its JBG Included Properties.

(f) Except as set forth on Section 4.9(f) of the JBG Disclosure Letter, there are no material Tax abatements or exemptions specifically affecting the JBG Included Properties of such JBG Party or any of its Subsidiaries, and such JBG Party and its Subsidiaries have not received any written notice of (and such JBG Party and its Subsidiaries do not have any knowledge of) any proposed increase in the assessed valuation of any of the JBG Included Properties, except in each case for any such Taxes or assessment that have not had and would not reasonably be expected to have, individually or in the aggregate, a JBG Material Adverse Effect.

(g) No written unresolved claim has been made against any title insurance policy evidencing title insurance with respect to a JBG Included Property which, individually or in the aggregate, would be material to such JBG Included Property.

(h) Section 4.9(h) of the JBG Disclosure Letter sets forth all ground leases affecting the interest of each JBG Party or its Subsidiaries in any JBG Included Property, other than ground leases as to which a JBG Included Entity is both lessor and lessee, and all amendments, modifications (including pursuant to any estoppel), guarantees, renewals and extensions exercised related thereto (collectively, the "JBG Ground Leases"). With respect to each JBG Party, such JBG Party hereby represents that (i) Section 4.9(h) of the JBG Disclosure Letter contains a true, complete and correct list of all JBG Ground Leases to which such JBG Party or any of its Subsidiaries is bound; (ii) true, complete and correct copies of such JBG Ground Leases have been delivered or made available to the Vornado Parties; and (iii) each such JBG Ground Lease is valid, binding and enforceable in accordance with its terms and is in full force and effect with respect to such JBG Party or its Subsidiary and, to the knowledge of such JBG Party, with respect to the other parties thereto, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at Law). As of the date hereof, there are no monetary or non- monetary material defaults under any JBG Ground Lease to which such JBG Party or any of its Subsidiaries is bound, by such JBG Party or its Subsidiaries or any other party thereto. As of the date hereof, such JBG Party and its Subsidiaries have not sent or received any notice of any violation or breach of, or default under, any JBG Ground Lease to which such JBG Party or any of its Subsidiaries is bound.

(i) Except for discrepancies, errors or omissions that, individually or in the aggregate, would not reasonably be expected to have a JBG Material Adverse Effect, the rent rolls for each of the JBG Included Properties as of September 15, 2016 that have previously been made available to the Vornado Parties by such JBG Party or its Subsidiaries, are true and correct and (i) correctly reference each tenant under each lease that was in effect as of September 15, 2016, and to which any JBG Party is a party as lessor with respect to each of the JBG Included Properties (all leases, together with, in the case of JBG Leases for non-residential JBG Included

Properties, for all amendments, modifications, supplements, renewals and extensions related thereto, the "JBG Leases") and (ii) identify the rent payable under the JBG Lease as of such date. Except for discrepancies, errors or omissions that, individually or in the aggregate, would not reasonably be expected to have a JBG Material Adverse Effect, such JBG Party or its Subsidiaries have made available to the Vornado Parties a list of all security deposits currently held under the JBG Leases as of September 15, 2016.

(j) True and complete (in all material respects) copies of all JBG Leases for space in excess of 25,000 square feet in or at any JBG Included Properties (the "Material JBG Leases") (it being understood that a JBG Lease shall constitute a Material JBG Lease if there are other JBG Leases with the same tenant at the same JBG Included Property that, if aggregated with such JBG Lease, would exceed 25,000 square feet), in each case in effect as of the date hereof and to the extent within JBG's possession and control, have been made available to the Vornado Parties. Except as would not, individually or in the aggregate, reasonably be expected to have a JBG Material Adverse Effect, (i) neither such JBG Party nor any of its Subsidiaries has given or received written notice of any violation or breach of, or default under, any JBG Lease, which violation or breach remains outstanding and uncured, (ii) except as set forth on Section 4.9(j) of the JBG Disclosure Letter, no tenant under a JBG Lease is in monetary or other material default under such JBG Lease, which default remains outstanding and uncured, and (iii) each JBG Lease is valid, binding and enforceable in accordance with its terms and is in full force and effect with respect to any JBG Party and, to the knowledge of any JBG Party, with respect to the other parties thereto, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at Law). Except as set forth on Section 4.9(j) of the JBG Disclosure Letter, any and all material leasing commissions or brokerage fees payable by such JBG Party or any of its Subsidiaries with respect to any Material JBG Leases have been paid in full. To the knowledge of such JBG Party, except as set forth on Section 4.9(j) of the JBG Disclosure Letter, all material tenant improvement allowances, relocation allowances or other inducements due with respect to the current unexpired term of each Material JBG Lease have been paid in full. As of March 31, 2016, except as set forth on Section 4.9(j) of the JBG Disclosure Letter, there are no other material Leasing Costs to be paid in the future with respect to any Material JBG Leases.

(k) Other than any economic rights assigned to a JBG Included Entity or the JBG Management Entities, the Managing Member Interests do not include any economic rights in any Joint Venture to which such Managing Member Interests are attributable, except as set forth on Section 4.9(k) of the JBG Disclosure Letter.

(l) As of the date hereof, the JBG Included Properties and the JBG Excluded Assets constitute all of the real property interests held by the JBG Parties and their controlled Affiliates.

(m) Except as (i) set forth on Section 4.9(m) of the JBG Disclosure Letter and (ii) by virtue of their interest in the JBG Management Entities, no member of the executive committee of JBG Operating Partners is entitled to receive compensation for providing

development, asset and property management, leasing, construction management or other real estate-related services.

(n) Except for JBG Permitted Liens, as set forth in JBG Leases and title documents made available to the Vornado Parties prior to the date hereof or as would not reasonably be expected to have, individually or in the aggregate, a JBG Material Adverse Effect and except as set forth on Section 4.9(n) of the JBG Disclosure Letter, no such JBG Party nor any of its Subsidiaries is a party to any (i) unexpired option to purchase agreements, rights of first refusal or first offer or any other rights to purchase or otherwise acquire any JBG Included Property or any portion thereof that would materially adversely affect any JBG Included Entity's, ownership, ground lease or right to use a JBG Included Property subject to a Material JBG Lease, and (ii) other outstanding rights or agreements to enter into any contract for sale, ground lease or letter of intent to sell or ground lease any JBG Included Property or any portion thereof that is owned by any JBG Party or its Subsidiaries, which, in each case, is in favor of any party other than a JBG Included Entity.

(o) Schedule B accurately states the outstanding principal amount of the Indebtedness secured by each JBG Included Property as of the applicable Valuation Date.

Section 4.10. JBG Development Properties.

(a) Section 4.10(a) of the JBG Disclosure Letter (i) lists each JBG Included Property (x) which is under construction or (y) which is subject to a binding agreement for development or commencement of construction (each, a "JBG Development Property") and (ii) sets forth the estimated completion date for each JBG Development Property.

(b) Except as would not reasonably be expected to have, in the aggregate, a JBG Material Adverse Effect, to the knowledge of such JBG Party, no circumstances exist that would (i) prevent or unreasonably delay the development or construction of any of its or its Subsidiaries' JBG Development Properties or (ii) prevent or unreasonably delay the attainment of any entitlements required to commence or complete construction or development of such JBG Development Properties, in each case, in accordance with the estimated completion date set forth on Section 4.10(a) of the JBG Disclosure Letter, subject, in the case of any JBG Development Property where the development or construction is not "by right," to (A) any delays in the receipt of all required approvals, (B) failure to receive all required approvals and (C) receipt of approvals with conditions that are unacceptable to the applicable JBG Party in its good faith business discretion.

(c) Except as would not reasonably be expected to have, in the aggregate, a JBG Material Adverse Effect, (i) all development and construction required to be completed with respect to any JBG Development Property (and any Contract related to such development or construction) (A) has been completed timely and on budget (or such requirement has been waived by the party benefiting from such covenant), or (B) is on schedule to be completed timely and on budget, and all payments, expenses and fees required in connection therewith have been made, in each case, in accordance therewith and (ii) neither such JBG Party nor any of its

Subsidiaries is and, to the knowledge of such JBG Party, no other party is in breach or violation of, or default under, any such JBG Lease or Contract related to such development or construction, nor has any event occurred which would result in a breach or violation of, or a default under, any such JBG Lease or Contract by such JBG Party or any of its Subsidiaries, or, to the knowledge of such JBG Party, any other party thereto (in each case, with or without notice or lapse of time or both).

Section 4.11. Personal Property. Such JBG Party and its Subsidiaries have good and valid title to, or a valid and enforceable leasehold interest in, or other right to use, all personal property owned, used or held for use by them which constitutes part of the "JBG Included Assets" (other than property owned by tenants and used or held in connection with the applicable tenancy), except as, individually or in the aggregate, has not had and would not reasonably be expected to have a JBG Material Adverse Effect. Neither such JBG Party's nor any of its Subsidiaries' ownership of or leasehold interest in any such personal property is subject to any Liens, except for JBG Permitted Liens and Liens that have not had and would not reasonably be expected to have a JBG Material Adverse Effect.

Section 4.12. Litigation. Except as, individually or in the aggregate, has not had and would not reasonably be expected to have a JBG Material Adverse Effect or adversely affect the ability of such JBG Party or any of its Subsidiaries to perform their obligations hereunder or under any Ancillary Documents to which such Persons are a party, or prevent or materially delay the consummation of the Transactions, and except as set forth in Section 4.12 of the JBG Disclosure Letter, as of the date hereof, (a) there is no Action, pending against (or to the knowledge of such JBG Party, threatened in writing against), such JBG Party, any of its Subsidiaries or their Included Assets nor, to the knowledge of such JBG Party, is there any investigation by a Governmental Entity pending or threatened in writing against such JBG Party or any of its Subsidiaries or, with respect to any Included Assets of such JBG Party or its Subsidiaries, and (b) neither such JBG Party nor any of its Subsidiaries is subject to any outstanding order, writ, injunction, decree or arbitration ruling or judgment or award of a Governmental Entity.

Section 4.13. Taxes. Except as expressly set forth in Section 4.13 of the JBG Disclosure Letter:

(a) The JBG Parties and their Subsidiaries each has (i) duly and timely filed (or caused to be filed on its behalf) with the appropriate Governmental Entity all U.S. federal and all other material Tax Returns required to be filed by it, taking into account any extensions of time within which to file such Tax Returns, and all such Tax Returns were and are true, correct and complete in all material respects and (ii) duly and timely paid in full (or there has been duly and timely paid in full on its behalf), or made adequate provision for, all material amounts of Taxes required to be paid by it.

(b) Each JBG REIT (i) for its First Applicable Year and through and including its taxable year ended December 31, 2015 (and, for purposes of Section 7.2(a), through and including its taxable year ended December 31, 2016, if the Closing Date occurs in the taxable

year ending December 31, 2017) has been subject to taxation as a REIT and has satisfied all requirements to qualify as a REIT for such taxable years; (ii) has operated since January 1, 2016 (and, for purposes of Section 7.2(a), January 1, 2017, if the Closing Date occurs in the taxable year ending December 31, 2017) to the date hereof in such a manner so as to qualify as a REIT; (iii) intends to continue to operate through the Closing Date in such a manner so as to qualify as a REIT; and (iv) has not taken or omitted to take any action that would reasonably be expected to result in a challenge by the IRS or any other Governmental Entity to its status as a REIT, and no such challenge is pending or threatened in writing.

(c) Each of the JBG Parties and their Subsidiaries, other than the JBG Corporate Entities, has been since the later of its acquisition or formation and continues to be treated for U.S. federal Tax purposes as a partnership (or a disregarded entity (other than a Qualified REIT Subsidiary)) and not as a corporation or an association or publicly traded partnership taxable as a corporation.

(d) None of the JBG Parties nor any of their Subsidiaries holds, directly or indirectly, any asset the disposition of which would be subject to (or to rules similar to) Section 1374 of the Code or, taking into account the Transactions, Treasury Regulations Section 1.337(d)-7 and Temporary Treasury Regulations Section 1.337(d)-7T.

(e) (i) There are no audits, investigations or proceedings pending (or threatened in writing) for and/or in respect of any material Taxes or material Tax Returns of a JBG Party or any of their Subsidiaries and none of the JBG Parties nor any of their Subsidiaries is a party to any litigation or administrative proceeding relating to a material amount of Taxes; (ii) no deficiency for a material amount of Taxes of the JBG Parties or any of their Subsidiaries has been claimed, proposed or assessed in writing or, to the knowledge of the JBG Parties, threatened in writing, by any Governmental Entity, which deficiency has not yet been settled, except for such deficiencies which are being contested in good faith; (iii) none of the JBG Parties nor any of their Subsidiaries has extended or waived (nor granted any extension or waiver of) the limitation period for the assessment or collection of any material amount of Tax that has not since expired; and (iv) none of the JBG Parties nor any of their Subsidiaries has entered into any "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax Law) regarding a material amount of Tax.

(f) Since formation of the JBG REITs, (i) none of the JBG REITs nor any of their Subsidiaries has incurred any material liability for Taxes under Sections 857(b), 860(c) or 4981 of the Code that has not been previously paid; and (ii) none of the JBG REITs nor any of their Subsidiaries has incurred any material liability for any other Taxes other than (x) in the ordinary course of business, or (y) transfer or similar Taxes arising in connection with acquisitions or dispositions of property. No event has occurred, and no condition or circumstance exists, which presents a material risk that any material amount of Tax described in the previous sentence will be imposed upon the JBG REITs or any of their Subsidiaries (other than transfer or similar Taxes arising in connection with the Transactions).

(g) The JBG Parties and each of their Subsidiaries have complied in all material respects with all applicable Laws relating to the payment and withholding of Taxes (including withholding of Taxes pursuant to Sections 1441, 1442, 1445, 1446 and 3402 of the Code or similar provisions under any state and foreign Laws) and have duly and timely withheld and, in each case, have paid over to the appropriate Governmental Entities any and all material amounts required to be so withheld and paid over on or prior to the due date thereof under all applicable Laws.

(h) None of the JBG Parties, the JBG Designees, and the members or owners of the JBG Parties is a "foreign person" within the meaning of Treasury Regulations Section 1.1445-2.

(i) There are no JBG Tax Protection Agreements (as hereinafter defined) in force as of the date of this Agreement, and, as of the date of this Agreement, no Person has raised in writing a material claim against the JBG Parties or any of their Subsidiaries for any breach of any JBG Tax Protection Agreement. As used herein, "JBG Tax Protection Agreement" means any written agreement which the JBG Parties or any of their Subsidiaries is a party to or is otherwise bound by or subject to pursuant to which: (i)

any liability to holders of limited partnership interests in a JBG Subsidiary Partnership relating to Taxes may arise, whether or not as a result of the consummation of the Transactions; and/or (ii) in connection with the deferral of income Taxes of a holder of limited partnership interests in a JBG Subsidiary Partnership, the JBG Parties or any of their Subsidiaries have agreed to (A) maintain a minimum level of debt, continue a particular debt or provide rights to guarantee debt, (B) retain or not dispose of assets for a period of time that has not since expired, (C) make or refrain from making Tax elections, and/or (D) only dispose of assets in a particular manner. As used herein, "JBG Subsidiary Partnership" means a JBG Party or a Subsidiary of a JBG Party that is a partnership for United States federal income tax purposes.

(j) Section 4.13(j) of the JBG Disclosure Letter sets forth, for each JBG Included Property, the relevant JBG Party's adjusted tax basis in such JBG Included Property.

(k) There are no material Tax Liens upon any property or assets of the JBG Parties or any of their Subsidiaries except Liens for Taxes not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP.

(l) Neither the JBG Parties nor any of their Subsidiaries (A) has been a member of an affiliated group filing a consolidated U.S. federal income Tax Return or (B) has any liability for the Taxes of any Person (other than the JBG Parties or any of their Subsidiaries) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, or otherwise.

(m) Neither the JBG Parties nor any of their Subsidiaries has participated in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2).

(n) Neither the JBG Parties nor any of their Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a) of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code in the two (2) years prior to the date of this Agreement.

(o) None of the JBG REITs nor any of their Subsidiaries (other than Taxable REIT Subsidiaries) currently has or, as of December 31 of any taxable year through and including the taxable year ended December 31 immediately prior to the Closing Date, has had any earnings and profits attributable to such entity or any other corporation in any non-REIT year within the meaning of Section 857(a) of the Code.

(p) The JBG Tax Group does not own any stock, or options to acquire stock of Vornado or Newco.

Section 4.14. Compliance with Laws; Permits.

(a) As of the date hereof (i) such JBG Party and its Subsidiaries, have complied and are in compliance with all Laws applicable to such JBG Party or any of its Subsidiaries or by which their JBG Included Assets (including, without limitation, any JBG Included Property) is bound, and (ii) no notice, charge or assertion has been received by such JBG Party or its Subsidiaries or, to the knowledge of such JBG Party, threatened against such JBG Party or its Subsidiaries alleging any non-compliance of any JBG Party or its Subsidiaries, except in each case above for such non-compliance that has not had and would not reasonably be expected to have a JBG Material Adverse Effect. Notwithstanding anything to the contrary in this Section 4.14(a), the provisions of this Section 4.14(a) shall not apply to matters covered by Section 4.17 (Environmental Matters), Section 4.19 (Employee Benefit Plans) and Section 4.20 (Labor and Other Employment Matters).

(b) Such JBG Party and its Subsidiaries are in possession of all authorizations, licenses, permits, certificates, approvals, variances, exemptions, orders, franchises, certifications and clearances of any Governmental Entity necessary for such JBG Party and its Subsidiaries to own, lease and operate their respective JBG Included Assets (including, without limitation, the JBG Included Properties) and conduct their respective businesses as currently conducted (the "JBG Permits"), and all such JBG Permits are valid, and in full force and effect, except where the failure to possess and maintain such JBG Permits in full force and effect, individually or in the aggregate, has not had and would not reasonably be expected to have a JBG Material Adverse Effect. All applications required to have been filed for the renewal of the JBG Permits have been filed on a timely basis with the appropriate Governmental Entity, and all other filings required to have been made with respect to such JBG Permits have been duly made on a timely basis with the appropriate Governmental Entity, except in each case, where such failure to do so, individually or in the aggregate, has not had and would not reasonably be expected to have a JBG Material Adverse Effect. Neither any JBG Party nor any of their Subsidiaries has received any claim or notice, nor has any knowledge indicating, that such JBG Party or its Subsidiaries currently is not in compliance with the terms of any JBG Permit, except where the failure to be

in compliance with the terms of any such JBG Permit, individually or in the aggregate, would not have had and would not reasonably be expected to have a JBG Material Adverse Effect.

(c) Neither such JBG Party nor any of its Subsidiaries is an "investment company" within the meaning of the Investment Company Act.

Section 4.15. Funds.

(a) The Equity Interests of such JBG Party and any of its Subsidiaries have been issued and sold in compliance with applicable Law in all material respects.

(b) Neither of the JBG Management Entities nor any of its Subsidiaries or any managing member of any JBG Fund currently acts as an adviser, sub-adviser, general partner, managing member, manager or sponsor to any pooled investment vehicle that would be required to be a registered "Investment Company" under the Investment Company Act. Section 4.15(b)(i) of the JBG Disclosure Letter sets forth each material agreement pursuant to which such JBG Management Entity (or its Subsidiaries) or any other JBG Included Entity performs management, advisory or sub-advisory services for any Person, and each material Contract pursuant to which such JBG Management Entity (or its Subsidiaries) or JBG Included Entity receives compensation in respect of any such activities in connection with any such Person (each such agreement, a "JBG Advisory Agreement"), and each such JBG Advisory Agreement was duly approved and performed in all material respects in accordance with the applicable Governing Documents of such fund and applicable Law. There are no existing material violations by such JBG Management Entity or any of its Subsidiaries, such JBG Included Entity or their respective Affiliates or any managing member of any JBG Fund or, to the knowledge of such Persons, any other party thereto, of the Governing Documents of any fund or any JBG Advisory Agreement or any side letter with any investor in a JBG Fund. True and complete copies have been made available to the Vornado Parties prior to the date hereof of (i) each form of subscription agreement and private placement memorandum or other offering document in effect as of the date hereof for each JBG Fund, (ii) the Governing Documents of each JBG Fund, (iii) each JBG Advisory Agreement and (iv) all material side letters with any investor in any JBG Fund.

Section 4.16. Material Contracts.

(a) Except for contracts listed in Section 4.16(a) of the JBG Disclosure Letter, as of the date of this Agreement, no such JBG Party or any of its Subsidiaries is a party to or bound by or subject to any contract that, as of the date hereof:

(i) obligates such JBG Party or any of its Subsidiaries to make non-contingent aggregate annual expenditures (other than principal and/or interest payments or the deposit of other reserves with respect to debt obligations) in excess of $500,000 and is not cancelable within ninety (90) days without material penalty to such JBG Party or any of its Subsidiaries that relates to any of the JBG Included Assets or pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG

Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transactions, except for any lease under which such JBG Party or any of its Subsidiaries is lessee, any ground lease affecting any JBG Included Property or relates to tenant improvement expenses under a JBG Lease;

(ii) contains any non-compete or exclusivity provisions with respect to any line of business or geographic area that restricts the business of such JBG Party or any of its Subsidiaries in any material respect, or would otherwise limit the freedom of such persons with respect to, or restrict, the lines of business conducted by such JBG Party or any of its Subsidiaries or the geographic area in which such JBG Party or any of its Subsidiaries may conduct business in any material respect that relates to any of the JBG Included Assets or pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transactions, excluding any such contract that is a JBG Lease;

(iii) obligates any JBG Included Entity, JBG Management Entity or Subsidiary of a JBG Party to any material continuing contractual obligation (i) for indemnification under any agreements relating to the sale of real property, or any other business or material assets, previously owned, whether directly or indirectly, by a JBG Management Entity, a JBG Included Entity, or Subsidiary of a JBG Party that are reasonably likely to involve a Liability of $1,000,000 or more or (ii) to make payments, contingent or otherwise, on account of prior acquisitions or sales of any real property;

(iv) is an agreement which obligates such JBG Party or any of its Subsidiaries to indemnify any past or present directors, officers, trustees, employees and agents of such JBG Party or any of its Subsidiaries pursuant to which such JBG Party or any of its Subsidiaries is the indemnitor, in each case, other than pursuant to any Governing Documents, operating agreements, property management agreements, development agreements, advisory agreements or any similar agreement;

(v) constitutes an Indebtedness obligation of such JBG Party or any of its Subsidiaries with a principal amount outstanding as of September 30, 2016 greater than $500,000 that relates to any of the JBG Included Assets or pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transactions, other than any such Indebtedness for which both obligor and obligee are JBG Included Entities;

(vi) requires such JBG Party or any of its Subsidiaries to dispose of or acquire assets or properties (other than in connection with the expiration of a JBG Lease or a ground lease affecting a JBG Included Property) with a fair market value in excess of $1,000,000, or involves any pending or contemplated merger, consolidation or similar business combination transaction, except for any JBG Lease or any ground lease affecting any JBG Included Property, that relates to any of the JBG Included Assets or pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG

Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transactions;

(vii) constitutes an interest rate cap, interest rate collar, interest rate swap or other contract or agreement relating to a hedging transaction that relates to any of the JBG Included Assets or pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transactions or to Indebtedness secured by any JBG Included Asset;

(viii) is a JBG Advisory Agreement;

(ix) sets forth the operational terms of a joint venture, partnership, limited liability company or strategic alliance of a JBG Included Entity, a JBG Management Entity or Subsidiary of a JBG Party with any party other than a JBG Included Entity, JBG Management Entity or Subsidiary of a JBG Party;

(x) constitutes a loan to any Person (other than to a wholly owned Subsidiary of a JBG Party) by a JBG Included Entity, JBG Management Entity or Subsidiary of a JBG Party (other than advances made pursuant to the JBG Leases or any disbursement agreement, development agreement, or development addendum entered into in connection with a JBG Lease with respect to the development, construction, or equipping of a JBG Included Property or the funding of improvements to JBG Included Properties) in an amount in excess of $500,000;

(xi) is an agreement that obligates payments to any Person contingent on the future operating results or other similar future events having a material economic effect relating to the JBG Included Assets or arising out of prior results, leases, acquisitions or sales in respect of the JBG Included Assets pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transactions;

(xii) is an agreement (other than a Joint Venture Agreement) obligating a JBG Included Entity, a JBG Management Entity or a Subsidiary of a JBG Party to provide any funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in any other Person in excess of $500,000;

(xiii) is an agreement with or for the benefit of any Governmental Entity requiring payment by a JBG Included Entity, a JBG Management Entity or Subsidiary of a JBG Party in excess of $500,000 in any calendar year remaining in its term or requires total remaining payment in excess of $500,000 other than a ground lease that relates to any of the JBG Included Assets or pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transactions, other than any such agreement that is a JBG Lease or JBG Ground Lease;

(xiv) is a gross maximum price construction contract or an agreement for any construction or development work (including any additions or expansions) which are currently in effect and under which such JBG Party or any of its Subsidiaries currently has an obligation in excess of $5,000,000, unless a JBG Party or its Subsidiary is the developer, that relates to any of the JBG Included Properties or pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transactions;

(xv) is an agreement between a JBG Management Entity or a JBG Included Entity, on the one hand, and the current directors, officers, trustees, partners, members or other Affiliates of any JBG Party (but not including as Affiliates any JBG Included Entities or JBG Management Entities), on the other hand, pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transaction, other than any such agreement (A) where all parties are JBG Included Entities, (B) which will be terminated on or before the Closing or (C) which will otherwise not be binding on Newco or any of its Subsidiaries following Closing; or

(xvi) is a management agreement (i.e., contracts providing for or otherwise governing the management and/or operation of such JBG Party, its Subsidiaries or any of their JBG Included Assets (including their JBG Included Properties)),

including, without limitation, asset management, construction management and property management agreements pursuant to which such JBG Party or its Subsidiaries are obligated to pay to another party (that is not a JBG Party or a JBG Party's Subsidiary) an amount in excess of $1,000,000 that relates to any of the JBG Included Assets or pursuant to which Newco or any of its Subsidiaries (including, after the Closing, the JBG Included Entities and the JBG Management Entities) could become an obligor pursuant to the Transactions, other than any such agreement where all parties are JBG Included Entities.

Each contract of the type described above in this Section 4.16(a), whether or not listed on Section 4.16(a) of the JBG Disclosure Letter, to which such JBG Party or any of its Subsidiaries is a party is referred to herein as a "JBG Material Contract". True and complete copies of each JBG Material Contract listed on Section 4.16(a) of the JBG Disclosure Letter have been provided or made available to the Vornado Parties.

(b) Except as, individually or in the aggregate, has not had and would not reasonably be expected to have a JBG Material Adverse Effect, each JBG Material Contract is legal, valid, binding and enforceable on such JBG Party and each of its Subsidiaries that is a party thereto and, to the knowledge of such JBG Party, each other party thereto, and is in full force and effect, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at Law). Except as, individually or in the aggregate, have not had and would not reasonably be expected

to have a JBG Material Adverse Effect, such JBG Party and each of its Subsidiaries has performed all obligations required to be performed by it prior to the date hereof under each JBG Material Contract and, to the knowledge of such JBG Party, each other party thereto has performed all obligations required to be performed by it prior to the date hereof under each JBG Material Contract. No such JBG Party or any of its Subsidiaries, nor, to the knowledge of such JBG Party, any other party thereto, is in material breach or violation of, or default under, any JBG Material Contract, and no event has occurred that, with notice or lapse of time or both, would constitute a violation or breach of, or default under, any JBG Material Contract, except where in each case such breach, violation or default is not reasonably likely to have, individually or in the aggregate, or reasonably be expected to have a JBG Material Adverse Effect. Neither such JBG Party nor any of its Subsidiaries has given or received notice of any violation or default under any JBG Material Contract, except for violations or defaults that would not, individually or in the aggregate, reasonably be expected to have a JBG Material Adverse Effect.

Section 4.17. Environmental Matters. Except as, individually or in the aggregate, has not had and would not reasonably be expected to have a JBG Material Adverse Effect, or as set forth in Section 4.17 of the JBG Disclosure Letter: (a) with respect to the JBG Included Assets, such JBG Party and its Subsidiaries are in compliance with all Environmental Laws; (b) neither such JBG Party nor any of its Subsidiaries has received any written notice, demand, letter or claim alleging that such JBG Party or any of its Subsidiaries is in violation of, or liable under, any Environmental Law or with respect to Hazardous Substances or that any judicial, administrative or compliance order has been issued against such JBG Party or any of its Subsidiaries, in each case, which remains unresolved and which relates to any of the JBG Included Assets; and (c) neither such JBG Party nor any of its Subsidiaries has entered into or agreed to any consent decree or order or is subject to any judgment, decree or judicial, administrative or compliance order relating to compliance with Environmental Laws, Environmental Permits or the investigation, claim, sampling, monitoring, treatment, remediation, removal or cleanup of Hazardous Substances and no investigation, litigation or other proceeding is pending or, to the knowledge of such JBG Party, threatened against such JBG Party or any of its Subsidiaries under any Environmental Law, in each case, that relates to the JBG Included Assets. This Section 4.17 contains the exclusive representations and warranties of such JBG Party with respect to environmental matters.

Section 4.18. Bankruptcy. Neither such JBG Party nor any of its Subsidiaries has (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by such JBG Party's or any such Subsidiary's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of such JBG Party's or any such Subsidiary's assets, which remains pending as of such time, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of such JBG Party's or any such Subsidiary's assets, which remains pending as of such time, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

Section 4.19. Employee Benefit Plans.

(a) Section 4.19(a) of the JBG Disclosure Letter sets forth a correct and complete list of all material JBG Benefit Plans. For each material JBG Benefit Plan (other than any Multiemployer Plan), the JBG Parties have made available to the Vornado Parties, to the extent applicable, accurate and complete copies of (i) the Plan document, including any amendments thereto, and all related trust documents, insurance contracts or other funding vehicles, (ii) a written description, if not set forth in a written document, (iii) the most recently prepared actuarial report, and (iv) all material correspondence to or from any Governmental Entity received in the last three years.

(b) (i) Each JBG Benefit Plan (other than any Multiemployer Plan) has been established and administered in accordance with its terms and in compliance in all material respects with all applicable Laws, including ERISA and the Code, (ii) all material contributions, benefits and premiums required by and due under the terms of each JBG Benefit Plan for current or prior plan years have been paid or accrued in accordance with GAAP, and (iii) there are no pending or, to the JBG Parties' knowledge, threatened claims (other than routine claims for benefits) or proceedings by a Governmental Entity by, on behalf of or against any JBG Benefit Plan or any trust related thereto which could reasonably be expected to result in any material liability to any JBG Party or any of their Subsidiaries.

(c) Each JBG Benefit Plan (other than any Multiemployer Plan) that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service or is the subject of a favorable opinion letter from the Internal Revenue Service on the form of such JBG Benefit Plan, a copy of such letter has been made available to the Vornado Parties, and, to the JBG Parties' knowledge, there are no facts or circumstances that would be reasonably likely to adversely affect the qualified status of any such JBG Benefit Plan. Each trust established in connection with any JBG Benefit Plan which is intended to be exempt from federal income taxation under Section 501(a) of the Code is so exempt, and, to the JBG Parties' knowledge, no fact or event has occurred that would reasonably be expected to adversely affect the exempt status of any such trust.

(d) Section 4.19(d) of the JBG Disclosure Letter sets forth, as of the date of this Agreement, each (i) Multiemployer Plan, or (ii) single employer plan or other pension plan that is subject to Title IV or Section 302 of ERISA or Section 412 of the Code, in each case, that any JBG Party or any of their respective Subsidiaries or ERISA Affiliates, sponsors, maintains or contributes to, or has within the last six (6) years prior to the date hereof sponsored, maintained or contributed to. For any JBG Benefit Plan subject to the minimum funding requirements of Section 412 of the Code or Title IV of ERISA (other than a Multiemployer Plan), (i) no such plan has failed to satisfy the minimum funding standards of Section 302 of ERISA or Sections 412 or 418(B) of the Code, respectively, (ii) no unsatisfied liability (other than for premiums to the PBGC) under Title IV of ERISA has been, or is expected to be, incurred by a JBG Party or any of its Subsidiaries or ERISA Affiliates, (iii) the PBGC has not instituted proceedings to terminate any such JBG Benefit Plan and (iv) no "reportable event" within the meaning of Section 4043 of ERISA ((excluding any such event for which the thirty (30) day notice

requirement has been waived under the regulations to Section 4043 of ERISA) has occurred for which there remains any outstanding liability, nor has any event described in Sections 4062, 4063 or 4041 of ERISA occurred. Except as set forth on Section 4.19(d) of the JBG Disclosure Letter, neither such JBG Party nor any of its Subsidiaries or ERISA Affiliates have incurred or would be likely to incur (whether as a result of the Transactions or otherwise) any liability (including any indirect, contingent or secondary liability) to or on account of a Multiemployer Plan pursuant to Sections 515, 4201, 4204 or 4212 of ERISA; and JBG Parties and each of their respective Subsidiaries and ERISA Affiliates have made all required contributions and are not delinquent in any contributions to any Multiemployer Plan.

(e) No JBG Benefit Plan provides health, accident, disability, life insurance benefits to any JBG Service Provider (or any spouse, beneficiary or dependent of the foregoing) beyond the termination of service or retirement of such JBG Service Provider other than as required under Section 4980B of the Code or any similar applicable Law or at the sole expense of such JBG Service Provider.

(f) No assets of the JBG Parties or any of their ERISA Affiliates constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code or any applicable similar Law.

(g) Neither the execution and delivery of this Agreement, nor the consummation of the Transactions, either alone or in combination with another event (whether contingent or otherwise) will (i) entitle any current or former JBG Service Provider to any payment; (ii) increase the amount of compensation or benefits due to any such JBG Service Provider; (iii) accelerate the vesting, funding or time of payment of any compensation, equity award or other benefit to any JBG Service Provider; or (iv) result in the payment of any amount to any JBG Service Provider that could, individually or in combination with any other such payment, constitute an "excess parachute payment" as defined in Section 280G(b)(1) of the Code.

(h) Neither such JBG Party nor any of its Subsidiaries is a party to, or has any obligation under, any Contract or JBG Benefit Plan to compensate any Person for additional taxes payable pursuant to Sections 409A or 4999 of the Code.

Section 4.20. Labor and Other Employment Matters.

(a) Section 4.20(a) of the JBG Disclosure Letter sets forth, as of the date of this Agreement, each collective bargaining or similar agreement by which a JBG Party or any Affiliate thereof is, or has, within the past six (6) years been bound with respect to any JBG Service Providers. As of the date hereof, there is no, and since January 1, 2014, there has not been any, labor strike, work stoppage, picketing, lockout, walkout or other organized work interruption pending, or to the knowledge of the JBG Parties threatened in writing or anticipated against any JBG Party or any Affiliate thereof relating to any JBG Service Providers. Except as specified in Section 4.20(a) of the JBG Disclosure Letter, there are no labor unions or other organizations certified or recognized to represent any JBG Service Providers and as of the date

hereof, to the JBG Parties' knowledge, no union organization campaign is in progress with respect to, any JBG Service Providers at any of the JBG Included Assets. As of the date hereof, there are no unfair labor practice charges pending before the National Labor Relations Board or any other Governmental Entity, any grievances, complaints, claims or judicial or administrative proceedings, in each case, which are pending, or to the knowledge of the JBG Parties threatened in writing or anticipated by or on behalf of any current or former JBG Service Providers at any of the JBG Included Assets.

(b) No JBG Service Provider has been improperly excluded from participation in any JBG Benefit Plan. Each JBG Service Provider has been properly classified under the Fair Labor Standards Act with respect to any classification of any person as an independent contractor rather than as an employee, with respect to any classification of any employee as exempt versus non-exempt, and with respect to any employee leased from another employer, and neither the JBG Parties nor any of their Subsidiaries has any written notice or knowledge of any pending or threatened material claim by any JBG Service Provider that he/she is or was misclassified for any purpose.

(c) The JBG Parties and their Subsidiaries are in compliance in all material respects with all applicable Laws, statutes, rules and regulations respecting employment and employment practices, terms and conditions of employment of current and former JBG Service Providers, wages and hours, discrimination in employment, wrongful discharge, collective bargaining, WARN Act, fair labor standards, occupational health and safety, and any other labor and employment-related matters, in each case, with respect to all JBG Service Providers.

(d) During the three (3) years prior to the date of this Agreement, no JBG Party nor any of their respective Subsidiaries have engaged in or effectuated any "plant closing" or employee "mass layoff" (in each case, as defined in the WARN Act), or any similar state or local Law, statute, rule or regulation affecting any current or former JBG Service Providers.

Section 4.21. Intellectual Property. Except as set forth on Section 4.21 of the JBG Disclosure Letter or, as individually or in the aggregate, has not had and would not reasonably be expected to have a JBG Material Adverse Effect, (a) such JBG Party and its Subsidiaries own or are licensed or otherwise possess valid rights to use all Intellectual Property necessary to conduct the business of such JBG Party and its Subsidiaries as it is currently conducted, (b) the conduct of the business of such JBG Party and its Subsidiaries as it is currently conducted does not infringe, misappropriate or otherwise violate and, to the knowledge of such JBG Party, is not alleged to infringe misappropriate or otherwise violate, the Intellectual Property rights of any third party (c) there are no pending or, to the knowledge of such JBG Party, threatened claims with respect to any of the Intellectual Property rights owned by such JBG Party or any of its Subsidiaries, and (d) to the knowledge of such JBG Party, no third party is currently infringing or misappropriating Intellectual Property rights of such JBG Party or any of its Subsidiaries. This Section 4.21 contains the exclusive representations and warranties of such JBG Party and its Subsidiaries with respect to Intellectual Property matters.

Section 4.22. OFAC. Neither such JBG Party nor any of its Subsidiaries constitutes a Person with whom a U.S. Person is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States Laws and lists published by OFAC (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC) or otherwise.

Section 4.23. Patriot Act. Neither such JBG Party or any of its Subsidiaries nor, to the knowledge of such JBG Party, any Person providing funds to a JBG Party or any of its Subsidiaries (a) is under investigation by any Governmental Entity for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti-Money Laundering Laws; (b) has been assessed civil or criminal penalties under any Anti- Money Laundering Laws; or (c) has had any of its funds seized or forfeited in any action under any Anti-Money Laundering Laws.

Section 4.24. Anti-Corruption. The JBG Parties have complied, are in compliance with, and will continue to comply with applicable anti-bribery/anti-corruption laws, including the US Foreign Corrupt Practices Act. Neither such JBG Party or any of its Subsidiaries nor, to the knowledge of such JBG Party, any of their principals, owners, officers, directors, trustees, or agents, in each case, acting at the direction or on behalf of such JBG Party, its Subsidiaries or any of their respective Affiliates, has engaged, promised to engage, will promise to engage, or will cause to be engaged, in any transaction or activity involving a direct or indirect improper inducement to any Person (including but not limited to a government official) to obtain or keep business or to secure some other advantage, in violation of applicable anti-bribery/anti- corruption laws.

Section 4.25. Insurance. Except for those matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a JBG Material Adverse Effect, there is no claim for coverage by such JBG Party or any of its Subsidiaries that relates to any of the JBG Included Assets pending under any of the material insurance policies (including title insurance policies) and all material fidelity bonds or other insurance service contracts in such JBG Party's or its Subsidiaries' possession providing coverage for all JBG Included Properties (the "JBG Insurance Policies") that has been denied or disputed by the insurer. Except for those matters that have not had and would not reasonably be expected to have a JBG Material Adverse Effect, all premiums due and payable under all JBG Insurance Policies that relate to any of the JBG Included Assets have been paid, and such JBG Party and its Subsidiaries have otherwise complied in all material respects with the terms and conditions of all JBG Insurance Policies. To the knowledge of such JBG Party, such JBG Insurance Policies that relate to any of the JBG Included Assets are valid and enforceable in accordance with their terms and are in full force and effect and no written notice of cancellation or termination has been received by such JBG Party or any of its Subsidiaries with respect to any such policy which has not been replaced on substantially similar terms prior to the date of such cancellation.

Section 4.26. Information in the SEC Filings. None of the information supplied or to be supplied by or on behalf of such JBG Party or its Subsidiaries for inclusion in any of the filings made or to be made by the Vornado Parties or their Affiliates with the SEC or with any stock exchange of or other regulatory authority will, at the time filed with the SEC, any stock exchange or other regulatory authority, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading.

Section 4.27. Brokers; Expenses. No broker, investment banker, financial advisor or other Person (other than Bank of America Merrill Lynch), is entitled to receive any broker's, finder's, financial advisor's or other similar fee or commission in connection with this Agreement or the Transactions based upon arrangements made by or on behalf of such JBG Party or any of its Subsidiaries. Other than the arrangements described in the engagement letters with Bank of America Merrill Lynch, Section 4.27 of the JBG Disclosure Letter sets forth the outside legal, accounting and financial advisors retained as of the date hereof by any JBG Party (on its own behalf or on behalf of any other Person) in connection with the Transactions with which such JBG Party has any contingent payment arrangements requiring payments to be made after December 31, 2015 in connection with the Transactions that are contingent upon the execution of this Agreement or the Transactions or, in the case of advisors customarily compensated on the basis of hourly time charges, are not based on actual time charges and expense reimbursement and describes such arrangements. Since December 31, 2015, none of the JBG Parties or any of their Subsidiaries or Affiliates has made any material payments in excess of the amounts contemplated by this Section 4.27 to any such advisors.

Section 4.28. Capital Commitments. Section 4.28 of the JBG Disclosure Letter sets forth, for each JBG Fund, the aggregate amount of capital commitments that the general partner or managing member of the applicable JBG Fund has available to call from the direct and indirect limited partners or members of each JBG Fund.

Section 4.29. Non-Controlled Subsidiaries. Each Subsidiary of the JBG Parties listed on Section 4.29 of the JBG Disclosure Letter is controlled, directly or indirectly, by a Person other than a JBG Party or its Affiliates. Notwithstanding anything to the contrary contained herein, the representations and warranties of the JBG Parties in this Article IV with respect to such Subsidiaries shall be qualified to the knowledge of the JBG Parties.

Section 4.30. JBG Fund Credit Amounts. With respect to each JBG Fund, all further management fees to be paid by any JBG Fund to any JBG Party, will be paid entirely in cash.

Section 4.31. No Other Representations or Warranties. Except for the representations and warranties expressly set forth in this Article IV or any Ancillary Document, no JBG Party nor any of its Subsidiaries or any other Person makes any other express or implied representation or warranty with respect to such JBG Party, its Subsidiaries, the JBG Included Properties, the JBG Included Entities, the JBG Included Interests, the Managing Member Interests, the JBG Included Assets, or with respect to any other information provided to the Vornado Parties in connection with (i) the Transactions or (ii) the businesses, affairs, operations,

assets, Liabilities, condition (financial or otherwise) or prospects or any other matter relating to such JBG Party, its Subsidiaries or any of their JBG Included Properties, including with respect to any documentation, forecasts, budgets, projections, estimates or other information (including the accuracy or completeness of, or the reasonableness of the assumptions underlying, such documentation, forecasts, budgets, projections, estimates or other information) provided by such JBG Party, its Subsidiaries or any other Person to the Vornado Parties. For clarity, none of the representations and warranties set forth in this Article IV pertains to or purports to disclose any information with respect to any JBG Excluded Asset (other than with respect to Liabilities that apply to or could reasonably be expected to adversely impact Newco, Newco OP or any Vornado Included Entity after the Closing), even if such JBG Excluded Asset is owned by a JBG Included Entity prior to the Closing.

ARTICLE V

PRE-CLOSING COVENANTS

Each of the Parties covenants and agrees to the extent applicable to it as follows (it being understood that the covenants and agreements of any JBG Party are as to itself and not as to the other JBG Parties and are several and not joint; *provided*, that with respect to any covenant or agreement of any JBG Fund, such covenant or agreement is made jointly and severally by such JBG Fund and JBG Operating Partners).

Section 5.1. Access; Notice of Certain Events.

(a) Between the date of this Agreement and the Closing or the date, if any, on which this Agreement is terminated pursuant to Section 8.1, to the extent permitted by applicable Law and contracts, the members of each Group shall, and shall cause each of their Subsidiaries to, afford to the other Group and its Representatives reasonable access during normal business hours and upon reasonable advance notice to all of their respective properties, offices, books, contracts, commitments and records to the extent related to such Group's Included Assets and, during such period, the members of each Group shall, and shall cause each of their Subsidiaries to, furnish reasonably promptly to the other Group all information (financial or otherwise) concerning their business and properties and to the extent related to their Included Assets that the other Group may reasonably request. Notwithstanding the foregoing, the Parties shall not be required by this Section 5.1 to provide members of the other Group or their respective Representatives with access to or to disclose (i) material prepared in connection with or relating to the Transactions or any other strategic alternatives contemplated by the Parties, (ii) information that is subject to confidentiality obligations to a third party (*provided*, *however*, that each Group shall use its Commercially Reasonable Efforts to obtain the required consent of such third party to such access or disclosure), (iii) information the disclosure of which would violate any Law, (iv) information that is subject to any attorney-client, attorney work product or other legal privilege, (v) information that the Group reasonably believes is competitively sensitive with respect to the other Group, (vi) information to the extent it relates solely to any Vornado Excluded Asset or JBG Excluded Asset (as applicable) or (vii) information pertaining to the activities or assets of Vornado and its Subsidiaries that are Vornado Assets (as defined in the

Separation and Distribution Agreement). The members of each Group shall use their Commercially Reasonable Efforts to minimize any disruption to the business of the other Group or any of their Subsidiaries that may result from any requests for access, data or information hereunder. Any access to the properties of a Group or any of its Subsidiaries shall be subject to the other Group's reasonable security measures and insurance requirements and shall not include the right to perform invasive testing without the members of such other Group's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned. Prior to the Closing, the members of each Group shall not, and shall cause their respective Representatives and Affiliates not to, contact or otherwise communicate with any tenants, lenders, Joint Venture Partners or other parties with which such other Group or any of its Subsidiaries has a business relationship regarding the business of such other Group and its Subsidiaries or this Agreement and the Transactions (other than in connection with efforts to obtain any Required Consent, in accordance with Section 5.2), in each case, without the prior consent of the other Group, not to be unreasonably withheld, delayed or conditioned.

(b) Each Party agrees to give prompt written notice to the members of the other Group (i) of any notice or other communication received by such Party (A) from any Governmental Entity in connection with this Agreement or the Transactions, (B) from any Person alleging that the consent of such Person (or another Person) is or may be required in connection with the Transactions, or (C) of any written notice received from any Person in connection with any material violation or default under or notice to terminate, not renew or challenge the validity or enforceability of any Vornado Material Contract or JBG Material Contract, as applicable, (ii) of any legal proceeding commenced or, any written threat to commence against, such Party or any of its Subsidiaries or Affiliates or, to its knowledge, otherwise relating to, involving or affecting such Party or any of its Subsidiaries or Affiliates, in each case in connection with, arising from or otherwise relating to the Transactions, and (x) upon becoming aware of the occurrence or impending occurrence of any event, change, development or circumstance relating to it or any Vornado Subsidiary or any Subsidiary of such JBG Party, respectively, which makes or is reasonably likely to make any of the conditions set forth in Article VII to not be satisfied. The failure to deliver any such notice, in and of itself, shall not result in the failure of, or otherwise affect, any of the conditions set forth in Article VII.

Section 5.2. Consents and Approvals.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of the Parties shall use Commercially Reasonable Efforts (unless, with respect to any action, another standard is set forth herein) to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable under applicable Law or pursuant to any contract or agreement to consummate and make effective, as promptly as practicable, the Transactions, including using Commercially Reasonable Efforts (i) to cause the conditions to Closing set forth in Article VII to be satisfied, (ii) to obtain all necessary actions or nonactions, waiting period expirations or terminations, waivers, consents, authorizations and approvals from Governmental Entities or other Persons necessary in connection with the consummation of the Transactions, including, with respect to the Vornado Parties, the consents listed on Section 3.5(a) of the Vornado

Disclosure Letter and with respect to the JBG Parties, the consents listed on Section 4.3 of the JBG Disclosure Letter, and the making of all necessary registrations and filings (including filings with Governmental Entities, if any) to obtain an approval, waiting period expirations or terminations or waiver from, or to avoid an action or proceeding by, any Governmental Entity or other Persons necessary in connection with the consummation of the Transactions, (iii) to defend any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the Transactions, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Entity vacated or reversed, and avoid each and every impediment under any antitrust, merger control, competition or trade regulation Law that may be asserted by any Governmental Entity with respect to the Transactions so as to enable the Closing to occur as soon as reasonably possible, and (iv) to execute and deliver any additional instruments necessary to consummate the Transactions and to fully carry out the purposes of this Agreement. Each Group shall keep the other Group reasonably apprised of the status of the matters related to the completion of the Transactions, including with respect to obtaining the Required Consents, and shall afford the other Group a reasonable opportunity to participate in discussions with lenders, Joint Venture Partners, ground lessors and other third parties with respect to the Required Consents.

(b) In connection with and without limiting the foregoing, each Party shall give (or shall cause to be given) any notices to any Person, and the Parties shall use, and cause each of their respective Affiliates to use, Commercially Reasonable Efforts to obtain any consents, terminations, waivers, authorizations and approvals not covered by Section 5.2(a) that are proper or advisable to consummate the Transactions.

(c) Any material notices pursuant to Sections 5.2(a) and (b) shall be subject to the review and consent of the other Group, such consent not to be unreasonably withheld, delayed or conditioned. Any material notice with respect to any waiver, consent, authorization or approval shall be subject to the review and consent of the other Group, such consent not to be unreasonably withheld, delayed or conditioned.

(d) The members of each Group will furnish to the other such necessary information and reasonable assistance as the other Group may request in connection with the preparation of any required governmental filings or submissions and will cooperate in responding to any inquiry from a Governmental Entity, including promptly informing the other Group of such inquiry, consulting in advance before making any presentations or submissions to a Governmental Entity, and supplying each other with copies of all material correspondence, filings, productions or communications between either Group and any Governmental Entity with respect to this Agreement. To the extent reasonably practicable, the other Group or its Representatives shall have the right to review in advance and each of the Parties will consult the other Group on, all the information relating to the other Group and each of its Affiliates that appears in any filing made with, or written materials submitted to, any Governmental Entity in connection with the Transactions, except that confidential competitively sensitive business information may be redacted from such exchanges. The Parties may, as they deem advisable and necessary, designate any commercially sensitive materials provided to the other Group under this Section 5.2 as "outside counsel only". Such materials and the information contained therein

shall be given only to outside counsel of the recipient and will not be disclosed by such outside counsel to employees, officers, or directors of the recipient without the advance written consent of the Party providing such materials. To the extent reasonably practicable, neither the Vornado Parties nor the JBG Parties shall, nor shall they permit their respective Representatives to, participate independently in any meeting or engage in any substantive conversation with any Governmental Entity in respect of any filing, investigation or other inquiry relating to the Transactions without giving the other Group prior notice of such meeting or conversation and, to the extent permitted by applicable Law and the Governmental Entity, without giving the other Group the opportunity to attend or participate (whether by telephone or in person) in any such meeting with such Governmental Entity. Subject to applicable law, each Party will consult and cooperate with the other Group in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, and proposals made or submitted to any Governmental Entity regarding the Transactions.

(e) The Vornado Parties and the JBG Parties agree: (i) to make, or cause their ultimate parent entities as that term is defined in the HSR Act to make, or cause to be made, appropriate filings of the Notification and Report Form under the HSR Act if applicable, with respect to the Transactions as promptly as practicable; and (ii) to take all other actions reasonably necessary to cause the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable. The responsibility for the payment of any filings fees in connection with any filings under the HSR Act shall be apportioned between the JBG Parties and the Vornado Parties in proportion to the relative aggregate Asset Values of their Included Assets on the date hereof, in each case, including any Kickout Interests.

(f) Additional Third Party Consent Procedures; Kickout Interests.

(i) If a Required Debt Consent has not been obtained as to a JBG Included Asset within one hundred twenty (120) days of the date hereof, then, except with the consent of the Vornado Parties (not to be unreasonably withheld, conditioned or delayed), the JBG Parties shall use Commercially Reasonable Efforts either (x) to prepay the applicable Indebtedness with their own funds (which may, at the JBG Parties' election and on notice to the Vornado Parties, be prepaid concurrently with Closing) or (y) to refinance the applicable Indebtedness (A) for a principal amount not to exceed the sum of the outstanding principal amount under the Indebtedness being refinanced plus all costs specifically necessary to accomplish such refinancing, (B) for a term that is no shorter than five (5) years (or three (3) years for Indebtedness related to an Included Asset under development), inclusive of extension terms and (C) on market terms and on terms which do not restrict the consummation of the Transactions (either of the foregoing provisions (x) and (y), a "Debt Refinancing"). The JBG Parties shall provide the Vornado Parties copies of any term sheets, commitments, agreements or instruments to be executed in connection with any Debt Refinancing prior to the execution thereof, shall keep the Vornado Parties reasonably apprised of the progress of and reasonably consult with the Vornado Parties regarding the terms of any Debt Refinancing prior to the consummation thereof, and shall promptly provide to the Vornado Parties written notice of the consummation of any Debt Refinancing. If a Required Debt Consent has not been

obtained or a Debt Refinancing consummated as of the date that is twenty (20) days before the anticipated Closing Date, then (i) the JBG Parties may elect to draw on the Credit Facility on the Closing Date (in the event that it is reasonably expected that the Credit Facility will be in effect at or prior to the Closing) in an amount sufficient to repay the outstanding principal amount of such Indebtedness and to use such the proceeds of such draw to repay the Indebtedness under which such Required Debt Consent is required (a "Credit Facility Refinancing Draw"); provided, that the JBG Parties may not elect to effect Credit Facility Refinancing Draws in excess of one hundred million dollars ($100,000,000) in the aggregate for this purpose without the consent of the Vornado Parties, in the Vornado Parties' sole discretion; and (ii) if the JBG Parties have not elected to effect a Credit Facility Refinancing Draw as to a given Included Property, but if they did so the applicable percentage thresholds specified in Section 2.1(a), Section 2.1(b) or Section 7.1(g) would be met, then the Vornado Parties may elect to effect a Credit Facility Refinancing Draw in an amount sufficient to meet the applicable threshold; provided, that (x) the total amount of Credit Facility Refinancing Draws (including those drawn by the JBG Parties) shall not exceed one hundred million dollars ($100,000,000) in the aggregate for this purpose; and (y) Newco shall bear any prepayment fees or similar costs with respect to each separate Indebtedness in excess of the greater of (A) one hundred thousand dollars ($100,000) and (B) one percent (1%) of the principal amount of each separate Indebtedness to be repaid with the proceeds of a Credit Facility Refinancing Draw. Any Included Interest that is subject to a Required Debt Consent shall be deemed a

Kickout Interest until such Required Debt Consent is obtained or until a Debt Refinancing is consummated or a Credit Facility Refinancing Draw is available with respect to the applicable Indebtedness as described above; provided, that if as of the date that is twenty (20) days before the anticipated Closing Date, the JBG Parties have not been able to obtain such Required Debt Consent or consummate a Debt Refinancing with respect to the applicable Indebtedness or it is not then reasonably expected that a Credit Facility Refinancing Draw can be made at Closing with respect to the applicable Indebtedness (or if it is reasonably expected that a Credit Facility Refinancing Draw can be made but then no such Credit Facility Refinancing Draw actually occurs at Closing), then (a) if the Closing occurs on the then-anticipated Closing Date, the Included Interest the contribution of which requires such Required Debt Consent will be permanently deemed a "Kickout Interest" for purposes of this Agreement and the contribution of such Kickout Interest shall not occur or (b) if the Closing does not occur on the then-anticipated Closing Date, then the provisions of this Section 5.1(f)(i) will continue to apply in accordance with their terms (including as to such Required Debt Consent) in connection with the actual Closing Date.

(ii) If a Required Debt Consent has not been obtained as to a Vornado Included Asset within one hundred twenty (120) days of the date hereof, then, except with the consent of the JBG Parties (not to be unreasonably withheld, conditioned or delayed), the Vornado Parties shall use Commercially Reasonable Efforts to consummate a Debt Refinancing with respect to the applicable Indebtedness. The Vornado Parties shall provide the JBG Parties copies of any term sheets, commitments, agreements or instruments to be executed in connection with any Debt Refinancing prior to the

execution thereof, shall keep the JBG Parties reasonably apprised of the progress of and reasonably consult with the JBG Parties regarding the terms of any Debt Refinancing prior to the consummation thereof, and shall promptly provide to the JBG Parties written notice of the consummation of any Debt Refinancing. If a Required Debt Consent has not been obtained or a Debt Refinancing consummated as of the date that is twenty (20) days before the anticipated Closing Date, then (i) the Vornado Parties may effect a Credit Facility Refinancing Draw (in the event that it is reasonably expected that the Credit Facility will be in effect at or prior to the Closing); provided, that the Vornado Parties may not elect to effect a Credit Facility Refinancing Draws in excess of one hundred fifty million dollars ($150,000,000) in the aggregate for this purpose without the consent of the JBG Parties, in the JBG Parties' sole discretion; provided further, that the Vornado Parties may elect to draw on the Credit Facility in an amount not to exceed the amount set forth on Section 5.2(f)(ii) of the Vornado Disclosure Letter for the purpose identified on Section 5.2(f)(ii) of the Vornado Disclosure Letter, which draw shall not be subject to the JBG Parties' consent and which shall not count for purposes of the foregoing $150,000,000 cap or be otherwise restricted by the provisions of this paragraph; and (ii) if the Vornado Parties have not elected to effect a Credit Facility Refinancing Draw as to a given Included Property, but if they did so the percentage thresholds specified in Section 2.1(c) or Section 7.1(g) would be met, then the JBG Parties may elect to effect a Credit Facility Refinancing Draw in an amount sufficient to meet the threshold provided, that (x) the total amount of Credit Facility Refinancing Draws (including those drawn by the Vornado Parties) shall not exceed one hundred fifty million dollars ($150,000,000) in the aggregate for this purpose; and (y) Newco shall bear any prepayment fees or similar costs with respect to each separate Indebtedness in excess of the greater of (A) one hundred thousand dollars ($100,000) and (B) one percent (1%) of the principal amount of each separate Indebtedness to be repaid with the proceeds of a Credit Facility Refinancing Draw. Any Included Interest that is subject to a Required Debt Consent shall be deemed a Kickout Interest until such Required Debt Consent is obtained or until a Debt Refinancing is consummated or a Credit Facility Refinancing Draw is available with respect to the applicable Indebtedness as described above; provided, that if as of the date that is twenty (20) days before the anticipated Closing Date, the Vornado Parties have not been able to obtain such Required Debt Consent or consummate a Debt Refinancing with respect to the applicable Indebtedness or it is not then reasonably expected that a Credit Facility Refinancing Draw can be made at Closing with respect to the applicable Indebtedness (or if it is reasonably expected that a Credit Facility Refinancing Draw can be made but then no such Credit Facility Refinancing Draw actually occurs at Closing), then (a) if the Closing occurs on the then-anticipated Closing Date, the Included Interest the contribution of which requires such Required Debt Consent will be permanently deemed a "Kickout Interest" for purposes of this Agreement and the contribution of such Kickout Interest shall not occur or (b) if the Closing does not occur on the then- anticipated Closing Date, then the provisions of this Section 5.1(f)(ii) will continue to apply in accordance with their terms (including as to such Required Debt Consent) in connection with the actual Closing Date.

(iii) Until a Party is able to obtain any Required Ground Lease Consent, then the applicable Included Property shall be deemed a Kickout Interest. If such Required Ground Lease Consent is not obtained on or before the date that is twenty (20) days before the anticipated Closing Date, the applicable Included Interest the contribution of which requires such Required Ground Lease Consent will be permanently deemed a "Kickout Interest" for purposes of this Agreement and the contribution of such Kickout Interest shall not occur. If a Required Ground Lease Consent with respect to any JBG Included Interest holding a direct or indirect interest in the Included Properties set forth on Section 5.2(f)(iii) of the JBG Disclosure Letter is not obtained on or before the date that is twenty (20) days before the anticipated Closing Date, then, notwithstanding anything to the contrary in this Agreement but subject to Section 5.2(f)(iii) of the JBG Disclosure Letter, if the Closing occurs on the then-anticipated Closing Date such JBG Included Interest shall not be deemed a Kickout Interest but the Managing Member Interest with respect to any such JBG Included Interest will be deemed an "Excluded Managing Member Interest" for purposes of this Agreement and shall not be contributed to Newco OP or any Subsidiary thereof.

(iv) Until a Party is able to obtain any Required JV Consent, the applicable Included Property shall be deemed a Kickout Interest. If such Required JV Consent is not obtained on or before the date that is twenty (20) days before the anticipated Closing Date, and if the Closing occurs on the then-anticipated Closing Date, the applicable Included Interest the contribution of which requires such Required JV Consent will be permanently deemed a "Kickout Interest" for purposes of this Agreement and the contribution of such Kickout Interest shall not occur. If a Required JV Consent with respect to any JBG Included Interest holding a direct or indirect interest in the Included Properties set forth on Section 5.2(f)(iv) of the JBG Disclosure Letter is not obtained on or before the date that is twenty (20) days before the anticipated Closing Date, then, notwithstanding anything to the contrary in this Agreement but subject to Section 5.2(f)(iv) of the JBG Disclosure Letter, such JBG Included Interest shall not be deemed a Kickout Interest but the Managing Member Interest with respect to any such JBG Included Interest will be deemed an "Excluded Managing Member Interest" for purposes of this Agreement and shall not be contributed to Newco OP or any Subsidiary thereof.

(v) The JBG Parties shall use Commercially Reasonable Efforts to cause the actions specified on Section 5.2(f)(v) of the JBG Disclosure Letter to occur with respect to the JBG Included Interests identified on Section 5.2(f)(v) of the JBG Disclosure Letter. Until such an action is completed, the applicable JBG Included Interests shall be deemed to be a Kickout Interest. If any such action is not completed on or before the date that is twenty (20) days before the anticipated Closing Date for any reason, then, and if the Closing occurs on the then-anticipated Closing Date, then the applicable JBG Included Interest will be permanently deemed a "Kickout Interest" for purposes of this Agreement and the contribution of such Kickout Interest shall not occur.

(vi) Until the lease identified on Section 5.2(f)(vi) of the Vornado Disclosure Letter is modified to eliminate any percentage rent payments to the relevant Vornado Included Entity, the Vornado Included Interest identified on Section 5.2(f)(vi) of the Vornado Disclosure Letter shall be a Kickout Interest. If such lease is not so modified on or before the date that is twenty (20) days before the anticipated Closing Date, then the Vornado Included Interest identified on Section 5.2(f)(vi) of the Vornado Disclosure Letter will be permanently deemed a "Kickout Interest" for purposes of this Agreement and the contribution of such Kickout Interest shall not occur. The Vornado Parties shall use Commercially Reasonable Efforts to obtain such lease modification.

(g) Release of Vornado and JBG Guarantees

(i) On or prior to the Closing Date, or as soon as practicable thereafter, Newco shall, with the reasonable cooperation of the other Parties, use Commercially Reasonable Efforts to (A) have any Vornado Party or Affiliate of any Vornado Party related to a Vornado Included Asset removed as guarantor of, indemnitor of or obligor for any Indebtedness, including the removal of any security interest on or in any assets of the Vornado Parties and their Subsidiaries that are not Vornado Included Assets that may serve as collateral or security for any such Indebtedness; and (B) have any member(s) of any JBG Party or Affiliate of any JBG Party related to a JBG Included Asset removed as guarantor of, indemnitor of or obligor for any Indebtedness, including the removal of any security interest on or in any assets of the JBG Parties and their Subsidiaries that are not JBG Included Assets that may serve as collateral or security for any such Indebtedness.

(ii) To the extent required to obtain a release from any such guarantee or indemnity described in Section 5.2(g)(i), Newco or a suitable Newco Subsidiary shall execute a guarantee or indemnity agreement in the form of the existing guarantee or indemnity or such other form as is agreed to by the relevant parties to such guarantee or indemnity agreement, which agreement shall include the removal of any security interest on or in any assets of the Vornado Parties and their Subsidiaries or the JBG Parties and their Subsidiaries that are not Included Assets that may serve as collateral or security for any such Indebtedness, except to the extent that such existing guarantee or indemnity contains representations, covenants or other terms or provisions either (A) with which Newco or such Subsidiary would be reasonably unable to comply or (B) which Newco or such Subsidiary would not reasonably be able to avoid breaching.

(iii) The reasonable consent of JBG Properties (with respect to Vornado Included Assets) or Vornado (with respect to JBG Included Assets) shall be required prior to Newco or a Newco Subsidiary undertaking any obligation in furtherance of clause (i) or (ii) of this Section 5.2(g) that subjects Newco or a Newco Subsidiary to obligations that are materially different from those that the Vornado Parties or the JBG Parties, or their respective Affiliates, are currently subject to under the existing guaranty or indemnity arrangement, including entering into guarantee or indemnity agreements in a materially different form than any existing agreement, if such obligations or differences

would adversely affect, in any material respect, the rights or obligations of Newco or such Newco Subsidiary under the existing guarantee or indemnity arrangement.

(iv) From and after the Closing Date, until such time as Newco or a suitable Newco Subsidiary has obtained any removal or release as set forth in this Section 5.2(g), (A) Newco, or a suitable Newco Subsidiary, will indemnify, defend and hold harmless the applicable JBG Party, Vornado Party or Affiliate thereof, as the case may be, and its respective agents, assigns and successors against or from any Liabilities arising under or relating to such guarantees or similar agreements described in Section 5.2(g)(i) with respect to Liabilities arising thereunder from and after the Closing Date, and shall, as agent or subcontractor for such guarantor, indemnitor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor, indemnitor or obligor thereunder. Until such time as Newco or a suitable Newco Subsidiary has obtained any removal or release as set forth in this Section 5.2(g), Newco agrees not to renew or extend the term of, increase any obligations under, or transfer to a third party, any loan, guarantee, lease, Contract or other obligation for which a Vornado Party, a JBG Party, Affiliates thereof, or their respective agents, assigns and successors, is or may be liable unless all obligations of such Vornado Party, JBG Party, Affiliate, agents, assigns and successors thereunder are thereupon terminated by documentation satisfactory in form and substance to the Vornado Parties or the JBG Parties (as the case may be).

(v) Until such time as Newco or a Newco Subsidiary has obtained any removal or release as set forth in this Section 5.2(g), Vornado and Newco (in the case of Vornado Included Assets) and JBG Properties and Newco (in the case of JBG Included Assets) shall coordinate with respect to contact with the beneficiary of such guarantee, afford each other a reasonable opportunity to participate in discussions with such beneficiaries prior to engaging therein, and keep the other Party reasonably informed of any discussions with such beneficiaries in which such other Party does not participate.

(vi) For the avoidance of doubt, this Section 5.2(g) shall not be construed in a manner as creating any Vornado Included Entity Tax Protection Agreement or a JBG Tax Protection Agreement, or otherwise causing the representations in Section 3.10(g) and Section 4.13(j) to be untrue.

(vii) The provisions of this Section 5.2(g) shall survive Closing.

Section 5.3. Publicity. So long as this Agreement is in effect, no Party, nor any Affiliate or Representative of a Party, shall issue or cause the publication of any press release or other public announcement with respect to the Transactions or this Agreement without the prior written consent of the other Group, unless such Party determines, after consultation with outside counsel, that it is required by applicable Law or by any listing agreement with or the listing rules of a national securities exchange or trading market to issue or cause the publication of any press release or other public announcement with respect to the Transactions or this Agreement, in which event such Party shall endeavor, on a basis reasonable under the circumstances, to provide

a meaningful opportunity to the other Group to review and comment upon such press release or other public announcement and shall give due consideration to all reasonable additions, deletions or changes suggested thereto *provided*, *however*, that this Section 5.3 does not apply to the information that the Parties are required to include in any notification required under the HSR Act or in connection with their responses to any inquiries from a Governmental Entity regarding the Transactions.

Section 5.4. Conduct of Business by the Vornado Parties.

(a) The Vornado Parties agree that between the date of this Agreement and the Closing or the date, if any, on which this Agreement is terminated pursuant to Section 8.1, except (i) as set forth in Section 5.4 of the Vornado Disclosure Letter, (ii) as required pursuant to this Agreement, (iii) as may be required by Law or (iv) as consented to in writing by the JBG Parties (which consent shall not be unreasonably withheld, delayed or conditioned), they shall cause Newco, Newco OP and each of the Vornado Included Entities to (A) conduct their business in all material respects in the ordinary course of business consistent with past practices, (B) operate, manage and develop the Vornado Included Properties in the ordinary course and consistent with past practices (including, with respect to maintenance of insurance and the application of security deposits and the payment of obligations) in all material respects, *provided* that the foregoing shall not impose any obligation on any Vornado Included Entity to undertake any new capital improvement projects after the date hereof (other than to repair or replace any capital improvements requiring immediate repair or replacement or in connection with contractual lease obligations and Material Contracts) except as provided in Section 5.4 of the Vornado Disclosure Letter, (C) perform and otherwise comply, or cause their agents to perform and otherwise comply, in all material respects with, all of the obligations of the lessee under the ground leases affecting any Vornado Included Property and all obligations of the Vornado Included Entities under the Vornado Material Contracts, (D) use their respective Commercially Reasonable Efforts to maintain in all material respects the Vornado Included Properties in their current condition (ordinary wear and tear excepted), preserve their business organizations intact in all material respects, and maintain existing relations and goodwill with lenders, tenants, employees and business associates in all material respects, (E) maintain the status of Newco OP as a disregarded entity or a partnership for U.S. federal income tax purposes, (F) maintain the status of the Vornado REITs as REITs and the Vornado TRSs as Taxable REIT Subsidiaries and (G) from the time Newco makes its REIT election pursuant to Section 856(c)(1) of the Code, maintain the status of Newco as a REIT.

(b) Without limiting the generality of the foregoing, and except (w) as set forth in Section 5.4 of the Vornado Disclosure Letter, (x) as required pursuant to this Agreement, (y) as required by Law or (z) as consented to in writing by the JBG Parties (which consent shall not be unreasonably withheld, delayed or conditioned), between the date of this Agreement and the Closing or the date, if any, on which this Agreement is terminated pursuant to Section 8.1, the Vornado Parties shall not, and shall cause Newco, Newco OP and each Vornado Included Entity not to, directly or indirectly:

(i) amend the Governing Documents of Newco, Newco OP or any Vornado Included Entity, except as contemplated by the Declaration of Trust Amendment and Restatement, the Bylaws Amendment and Restatement or the Partnership Agreement Amendment and Restatement;

(ii) adjust, split, combine, subdivide or reclassify any shares of the capital stock of Newco, Newco OP or any Vornado Included Entity;

(iii) redeem, purchase or otherwise acquire, or offer to redeem, purchase or otherwise acquire, directly or indirectly, any of the capital stock or other Equity Interests of Newco, Newco OP or any Vornado Included Entity;

(iv) grant, issue, deliver or sell any additional Equity Interests of Newco, Newco OP or any Vornado Included Entity;

(v) cause or permit Newco, Newco OP or any Vornado Included Entity to enter into a line of business other than the line of business currently engaged in by it;

(vi) enter into a merger agreement, acquisition agreement or disposition agreement with respect to Newco, Newco OP or any Vornado Included Entity or any Vornado Included Property or authorize the liquidation, dissolution, consolidation, bankruptcy or other reorganization of Newco, Newco OP or any Vornado Included Entity;

(vii) with respect to Newco, Newco OP or any Vornado Included Entity, change any material method of Tax accounting, make or change any material Tax election, file any amended material Tax Return, settle or compromise any material Tax liability, agree to an extension or waiver of the statute of limitations with respect to the assessment or determination of a material amount of Taxes other than in the ordinary course of business, enter into any closing agreement with respect to a material amount of Tax or surrender any right to claim a material Tax refund;

(viii) take any action that (or fail to take any action the omission of which) would reasonably be expected to prevent the Pre-Combination Transactions from qualifying for the Agreed Treatment (provided that the Combination Transactions and Post-Closing Transactions shall be treated as in compliance with this clause (viii));

(ix) cause or permit Newco, Newco OP or any Vornado Included Entity to enter into any acquisition agreement or acquire any real property, or otherwise enter into any acquisition agreement for, or acquire, any real property in the Washington, D.C. metropolitan area;

(x) except for the properties listed on Section 1.6(b) of the Vornado Disclosure Letter, sell, transfer or assign any Vornado Included Property or any direct interest therein (other than pursuant to a buy-sell or other mandatory contractual

obligation triggered by a third party) or encumber (other than in connection with Indebtedness permitted to be incurred hereunder) any Vornado Included Property with any mortgages, deeds of trust or other Liens which secure Indebtedness for borrowed money;

(xi) sell, transfer, assign or remove any material personal property from any Vornado Included Property, except in the ordinary course consistent with past practices, unless replaced by unencumbered personal property of equal or greater utility and value;

(xii) cause or permit Newco, Newco OP or any Vornado Included Entity to incur, create, assume, refinance, replace or prepay any Indebtedness for borrowed money or issue or amend the terms in any material respect of any Indebtedness for borrowed money or assume, guarantee or endorse, or otherwise become responsible (whether directly, contingently or otherwise) for any Indebtedness of any other Person other than in the ordinary course of business, except (A) the refinancing of existing Indebtedness within six (6) months of maturity, in a principal amount not to exceed the principal amount of such Indebtedness being refinanced, for a term that is no shorter than five (5) years (or three (3) years for Indebtedness related to a Vornado Included Asset under development), inclusive of extension terms, and on other market terms and on terms which do not restrict the Transactions, (B) as set forth on Section 5.4(b)(xii) of the Vornado Disclosure Letter, (C) as contemplated by Section 5.2(f), (D) the drawdown of unused amounts under existing construction loans and delayed draw mortgage loans that are available for draw in accordance with the terms of such facilities, (E) the repayment or prepayment of Indebtedness with cash and not with the proceeds of a refinancing and (F) the exercise of any as-of-right extension options with respect to existing Indebtedness;

(xiii) except as required by applicable Law or written Contract in effect as of the date of this Agreement that has been disclosed or made available to the JBG Parties, take or permit to be taken any action or commitment to enter into or amend any employment, severance, retention or change in control agreement or arrangement with any individual Vornado Service Providers that may result in any Liability to Newco or its Affiliates (other than any agreement or arrangement which is terminable upon ninety (90) days' notice without incurring any obligation other than payment for the 90-day notice period);

(xiv) cause or permit any Vornado Included Entity to materially amend (except as required by applicable Law), adopt or establish any Plan for the benefit of the Vornado Service Providers, or the spouses, beneficiaries or other dependents thereof ;

(xv) cause or permit Newco, Newco OP or any Vornado Included Entity to enter into, or amend, extend, modify, terminate or consent to any such amendment, extension, modification or termination of, any agreement with any Related Party;

(xvi) enter into, amend, extend, modify, terminate or consent to any such entry into, amendment, extension, modification or termination of (i) any lease affecting any Vornado Included Property demising square footage in excess of 25,000 square feet, other than any lease for which a written proposal was submitted to the tenant before the date hereof, (ii) any lease for premises in a building that is not in operation or substantially under construction as of the date hereof;

(xvii) enter into or extend the term of any retail lease affecting any Vornado Included Property described on Section 5.4(b)(xvii) of the Vornado Disclosure Letter, other than any lease which is terminable by the landlord without penalty (other than a de minimis amount) either on no more than one hundred eighty (180) days' notice or in connection with the demolition or significant renovation of the premises; provided, that with respect to any proposal to enter into or extend a lease described in this paragraph, such proposal shall be deemed approved by the JBG Parties if the JBG Parties fail to respond to a written request for approval within five (5) days of the delivery thereof; provided, further, that the Vornado Parties shall be liable to Newco for any damages to Newco or its Subsidiaries caused by a Willful Breach of this paragraph caused by a senior executive officer of the Vornado Parties, even if the Closing nevertheless occurs (This clause shall survive Closing.);

(xviii) amend, extend, modify, terminate or consent to any such amendment, extension, modification or termination of any ground lease affecting any Vornado Included Property in a manner that would materially and adversely affect such Vornado Included Property;

(xix) enter into, or amend, extend, modify, terminate or consent to, any such amendment, extension, modification or termination of, any Joint Venture Agreement affecting any Vornado Included Property in a manner that would materially and adversely affect such Vornado Included Property;

(xx) enter into a new agreement with a general contractor pertaining to, obtain or guarantee any construction financing with respect to, or actually commence, the development or construction of any Vornado Included Property;

(xxi) commence any new base building capital project with respect to a Vornado Included Property, the aggregate cost to the Vornado Parties of which is projected to exceed $2,000,000, other than a project commenced prior to the date hereof, a project that is under the control of a Joint Venture Partner, or a project required by law or a Vornado Lease or to address an emergency;

(xxii) amend or modify, or consent to the amendment or modification of, the zoning or entitlements use of any Vornado Included Property in a manner that would materially and adversely affect such Vornado Included Property;

(xxiii) knowingly take any action, or knowingly fail to take any action, which action or failure would reasonably be expected to cause any of the Vornado REITs to fail to qualify as a REIT or that would reasonably be expected to cause Newco to fail to qualify as a REIT after the Closing;

(xxiv) waive, release, assign, commence, settle or compromise any pending or threatened legal proceeding by or against Newco, Newco OP or any Vornado Included Entity that (A) requires payment (not covered by insurance) by Newco, Newco OP or any Vornado Included Entity of an amount in excess of $1,000,000 in the aggregate or that would require the issuance of any Equity Interests, (B) entails the incurrence of any obligation or liability of in excess of such amount, including costs or revenue reductions or obligations that would impose any material restrictions on its business or operations, or (C) imposes any non-monetary relief or an admission of liability or wrongdoing or that would result in any supplement, modification to or amendment of the terms of (1) any agreement or document relating to the Transactions to which the JBG Parties or any of their Affiliates is a party or (2) any Vornado Material Contract;

(xxv) take any of the actions described on Section 5.4(b)(xxv) of the Vornado Disclosure Letter; or

(xxvi) authorize, or enter into, any Contract, commitment or arrangement to do any of the foregoing.

(c) Notwithstanding anything to the contrary set forth in this Agreement, nothing in this Agreement shall prohibit Vornado from taking, or causing Newco, Newco OP or any Vornado Included Entity to take, any action, at any time or from time to time, that in the reasonable judgment of Vornado is reasonably necessary for Vornado to maintain its and Newco's qualification as REITs under the Code for any period or to avoid incurring entity level income or excise Taxes under the Code, including making dividend or other distribution payments to stockholders of Vornado in accordance with this Agreement or otherwise. If Vornado determines that it is necessary to take any such action, it shall notify the JBG Parties in writing as soon as reasonably practicable and the JBG Parties shall be given a reasonable opportunity to review and provide comments to such action, and Vornado shall give consideration, not to be unreasonably withheld, to such comments of the JBG Parties prior to the taking of such action.

(d) Nothing in this Section 5.4 shall restrict the Vornado Parties' rights with respect to any Vornado Excluded Assets or give the JBG Parties any approval, consent or other rights with respect thereto.

(e) Nothing contained in this Agreement shall give the JBG Parties, directly or indirectly, the right to control or direct the Vornado Parties' operations prior to the Closing. Prior to the Closing, the Vornado Parties shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over their operations. Notwithstanding

anything to the contrary set forth in this Agreement, no consent of the JBG Parties shall be required with respect to any matter set forth in Section 5.4 or elsewhere in this Agreement to the extent that the requirement of such consent could violate any applicable Law.

Section 5.5. Conduct of Business by the JBG Parties

(a) Each JBG Party agrees that between the date of this Agreement and the Closing or the date, if any, on which this Agreement is terminated pursuant to Section 8.1, except (i) as set forth in Section 5.5 of the JBG Disclosure Letter, (ii) as required pursuant to this Agreement, (iii) as may be required by Law or (iv) as consented to in writing by the Vornado Parties (which consent shall not be unreasonably withheld, delayed or conditioned), such JBG Party shall (A) conduct its business in all material respects in the ordinary course of business consistent with past practice (it being understood that this clause (A) shall not restrict any JBG Party from the issuance of any Equity Interests if such issuance is permitted by Sections 5.5(b)(iv), 5.5(b)(vi) and 5.5(b)(ix)); (B) operate, manage and develop the JBG Included Properties in the ordinary course and consistent with past practices (including, with respect to maintenance of insurance and the application of security deposits and the payment of obligations) in all material respects, *provided* that the foregoing shall not impose any obligation on the JBG Parties to undertake any new capital improvement projects after the date hereof (other than to repair or replace any capital improvements requiring immediate repair or replacement or in connection with contractual lease obligations and Material Contracts) except as provided in Section 5.5 of the JBG Disclosure Letter; (C) perform and otherwise comply, or cause its agents to perform and otherwise comply, in all material respects with, all of the obligations of the lessee under the ground leases affecting any JBG Included Property and all obligations of the JBG Parties under the JBG Material Contracts; (D) use their respective Commercially Reasonable Efforts to maintain in all material respects the JBG Included Properties in their current condition (ordinary wear and tear excepted and except in relation to JBG Development Properties), preserve their business organizations intact in all material respects, and maintain existing relations and goodwill with lenders, tenants, employees and business associates in all material respects; (E) continue to implement the development plan for the JBG Included Properties that constitute properties under development in accordance with existing plans, specifications and budgets and past practice; and (F) maintain the status of the JBG REITs as REITs and the status of the JBG TRSs as Taxable REIT Subsidiaries and the status of other JBG Funds and the JBG Management Entities as partnerships or, in the case of JBG Properties Inc., as a corporation, for U.S. federal income tax purposes.

(b) Without limiting the generality of the foregoing, and except (w) as set forth in Section 5.5 of the JBG Disclosure Letter, (x) as required pursuant to this Agreement, (y) as required by Law or (z) as consented to in writing by the Vornado Parties (which consent shall not be unreasonably withheld, delayed or conditioned), between the date of this Agreement and the Closing or the date, if any, on which this Agreement is terminated pursuant to Section 8.1, the JBG Parties shall not, and shall cause each of their Subsidiaries not to:

(i) amend the Governing Documents of any JBG Party or its Subsidiary, other than (x) in connection with the Restructuring Transactions, (y) in

connection with obtaining a Required Debt Consent, Required JV Consent or Required Ground Lease Consent or (z) in a manner that would not materially adversely affect any JBG Included Asset;

(ii) adjust, split, combine, subdivide or reclassify any shares of the capital stock of any JBG Included Entity other than in connection with the Restructuring Transactions;

(iii) redeem, purchase or otherwise acquire, or offer to redeem, purchase or otherwise acquire, directly or indirectly, any of the capital stock or other Equity Interests of any JBG Included Entity other than in connection with the Restructuring Transactions;

(iv) grant, issue, deliver or sell any additional Equity Interests of any JBG Included Entity*provided*, *however*, that the JBG Parties may issue Equity Interests as required in connection with the Restructuring Transactions;

(v) enter into a line of business other than the line of business currently engaged in by it;

(vi) enter into a merger agreement, acquisition agreement or disposition agreement or authorize the liquidation, dissolution, consolidation, bankruptcy or other reorganization of any JBG Party or its Subsidiary other than in connection with the Restructuring Transactions or Combination Transactions;

(vii) change any material method of Tax accounting, make or change any material Tax election, file any amended material Tax Return, settle or compromise any material Tax liability, agree to an extension or waiver of the statute of limitations with respect to the assessment or determination of a material amount of Taxes other than in the ordinary course of business, enter into any closing agreement with respect to a material amount of Tax or surrender any right to claim a material Tax refund with respect to the JBG Parties and the JBG Included Entities;

(viii) take any action that (or fail to take any action the omission of which) would reasonably be expected to prevent the Pre-Combination Transactions from qualifying for the Agreed Treatment (provided that the Combination Transactions and Post-Closing Transactions shall be treated as in compliance with this clause (viii));

(ix) enter into any acquisition agreement or acquire any real property, (or permit any fund or other investment vehicle advised, managed or controlled by any JBG Party to do the same, except for acquisitions of real property that are subject to a binding acquisition agreement as of the date hereof or that are related to and would reasonably be expected to directly enhance the value of a JBG Excluded Asset; provided, that the JBG Parties shall give the Vornado Parties at least five (5) days' prior written notice before entering into any such acquisition agreement or consummating any such acquisition);

(x) sell, transfer or assign any JBG Included Property or any direct interest therein (other than pursuant to a buy-sell, forced sale or other mandatory contractual obligation triggered by a third party) or encumber (other than in connection with Indebtedness permitted to be incurred hereunder) any JBG Included Property with any mortgages, deeds of trust or other Liens which secure Indebtedness for borrowed money;

(xi) sell, transfer, assign or remove any material personal property from any JBG Included Property, except in the ordinary course consistent with past practices, unless replaced by unencumbered personal property of equal or greater utility and value;

(xii) take any action to cause the termination or material amendment or waiver of any provision of any JBG Advisory Agreement other than in connection with the Restructuring Transactions or Combination Transactions or in a manner that would not materially adversely affect any JBG Included Asset;

(xiii) incur, create, assume, refinance, replace or prepay any material Indebtedness for borrowed money or issue or amend the terms of any material Indebtedness for borrowed money or assume, guarantee or endorse, or otherwise become responsible (whether directly, contingently or otherwise) for any material Indebtedness of any other Person other than in the ordinary course of business, except (A) the refinancing of existing Indebtedness within six (6) months of maturity, in a principal amount not to exceed the principal amount of such Indebtedness being refinanced, for a term that is no shorter than five (5) years (or three (3) years for Indebtedness related to a JBG Included Asset under development), inclusive of extension terms, and on other market terms and on terms which do not restrict the Transactions, (B) as set forth on Section 5.5(b)(xiii) of the JBG Disclosure Letter, (C) as contemplated by Section 5.2(f), (D) the drawdown of unused amounts under existing construction loans and delayed draw mortgage loans that are available for draw in accordance with the terms of such facilities, (E) the repayment or prepayment of Indebtedness with cash and not with the proceeds of a refinancing and (F) the exercise of any as-of-right extension options with respect to existing Indebtedness;

(xiv) with respect to the JBG Management Entities only, have outstanding Indebtedness as of the Closing Date for borrowed money in excess of the aggregate amount of Expenses (other than Consent Expenses, Financial Advisor Expenses and the expenses set forth in Section 6.1(f) of the JBG Disclosure Letter below the cap described therein) actually incurred and paid by the JBG Parties prior to the Closing;

(xv) except as required by applicable Law or written Contract in effect as of the date of this Agreement that has been disclosed or made available to the Vornado Parties, take or permit to be taken any action or commitment to enter into or amend any employment, severance, retention or change in control agreement or arrangement with any JBG Service Providers (other than any agreement or arrangement which is terminable

upon ninety (90) days' notice without incurring any obligation other than payment for the 90-day notice period);

(xvi) cause or permit any JBG Included Entity or JBG Management Entity to materially amend (except as required by applicable Law), adopt or establish any Plan (other than any "welfare plan" within the meaning of ERISA Section 3(1)) for the benefit of the JBG Service Providers, or the spouses, beneficiaries or other dependents thereof, except in connection with the Restructuring Transactions;

(xvii) enter into, or amend, extend, modify, terminate or consent to any such amendment, extension, modification or termination of, any agreement with any Related Party affecting any JBG Included Asset in a materially adverse manner;

(xviii) enter into, amend, extend, modify, terminate or consent to any such entry into, amendment, extension, modification or termination of (i) any lease affecting any JBG Included Property demising square footage in excess of 25,000 square feet, other than any lease for which a written proposal was submitted to the tenant before the date hereof, (ii) any lease for premises in a building that is not in operation or substantially under construction as of the date hereof;

(xix) other than as necessary to effect the Restructuring Transactions, amend, extend, modify, terminate or consent to any such amendment, extension, modification or termination of any ground lease affecting a JBG Included Property in a manner that would materially adversely affect such JBG Included Property;

(xx) enter into, or amend, extend, modify, terminate or consent to any such amendment, extension, modification or termination of, any Joint Venture Agreement affecting any JBG Included Property other than as provided in clause (i) of this Section 5.5(b), or extend or permit the extension of the permitted investment period of any Joint Venture;

(xxi) enter into a new agreement with a general contractor pertaining to, obtain or guarantee any construction financing with respect to, or actually commence, the development or construction of any JBG Included Property;

(xxii) commence any new base building capital project with respect to a JBG Included Property, the aggregate cost to the JBG Parties of which is projected to exceed $2,000,000, other than a project commenced prior to the date hereof, a project that is under the control of a Joint Venture Partner, or a project required by law or a JBG Lease or to address an emergency;

(xxiii) amend or modify, or consent to the amendment or modification of, the zoning or entitlements use of any JBG Included Property in a manner that would materially adversely affect such JBG Included Property;

(xxiv) knowingly take any action, or knowingly fail to take any action, which action or failure would reasonably be expected to cause any of the JBG REITs to fail to qualify as a REIT or that would reasonably be expected to cause Newco to fail to qualify as a REIT after the Closing;

(xxv) waive, release, assign, commence, settle or compromise any pending or threatened legal proceeding by or against the JBG Management Entities, any JBG Included Entity or any Transferred LLC that (A) requires payment (not covered by insurance) by the JBG Management Entities or any JBG Included Entity of an amount in excess of $1,000,000 in the aggregate or that would require the issuance of any Equity Interests, (B) entails the incurrence of any obligation or liability in excess of such amount, including costs or revenue reductions or obligations that would impose any material restrictions on its business or operations, or (C) imposes any non-monetary relief or an admission of liability or wrongdoing or that would result in any supplement, modification to or amendment of the terms of (1) any agreement or document relating to the Transactions to which the JBG Parties or any of their Affiliates is a party or (2) any JBG Material Contract;

(xxvi) take any of the actions described on Section 5.5(b)(xxvi) of the JBG Disclosure Letter; or

(xxvii) authorize, or enter into, any Contract, commitment or arrangement to do any of the foregoing.

(c) Nothing in this Section 5.5 shall restrict the JBG Parties' rights with respect to any JBG Excluded Assets or give the Vornado Parties any approval, consent or other rights with respect thereto.

(d) Nothing contained in this Agreement shall give the Vornado Parties, directly or indirectly, the right to control or direct the JBG Parties' operations prior to the Closing. Prior to the Closing, the JBG Parties shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over their operations. Notwithstanding anything to the contrary set forth in this Agreement, no consent of the Vornado Parties shall be required with respect to any matter set forth in this Section 5.5 or elsewhere in this Agreement to the extent that the requirement of such consent could violate any applicable Law.

(e) Notwithstanding anything to the contrary set forth in this Agreement, nothing in this Agreement shall prohibit the JBG Parties from taking, or causing any JBG Party or a Subsidiary to take, any action, at any time or from time to time, that in the reasonable judgment of the JBG Parties is reasonably necessary for the JBG REITs to maintain their qualification as REITs under the Code for any period or to avoid incurring entity level income or excise Taxes under the Code, including making dividend or other distribution payments to shareholders of the JBG REITs in accordance with this Agreement or otherwise. If the JBG Parties determine that it is necessary to take any such action, it shall notify Vornado in writing as soon as reasonably

practicable and Vornado shall be given a reasonable opportunity to review and provide comments to such action, and the JBG Parties shall give consideration, not to be unreasonably withheld, to such comments of Vornado prior to the taking of such action.

Section 5.6. Compliance with Securities Regulations. Vornado shall use Commercially Reasonable Efforts to take any action required to be taken under the Securities Act, the Exchange Act, and any applicable foreign or state securities or "blue sky" Laws and regulations thereunder in connection with the Equity Issuance and the JBG Parties shall furnish all information as Vornado may reasonably request in connection with any such actions.

Section 5.7. Credit Facility.

(a) The Parties shall use Commercially Reasonable Efforts to cooperate to arrange a debt financing for Newco and Newco OP (the "Credit Facility") and take, or cause to be taken, all actions and do, or cause to be done, all things that are within their respective control and are reasonably necessary or advisable to obtain the Credit Facility on or immediately prior to the Closing, on terms acceptable to the Parties in their reasonable discretion. Without limiting the generality of the foregoing, such actions shall include, to the extent reasonably necessary or advisable to obtain and close the Credit Facility, the following: (i) using Commercially Reasonable Efforts to identify and contact potential lenders; (ii) preparing any materials related to marketing the Credit Facility to the extent reasonably requested by the Financing Sources; (iii) participating in and assisting with the preparation of rating agency presentations and meetings with rating agencies; (iv) delivering to the Financing Sources all information related to the Included Properties reasonably requested by them and within the Parties' possession or control; (v) at the reasonable request of the Financing Sources, using Commercially Reasonable Efforts to deliver any requests for, and reasonably cooperating in seeking to obtain, consents, landlord waivers and estoppels, or non-disturbance agreements to the applicable counterparties; (vi) granting the Financing Sources and their Representatives access to the Included Properties (including related documentation or other items in the Parties' respective possession or control) in order to conduct field examinations, collateral audits, asset appraisals, surveys, environmental site assessments and engineering/property condition reports and other inspections that are reasonably necessary in connection with the Credit Facility, including taking and analyzing any samples of any environmental media or any building material, but only to the extent such sampling is reasonably recommended pursuant to a third party environmental report and reasonably required by such Financing Source; (vii) participating in negotiating definitive Credit Facility documentation; and (viii) paying reasonable and customary fees and expenses in connection with obtaining the Credit Facility.

(b) Notwithstanding anything to the contrary contained in this Agreement, nothing contained in this Agreement shall require, and in no event shall the Commercially Reasonable Efforts of the Parties be deemed or construed to require in connection with the obtaining or assistance in obtaining the Credit Facility, a Party to provide assistance that (i) unreasonably interferes with such Party's ongoing business; (ii) causes any representation or warranty of such Party in this Agreement to be breached; (iii) causes any closing condition set forth in Article VII to fail to be satisfied or otherwise causes the breach of this Agreement or any

Contract to which such Party is a party; or (iv) requires such Party (other than Newco or Newco OP) or its directors, officers, trustees, managers or employees (except in their capacity, or contemplated capacity as directors, officers, trustees, managers or employees of Newco, Newco OP or any of their Subsidiaries) to execute, deliver or enter into, or perform any agreement, document or instrument, including any commitment letter, with respect to the Credit Facility prior to the Closing, except for (x) a customary UCC pre-filing authorization letter effective as of the Closing, (y) any customary payoff letters in connection with the payment in full of any Indebtedness and release of Liens securing such Indebtedness required to be delivered as a condition precedent to the closing of the Credit Facility, and (z) customary fee and expense reimbursement and/or indemnity agreements entered into in favor of the Financing Sources prior to the Closing (but which reimbursement and/or indemnity obligations shall expire upon the closing of the Credit Facility).

(c) If Closing does not occur, then all costs, fees, expenses and indemnification obligations associated with pursuing the Credit Facility shall be apportioned between the JBG Parties and the Vornado Parties in proportion to the relative aggregate Asset Values of their Included Assets on the date hereof, in each case, including any Kickout Interests.

(d) Newco and Newco OP shall use the proceeds from the Credit Facility for the purposes set forth in the definition of Closing Date Payments and in accordance with Section 5.2(f), as applicable.

Section 5.8. Certain Pre-Closing Actions.

(a) Prior to the Closing (and in any event no later than 11:59 p.m. on the Business Day preceding the Closing Date), the Vornado Parties, Newco and Newco OP shall cause the Pre-Combination Transactions set forth on Section 5.8(a) of the Vornado Disclosure Letter to be implemented as set forth therein. Immediately following the occurrence of the Pre- Combination Transactions, but prior to the Closing, the JBG Parties shall cause the actions set forth on Section 5.8(a) of the JBG Disclosure Letter that are

contemplated to be taken prior to the Closing (collectively, the "Restructuring Transactions") to be implemented as set forth therein. The Parties will reasonably agree to modify the Restructuring Transactions, the Combination Transactions and the Pre-Combination Transactions as requested by either Party and agree further to reasonably cooperate with each other for four (4) weeks following the date hereof in respect of the "Potential Restructuring", as set forth on Section 5.8(a) of the Vornado Disclosure Letter, so long as (i) such modifications do not adversely affect the non-requesting Party in any material respect and (ii) such modifications would not reasonably be expected to affect the ability of the Vornado Parties to receive the opinions described in Section 7.2(e) and Section 7.2(f) and the ability of the JBG Parties to receive the opinions described in Section 7.3(e). The Parties agree to amend the provisions of this Agreement, any schedule thereto, and any exhibit thereto to reflect any modifications described in the previous sentence. With the mutual consent of the Parties, the obligations of Newco hereunder may be assigned, to the extent necessary to reflect any modifications described herein, to a newly formed Subsidiary of Vornado.

(b) The Parties and their Subsidiaries shall use Commercially Reasonable Efforts prior to the Closing, to take such actions as may be necessary so that at Closing Newco has the capacity, after taking into account the services to be provided under the Transition Services Agreement and any available transition periods, to maintain material compliance with Section 404 of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder and related or similar rules and regulations promulgated by any other governmental or self-regulatory entity or agency with jurisdiction over Newco.

(c) The JBG Parties shall take the actions set forth on Section 5.8(c) of the JBG Disclosure Letter and shall otherwise use Commercially Reasonable Efforts to cause the closing condition set forth in Section 7.2(h) to be satisfied on or before the Closing Date.

(d) Prior to the Closing date, the JBG Parties shall take the actions set forth on Section 5.8(d) of the JBG Disclosure Letter.

Section 5.9. Rule 3-14/Regulation S-X Cooperation. Without limiting the obligations of the JBG Parties under this Section 5.9, from the date of this Agreement and continuing through the first (1st) anniversary of the Closing Date, the JBG Parties shall, within thirty (30) days of the date of this Agreement, and thereafter from time to time, at Newco's or Newco OP's reasonable request, within thirty (30) days after a calendar quarter end, provide:

(a) Newco, Newco OP and their Representatives with financial statements (prepared from the books and records of the JBG Parties, in accordance with GAAP applied on a consistent basis during the periods involved and fairly presenting, in all material respects, the financial position and results of operations of the JBG Management Entities and other JBG Included Entities, as of the times and for the periods referred to therein) and access to all financial and other information pertaining to the JBG Parties and the JBG Included Properties pertaining to the period of the JBG Parties' ownership and operation of the JBG Included Properties to the extent in the JBG Parties' possession or control (or to the extent the JBG Parties could obtain such information without unreasonable effort or expense), which information is relevant and reasonably necessary, in the opinion of Newco and Newco OP, for the preparation and filing of financial statements in compliance with the requirements of any or all of (x) Rules 3-12 and 3-14 of Regulation S-X of the SEC, or if required by the SEC, Rule 3-05 of Regulation S-X of the SEC, and enable the JBG Parties' outside, third-party accountants (the "Accountants") to audit such information, (y) any other rule issued by the SEC and applicable to Newco and Newco OP or their Affiliates, and (z) any registration statement, schedule, proxy statement, report or disclosure statement filed with the SEC by or on behalf of Newco and Newco OP or their Affiliates; and

(b) reasonable assistance to Newco and Newco OP and the Accountants in completing audits and the preparation of such financial statements and any required pro forma financial statements. Without limiting the generality of the foregoing, if requested by Newco and Newco OP (A) the JBG Parties shall deliver a customary representation letter in such form as is reasonably required by the Accountants, with such facts and assumptions as reasonably determined by the Accountants in order to make such certificate accurate, signed by the

individual(s) responsible for the JBG Parties' financial reporting, as prescribed by GAAP promulgated by the Auditing Standards Division of the American Institute of Certified Public Accountants, which representation letter may be required to assist the Accountants in rendering an opinion on such financial statements in order to comply with subclauses (x), (y) and (z) of Section 5.9(a) above and (B) to the extent that the JBG Parties' financial statements have previously been audited, the JBG Parties shall use Commercially Reasonable Efforts to cause the auditor of the JBG Parties' financial statements to provide its consent to the inclusion of its report, without exception or qualification, with respect to such audited financial statements, to provide to Newco and Newco OP and/or their Affiliates or the underwriters or initial purchasers in any financing with appropriate comfort letters in accordance with the American Institute of Public Accountants' professional standards and to participate in due diligence sessions customarily conducted in connection with the provision of comfort letters.

Section 5.10. Exclusivity. From the date of this Agreement until the Closing or the date, if any, on which this Agreement is terminated pursuant to Section 8.1, each Party shall not, and shall cause each of its Affiliates not to, and shall direct its Representatives not to, directly or indirectly, except as permitted under Section 5.4 or Section 5.5, solicit, initiate, knowingly facilitate or otherwise enter into any discussions, negotiations or agreements which could reasonably be expected to lead to a possible sale or other disposition of (a) all or any of the Included Assets of its Group, other than as specifically required pursuant to the terms of any right of first refusal described in Section 6.1(b) or Section 6.1(c), or (b) except as contemplated by the Restructuring Transactions, all or any part of the ownership interests in any JBG Included Entity or Vornado Included Entity owned by such Party (whether by merger, reorganization, recapitalization or otherwise), in each case with any Person other than the other Group, or provide any non-public information regarding such Party's Included Assets to any Person other than the other Group and its Affiliates and Representatives and Financing Sources other than as required by applicable Law or as specifically required pursuant to the terms of any Contract affecting an Included Property or Joint Venture Agreement, in each case excluding any information which is traditionally provided in the regular course of the such Party's operation and management of its Included Properties to third parties where such Party and its Affiliates and Representatives have no reason to believe that such information may be utilized to evaluate any such transaction.

Section 5.11. NYSE Listing. Vornado shall cause Newco to use its Commercially Reasonable Efforts to cause the Issued Newco Shares to be approved for listing on the NYSE prior to the Closing Date, subject only to official notice of issuance. The Parties agree that Newco shall be listed on the NYSE under the ticker symbol listed on Section 5.11 of the Vornado Disclosure Letter.

Section 5.12. Equity Incentive Plan. Prior to Closing, the Newco Board shall adopt an equity incentive plan, in the form attached hereto as Exhibit K, to be effective as of Closing.

Section 5.13. Newco Board of Trustees and Officers.

(a) Immediately after the Pre-Combination Transactions, the Newco Board shall take or cause to be taken such action as may be necessary, in each case, to be effective as of the Closing, to (i) increase the number of trustees of Newco to twelve (12), (ii) cause six (6) individuals designated by the JBG Parties (such persons, and any replacement designees selected, the "JBG Board Designees") and six (6) individuals designated by the Vornado Parties (such persons, and any replacement designees selected, the "Vornado Board Designees", and together with the JBG Board Designees, the "Board Designees") to compose the entire Newco Board, (iii) appoint the individual listed on Section 5.13(a) of the Vornado Disclosure Letter as Chairman of the Newco Board; provided, that if such individual dies or becomes disabled or incapacitated prior to Closing, the Vornado Parties shall have the right to designate a replacement for such individual, subject to the consent of the JBG Parties (which consent shall not be unreasonably withheld, delayed or conditioned), (iv) appoint the individual listed on Section 5.13(a) of the JBG Disclosure Letter as Vice Chairman of the Newco Board, and (v) appoint an equal number of JBG Board Designees and Vornado Board Designees to the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee (with the JBG Board Designees to serve on such committees being selected at the direction of the JBG Parties). The Vornado Board Designees shall include the individuals listed on Section 5.13(a) of the Vornado Disclosure Letter, and the JBG Board Designees shall include the individuals listed on Section 5.13(a) of the JBG Disclosure Letter. The remaining three (3) JBG Board Designees and four (4) Vornado Board Designees shall be independent as determined under the applicable NYSE independence rules. If any of such independent Board Designees is unable or unwilling to serve on the Newco Board, as of the Closing, the JBG Parties (in the case of any Board Designee initially designated by the JBG Parties) or the Vornado Parties (in the case of any Board Designee initially designated by the Vornado Parties) shall select, within a reasonable period of time prior to the Closing, a replacement, which designee shall (i) not violate any of the NYSE independence tests set forth in Section 303A.02(b) of the NYSE Listed Company Manual and (ii) not be subject to any disclosures required under Rule 401(f) of Regulation S-K. Subject to the foregoing, the Newco Board shall elect such replacement as a member of the Newco Board, as of the Closing. Immediately after the Pre-Combination Transactions, the Newco Board shall take or cause to be taken such action as may be necessary, in each case, to be effective as of the Closing, to elect the individuals set forth on Section 5.13(a) of the Vornado Disclosure Letter as executive officers of Newco.

(b) For a period of two (2) years following the Closing, if any Vornado Board Designee or JBG Board Designee is unable or unwilling to serve or is otherwise no longer serving as a member of the Newco Board, then the remaining Vornado Board Designees or JBG Board Designees, respectively, may designate a replacement individual reasonably satisfactory to the Nominating and Corporate Governance Committee of the Newco Board (a "Replacement Designee") and the Newco Board shall promptly appoint such Replacement Designee to fill the vacancy created thereby. In connection with the first annual meeting of shareholders following the closing, the Newco Board shall, subject to the reasonable exercise of its duties, take all such actions as may be necessary to nominate the Vornado Board Designees and the JBG Board Designees (as they may have changed as the result of the appointment of any Replacement

Designees) for election by Newco's shareholders and shall use no less rigorous efforts to cause the election of each such Vornado Board Designee and JBG Board Designee than the manner in which Newco supports all other nominees of the Newco Board. In addition, for a period of two (2) years following the Closing, the Newco Board shall, to the extent reasonably practicable, appoint an equal number of Vornado Board Designees and JBG Board Designees (including, if applicable, their respective Replacement Designees) to the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee of the Newco Board.

Section 5.14. Newco Declaration and Bylaws. Prior to the Closing, the Newco Board shall adopt (a) the Declaration of Trust Amendment and Restatement, in the form attached hereto as Exhibit L, to be effective as of the Closing, and (b) an amendment and restatement of the Newco Bylaws, in the form attached hereto as Exhibit M (the "Bylaws Amendment and Restatement"), to be effective as of the Closing. The applicable Vornado Party shall cause the Declaration of Trust Amendment and Restatement and the Bylaws Amendment and Restatement to be authorized and approved.

Section 5.15. Intentionally Omitted.

Section 5.16. Newco Officer's Certificate. Newco shall deliver to JBG REIT Counsel and Vornado REIT Counsel an officer's certificate, dated as of the Closing Date, signed by an officer of Newco with the knowledge necessary to make the representations contained therein and in form and substance reasonably satisfactory to the JBG Parties and the Vornado Parties, respectively, containing representations of Newco as shall be reasonably necessary or appropriate to enable JBG REIT Counsel and Vornado REIT Counsel, respectively, to render the opinions described in Section 7.3(e)(ii) and Section 7.2(e)(ii), respectively, on the Closing Date.

Section 5.17. Vornado Officer's Certificates.

(a) Vornado shall deliver to Sullivan & Cromwell LLP an officer's certificate, dated as of the Closing Date, signed by an officer of Vornado with the knowledge necessary to make the representations contained therein, containing representations of Vornado as shall be reasonably necessary or appropriate to enable Sullivan & Cromwell LLP to render the opinion described in Section 7.2(f) on the Closing Date.

(b) Vornado and the Vornado REITs shall each deliver to Vornado REIT Counsel an officer's certificate, dated as of the Closing Date, signed by an officer of Vornado or such Vornado REIT, as applicable, with the knowledge necessary to make the representations contained therein and in form and substance reasonably satisfactory to the JBG Parties, containing representations of Vornado and the Vornado REITs as shall be reasonably necessary or appropriate to enable Vornado REIT Counsel to render the opinions described in Section 7.3(e)(i) and Section 7.3(e)(iii) on the Closing Date.

Section 5.18. JBG Officer's Certificates.

(a) The JBG REITs shall each deliver to JBG REIT Counsel an officer's certificate, dated as of the Closing Date, signed by an officer of such JBG REIT with the

knowledge necessary to make the representations contained therein and in form and substance reasonably satisfactory to the Vornado Parties, containing representations of the JBG REITs as shall be reasonably necessary or appropriate to enable JBG REIT Counsel to render the opinions described in Section 7.2(e)(i) on the Closing Date.

Section 5.19. Form 10 Filing. As promptly as practicable following the execution of this Agreement, Vornado shall cause Newco to prepare and file with the SEC an initial registration statement on Form 10. Vornado shall, and shall cause Newco to, use Commercially Reasonable Efforts to have such Form 10 declared effective under the Exchange Act as promptly as practicable after the date hereof and keep the Form 10 effective for so long as necessary to consummate the Transactions. No filing of, or amendment or supplement to, any Form 10 will be made by Vornado or Newco without providing the JBG Parties a reasonable opportunity to review and comment thereon. Vornado shall promptly notify the JBG Parties upon the receipt of any comments from the SEC or any request from the SEC for amendments or supplements to such Form 10, and shall, as soon as reasonably practicable, provide the JBG Parties with copies of all correspondence between Vornado and its Representatives, on the one hand, and the SEC, on the other hand, and all written comments with respect to the Form 10 received from the SEC, and shall promptly advise the JBG Parties of any oral comments with respect to the Form 10 received from the SEC. Vornado shall use Commercially Reasonable Efforts to respond as soon as practicable to any comments from the SEC with respect to the Form 10 and to have such comments cleared by the SEC as soon as practicable. Notwithstanding the foregoing, prior to filing the Form 10 or responding to any comments of the SEC with respect thereto, Vornado shall cooperate and provide the JBG Parties a reasonable opportunity to review and comment on such document or response (including the proposed final version of such document or response) and shall give due consideration to all changes provided by the JBG Parties.

Section 5.20. Confidentiality.

(a) Each of the JBG Parties, on the one hand, and the Vornado Parties, on the other hand, in the course of discussions and negotiations, have disclosed to the other Confidential Information relating to its business. Each Party shall use the Confidential Information of the other Party only for the purposes contemplated by this Agreement. The Receiving Party shall ensure that the Confidential Information of the Disclosing Party is not used, disclosed, published, released, transferred or otherwise made available in any form to, for the use or benefit of, any person (other than its Affiliates) except as provided in this Section 5.20, without such Disclosing Party's approval. Notwithstanding the foregoing, the Receiving Party may disclose Confidential Information in connection with any notification under the HSR Act that it is required to file to report any of the transactions described herein or to respond to any request for information or documents made by a Governmental Entity in connection with its investigation of the transactions described herein. In addition, the Receiving Party may disclose Confidential Information to any of its Representatives who need to know such Confidential Information for the purpose of evaluating the Transaction; provided, however, that the Receiving Party informs each such Representative of the confidential nature of the Confidential Information and the restrictive terms of this Section 5.20 and that the Receiving Party directs such Representative to comply with such restrictions. The Receiving Party shall be liable for any disclosure or use by

any such Representative other than in accordance with this Section 5.20. The obligations of this Section 5.20 shall not restrict any disclosure by any Receiving Party pursuant to applicable Law; provided, that the Receiving Party (including with respect to any notification under the HSR Act that it is required to file to report any of the transactions described herein or to respond to any request for information or documents made by a Governmental Entity in connection with its investigation of the transactions described herein) will (a) provide the Disclosing Party with prompt notice thereof; (b) consult with the Disclosing Party on the advisability of taking steps to resist or narrow such disclosure; (c) cooperate (following the Disclosing Party's written request and at its expense) with the Disclosing Party in any attempt that the Disclosing Party may make to resist such disclosure or obtain an order or other reliable assurance that confidential treatment will be accorded to designated portions of the Confidential Information; and (d) subject to the foregoing, disclose only that portion of Confidential Information that the Receiving Party reasonably deems it is required to disclose. Nothing herein, however, will require the Receiving Party to become subject to criminal or civil liability or regulatory censure for failure to disclose information pursuant to applicable Law.

(b) The Receiving Party acknowledges that significant portions of Confidential Information are proprietary in nature and that the Disclosing Party may suffer significant and irreparable harm in the event of the misuse or disclosure of Confidential Information and acknowledges that remedies other than injunctive relief may not be adequate. Accordingly, each Party has the right to seek the remedies of injunction, specific performance and other equitable relief for any breach, threatened breach or anticipatory breach of the provisions of this Section 5.20 by the Receiving Party or its Representatives. Notwithstanding the foregoing, any claim for damages hereunder shall be limited to actual damages and losses and shall not include punitive, consequential, special or indirect damages.

(c) The confidentiality provisions contained in this Section 5.20 supersede any and all prior agreements or understandings, whether written or oral, between or among the parties with respect to the matters covered by this Section 5.20, and shall survive the Closing for six (6) months.

ARTICLE VI

ADDITIONAL AGREEMENTS

Section 6.1. ROFRs and Tenant Estoppels under Ground Leases and Joint Venture Agreements.

(a) The JBG Parties and the Vornado Parties shall use Commercially Reasonable Efforts to obtain prior to the Closing from each of the ground lessors under the JBG Ground Leases listed on Section 4.9(h) of the JBG Disclosure Letter and under the Vornado Ground Leases listed on Section 3.15(f) of the Vornado Disclosure Letter, respectively, a ground lease estoppel substantially in the form of Exhibit N hereto or such other form or terms as is provided under the applicable JBG Ground Lease or Vornado Ground Lease, if applicable. The Parties shall keep the other Group reasonably informed regarding the status of the discussions

with the applicable ground lessors regarding the foregoing matters from time to time prior to the Closing and shall within a reasonable period of time, provide the other Group with any estoppel received under this Section 6.1. In no event will failure to obtain a ground lease estoppel be a condition to the Closing.

(b) With regard to any Included Property located in Montgomery County, Maryland that is a multifamily property that already has leases, which Included Properties are listed on Section 6.1(b) of the JBG Disclosure Letter and Section 6.1(b) of the Vornado Disclosure Letter (the "Montgomery County Multifamily Properties"), the Parties acknowledge that the Transactions may be subject to the requirements imposed by Section 11C-18 and Chapter 53A of the Code of Ordinances (said referenced sections, the "Ordinances") of Montgomery County, Maryland (the "County"), pursuant to which the County and certain other entities, organizations and persons (the County and such other entities, organizations and persons, collectively, the "Montgomery County Rights Holders") may be entitled to notice of any sale of certain rental housing projects in the County, and may have a right of first refusal to acquire such a project on substantially the same terms and conditions as a pending bona fide contract of sale from a third party to buy the rental housing. For each Montgomery County Multifamily Property, to the extent a JBG Party or Vornado Party, as applicable, is required to provide a right of first refusal, said right of first refusal shall be for the purchase price set forth on Section 6.1(b) of the JBG Disclosure Letter or Section 6.1(b) of the Vornado Disclosure Letter, as applicable, or as otherwise required by the Ordinances.

(c) With regard to any Included Property located in the District of Columbia that is a multifamily property that already has leases, which Included Properties are listed on Section 6.1(c) of the JBG Disclosure Letter and Section 6.1(c) of the Vornado Disclosure Letter (the "DC Multifamily Properties"), the Parties acknowledge that the Transactions may be subject to the requirements imposed by Subchapter IV of Section 42-3404 of the District of Columbia Code (TOPA") pursuant to which the tenants of said DC Multifamily Properties (collectively, the "DC Rights Holders") are entitled to notice of any sale of certain rental housing projects in the District of Columbia. For each DC Multifamily Property, to the extent a JBG Party or Vornado Party, as applicable, is required to provide a right of first refusal, said right of first refusal shall be for the purchase price set forth on Section 6.1(c) of the JBG Disclosure Letter or Section 6.1(c) of the Vornado Disclosure Letter, as applicable.

(d) The Party that directly or indirectly owns the affected Included Property shall prepare all notices and take all required steps as required under the Ordinances and TOPA as promptly as reasonably possible after the date hereof in consultation with the other Group and may enter into such settlements and agreements with the Montgomery County Rights Holders and the DC Rights Holders with the approval of the other Group, which shall not be unreasonably withheld.

(e) Should Montgomery County Rights Holders or DC Rights Holders exercise their right to purchase and close such purchase of the applicable Included Property, (i) the applicable Party shall notify the other Group of the same, and (ii) the net purchase price paid or payable to the applicable Party with respect to the applicable Included Property shall be

included in the Included Assets and such purchase price shall be conclusively deemed to be the Asset Value of such Included Property.

(f) Each Group shall bear or reimburse Newco and Newco OP at Closing the expenses as set forth on Section 6.1(f) of the JBG Disclosure Letter or Vornado Disclosure Letter.

Section 6.2. Casualty and Condemnation. The risk of loss relating to the Included Assets prior to the Closing shall be borne by Newco and Newco OP if the Transaction closes and the Closing shall not be affected by a condemnation or casualty. If, prior to the Closing, (a) any Included Property is materially or totally destroyed or damaged by fire or other casualty or (b) any Included Property is materially or totally taken by eminent domain or through condemnation proceedings, then at Closing any sums collected (directly or indirectly) by the applicable Party, if any, under any policies of insurance or award proceeds relating to such casualty or condemnation, which have not been applied to repair or replacement of any such damage or destruction shall be paid to Newco, and all rights (directly or indirectly) of such Party to collect such sums as may then be uncollected shall be included in such Party's Included Assets, except to the extent required for collection costs or repairs by such Party prior to the Closing Date; *provided, however*, that the Asset Value of any Included Property subject to a casualty shall be decreased for any deductible not applied or any remaining cost to repair any damage not covered by insurance.

Section 6.3. Tax Matters.

(a) The Vornado Parties and the JBG Parties and their respective Affiliates will timely and reasonably cooperate, to the extent reasonably requested by any of the Vornado Parties, JBG Parties and their respective Affiliates, in connection with any Tax matters relating to the JBG Included Assets, the Vornado Included Assets or the Transactions (including by the timely provision of reasonably relevant records or information reasonably available to such party, which shall include information regarding depreciation methodology and other Tax information necessary for the preparation and filing of any Tax Return); provided, however, that in recognition of the thorough cooperation and diligence that to date has been dedicated to REIT Diligence Matters, no further diligence in respect of such matters will be required, from this date forward, from the Vornado Parties by the JBG Parties, or from the JBG Parties by the Vornado Parties with respect to periods through the date of this Agreement (recognizing that, consistent with Section 6.3(e), the Parties will cooperate to complete any diligence necessary with respect to the period from the date of this Agreement to Closing to facilitate consummation of the Transactions as contemplated by this Agreement). The Vornado Parties and the JBG Parties agree and shall cause their respective Affiliates (i) to retain all books and records with respect to Tax matters pertinent to the JBG Included Assets, the Vornado Included Assets and the Transactions relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by the Vornado Parties or JBG Parties, as applicable, any extensions thereof) of the respective taxable periods, and to substantially abide by all record retention agreements entered into with any Tax authority or other Governmental Entity, and (ii) to give the other Group reasonable written notice prior to transferring, destroying

or discarding any such books and records and, upon reasonable request, the Vornado Parties or the JBG Parties or their respective Affiliates, as the case may be, shall furnish or cause to be furnished to the other Group or allow the other Group access to such books and records.

(b) The Vornado Parties and the JBG Parties and their respective Affiliates will cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer or stamp taxes, any transfer, recording registration and other fees and any similar taxes that become payable in connection with the Transactions (together with any related interest, penalties or additions to such Tax, "Transfer Taxes"). Newco shall pay or cause to be paid, without deduction or withholding from any consideration or amounts payable pursuant to this Agreement, all Transfer Taxes resulting from the Pre-Combination Transactions and the Combination Transactions, whether payable at or after the Closing; provided, that for the avoidance of doubt, the JBG Parties and their respective Affiliates shall be liable for and shall pay or cause to be paid all Taxes (excluding Transfer Taxes previously described in this Section 6.3(b)) that may be incurred by them as a result of the Restructuring Transactions.

(c) Newco, as general partner of Newco OP, shall adjust the Carrying Value (as defined in the Partnership Agreement) of Newco OP's assets immediately prior to the consummation of the Combination Transactions (the Historic Vornado Assets") in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and paragraph 1.D.(2) of Exhibit B of the Partnership Agreement, and the capital accounts of the partners of Newco OP who were partners immediately prior to the consummation of the Combination Transactions shall be adjusted to reflect such adjustment to the Carrying Value of the Historic Vornado Assets.

(d) The Vornado Parties and the JBG Parties agree to report for U.S. federal income tax purposes (i) the Pre-Combination Transactions in accordance with the Agreed Treatment (as that term is defined in the Tax Matters Agreement) and (ii) the Combination Transactions in the manner set forth in the relevant JBG Contribution Agreement or JBG Merger Agreements.

(e) The Vornado Parties and the JBG Parties will cooperate with each other in good faith and use reasonable best efforts to (i) cause the applicable Transactions to qualify for the Agreed Treatment (as that term is defined in the Tax Matters Agreement), including (x) refraining from any action that such Party knows is reasonably likely to prevent the Agreed Treatment, (y) executing such amendments to this Agreement or the Ancillary Documents as may be reasonably required in order for the applicable Transactions to qualify for the Agreed Treatment (it being understood that no Party will be required to agree to any such amendment that it determines in good faith materially adversely affects the value of the applicable Transactions to such Party or its stockholders or equityholders) and (z) permitting the Vornado Parties to obtain the opinions described in Section 7.2(e) and Section 7.2(f) and permit the JBG Parties to obtain the opinions described in Section 7.3(e), and (ii) minimize the amount of any Taxes resulting from the Transactions. For the avoidance of doubt, the Parties shall reasonably cooperate with each other so that the activities and assets associated with the Vornado Included Interests and the JBG Included Interests, between the date hereof and the Closing, shall be

consistent with the applicable REIT requirements and shall work with each to identify and remove any issues that may arise.

(f) The JBG Parties shall not (and shall cause the other members of the JBG Tax Group not to) acquire any shares of Vornado or Newco stock prior to the Closing, it being understood that the receipt of the Equity Consideration as contemplated by this Agreement is not prohibited hereby.

Section 6.4. Employee Matters.

(a) Employees. Following the Closing, the Parties shall cause Newco or its Subsidiary to employ each JBG Employee who is employed by a JBG Party as of the Closing. Each JBG Employee who so remains in active employment with Newco or an Affiliate thereof shall hereinafter be referred to as a "Continuing Employee" as of the Closing.

(b) No Severance Obligations. The Parties intend that the Transactions shall not result in a separation of employment of any Continuing Employee for purposes of any JBG Benefit Plan prior to or upon the consummation of the Transactions and that the Continuing Employees will have continuous and uninterrupted employment for such purposes immediately before and immediately after the Closing, and the Parties shall make reasonable efforts to ensure the same. Newco shall be responsible for all severance obligations for Newco employees (including the Continuing Employees) arising from employment terminations after the Closing, except as set forth in Section 6.4(b) of the JBG Disclosure Letter or Section 6.4(b) of the Vornado Disclosure Letter.

(c) WARN Act. Without limiting any other provision hereof, the JBG Parties and Vornado Parties shall each be responsible for complying with the WARN Act and any and all obligations under other applicable Laws requiring notice of plant closings, relocations, mass layoffs, reductions in force or similar actions (and for any failures to so comply), in any case, applicable to their respective employees, *provided* that in the case of Vornado employees, this paragraph shall apply with respect to only those employees who are anticipated to continue as employees of Newco or an Affiliate thereof prior to, at or after Closing, as a result of any action by any JBG Party or Vornado Party with respect to such respective employees on or prior to the Closing Date.

(d) Collective Bargaining Agreements. The JBG Parties shall, or shall cause their Affiliates, consistent with applicable Law, to bargain in good faith and consistent with past practice with any union that has been certified or recognized as the collective bargaining representative of any Continuing Employees who are employed by the JBG Parties and/or their Affiliates; to assume all obligations to any such employees under all collective bargaining, works council or other similar employee representative agreements; and to cooperate and take all reasonable steps and fulfill all of their respective obligations under applicable Law and the terms of such collective bargaining, works council or other similar employee representative agreements, including obtaining any prior approvals or consents, or engaging in any prior discussions or consultations, on a timely basis, as may be legally required in order for the JBG

Parties and their Affiliates to assume such obligations. This Agreement shall only be subject to such agreements, if any, that result from such bargaining, if such agreements are approved by the Vornado Parties, in their sole and absolute discretion after discussions with the

JBG Parties. The JBG Parties will retain, and will indemnify Newco for, any liability in respect of the items set forth in Section 6.4(d) of the JBG Disclosure Letter.

(e) Incentive Compensation. The Vornado Parties shall be responsible for all annual bonuses payable to Vornado Service Providers with respect to performance periods ending on or prior to the Closing, and the JBG Parties shall be responsible for all annual bonuses payable to JBG Service Providers with respect to performance periods ending on or prior to the Closing.

(f) No Third Party Beneficiaries; No Continued Service or Service Terms. The provisions of this Section 6.4 are solely for the benefit of the Parties and nothing in this Section 6.4, express or implied, shall confer upon any employee, consultant, manager or other service provider (or any dependent, successor, legal representative or beneficiary thereof), any rights or remedies, including any right to continuance of employment or any other service relationship with the Parties or any of their Affiliates, or any right to compensation or benefits of any nature or kind whatsoever under this Agreement. Nothing in this Section 6.4, express or implied, shall be: (i) an amendment or deemed amendment of any Plan, (ii) construed to interfere with the right of the Vornado Parties, Newco or their Affiliates to terminate the employment or other service relationship of any of the Continuing Employees at any time, with or without cause, or restrict any such entity in the exercise of their independent business judgment in modifying any of the terms and conditions of the employment or other service arrangement of the Continuing Employees, or (iii) deemed to obligate the Parties or any of their Affiliates to adopt, enter into or maintain any Plan at any time.

Section 6.5. Management of Vornado Excluded Assets. Following Closing, upon request of the Vornado Parties from time to time, Newco or its Subsidiary shall provide property management, asset management, leasing brokerage and other similar services with respect to any Vornado Excluded Asset (including any Vornado Included Asset that is designated as a Kickout Interest) consisting of real property located in the Washington, D.C. metropolitan area as of the Closing Date, except for any services that, as of the Closing Date, are provided to such property by a third party that is not an Affiliate of Vornado. Such services shall be provided pursuant to a management agreement reflecting the terms set forth on Section 6.5 of the Vornado Disclosure Letter and such other reasonable and customary terms as the Parties may agree in good faith. The foregoing provisions of this Section 6.5 shall survive the Closing.

Section 6.6. Transition Services; Separation and Distribution Agreement; Cleaning Services Agreements.

(a) Between the date of this Agreement and March 15, 2017, the Vornado, JBG Properties and Newco agree to negotiate in good faith and finalize, for execution and delivery at the Closing, the terms and conditions (including cost and duration) of a transition

services agreement (the "Transition Services Agreement") whereby Vornado, or its Subsidiaries, will provide transition services to Newco and Newco OP.

(b) After the date of this Agreement, the Vornado Parties shall prepare all schedules to be attached to the Separation and Distribution Agreement when such Separation and Distribution Agreement is executed, and provide such schedules to the JBG Parties sufficiently in advance of the anticipated execution of the Separation and Distribution Agreement by the parties thereto so that the JBG Parties have a reasonable opportunity to review and provide comments on such schedules, which schedules shall be in form and substance reasonably acceptable to the JBG Parties.

(c) Between the date of this Agreement and March 15, 2017, the Vornado, JBG Properties and Newco agree to negotiate in good faith and finalize, for execution and delivery at the Closing, the terms and conditions of agreement for cleaning services (the "Cleaning Services Agreements") in accordance with the terms set forth on Schedule C.

Section 6.7. Further Assurances. Upon the terms and subject to the conditions contained herein, the Parties agree, both prior to and following the Closing (for a period not to exceed twelve (12) months) (a) to use Commercially Reasonable Efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transfer of the JBG Included Interests contemplated hereunder, (b) to execute any documents, instruments or conveyances of any kind which may be reasonably necessary or advisable to carry out the transfer of the JBG Included Interests contemplated hereunder, and (c) to cooperate with each other in connection with the foregoing. The foregoing provisions of this Section 6.7 shall survive the Closing. In addition, if requested by a Party, the members of the other Group agree prior to Closing to use Commercially Reasonable Efforts to deliver requests for estoppels, waivers or other agreements under any covenants, conditions or restrictions or other encumbrances affecting any of the Included Properties and Joint Venture Agreements.

Section 6.8. Other Post-Closing Matters. At all times from and after Closing, Newco and the JBG Parties shall, and shall cause their respective Affiliates to, take the actions set forth on Section 6.8 of the JBG Disclosure Letter. The provisions of this Section 6.8 shall survive the Closing.

ARTICLE VII

CONDITIONS TO CONSUMMATION OF THE TRANSACTIONS

Section 7.1. Conditions to Each Party's Obligations to Consummate the Transactions at the Closing. The respective obligations of each Party to consummate the Transactions contemplated at the Closing shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions, any and all of which may be waived in whole or in part by the Vornado Parties and the JBG Representative, as the case may be, to the extent permitted by applicable Law:

(a) Listing. The Issued Newco Shares and Newco Shares issuable in exchange for OP Units shall have been approved for listing on the NYSE, subject only to official notice of issuance.

(b) Laws; Court Orders. No Law shall have been enacted or promulgated by any Governmental Entity of competent jurisdiction which prohibits or makes illegal the consummation of the Transactions, and there shall be no order or injunction of a court of competent jurisdiction in effect preventing the consummation of the Transactions.

(c) Antitrust Laws. Any required waiting periods (or any extensions thereof) under any provision of the HSR Act, and all other all federal and state statutes, rules, regulations, orders, decrees, administrative and judicial doctrines, and other Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade, shall have expired, been waived or been terminated.

(d) Pre-Combination Transactions. Subject to Section 5.8(a), the Pre- Combination Transactions shall have been consummated in all material respects in accordance with the Separation and Distribution Agreement.

(e) Closing of Contribution and Merger Agreements. The closing of the transactions contemplated by the JBG Contribution Agreements and JBG Merger Agreements with respect to the other JBG Parties shall occur substantially contemporaneously with the Closing (but after the closing of the Pre-Combination Transactions).

(f) Form 10. The Form 10 shall have become effective in accordance with the Exchange Act and shall not be subject to any stop order or proceeding seeking a stop order.

(g) Kickout Interests.

(i) No more than forty percent (40%) (calculated on the basis of the initial Asset Values as a percentage of the aggregate initial Asset Values of all of the JBG Included Properties, including any Kickout Interests) of the JBG Included Properties shall be Kickout Interests.

(ii) No more than twenty percent (20%) (calculated on the basis of the initial Asset Values as a percentage of the aggregate initial Asset Values of all of the Vornado Included Properties, including any Kickout Interests) of the Vornado Included Properties shall be Kickout Interests.

It being understood that even if the closing condition described in this Section 7.1(g) has been satisfied before the Outside Date, the Closing may not occur before the Outside Date unless a Party has the right to set the Revaluation Time and require the Closing to occur at an earlier time pursuant to Section 2.1.

Section 7.2. Conditions to Obligations of the Vornado Parties. The obligations of the Vornado Parties to consummate the Transactions shall also be subject to the satisfaction or

waiver by Vornado Parties (in writing) on or prior to the Closing Date of each of the following additional conditions:

(a) Representations and Warranties. (i) Other than the representations and warranties set forth in Section 4.1 (Organization) (except to the extent such representations and warranties relate only to Subsidiaries of the JBG Parties), Section 4.2 (Authorization; Validity of Agreement), Section 4.4 (Capital Structure; Subsidiaries) (except to the extent such representations and warranties relate only to Subsidiaries of the JBG Parties) and Section 4.27 (Brokers; Expenses), each of the representations and warranties of each of the JBG Parties set forth in this Agreement shall be true and correct (without giving effect to any qualification as to materiality or JBG Material Adverse Effect contained in Article IV) as of the date of this Agreement and as of the Closing as though made on and as of the Closing (except that representations and warranties that by their terms speak specifically as of the date of this Agreement or another date shall be true and correct (without giving effect to any qualification as to materiality or JBG Material Adverse Effect contained in Article IV) as of such date), except where any failures of any such representations and warranties to be true and correct would not reasonably be expected to have, individually or in the aggregate, a JBG Material Adverse Effect, and (ii) the representations and warranties set forth in Section 4.1 (Organization) (except to the extent such representations and warranties relate only to Subsidiaries of the JBG Parties), Section 4.2 (Authorization; Validity of Agreement), Section 4.4 (Capital Structure; Subsidiaries) (except to the extent such representations and warranties relate only to Subsidiaries of the JBG Parties) and Section 4.27 (Brokers; Expenses) of each of the JBG Parties shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except that representations and warranties that by their terms speak specifically as of the date of this Agreement or another date shall be true and correct as of such date).

(b) Performance of Obligations of the JBG Parties. Each of the JBG Parties shall have performed or complied (i) with all obligations required to be performed or complied with by such JBG Party under Section 5.5 of this Agreement (other than the obligations set forth in Section 5.5(b)(xiv)) at or prior to the Closing, except where such non-performance or non- compliance would not reasonably be expected to have, individually or in the aggregate, a JBG Material Adverse Effect, and (ii) in all material respects with all other obligations required to be performed or complied with by such JBG Party under this Agreement at or prior to the Closing (including, without limitation, their obligations set forth in Section 5.5(b)(xiv) and in the last sentence of Section 9.4).

(c) Officer's Certificate. The JBG Parties shall have delivered to Vornado a certificate, dated the date of the Closing and signed by the chief executive officer or another senior officer of its general partner or managing member on behalf of each of the JBG Parties, certifying to the effect that the conditions set forth in Section 7.2(a) and Section 7.2(b) have been satisfied.

(d) JBG Party Deliverables. The JBG Parties shall have delivered to the Vornado Parties at the Closing all other agreements and items set forth in Section 2.3.

(e) REIT Opinions.

(i) The Vornado Parties and Newco shall have received a written opinion of JBG REIT Counsel with respect to each JBG REIT on which Vornado REIT Counsel shall be entitled to rely in connection with its opinion rendered pursuant to Section 7.2(e)(ii) and on which Newco and its REIT counsel shall be entitled to rely following the Closing Date for future opinions, dated as of the Closing Date and in form and substance reasonably satisfactory to the Vornado Parties, to the effect that, commencing with such JBG REIT's First Applicable Year, such JBG REIT has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its actual method of operation has enabled such JBG REIT to meet, through the Closing Date, and its proposed method of operation will enable such JBG REIT to continue to meet, the requirements for qualification and taxation as a REIT under the Code (each, a "JBG REIT Opinion" and, collectively and together with the JBG Newco REIT Opinion, the "JBG REIT Opinions"), which opinion will (i) be subject to customary exceptions, assumptions and qualifications (including Reasonable Cause Exceptions) and (ii) be based on customary representations contained in an officer's certificate from the JBG Parties (including Reasonable Cause Exceptions) provided pursuant to Section 5.18, and executed by an officer with the knowledge necessary to make the representations contained therein.

(ii) The Vornado Parties and Newco shall have received a written opinion of Vornado REIT Counsel, dated as of the Closing Date and in form and substance reasonably satisfactory to the Vornado Parties and on which Newco and its REIT counsel shall be entitled to rely following the Closing Date, to the effect that, commencing with Newco's first taxable year and taking into account the Transactions and the Post-Closing Transactions, Newco will be organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its proposed method of operation will enable Newco to continue to meet the requirements for qualification and taxation as a REIT under the Code for the taxable year that includes the Closing and subsequent taxable years (the "Vornado Newco REIT Opinion"), which opinion will (i) be subject to customary exceptions, assumptions and qualifications (including Reasonable Cause Exceptions) and (ii) be based on customary representations contained in officer's certificates from Newco (including Reasonable Cause Exceptions) provided pursuant to Section 5.16, and executed by an officer with the knowledge necessary to make the representations contained therein.

(f) Distribution Opinion. The Vornado Parties shall have received a written opinion of Sullivan & Cromwell LLP, special tax counsel to Vornado, satisfactory to the Vornado board of trustees, to the effect that the Vornado Contribution of OP Units (as defined in Section 1.1 of the Vornado Disclosure Letter) together with the Vornado Distribution (as defined in Section 1.1 of the Vornado Disclosure Letter), each as provided in the Separation and Distribution Agreement, and taking into account the other Transactions and the Post-Closing Transactions, will qualify (a) as a transaction described in Section 368(a)(1)(D) and Section 355 of the Code, (b) as a transaction in which the stock distributed by Vornado is "qualified

property" for purposes of Section 355(d) and 355(e) of the Code, and (c) as a transaction in which shareholders of Vornado will not recognize gain or loss upon the distribution under Section 355(a) of the Code, which opinion will (i) be subject to customary exceptions, assumptions and qualifications, (ii) be based on customary representations contained in officer's certificates from Vornado, provided pursuant to Section 5.17(a), and executed by an officer with the knowledge necessary to make the representations contained therein.

(g) Key Persons. Each of the individuals listed on Section 7.2(g) of the Vornado Disclosure Letter shall have remained employed by the JBG Parties through the Closing Date, and no such individual shall have repudiated his or her Employment Agreement.

(h) Licenses, Approvals, Permits and Registrations. Except as set forth on Section 7.2(h) of the JBG Disclosure Letter, the JBG Parties shall have obtained all of the licenses, approvals, permits and registrations necessary to operate the management business of the JBG Parties following the Closing, except where the failure to have obtained the same would not reasonably be expected to have, individually or in the aggregate, a JBG Material Adverse Effect.

Section 7.3. Conditions to Obligations of the JBG Parties. The obligations of the JBG Parties to consummate the Transactions contemplated at the Closing are also subject to the satisfaction or waiver (in writing) by the JBG Representative on or prior to the Closing Date of each of the following additional conditions:

(a) Representations and Warranties. (i) Other than the representations and warranties set forth in Section 3.1 (Organization and Qualifications; Subsidiaries) (except, with respect to the representations and warranties in Section 3.1(e), to the extent the same relate only to Vornado Included Entities), Section 3.3 (Capital Structure) (except to the extent such representations and warranties relate only to Vornado Included Entities), Section 3.4 (Authority) and Section 3.24 (Brokers; Expenses), each of the representations and warranties of the Vornado Parties set forth in this Agreement shall be true and correct (without giving effect to any qualification as to materiality or Vornado Material Adverse Effect contained in Article III) as of the date of this Agreement and as of the Closing as though made on and as of the Closing (except that representations and warranties that by their terms speak specifically as of the date of this Agreement or another date shall be true and correct (without giving effect to any qualification as to materiality or Vornado Material Adverse Effect contained in Article III) as of such date), except where any failures of any such representations and warranties to be true and correct would not reasonably be expected to have, individually or in the aggregate, a Vornado Material Adverse Effect, and (ii) the representations and warranties set forth in Section 3.1 (Organization and Qualifications; Subsidiaries) (except, with respect to the representations and warranties in Section 3.1(e), to the extent the same relate only to Vornado Included Entities), Section 3.3 (Capital Structure) (except to the extent such representations and warranties relate only to Vornado Included Entities), Section 3.4 (Authority) and Section 3.24 (Brokers; Expenses) shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except that representations and warranties

that by their terms speak specifically as of the date of this Agreement or another date shall be true and correct as of such date).

(b) Performance of Obligations of the Vornado Parties. The Vornado Parties shall have performed or complied (i) with all obligations required to be performed or complied with by them under Section 5.4 of this Agreement at or prior to the Closing, except where such non-performance or non-compliance would not reasonably be expected to have, individually or in the aggregate, a Vornado Material Adverse Effect, and (ii) in all material respects with all other obligations required to be performed or complied with by such Vornado Party under this Agreement at or prior to the Closing (including, without limitation, their obligations set forth in the last sentence of Section 9.4).

(c) Officer's Certificate. Vornado shall have delivered to the JBG Parties a certificate, dated the date of the Closing and signed by its chief executive officer or another senior officer on behalf of Vornado, certifying to the effect that the conditions set forth in Section 7.3(a) and Section 7.3(b) have been satisfied.

(d) Vornado Party Deliverables. The Vornado Parties shall have delivered or caused to be delivered to the JBG Parties at the Closing the Equity Consideration and all agreements and other items set forth in Section 2.2.

(e) REIT Opinions.

(i) The JBG Parties and Newco shall have received a written opinion of Vornado REIT Counsel with respect to each Vornado REIT on which JBG REIT Counsel shall be entitled to rely in connection with its opinion rendered pursuant to Section 7.3(e)(ii) and on which Newco and its REIT counsel shall be entitled to rely following the Closing Date for future opinions, dated as of the Closing Date and in form and substance reasonably satisfactory to the JBG Parties, to the effect that, commencing with such Vornado REIT's First Applicable Year, such Vornado REIT has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its actual method of operation has enabled such Vornado REIT to meet, through the Closing Date, and its proposed method of operation will enable such Vornado REIT to continue to meet, the requirements for qualification and taxation as a REIT under the Code (each, a "Vornado REIT Opinion" and, collectively and together with the Vornado Newco REIT Opinion, the "Vornado REIT Opinions"), which opinion will (i) be subject to customary exceptions, assumptions and qualifications (including Reasonable Cause Exceptions) and (ii) be based on customary representations contained in an officer's certificate from the Vornado Parties (including Reasonable Cause Exceptions) provided pursuant to Section 5.17(b), and executed by an officer with the knowledge necessary to make the representations contained therein.

(ii) The JBG Parties and Newco shall have received a written opinion of JBG REIT Counsel, dated as of the Closing Date and in form and substance reasonably satisfactory to the JBG Parties and on which Newco and its REIT counsel shall be

entitled to rely following the Closing Date, to the effect that, commencing with Newco's first taxable year and taking into account the Transactions and the Post-Closing Transactions, Newco will be organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its proposed method of operation will enable Newco to continue to meet the requirements for qualification and taxation as a REIT under the Code for the taxable year that includes the Closing and subsequent taxable years (the "JBG Newco REIT Opinion"), which opinion will (i) be subject to customary exceptions, assumptions and qualifications (including Reasonable Cause Exceptions) and (ii) be based on customary representations contained in officer's certificates from Newco (including Reasonable Cause Exceptions) provided pursuant to Section 5.16, and executed by an officer with the knowledge necessary to make the representations contained therein.

(iii) The JBG Parties and Newco shall have received a written opinion of Vornado REIT Counsel on which JBG REIT Counsel shall be entitled to rely in connection with its opinion rendered pursuant to Section 7.3(e)(ii) and on which Newco and its REIT counsel shall be entitled to rely following the Closing Date for future opinions, dated as of the Closing Date and in form and substance reasonably satisfactory to the JBG Parties, to the effect that, commencing with Vornado's First Applicable Year, Vornado has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its actual method of operation has enabled Vornado to meet, through the Closing Date, and its proposed method of operation will enable Vornado to continue to meet, the requirements for qualification and taxation as a REIT under the Code, which opinion will (i) be subject to customary exceptions, assumptions and qualifications (including Reasonable Cause Exceptions) and (ii) be based on customary representations contained in an officer's certificate from the Vornado Parties (including Reasonable Cause Exceptions) provided pursuant to Section 5.17(b), and executed by an officer with the knowledge necessary to make the representations contained therein.

(f) Newco Board Resignations. Each current member of the Newco Board who is not a JBG Board Designee or a Vornado Board Designee shall have delivered an irrevocable written resignation from the Newco Board or shall have otherwise ceased to be a member of the Newco Board.

Section 7.4. Frustration of Closing Conditions. No Party may rely on the failure of any condition set forth in this Article VII to be satisfied if such failure was caused by the failure of such Party to comply with its obligations set forth in this Agreement or the Separation and Distribution Agreement.

ARTICLE VIII

TERMINATION

Section 8.1. Termination. This Agreement may be terminated at any time prior to the Closing, as follows:

(a) by mutual written agreement of each of Vornado and the JBG Representative; or

(b) by either Vornado or the JBG Parties, if:

(i) the Closing shall not have occurred on or before December 29, 2017 (the "Outside Date"); *provided*, that the right to terminate this Agreement pursuant to this Section 8.1(b)(i) shall not be available to any Party if the failure of such Party (and (A) in the case of Vornado, including the failure of any Vornado Party and (B) in the case of the JBG Parties, including the failure of any JBG Party) to perform any of its obligations under this Agreement has been a principal cause of, or resulted in, the failure of the Closing to be consummated on or before such date; or

(ii) any Governmental Entity of competent jurisdiction shall have issued a judgment, injunction, order or decree or taken any other action permanently restraining, enjoining or otherwise prohibiting the Transactions, and such judgment, injunction, order or decree or other action shall have become final and non-appealable; *provided*, *however*, that the right to terminate this Agreement under this Section 8.1(b)(ii) shall not be available to a Party if the issuance of such final, non-appealable judgment, injunction, order or decree was primarily due to the failure of such Party (and (A) in the case of Vornado, including the failure of any Vornado Party and (B) in the case of the JBG Parties, including the failure of any JBG Party) to perform any of its obligations under this Agreement; or

(c) by the Vornado Parties if any JBG Party shall have breached or failed to perform any of its representations, warranties, covenants or other agreements set forth in this Agreement, which breach or failure to perform, either individually or in the aggregate, (x) would result in a failure of a condition set forth in Section 7.1 or Section 7.2 and (y) cannot be cured on or before the Outside Date or, if curable, is not cured by the JBG Parties within twenty (20) Business Days of receipt by the JBG Parties of written notice of such breach or failure; *provided* that Vornado shall not have the right to terminate this Agreement pursuant to this Section 8.1(c) if any Vornado Party is then in breach of any of their respective representations, warranties, covenants or agreements set forth in this Agreement such that the conditions set forth in either Section 7.1 or Section 7.3 would not be satisfied; or

(d) by the JBG Parties if any Vornado Party shall have breached or failed to perform any of its representations, warranties, covenants or other agreements set forth in this Agreement, which breach or failure to perform, either individually or in the aggregate, (x) would

result in a failure of a condition set forth in Section 7.1 or Section 7.3 and (y) cannot be cured on or before the Outside Date or, if curable, is not cured by the Vornado Parties within twenty (20) Business Days of receipt by the Vornado Parties of written notice of such breach or failure; *provided* that the JBG Parties shall not have the right to terminate this Agreement pursuant to this Section 8.1(d)(i) if any JBG Party is then in breach of any of its respective representations, warranties, covenants or agreements set forth in this Agreement such that the conditions set forth in either Section 7.1 or Section 7.2 would not be satisfied.

Section 8.2. Effect of Termination. In the event that this Agreement is terminated and the Closing and the other Transactions are abandoned pursuant to Section 8.1, written notice thereof shall be given to the other party or parties, specifying the provisions hereof pursuant to which such termination is made and describing the basis therefor in reasonable detail, and this Agreement shall forthwith become null and void and of no further force or effect whatsoever without Liability on the part of any party hereto (or any of the Vornado Subsidiaries, JBG Parties' Subsidiaries or any of the Vornado Parties' or the JBG Parties' respective Representatives), and all rights and obligations of any party hereto shall cease; *provided*, *however*, that, notwithstanding anything in the foregoing to the contrary (a) no such termination shall relieve any party hereto of any Liability or damages resulting from or arising out of any fraud or Willful Breach of this Agreement prior to such termination of this Agreement, in which case the aggrieved party shall be entitled to all rights and remedies available at law or in equity; and (b) Section 5.20, this Section 8.2, Article IX and the definitions of all defined terms appearing in such sections shall survive any termination of this Agreement pursuant to Section 8.1 for twelve (12) months. For avoidance of doubt, and without limiting the foregoing, any failure of the Vornado Parties or the JBG Parties (as applicable) to effect the Closing as required by Section 2.1 shall be a willful and intentional material breach of this Agreement by such parties and shall be deemed to constitute a Willful Breach. If this Agreement is terminated as provided herein, all filings, applications and other submissions made pursuant to this Agreement, to the extent practicable, shall be withdrawn from the Governmental Entity or other Person to which they were made.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Amendment. Subject to compliance with applicable Law, this Agreement may be amended by mutual agreement of the Parties hereto by action taken or authorized by their respective boards of directors, boards of trustees, general partners or other similar governing body or entity at any time prior to the Closing. This Agreement may not be amended except by an instrument in writing signed by each of the Parties hereto.

Section 9.2. Waiver. At any time prior to the Closing, subject to applicable Law, any Party hereto may (a) extend the time for the performance of any obligation or other act of any other Party hereto, (b) waive any inaccuracy in the representations and warranties of the other Party contained herein or in any document delivered pursuant hereto, and (c) subject to the proviso of Section 9.1, waive compliance with any agreement or condition contained herein.

Any agreement on the part of a Party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party or Parties to be bound thereby. Notwithstanding the foregoing, no failure or delay by any Party hereto in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right hereunder.

Section 9.3. Non-Survival. None of the representations, warranties, pre-Closing covenants or agreements in this Agreement or in any schedule, instrument or other document delivered pursuant to this Agreement shall survive the Closing *provided*, *however*, that this Section 9.3 shall not limit any covenant or agreement of the Parties to the extent such covenant or agreement by its terms contemplates performance after the Closing, which shall survive the Closing.

Section 9.4. Expenses. Except as may be otherwise expressly contemplated herein, all Expenses incurred in connection with this Agreement and the Transactions (including Financial Advisor Expenses) shall be paid by the Party incurring such Expenses in

the event the Closing does not occur unless the Closing does not occur by reason of the other Party's Willful Breach, breach of representation or warranty or breach or default of covenant which results in a condition in Section 7.1, Section 7.2 or Section 7.3 not to be satisfied (it being agreed, for clarity, that a failure of the condition in Section 7.2(g) to be satisfied on account of the death, disability or incapacity of one or more of the individuals listed on Section 7.2(g) of the Vornado Disclosure Letter shall not be deemed a breach or default of covenant by the JBG Parties for purposes of this sentence). In the event that the Closing occurs, Newco and Newco OP shall pay all bona fide third party Expenses (which, for the avoidance of doubt, shall not include any expenses incurred by the JBG Parties or their Affiliates solely in connection with the proposed initial public offering of the JBG Parties or the proposed transaction between the JBG Parties and New York REIT, Inc.) incurred by the Parties in connection with this Agreement, the Restructuring Transactions and the other Transactions (and shall reimburse the JBG Parties and the Vornado Parties for any such Expenses previously paid by them), other than Consent Expenses, Financial Advisor Expenses and the expenses set forth in Section 6.1(f) of the JBG Disclosure Letter and the Vornado Disclosure Letter below the cap described therein; provided, that if the JBG Management Entities incur Indebtedness in amounts permitted by Section 5.5(b)(xiv), then the JBG Parties agree to apply any reimbursement for Expenses from Newco and Newco OP to the repayment of such Indebtedness until the same is fully repaid. On or before the Closing, the JBG Parties and the Vornado Parties shall pay their respective Consent Expenses, Financial Advisor Expenses and the expenses set forth in Section 6.1(f) of the JBG Disclosure Letter and the Vornado Disclosure Letter below the cap described therein.

Section 9.5. Notices. All notices, requests, demands, claims and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given (i) when received if delivered personally; (ii) when transmitted if transmitted by e-mail of a pdf attachment and the hard copy is sent by the next Business Day by reliable overnight delivery service (with proof of service) or hand delivery); and (iii) the Business Day after it is sent, if sent for next day delivery by reliable overnight delivery service (with proof of service), hand delivery or certified or registered mail (return

receipt requested and first-class postage prepaid), addressed as follows (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9.5):

if to the Vornado Parties, to:

Vornado Realty Trust
888 Seventh Avenue
New York, New York 10019
Attention: Secretary and General Counsel
E-mail: arice@vno.com

Vornado Realty
888 Seventh Avenue
New York, New York 10019
Attention: Executive Vice President — Chief Investment Officer
E-mail: mfranco@vno.com

Vornado Realty Trust
210 Route 4 East
Paramus, New Jersey 07652
Attention: Executive Vice President — Finance and Chief Administrative Officer
E-mail: jmacnow@vno.com

with copies to (which shall not constitute notice):

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Arthur S. Adler, Esq.
E-mail: adlera@sullcrom.com

if to the JBG Parties, to:

JBG Properties Inc.
4445 Willard Avenue, Suite 400
Chevy Chase, Maryland 20815
Attention: W. Matthew Kelly
E-mail: mkelly@jbg.com

with copies to (which shall not constitute notice):

Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, NW
Washington, District of Columbia 20004

Attention: David W. Bonser, Esq.
E-mail: david.bonser@hoganlovells.com

Section 9.6. Certain Definitions. For the purposes of this Agreement, the term:

"*Accredited Investor*" means an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act.

"*Affiliate*" of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, "control", when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Agreed Treatment*" has the meaning ascribed to such term in the Tax Matters Agreement.

"*Ancillary Documents*" means the Separation and Distribution Agreement, the JBG Fund Contribution Agreements, the JBG Managing Member Contribution Agreements, the JBG Properties Contribution Agreement, the JBG Partnership Merger Agreement, the JBG LLC Merger Agreement, the Registration Rights Agreements, the Declaration of Trust Amendment and Restatement, the Bylaws Amendment and Restatement, the Partnership Agreement Amendment and Restatement, the Employment Agreements, the Employee Matters Agreement, the Transition Services Agreement, the Tax Matters Agreement, the GP Subcontracts, the Cleaning Services Agreement and each other document or instrument contemplated hereby to be executed and delivered by any of the Parties at or prior to the Closing.

"*Atlantic REIT*" means JBG/Atlantic REIT, L.L.C.

"*Business Day*" means any day that is not a Saturday, Sunday or other day on which banking institutions in New York City or Washington D.C. are authorized or required by Law to close.

"*Cash Consideration Cap*" means five million dollars ($5,000,000).

"*Cash Contributed at Closing by JBG*" means the product of (x) a fraction, the *numerator* of which is the aggregate of the Asset Values of the JBG Parties' JBG Included Assets (as determined in accordance with Section 1.5 and Section 1.6(a), and including, for clarity, all JBG Included Assets initially designated as Kickout Interests that are subsequently included in the transaction following the receipt of all applicable Required JBG Consents), and the *denominator* of which is the aggregate of the Asset Values of the Vornado Included Assets (as determined in accordance with Section 1.5 and Section 1.6(a), and including, for clarity, all Vornado Included Assets initially designated as Kickout Interests that are subsequently included in the transaction following the receipt of all applicable Required Vornado Consents), *multiplied by* (y) $200,000,000.

"*Cash Contributed at Closing by Vornado*" means $200,000,000.

"*Closing Date Payments*" means the payment in full, in cash, of the aggregate Expenses of the Parties other than Consent Expenses, Financial Advisor Expenses and the expenses set forth on Section 6.1(f) of the JBG Disclosure Letter and the Vornado Disclosure Letter below the cap described therein.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Commercially Reasonable Efforts*" means the efforts that a commercially reasonable Person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as reasonably practicable provided, however, that, except as otherwise set forth herein (including, for clarity, any provision of this Agreement requiring a Person to expend funds in given amounts), a Person required to use Commercially Reasonable Efforts under this Agreement will not be thereby required to take any action that would result in a material adverse change in the benefits to such Person under this Agreement or the transactions contemplated hereby, to consummate the Closing at any time prior to the date determined in accordance with Section 2.1, to make any change to its business, to incur any material fees or expenses (other than reasonable or customary consent fees not to exceed the amounts set forth on Section 9.6(a) of the Vornado Disclosure Letter and Section 9.6(a) of the JBG Disclosure Letter, normal and usual filing fees, processing fees and incidental expenses), to commence any litigation or to incur any other material obligation or liability.

"*Confidential Information*" means all confidential and proprietary information of the Disclosing Party, including, but not limited to, all documents, financial statements, reports, forecasts, projections, surveys, diagrams, records, engineering reports and all other written or oral information, as well as diskettes and other forms of electronically transmitted data, furnished or made available by the Disclosing Party to, or at the direction of, the Receiving Party, or the Receiving Party's Representatives relating to the Disclosing Party, the Transaction or directly related matters to, as well as any written memoranda, notes, analyses, reports, compilations, or studies prepared by the Receiving Party or any of its Representatives (in whatever form of medium) that contain, or are derived from, such information. Confidential Information shall also include the fact that Confidential Information has been furnished or made available, that discussions or negotiations are taking place concerning the Transaction, or any of the terms, conditions or other facts with respect to the Transaction, including the status thereof. Notwithstanding the foregoing, Confidential Information does not include information furnished or made available by or on behalf of the Disclosing Party if such information (a) is or becomes generally available to the public, other than as a result of disclosure by or through the Receiving Party or its Representatives in violation of this agreement; (b) was already in the possession of the Receiving Party prior to its disclosure hereunder; (c) becomes available to the Receiving Party from a source (other than the Disclosing Party or its Representatives) not bound, to the knowledge of the Receiving Party or its Representatives, by any obligation of confidentiality to the Disclosing Party with respect to such information; or (d) is independently developed by the Receiving Party or its Representatives without the use of any Confidential Information. Consistent with the foregoing, (i) as to all Confidential Information about the Vornado Included

Entities, Vornado Included Assets, JBG Included Entities and JBG Included Assets, from and after the Closing, such Confidential Information shall be Confidential Information of Newco and Newco OP, (ii) with respect to all Confidential Information about the JBG Excluded Assets or any of the JBG Parties (other than any JBG Included Entities, such Confidential Information shall remain be Confidential Information of the JBG Parties and (iii) with respect to all Confidential Information about the Vornado Excluded Assets or any of the Vornado Parties (other than the Newco, Newco OP and any Vornado Included Entities, such Confidential Information shall remain Confidential Information of the Vornado Parties.

"*Consent Expenses*" means (i) any assumption, consent or transfer fees owed or otherwise charged by the applicable counterparty (or its servicer or representative) in connection with obtaining any Required Consents, (ii) all refinancing costs and expenses (including, without limitation, brokerage fees, origination fees, title insurance premiums and other costs incurred or reimbursed to a lender) relating to any refinanced Indebtedness in respect of any Included Properties as a result of a Debt Refinancing, a Failed Loan Assumption or otherwise, (iii) all prepayment premiums and penalties and "make-wholes" that result from the refinancing of any Indebtedness in respect of any Included Property as a result of a Debt Refinancing, a Failed Loan Assumption or otherwise, (iv) all costs to provide replacement collateral required to defease any Indebtedness in respect of any Included Property as a result of a Debt Refinancing, a Failed Loan Assumption or otherwise, (v) all processing fees charged by a lender or a servicer in order to submit application packages relating to the assumption of any Indebtedness in respect of any Included Property, (vi) all applicable mortgage taxes, intangible taxes, documentary stamp taxes and recordation charges relating to any assumption of any Indebtedness in respect of any Included Property or a refinancing thereof, (vii) any third party, out-of-pocket costs and expenses, including attorneys' fees and expenses charged by a lender in connection with the assumption of any Indebtedness relating to any Included Property or the refinancing thereof, and (viii) any third party, out-of-pocket costs and expenses, including attorneys' fees and expenses charged by a lender, landlord or Joint Venture Partner in connection with the consideration of, and/or the documentation of, any Required Debt Consent, Required Ground Lease Consent or Required JV Consent, as applicable.

"*Consideration*" means, collectively, the Cash Consideration and the Equity Consideration.

"*Contract*" means any agreement, contract, instrument, commitment, lease, guaranty, indenture, license, or other arrangement or understanding (and all amendments, side letters, modifications and supplements thereto) between parties or by one party in favor of another party, whether written or oral, but excluding any Vornado Leases, JBG Leases and any ground lease affecting an Included Property.

"*Core REITs*" means 151 Q Street REIT, L.L.C., Fairways Residential REIT, L.L.C., JBG/Foundry Office REIT, L.L.C., JBG/Pickett Office REIT, L.L.C., and JBG/Woodbridge REIT, L.L.C.

"*Disclosing Party*" means either the JBG Parties or the Vornado Parties, as applicable, when such Party is acting in its capacity as the provider of Confidential Information and any Representative thereof providing information hereunder.

"*Distributions*" means, during the applicable period, any of the following: (i) the declaration or payment of any dividend or any other distribution in respect of the partnership, membership or other ownership interests or any payment made to the direct or indirect holders (in their capacities as such) of the partnership, limited liability company or other entity, or (ii) the purchase, redemption or other acquisition or retirement for value by of any Equity Interest in such entity.

"*Environmental Law*" means any and all applicable Laws which (i) regulate or relate to the protection or clean-up of natural resources or the environment; the use, treatment, storage, transportation, handling, disposal or release of Hazardous Substances, the preservation or protection of waterways, groundwater, drinking water, air, wildlife, plants or other natural resources; or the health and safety of persons or property, including protection of the health and safety of employees, with respect to exposure to Hazardous Substances; or (ii) impose liability or responsibility with respect to any of the foregoing, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), or any other Law of similar effect.

"*Environmental Permits*" means any material permit, exemption, license, authorization or approval required under applicable Environmental Laws.

"*Equity Interest*" means, with respect to any entity, any share, capital stock, partnership, member or similar interest in such entity, and any option, warrant, right or security (including debt securities) convertible, exchangeable or exercisable therefor.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended, and all regulations, rules and other guidance promulgated thereunder.

"*ERISA Affiliate*" means any Person (whether or not incorporated) which is (or at any relevant time was) a member of a "controlled group of corporations" with, under "common control" with, or a member of an "affiliated service group" with, any Party as defined in Section 414(b), (c), (m) or (o) of the Code.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and all regulations, rules and other guidance promulgated thereunder.

"*Expenses*" means all reasonable out-of-pocket expenses (including all fees and expenses of counsel, accountants, experts and consultants to a Party and its affiliates, except to the extent constituting Financial Advisor Expenses) incurred by a Party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement, the solicitation of equityholder and stockholder approvals, the filing of any required notices under the HSR Act or other similar regulations, the obtaining of the licenses, approvals, permits and registrations described on Section 7.2(h) of the JBG Disclosure Letter, any filings

with the SEC and all other matters related to the consummation of the Transactions, including debt assumption costs and expenses (except to the extent constituting Consent Expenses), mortgage recording fees and Transfer Taxes.

"*Failed Loan Assumption*" means the rejection by a lender or servicer (acting on behalf of a lender) to consent to the direct or indirect transfer of an Included Property in accordance with the Transactions.

"*Financial Advisor Expenses*" means all amounts, whether contractual or otherwise, to be paid to a broker, investment banker, financial advisor, including, with respect to the Vornado Parties, the amounts described in Section 3.24, and with respect to the JBG Parties, the amounts described in Section 4.27.

"*Financing Sources*" means the entities that provide or arrange or otherwise have entered into agreements in connection with all or any part of the Credit Facility in connection with the Transactions, together with their respective Affiliates, and their respective Affiliates' officers, directors, trustees, employees, agents and representatives and their respective successors and assigns.

"*First Applicable Year*" means, in the case of any REIT, its taxable year that ended on December 31 of the year for which it made its initial REIT election pursuant to Section 856(c)(1) of the Code.

"*GAAP*" means U.S. generally accepted accounting principles, applied on a consistent basis (except as may be indicated in the notes to financial statements or, in the case of interim financial statements, for normal year-end adjustments).

"*Governing Documents*" means (a) the articles or certificate of formation or incorporation, all certificates of determination and designation, and the bylaws of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate or articles of limited partnership of a limited partnership; (d) the operating agreement, limited liability company agreement and the certificate or articles of organization or formation of a limited liability company; (e) any charter or similar document adopted or filed in connection with the creation, formation or organization of any other Person; and (f) any amendment to any of the foregoing.

"*Group*" means either the JBG Parties taken as a whole or the Vornado Parties taken as a whole.

"*H Street*" means H Street Building Corporation, a Delaware corporation, and any corporation to which the tax attributes of H Street enumerated in Section 381(c) of the Code are carried over in a transaction to which Section 381(a) of the Code applies.

"*Hazardous Substances*" means any pollutant, chemical, substance and any toxic, infectious, carcinogenic, reactive, corrosive, ignitable or flammable chemical, or chemical compound, or hazardous substance, material or waste, whether solid, liquid or gas, that is subject

to regulation, control, remediation or with respect to which liability may be imposed under any Environmental Laws, including any quantity of asbestos, urea formaldehyde, polychlorinated biphenyls (PCBs), radon gas, and petroleum products or by-products.

"*Included Assets*" means, collectively, the JBG Included Assets and the Vornado Included Assets.

"*Included Interest*" means a JBG Included Interest or a Vornado Included Interest. "*Included Property*" means a JBG Included Property or a Vornado Included Property. "*Indebtedness*" means with respect to any Person, (i) all indebtedness, notes payable, accrued interest payable or other obligations for borrowed money, whether secured or unsecured, (ii) all indebtedness evidenced by a note, bond, debenture or other similar instrument or debt security, (iii) all obligations under conditional sale or other title retention agreements, or incurred as financing, in either case with respect to property acquired by such Person, (iv) all obligations issued, undertaken or assumed as the deferred purchase price for any property or assets, (v) all obligations under capital leases, (vi) all obligations in respect of bankers acceptances or letters of credit, (vii) all obligations under interest rate cap, swap, collar or similar transaction or currency hedging transactions, and (viii) any guarantee (other than customary non-recourse carve-out or "bad boy" guarantees) of any of the foregoing, whether or not evidenced by a note, mortgage, bond, indenture or similar instrument.

"*Intellectual Property*" means all United States and foreign (i) patents, patent applications, invention disclosures, and all related continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions and extensions thereof, (ii) trademarks, service marks, trade dress, logos, trade names, corporate names, internet domain names, design rights and other source identifiers, together with the goodwill symbolized by any of the foregoing, (iii) copyrightable works and copyrights, (iv) confidential and proprietary information, including trade secrets, know-how, ideas, formulae, models and methodologies, (v) all rights in the foregoing and in other similar intangible assets, and (vi) all applications and registrations for the foregoing.

"*Intercompany Indebtedness*" means Indebtedness with respect to which both the borrower and the lender either are Vornado Parties and their Affiliates and Subsidiaries or are JBG Parties and their Affiliates and Subsidiaries.

"*Interest Payments*" means, during the applicable period, all interest payments, including the net cash costs or benefits under all interest rate protection agreements related to the applicable Indebtedness, made in accordance with the loan documents evidencing Indebtedness for borrowed money, excluding any interest payments that would be capitalized under GAAP.

"*Investment Company Act*" means the Investment Company Act of 1940, as amended.

"*IRS*" means the U.S. Internal Revenue Service.

"*JBG Benefit Plan*" means each Plan which is sponsored, maintained or contributed to, or required to be contributed to, by to the JBG Included Entities or the JBG Management Entities or that provides, or under which any JBG Party or its Subsidiary has any obligation or liability to provide compensation or benefits to or for the benefit of any current or former JBG Employee, or the spouses, beneficiaries or other dependents thereof.

"*JBG Corporate Entities*" means Fund VIII REIT, Atlantic REIT, the Core REITs, 51 N 50 Patterson Corporate Member, L.L.C., JBG/Landbay G Corporate Member, L.L.C., the JBG TRSs and JBG Properties.

"*JBG Employees*" means any current or former employees of the JBG Included Entities or the JBG Management Entities.

"*JBG Included Assets*" means, in addition to the JBG Included Interests, JBG Operating Partners and the assets and liabilities of JBG Properties, all assets, liabilities and properties of the JBG Funds and their Subsidiaries related to the JBG Included Properties and JBG Included Interests or the proceeds from any sale thereof.

"*JBG Material Adverse Effect*" means any effect, change, event or occurrence that, individually or in the aggregate, has had, or would reasonably be expected to have, a material adverse effect on the business, properties, assets, liabilities, results of operation or financial condition of the JBG Included Assets, taken as a whole; *provided*, *however*, that no effect, change, event or occurrence resulting or arising from the following shall be deemed to constitute a JBG Material Adverse Effect or shall be taken into account when determining whether a JBG Material Adverse Effect has occurred or is reasonably likely to exist or occur: (i) any changes in general United States or global political, regulatory or economic conditions, or the capital, financial or securities markets, including changes in interest rates, to the extent that such changes do not have a disproportionately greater adverse impact on the JBG Parties and their Subsidiaries, taken as a whole, relative to other similarly situated participants in the industries in which the JBG Parties and their Subsidiaries operate generally, (ii) any changes generally affecting the industries or markets in which the JBG Parties and their Subsidiaries operate to the extent that such changes do not disproportionately have a greater adverse impact on the JBG Parties and their Subsidiaries, taken as a whole, relative to other similarly situated participants in the industries in which the JBG Parties operate generally, (iii) any changes after the date hereof in GAAP (or any interpretation thereof in accordance with the Financial Accounting Standards Board Statements of Financial Accounting Standards and Interpretations), (iv) any adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, change or proposal of any applicable Law of or by any Governmental Entity after the date hereof to the extent that such adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, change or proposal does not disproportionately have a greater adverse impact on the JBG Parties and their Subsidiaries, taken as a whole, relative to other similarly situated participants in the industries in which the JBG Parties operate generally, (v) any actions taken, or the failure to take any action, if such action or such failure to take action is at the written request or with the prior written consent of the Vornado Parties, (vi) any effect, change, event or occurrence attributable to the negotiation, execution, announcement or other public disclosure or

performance of this Agreement and the Transactions or the impact of such negotiation, execution, announcement, disclosure or performance on relationships, contractual or otherwise, with customers, suppliers, tenants, lenders, employees, unions, licensors, Joint Venture Partners or other Persons with business relationships with the JBG Parties or their Subsidiaries, or any action by a Governmental Entity or any Action or dispute brought or threatened arising out of or relating from such negotiation, execution, announcement, disclosure or performance (*provided* that this clause (vi) shall not apply with respect to Section 4.3 of this Agreement), (vii) any failure by the JBG Parties to meet any internal or published projections, estimates or expectations of the JBG Parties' revenue, earnings or other financial performance or results of operations for any period, in and of itself, or any failure by the JBG Parties to meet their internal budgets, plans or forecasts of their revenues, earnings or other financial performance or results of operations, in and of itself (it being understood that the facts or occurrences giving rise or contributing to such failure that are not otherwise excluded from the definition of a "JBG Material Adverse Effect" may be taken into account, unless such fact or occurrence is otherwise excluded from this definition), and (viii) any effect, change, event or occurrence after the date hereof arising out of changes in geopolitical conditions, acts of terrorism, civil disobedience or sabotage, the commencement, continuation or escalation of a war, acts of armed hostility, weather conditions or other force majeure events, including any material worsening of such conditions threatened or existing as of the date of this Agreement to the extent that such changes do not disproportionately have a greater adverse impact on the JBG Parties and their Subsidiaries, taken as a whole, relative to other similarly situated participants in the industries in which the JBG Parties operate generally.

"*JBG Permitted Liens*" means all of the following: (i) the matters set forth in any title insurance policy evidencing title insurance with respect to a JBG Included Property provided to the Vornado Parties prior to the date hereof, (ii) the JBG Leases and any ground lease affecting any of the JBG Included Properties as of the date hereof, or amendments or modifications to the foregoing, entered into after the date hereof in accordance with the terms of this Agreement, (iii) Liens for current real estate taxes and special assessments which are not yet due and payable (subject to apportionment in accordance with the terms hereof), (iv) standard exceptions and provisions contained in the form of owner's title insurance policies for each of the JBG Included Properties, (v) subject to the adjustments provided for herein and to the extent due after Closing, any charges for service, installation, connection, maintenance, sewer, water, electricity, telephone, cable television or gas, (vi) rights of vendors and holders of security interests on personal property installed at any JBG Included Property by tenants under JBG Leases in effect on the date hereof or entered into after the date hereof in accordance with the terms of this Agreement, (vii) to the extent permitted under the JBG Leases in effect on the date hereof or entered into after the date hereof in accordance with the terms of this Agreement, rights of tenants to remove fixtures at the expiration of the term of the JBG Leases of such tenants, (viii) mechanics liens arising by or through the tenants under any JBG Leases affecting the JBG Included Assets, (ix) any

exceptions created by the ground lessor pursuant to any ground lease on the fee interest of the relevant property, (x) Laws, regulations, resolutions or ordinances, including, without limitation, building, zoning and environmental protection, as to the use, occupancy, subdivision, development, conversion or redevelopment of any JBG Included Property currently or hereinafter imposed by any governmental or quasi-governmental body or

authority, (xi) Liens relating to Indebtedness that is disclosed in Section 4.16(a)(v) of the JBG Disclosure Letter, and (xii) such other easements, covenants, restrictions and other matters affecting title to the JBG Included Asset that do not have a JBG Material Adverse Effect on the applicable JBG Included Asset. In no event shall any JBG right of first refusal under Section 6.1 constitute a JBG Permitted Lien.

"*JBG REIT Counsel*" means Hogan Lovells US LLP.

"*JBG REITs*" means Fund VIII REIT, Atlantic REIT and the Core REITs.

"*JBG Service Provider*" means any employee (including any JBG Employee), consultant, director or other service provider of the JBG Included Entities or the JBG Management Entities or who is engaged or employed at, or principally provides services to, any of the JBG Included Properties.

"*JBG Tax Group*" means the JBG Parties and the JBG Included Entities, together with any person (i) whose ownership of stock would be attributable to or aggregated with the JBG Parties under Section 355(d)(8) or 355(e)(4)(C) of the Code, (ii) who is a member of any "coordinating group" (within the meaning of Treasury Regulation Section 1.355-7(h)(4)) that includes any of the JBG Parties or the JBG Included Entities, or (iii) who is acting pursuant to a "plan or arrangement" (within the meaning of Section 355(d)(7)(B) of the Code) with any of the JBG Parties or the JBG Included Entities.

"*JBG TRSs*" means the Taxable REIT Subsidiaries of the JBG REITs which include: Fund VIII TRS, L.L.C., JBG/Fund VIII Services, L.L.C., JBG/New York Hotel Operator, L.L.C., JBG/Crystal City Hotel Operator, L.L.C., JBG/151 Q Street Services, L.L.C., and JBG/Foundry Office Services, L.L.C].

"*Joint Venture*" means any Person owning, directly or indirectly, any interests in any Included Properties and in which one or more Parties owns Equity Interests and which Person is not wholly owned, directly or indirectly, by such Parties.

"*Joint Venture Agreement*" means any partnership agreement, limited partnership agreement, shareholders' agreement, limited liability company operating agreement, joint venture agreement (or the equivalent), together with all amendments, amendment and restatements, addendums, side letters and joinders in respect of which any of the Joint Ventures is governed.

"*Joint Venture Partner*" means any Person, other than a Party, which holds a direct or indirect legal or beneficial right, title or interest or the right or option to acquire such right, title or interest, in a Joint Venture.

"*Kickout Interest*" means any Included Interest that is deemed to be a "Kickout Interest" pursuant to Section 5.2(f) or another provision of this Agreement.

"*knowledge*" means, with respect to any Vornado Party, the actual knowledge of any of the persons listed on Section 9.6(b) of the Vornado Disclosure Letter as of the date hereof.

"*knowledge*" means, with respect to any JBG Party, the actual knowledge of any of the persons listed on Section 9.6(b) of the JBG Disclosure Letter as of the date hereof.

"*Law*" means any law, common law, statute, code, rule, regulation, order, ordinance, judgment or decree or other requirement or rule of law of any Governmental Entity having the effect of law.

"*Liability*" means any liability, debt, obligation, deficiency, interest, Tax, penalty, fine, claim, demand, damage, judgment, cause of action or other loss (including loss of benefit or relief), cost or expense of any kind or nature whatsoever, whether asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, and whether matured or unmatured, regardless of when asserted.

"*Lien*" means any lien, pledge, hypothecation, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, preemptive right, community property interest or other restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset).

"*Multiemployer Plan*" means a "multiemployer plan" within the meaning of Section 3(37) of ERISA.

"*Net Working Capital*" means, with respect to any JBG Included Entity or Vornado Included Entity, the difference between:

(i) all current assets, including:

(a) restricted cash and escrows (including lender-controlled accounts), except restricted accounts for tenant security deposits,

(b) accounts receivable from tenants and other third parties,

(d) allowances for doubtful accounts (with 50% credit for non-GSA tenant receivables more than sixty (60) days past due and with no credit for receivables from bankrupt or insolvent tenants, for amounts disputed by the GSA or non-GSA tenant receivables more than one hundred twenty (120) days past due),

(e) prepaid expenses (including real estate taxes and insurance), and

(f) all other current assets (i.e., assets that settle in cash within twelve (12) months).

minus

(ii) all current liabilities, including:

(a) accounts payable,

(b) accrued expenses,

(c) prepaid rent,

(d) amounts due to tenants, and

(e) all other current liabilities (i.e., liabilities that settle in cash within twelve (12) months).

The foregoing amounts shall each be determined in accordance with the accrual basis of accounting. For the avoidance of doubt, none of the following items shall be taken into consideration in any calculation of Net Working Capital:

(1) unrestricted cash,

(2) cash contributed by the Parties at Closing (including by means of repayment of intercompany debt),

(3) cash and liabilities related to tenant security deposits,

(4) fixed assets (e.g., property, plant & equipment),

(5) straight-line rent receivables,

(6) deferred compensation plans,

(7) mortgage loans and other long-term Indebtedness,

(8) intercompany accounts that are wholly among Included Entities or that will be eliminated by or in connection with the Closing,

(9) accrued Leasing Costs (it being agreed that adjustments on account of Leasing Costs are otherwise addressed by Section 1.5(b)),

(10) accrued capital improvements (it being agreed that adjustments on account of capital improvements are otherwise addressed by Section 1.5(b)),

(11) accrued Acquisition and Development Costs (it being agreed that adjustments on account of Acquisition and Development Costs are otherwise addressed by Section 1.5(b)) and

(12) any other items that are the subject of an adjustment to Asset Values pursuant to clauses (A) through (G) of Section 1.5(b)(i) or clauses (A) through (D) of Section 1.5(b)(ii).

"*Newco Board*" means the board of trustees of Newco.

"*Newco Shares*" means common shares of beneficial interest, par value ($0.01) per share, of Newco.

"*NYSE*" means the New York Stock Exchange.

"*OP Units*" means a partnership unit designated by Newco OP as an OP Unit under the Partnership Agreement.

"*Partnership Agreement*" means the Agreement of Limited Partnership of Newco OP entered into on October 31, 2016.

"*Person*" means a natural person, sole proprietorship, firm, entity, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, unincorporated syndicate, unincorporated organization, joint venture, Governmental Entity or other entity or organization.

"*Plan*" means (i) each employment, consulting, noncompetition, nondisclosure, nonsolicitation, severance, termination, retention, transaction and change in control arrangement, agreement, policy or commitment, (ii) each stock option, restricted stock, deferred stock, performance stock, stock appreciation, stock unit or other equity or equity-based plan, program, arrangement, agreement, policy or commitment, and (iii) each pension, retirement, supplemental retirement, excess benefit, profit sharing, bonus, incentive, deferred compensation, savings, life, health, disability, accident, medical, dental, vision, death benefit, cafeteria, insurance, flexible spending, adoption assistance, employee assistance, tuition reimbursement, vacation, paid-time- off, perquisite, outplacement, welfare benefit, fringe benefit and other similar compensation or benefit plan, program, arrangement, agreement, policy (whether formal or informal) or commitment, including in each case each "employee benefit plan" as defined in Section 3(3) of ERISA (whether or not subject to ERISA) and any trust, escrow, funding, insurance or other agreement related to any of the foregoing.

"*Post-Closing Consideration Number*" means, with respect to any Included Interest contributed to Newco OP subsequent to the Closing in accordance with Section 1.6(c), the product of (x) a fraction, the *numerator* of which is the Asset Value of the applicable Included Interest as adjusted in accordance with Section 1.5, and the *denominator* of which is the sum of (1) the aggregate of the Asset Values, each as adjusted in accordance with Section 1.5, of all Included Assets (excluding any Kickout Interests as of the Closing Date but, for clarity, including any Included Interest previously contributed to Newco OP subsequent to the Closing in accordance with Section 1.6(c), and including, without duplication, the Asset Value of the Vornado management business) *plus* all Cash Contributed at Closing by JBG *plus* all Cash Contributed at Closing by Vornado, *multiplied by* (y) the sum of the number of OP Units

(excluding any OP Units issued as equity incentive awards) issued and outstanding immediately after the Closing plus, in the event the Credit Facility is utilized to pay any Cash Consideration pursuant to Section 1.7(b), the number of additional OP Units that would have been issued at Closing had the recipients of such Cash Consideration received Equity Consideration plus the number of OP Units previously issued in connection with the contribution of any Included Interest subsequent to the Closing in accordance with Section 1.6(c). For purposes of this definition, the Asset Value of each Included Interest contributed subsequent to the Closing in accordance with Section 1.6(c) shall be determined in accordance with Section 1.5, except that all references to the "Closing Date" in Section 1.5(b) shall be deemed to refer to the date on which such Vornado Included Interest is actually contributed to Newco or its Subsidiary.

"*Reasonable Cause Exceptions*" means the "reasonable cause" exceptions specified in Section 856(c)(6), Section 856(c)(7), Section 856(g)(4), or Section 856(g)(5) of the Code.

"*Receiving Party*" means either the JBG Parties or the Vornado Parties, as applicable, when such Party is acting in its capacity as the recipient of Confidential Information.

"*Related Party*" means (i) with respect to the Vornado Parties, any former, current or future officers, employees, directors, trustees, partners, equityholders, managers, members, Affiliates or agents of Vornado or any Vornado Subsidiary, and the family members of each such person (other than the JBG Parties) and (ii) with respect to the JBG Parties, the principals and executive officers of any JBG Party or its Subsidiaries, Affiliates and members of the family of each such person (other than the Vornado Parties).

"*Representatives*" means a Person's Affiliates and a Person's and its Affiliates' directors, officers, trustees, employees, consultants, financial advisors, partners, Subsidiaries, shareholders, co-investors, joint venture partners, existing financing sources, accountants, legal counsel, investment bankers, and other agents, advisors and representatives.

"*Required Consent*" means a Required JBG Consent or a Required Vornado Consent. "*Required Debt Consent*" means a Required JBG Debt Consent or a Required Vornado Debt Consent.

"*Required Ground Lease Consent*" means a Required JBG Ground Lease Consent or a Required Vornado Ground Lease Consent.

"*Required JBG Consents*" means, collectively, the Required JBG Debt Consents, the Required JBG Ground Lease Consents and the Required JBG JV Consents.

"*Required JV Consent*" means a Required JBG JV Consent or a Required Vornado JV Consent.

"*Required Vornado Consents*" means, collectively, the Required Vornado Debt Consents, the Required Vornado Ground Lease Consents and the Required Vornado JV Consents.

"*SDAT*" means the State Department of Assessments and Taxation of Maryland. "*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended, and all regulations, rules and other guidance promulgated thereunder.

"*Share Number*" means the product of (x) a fraction, the *numerator* of which is the aggregate of the Asset Values of the JBG Parties' JBG Included Assets (as determined in accordance with Section 1.5 and Section 1.6(a), and including, for clarity, all JBG Included Assets initially designated as Kickout Interests that are subsequently included in the transaction at the Closing Date following the receipt of all applicable Required JBG Consents) and of the Cash Contributed at Closing by JBG, and the *denominator* of which is the aggregate of the Asset Values of the Vornado Included Assets (as determined in accordance with Section 1.5 and Section 1.6(a), including, without duplication, the Asset Value of the Vornado management business and including, for clarity, all Vornado Included Assets initially designated as Kickout Interests that are subsequently included in the transaction at the Closing Date following the receipt of all applicable Required Vornado Consents) and of the Cash Contributed at Closing by Vornado, *multiplied by* (y) a figure equal to the sum of the number of OP Units received by partners of Vornado OP (other than Vornado) pursuant to the Vornado OP Distribution of OP Units (as defined in Section 1.1 of the Vornado Disclosure Letter) *plus* the number of Newco Shares received by shareholders of Vornado pursuant to the Vornado Distribution (as defined in Section 1.1 of the Vornado Disclosure Letter). An example of the calculation of the Share Number, which is provided for illustrative purposes only, is attached hereto as Schedule D.

"*Sophisticated Investor*" means an investor who is not an Accredited Investor who either alone or with his purchaser representative(s) has such knowledge and experience in financial and business matters that such investor is capable of evaluating the merits and risks of an investment in the Equity Consideration, or who Newco or Newco OP reasonably believes immediately prior to issuing such Equity Consideration comes within this description, as contemplated in Rule 506(b)(ii) promulgated under the Securities Act.

"*Subsidiary*" or "*Subsidiaries*" means with respect to any Person, any corporation, limited liability company, partnership or other organization, whether incorporated or unincorporated, of which (i) at least a majority of the outstanding shares of capital stock of, or other Equity Interests, having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries, or (ii) with respect to a partnership or any limited liability company, such Person or any other Affiliate of such Person is a general partner or managing member of such partnership or limited liability company. Notwithstanding the above, with regard to each JBG Fund, a "Subsidiary" means only a JBG Included Entity in which such JBG Fund has a direct or indirect Equity Interest.

"*Tax*" or "*Taxes*" has the meaning ascribed to such term in the Tax Matters Agreement.

"*Tax Return*" has the meaning ascribed to such term in the Tax Matters Agreement.

"*Trading Price*" means the average of the high and the low trading prices of Newco Shares on the New York Stock Exchange on the Closing Date.

"*Treasury Regulations*" means the U.S. Treasury Regulations, promulgated under the Code.

"*UBI*" means Universal Building Inc. and any corporation to which the tax attributes of UBI enumerated in Section 381(c) of the Code are carried over in a transaction to which Section 381(a) of the Code applies.

"*Valuation Date*" means (i) the date indicated on Section 9.6(c) of the Vornado Disclosure Letter, as to the Vornado Included Assets, and (ii) the date indicated on Section 9.6(c) of the JBG Disclosure Letter, as to the JBG Included Assets.

"*Vornado Benefit Plan*" means each Plan which is sponsored, maintained or contributed to, or required to be contributed to, by the Vornado Parties, or in which any Vornado Service Provider participates or under which any Vornado Party or its Subsidiary has any obligation or liability to provide compensation or benefits to or for the benefit of any current or former Vornado Service Provider, or the spouses, beneficiaries or other dependents thereof.

"*Vornado Included Assets*" means, in addition to the Vornado Included Interests, all assets, and properties of the Vornado Parties and their Subsidiaries related to the Vornado Included Properties, the Vornado Included Interests and the Vornado Included Investments or the proceeds from any sale thereof that comprise the Newco Assets (as defined in the Separation and Distribution Agreement), but excluding any Vornado Excluded Assets.

"*Vornado Material Adverse Effect*" means any effect, change, event or occurrence that, individually or in the aggregate, has had, or would reasonably be expected to have, a material adverse effect on the business, properties, assets, liabilities, results of operations or financial condition of the Vornado Included Assets, taken as a whole; *provided*, *however*, that no effect, change, event or occurrence resulting or arising from the following shall be deemed to constitute a Vornado Material Adverse Effect or shall be taken into account when determining whether a Vornado Material Adverse Effect has occurred or is reasonably likely to exist or occur: (i) any changes in general United States or global political, regulatory or economic conditions, or the capital, financial or securities markets, including changes in interest rates, to the extent that such changes do not disproportionately have a greater adverse impact on the Vornado Included Entities, taken as a whole, relative to other similarly situated participants in the industries in which the Vornado Included Entities operate generally, (ii) any changes generally affecting the industries or markets in which the Vornado Included Entities operate to the extent that such changes do not disproportionately have a greater adverse impact on the Vornado Included Entities, taken as a whole, relative to other similarly situated participants in the industries in which the Vornado Included Entities operate generally, (iii) any changes after the date hereof in GAAP (or any interpretation thereof in accordance with the Financial Accounting Standards

Board Statements of Financial Accounting Standards and Interpretations), (iv) any adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, change or proposal of any applicable Law of or by any Governmental Entity after the date hereof to the extent that such adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, change or proposal does not disproportionately have a greater adverse impact on the Vornado Included Entities, taken as a whole, relative to other similarly situated participants in the industries in which the Vornado Included Entities operate generally, (v) any actions taken, or the failure to take any action, if such action or such failure to take action is at the written request or with the prior written consent of the JBG Parties, (vi) any effect, change, event or occurrence attributable to the negotiation, execution, announcement or other public disclosure or performance of this Agreement and the Transactions or the impact of such negotiation, execution, announcement, disclosure or performance on relationships, contractual or otherwise, with customers, suppliers, tenants, lenders, employees, unions, licensors, Joint Venture Partners or other Persons with business relationships with Vornado or any Vornado Subsidiary, or any action by a Governmental Entity or any Action or dispute brought or threatened arising out of or relating from such negotiation, execution, announcement, disclosure or performance (*provided* that this clause (vi) shall not apply with respect to Section 3.5 of this Agreement), (vii) any failure by the Vornado Included Entities to meet any internal or published projections, estimates or expectations of their revenue, earnings or other financial performance or results of operations for any period, in and of itself, or any failure by the Vornado Included Entities to meet their internal budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations, in and of itself (it being understood that the facts or occurrences giving rise or contributing to such failure that are not otherwise excluded from the definition of a "Vornado Material Adverse Effect" may be taken into account, unless such fact or occurrence is otherwise excluded from this definition), and (viii) any effect, change, event or occurrence after the date hereof arising out of changes in geopolitical conditions, acts of terrorism, civil disobedience or sabotage, the commencement, continuation or escalation of a war, acts of armed hostility, weather conditions or other force majeure events, including any material worsening of such conditions threatened or existing as of the date of this Agreement to the extent that such changes do not disproportionately have a greater adverse impact on the Vornado Included Entities, taken as a whole, relative to other similarly situated participants in the industries in which the Vornado Included Entities operate generally.

"*Vornado Permitted Liens*" means all of the following: (i) the matters set forth in any title insurance policy evidencing title insurance with respect to a Vornado Included Property provided to the JBG Parties prior to the date hereof, (ii) the Vornado Leases and the ground leases affecting any of the Vornado Included Properties as of the date hereof, or amendments or modifications to the foregoing, entered into after the date hereof in accordance with the terms of this Agreement, (iii) Liens for current real estate taxes and special assessments which are not yet due and payable (subject to apportionment in accordance with the terms hereof), (iv) standard exceptions and provisions contained in the form of owner's title insurance policies for each of the Vornado Included Properties, (v) subject to the adjustments provided for herein and to the extent due after Closing, any charges for service, installation, connection, maintenance, sewer, water, electricity, telephone, cable television or gas, (vi) rights of vendors and holders of security interests on personal property installed at any Vornado Included Property by tenants under

Vornado Leases in effect on the date hereof or entered into after the date hereof in accordance with the terms of this Agreement, (vii) to the extent permitted under the Vornado Leases in effect on the date hereof or entered into after the date hereof in accordance with the terms of this Agreement, rights of tenants to remove fixtures at the expiration of the term of the Vornado Leases of such tenants, (viii) mechanics liens arising by or through the tenants under any Vornado Leases affecting Vornado Included Properties, (ix) any exceptions created by the ground lessor pursuant to any ground lease on the fee interest of the relevant property, (x) Laws, regulations, resolutions or ordinances, including, without limitation, building, zoning and environmental protection, as to the use, occupancy, subdivision, development, conversion or redevelopment of any Vornado Included Property currently or hereinafter imposed by any governmental or quasi-governmental body or authority; (xi) Liens relating to Indebtedness that is disclosed in Section 3.11(a)(v) of the Vornado Disclosure Letter; and (xii) any other non-monetary Liens, limitations, restrictions or title defects first arising from and after the date of this Agreement in the ordinary course of operation of the applicable Vornado Included Asset that do not have a Vornado Material Adverse Effect on the applicable Vornado Included Property.

"*Vornado REIT Counsel*" means Sullivan & Cromwell LLP.

"*Vornado REITs*" means H Street, Vornado 17th Street LLC, UBI and Vornado Warner LLC.

"*Vornado SEC Filings*" means all forms, reports, schedules, statements and documents required to be filed or furnished by Vornado or Vornado OP under the Securities Act or the Exchange Act, as the case may be, including any amendments or supplements thereto.

"*Vornado Service Provider*" means any employee, consultant, director or other service provider of the Vornado Included Entities.

"*Vornado TRSs*" means CESC TRS Inc., CESC Engineering TRS Inc., VNO Crystal City TRS Inc., VNO Crystal City Marriott Inc., The Commerce Metro Center Association of Co- Owners, Washington CESC TRS Inc. and Washington Mart TRS Inc.

"*Willful Breach*" means a material breach or material default of this Agreement that is a consequence of an act knowingly undertaken by the breaching party with the intent of causing a breach of this Agreement.

Section 9.7. Terms Defined Elsewhere. The following terms are defined elsewhere in this Agreement, as indicated below:

"3-14 Financial Statements"	*Section 4.6*
"Accountants"	*Section 5.9(a)*
"Acquisition and Development Costs"	*Section 1.5(b)(i)*
"Action"	*Section 3.9*
"Agreement"	*Preamble*

"Anti-Money Laundering Laws"	*Section 3.27*
"Asset Value"	*Section 1.5(a)*
"Board Designees"	*Section 5.13(a)*
"Bylaws Amendment and Restatement"	*Section 5.14*
"Cash Consideration"	*Section 1.7(b)*
"Chosen Courts"	*Section 9.12(b)*
"Cleaning Services Agreements"	*Section 6.6(c)*
"Closing"	*Section 2.1*
"Closing Date"	*Section 2.1*
"Combination Transactions"	*Section 1.2*
"Continuing Employee"	*Section 6.4(a)*
"County"	*Section 6.1(b)*
"Credited Post-Revaluation Time Amounts"	*Section 1.5(d)*
"Credit Facility"	*Section 5.7(a)*
"Credit Facility Refinancing Draw"	*Section 5.2(f)(i)*
"DC Multifamily Properties"	*Section 6.1(c)*
"DC Rights Holders"	*Section 6.1(c)*
"Debt Refinancing"	*Section 5.2(f)(i)*
"Declaration of Trust Amendment and Restatement"	*Section 3.5(b)*
"Employee Matters Agreement"	*Section 2.2(j)*
"Employment Agreements"	*Recitals*
"Equity Consideration"	*Section 1.4*
"Equity Issuance"	*Recitals*
"Excluded Managing Member Interest"	*Section 5.2(f)(iii-iv)*
"Form 10"	*Section 3.21*
"Fund VI"	*Section 1.2(a)*
"Fund VII"	*Section 1.2(b)*
"Fund VIII"	*Section 1.2(c)*
"Fund IX"	*Section 1.2(d)*
"Fund VIII REIT"	*Section 1.2(c)*
"Governmental Entity"	*Section 3.5(a)*
"GP Subcontracts"	*Section 2.2(p)*
"Historic Vornado Assets"	*Section 6.3(c)*
"HSR Act"	*Section 3.5(b)*
"Issued Newco Shares"	*Section 1.7(d)*
"Issued OP Units"	*Section 1.7(d)*
"JBG Advisory Agreement"	*Section 4.15(b)*
"JBG Board Designee"	*Section 5.13(a)*
"JBG Contribution Agreements"	*Section 1.2(f)(iii)*

"JBG Designee"	*Section 1.7(a)*
"JBG Development Property"	*Section 4.10(a)*
"JBG Disclosure Letter"	*Article IV*
"JBG Election Schedule"	*Section 1.7(a)*
"JBG Excluded Assets"	*Recitals*
"JBG Excluded Properties"	*Recitals*
"JBG Financial Statements"	*Section 4.6*
"JBG Fund Contribution Agreement"	*Section 1.2(c)*
"JBG Funds"	*Preamble*
"JBG Ground Leases"	*Section 4.9(h)*
"JBG Included Entity"	*Recitals*
"JBG Included Interests"	*Recitals*
"JBG Included Properties"	*Recitals*
"JBG Insurance Policies"	*Section 4.25*
"JBG Investor Questionnaire"	*Section 4.5(b)*
"JBG Leases"	*Section 4.9(i)*
"JBG LLC Merger Agreement"	*Section 1.2(a)*
"JBG Management Entities"	*Preamble*
"JBG Managing Member Contribution Agreement"	*Section 1.2(f)(iii)*
"JBG Managing Member Entities"	*Recitals*
"JBG Material Contract"	*Section 4.16(a)*
"JBG Merger Agreements"	*Section 1.2(f)(i)*
"JBG Newco REIT Opinion"	*Section 7.3(e)(ii)*
"JBG Operating Partners"	*Preamble*
"JBG Operating Partners Financial Statements"	*Section 4.6*
"JBG Parties"	*Preamble*
"JBG Partnership Merger Agreement"	*Section 1.2(f)(i)*
"JBG Permits"	*Section 4.14(b)*
"JBG Properties"	*Preamble*
"JBG Properties Contribution Agreement"	*Section 1.2(f)(ii)*
"JBG REIT Opinion"	*Section 7.2(e)(i)*
"JBG REIT Opinions"	*Section 7.2(e)(i)*
"JBG Representative"	*Section 1.8(a)*
"JBG Retail Financial Statements"	*Section 4.6*
"JBG Subsidiary Partnership"	*Section 4.13(i)*
"JBG Tax Protection Agreement"	*Section 4.13(i)*
"JBG Title Policies"	*Section 4.9(g)*
"Leasing Costs"	*Section 1.5(b)(i)*
"Managing Member Interests"	*Section 1.2(f)(iii)*

"Material Vornado Leases"	*Section 3.15(h)*
"Material JBG Leases"	*Section 4.9(j)*
"Montgomery County Multifamily Properties"	*Section 6.1(b)*
"Montgomery County Rights Holders"	*Section 6.1(b)*
"Must-Have Properties"	*Section 1.6(c)*
"Newco"	*Preamble*
"Newco Bylaws"	*Section 3.2*
"Newco Declaration"	*Section 3.2*
"Newco Audited Financial Statements"	*Section 3.6(a)*
"Newco Financial Statements"	*Section 3.6(a)*
"Newco GP"	*Section 3.3(a)*
"Newco OP"	*Preamble*
"Non-Recourse Party"	*Section 9.16*
"OFAC"	*Section 3.26*
"Ordinances"	*Section 6.1(b)*
"Outside Date"	*Section 8.1(b)(i)*
"Parties"	*Preamble*
"Partnership Agreement Amendment and Restatement"	*Section 2.2(e)*
"PBGC"	*Section 3.23(c)*
"Post-Closing Transactions"	*Section 1.3*
"Potential Restructuring"	*Section 5.8(a)*
"Pre-Combination Transactions"	*Section 1.1*
"Qualified REIT Subsidiary"	*Section 3.1(d)*
"Registration Rights Agreements"	*Section 2.2(d)*
"REIT"	*Section 3.1(d)*
"Replacement Designee"	*Section 5.13(b)*
"Required JBG Debt Consents"	*Section 4.3*
"Required JBG Ground Lease Consents"	*Section 4.3*
"Required JBG JV Consents"	*Section 4.3*
"Required Vornado Debt Consents"	*Section 3.5(a)*
"Required Vornado Ground Lease Consents"	*Section 3.5(a)*
"Required Vornado JV Consents"	*Section 3.5(a)*
"Restructuring Transactions"	*Section 5.8(a)*
"Retained Accountant"	*Section 1.5(c)*
"Revaluation Time"	*Section 2.1*
"S Corporation"	*Section 4.1(c)*
"Separation and Distribution Agreement"	*Section 2.2(b)*
"Specified REIT Matters"	*Section 5.1(a)*
"Taxable REIT Subsidiary"	*Section 3.1(d)*

"Tax Matters Agreement"	*Section 2.2(l)*

"TOPA"	*Section 6.1(c)*
"Transactions"	*Recitals*
"Transfer Taxes"	*Section 6.3(b)*
"Transferred LLC"	*Recitals*
"Transition Services Agreement"	*Section 6.6(a)*
"UDM"	*Section 1.2(e)*
"Under Construction and Predevelopment Properties"	*Section 1.5(b)(i)*
"Vornado"	*Preamble*
"Vornado Board"	*Recitals*
"Vornado Board Designee"	*Section 5.13(a)*
"Vornado Disclosure Letter"	*Article III*
"Vornado Excluded Assets"	*Recitals*
"Vornado Excluded Properties"	*Recitals*
"Vornado Ground Leases"	*Section 3.15(f)*
"Vornado Included Entities"	*Recitals*
"Vornado Included Entity Tax Protection Agreement"	*Section 3.10(g)*
"Vornado Included Interests"	*Recitals*
"Vornado Included Investments"	*Recitals*
"Vornado Included Properties"	*Recitals*
"Vornado Insurance Policies"	*Section 3.19*
"Vornado Investor Questionnaire"	*Section 3.20(b)*
"Vornado Leases"	*Section 3.15(g)*
"Vornado Material Contract"	*Section 3.11(a)*
"Vornado Newco REIT Opinion"	*Section 7.2(e)(ii)*
"Vornado OP"	*Preamble*
"Vornado Parties"	*Preamble*
"Vornado Permits"	*Section 3.13(b)*
"Vornado REIT Opinion"	*Section 7.3(e)(i)*
"Vornado REIT Opinions"	*Section 7.3(e)(i)*
"Vornado Title Policies"	*Section 3.15(k)*
"WARN Act"	*Section 3.25(c)*

Section 9.8. Interpretation. When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The table of contents and headings set forth in this Agreement are for convenience of reference purposes only and shall not affect or be deemed to affect in any way the meaning or interpretation of this Agreement or any term or provision hereof. When reference is made herein to a Person, such reference shall be deemed to

include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. All references herein to the Subsidiaries of a Person shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

Section 9.9. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile, portable document format (.pdf) or other electronic means shall be effective as delivery of a manually executed counterpart to this Agreement.

Section 9.10. Entire Agreement; Third-Party Beneficiaries.

(a) This Agreement (including the Vornado Disclosure Letter and the JBG Disclosure Letter) constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and oral, among the Parties or any of them with respect to the subject matter hereof and thereof.

(b) This Agreement (including the Vornado Disclosure Letter and the JBG Disclosure Letter) is not intended to confer upon any Person, other than the Parties and their successors and permitted assigns, any rights or remedies hereunder, other than Section 9.16 (No Recourse).

Section 9.11. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the Transactions are fulfilled to the extent possible.

Section 9.12. Governing Law; Jurisdiction.

(a) This Agreement, and all claims or causes of actions (whether at Law, in contract or in tort) that may be based upon, arise out of or related to this Agreement or the negotiation, execution or performance of this Agreement, shall be governed by, and construed in accordance with, the Laws of the State of New York without giving effect to conflicts of laws principles (whether of the State of New York or any other jurisdiction that would cause the application of the Laws of any jurisdiction other than the State of New York).

(b) All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in the state courts sitting in the City, County and State of New York, or if jurisdiction over the matter is vested exclusively in federal courts, the United States District Court for the Southern District of New York, and the appellate courts to which orders and judgments thereof may be appealed (the "Chosen Courts"). Each of the Parties hereby irrevocably and unconditionally (a) submits to the exclusive jurisdiction of the Chosen Courts for the purpose of any Action arising out of or relating to this Agreement brought by any Party, whether sounding in tort, contract or otherwise, (b) agrees not to commence any such action or proceeding except in such courts, (c) agrees that any claim in respect of any such action or proceeding may be heard and determined in any Chosen Court, (d) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding, and (e) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such action or proceeding. Each of the Parties agrees 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. Each Party irrevocably consents to service of process in the manner provided for notices in Section 9.5. Nothing in this Agreement will affect the right of any Party to serve process in any other manner permitted by Law.

Section 9.13. Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.13.

Section 9.14. Assignment. This Agreement shall not be assigned by any of the Parties (whether by operation of Law or otherwise) without the prior written consent of the other Parties. Any assignment referred to in the immediately preceding sentence shall not relieve any Party of any obligation hereunder, and following such assignment this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

Section 9.15. Enforcement; Remedies.

(a) Except as otherwise provided herein, any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other

remedy conferred hereby, or by Law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy.

(b) The Parties' right of specific enforcement is an integral part of the Transactions and each Party hereby waives any objections to the grant of the equitable remedy of specific performance to prevent or restrain breaches of this Agreement by any other Party (including any objection on the basis that there is an adequate remedy at Law or that an award of specific performance is not an appropriate remedy for any reason at Law or equity), and except as set forth in this Section 9.15, each Party shall be entitled to an injunction or injunctions and to specifically enforce the terms and provisions of this Agreement to prevent or restrain breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of such Party under this Agreement all in accordance with the terms of this Section 9.15. In the event any Party seeks an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, such Party shall not be required to provide any bond or other security in connection with such order or injunction all in accordance with the terms of this Section 9.15.

(c) Notwithstanding anything in this Agreement or in any Ancillary Agreement to the contrary, in no event shall either Party have any Liability under this Agreement for any consequential, special, incidental, indirect or punitive damages, lost profits or similar items (including loss of business reputation or opportunity relating to a breach or alleged breach of this Agreement).

Section 9.16. No Recourse. This Agreement may only be enforced against, and any claims or causes of action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement may only be made against the entities that are expressly identified as Parties hereto and no former, current or future equity holders, controlling persons, directors, officers, trustees, employees, agents or Affiliates of any Party, any Financing Source or any former, current or future stockholder, controlling person, director, officer, employee, general or limited partner, member, manager, agent or Affiliate of any of the foregoing (each, a "Non-Recourse Party") shall have any liability for any obligations or liabilities of the Parties to this Agreement or for any claim (whether at Law or equity, in contract, tort or otherwise) based on, in respect of, or by reason of, the Transactions or in respect of any representations made or alleged to be made in connection herewith. Without limiting the rights of any Party against the other Parties hereto, in no event shall any Party or any of its Affiliates seek to enforce this Agreement against, make any claims for breach of this Agreement against, or seek to recover monetary damages from, any Non-Recourse Party. Notwithstanding the foregoing, this Section 9.16 shall in no way be deemed to limit the liability or obligations of any Party to the extent that such Party is required to cause its subsidiaries, Affiliates or Representatives to take any action or refrain from taking any action pursuant to this Agreement.

Section 9.17. Joint and Several. Unless otherwise specifically indicated herein, the obligations of the JBG Parties hereunder, on the one hand, and the Vornado Parties hereunder, on the other hand, are joint and several.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

VORNADO:

VORNADO REALTY TRUST, a Maryland real estate investment trust

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Senior Vice President

VORNADO OP:

VORNADO REALTY L.P., a Delaware limited partnership

By: Vornado Realty Trust, a Maryland real estate investment trust, its general partner

By: /s/ Alan J. Rice
Name: Alan J. Rice

Title: Senior Vice President

[Signature Page to Master Transaction Agreement]

NEWCO:

VORNADO DC SPINCO, a Maryland real estate investment trust

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Vice President and Secretary

NEWCO OP:

VORNADO DC SPINCO OP LP, a Delaware limited partnership

By: Vornado DC Spinco GP LLC, a Delaware limited liability company, its general partner

By: Vornado Realty L.P., a Delaware limited partnership, its manager

By: Vornado Realty Trust, a Maryland real estate investment trust, its general partner

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Senior Vice President

[Signature Page to Master Transaction Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

JBG PROPERTIES:

JBG PROPERTIES, INC., a Maryland corporation

By: /s/ W. Matthew Kelly
Name: W. Matthew Kelly
Title: Executive Vice President and Assistant Secretary

JBG OPERATING PARTNERS:

JBG/OPERATING PARTNERS, L.P., a Delaware limited partnership

By: JBG Properties, Inc., its General Partner

By: /s/ W. Matthew Kelly
Name: W. Matthew Kelly
Title: Executive Vice President and Assistant Secretary

[Signature Page to Master Transaction Agreement]

JBGFUNDS:

JBG INVESTMENT FUND VI, L.L.C., a Delaware limited liability company

By: JBG/Fund VI Manager, L.L.C., its Managing Member

By: /s/ Michael J. Glosserman
Name: Michael J. Glosserman
Title: Managing Member

JBG INVESTMENT FUND VII, L.L.C., a Delaware limited liability company

By: JBG/Fund VII Manager, L.L.C., its Managing Member

By: /s/ W. Matthew Kelly
Name: W. Matthew Kelly
Title: Managing Member

JBG INVESTMENT FUND VIII, L.L.C., a Delaware limited liability company

By: JBG/Fund VIII Manager, L.L.C., its Managing Member

By: /s/ W. Matthew Kelly
Name: W. Matthew Kelly
Title: Managing Member

[Signature Page to Master Transaction Agreement]

JBG INVESTMENT FUND IX, **L.L.C.,** a Delaware limited liability company

By: JBG/Fund IX Manager, L.L.C., its Managing Member

By: /s/ W. Matthew Kelly
Name: W. Matthew Kelly
Title: Managing Member

JBG/URBAN DIRECT MEMBER, L.L.C., a Delaware limited liability company

By: JBG/Company Manager IV, L.L.C., its Managing Member

By: /s/ W. Matthew Kelly
Name: W. Matthew Kelly
Title: Managing Member

[Signature Page to Master Transaction Agreement]

Pursuant to Item 601(b)(2) of Regulation S-K, we have omitted schedules (or similar attachments) to this agreement that contain information that is immaterial to an investment decision and/or that is otherwise disclosed in this agreement or the Annual Report on Form 10-K for the year ended December 31, 2016. The omitted schedules (or similar attachments) are:

- Schedule A: JBG Properties Affiliates
- Schedule B: Asset Values
- Schedule C: Terms of Cleaning Services Agreements
- Schedule D: Example of Share Number Calculation

We will furnish supplementally a copy of any omitted schedule (or similar attachment) to the Commission upon request.

Exhibit A-1

Vornado Included Properties

NAME	ADDRESS
Crystal Mall 1 land	1800 South Bell Street, Arlington, VA 22202
Crystal Mall 3 land	1851 South Bell Street, Arlington, VA 22202
Crystal Mall 4 land	1901 South Bell Street, Arlington, VA 22202
Crystal Mall 1	1800 South Bell Street, Arlington, VA 22202
Crystal Mall 3	1851 South Bell Street, Arlington, VA 22202
Crystal Mall 4	1901 South Bell Street, Arlington, VA 22202
Crystal Square 2	1550 Crystal Drive, Arlington, VA 22202
Crystal Square 3	1750 Crystal Drive, Arlington, VA 22202
Crystal Underground III	1750 Crystal Drive, Arlington, VA 22202
Crystal Underground IV	1550 Crystal Drive, Arlington, VA 22202
Crystal Underground West aka Crystal Underground V	1615 Jefferson Davis Highway, Arlington, VA 22202
Crystal Square 4	241 18th Street South, Arlington, VA 22202
Crystal Underground II	241 18th Street South, Arlington, VA 22202
Crystal Gateway 2	1225 South Clark Street, Arlington, VA 22202
Crystal Square 5	251 18th Street South, Arlington, VA 22202
Crystal Gateway 3	1215 South Clark Street, Arlington, VA 22202
Crystal Gateway 4	200 12th Street South, Arlington, VA 22202
Crystal Underground I	251 18th Street South, Arlington, VA 22202
Potomac Parking Lot	As identified on property tax bills as RPC 34-027-035 3535 South Ball Street, RPC 34-027-036 2733 Crystal Drive, and RPC
	34-027-037 2777 Crystal Drive, Arlington, VA 22202 (being the same 3 parcels identified elsewhere as 2595 Crystal Drive)
Crystal Plaza 5	223 23rd Street South, Arlington, VA 22202
Crystal Plaza 1	2001 Jefferson Davis Hwy ,Arlington, VA 22202
Crystal Plaza 3	2100 Crystal Drive, Arlington, VA 22202
Crystal Plaza 4	2200 Crystal Drive, Arlington, VA 22202
Crystal Plaza 6	2221 South Clark Street, Arlington, VA 22202
220 20th Street South	220 20th Street South, Arlington, VA 22202
Courthouse Plaza I	2200 Clarendon Boulevard, Arlington, VA 22201
Courthouse Plaza II	2300 Clarendon Boulevard, Arlington, VA 22201
2101 L Street, NW	2101 L Street, NW, Washington, DC 20037
1700 M St., NW (being a combination through resubdivision of the properties previously known as 1150 17th Street, NW, and 1726 M Street, NW)	1700 M Street, NW, Washington, DC 20036
1730 M St., NW	1730 M Street, NW, Washington, DC 20036
Two Crystal Park	2121 Crystal Drive, Arlington, VA 22202
Track corridor parcel related to Two Crystal Park	2121 Crystal Drive, Arlington, VA 22202
One Crystal Park	2011 Crystal Drive, Arlington, VA 22202
One Crystal Park land and related track corridor parcel	2011 Crystal Drive, Arlington, VA 22202
Three Crystal Park	2231 Crystal Drive, Arlington, VA 22202
Three Crystal Park land and related track corridor parcel	2231 Crystal Drive, Arlington, VA 22202
Four Crystal Park	2345 Crystal Drive, Arlington, VA 22202
Four Crystal Park land and related track corridor parcel	2345 Crystal Drive, Arlington, VA 22202
Five Crystal Park	2451 Crystal Drive, Arlington, VA 22202
Track corridor parcel related to Five Crystal Park	2451 Crystal Drive, Arlington, VA 22202
Fairfax Square	8045, 8065 and 8075 Leesburg Pike, Vienna, VA 22182
Commerce Executive III	1850 Centennial Park Drive, Reston, VA 20191
Commerce Executive IV	11400 Commerce Park Drive, Reston, VA 20191
Commerce Executive V	11440 Commerce Park Drive, Reston, VA 20191
Vienna Retail	352 Maple Avenue East and 362 Maple Avenue East, Vienna, VA 22180
The Bartlett	520 12th Street S, Arlington, VA 22202
Metropolitan Park 5	RPCs 35003023 and 35003015
Metropolitan Park 6	RPCs 35003016, 35003017, 35003018 and 35003019
Metropolitan Park 7	RPCs 35003020 and 35003021
Metropolitan Park 8	RPCs 35003001 and 35003002
PenPlace	RPCs 35003436, 35003032, 35003033 and 35003438
Crystal Gateway North	201 12th Street S., Arlington, VA 22202
Crystal Gateway 1	1235 South Clark Street, Arlington, VA 22202
Universal South	1825 Connecticut Ave, NW, Washington, DC 20009
Universal North	1875 Connecticut Ave., NW, Washington, DC
	20009
Ashley House	1600 South Joyce St., Arlington, VA 22202
James House	1111 Army Navy Drive, Arlington, VA 22202
Potomac House	1400 South Joyce St., Arlington, VA 222202
The Warner	1299 Pennsylvania Ave, NW, Washington, DC 20004
Investment Building	1501 K Street, NW, Washington, DC 20005
Bowen Building	875 15th Street, NW, Washington, DC 20005
London House	1001 Wilson Boulevard, Arlington, VA 22209
Normandy House	1701 North Kent Street, Arlington, VA 22209
Spectrum Theater	1611 North Kent Street, Arlington, VA 22209
Building C	1601 North Kent Street, Arlington, VA 22209
Building D	1611 North Kent Street, Arlington, VA 22209
Building E	1621 North Kent Street, Arlington, VA 22209
1.10856 acres purchased from VDOT	Arlington, VA
Rosslyn Plaza North	1777 North Kent Street, Arlington, VA 22209
1101 17th Street	1101 17th Street, NW, Washington, DC 20036
1101 17th Street	1101 17th Street, NW, Washington, DC 20036
Square 649 Lot 48	1101/1109 South Capitol St, SW, Washington, DC 20003
Democracy Plaza	6701 Democracy Boulevard, Bethesda, MD 20817
1399 NY Ave.	1399 New York Ave., NW, Washington, DC 20005
Square 649 Lots 43, 44 and 45.	Parcels at 20 L Street, SW, 30 L Street, SW, and 25 M Street, SW, Washington, DC 20024
Waterfront Station	375 M Street, SE , Washington, DC 20003
Waterfront Station	425 M Street, SE, Washington, DC 20003
Crystal City Water Park	1601 Crystal Drive, Arlington, VA 22202
West End 25	1255 25th Street, NW, Washington, DC 20037
CC Marriott	1999 Jefferson Davis Highway, Arlington, VA 22202
CC Marriott	1999 Jefferson Davis Highway, Arlington, VA 22202
Crystal Drive Retail	2010/2100/2200/2250 Crystal Drive, Arlington, VA 22202
Crystal Plaza Arcade	2100 Crystal Drive, Arlington, VA 22202

Exhibit A-2

Vornado Included Entities

Name of Vornado Included Entity	Jurisdiction
1101 Fern St., Inc.	Delaware
1200 Eads St., Inc.	Delaware
1400 Eads St., Inc.	Delaware
1776 Seed Investors, LP	Delaware
220 S. 20th Street Developer LLC	Delaware
Arna-Eads, Inc.	Delaware
Arna-Fern, Inc.	Delaware
Bowen Building, L.P.	Delaware
CESC 1101 17th Street L.L.C.	Delaware
CESC 1101 17th Street Limited Partnership	Maryland
CESC 1101 17th Street Manager L.L.C.	Delaware
CESC 1150 17th Street L.L.C.	Delaware
CESC 1150 17th Street Manager L.L.C.	Delaware
CESC 1730 M Street L.L.C.	Delaware
CESC 2101 L Street L.L.C.	Delaware
CESC Commerce Executive Park L.L.C.	Delaware
CESC Crystal Square Four L.L.C.	Delaware
CESC Crystal/Rosslyn L.L.C.	Delaware
CESC District Holdings L.L.C.	Delaware

CESC Downtown Member L.L.C.	Delaware
CESC Engineering TRS Inc.	Delaware
CESC Fairfax Square Manager L.L.C.	Delaware
CESC Gateway One L.L.C.	Delaware
CESC Gateway Two Limited Partnership	Virginia
CESC Gateway Two Manager L.L.C.	Virginia
CESC Gateway/Square L.L.C.	Delaware
CESC Gateway/Square Member L.L.C.	Delaware

CESC H Street L.L.C.	Delaware
CESC Mall L.L.C.	Virginia
CESC Mall Land L.L.C.	Delaware
CESC One Courthouse Plaza Holdings L.L.C.	Delaware
CESC One Courthouse Plaza L.L.C.	Delaware
CESC One Democracy Plaza L.P.	Maryland
CESC One Democracy Plaza Manager L.L.C.	Delaware
CESC Park Five Land L.L.C.	Delaware
CESC Park Five Manager L.L.C.	Virginia
CESC Park Four Land L.L.C.	Delaware
CESC Park Four Manager L.L.C.	Virginia
CESC Park One Land L.L.C.	Delaware
CESC Park One Manager L.L.C.	Delaware
CESC Park Three Land L.L.C.	Delaware
CESC Park Three Manager L.L.C.	Virginia
CESC Park Two L.L.C.	Delaware
CESC Park Two Land L.L.C.	Delaware
CESC Plaza Five Limited Partnership	Virginia
CESC Plaza Limited Partnership	Virginia
CESC Plaza Manager L.L.C.	Virginia
CESC Potomac Yard LLC	Delaware
CESC Square L.L.C.	Virginia
CESC TRS, Inc.	Delaware
CESC Two Courthouse Plaza Limited Partnership	Virginia
CESC Two Courthouse Plaza Manager L.L.C.	Delaware
CESC Water Park L.L.C.	Virginia
Charles E. Smith Commercial Realty L.P.	Delaware
Crystal Tech Fund LP	Delaware
Fairfax Square LLC	Delaware

Fairfax Square Parking LLC	Delaware
Fairfax Square Partners	Delaware
Fifth Crystal Park Associates Limited Partnership	Virginia
First Crystal Park Associates Limited Partnership	Virginia
Fourth Crystal Park Associates Limited Partnership	Virginia
Geneva Associates Limited Partnership	Virginia
Geneva Associates Owner LLC	Delaware
Geneva Rosslyn LLC	Virginia
H Street Building Corporation	Delaware
H Street Management LLC	Delaware
IB Associates Limited Partnership	Delaware
JBG/VNO Holdings, L.L.C.	Delaware
Kaempfer Management Services, LLC	Delaware
New Kaempfer 1501 LLC	Delaware
New Kaempfer IB LLC	Delaware
New Kaempfer Waterfront LLC	Delaware
Palisades 1399 New York Avenue TIC Owner LLC	Delaware
Paris Associates Limited Partnership	Virginia
Paris Associates Owner LLC	Delaware
Paris LLC	Virginia
Park One Member L.L.C.	Delaware
Sinewave Ventures Fund I, L.P.	Delaware
South Capitol L.L.C.	Delaware
The Commerce Metro Center Association of Co-Owners	Virginia
Third Crystal Park Associates Limited Partnership	Virginia
UBI Management LLC	Delaware
Universal Bldg., North, Inc.	District of Columbia
Universal Building, Inc.	District of Columbia

VNO 1229-1231 25th Street LLC	Delaware
VNO 1399 Holding LLC	Delaware
VNO 1399 New York Avenue TIC Owner LLC	Delaware
VNO 220 S 20th Street LLC	Delaware
VNO 220 S. 20th Street Member LLC	Delaware
VNO Ashley House LLC	Delaware
VNO Ashley House Member LLC	Delaware
VNO Courthouse I LLC	Delaware
VNO Courthouse II LLC	Delaware
VNO Crystal City Marriott, Inc.	Delaware
VNO Crystal City TRS, Inc.	Delaware
VNO Hotel L.L.C.	Delaware
VNO James House LLC	Delaware
VNO James House Member LLC	Delaware
VNO Pentagon Plaza LLC	Virginia
VNO Potomac House LLC	Delaware
VNO Potomac House Member LLC	Delaware
VNO South Capitol LLC	Delaware
VNO/HQ Member LLC	Delaware
Vornado 17th Street Holdings, L.P.	Delaware
Vornado 17th Street LLC	Delaware
Vornado Bowen GP LLC	Delaware
Vornado Bowen II LLC	Delaware
Vornado Bowen LLC	Delaware
Vornado CESCR Gen-Par, LLC	Delaware
Vornado Crystal City L.L.C.	Delaware
Vornado IB Holdings LLC	Delaware
Vornado KMS Holdings LLC	Delaware
Vornado Rosslyn LLC	Delaware
Vornado Warner Acquisition LLC	Delaware
Vornado Warner GP LLC	Delaware
Vornado Warner Holdings, L.P.	Delaware

Vornado Warner LLC	Delaware
Vornado Waterfront Holdings LLC	Delaware
Vornado/ Charles E. Smith L.P.	Virginia
Vornado/ Charles E. Smith Management L.L.C.	Virginia
Warner Investments, L.P.	Delaware
Washington CESC TRS, Inc.	Delaware
Washington CT Fund GP LLC	Delaware
Washington Mart TRS Inc.	Delaware
Waterfront 375 M Street, LLC	Delaware
Waterfront 425 M Street, LLC	Delaware

Exhibit A-3

Vornado Included Investments

1. SineWave Ventures Fund I, L.P.
2. 1776 Global, Inc. PBC.
3. 1776 Seed Investors, LP
4. Crystal Tech Fund LP
5. Local Motors, Inc.

Exhibit B-1

JBG Included Properties

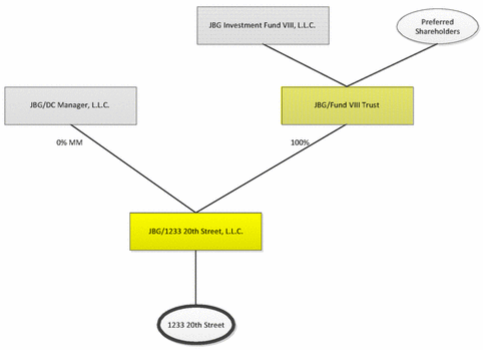
	Property Name	Address	City	State
1.	1233 20th Street	1233 20th Street NW	Washington	DC
2.	1600 K Street	1600 K Street NW	Washington	DC
3.	Pickett Industrial Park	841-929 South Pickett Street	Alexandria	VA
4.	800 North Glebe Road	800 North Glebe Road	Arlington	VA
5.	RTC West	12100-12120 Sunset Hills Road	Reston	VA
6.	Summit I	2000 Edmund Halley Drive	Reston	VA
7.	Summit II	2002 Edmund Halley Drive	Reston	VA
8.	Wiehle Avenue Office Building	1861 Wiehle Ave	Reston	VA
9.	1831 Wiehle Avenue	1831 Wiehle Ave	Reston	VA
10.	Artery Plaza	7200 Wisconsin Avenue	Bethesda	MD
11.	Rosslyn Gateway — North	1911 North Fort Meyer Drive	Arlington	VA
12.	Rosslyn Gateway — South	1901 South Fort Myer Drive	Arlington	VA
13.	L'Enfant Plaza Office — East	470/490 L'Enfant Plaza SW	Washington	DC
14.	L'Enfant Plaza Office — North	955 L'Enfant Plaza SW	Washington	DC
15.	11333 Woodglen Drive	11333 Woodglen Drive	Rockville	MD
16.	NoBe II Office	11411 Woodglen Drive	Rockville	MD
17.	The Foundry	1055 Thomas Jefferson Street NW	Washington	DC
18.	The Gale	151 Q Street NE	Washington	DC
19.	Fairway Apartments	11659 North Shore Drive	Reston	VA
20.	Falkland Chase South & West	8305 16th Street	Silver Spring	MD
21.	Falkland Chase North	8305 16th Street	Silver Spring	MD
22.	The Terano	5700 Fishers Lane	Rockville	MD
23.	The Alaire	1101 Higgins Place	Rockville	MD
24.	Fort Totten Square	5601 3rd Street NE	Washington	DC
25.	Galvan	1800 Rockville Pike	Rockville	MD
26.	Atlantic Plumbing	2112 8th Street NW	Washington	DC
27.	7770 Norfolk	7770 Norfolk	Bethesda	MD
28.	Fort Totten Square Retail	300 Riggs Road NE	Washington	DC
29.	Galvan Retail	1800 Rockville Pike	Rockville	MD
30.	North End Retail I	1921 & 1924 8th Street NW	Washington	DC
31.	L'Enfant Plaza Retail — West	429 L'Enfant Plaza SW	Washington	DC
32.	L'Enfant Plaza Retail — East	470 L'Enfant Plaza SW	Washington	DC
33.	Stonebridge at Potomac Town Center	14900 Potomac Town Place	Woodbridge	VA
34.	CEB Tower at Central Place	1201 Wilson Boulevard	Arlington	VA
35.	1244 South Capitol Street	1244 South Capitol Street SE	Washington	DC
36.	RTC West Retail	12100-12120 Sunset Hills Road	Reston	VA
37.	4749 Bethesda Avenue Retail (f/k/a 4735 Bethesda Avenue Retail)	4749 Bethesda Avenue	Bethesda	MD
38.	1900 N Street	1900 N Street NW	Washington	DC
39.	1250 1st Street	1250 1st Street	Washington	DC
40.	50 Patterson Street	50 Patterson St.	Washington	DC
41.	4747 Bethesda Avenue (f/k/a 4733 Bethesda Avenue)	4747 Bethesda Avenue	Bethesda	MD
42.	West Half II	1201 West Half Street	Washington	DC
43.	West Half III	1202 West Half Street	Washington	DC
44.	51 N Street	51 N St NE	Washington	DC
45.	Atlantic Plumbing C — North	X	Washington	DC
46.	Atlantic Plumbing C — South	X	Washington	DC
47.	Stonebridge at Potomac Town Center — Phase II	14900 Potomac Town Place	Woodbridge	VA
48.	Gallaudet	X	Washington	DC
49.	Capitol Point North Option	35, 39, 41, and 75 New York Avenue NE	Washington	DC
50.	Capitol Point North	1300 1st Street NE	Washington	DC
51.	965 Florida Avenue	965 Florida Avenue NW 1923 9th Street NW	Washington	DC
52.	DCDF- 801 17th Street, NE	801 17th Street NE	Washington	DC
53.	Hoffman Town Center	X	Alexandria	VA
54.	Potomac Yard Land Bay G	X	Alexandria	VA
55.	Potomac Yard Land Bay F	X	Alexandria	VA
56.	Wiehle Avenue Development Parcel	1861 Wiehle Ave	Reston	VA
57.	1831 Wiehle Avenue Land	1831 Wiehle Ave	Reston	VA
58.	Summit I & II Land	2000 Edmund Halley Drive	Reston	VA
59.	Fairway Land	11659 North Shore Drive	Reston	VA
60.	RTC West Land	12100-12120 Sunset Hills Road	Reston	VA
61.	Stonebridge Land	14900 Potomac Town Place	Woodbridge	VA
62.	Falkland Chase North Land	8305 16th Street	Silver Spring	MD
63.	Rosslyn Gateway South Land	1901 South Fort Myer Drive	Rosslyn	VA
64.	Rosslyn Gateway North Land	1911 North Fort Meyer Drive	Rosslyn	VA
65.	L'Enfant Plaza Office Center	X	Washington	DC
66.	L'Enfant Plaza Office Southeast	X	Washington	DC
67.	NoBe II Land	11411 Woodglen Drive	Rockville	MD
68.	5615 Fishers Drive	5615 Fishers Drive	Rockville	MD
69.	12511 Parklawn Drive	12511 Parklawn Drive	Rockville	MD
70.	Bethesda North Marriott Land	X	Rockville	MD
71.	Woodglen	5640 Nicholson Lane	Rockville	MD
72.	Twinbrook	X	Rockville	MD
73.	Courthouse Metro Land Option	2046 Wilson Blvd.	Arlington	VA
74.	Courthouse Metro Land	2046 Wilson Blvd.	Arlington	VA
75.	FBI	X	Washington	DC
76.	7900 Wisconsin	X	Washington	DC
77.	Aldi (901 17th Street NE)	X	Washington	DC
78.	Howard University	X	Washington	DC

Exhibit B-2

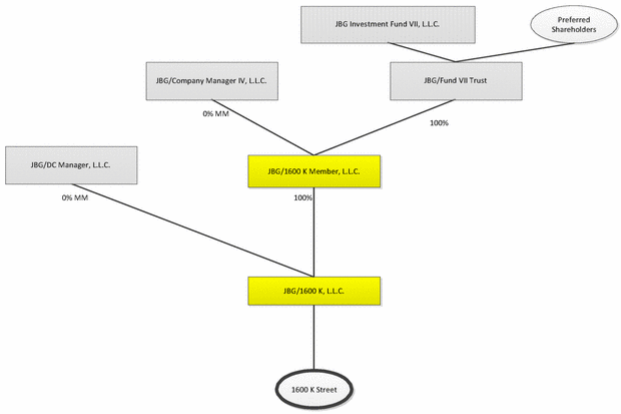
JBG Included Entities

The JBG Included Entities are highlighted in yellow in the attached exhibit.

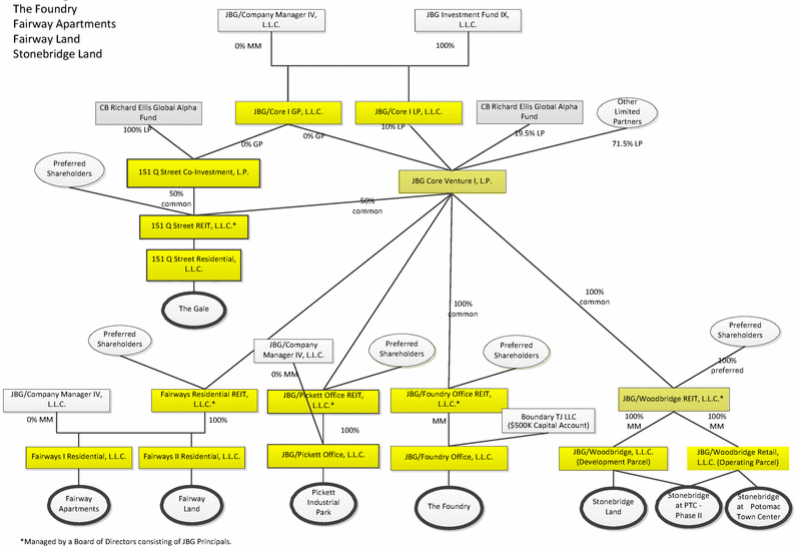
1233 20th Street



1600 K Street

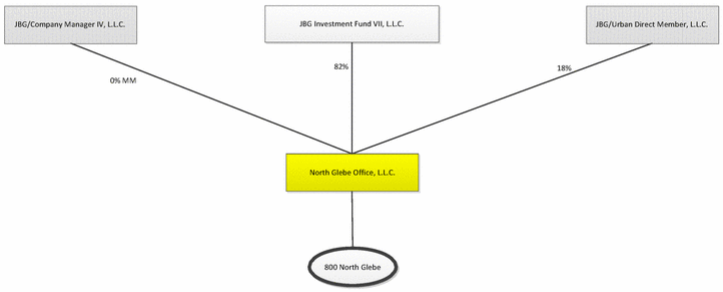


Pickett Industrial Park
Stonebridge at Potomac Town Center
Stonebridge at Potomac Town Center – Phase II
The Foundry
Fairway Apartments
Fairway Land
Stonebridge Land

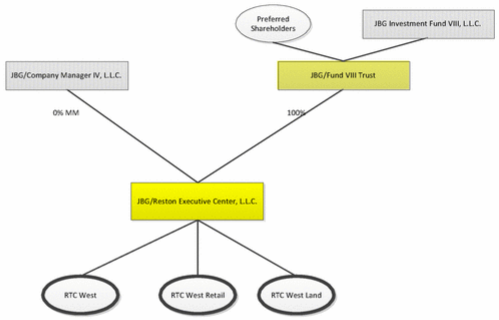


*Managed by a Board of Directors consisting of JBG Principals.

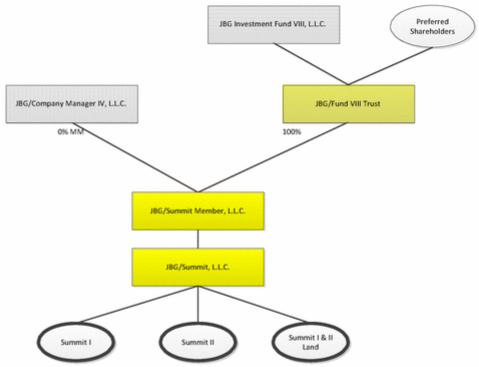
800 North Glebe



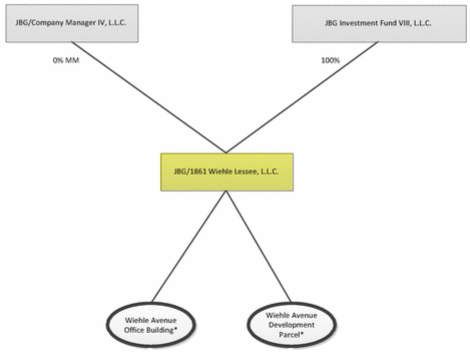
RTC West
RTC West Retail
RTC West Land



Summit I
Summit II
Summit I & II Land



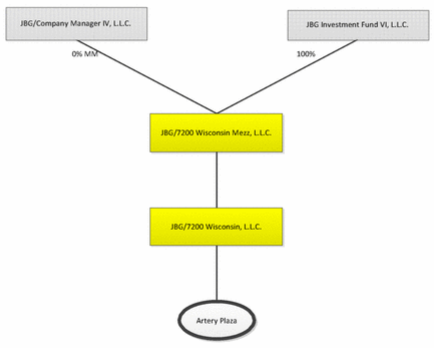
Wiehle Avenue Office Building
Wiehle Avenue Development Parcel



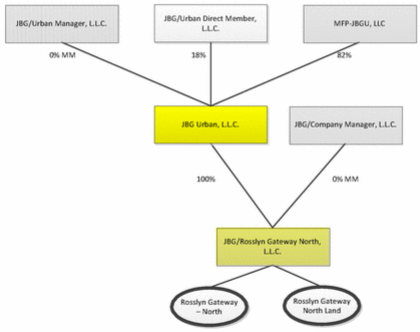
*Ground Lease

1831 Wiehle Avenue
1831 Wiehle Avenue Land

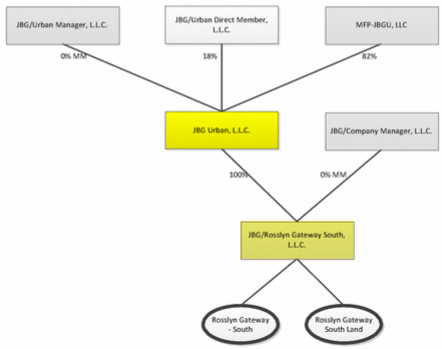
Artery Plaza



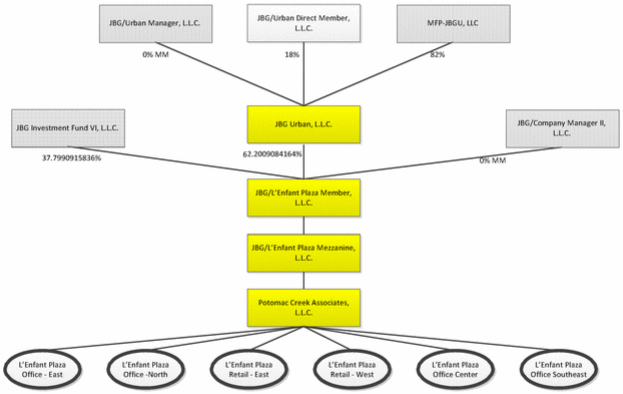
Rosslyn Gateway – North
Rosslyn Gateway North Land



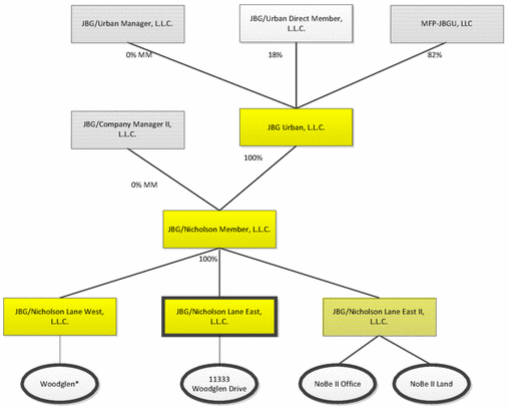
Rosslyn Gateway – South
Rosslyn Gateway South Land



L'Enfant Plaza Office – East
L'Enfant Plaza Office – North
L'Enfant Plaza Retail – East
L'Enfant Plaza Retail – West
L'Enfant Plaza Office Center
L'Enfant Plaza Office Southeast

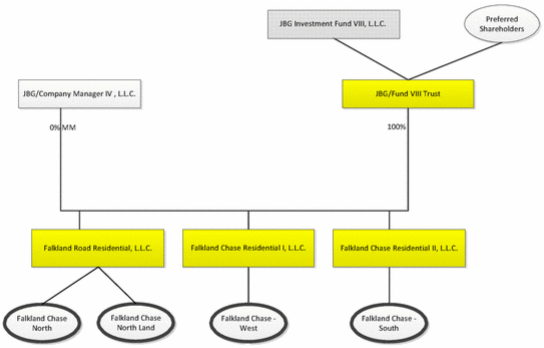


11333 Woodglen Drive
NoBe II Office
NoBe II Land
Woodglen

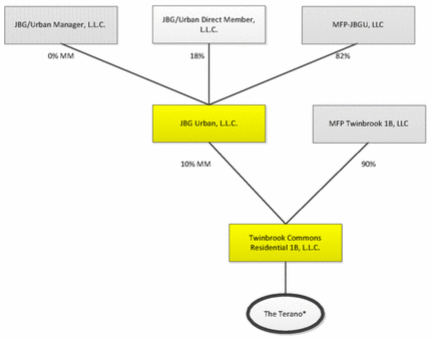


* Ground lease

Falkland Chase – South & West
Falkland Chase North
Falkland Chase North Land

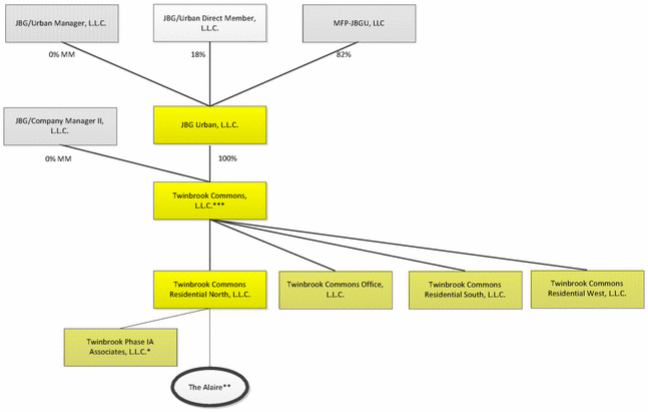


The Terano



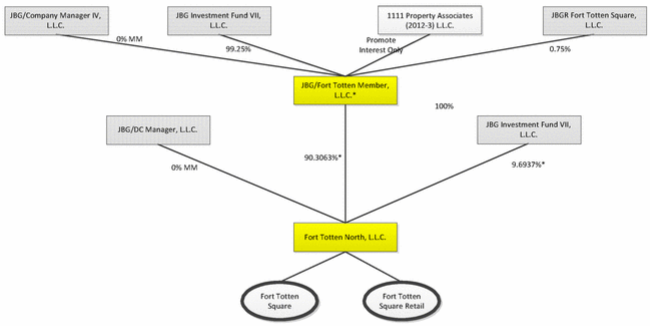
*Ground Lease

The Alaire
Twinbrook



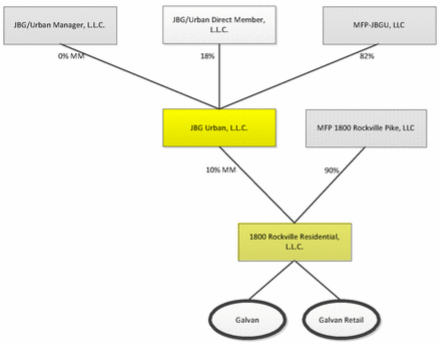
*IDOT Borrower
** Ground lease
*** With respect to Twinbrook, Twinbrook Commons, L.L.C. is party to a joint development agreement with WMATA pursuant to which Twinbrook Commons, L.L.C. may ground lease and develop future phases (Twinbrook) adjacent to the Alaire and The Terano.

Fort Totten Square
Fort Totten Square Retail



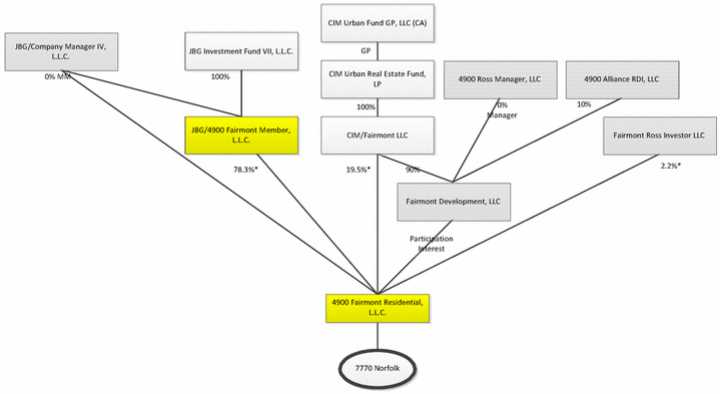
*Percentages as of 11/18/2015. JBG/Fort Totten Member will fund all future capital calls, and percentage interests will be adjusted accordingly.

Galvan
Galvan Retail



Atlantic Plumbing

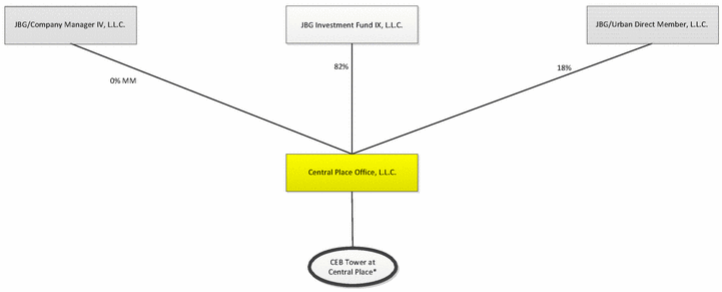
7770 Norfolk



*Percentage interest may vary over time and will be based on capital contributed.

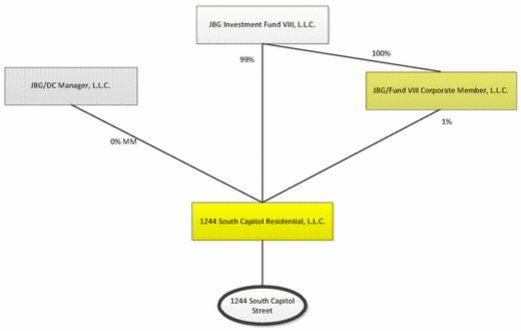
North End Retail I

CEB Tower at Central Place

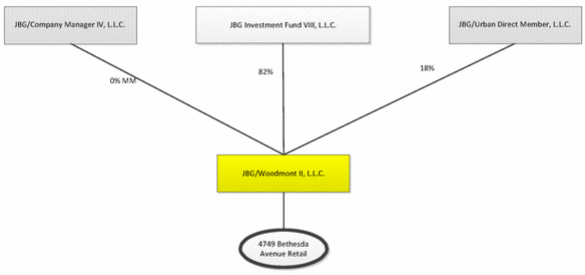


*A portion is held via ground Lease

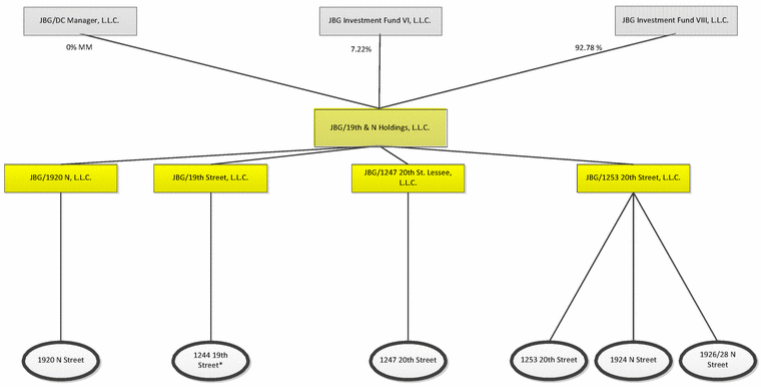
1244 South Capitol Street



4749 Bethesda Avenue Retail
(f/k/a 4735 Bethesda Avenue Retail)

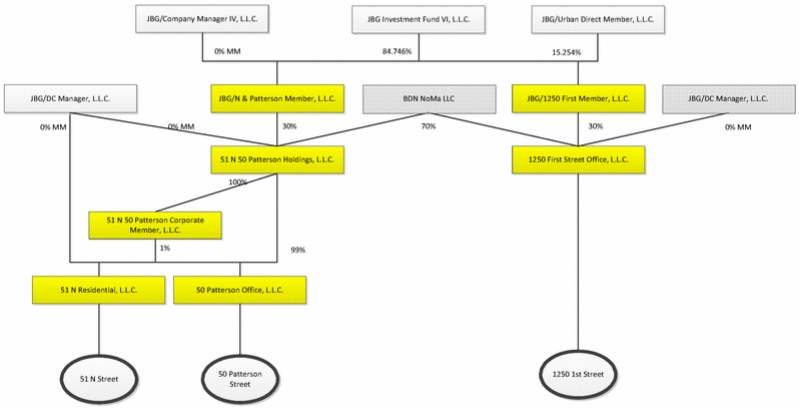


1900 N Street

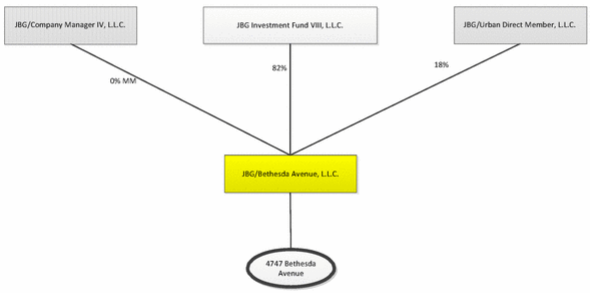


*Ground Lease

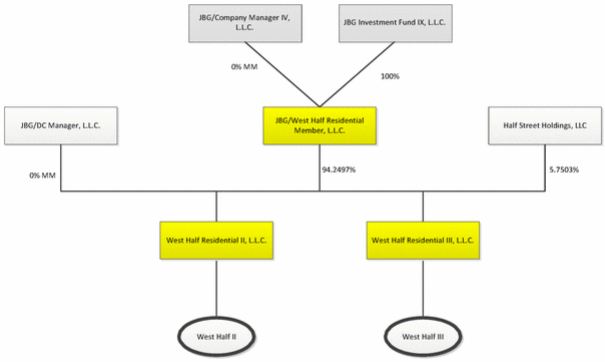
1250 1st Street
50 Patterson Street
51 N Street



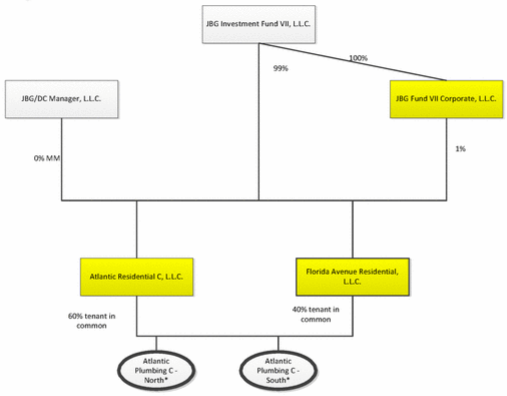
4747 Bethesda Avenue
(f/k/a 4733 Bethesda Avenue)



West Half II
West Half III



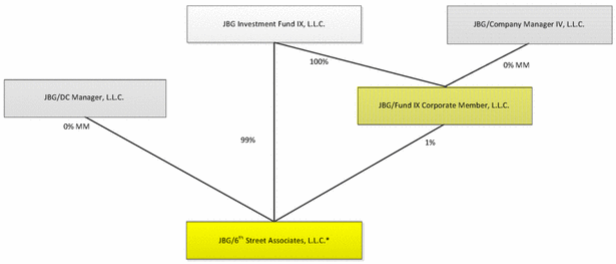
Atlantic Plumbing C – North
Atlantic Plumbing C – South



7900 Wisconsin

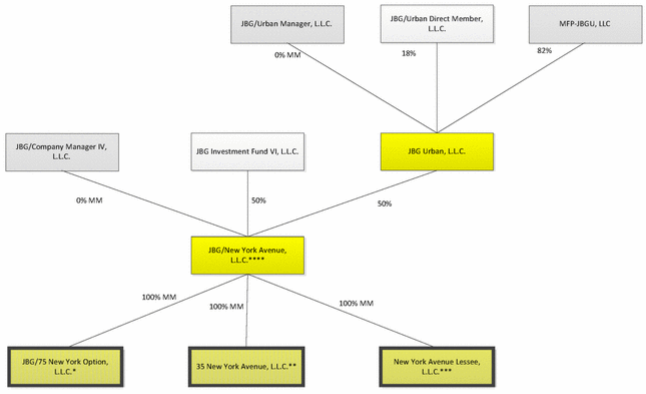
JBG currently owns only an interest in a small spike parcel at 7900 Wisconsin. With the respect to the remainder of the land, JBG has an LOI in place to purchase the land and an LOI with Berkshire to enter into a joint venture. The PSA and JV agreement are being negotiated. Fund VI would be the owner of the asset if acquired.

Gallaudet



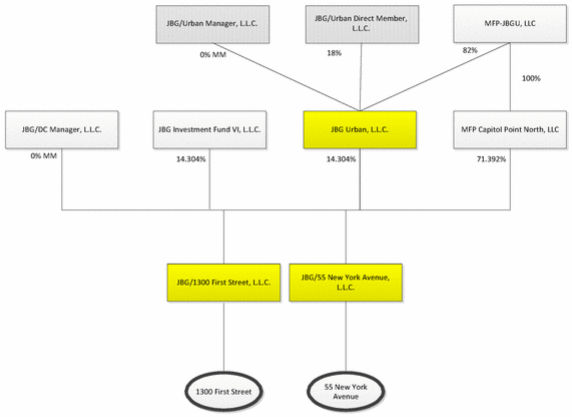
* Option to ground lease pursuant to Development and Transfer Agreement between JBG/6th Street Associates, L.L.C., Gallaudet University and Gallaudet University Foundation dated as of April 10, 2015 (as amended).

Capitol Point North Option



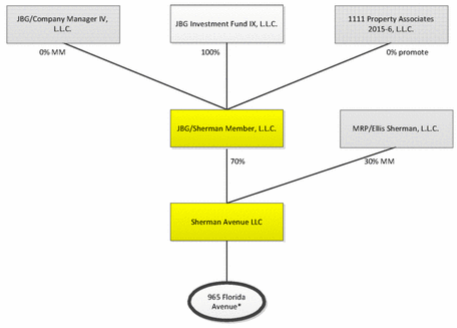
*Owns option on 75 New York Avenue (McDonald's parcel)
**Leases and owns option on 35 New York Avenue
***Former ground lessee of 39-41 New York Avenue, will dissolve when settle potential claims with car wash tenant.
****Owns option on 39-41 New York Avenue

Capitol Point North



Note: JBG intends to exercise its option to purchase the interest of MFP Capitol Point North, LLC and redistribute the ownership interests between Fund VI and JBG Urban, resulting in Fund VI and JBG Urban each owning 50% of the assets.

965 Florida Avenue



*Option to purchase pursuant to Land Disposition Agreement by and between District of Columbia, a municipal corporation, acting by and through the Office of the Deputy Mayor for Planning and Economic Development and Sherman Avenue, LLC, dated November 17, 2015

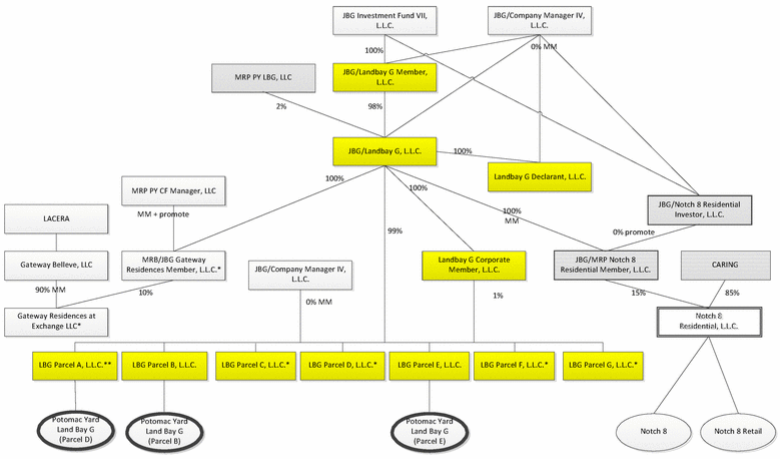
DCDF 801 17th Street, NE

Pursuant to that certain Purchase and Sale Agreement, dated as on or about July 20, 2015, by and between Developing Families Center, Inc. and JBG Associates, L.L.C., JBG Associates, L.L.C. (or its permitted assigns) is entitled to acquire fee simple ownership of the land and improvements located at 801 17th Street, NE, Washington DC 20002, subject to the satisfaction or waiver of certain conditions. It is currently intended that JBG Associates, L.L.C. will assign the right to purchase to JBG Investment Fund IX, L.L.C.

Hoffman Town Center

Pursuant to that certain Purchase and Sale Agreement, dated as of January 13, 2015, by and among Hoffman Family, LLC, Hoffman Management, Inc. and JBG Associates, L.L.C., as amended, JBG Associates, L.L.C. (or its permitted assigns) is entitled to purchase the fee simple interest in the land and improvements thereon generally known as "Block 2," Hoffman Town Center, 312 Taylor Drive, 314 Taylor Drive and 301 Stovall Street, subject to the satisfaction or waiver of certain conditions. It is currently intended that JBG Associates, L.L.C. will assign the right to purchase to JBG Investment Fund IX, L.L.C.

Potomac Yard Land Bay G

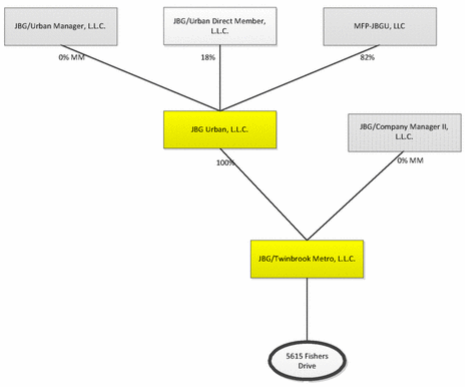


*Property has been sold. Entities remain in structure until dissolved.
** Entity owns the land and the right to repurchase the retail unit when building is constructed on the portion of the land previously sold.

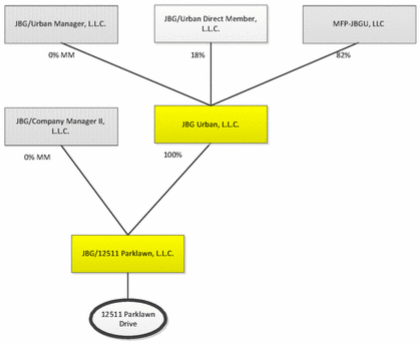
Potomac Yard Land Bay F

*Each of these entities is managed by an appointed manager. Not JBG managed.

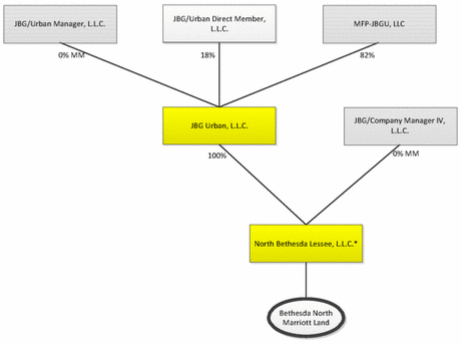
5615 Fishers Drive



12511 Parklawn Drive

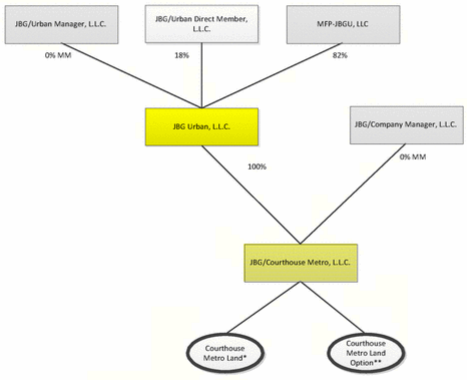


Bethesda North Marriott Land



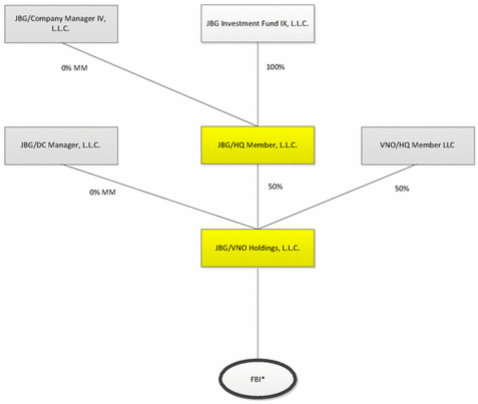
*North Bethesda Hotel, L.L.C. currently owns the ground lease for this asset, but the ground lease is intended to be bifurcated, at which time the ground lease, with respect to the Bethesda North Mariott Land, will be owned by North Bethesda Lessee, L.L.C.

Courthouse Metro Land Option
Courthouse Metro Land



* Ground lease
** Option to purchase pursuant to Purchase and Sale Agreement by and between 2046 Wilson Boulevard LLC and JBG/Courthouse Metro, L.L.C., dated June 11, 2013.

FBI



* No property is yet owned

Aldi (901 17th Street NE)

No property or contract right to purchase is currently owned. JBG Investment Fund IX, L.L.C. has incurred expenses in pursuit of acquiring this asset, which expenses are the "JBG Included Property" for these purposes, as well as any additional costs incurred in the pursuit or acquisition of the asset and the asset itself, if acquired.

Howard University

No property or contract right to purchase is currently owned. JBG Investment Fund IX, L.L.C. has incurred expenses in pursuit of acquiring this asset, which expenses are the "JBG Included Property" for these purposes, as well as any additional costs incurred in the pursuit or acquisition of the asset and the asset itself, if acquired.

Exhibit B-3

JBG Managing Member Entities

FINAL FORM
Exhibit C-1

AGREEMENT AND PLAN OF MERGER

Between

FUND [·] TRANSFERRED LLC

and

FUND [·] OP MERGERCO

Dated as of [·], 2017

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER, dated as of [], 2017 (this "Agreement"), is made and entered into by and between Fund [] OP Mergerco, a Delaware limited liability company ("Mergerco"), and Fund [·] Transferred LLC, a Delaware limited liability company ("Transferred LLC" and together with Mergerco, the "Parties").

WHEREAS, this Agreement is being entered into and carried out by Transferred LLC and Mergerco in connection with, and as contemplated by that certain Master Transaction Agreement, dated as of October 31, 2016 (the "Transaction Agreement"), by and among Vornado Realty Trust, a Maryland real estate investment trust ("Vornado"), Vornado Realty L.P., a Delaware limited partnership ("Vornado OP"), Vornado DC Spinco, a Maryland real estate investment trust ("Newco"), Vornado DC Spinco OP LP, a Delaware limited partnership ("Newco OP"), JBG Properties Inc., a Maryland corporation, JBG/Operating Partners, L.P., a Delaware limited partnership and certain affiliates of JBG Properties Inc. and JBG/Operating Partners;

WHEREAS, Mergerco is a subsidiary of Newco OP and TRS [·] ("TRS");

WHEREAS, the Parties hereto wish to effect a business combination through a merger of Mergerco with and into Transferred LLC, with Transferred LLC surviving as a limited liability company owned by Newco OP and TRS (the "Merger"), on the terms and subject to the conditions set forth in this Agreement and in accordance with Section 18-209 of the Delaware Code, as amended (the "Code");

WHEREAS, Transferred LLC has acquired ownership of certain JBG Included Interests as set forth on Schedule A (the "Equity Interests") on the date hereof pursuant to the Restructuring Transactions outlined in 5.8(a) of the Transaction Agreement (the "Restructuring");

WHEREAS, JBG/Fund [·] Manager, L.L.C., the managing member (the "Managing Member") of Transferred LLC and the members holding a majority of the membership interests in Transferred LLC (the "Investors", and together with the Managing Member, the "Members") have approved this Agreement and the Merger on behalf of Transferred LLC and declared that this Agreement and the Merger of Mergerco with and into Transferred LLC, with Transferred LLC surviving, are advisable, on the terms and subject to the conditions set forth herein;

WHEREAS, Newco OP, the sole managing member of Mergerco, has approved this Agreement and the Merger on behalf of Mergerco and declared that this Agreement and the Merger are advisable, on the terms and subject to the conditions set forth herein;

WHEREAS, for U.S. federal income tax purposes, the Parties intend that the Merger be treated as follows: (i) with respect to each Member of Transferred LLC that receives Issued OP Units pursuant to the transactions contemplated by this Agreement, the Merger shall be treated as a contribution of the portion of such Member's interests in Transferred LLC to Newco OP for which such form of consideration is received pursuant to Section 721(a) of the Internal Revenue Code of 1986, as amended (the "IRS Code"), and (ii) with respect to each member of Transferred LLC that receives cash or Issued Newco Shares pursuant to the transactions contemplated by this Agreement, the Merger shall be treated as the sale to Newco OP and TRS of the portion of such member's interests in Divided LLC for which such form of consideration is received, and Newco OP and TRS, pursuant to Section 1.08 below, agree to report the Merger pursuant to this intent; and

WHEREAS, capitalized terms not otherwise defined herein shall have the respective meaning set forth in the Transaction Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereto hereby agree as follows:

ARTICLE I
THE MERGER

SECTION 1.01. The Merger.

Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with Section 18-209 of the Code, at the Merger Effective Time (as defined below) Transferred LLC and Mergerco shall consummate the Merger, pursuant to which (i) Mergerco shall be merged with and into Transferred LLC and the separate existence of Mergerco shall thereupon cease, and (ii) Transferred LLC shall be the surviving limited liability company in the Merger.

SECTION 1.02. Effective Time of the Merger.

At the Closing (as defined below), Transferred LLC shall file the certificate of merger with respect to the Merger, in such form as is required by, and executed in accordance with, the relevant provisions of the Code (the "Certificate of Merger"), with the Secretary of State of the State of Delaware (the "DSOS"). The Merger shall become effective upon such time as the Certificate of Merger has been filed with the DSOS, or such later time on the date of the Closing designated in such filings in accordance with the Code, as the effective time of the Merger (such time, the "Merger Effective Time"), but in any event the Merger shall become effective after the consummation of the Pre-Combination Transactions as set forth in the Transaction Agreement.

SECTION 1.03. Closing.

The closing of the Merger (the "Closing") shall be on the date hereof, after the consummation of the Pre-Combination Transactions and simultaneously with the closing of the Combination Transactions pursuant to the Transaction Agreement.

SECTION 1.04. Effects of the Merger.

The Merger shall have the effects specified in Section 18-209 of the Code, and in addition, at the Merger Effective Time, by virtue of the Merger and without any action on the part of a holder of an interest in Transferred LLC or in Mergerco:

(a) Pursuant to Section 1.2([·]) of the Transaction Agreement, the Members of Transferred LLC will receive cash, Issued Newco Shares and Issued OP Units (the "Consideration") as set forth on Schedule B(1) attached hereto and incorporated herein as consideration for the Merger, and by virtue of the Merger and without any action on the part of Transferred LLC or Mergerco or the Members of Transferred LLC, each interest held in Transferred LLC outstanding immediately prior to the Effective Time shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each Member of Transferred LLC shall thereafter cease to have any rights, except the right to receive the Consideration as set forth on Schedule B; and

(1) Note to Draft: This schedule will show 1% of the Consideration being paid by the TRS in the form of Issued Newco Shares. Note: If so, a valuation adjustment will be needed.

(b) Each interest in Mergerco issued and outstanding immediately prior to the Merger Effective Time shall, by virtue of the Merger and without any action on the part of Transferred LLC or Mergerco or the Members of Transferred LLC or the members of Mergerco, be converted automatically into an interest in Transferred LLC.

SECTION 1.05. Transferred LLC Limited Liability Company Agreement.

Immediately following the Merger Effective Time, the limited liability company agreement of Transferred LLC shall be amended and restated to be the limited liability company agreement of Mergerco as in effect immediately prior to the Merger Effective Time (the "New Transferred LLC Agreement").

SECTION 1.06. Managing Member of Transferred LLC.

Immediately following the Merger Effective Time, Newco OP shall be the managing member of Transferred LLC, until its resignation or removal in accordance with the New Transferred LLC Agreement.

SECTION 1.07. Dissenters' Rights.

No dissenters' rights or appraisal rights shall be available with respect to the Merger or the other transactions contemplated hereby.

SECTION 1.08. Release.

Persons who at any time prior to the Merger Effective Time have been members, partners, shareholders, directors, trustees, officers, agents or employees of Transferred LLC or of any of its affiliates prior to the Merger Effective Time (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, who are not, as of immediately following the Merger Effective Time, directors, trustees, officers or employees of Newco or any of its Subsidiaries are hereby released of and from any further liabilities or obligations whether accruing before or after the date hereof with respect to the Equity Interests, including, without limitation, all Liabilities arising from or in connection with the Transactions and all other activities to implement the Transactions, and all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Merger Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Merger Effective Time), in each case to the extent relating to, arising out of or resulting from the Newco Business, the Newco Assets or the Newco Liabilities (each as defined in the Separation and Distribution Agreement to be entered into by and among Vornado, Vornado OP, Newco and Newco OP, in the form attached to the Transaction Agreement as Exhibit D), but subject to the terms and conditions of the Transaction Agreement.

SECTION 1.09. Intended Tax Treatment of the Merger

The Parties intend for the transactions contemplated by this Agreement to be treated in accordance with, and agree to report in a manner consistent with, the following for U.S. federal income tax purposes:

(a) With respect to each Member of Transferred LLC that receives Issued OP Units pursuant to the transactions contemplated by this Agreement, the Merger shall be treated as a contribution of the portion of such Member's interests in Transferred LLC to Newco OP for which such form of

consideration is received in exchange for Issued OP Units received pursuant to Section 721(a) of the IRS Code in a transaction in which no gain or loss is required to be recognized;

(b) With respect to each Member of Transferred LLC that receives cash or Issued Newco Shares pursuant to the transactions contemplated by this Agreement, the Merger shall be treated as the sale to Newco OP and TRS of the portion of such Member's interests in Transferred LLC for which such form of consideration is received, as described in Schedule B attached hereto and incorporated herein; and

(c) Transferred LLC will be treated as continuing as a partnership for federal income tax purposes following the Merger, with Newco OP and TRS as its partners.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF TRANSFERRED LLC

Transferred LLC hereby represents and warrants to Mergerco as follows:

SECTION 2.01. Organization, Power and Authority.

Transferred LLC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Transferred LLC has all requisite limited liability company power and authority to own and operate its assets.

SECTION 2.02. Authorization.

Transferred LLC has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger as contemplated by this Agreement. The execution, delivery and performance by Transferred LLC of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary limited liability company action on behalf of Transferred LLC, and no further limited liability company action on the part of Transferred LLC is required to consummate the transactions contemplated by this Agreement, other than the filing and recordation of the Certificate of Merger and other appropriate merger documents as required by the Code. This Agreement has been duly and validly executed and delivered by Transferred LLC, and assuming the due authorization, execution and delivery by Mergerco, constitutes a valid, binding and enforceable obligation of Transferred LLC, enforceable against Transferred LLC in accordance with its terms.

SECTION 2.03. No Prior Business.

Since the date of its formation, Transferred LLC has not conducted any business, nor has it incurred any liabilities or obligations (direct or indirect, present or contingent), in each case, except in connection with the Transactions and the assets and liabilities of Fund [•] and its subsidiaries related to the Equity Interests.

SECTION 2.04. Assumption of Liabilities.

Pursuant to the Restructuring, Transferred LLC assumed all obligations of certain JBG Included Entities, whether arising before or after the date hereof, to the extent such obligations relate to the Equity Interests. Transferred LLC is subject to and in compliance with the representations and warranties in Article IV of the Transaction Agreement as such representations and warranties were applicable to certain JBG Included Entities' holding of the Equity Interests and the assets and properties

that were held by certain JBG Included Entities on the date thereof and are now held by Transferred LLC and its subsidiaries after giving effect to the Restructuring Transactions.

SECTION 2.05. Disclaimer of Representations and Warranties.

THE PARTIES UNDERSTAND AND AGREE THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT, OR IN ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT CONTEMPLATED HEREBY OR THEREBY, NO PARTY TO THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS, APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SET-OFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS, WHERE IS" BASIS AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III
GENERAL PROVISIONS

SECTION 3.01. Amendment.

Subject to compliance with applicable Law, this Agreement may be amended by mutual agreement of the Parties hereto by action taken or authorized by their respective board of directors, managing member or other similar governing body, if necessary; *provided*, *however*, that there shall not be any amendment or change not permitted under applicable Law. This Agreement may not be amended except by an instrument in writing signed by each of the Parties hereto.

SECTION 3.02. Non-Survival.

None of the representations, warranties, or agreements in this Agreement or in any schedule, instrument or other document delivered pursuant to this Agreement shall survive the Closing;*provided*, *however*, that this Section 3.02 shall not limit any covenant or agreement of the each of the Parties hereto to the extent such covenant or agreement by its terms contemplates performance after the Closing, which shall survive the Closing.

SECTION 3.03. Interpretation.

When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The headings set forth in this Agreement are for convenience of reference purposes only and shall not affect or be deemed to affect in any way the meaning or interpretation of this Agreement or any term or provision hereof. When reference is made herein to a Person, such reference shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. All references herein to the Subsidiaries of a Person shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document. In the case of any conflict between this Agreement and the Transaction Agreement, the Transaction Agreement shall control.

SECTION 3.04. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile, portable document format (.pdf) or other electronic means shall be effective as delivery of a manually executed counterpart to this Agreement.

SECTION 3.05. Entire Agreement.

This Agreement, the Transaction Agreement and the other Ancillary Documents constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and oral, among the Parties or any of them with respect to the subject matter hereof and thereof. This Agreement is not intended to confer upon any Person, other than the Parties and their successors and permitted assigns, any rights or remedies hereunder.

SECTION 3.06. Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 3.07. Governing Law; Jurisdiction.

This Agreement and all claims or causes of actions (whether at Law, in contract or in tort) that may be based upon, arise out of or related to this Agreement or the negotiation, execution or performance of this Agreement, shall be governed by, and construed in accordance with, the Laws of the State of Delaware without giving effect to conflicts of laws principles (whether of the State of Delaware

or any other jurisdiction that would cause the application of the Laws of any jurisdiction other than the State of Delaware)

SECTION 3.08. Waiver of Jury Trial.

EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 3.08.

SECTION 3.09. Assignment.

This Agreement shall not be assigned by any of the Parties (whether by operation of Law or otherwise) without the prior written consent of the other Parties. Any assignment referred to in the immediately preceding sentence shall not relieve any Party of any obligation hereunder, and following such assignment this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

IN WITNESS WHEREOF, Transferred LLC and Mergerco have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

Fund [·] Transferred LLC, a Delaware limited liability company

By: _____
Name:
Title:

Fund [·] OP Mergerco, a Delaware limited liability company

By: Vornado DC Spinco OP LP

By: _____
Name:

FINAL FORM
Exhibit C-2

CONTRIBUTION AND ASSIGNMENT AGREEMENT

Between

JBG SMITH PROPERTIES LP

and

[·] LEGACY LLC

Dated as of [·], 2017

CONTRIBUTION AND ASSIGNMENT AGREEMENT(1)

This CONTRIBUTION AND ASSIGNMENT AGREEMENT, dated as of [], 2017 (this "Agreement"), is made and entered into by and between JBG SMITH Properties LP, a Delaware limited partnership (the "Operating Partnership"), and [·] Legacy LLC, a Delaware limited liability company ("Legacy LLC" and together with the Operating Partnership, the "Parties").

WHEREAS, this Agreement is being entered into and carried out by the Operating Partnership and Legacy LLC in connection with, and as contemplated by that certain Master Transaction Agreement, dated as of October 31, 2016 (the "Transaction Agreement"), by and among Vornado Realty Trust, a Maryland real estate investment trust ("Vornado"), Vornado Realty L.P., a Delaware limited partnership ("Vornado OP"), Vornado DC Spinco, a Maryland real estate investment trust ("Newco"), the Operating Partnership, JBG Properties Inc., a Maryland corporation, JBG/Operating Partners, L.P., a Delaware limited partnership and certain affiliates of JBG Properties Inc. and JBG/Operating Partners, L.P.;

WHEREAS, Legacy LLC owns 100% of the outstanding membership interests (the "LLC Interest") in [·] Transferred LLC ("Transferred LLC"), which is disregarded as an entity separate from Legacy LLC for U.S. federal income tax purposes;

WHEREAS, Legacy LLC has acquired the LLC Interest from JBG [], L.L.C. ("JBG [·]") via a merger of Transferred LLC with a subsidiary of Legacy LLC on the date hereof pursuant to the Restructuring Transactions outlined in Section 5.8(a) of the Transaction Agreement (the "Restructuring");

WHEREAS, pursuant to Section 1.2([·]) of the Transaction Agreement, the Operating Partnership desires to acquire from Legacy LLC, and Legacy LLC desires to contribute and transfer to the Operating Partnership, subject to the terms and conditions set forth herein, the LLC Interest;

WHEREAS, pursuant to Section 1.4 of the Transaction Agreement, Legacy LLC will receive cash, Issued Newco Shares and Issued OP Units (collectively, the "Consideration"), as consideration for the contribution of the LLC Interest;

WHEREAS, immediately following the contribution of the LLC Interest to the Operating Partnershp in exchange for the Consideration, Legacy LLC will distribute the Consideration to its members and liquidate;

WHEREAS, for U.S. federal income tax purposes, (i) the Parties intend that the contribution of the LLC Interest to the Operating Partnership in exchange for the Consideration, followed by the immediate liquidation of Legacy LLC and the distribution of the Consideration to its members, be treated as a merger of Legacy LLC with the Operating Partnership within the meaning of Section 708(b)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code") and Treasury Regulations §1.708-1(c), with such merger treated as an "assets-over" form of merger as provided for in Treasury Regulations §1.708-1(c)(3)(i), and (ii) each member of Legacy LLC has agreed and consented to treat the receipt of any cash or Issued Newco Shares pursuant to the transactions contemplated by this Agreement as the sale to the Operating Partnership of the portion of such member's interests in Legacy LLC for which such form of consideration is received, and the Operating Partnership, pursuant to Article IV below,

(1) Please note that this form agreement will be appropriately revised for each contribution set forth in Section 1.2 of the Transaction Agreement.

agrees to report the payment of any cash and the issuance of any Issued Newco Shares as the purchase from such Legacy LLC member of those interests in Legacy LLC immediately prior to the merger described in clause (i) of this paragraph, all pursuant to Treasury Regulations Section 1.708-1(c)(4);

WHEREAS, Schedule A attached hereto and incorporated herein, specifies the portion and nature of the Consideration to be transferred to each member of Legacy LLC pursuant to the transactions contemplated herein, and the portion of the interests held by such member in Legacy LLC, if any, that is purchased by the Operating Partnership in exchange for such Consideration;

WHEREAS, the closing (the "Closing") of the transactions contemplated by this Agreement shall be on the date hereof, after the consummation of the Pre-Combinaiton Transactions and simultaneously with the closing of the Combination Transactions pursuant to the Transaction Agreement; and

WHEREAS, capitalized terms not otherwise defined herein shall have the respective meaning set forth in the Transaction Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I
CONTRIBUTION

SECTION 1.01. Contribution and Assignment.

Upon the terms and subject to the conditions set forth in this Agreement, Legacy LLC hereby contributes, grants, assigns, transfers and conveys and delivers forever to the Operating Partnership, all of Legacy LLC's rights, title and interest under, in and to the LLC Interest in exchange for the Consideration. The Operating Partnership hereby accepts the foregoing contribution, grant, assignment, transfer and conveyance of the LLC Interest as a contribution by Legacy LLC to the Operating Partnership and hereby pays the Consideration to Legacy LLC, subject to Article IV hereof.

SECTION 1.02. Assumption.

Upon the terms and subject to the conditions set forth in this Agreement, Newco OP hereby expressly assumes and agrees to perform, satisfy and discharge, in each case in due course, all of the liabilities and obligations of Legacy LLC relating to the LLC Interest whether arising or accruing before or after the date hereof. Legacy LLC, any of its affiliates, their respective successors and assigns, all persons who at any time prior to the Closing have been shareholders, directors, trustees, officers, agents or employees of Legacy LLC or any of its affiliates (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns and all persons who at any time prior to the Closing are or have been shareholders, directors, trustees, officers, agents or employees of Transferred LLC and who are not, as of immediately following the Closing, directors, trustees, officers or employees of Newco or any of its Subsidiaries are hereby released of and from any further liabilities or obligations whether accruing before or after the date hereof with respect to the LLC Interest, including, without limitation, all Liabilities arising from or in connection with the Transactions and all other activities to implement the Transactions, and all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Closing (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Closing), in each case to the extent relating to,

arising out of or resulting from the Newco Business, the Newco Assets or the Newco Liabilities (each as defined in the Separation and Distribution Agreement to be entered into by and among Vornado, Vornado OP, Newco and Newco OP, in the form attached to the Transaction Agreement as Exhibit D), but subject to the terms and conditions of the Transaction Agreement.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF LEGACY LLC

Legacy LLC hereby represents and warrants to the Operating Partnership as follows:

SECTION 2.01. Organization, Power and Authority.

Legacy LLC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Legacy LLC has all requisite limited liability company power and authority to own and operate its assets.

SECTION 2.02. Authorization.

Legacy LLC has full right, authority, power and capacity (a) to enter into this Agreement and each agreement, document and instrument to be executed and delivered by or on behalf of Legacy LLC pursuant to this Agreement; (b) to carry out the transactions contemplated hereby and thereby; and (c) to contribute, transfer and deliver all of the LLC Interest to the Operating Partnership (or its designee) in accordance with this Agreement. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Legacy LLC pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Legacy LLC, each enforceable in accordance with its respective terms.

SECTION 2.03. No Prior Business.

Since the date of its formation, Legacy LLC has not conducted any business, nor has it incurred any liabilities or obligations (direct or indirect, present or contingent), in each case, except in connection with the Transactions and the assets and liabilities of Transferred LLC and its subsidiaries related to the LLC Interest.

SECTION 2.04. Assumption of Liabilities.

Pursuant to the Restructuring, Legacy LLC assumed all obligations of JBG [•], to the extent such obligations relate to the LLC Interest. Legacy LLC is subject to and in compliance with the representations and warranties in Article IV of the Transaction Agreement as such representations and warranties were applicable to JBG [•]'s holding of the LLC Interest and the assets and properties that were held by JBG [•] on the date thereof and are now held by Transferred LLC and its subsidiaries after giving effect to the Restructuring Transactions.

SECTION 2.05. Disclaimer of Representations and Warranties.

THE PARTIES UNDERSTAND AND AGREE THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT, OR IN ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT CONTEMPLATED HEREBY OR THEREBY, NO PARTY TO THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR

OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS, APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE

ABSENCE OF ANY DEFENSES OR RIGHT OF SET-OFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS, WHERE IS" BASIS AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III
COVENANTS(2)

SECTION 3.01. Subsequent Actions.

Immediately following the contribution of the LLC Interest to the Operating Partnership in exchange for the Consideration pursuant to this Agreement, Legacy LLC will liquidate and distribute the Consideration to its members in accordance with Schedule A.

ARTICLE IV
TAX MATTERS

The Parties intend for the transactions contemplated by this Agreement to be treated in accordance with, and agree to report in a manner consistent with, the following for U.S. federal income tax purposes:

(a) The contribution and assignment of the LLC Interest by Legacy LLC to the Operating Partnership in exchange for the Consideration and the distribution, immediately thereafter, of the Consideration by Legacy LLC to its members in liquidation of Legacy LLC shall be treated as a merger, undertaken by Legacy LLC in the "assets-over" form, of Legacy LLC and the Operating Partnership pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and

(b) The issuance of the cash and the Issued Newco Shares to Legacy LLC for distribution in the liquidation of Legacy LLC to the members thereof electing such consideration shall be treated as the direct purchase by the Operating Partnership, immediately prior to the merger described in clause (a) of this Article IV, of the membership interests in Legacy LLC from the electing members of

(2) Please note that with respect to the Contribution Agreement of Fund VIII Legacy LLC, an additional covenant will be added obligating Newco OP to keep Fund VIII REIT in existence for a minimum of two years following the closing.

Legacy LLC, and for the Consideration, described in Schedule A attached hereto and incorporated herein, as contemplated by Treasury Regulations Section 1.708-1(c)(4).

ARTICLE V
GENERAL PROVISIONS

SECTION 5.01. Amendment.

Subject to compliance with applicable Law, this Agreement may be amended by mutual agreement of the Parties hereto by action taken or authorized by their respective boards of directors, general partners or other similar governing body or entity, if necessary; *provided*, *however*, that there shall not be any amendment or change not permitted under applicable Law. This Agreement may not be amended except by an instrument in writing signed by each of the Parties hereto.

SECTION 5.02. Non-Survival.

None of the representations, warranties, or agreements in this Agreement or in any schedule, instrument or other document delivered pursuant to this Agreement shall survive the Closing; *provided*, *however*, that this Section 5.02 shall not limit any covenant or agreement of the Parties hereto to the extent such covenant or agreement by its terms contemplates performance after the Closing, which shall survive the Closing.

SECTION 5.03. Interpretation.

When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The headings set forth in this Agreement are for convenience of reference purposes only and shall not affect or be deemed to affect in any way the meaning or interpretation of this Agreement or any term or provision hereof. When reference is made herein to a Person, such reference shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. All references herein to the Subsidiaries of a Person shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document. In the case of any conflict between this Agreement and the Transaction Agreement, the Transaction Agreement shall control.

SECTION 5.04. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile, portable document format (.pdf) or other electronic means shall be effective as delivery of a manually executed counterpart to this Agreement.

SECTION 5.05. Entire Agreement.

This Agreement the Transaction Agreement and the other Ancillary Documents constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and

supersedes all other prior agreements and understandings, both written and oral, among the Parties or any of them with respect to the subject matter hereof and thereof. This Agreement is not intended to confer upon any Person, other than the Parties and their successors and permitted assigns, any rights or remedies hereunder.

SECTION 5.06. Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 5.07. Governing Law; Jurisdiction.

(a) This Agreement, and all claims or causes of actions (whether at Law, in contract or in tort) that may be based upon, arise out of or related to this Agreement or the negotiation, execution or performance of this Agreement, shall be governed by, and construed in accordance with, the Laws of the State of New York without giving effect to conflicts of laws principles (whether of the State of New York or any other jurisdiction that would cause the application of the Laws of any jurisdiction other than the State of New York).

(b) All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in the state courts sitting in the City, County and State of New York, or if jurisdiction over the matter is vested exclusively in federal courts, the United States District Court for the Southern District of New York, , and the appellate courts to which orders and judgments thereof may be appealed (the "Chosen Courts"). Each of the Parties hereby irrevocably and unconditionally (a) submits to the exclusive jurisdiction of the Chosen Courts for the purpose of any Action arising out of or relating to this Agreement brought by any Party, whether sounding in tort, contract or otherwise, (b) agrees not to commence any such action or proceeding except in such courts, (c) agrees that any claim in respect of any such action or proceeding may be heard and determined in any Chosen Court, (d) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding, and (e) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such action or proceeding. Each of the Parties agrees 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. Nothing in this Agreement will affect the right of any Party to serve process in any manner permitted by Law.

SECTION 5.08. Waiver of Jury Trial.

EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER

PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5.08.

SECTION 5.09. Assignment.

This Agreement shall not be assigned by any of the Parties (whether by operation of Law or otherwise) without the prior written consent of the other Parties. Any assignment referred to in the immediately preceding sentence shall not relieve any Party of any obligation hereunder, and following such assignment this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

[signature page follows]

IN WITNESS WHEREOF, the Operating Partnership and Legacy LLC have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

JBG SMITH PROPERTIES LP, a Delaware limited partnership

By: [•]

By: _____
Name: _____
Title:

[•] LEGACY LLC, a Delaware limited liability company

By: [•]

By: _____
Name: _____
Title:

[Signature Page to Contribution and Assignment Agreement by and between JBG SMITH Properties LP and [•] Legacy LLC]

FINAL FORM
Exhibit C-3

AGREEMENT AND PLAN OF MERGER

Between

JBG/OPERATING PARTNERS, L.P.

and

[NEWCO OP SUBSIDIARY]

Dated as of [•], 2017

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER, dated as of [•], 2017 (this "Agreement"), is made and entered into by and between JBG/Operating Partners, L.P., a Delaware limited partnership (the "Merging Entity"), and [Newco OP Subsidiary], a Delaware limited liability company (the "Surviving Entity" and together with the Merging Entity, the "Parties").

WHEREAS, this Agreement is being entered into and carried out by the Merging Entity and the Surviving Entity in connection with, and as contemplated by that certain Master Transaction Agreement, dated as of October 31, 2016 (the Transaction Agreement"), by and among Vornado Realty Trust, a Maryland real estate investment trust ("Vornado"), Vornado Realty L.P., a Delaware limited partnership ("Vornado OP"), Vornado DC Spinco, a Maryland real estate investment trust ("Newco"), Vornado DC Spinco OP LP, a Delaware limited partnership ("Newco OP"), JBG Properties Inc., a Maryland corporation ("JBG Properties"), the Merging Entity and certain affiliates of JBG Properties and the Merging Entity;

WHEREAS, the Parties hereto wish to effect a business combination through a merger of the Merging Entity with and into the Surving Entity, with the Surviving Entity surviving (the "Merger"), on the terms and subject to the conditions set forth in this Agreement and in accordance with Section 17-211 and Section 18-209 of the Delaware Code, as amended (the "Code").

WHEREAS, the Merging Entity currently holds equity interests (the "Equity Interests") in certain entities that are listed on Schedule A hereto.

WHEREAS, JBG Properties, the general partner of the Merging Entity, has approved this Agreement and the Merger on behalf of the Merging Entity and declared that this Agreement and the Merger of the Merging Entity with and into the Surviving Entity, with the Surviving Entity surviving, are advisable, on the terms and subject to the conditions set forth herein;

WHEREAS, Newco OP, the sole member and managing member of the Surviving Entity, has approved this Agreement and the Merger on behalf of the Surviving Entity and declared that this Agreement and the Merger are advisable, on the terms and subject to the conditions set forth herein; and

WHEREAS, capitalized terms not otherwise defined herein shall have the respective meaning set forth in the Transaction Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereto hereby agree as follows:

ARTICLE I
THE MERGER

SECTION 1.01. The Merger.

Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with Section 17-211 and Section 18-209 of the Code, at the Merger Effective Time (as defined below), the Surviving Entity and the Merging Entity shall consummate the Merger, pursuant to which (i) the Merging Entity shall be merged with and into the Surviving Entity and the separate existence of the Merging Entity shall thereupon cease, and (ii) the Surviving Entity shall be the surviving limited liability company in the Merger.

SECTION 1.02. Effective Time of the Merger.

At the Closing (as defined below), the Surviving Entity shall file a certificate of merger with respect to the Merger, in such form as is required by, and executed in accordance with, the relevant provisions of the Code (the "Certificate of Merger"), with the Secretary of State of the State of Delaware (the "DSOS"). The Merger shall become effective upon such time as the Certificate of Merger has been filed with the DSOS, or such later time on the date of the Closing designated in such filing in accordance with the Code as the effective time of the Merger (such time, the "Merger Effective Time"), but in any event the Merger shall become effective after the consummation of the Pre-Combination Transactions as set forth in the Transaction Agreement.

SECTION 1.03. Closing.

The closing of the Merger (the "Closing") shall be on the date hereof, after the consummation of the Pre-Combination Transactions and simultaneously with the closing of the Combination Transactions pursuant to the Transaction Agreement.

SECTION 1.04. Effects of the Merger.

The Merger shall have the effects specified in Section 17-211 and Section 18-209 of the Code, and in addition, at the Merger Effective Time, by virtue of the Merger and without any action on the part of a holder of an interest in the Surviving Entity or in the Merging Entity:

(a) Pursuant to Section 1.2(f)(i) of the Transaction Agreement, the partners of Merging Entity will receive OP Units (the "Consideration") as set forth on Schedule B attached hereto and incorporated herein as consideration for the Merger, and by virtue of the Merger and without any action on the part of the Merging Entity or the Surviving Entity or any partner in the Merging Entity, from and after the Merger Effective Time, each partnership interest in the Merging Entity shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of such partnership interests shall thereafter cease to have any rights, except the right to receive the Consideration applicable thereto;

(b) Each interest in the Surviving Entity issued and outstanding immediately prior to the Merger Effective Time shall remain outstanding and unchanged as an interest in the Surviving Entity.

SECTION 1.05. Surviving Entity Limited Liability Company Agreement.

Immediately following the Merger Effective Time, the limited liability company agreement of the Surviving Entity as in effect immediately prior to the Merger Effective Time, shall be the limited liability company agreement of the Surviving Entity (the "Surviving LLC Agreement").

SECTION 1.06. Managing Member of the Surviving Entity.

Immediately following the Merger Effective Time, Newco OP shall continue to be the sole member and managing member of the Surviving Entity, until its resignation or removal in accordance with the Surviving LLC Agreement.

SECTION 1.07. Dissenters' Rights.

No dissenters' rights or appraisal rights shall be available with respect to the Merger or the other transactions contemplated hereby.

SECTION 1.08. Release.

Persons who at any time prior to the Merger Effective Time have been members, partners, shareholders, directors, trustees, officers, agents or employees of the Merging Entity or of any of its affiliates prior to the Merger Effective Time (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, who are not, as of immediately following the Merger Effective Time, directors, trustees, officers or employees of Newco or any of its Subsidiaries are hereby released of and from any further liabilities or obligations whether accruing before or after the date hereof with respect to the Equity Interests, including, without limitation, all Liabilities arising from or in connection with the Transactions and all other activities to implement the Transactions, and all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Merger Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Merger Effective Time), in each case to the extent relating to, arising out of or resulting from the Newco Business, the Newco Assets or the Newco Liabilities (each as defined in the Separation and Distribution Agreement to be entered into by and among Vornado, Vornado OP, Newco and Newco OP, in the form attached to the Transaction Agreement as Exhibit D), but subject to the terms and conditions of the Transaction Agreement.

SECTION 1.09. Intended Tax Treatment of the Merger.

The Parties intend for the Merger to be treated for U.S. federal income tax purposes, and agree to report it in a manner consistent with such treatment, as a merger, undertaken by the Merging Entity, in the "assets-over form" pursuant to Treasury Regulations Section 1.708-1(c)(3)(i), whereby the Merging Entity (i) contributes all of its assets and liabilities to Newco OP, the sole member of the Surviving Entity, which is treated as an entity disregarded from Newco OP for federal income tax purposes, in exchange for OP Units and (ii) immediately thereafter distributes the OP Units to the Merging Entity partners in liquidation of the Merging Entity.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF MERGING ENTITY

The Merging Entity hereby represents and warrants to the Surviving Entity as follows:

SECTION 2.01. Organization, Power and Authority.

The Merging Entity is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware. The Merging Entity has all requisite limited partnership power and authority to own and operate its assets.

SECTION 2.02. Authorization.

The Merging Entity has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger as contemplated by this Agreement. The execution, delivery and performance by the Merging Entity of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly and validly authorized

by all necessary limited partnership action on behalf of the Merging Entity, and no further limited partnership action on the part of the Merging Entity is required to consummate the transactions contemplated by this Agreement, other than the filing and recordation of the Certificate of Merger and other appropriate merger documents as required by the Code. This Agreement has been duly and validly executed and delivered by the Merging Entity, and assuming the due authorization, execution and delivery by the Surviving Entity, constitutes a valid, binding and enforceable obligation of the Merging Entity, enforceable against the Merging Entity in accordance with its terms.

SECTION 2.03. Disclaimer of Representations and Warranties.

THE PARTIES UNDERSTAND AND AGREE THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT, OR IN ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT CONTEMPLATED

HEREBY OR THEREBY, NO PARTY TO THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS, APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SET-OFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS, WHERE IS" BASIS AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III
GENERAL PROVISIONS

SECTION 3.01. Amendment.

Subject to compliance with applicable Law, this Agreement may be amended by mutual agreement of the Parties hereto by action taken or authorized by their respective general partner or managing members, if necessary; *provided*, *however*, that there shall not be any amendment or change not permitted under applicable Law. This Agreement may not be amended except by an instrument in writing signed by each of the Parties hereto.

SECTION 3.02. Non-Survival.

None of the representations, warranties, or agreements in this Agreement or in any schedule, instrument or other document delivered pursuant to this Agreement shall survive the Closing;

provided, *however*, that this Section 3.02 shall not limit any covenant or agreement of the each of the Parties hereto to the extent such covenant or agreement by its terms contemplates performance after the Closing, which shall survive the Closing.

SECTION 3.03. Interpretation.

When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The headings set forth in this Agreement are for convenience of reference purposes only and shall not affect or be deemed to affect in any way the meaning or interpretation of this Agreement or any term or provision hereof. When reference is made herein to a Person, such reference shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. All references herein to the Subsidiaries of a Person shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document. In the case of any conflict between this Agreement and the Transaction Agreement, the Transaction Agreement shall control.

SECTION 3.04. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile, portable document format (.pdf) or other electronic means shall be effective as delivery of a manually executed counterpart to this Agreement.

SECTION 3.05. Entire Agreement.

This Agreement, the Transaction Agreement and the other Ancillary Documents constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and oral, among the Parties or any of them with respect to the subject matter hereof and thereof. This Agreement is not intended to confer upon any Person, other than the Parties and their successors and permitted assigns, any rights or remedies hereunder.

SECTION 3.06. Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 3.07. Governing Law; Jurisdiction.

This Agreement and all claims or causes of actions (whether at Law, in contract or in tort) that may be based upon, arise out of or related to this Agreement or the negotiation, execution or performance of this Agreement, shall be governed by, and construed in accordance with, the Laws of the State of Delaware without giving effect to conflicts of laws principles (whether of the State of Delaware or any other jurisdiction that would cause the application of the Laws of any jurisdiction other than the State of Delaware).

SECTION 3.08. Waiver of Jury Trial.

EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 3.08.

SECTION 3.09. Assignment.

This Agreement shall not be assigned by any of the Parties (whether by operation of Law or otherwise) without the prior written consent of the other Parties. Any assignment referred to in the immediately preceding sentence shall not relieve any Party of any obligation hereunder, and following such assignment this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Merging Entity and the Surviving Entity have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

JBG/Operating Partners, L.P. a Delaware limited partnership

By: JBG Properties, Inc., its general partner

By: _____
Name: _____
Title: _____

[Newco OP Subsidiary], a Delaware limited liability company

By: JBG SMITH PROPERTIES LP

By: _____
Name: _____
Title: _____

[Signature Page to Agreement and Plan of Merger by and between [Newco OP Subsidiary] and JBG/Operating Partners, L.P.]

FINAL FORM
Exhibit C-4

CONTRIBUTION AND ASSIGNMENT AGREEMENT

Between

JBG PROPERTIES, INC.

and

JBG SMITH PROPERTIES LP

Dated as of [·], 2017

CONTRIBUTION AND ASSIGNMENT AGREEMENT

THIS CONTRIBUTION AND ASSIGNMENT AGREEMENT, dated as of [·], 2017 (this "Agreement"), is made and entered into by and between JBG Properties Inc., a Maryland corporation ("JBG Properties"), and JBG SMITH Properties LP, a Delaware limited partnership ("Newco OP", and together with JBG Properties, the "Parties").

WHEREAS, this Agreement is being entered into and carried out by JBG Properties and Newco OP in connection with, and as contemplated by that certain Master Transaction Agreement, dated as of October 31, 2016 (the "Transaction Agreement"), by and among Vornado Realty Trust, a Maryland real estate investment trust ("Vornado"), Vornado Realty L.P., a Delaware limited partnership ("Vornado OP"), Vornado DC Spinco, a Maryland real estate investment trust ("Newco"), Newco OP, JBG Properties, JBG/Operating Partners, L.P., a Delaware limited partnership, and certain affiliates of JBG Properties and JBG/Operating Partners, L.P.;

WHEREAS, JBG Properties currently owns interests in certain entities (the "Contributed Interests"), which Contributed Interests are set forth on Schedule A hereto;

WHEREAS, pursuant to Section 1.2(f)(ii) of the Transaction Agreement, Newco OP desires to acquire from JBG Properties, and JBG Properties desires to contribute and transfer to Newco OP, subject to the terms and conditions set forth herein, the Contributed Interests;

WHEREAS, pursuant to Section 1.4 of the Transaction Agreement, JBG Properties will receive Issued OP Units (the "Consideration"), as set forth on Schedule B hereto, as consideration for the contribution of the Contributed Interest;

WHEREAS, the closing (the "Closing") of the transactions contemplated by this Agreement shall be on the date hereof, after the consummation of the Pre-Combination Transactions and simultaneously with the closing of the Combination Transactions pursuant to the Transaction Agreement; and

WHEREAS, capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Transaction Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereto hereby agree as follows:

ARTICLE I
CONTRIBUTION

SECTION 1.01. Contribution and Assignment.

Upon the terms and subject to the conditions set forth in this Agreement,JBG Properties hereby contributes, grants, assigns, transfers and conveys and delivers forever to Newco OP, all of JBG Properties' rights, title and interest under, in and to the Contributed Interests. Newco OP hereby accepts the foregoing contribution, grant, assignment, transfer and conveyance of the Contributed Interests by JBG Properties to Newco OP.

SECTION 1.02. Assumption.

Upon the terms and subject to the conditions set forth in this Agreement, Newco OP hereby expressly assumes and agrees to perform, satisfy and discharge, in each case, in due course, all of the liabilities and obligations of JBG Properties relating to the Contributed Interests whether arising or accruing before or after the date hereof. JBG Properties, any of its affiliates, their respective successors and assigns, all persons who at any time prior to the Closing have been stockholders, directors, trustees, officers, agents or employees of JBG Properties or any of its affiliates (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and all persons who at any time prior to the Closing are or have been shareholders, directors, trustees, officers, agents or employees of the entities described on Schedule A and who are not, as of immediately following the Closing, directors, trustees, officers or employees of Newco, Newco OP or any Subsidiary of Newco, are hereby released of and from any further liabilities or obligations whether accruing before or after the date hereof with respect to the Contributed Interests, including, without limitation, all Liabilities arising from or in connection with the Transactions and all other activities to implement the Transactions, and all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Closing (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Closing), in each case, to the extent relating to, arising out of or resulting from the Newco Business, the Newco Assets or the Newco Liabilities (each as defined in the Separation and Distribution Agreement to be entered into by and among Vornado, Vornado OP, Newco and Newco OP, in the form attached to the Transaction Agreement as Exhibit D), but subject to the terms and conditions of the Transaction Agreement.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF JBG PROPERTIES

JBG Properties hereby represents and warrants to Newco OP as follows:

SECTION 2.01. Organization, Power and Authority.

JBG Properties is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland. JBG Properties has all requisite corporate power and authority to own and operate its assets.

SECTION 2.02. Authorization.

JBG Properties has full right, authority, power and capacity (a) to enter into this Agreement and each agreement, document and instrument to be executed and delivered by or on behalf of JBG Properties pursuant to this Agreement; (b) to carry out the transactions contemplated hereby and thereby; and (c) to contribute, transfer and deliver all of the Contributed Interests to Newco OP (or its designee) in accordance with this Agreement. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of JBG Properties pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of JBG Properties, each enforceable in accordance with its respective terms.

SECTION 2.03. Disclaimer of Representations and Warranties.

THE PARTIES UNDERSTAND AND AGREE THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT, OR IN ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT CONTEMPLATED HEREBY OR THEREBY, NO PARTY TO THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY

ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS, APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SET-OFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS, WHERE IS" BASIS AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III
TAX MATTERS

The Parties intend for the transactions contemplated by this Agreement to be treated in accordance with, and agree to report in a manner consistent with, the following for U.S. federal income tax purposes: The contribution of the Contributed Interests in exchange for the Consideration as a transaction in which no gain or loss is recognized by JBG Properties or Newco OP under Section 721(a) of the Internal Revenue Code of 1986.

ARTICLE IV
GENERAL PROVISIONS

SECTION 4.01. Amendment.

Subject to compliance with applicable Law, this Agreement may be amended by mutual agreement of the Parties hereto by action taken or authorized by their respective board of directors, general partner or other similar governing body or entity, if necessary; *provided*, *however*, that there shall not be any amendment or change not permitted under applicable Law. This Agreement may not be amended except by an instrument in writing signed by each of the Parties hereto.

SECTION 4.02. Non-Survival.

None of the representations, warranties, or agreements in this Agreement or in any schedule, instrument or other document delivered pursuant to this Agreement shall survive the Closing;*provided*, *however*, that this Section 4.02 shall not limit any covenant or agreement of the Parties hereto to the extent such covenant or agreement by its terms contemplates performance after the Closing, which shall survive the Closing.

SECTION 4.03. Interpretation.

When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The headings set forth in this Agreement are for convenience of reference purposes only and shall not affect or be deemed to affect in any way the meaning or interpretation of this Agreement or any term or provision hereof. When reference is made herein to a Person, such reference shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. All references herein to the Subsidiaries of a Person shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document. In the case of any conflict between this Agreement and the Transaction Agreement, the Transaction Agreement shall control.

SECTION 4.04. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile, portable document format (.pdf) or other electronic means shall be effective as delivery of a manually executed counterpart to this Agreement.

SECTION 4.05. Entire Agreement.

This Agreement, the Transaction Agreement and the other Ancillary Documents constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and oral, among the Parties or any of them with respect to the subject matter hereof and thereof. This Agreement is not intended to confer upon any Person, other than the Parties and their successors and permitted assigns, any rights or remedies hereunder.

SECTION 4.06. Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 4.07. Governing Law; Jurisdiction.

(a) This Agreement, and all claims or causes of actions (whether at Law, in contract or in tort) that may be based upon, arise out of or related to this Agreement or the negotiation, execution or performance of this Agreement, shall be governed by, and construed in accordance with, the Laws of the State of New York without giving effect to conflicts of laws principles (whether of the

State of New York or any other jurisdiction that would cause the application of the Laws of any jurisdiction other than the State of New York).

(b) All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in the state courts sitting in the City, County and State of New York, or if jurisdiction over the matter is vested exclusively in federal courts, the United States District Court for the Southern District of New York, and the appellate courts to which orders and judgments thereof may be appealed (the "Chosen Courts"). Each of the Parties hereby irrevocably and unconditionally (a) submits to the exclusive jurisdiction of the Chosen Courts for the purpose of any Action arising out of or relating to this Agreement brought by any Party, whether sounding in tort, contract or otherwise, (b) agrees not to commence any such action or proceeding except in such courts, (c) agrees that any claim in respect of any such action or proceeding may be heard and determined in any Chosen Court, (d) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding, and (e) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such action or proceeding. Each of the Parties agrees 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. Nothing in this Agreement will affect the right of any Party to serve process in any manner permitted by Law.

SECTION 4.08. Waiver of Jury Trial.

EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE

MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.08.

SECTION 4.09. Assignment.

This Agreement shall not be assigned by any of the Parties (whether by operation of Law or otherwise) without the prior written consent of the other Parties. Any assignment referred to in the immediately preceding sentence shall not relieve any Party of any obligation hereunder, and following such assignment this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

[signature page follows]

IN WITNESS WHEREOF, JBG Properties and Newco OP have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

JBG Properties, Inc., a Maryland corporation

By: _____
Name: _____
Title: _____

JBG SMITH Properties LP, a Delaware limited partnership

By: [•]

By: _____
Name: _____
Title: _____

[Signature Page to Contribution and Assignment Agreement by and between JBG SMITH Properties LP and JBG Properties, Inc.]

FINAL FORM
Exhibit C-5

CONTRIBUTION AND ASSIGNMENT AGREEMENT

Between

[NEWCO COMPANY MANAGER]

and

JBG COMPANY MANAGER [-], L.L.C.

Dated as of [-], 2017

CONTRIBUTION AND ASSIGNMENT AGREEMENT(1)

This CONTRIBUTION AND ASSIGNMENT AGREEMENT, dated as of [], 2017 (this "Agreement"), is made and entered into by and between [Newco Company Manager], a Delaware limited partnership (the "Newco Company Manager"), and JBG Company Manager [·], L.L.C., a Delaware limited liability company ("JBG Company Manager" and together with Newco Company Manager, the "Parties").

WHEREAS, this Agreement is being entered into and carried out by Newco Company Manager and JBG Company Manager in connection with, and as contemplated by that certain Master Transaction Agreement, dated as of October 31, 2016 (the "Transaction Agreement"), by and among Vornado Realty Trust, a Maryland real estate investment trust ("Vornado"), Vornado Realty L.P., a Delaware limited partnership ("Vornado OP"), Vornado DC Spinco, a Maryland real estate investment trust ("Newco"), Vornado DC Spinco OP LP, a Delaware limited partnership (the "Newco OP"), Newco Company Manager, JBG Properties Inc., a Maryland corporation, JBG/Operating Partners, L.P., a Delaware limited partnership and certain affiliates of JBG Properties Inc. and JBG/Operating Partners, L.P.;

WHEREAS, JBG Company Manager owns interests in certain entities (the "Contributed Interests"), which Contributed Interests are set forth on Schedule A hereto;

WHEREAS, pursuant to Section 1.2(f)(iii) of the Transaction Agreement, the Newco Company Manager, a wholly owned subsidiary of Newco OP, desires to acquire from JBG Company Manager, and JBG Company Manager desires to contribute and transfer to Newco Company Manager, subject to the terms and conditions set forth herein, the Contributed Interests;

WHEREAS, the closing (the "Closing") of the transactions contemplated by this Agreement shall be on the date hereof, after the consummation of the Pre-Combination Transactions and simultaneously with the closing of the Combination Transactions pursuant to the Transaction Agreement; and

WHEREAS, capitalized terms not otherwise defined herein shall have the respective meaning set forth in the Transaction Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I
CONTRIBUTION

SECTION 1.01. Contribution and Assignment.

Upon the terms and subject to the conditions set forth in this Agreement, JBG Company Manager hereby contributes, grants, assigns, transfers and conveys and delivers forever to Newco Company Manager, all of JBG Company Manager's rights, title and interest under, in and to the Contributed Interests. Newco Company Manager hereby accepts the foregoing contribution, grant,

(1) Please note that this form agreement will be appropriately revised for each contribution set forth in Section 1.2 of the Transaction Agreement.

assignment, transfer and conveyance of the Contributed Interests by JBG Company Manager to New Company Manager.

SECTION 1.02. Assumption.

Upon the terms and subject to the conditions set forth in this Agreement, Newco Company Manager hereby expressly assumes and agrees to perform, satisfy and discharge, in each case, in due course, all of the liabilities and obligations of JBG Company Manager relating to the Contributed Interests whether arising or accruing before or after the date hereof. JBG Company Manager, any of its affiliates, their respective successors and assigns, all persons who at any time prior to the Closing have been shareholders, directors, trustees, officers, agents or employees of JBG Company Manager or any of its affiliates (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and all persons who at any time prior to the Closing are or have been shareholders, directors, trustees, officers, agents or employees of the entities described on Schedule A and who are not, as of immediately following the Closing, directors, trustees, officers or employees of Newco Company Manager or any Subsidiary of Newco, are hereby released of and from any further liabilities or obligations whether accruing before or after the date hereof with respect to the Contributed Interests, including, without limitation, all Liabilities arising from or in connection with the Transactions and all other activities to implement the Transactions, and all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Closing (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Closing), in each case, to the extent relating to, arising out of or resulting from the Newco Business, the Newco Assets or the Newco Liabilities (each as defined in the Separation and Distribution Agreement to be entered into by and among Vornado, Vornado OP, Newco and Newco OP, in the form attached to the Transaction Agreement as Exhibit D), but subject to the terms and conditions of the Transaction Agreement.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF LEGACY LLC

JBG Company Manager hereby represents and warrants to Newco Company Manager as follows:

SECTION 2.01. Organization, Power and Authority.

JBG Company Manager is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. JBG Company Manager has all requisite limited liability company power and authority to own and operate its assets.

SECTION 2.02. Authorization.

JBG Company Manager has full right, authority, power and capacity (a) to enter into this Agreement and each agreement, document and instrument to be executed and delivered by or on behalf of JBG Company Manager pursuant to this Agreement; (b) to carry out the transactions contemplated hereby and thereby; and (c) to contribute, transfer and deliver all of the Contributed Interests to Newco Company Manager (or its designee) in accordance with this Agreement. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of JBG Company Manager pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of JBG Company Manager, each enforceable in accordance with its respective terms.

SECTION 2.03. Disclaimer of Representations and Warranties.

THE PARTIES UNDERSTAND AND AGREE THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT, OR IN ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT CONTEMPLATED HEREBY OR THEREBY, NO PARTY TO THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS, APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SET-OFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS, WHERE IS" BASIS AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III
TAX MATTERS

The Parties intend for the transactions contemplated by this Agreement be treated in accordance with, and agree to report in a manner consistent with, the following for U.S. federal income tax purposes: The parties acknowledge and agree that the interests have no economic value and are accordingly being transferred to Newco Company Manager for no consideration.

ARTICLE IV
GENERAL PROVISIONS

SECTION 4.01. Amendment.

Subject to compliance with applicable Law, this Agreement may be amended by mutual agreement of the Parties hereto by action taken or authorized by their respective boards of directors, general partners or other similar governing body or entity, if necessary; *provided*, *however*, that there shall not be any amendment or change not permitted under applicable Law. This Agreement may not be amended except by an instrument in writing signed by each of the Parties hereto.

SECTION 4.02. Non-Survival.

None of the representations, warranties, or agreements in this Agreement or in any schedule, instrument or other document delivered pursuant to this Agreement shall survive the Closing;*provided*, *however*, that this Section 4.02 shall not limit any covenant or agreement of the Parties hereto to

the extent such covenant or agreement by its terms contemplates performance after the Closing, which shall survive the Closing.

SECTION 4.03. Interpretation.

When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The headings set forth in this Agreement are for convenience of reference purposes only and shall not affect or be deemed to affect in any way the meaning or interpretation of this Agreement or any term or provision hereof. When reference is made herein to a Person, such reference shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. All references herein to the Subsidiaries of a Person shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires. The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document. In the case of any conflict between this Agreement and the Transaction Agreement, the Transaction Agreement shall control.

SECTION 4.04. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile, portable document format (.pdf) or other electronic means shall be effective as delivery of a manually executed counterpart to this Agreement.

SECTION 4.05. Entire Agreement.

This Agreement, the Transaction Agreement and the other Ancillary Documents constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and oral, among the Parties or any of them with respect to the subject matter hereof and thereof. This Agreement is not intended to confer upon any Person, other than the Parties and their successors and permitted assigns, any rights or remedies hereunder.

SECTION 4.06. Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 4.07. Governing Law; Jurisdiction.

(a) This Agreement, and all claims or causes of actions (whether at Law, in contract or in tort) that may be based upon, arise out of or related to this Agreement or the negotiation, execution or performance of this Agreement, shall be governed by, and construed in accordance with, the Laws of the State of New York without giving effect to conflicts of laws principles (whether of the State of New York or any other jurisdiction that would cause the application of the Laws of any jurisdiction other than the State of New York).

(b) All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in the state courts sitting in the City, County and State of New York, or if jurisdiction over the matter is vested exclusively in federal courts, the United States District Court for the Southern District of New York, and the appellate courts to which orders and judgments thereof may be appealed (the "Chosen Courts"). Each of the Parties hereby irrevocably and unconditionally (a) submits to the exclusive jurisdiction of the Chosen Courts for the purpose of any Action arising out of or relating to this Agreement brought by any Party, whether sounding in tort, contract or otherwise, (b) agrees not to commence any such action or proceeding except in such courts, (c) agrees that any claim in respect of any such action or proceeding may be heard and determined in any Chosen Court, (d) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding, and (e) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such action or proceeding. Each of the Parties agrees 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. Nothing in this Agreement will affect the right of any Party to serve process in any manner permitted by Law.

SECTION 4.08. Waiver of Jury Trial.

EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.08.

SECTION 4.09. Assignment.

This Agreement shall not be assigned by any of the Parties (whether by operation of Law or otherwise) without the prior written consent of the other Parties. Any assignment referred to in the immediately preceding sentence shall not relieve any Party of any obligation hereunder, and following such assignment this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

[signature page follows]

IN WITNESS WHEREOF, Newco Company Manager and JBG Company Manager have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

[NEWCO COMPANY MANAGER], a Delaware limited
liability company

By: [·]

By: _____
Name:
Title:

JBG COMPANY MANAGER [·], L.L.C., a Delaware limited
liability company

By: [·]

By: _____
Name:
Title:

[Signature Page to Contribution and Assignment Agreement by and between [Newco Company Manager] and JBG Company Manager]

FINAL FORM
Exhibit D

SEPARATION AND DISTRIBUTION AGREEMENT

BY AND AMONG

VORNADO REALTY TRUST,

VORNADO REALTY L.P.,

JBG SMITH PROPERTIES

AND

JBG SMITH PROPERTIES LP

DATED AS OF [·], 2017

TABLE OF CONTENTS

SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of [], 2017 (this "Agreement"), is by and among Vornado Realty Trust, a Maryland real estate investment trust ("Vornado"), Vornado Realty L.P., a Delaware limited partnership ("Vornado OP"), JBG Smith Properties, a Maryland real estate investment trust ("Newco"), and JBG Smith Properties LP, a Delaware limited partnership ("Newco OP"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

RECITALS

WHEREAS, the board of trustees of Vornado (the "Vornado Board") has determined that it is in the best interests of Vornado and its shareholders to create a new publicly traded company that shall operate the Newco Business (as defined below);

WHEREAS, in furtherance of the foregoing, the Vornado Board has determined that it is appropriate and desirable to separate the DC Business (as defined below) from the Vornado Business (as defined below) (the "Separation");

WHEREAS, Vornado, Vornado OP, Newco, Newco OP, JBG Properties Inc. ("JBG Properties"), JBG/Operating Partners, L.P. ("JBG Operating Partners") and, together with JBG Properties, the "JBG Management Entities") and certain real estate investment funds sponsored by JBG Properties (each, a "JBG Fund" and, collectively, the "JBG Funds") are parties to that certain Master Transaction Agreement, dated as of October 31, 2016 (the "Master Agreement"), pursuant to which, among other things, certain Assets and a portion of the business conducted by the JBG Management Entities and the JBG Funds will be combined with the business of Newco (the "Business Combination");

WHEREAS, in furtherance of the Separation and pursuant to the Plan of Reorganization (as defined below), the Pre-Combination Transactions (as defined below), among others, are contemplated to occur;

WHEREAS, in furtherance of the Business Combination and pursuant to the Master Agreement, immediately following the Vornado Distribution (as defined below), the JBG Funds will contribute, directly or indirectly, by means of contribution, merger or otherwise, certain metropolitan DC real estate Assets to Newco OP or its Subsidiaries and the JBG Management Entities will contribute, directly or indirectly, by means of contribution, merger or otherwise, the JBG Management Business (as defined below) to Newco OP or its Subsidiaries;

WHEREAS, Newco and Newco OP have been organized solely for these purposes, and have not engaged in activities except in preparation for the Separation, the Distribution (as defined below) and the Business Combination;

WHEREAS, for U.S. federal income tax purposes, the Vornado OP Contribution to Newco OP (as defined below) and the Vornado OP Distribution of OP Units (as defined below) together are intended to qualify as a partnership division taking the "assets-over form" (as described in U.S. Treasury Regulations Section 1.708-1(d)) in which no gain or loss is recognized by Vornado OP, Newco OP and Vornado under Sections 721(a), 731(a) and 731(b)

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of the Internal Revenue Code of 1986, as amended (the "Code"), and the Vornado Contribution of OP Units (as defined below) and the Vornado Distribution (as defined below) together are intended to qualify as a transaction described in Section 368(a)(1)(D) and Section 355 of the Code;

WHEREAS, Newco and Vornado have prepared or are preparing, and Newco has filed or will file with the SEC (as defined below), the Form 10 (as defined below), which includes the Information Statement (as defined below), which sets forth disclosure concerning Newco, the Separation, the Distribution and the Business Combination; and

WHEREAS, each of Vornado and Newco has determined that it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Distribution and certain other agreements that will govern certain matters relating to the Separation, the Distribution and the Business Combination and the relationship of Vornado, Newco and the members of their respective Groups following the Separation, the Distribution and the Business Combination.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

For the purpose of this Agreement, the following terms shall have the following meanings:

"Action" shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, at and after the Effective Time, for purposes of this Agreement and the Ancillary Agreements, (a) no member of the Newco Group shall be deemed to be an Affiliate of any member of the Vornado Group and (b) no member of the Vornado Group shall be deemed to be an Affiliate of any member of the Newco Group.

"Agent" shall mean the trust company or bank duly appointed by Vornado and Vornado OP to act as distribution agent, transfer agent and registrar for the Newco Shares in connection with the Distribution.

"Agreement" shall have the meaning set forth in the Preamble.

"Ancillary Agreement" shall mean all agreements (other than this Agreement) entered into by the Parties and/or members of their respective Groups (but as to which no Third Party is a party) in connection with the Separation, the Distribution, or the other transactions contemplated by this Agreement, including the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement and the Transfer Documents.

"Approvals or Notifications" shall mean any consents, waivers, approvals, Permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any Third Party, including any Governmental Authority.

"Arbitration Request" shall have the meaning set forth in Section 7.3(a).

"Assets" shall mean, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other Third Parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including rights and benefits pursuant to any contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

"Business Combination" shall have the meaning set forth in the Recitals.

"Code" shall have the meaning set forth in the Recitals.

"Chosen Court" shall have the meaning set forth in Section 10.2(b).

"DC Business" shall mean the business, operations and activities of the Vornado Group relating primarily to the Newco Properties as conducted at any time prior to the Effective Time by either Vornado or Newco or any of their current or former Subsidiaries.

"Dispute" shall have the meaning set forth in Section 7.1.

"Distribution" means the Vornado OP Distribution of OP Units and the Vornado Distribution.

"Distribution Date" shall mean the date of the consummation of the Distribution.

"Effective Time" shall mean 11:59 p.m., Eastern time, on the Distribution Date.

"Employee Matters Agreement" shall mean the employee matters agreement to be entered into by and between Vornado and Newco (or certain members of their respective

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Groups) in connection with the Separation, the Distribution, the Business Combination or the other transactions contemplated by this Agreement, in the form attached as Exhibit G to the Master Agreement, as it may be amended from time to time.

"Environmental Law" shall mean any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

"Environmental Liabilities" shall mean all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any product take-back requirements or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Force Majeure" shall mean, with respect to a Party or any member of its Group, an event beyond the control of such Party or member of its Group (or any Person acting on its or their behalf), which event (a) does not arise or result from the fault or negligence of such Party or member of its Group (or any Person acting on its or their behalf) and (b) by its nature would not reasonably have been foreseen by such Party or member of its Group (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or, in the case of computer systems, any failure in electrical or air conditioning equipment. Notwithstanding the foregoing, the receipt by a Party or any member of its Group of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party's or member of its Group's response thereto, shall not be deemed an event of Force Majeure.

"Form 10" shall mean the registration statement on Form 10, or such other form as required by the SEC, filed by Newco with the SEC to effect the registration of Newco Shares pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Distribution.

"Governmental Approvals" shall mean any Approvals or Notifications to be made to, or obtained from, any Governmental Authority.

"Governmental Authority" shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory,

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administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Group" shall mean either the Newco Group or the Vornado Group, as the context requires.

"Hazardous Materials" shall mean any chemical, material, substance, waste, pollutant, emission, discharge, Release or contaminant that could result in Liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) that could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

"Indemnifying Party" shall have the meaning set forth in Section 4.4(a).

"Indemnitee" shall have the meaning set forth in Section 4.4(a).

"Indemnity Payment" shall have the meaning set forth in Section 4.4(a).

"Information" shall mean information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other Software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data; provided that "Information" shall not include Registrable IP.

"Information Statement" shall mean the information statement to be sent to the holders of Vornado Shares and the holders of Vornado OP Units in connection with the Distribution, as such information statement may be amended or supplemented from time to time prior to the Distribution.

"Initial Notice" shall have the meaning set forth in Section 7.1.

"Insurance Proceeds" shall mean those monies:

(a) received by an insured from an insurance carrier; or

(b) paid by an insurance carrier on behalf of the insured;

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

"Insurance Termination Date" shall have the meaning set forth in Section 5.1(a).

"Intellectual Property" shall mean all of the following whether arising under the Laws of the United States or of any other foreign or multinational jurisdiction: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (b) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (c) Internet domain names, registrations and related rights, (d) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case, other than Software, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (e) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how, in each case, other than Software, and (f) intellectual property rights arising from or in respect of any Technology.

"IRS" shall mean the U.S. Internal Revenue Service.

"JBG Fund" shall have the meaning set forth in the Recitals.

"JBG Management Business" shall mean the management business conducted by the JBG Management Entities, which manage various real estate investment funds and other Assets.

"JBG Management Entities" shall have the meaning set forth in the Recitals.

"JBG Operating Partners" shall have the meaning set forth in the Recitals.

"JBG Properties" shall have the meaning set forth in the Recitals.

"Law" shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty, license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Liabilities" shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration

tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

"Linked" shall have the meaning set forth in Section 2.9(a).

"Losses" shall mean actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees, and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

"Master Agreement" shall have the meaning set forth in the Recitals.

"Mediation Request" shall have the meaning set forth in Section 7.2.

"Newco" shall have the meaning set forth in the Preamble.

"Newco Accounts" shall have the meaning set forth in Section 2.9(a).

"Newco Assets" shall have the meaning set forth in Section 2.2(a).

"Newco Balance Sheet" shall mean [the unaudited pro forma combined balance sheet of the Newco Business (including any new Assets, activities, expansions, additions, or other modifications resulting from the Business Combination), including any notes and subledgers thereto, as of [·], as presented in the Information Statement mailed to the Record Holders.](1)

"Newco Business" shall mean the DC Business and also, with respect to events that take place after the Effective Time, the DC Business as it is operated by the Newco Group after the Effective Time, including any new Assets, activities, expansions, additions, or other modifications resulting from the Business Combination.

"Newco Bylaws" shall mean the Amended and Restated Bylaws of Newco, substantially in the form of Exhibit M to the Master Agreement.

"Newco Contracts" shall mean the following contracts and agreements to which either Vornado or Newco or any member their respective Groups is a party or by which it or any member of its Group or any of their respective Assets is bound, whether or not in writing; provided that Newco Contracts shall not include (x) any contract or agreement that is contemplated to be retained by Vornado or any member of the Vornado Group from and after the Effective Time pursuant to any provision of this Agreement or any Ancillary Agreement or (y) any contract or agreement that would constitute Newco Software or Newco Technology:

(1) NTD: To be revised, as appropriate, to conform to Newco financial statements included in the Information Statement.

(a) any leases relating primarily to any Newco Property pursuant to which a Third Party leases all or any portion of such Newco Property;

(b) any joint venture, shareholder, equityholder, partnership or similar agreements with any Third Party relating primarily to any Newco Property;

(c) any customer, distribution, supply, marketing, vendor or other contract, agreement or license, in each case with a Third Party and in effect as of the Effective Time, pursuant to which such Third Party provides or receives products or services to or from either Vornado or Newco or any member of their respective Groups, primarily in connection with the DC Business, excluding any such contracts or agreements for services that are addressed in the Transition Services Agreement or any other Ancillary Agreement;

(d) any contract or part thereof providing for any guarantee, indemnity, representation, covenant, warranty or other Liability of, by or in favor of, Vornado or Newco or any member of their respective Groups to the extent in respect of any Newco Liability or the DC Business;

(e) except as otherwise provided in the Master Agreement, any employment, change of control, retention, consulting, indemnification, termination, severance or other similar agreement with any Newco Group Employee or consultants of the Newco Group that is in effect as of the Effective Time and set forth on Schedule 1.1;

(f) any contract or agreement that is otherwise expressly contemplated pursuant to this Agreement or any of the Ancillary Agreements to be assigned to Newco or any member of the Newco Group;

(g) any interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements related exclusively to the DC Business or entered into by or on behalf of any division, business unit or member of the Newco Group;

(h) any contract, guarantee, note, mortgage, bond, debenture or other agreement providing for indebtedness, whether secured or unsecured, which relates exclusively to the DC Business; and

(i) any contracts, agreements or settlements listed on Schedule 1.2, including the right to recover any amounts under such contracts, agreements or settlements.

"Newco Declaration of Trust" shall mean the Amended and Restated Declaration of Trust of Newco, substantially in the form of Exhibit L to the Master Agreement.

"Newco Financing Arrangements" shall have the meaning set forth in Section 2.13(a).

"Newco Group" shall mean (a) prior to the Effective Time, Newco and each Person that will be a Subsidiary of Newco as of immediately after the Effective Time, including

the Transferred Entities, even if, prior to the Effective Time, such Person is not a Subsidiary of Newco; and (b) on and after the Effective Time, Newco and each Person that is a Subsidiary of Newco (including as a result of the Business Combination).

"Newco Group Employee" shall have the meaning set forth in the Employee Matters Agreement.

"Newco Indemnitees" shall have the meaning set forth in Section 4.3.

"Newco Indemnity Payment" shall have the meaning set forth in Section 4.11(a)(i).

"Newco Intellectual Property" shall mean (a) the Registrable IP set forth on Schedule 1.3 and (b) all Other IP owned by, licensed by or to, or sublicensed by or to either Vornado or Newco or any member of their respective Groups as of the Effective Time exclusively used or exclusively held for use in the DC Business, including any Other IP set forth on Schedule 1.3.

"Newco Liabilities" shall have the meaning set forth in Section 2.3(a).

"Newco OP" shall have the meaning set forth in the Preamble.

"Newco OP Interests" means common limited partnership interests in Newco OP.

"Newco Permits" shall mean all Permits owned or licensed by either Vornado or Newco or any member of their respective Groups primarily used or primarily held for use in the DC Business as of the Effective Time.

"Newco Portion" shall have the meaning set forth in Section 2.8(a).

"Newco Properties" means the real properties listed on Schedule 1.4.

"Newco Shares" means common shares, par value of $0.01 per share, of Newco.

"Newco Software" shall mean all Software owned or licensed by either Vornado or Newco or any member of their respective Groups exclusively used or exclusively held for use in the DC Business as of the Effective Time.

"Newco Technology" shall mean all Technology owned or licensed by either Vornado or Newco or any member of their respective Groups exclusively used or exclusively held for use in the DC Business as of the Effective Time.

"NYSE" shall mean the New York Stock Exchange.

"Other IP" shall mean all Intellectual Property, other than Registrable IP, that is owned by either Vornado or Newco or any member of their respective Groups as of the Effective Time.

"Parties" shall mean Newco and Vornado.

"Party" shall mean either Newco or Vornado, as applicable.

"Permits" means permits, approvals, authorizations, consents, licenses or certificates issued by any Governmental Authority.

"Person" shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"Plan of Reorganization" means the Pre-Combination Transactions set forth in Section 5.8(a) of the Vornado Disclosure Letter (as defined in the Master Agreement).

"Pre-Combination Transactions" shall have the meaning set forth in the Master Agreement.

"Prime Rate" means the rate that Bloomberg displays as "Prime Rate by Country United States" at*www.bloomberg.com/markets/rates-bonds/key-rates/* or on a Bloomberg terminal at PRIMBB Index.

"Privileged Information" means any Information, in written, oral, electronic, or other tangible or intangible forms, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), as to which a Party or any member of its Group would be entitled to assert or have asserted a privilege, including the attorney-client and attorney work product privileges.

"Qualifying Income" means income described in Sections 856(c)(2)(A) through (I) and 856(c)(3)(A) through (I) of the Code.

"Record Date" shall mean the close of business on the date to be determined by the Vornado Board, acting both on behalf of Vornado in its capacity as the general partner of Vornado OP and on its own behalf, as the record date for determining holders of Vornado OP Units entitled to receive Newco OP Interests pursuant to the Vornado OP Distribution of OP Units and for determining holders of Vornado Shares entitled to receive Newco Shares pursuant to the Vornado Distribution.

"Record Holders" shall mean the holders of record of Vornado Shares and the holders of record of the Vornado OP Units, in each case, as of the Record Date.

"Registrable IP" shall mean all patents, patent applications, statutory invention registrations, registered trademarks, registered service marks, registered Internet domain names and copyright registrations.

"REIT" shall mean "a real estate investment trust" within the meaning of Section 856 of the Code.

"REIT Guidance" shall mean either a ruling from the IRS or an opinion of Tax counsel selected by the Party who has given the relevant REIT Savings Notice, which opinion shall be reasonably satisfactory to such Party.

"REIT Savings Notice" shall mean the written notice delivered by Newco or Vornado, as the case may be, pursuant to Section 4.11(a) or Section 4.11(b), respectively.

"Release" shall mean any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the environment (including ambient air, surface water, groundwater and surface or subsurface strata).

"Representatives" shall mean, with respect to any Person, any of such Person's directors, trustees, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Security Interest" shall mean any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

"Separation" shall have the meaning set forth in the Recitals.

"Shared Contract" shall have the meaning set forth in Section 2.8(a).

"Software" shall mean any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

"Specified REIT Requirements" means the requirements of Sections 856(c)(2) and (3) of the Code.

"Subsidiary" shall mean, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Tangible Information" means Information that is contained in written, electronic or other tangible forms.

"Tax" shall have the meaning set forth in the Tax Matters Agreement.

"Tax Matters Agreement" shall mean the tax matters agreement to be entered into by and between Vornado and Newco (or any members of their respective Groups) in connection with the Separation, the Distribution, the Business Combination or the other transactions contemplated by this Agreement, in the form attached as Exhibit H to the Master Agreement, as it may be amended from time to time.

"Tax Return" shall have the meaning set forth in the Tax Matters Agreement.

"Technology" shall mean all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or non-public information, and other similar materials, and all recordings, graphs, drawings, reports, analyses and other writings, and other tangible embodiments of the foregoing in any form, whether or not listed herein, in each case, other than Software.

"Third Party" means any Person other than the Parties or any members of their respective Groups.

"Third-Party Claim" shall have the meaning set forth in Section 4.5(a).

"Transfer Documents" shall have the meaning set forth in Section 2.1(b).

"Transferred Entity" shall mean any of the entities identified as "Vornado Included Entities" in the Master Agreement.

"Transition Services Agreement" shall mean the Transition Services Agreement as defined in the Master Agreement, as it may be amended from time to time.

"Unreleased Newco Liability" shall have the meaning set forth in Section 2.5(b).

"Unreleased Vornado Liability" shall have the meaning set forth in Section 2.5(c).

"Vornado" shall have the meaning set forth in the Preamble.

"Vornado Accounts" shall have the meaning set forth in Section 2.9(a).

"Vornado Assets" shall have the meaning set forth in Section 2.2(b).

"Vornado Board" shall have the meaning set forth in the Recitals.

"Vornado Business" shall mean all businesses, operations and activities (whether or not such businesses, operations or activities are or have been terminated, divested or

discontinued) conducted at any time prior to the Effective Time by either Vornado or Newco or any member of their respective Groups, other than the DC Business.

"Vornado Contribution of OP Units" shall have the meaning set forth on Section 1.1 of the Vornado Disclosure Letter.

"Vornado Disclosure Letter" shall have the meaning set forth in the Master Agreement.

"Vornado Distribution" shall have the meaning set forth on Section 1.1 of the Vornado Disclosure Letter.

"Vornado Group" shall mean Vornado and each Person that is a Subsidiary of Vornado (other than Newco and any other member of the Newco Group).

"Vornado Indemnitees" shall have the meaning set forth in Section 4.2.

"Vornado Indemnity Payment" shall have the meaning set forth in Section 4.11(b)(i).

"Vornado Liabilities" shall have the meaning set forth in Section 2.3(b).

"Vornado Name and Vornado Marks" shall mean the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of either Vornado or Newco or any member of their respective Groups using or containing "Vornado Realty" or "Vornado," either alone or in combination with other words or elements, and all names, marks, trade dress, logos, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing.

"Vornado Shares" means common shares of Vornado, par value $0.04 per share.

"Vornado OP" shall have the meaning set forth in the Preamble.

"Vornado OP Contribution to Newco OP" shall have the meaning set forth on Section 1.1 of the Vornado Disclosure Letter.

"Vornado OP Distribution of OP Units" shall have the meaning set forth on Section 1.1 of the Vornado Disclosure Letter.

"Vornado OP Units" means common limited partnership interests in Vornado OP.

"Vornado Portion" shall have the meaning set forth in Section 2.8(a).

ARTICLE II
THE SEPARATION

2.1 Transfer of Assets and Assumption of Liabilities.

(a) On or prior to the Distribution Date, but in any case, prior to the Vornado OP Distribution of OP Units, in accordance with the Plan of Reorganization:

(i) *Transfer and Assignment of Newco Assets.* Vornado shall, and shall cause the applicable members of the Vornado Group to, contribute, assign, transfer, convey and deliver to the applicable members of the Newco Group, and the applicable members of the Newco Group shall accept from Vornado and the applicable members of the Vornado Group, all of Vornado's and such Vornado Group members' respective direct or indirect right, title and interest in and to all of the Newco Assets (it being understood that if any Newco Asset shall be held by a Transferred Entity, such Newco Asset may be assigned, transferred, conveyed and delivered to Newco as a result of the transfer of all of the equity interests in such Transferred Entity from Vornado or the applicable members of the Vornado Group to the applicable member of the Newco Group);

(ii) *Acceptance and Assumption of Newco Liabilities.* The applicable members of the Newco Group shall accept, assume and agree faithfully to perform, discharge and fulfill all of the Newco Liabilities in accordance with their respective terms. The applicable members of the Newco Group shall be responsible for all Newco Liabilities, regardless of when or where such Newco Liabilities arose or arise (provided, however, that nothing contained herein shall preclude or inhibit Newco from asserting against Third Parties any defenses available to the legal entity that incurred or holds such Newco Liability), or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such Newco Liabilities are asserted or determined (including any Newco Liabilities arising out of claims made by Vornado's or Newco's respective trustees, officers, employees, agents, Subsidiaries or Affiliates against any member of the Vornado Group or the Newco Group) or whether asserted or determined prior to the date hereof;

(iii) *Transfer and Assignment of Vornado Assets.* Newco shall, and shall cause the applicable members of the Newco Group to, contribute, assign, transfer, convey and deliver to the applicable members of the Vornado Group, and the applicable members of the Vornado Group shall accept from Newco and the applicable members of the Newco Group, all of Newco's and such Newco Group members' respective direct or indirect right, title and interest in and to any of the Vornado Assets, if any, held by Newco or any such members of the Newco Group (it being understood that any such Vornado Asset may be assigned, transferred, conveyed and delivered to Vornado as a result of the transfer of all of the equity interests in the entity or entities that own such Vornado Asset from Newco or the applicable members of the Newco Group to the applicable member of the Vornado Group); and

(iv) *Acceptance and Assumption of Vornado Liabilities.* The applicable members of the Vornado Group shall accept, assume and agree faithfully to perform, discharge and fulfill all of the Liabilities of any Transferred Entity that are Vornado Liabilities in accordance with their respective terms, regardless of when or where such Vornado Liabilities arose or arise (provided, however, that nothing contained herein shall preclude or inhibit Vornado from asserting against Third Parties any defenses available to

the legal entity that incurred or holds such Vornado Liability), or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such Vornado Liabilities are asserted or determined (including any Vornado Liabilities arising out of claims made by Vornado's or Newco's respective trustees, officers, employees, agents, Subsidiaries or Affiliates against any member of the Vornado Group or the Newco Group) or whether asserted or determined prior to the date hereof.

(b) *Transfer Documents.* In furtherance of the contribution, assignment, transfer, conveyance and delivery of the Assets and the assumption of the Liabilities in accordance with Section 2.1(a), (i) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such Party's and the applicable members of its Group's right, title and interest in and to such Assets to the other Party and the applicable members of its Group in accordance with Section 2.1(a), and (ii) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Liabilities by such Party and the applicable members of its Group in accordance with Section 2.1(a). All of the foregoing documents contemplated by this Section 2.1(b) shall be referred to collectively herein as the "Transfer Documents."

(c) *Misallocations.* In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party (or any member of such Party's respective Group) shall receive or otherwise possess any Asset that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement (including, for the avoidance of doubt, any cash amount required to be contributed by one Party (or any member of such Party's Group) to the other in accordance with the Plan of Reorganization), such Party shall promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to any member of such Party's Group), and such Party (or member of such Party's Group) shall accept such Asset. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for any such other Person. In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party hereto (or any member of such Party's Group) shall receive or otherwise assume any Liability that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Liability to the Party responsible therefor (or to any member of such Party's Group), and such Party (or member of such Party's Group) shall accept, assume and agree to faithfully perform such Liability. For the avoidance of doubt, in the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party (or any member of such Party's respective Group) shall make a payment in respect of any Liability that the Parties agree is allocated to the other Party (or any member of such other Party's Group) pursuant to this Agreement or otherwise, such other Party shall reimburse the first Party for the amount so paid as promptly as is reasonably practicable.

(d) *Waiver of Bulk-Sale and Bulk-Transfer Laws.* Newco, Newco OP and each member of the Newco Group hereby waives compliance by each and every member of the Vornado Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may be applicable with respect to the transfer or sale of any or all of the Newco Assets or Newco Properties to any member of the Newco Group.

2.2 Newco Assets.(2)

(a) *Newco Assets.* For purposes of this Agreement, "Newco Assets" shall mean:

(i) all issued and outstanding capital stock or other equity interests of the Transferred Entities that are owned by either Vornado or Newco or any member of their respective Groups as of the Effective Time;

(ii) all interests in the Newco Properties of whatever nature, including easements, whether as owner, mortgagee or holder of a Security Interest in the Newco Properties, lessor, sublessor, lessee, sublessee or otherwise, and including all buildings or barges located thereon, and all associated parking areas, fixtures and all other improvements located thereon, and including all rights, benefits, privileges, tenements, hereditaments, covenants, conditions, restrictions, easements and other appurtenances on any Newco Property or otherwise appertaining to or benefitting any Newco Property and/or the improvements situated thereon, including all mineral rights, development rights, air and water rights, subsurface rights, vested rights entitling, or prospective rights which may entitle, the owner of any Newco Property to related easements, land use rights, air rights, viewshed rights, density credits, water, sewer, electrical and other utility service, credits and/or rebates, strips and gores and any land lying in the bed of any street, road, alley, open or proposed, adjoining any Newco Property, and all easements, rights of way and other appurtenances used or connected with the beneficial use or enjoyment of any Newco Property;

(iii) all Assets of either Vornado or Newco or any member of their respective Groups included or reflected as Assets of the Newco Group on the Newco Balance Sheet and any Assets acquired by or for the Newco Business or the Newco Group subsequent to the date of the Newco Balance Sheet which, had they been so acquired on or before such date and owned as of such date would have been reflected on the Newco Balance Sheet if prepared on a consistent basis, subject to any dispositions of such Assets subsequent to the date of the Newco Balance Sheet as may be permitted under the Master Agreement; provided that the amounts set forth on the Newco Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of Newco Assets pursuant to this subclause (iii);

(2) NTD: To be further reviewed upon receipt of schedules, final structure memo and Newco financial statements.

(iv) all Assets of either Vornado or Newco or any member of their respective Groups as of the Effective Time that are expressly provided by this Agreement or any Ancillary Agreement as Assets to be transferred to Newco OP or any other member of the Newco Group;

(v) all Newco Contracts as of the Effective Time and all rights, interests or claims of either Vornado or Newco or any member of their respective Groups thereunder as of the Effective Time;

(vi) all Newco Intellectual Property, Newco Software and Newco Technology as of the Effective Time and all rights, interests or claims of either Vornado or Newco or any member of their respective Groups thereunder as of the Effective Time;

(vii) all Newco Permits as of the Effective Time and all rights, interests or claims of either Vornado or Newco or any member of their respective Groups thereunder as of the Effective Time;

(viii) all rights, interests and claims of either Vornado or Newco or any member of their respective Groups as of the Effective Time with respect to Information that is exclusively related to the Newco Assets, the Newco Liabilities, the DC Business or the Transferred Entities and, subject to the provisions of the applicable Ancillary Agreements, a non-exclusive right to all Information that is related to, but not exclusively related to, the Newco Assets, the Newco Liabilities, the DC Business or the Transferred Entities; and

(ix) all other Assets owned or held by Vornado or Newco or any member of their respective Groups immediately prior to the Effective Time that exclusively relate to or are exclusively used in the DC Business; and

(x) any and all Assets set forth on Schedule 2.2(a)(x).

Notwithstanding the foregoing, the Newco Assets shall not in any event include any Asset referred to in subclauses (i) through (v) of Section 2.2(b).

(b) *Vornado Assets.* For the purposes of this Agreement, "Vornado Assets" shall mean all Assets of either Vornado or Newco or any member of their respective Groups as of the Effective Time, other than the Newco Assets, it being understood that the Vornado Assets shall include:

(i) all Assets that are expressly contemplated by this Agreement, the Master Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be retained by Vornado, Vornado OP or any other member of the Vornado Group (including any Vornado Included Interests (as defined in the Master Agreement) that become "Kickout Interests" in accordance with the terms of the Master Agreement);

(ii) all contracts of either Vornado or Newco or any member of their respective Groups as of the Effective Time (other than the Newco Contracts);

(iii) all Intellectual Property of either Vornado or Newco or any member of their respective Groups as of the Effective Time (other than the Newco Intellectual Property), including the Vornado Name and Vornado Marks;

(iv) all Permits of either Vornado or Newco or any member of their respective Groups as of the Effective Time (other than the Newco Permits); and

(v) any and all Assets set forth on Schedule 2.2(b)(v).

2.3 Newco Liabilities; Vornado Liabilities.

(a) *Newco Liabilities*. For the purposes of this Agreement, "Newco Liabilities" shall mean the following Liabilities of either Vornado or Newco or any member of their respective Groups:

(i) all Liabilities included or reflected as liabilities or obligations of Newco or the members of the Newco Group on the Newco Balance Sheet and all Liabilities arising or assumed after the date of the Newco Balance Sheet which, had they arisen or been assumed on or before such date and been retained as of such date, would have been reflected on the Newco Balance Sheet if prepared on a consistent basis, subject to any discharge of such Liabilities subsequent to the date of the Newco Balance Sheet; provided that the amounts set forth on the Newco Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of Newco Liabilities pursuant to this subclause (i);

(ii) all Liabilities, including any Environmental Liabilities, relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent that such Liabilities relate to, arise out of or result from the DC Business or any Newco Asset;

(iii) all Liabilities to the extent relating to, arising out of or resulting from (A) the activities or operations of the Newco Business or the ownership or use of the Newco Assets after the Effective Time by any member of the Newco Group or (B) the activities or operations of any other business conducted by any member of the Newco Group at any time after the Effective Time (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or Representative of any member of the Newco Group (whether or not such act or failure to act is or was within such Person's authority));

(iv) any and all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be assumed by Newco or any other member of the Newco Group, and all agreements, obligations and Liabilities of any member of the Newco Group under this Agreement or any of the Ancillary Agreements;

(v) all Liabilities to the extent relating to, arising out of or resulting from the Newco Contracts, the Newco Intellectual Property, the Newco Software, the Newco Technology or the Newco Permits;

(vi) any and all Liabilities set forth on Schedule 2.3(a)(vi); and

(vii) all Liabilities arising out of claims made by any Third Party (including Vornado's or Newco's respective trustees, officers, shareholders, employees and agents) against any member of the Vornado Group or the Newco Group to the extent relating to, arising out of or resulting from the DC Business or any Newco Asset or the other business, operations, activities or Liabilities referred to in clauses (i) through (vi) above;

provided that, notwithstanding the foregoing, the Parties agree that the Liabilities set forth on Schedule 2.3(b), and any Liabilities of any member of the Vornado Group pursuant to the Ancillary Agreements, shall not be Newco Liabilities but instead shall be Vornado Liabilities.

(b) *Vornado Liabilities.* For the purposes of this Agreement, "Vornado Liabilities" shall mean (i) all Liabilities relating to, arising out of or resulting from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time) of any member of the Vornado Group and, prior to the Effective Time, any member of the Newco Group, in each case that are not Newco Liabilities, including any and all Liabilities set forth on Schedule 2.3(b)(3); (ii) Liabilities of either Vornado or Newco or any member of their respective Groups to the extent relating to, arising out of or resulting from the Vornado Business or the Vornado Assets; and (iii) all Liabilities arising out of claims made by any Third Party (including Vornado's or Newco's respective trustees, officers, shareholders, employees and agents) against any member of the Vornado Group or the Newco Group to the extent relating to, arising out of or resulting from the Vornado Business or the Vornado Assets.

2.4 Approvals and Notifications. *Approvals and Notifications for Newco Assets.* To the extent that the transfer or assignment of any Newco Asset, the assumption of any Newco Liability, the Separation, or the Distribution requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement, any of the Ancillary Agreements or the Master Agreement, as otherwise agreed between Vornado and Newco, or to the extent otherwise required to be made by the applicable Party or any of its Subsidiaries pursuant to the terms of any then-existing contract, neither Vornado nor Newco shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(3) NTD: To include, among other items, all tax protection agreements that may otherwise relate to the Newco Assets, all of which shall constitute Vornado Assets and Vornado Liabilities for purposes of this Agreement.

2.5 Novation of Liabilities.

(a) Each of Vornado and Newco, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign (i) all Newco Liabilities or obtain in writing the unconditional release of each member of the Vornado Group that is a party to any such arrangements, or the substitution of a member of the Newco Group if no member of the Newco Group is then a party thereto, so that, in any such case, the members of the Newco Group shall be solely responsible for such Newco Liabilities or (ii) all Vornado Liabilities or obtain in writing the unconditional release of each member of the Newco Group that is a party to any such arrangements, or the substitution of a member of the Vornado Group if no member of the Vornado Group is then a party thereto, so that, in any such case, the members of the Vornado Group shall be solely responsible for such Vornado Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement, the Master Agreement or any of the Ancillary Agreements, neither Vornado nor Newco shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested.

(b) If Vornado or Newco is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Vornado Group continues to be bound by such Newco Liability (or any agreement, lease, license or other obligation, in each case, pursuant to which any Newco Liability arises) (each, an "Unreleased Newco Liability"), Newco shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the Vornado Group, as the case may be, (i) pay, perform and discharge fully all of the obligations or other Liabilities of such member of the Vornado Group that constitute Unreleased Newco Liabilities from and after the Effective Time and (ii) use its commercially reasonable efforts to effect such payment, performance or discharge prior to the time any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Vornado Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Newco Liabilities shall otherwise become assignable or able to be novated, Vornado shall promptly assign, or cause to be assigned, and Newco or the applicable Newco Group member shall assume, such Unreleased Newco Liabilities without exchange of further consideration.

(c) If Newco or Vornado is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Newco Group continues to be bound by such Vornado Liability (or any agreement, lease, license or other obligation, in each case, pursuant to which any Vornado Liability arises) (each, an "Unreleased Vornado Liability"), Vornado shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the Newco Group, as the case may be, (i) pay, perform and discharge fully all of the obligations or other Liabilities of such member of the Newco Group that constitute Unreleased Vornado Liabilities from and after the Effective Time and (ii) use its commercially reasonable efforts to effect such payment, performance or discharge prior to the time any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Newco Group. If and when any such consent, substitution, approval, amendment or release shall be

obtained or the Unreleased Vornado Liabilities shall otherwise become assignable or able to be novated, Newco shall promptly assign, or cause to be assigned, and Vornado or the applicable Vornado Group member shall assume, such Unreleased Vornado Liabilities without exchange of further consideration.

2.6 Release of Guarantees. In furtherance of, and not in limitation of, the obligations set forth in Section 2.5:

(a) On or prior to the Distribution Date or as soon as practicable thereafter, Vornado shall, at the request of Newco and with the reasonable cooperation of Newco and the applicable member(s) of the Newco Group, use commercially reasonable efforts to have any member(s) of the Newco Group removed as guarantor of, indemnitor of or obligor for any Vornado Liability to the extent that they relate to Vornado Liabilities, including the removal of any Security Interest on or in any Newco Asset that may serve as collateral or security for any such Vornado Liability.

(b) To the extent required to obtain a release from a guarantee or indemnity of any member of the Newco Group, Vornado or one or more members of the Vornado Group shall execute a guarantee or indemnity agreement in the form of the existing guarantee or indemnity or such other form as is agreed to by the relevant parties to such guarantee or indemnity agreement, which agreement shall include the removal of any Security Interest on or in any Newco Asset that may serve as collateral or security for any such Vornado Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (i) with which Vornado would be reasonably unable to comply or (ii) which Vornado would not reasonably be able to avoid breaching.

(c) Until such time as Vornado or an applicable member of the Vornado Group has obtained, or has caused to be obtained, any removal or release as set forth in clauses (a) and (b) of this Section 2.6, (i) Vornado or the relevant member of the Vornado Group that has assumed the Liability related to such guarantee shall indemnify, defend and hold harmless the guarantor or obligor against or from any Liability arising from or relating thereto in accordance with the provisions of Article IV and shall, as agent or subcontractor for such guarantor, indemnitor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor, indemnitor or obligor thereunder; and (ii) Vornado, on behalf of itself and the other members of its Group, agrees not to renew or extend the term of, increase any obligations under, or transfer to a Third Party, any loan, guarantee, lease, contract or other obligation for which Newco or a member of its Group is or may be liable unless all obligations of Newco and the members of its Group with respect thereto are thereupon terminated by documentation satisfactory in form and substance to Newco.

(d) Until such time as Vornado has obtained, or has caused to be obtained, any removal or release as set forth in clauses (a) and (b) of this Section 2.6, Vornado shall coordinate with Newco with respect to contact with the beneficiary of such guarantee, afford Newco a reasonable opportunity to participate in discussions with such beneficiaries prior to engaging therein, and keep Newco reasonably informed of any discussions with such beneficiaries in which Newco does not participate.

2.7 Termination of Agreements.

(a) Except as set forth in Section 2.7(b), in furtherance of the releases and other provisions of Section 4.1, Newco and each member of the Newco Group, on the one hand, and Vornado and each member of the Vornado Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among Newco and/or any member of the Newco Group, on the one hand, and Vornado and/or any member of the Vornado Group, on the other hand, effective or outstanding as of the Effective Time. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.7(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof):(4) (i) this Agreement, the Master Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement, the Master Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups or to be continued from and after the Effective Time); (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.7(b)(ii); (iii) any agreements, arrangements, commitments or understandings to which any Third Party is a party; (iv) any intercompany accounts payable or accounts receivable accrued as of the Effective Time that are reflected in the books and records of the parties or otherwise documented in writing in accordance with past practices, which shall be settled in the manner contemplated by Section 2.7(c); (v) any agreements, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of Vornado or Newco, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); and (vi) any Shared Contracts.

(c) All of the intercompany accounts receivable and accounts payable between any member of the Vornado Group, on the one hand, and any member of the Newco Group, on the other hand, outstanding as of the Effective Time shall, as promptly as is practicable after the Effective Time, be repaid, settled or otherwise eliminated by the member owing such amount, by means of cash payments, a dividend, capital contribution or a combination of the foregoing.

2.8 Treatment of Shared Contracts.

(a) Subject to applicable Law and without limiting the generality of the obligations set forth in Section 2.1, unless the parties otherwise agree or the benefits of any contract, agreement, arrangement, commitment or understanding described in this Section 2.8 are expressly conveyed to the applicable party pursuant to this Agreement or an Ancillary Agreement, any contract or agreement entered into by a member of the Vornado Group with a

(4) NTD: Schedule 2.7(b)(ii) to contain a list of which agreements will remain in place.

Third Party that is not a Newco Contract, but pursuant to which the DC Business, as of the Effective Time, has been provided certain revenues or other benefits in respect of the Newco Properties (any such contract or agreement, a "Shared Contract") shall not be assigned in relevant part to the applicable member(s) of the Newco Group or amended to give the relevant member(s) of the Newco Group any entitlement to such rights and benefits thereunder; provided, however, that the Parties shall, and shall cause each of the members of their respective Groups to, take such other reasonable and permissible actions to cause (i) the relevant member of the Newco Group to receive the rights and benefits previously provided in the ordinary course of business, consistent with past practice, to the DC Business pursuant to such Shared Contract and (ii) the relevant member of the Newco Group to bear the burden of the corresponding Liabilities under such Shared Contract. [Notwithstanding the foregoing, no member of the Vornado Group shall be required by this Section 2.8 to maintain in effect any Shared Contract, and no member of the Newco Group shall have any approval or other rights with respect to any amendment, termination or other modification of any Shared Contract; provided, however, that for any Shared Contract that the Newco Group in consultation with JBG Properties identifies as material to the operation of the DC Business, the Parties shall cause the members of their respective Groups to use their respective commercially reasonable efforts to work together (and, if necessary and desirable, to work with the Third Party to any Shared Contract) in an effort to divide, partially assign, modify and/or replicate (in whole or in part) the respective rights and obligations under and in respect of any such identified Shared Contract such that (i) a member of the Newco Group is the beneficiary of the rights and is responsible for the obligations related to that portion of such Shared Contract relating to the DC Business (the "Newco Portion"), which rights shall be a Newco Asset and which obligations shall be a Newco Liability and (ii) a member of the Vornado Group is the beneficiary of the rights and is responsible for the obligations related to such Shared Contract relating to the Vornado Business (the "Vornado Portion"), which rights shall be a Vornado Asset and which obligations shall be a Vornado Liability. If the Parties, or a member of their respective Groups, as applicable, do not or are not able to enter into an arrangement to formally divide, partially assign, modify and/or replicate such Shared Contract as contemplated by the previous sentence, then the Parties shall, and shall cause the members of their Groups to, cooperate in any lawful arrangement to provide that a member of the Newco Group shall receive the interest in the benefits and obligations of the Newco Portion under such Shared Contract and that a member of the Vornado Group shall receive the interest in the benefits and obligations of the Vornado Portion under such Shared Contract. The obligations set forth in this Section 2.8(a) shall terminate on the date that is twelve (12) months after the Effective Time.](5)

(b) Each of Vornado and Newco shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to its respective businesses as Assets owned by, and/or Liabilities of, as applicable, such Party, or the members of its Group, as applicable, not later than the Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by applicable Law).

(5) NTD: JBG will review the list of Shared Contracts, when available, to ascertain whether any are material for purposes of this provision.

2.9 Bank Accounts; Cash Balances.

Except as otherwise provided in the Transition Services Agreement:

(a) Each Party agrees to take, or cause the members of its Group to take, at the Effective Time (or such earlier time as the Parties may agree), all actions necessary to amend all contracts or agreements governing each bank and brokerage account owned by Newco or any other member of the Newco Group (collectively, the "Newco Accounts") and all contracts or agreements governing each bank or brokerage account owned by Vornado or any other member of the Vornado Group (collectively, the "Vornado Accounts") so that each such Newco Account and Vornado Account, if currently Linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter "Linked") to any Vornado Account or Newco Account, respectively, is de-Linked from such Vornado Account or Newco Account, respectively.

(b) It is intended that, following consummation of the actions contemplated by Section 2.9(a), there will be in place a cash management process pursuant to which the Newco Accounts will be managed and funds collected will be transferred into one (1) or more accounts maintained by Newco or a member of the Newco Group.

(c) It is intended that, following consummation of the actions contemplated by Section 2.9(a), there will continue to be in place a cash management process pursuant to which the Vornado Accounts will be managed and funds collected will be transferred into one (1) or more accounts maintained by Vornado or a member of the Vornado Group.

(d) With respect to any outstanding checks issued or payments initiated by Vornado, Newco, or any of the members of their respective Groups prior to the Effective Time, such outstanding checks and payments shall be honored following the Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively, without limiting the ultimate allocation of Liability for such amounts under this Agreement, the Master Agreement or any of the Ancillary Agreements.

(e) As between Vornado and Newco (and the members of their respective Groups), except to the extent prohibited by applicable Law, all payments made and reimbursements received after the Effective Time by either Vornado or Newco (or any member of their respective Groups) that relate to a business, Asset or Liability of the other Party (or member of its Group), shall be held by such Party in trust for the use and benefit of the Party entitled thereto and, promptly following receipt by such Party of any such payment or reimbursement, such Party shall pay over, or shall cause the applicable member of its Group to pay over, to the other Party (or a member of such other Party's Group) the amount of such payment or reimbursement without right of set-off.

2.10 Ancillary Agreements. Effective on or prior to the Effective Time, each of Vornado and Newco will, or will cause the applicable members of their Groups to, execute and deliver all Ancillary Agreements to which it (or any member of its Group) is a party.

2.11 Disclaimer of Representations and Warranties. EACH OF VORNADO (ON BEHALF OF ITSELF AND EACH MEMBER OF THE VORNADO GROUP) AND

NEWCO (ON BEHALF OF ITSELF AND EACH MEMBER OF THE NEWCO GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE MASTER AGREEMENT, OR IN ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT CONTEMPLATED HEREBY OR THEREBY, NO PARTY TO THIS AGREEMENT, THE MASTER AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, THE MASTER AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS, APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SET-OFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN, IN THE MASTER AGREEMENT OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS, WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM OF DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

2.12 Cooperation. Notwithstanding any provision of this Agreement or the Master Agreement to the contrary, (a) Vornado shall keep JBG Properties reasonably informed and furnish JBG Properties with information relating to the determination of the Assets that are proposed to be transferred to, and Liabilities that are proposed to be assumed by, the Newco Group under this Agreement or any of the Ancillary Agreements on a reasonably current basis and (b) to the extent any of the Ancillary Agreements or exhibits or schedules hereto or thereto are to be completed following the date hereof, Vornado and Newco shall consult with JBG Properties in good faith regarding the terms and conditions to be included in such documents, give JBG Properties a reasonable opportunity to comment on any additions or modifications to such documents, take such comments into account in finalizing such documents and shall not finalize such documents without the prior written consent of JBG Properties (such consent not to be unreasonably withheld, conditioned or delayed).

2.13 Newco Assumption of Indebtedness.

(a) Prior to and/or immediately after the Effective Time, pursuant to the Plan of Reorganization, but subject to the terms of the Master Agreement, Newco and/or other member(s) of the Newco Group shall continue to be borrowers under and, to the extent the

borrowers thereunder are any members of the Vornado Group, shall assume all existing indebtedness which relates exclusively to one or more Newco Properties, as set forth in further detail on Schedule 2.13, as such Schedule may be modified by the parties hereto (with the prior written consent of JBG Properties) to reflect changes in accordance with the terms of the Master Agreement (the "Newco Financing Arrangements"). Consistent with the terms set forth in the Master Agreement, Vornado and Newco agree to use commercially reasonable efforts to cause the full release and discharge of Vornado and the other members of the Vornado Group from all obligations pursuant to the Newco Financing Arrangements as of no later than the Effective Time. The parties hereto agree that, subject to the terms of the Master Agreement, Newco or another member of the Newco Group, as the case may be, and not Vornado or any member of the Vornado Group, are and shall be responsible for all costs and expenses incurred in connection with the Newco Financing Arrangements.

(b) Prior to the Effective Time, Vornado and Newco shall cooperate in the preparation of all materials as may be necessary or advisable to execute the Newco Financing Arrangements in accordance herewith.

2.14 Partnership Agreement. Newco shall, in its capacity as the general partner of and a limited partner in Newco OP, and on behalf of and as attorney in fact for the other limited partners, enter into the limited partnership agreement of Newco OP, effective as of the Effective Time, in the form attached as Exhibit F to the Master Agreement;

2.15 Financial Information Certifications. Vornado's disclosure controls and procedures and internal control over financial reporting (as each is contemplated by the Exchange Act) are currently applicable to the Newco Group insofar as the members of the Newco Group are Subsidiaries of Vornado. In order to enable the principal executive officer and principal financial officer of Newco to make the certifications required of them under Section 302 of the Sarbanes-Oxley Act of 2002, Vornado, as soon as reasonably practicable following the Distribution Date and in any event prior to such time as Newco is required to file its first quarterly report on Form 10-Q (or annual report on Form 10-K, if earlier), shall provide Newco with one or more certifications with respect to such disclosure controls and procedures, its internal control over financial reporting and the effectiveness thereof. Such certification(s) shall be provided by Vornado (and not by any officer or employee in their individual capacity). Subject to the provisions of the Transition Services Agreement, with respect to any periods following the Distribution Date, the Parties shall cooperate and discuss in good faith any certifications or other supporting documentation required by Newco.

2.16 Vornado OP Distribution of OP Units. Prior to the Vornado Distribution, in accordance with the Plan of Reorganization, Vornado OP shall cause the following to occur:

(a) Vornado acting in its capacity as the general partner of Vornado OP shall cause Vornado OP to, and Vornado OP shall, declare and effectuate the Vornado OP Distribution of OP Units;

(b) Vornado shall thereafter effectuate the Vornado Contribution of OP Units; and

(c) Newco, acting in its capacity as the general partner of Newco OP, shall consent to, and use commercially reasonable efforts to cause, each of the holders of Vornado OP Units who receive Newco OP Interests in the Vornado OP Distribution of OP Units to be admitted as partners in Newco OP, effective as of immediately following the Vornado Contribution of OP Units.

2.17 Certain Resignations. At or prior to the Distribution Date, Vornado shall cause each director or employee of Vornado and its Subsidiaries who will not be employed by Newco or a Newco Subsidiary after the Distribution Date to resign, effective upon the consummation of the Pre-Combination Transactions, from all boards of directors or similar governing bodies of Newco or any Newco Subsidiary, and from all positions as officers of Newco or any Newco Subsidiary in which they serve.

2.18 Plan of Reorganization. For the avoidance of doubt, the Parties shall modify the Pre-Combination Transactions only in accordance with the principles set forth in Section 5.8(a) of the Master Agreement, and, to the extent necessary, such modifications shall be reflected in the Plan of Reorganization consistent with Section 5.8(a) of the Master Agreement.

ARTICLE III
THE DISTRIBUTION

3.1 Sole and Absolute Discretion; Cooperation.

(a) Subject to compliance with the terms of the Master Agreement, Vornado shall, in its sole and absolute discretion, determine the terms of the Distribution, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing and conditions to the consummation of the Distribution. In addition, subject to compliance with the terms of the Master Agreement, Vornado may, at any time and from time to time until the consummation of the Distribution, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. Nothing shall in any way limit Vornado's right to terminate this Agreement or the Distribution as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX.

(b) Newco shall cooperate with Vornado to accomplish the Distribution and shall, at Vornado's direction, promptly take any and all actions necessary or desirable to effect the Distribution, including in respect of the registration under the Exchange Act of Newco Shares on the Form 10. Vornado shall select any investment bank or manager in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors for Vornado. Newco and Vornado, as the case may be, will provide to the Agent any information required in order to complete the Distribution.

3.2 Actions Prior to the Distribution. Prior to the Effective Time and subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

(a) *Notice to NYSE.* Vornado shall, to the extent possible, give the NYSE not less than ten (10) days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(b) *Newco Declaration of Trust and Newco Bylaws.* On or prior to the Distribution Date, Vornado and Newco shall take or cause to be taken all necessary actions so that, as of the Effective Time, the Newco Declaration of Trust and the Newco Bylaws shall become the declaration of trust and bylaws of Newco, respectively.

(c) *Newco Trustees and Officers.* On or prior to the Distribution Date, Vornado and Newco shall take or cause to be taken all necessary actions so that as of the Effective Time the trustees and executive officers of Newco shall be those set forth in, or determined in accordance with, the Master Agreement, unless otherwise agreed by the Parties and JBG Properties.

(d) *NYSE Listing.* Newco shall prepare and file, and shall use its reasonable best efforts to have approved, an application for the listing of the Newco Shares to be distributed in the Distribution on the NYSE, subject to official notice of distribution.

(e) *Securities Law Matters.* Newco shall file any amendments or supplements to the Form 10 as may be necessary or advisable in order to cause the Form 10 to become and remain effective as required by the SEC or federal, state or other applicable securities Laws. Vornado and Newco shall cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement, the Master Agreement and the Ancillary Agreements. Vornado and Newco will prepare, and Newco will, to the extent required under applicable Law, file with the SEC any such documentation and any requisite no-action letters which Vornado determines are necessary or desirable to effectuate the Distribution, and Vornado and Newco shall each use its reasonable best efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable. Vornado and Newco shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the United States and shall use commercially reasonable efforts to comply with all applicable foreign securities Laws in connection with the transactions contemplated by this Agreement, the Master Agreement and the other Ancillary Agreements.

(f) *Mailing of Information Statement.* Vornado shall, as soon as is reasonably practicable after the Form 10 is declared effective under the Exchange Act and the Vornado Board has approved the Distribution, cause the Information Statement to be mailed to the Record Holders.

(g) *The Distribution Agent.* Vornado shall enter into a distribution agent agreement with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

(h) *Share-Based Employee Benefit Plans*. Vornado and Newco shall take all actions as may be necessary to approve the grants of adjusted equity awards by Vornado (in

respect of Vornado shares) and Newco (in respect of Newco Shares) in connection with the Distribution in order to satisfy the requirements of Rule 16b-3 under the Exchange Act.

3.3 Conditions to the Distribution.

(a) The obligation of Vornado to consummate the Distribution will be subject to the satisfaction or waiver (subject to Section 10.15) at or prior to the Distribution Date of the following conditions (provided, however, that unless the Master Agreement shall have been terminated in accordance with its terms, any such waiver shall be subject to the written consent of JBG Properties):

(i) the reorganization shall have been completed substantially in accordance with the Plan of Reorganization (other than those steps that are expressly contemplated to occur at or after the Distribution);

(ii) each of the Transfer Documents shall have been duly executed and delivered by the applicable parties thereto; and

(iii) the satisfaction or waiver of each of the conditions set forth in Article VII of the Master Agreement, including (i) the satisfaction, or waiver by Vornado and JBG Properties, of the conditions set forth in Section 7.1 of the Master Agreement; (ii) the satisfaction, or waiver by Vornado of the conditions set forth in Section 7.2 of the Master Agreement; and (iii) the satisfaction, or waiver by JBG Properties, of the conditions set forth in Section 7.3 of the Master Agreement, in each case other than those conditions that, by their nature, are to be satisfied contemporaneously with the Distribution or at the Closing (as defined in the Master Agreement).

(b) The foregoing conditions are for the sole benefit of Vornado and shall not give rise to or create any duty on the part of Vornado or the Vornado Board to waive or not waive any such condition or in any way limit Vornado's right to terminate this Agreement as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX, provided that the foregoing shall not limit the right of the parties hereto under the Master Agreement. Any determination made by the Vornado Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 3.3(a) shall be conclusive and binding on the parties hereto. If Vornado waives any material condition, it shall promptly issue a press release disclosing such fact and file a Current Report on Form 8-K with the SEC describing such waiver.

3.4 The Vornado Distribution.

(a) Subject to Section 3.3, on or prior to the Distribution Date, Newco will deliver to the Agent, for the benefit of the holders of record of Vornado Shares as of the Record Date, book-entry transfer authorizations for such number of the outstanding Newco Shares as is necessary to effect the Vornado Distribution, and shall cause the transfer agent for the Vornado Shares to instruct the Agent to distribute at the Effective Time the appropriate number of Newco Shares to each such Record Holder or designated transferee or transferees of such Record Holder by way of direct registration in book-entry form. Newco will not issue paper share certificates in respect of the Newco Shares. The Vornado Distribution shall be effective at the Effective Time.

(b) Subject to Section 3.3, each Record Holder will be entitled to receive in the Vornado Distribution one Newco Share for every Vornado Share (or, as determined by Vornado in its sole discretion, one Newco Share for every two Vornado Shares), held in each case by such Record Holder on the Record Date, rounded down to the nearest whole number.

(c) No fractional shares will be distributed or credited to book-entry accounts in connection with the Vornado Distribution, and any such fractional share interests to which a Record Holder would otherwise be entitled shall not entitle such Record Holder to vote or to any other rights as a shareholder of Newco. In lieu of any such fractional shares, each Record Holder who, but for the provisions of this Section 3.4(c), would be entitled to receive a fractional share interest of a Newco Share pursuant to the Vornado Distribution, as applicable, shall be paid cash, without any interest thereon, as hereinafter provided. As soon as practicable after the Effective Time, Vornado shall direct the Agent to determine the number of whole and fractional Newco Shares allocable to each Record Holder, to aggregate all such fractional shares into whole shares, and to sell the whole shares obtained thereby in the open market at the then-prevailing prices on behalf of each Record Holder who otherwise would be entitled to receive fractional share interests (with the Agent, in its sole and absolute discretion, determining when, how and through which broker-dealer and at what price to make such sales), and to cause to be distributed to each such Record Holder, in lieu of any fractional share, such Record Holder's or owner's ratable share of the total proceeds of such sale, after deducting any Taxes required to be withheld and applicable transfer Taxes, and after deducting the costs and expenses of such sale and distribution, including brokers fees and commissions. None of Vornado, Vornado OP, Newco or the Agent will be required to guarantee any minimum sale price for the fractional Newco Shares sold in accordance with this Section 3.4(c). None of Vornado, Vornado OP or Newco will be required to pay any interest on the proceeds from the sale of fractional shares. Neither the Agent nor the broker-dealers through which the aggregated fractional shares are sold shall be Affiliates of Vornado or Newco. Solely for purposes of computing fractional share interests pursuant to this Section 3.4(c) and Section 3.4(d), the beneficial owner of Vornado Shares or Vornado OP Units, as the case may be, held of record in the name of a nominee in any nominee account shall be treated as the Record Holder with respect to such shares or units.

(d) Any Newco Shares or cash in lieu of fractional shares with respect to Newco Shares that remain unclaimed by any Record Holder one hundred and eighty (180) days after the Distribution Date shall be delivered to Newco, and Newco shall hold such Newco Shares for the account of such Record Holder, and the parties hereto agree that all obligations to provide such Newco Shares and cash, if any, in lieu of fractional share interests shall be obligations of Newco, subject in each case to applicable escheat or other abandoned property Laws, and Vornado shall have no Liability with respect thereto.

(e) Until the Newco Shares are duly transferred in accordance with this Section 3.4 and applicable Law, from and after the Effective Time, Newco will regard the Persons entitled to receive such Newco Shares as record holders of Newco Shares in accordance with the terms of the Distribution without requiring any action on the part of such Persons. Newco agrees that, subject to any transfers of such shares, from and after the Effective Time (i) each such holder will be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the Newco Shares then held by such

holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive evidence of ownership of the Newco Shares then held by such holder.

ARTICLE IV
MUTUAL RELEASES; INDEMNIFICATION

4.1 Release of Pre-Distribution Claims.

(a) *Newco Release of Vornado.* Except (i) as provided in Sections 4.1(c) and 4.1(d), (ii) as may be otherwise expressly provided in this Agreement or any other Ancillary Agreement, and (iii) for any matter for which any member of the Newco Group is entitled to indemnification or contribution pursuant to this Article IV, effective as of the Effective Time, Newco does hereby, for itself and each other member of the Newco Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been shareholders, directors, trustees, officers, agents or employees of any member of the Newco Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Vornado and the members of the Vornado Group, and their respective successors and assigns, (ii) all Persons who at any time prior to the Effective Time have been shareholders, directors, trustees, officers, agents or employees of any member of the Vornado Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Effective Time are or have been shareholders, directors, trustees, officers, agents or employees of a Transferred Entity and who are not, as of immediately following the Effective Time, directors, trustees, officers or employees of Newco or a member of the Newco Group, in each case from: (A) all Newco Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation, the Distribution and the Business Combination, and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Newco Business, the Newco Assets or the Newco Liabilities.

(b) *Vornado Release of Newco.* Except (i) as provided in Sections 4.1(c) and 4.1(d), (ii) as may be otherwise expressly provided in this Agreement or any other Ancillary Agreement and (iii) for any matter for which any member of the Vornado Group is entitled to indemnification or contribution pursuant to this Article IV, effective as of the Effective Time, Vornado does hereby, for itself and each other member of the Vornado Group and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been shareholders, directors, trustees, officers, agents or employees of any member of the Vornado Group (in each case, in their respective capacities as such), remise, release and forever discharge Newco and the members of the Newco Group and their respective successors and assigns, from (A) all Vornado Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation, the Distribution and the Business Combination, and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being

contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Vornado Business, the Vornado Assets or the Vornado Liabilities.

(c) *Obligations Not Affected.* Nothing contained in Section 4.1(a) or 4.1(b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement, the Master Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, in each case in accordance with its terms. Nothing contained in Section 4.1(a) or 4.1(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Vornado Group or the Newco Group that is specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, or any other Liability specified in Section 2.7(b) as not to terminate as of the Effective Time;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Effective Time;

(iv) any Liability that the parties may have with respect to indemnification or contribution or other obligation pursuant to this Agreement, the Master Agreement, any Ancillary Agreement or otherwise for claims brought against the parties by Third Parties, which Liability shall be governed by the provisions of this Article IV and Article V and, if applicable, the appropriate provisions of the Master Agreement or the Ancillary Agreements; or

(v) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.1.

In addition, nothing contained in Section 4.1(a) shall release any member of the Vornado Group from honoring its existing obligations to indemnify any director, trustee, officer or employee of Newco who was a director, trustee, officer or employee of any member of the

Vornado Group on or prior to the Effective Time, to the extent such director, trustee, officer or employee becomes a named defendant in any Action with respect to which such director, trustee, officer or employee was entitled to such indemnification pursuant to such existing obligations; it being understood that, if the underlying obligation giving rise to such Action is a Newco Liability, Newco shall indemnify Vornado for such Liability (including Vornado's costs to indemnify the director, trustee, officer or employee) in accordance with the provisions set forth in this Article IV.

(d) *No Claims.* Newco shall not make, and shall not permit any member of the Newco Group to make, any claim or demand, or commence any Action asserting any claim or

demand, including any claim of contribution or any indemnification, against Vornado or any other member of the Vornado Group, or any other Person released pursuant to Section 4.1(a), with respect to any Liabilities released pursuant to Section 4.1(a). Vornado shall not make, and shall not permit any other member of the Vornado Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against Newco or any other member of the Newco Group, or any other Person released pursuant to Section 4.1(b), with respect to any Liabilities released pursuant to Section 4.1(b).

(e) *Execution of Further Releases.* At any time at or after the Effective Time, at the request of either Newco or Vornado, the other Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Section 4.1.

4.2 Indemnification by Newco. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, Newco OP shall, and shall cause its Subsidiaries to, indemnify, defend and hold harmless Vornado, Vornado OP, each other member of the Vornado Group and each of their respective past, present and future directors, trustees, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Vornado Indemnitees"), from and against any and all Liabilities of the Vornado Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Newco Liability;

(b) any failure of Newco, any other member of the Newco Group or any other Person to pay, perform or otherwise promptly discharge any Newco Liabilities in accordance with their terms, whether prior to, on or after the Effective Time;

(c) any breach by Newco or any other member of the Newco Group of this Agreement or any of the Ancillary Agreements; and

(d) except to the extent it relates to a Vornado Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the Newco Group by any member of the Vornado Group that is required to be novated pursuant to Section 2.5 of this Agreement and that survives following the Distribution (other than as a result of a breach thereof by any member of the Vornado Group after the Effective Time).

In order to induce Vornado and Vornado OP to enter into this Agreement and for other good and valuable consideration, Newco hereby irrevocably guarantees the due and punctual performance and observance by Newco OP of its obligations contained in this Section 4.2, subject, in each case, to all of the terms, provisions and conditions herein, and Vornado, Vornado OP and the other Vornado Indemnitees shall not be required to seek recovery pursuant to any set-off of any amounts payable under this Agreement or otherwise prior to seeking recovery from Newco; provided that Newco shall in no event be liable for any percentage of indemnification obligations that exceeds its then current ownership percentage in Newco OP.

4.3 Indemnification by Vornado. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, Vornado OP shall, and shall cause its Subsidiaries to, indemnify, defend and hold harmless Newco, Newco OP, each other member of the Newco Group and each of their respective past, present and future directors, trustees, officers, employees or agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Newco Indemnitees"), from and against any and all Liabilities of the Newco Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Vornado Liability;

(b) any failure of Vornado, any other member of the Vornado Group or any other Person to pay, perform or otherwise promptly discharge any Vornado Liabilities in accordance with their terms, whether prior to, on or after the Effective Time;

(c) any breach by Vornado or any other member of the Vornado Group of this Agreement or any of the Ancillary Agreements; and

(d) except to the extent it relates to a Newco Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the Vornado Group by any member of the Newco Group that is required to be novated pursuant to Section 2.5 of this Agreement and that survives following the Distribution (other than as a result of a breach thereof by any member of the Newco Group after the Effective Time).

In order to induce Newco and Newco OP to enter into this Agreement and for other good and valuable consideration, Vornado hereby irrevocably guarantees the due and punctual performance and observance by Vornado OP of its obligations contained in this Section 4.3, subject, in each case, to all of the terms, provisions and conditions herein, and Newco, Newco OP and the other Newco Indemnitees shall not be required to seek recovery pursuant to any set-off of any amounts payable under this Agreement or otherwise prior to seeking recovery from Vornado; provided that Vornado shall in no event be liable for any percentage of indemnification obligations that exceeds its then current ownership percentage in Vornado OP.

4.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) The Parties intend that any Liability subject to indemnification, contribution or reimbursement pursuant to this Article IV or Article V will be net of Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of any indemnifiable Liability. Accordingly, the amount which either Newco or Vornado (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or contribution hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of the related Liability. If

an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds or any other amounts in respect of the related Liability, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof) had been received, realized or recovered before the Indemnity Payment was made.

(b) The Parties agree that an insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement have any subrogation rights with respect thereto, it being understood that no insurer or any other Third Party shall be entitled to a "windfall" (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification and contribution provisions hereof. Each Party shall, and shall cause the members of its Group to, use commercially reasonable efforts (taking into account the probability of success on the merits and the cost of expending such efforts, including attorneys' fees and expenses) to collect or recover any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification or contribution may be available under this Article IV; provided that the Indemnitee's ability or inability to collect or recover any such Insurance Proceeds shall not limit the Indemnifying Party's obligations under this Agreement. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Action to collect or recover Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or contribution or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

(c) Any indemnification payment under this Article IV shall be adjusted in accordance with Section 4.4 of the Tax Matters Agreement.

4.5 Procedures for Indemnification of Third-Party Claims.

(a) *Notice of Claims.* If, at or following the date of this Agreement, an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the Vornado Group or the Newco Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third-Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2 or 4.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof as promptly as is reasonably practicable, but in any event within twenty (20) days (or sooner if the nature of the Third-Party Claim so requires) after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail, including the facts and circumstances giving rise to such claim for indemnification, and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 4.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the

Indemnifying Party is actually prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 4.5(a).

(b) *Control of Defense.* An Indemnifying Party may elect to defend (and seek to settle or compromise), at its own expense and with its own counsel, any Third-Party Claim provided that, prior to the Indemnifying Party assuming and controlling defense of such Third-Party Claim, it shall first confirm to the Indemnitee in writing that, assuming the facts presented to the Indemnifying Party by the Indemnitee being true, the Indemnifying Party shall indemnify the Indemnitee for any damages to the extent resulting from, or arising out of, such Third-Party Claim; provided, however, that if the Indemnifying Party (i) becomes aware that the facts presented at the time the Indemnifying Party delivered such acknowledgement are not true and/or (ii) becomes aware of new or additional facts that provide a reasonable basis for asserting that the Indemnifying Party does not have an indemnification obligation in respect of such Third-Party Claim, then the Indemnifying Party may withdraw such acknowledgment. Within thirty (30) days after the receipt of a notice from an Indemnitee in accordance with Section 4.5(a) (or sooner, if the nature of the Third-Party Claim so requires), the Indemnifying Party shall provide written notice to the Indemnitee indicating whether the Indemnifying Party shall assume responsibility for defending the Third-Party Claim. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of the notice from an Indemnitee as provided in Section 4.5(a), then the Indemnitee that is the subject of such Third-Party Claim shall be entitled to continue to conduct and control the defense of such Third-Party Claim.

(c) *Allocation of Defense Costs.* If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred by the Indemnifying Party during the course of the defense of such Third-Party Claim by such Indemnifying Party, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a notice from an Indemnitee as provided in Section 4.5(a), and the Indemnitee conducts and controls the defense of such Third-Party Claim and the Indemnifying Party has an indemnification obligation with respect to such Third-Party Claim, then the Indemnifying Party shall be liable for all reasonable fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim.

(d) *Right to Monitor and Participate.* An Indemnitee that does not conduct and control the defense of any Third-Party Claim, or an Indemnifying Party that has failed to elect to defend any Third-Party Claim as contemplated hereby, nevertheless shall have the right to employ separate counsel (including local counsel as necessary) of its own choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 4.5(c) shall not apply to such fees and expenses. Notwithstanding the foregoing, but subject to Sections 6.7 and 6.8, such Party shall cooperate with the Party entitled to conduct and

control the defense of such Third-Party Claim in such defense and make available to the controlling Party, at the non-controlling Party's expense, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party. In addition to the foregoing, if any Indemnitee shall in good faith determine that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ separate counsel (including local counsel as necessary) and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of such counsel for all Indemnitees.

(e) *No Settlement.* Neither Party may settle or compromise any Third-Party Claim for which either Party (or a member of its Group) is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, unless such settlement or compromise is solely for monetary damages, does not involve any finding or determination of wrongdoing or violation of Law by the other Party (or any member of its Group that are parties thereto) and provides for a full, unconditional and irrevocable release of the other Party (and all members of its Group that are parties thereto) from all Liability in connection with the Third-Party Claim. The Parties hereby agree that if a Party presents the other Party with a written notice containing a proposal to settle or compromise a Third-Party Claim for which either Party or a member of its Group is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within thirty (30) days (or within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

4.6 Additional Matters.

(a) *Timing of Payments.* Indemnification or contribution payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification or contribution under this Article IV shall be paid reasonably promptly (but in any event within thirty (30) days of the final determination of the amount that the Indemnitee is entitled to as indemnification or contribution under this Article IV) by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such

Liabilities. The indemnity and contribution provisions contained in this Article IV shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee, and (ii) the knowledge by the Indemnitee of Liabilities for which it might be entitled to indemnification hereunder.

(b) *Notice of Direct Claims.* Any claim for indemnification or contribution under this Agreement or any Ancillary Agreement that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the applicable Indemnifying Party as promptly as is reasonably practicable, but in any event within twenty (20) days (or sooner if the nature of the claim so requires) after becoming aware of such claim; provided that the failure

by an Indemnitee to so assert any such claim shall not relieve the Indemnifying Party of its obligations hereunder except to the extent (if any) that the Indemnifying Party is prejudiced thereby. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, the Indemnifying Party shall be deemed to have refused to accept responsibility for such claim. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnitee shall, subject to the provisions of Article VII, be free to pursue such remedies as may be available to such Party as contemplated by this Agreement and the Ancillary Agreements, as applicable, without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) *Pursuit of Claims Against Third Parties.* If (i) a Party or any member of its Group incurs any Liability arising out of this Agreement, the Master Agreement or any Ancillary Agreement; (ii) an adequate legal or equitable remedy is not available for any reason against the other Party or any member of its Group to satisfy the Liability incurred by the incurring Party or any member of its Group; and (iii) a legal or equitable remedy may be available to the other Party or any member of its Group against a Third Party for such Liability, then the other Party or any member of its Group shall use its commercially reasonable efforts to cooperate with the incurring Party or member of its Group, at the incurring Party's expense, to permit the incurring Party or member of its Group to obtain the benefits of such legal or equitable remedy against the Third Party.

(d) *Subrogation.* In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(e) *Substitution.* In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in Section 4.5 and this Section 4.6, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement and the cost of any interest or penalties relating to any judgment or settlement.

4.7 Right of Contribution.

(a) *Contribution.* If any right of indemnification contained in Section 4.2 or Section 4.3 is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts paid or

payable by the Indemnitees as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the members of its Group, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault.* Solely for purposes of determining relative fault pursuant to this Section 4.7: (i) any fault associated with the business conducted with the Delayed Newco Assets or Delayed Newco Liabilities (except for the gross negligence or willful misconduct of a member of the Vornado Group) or with the ownership, operation or activities of the DC Business prior to the Effective Time shall be deemed to be the fault of Newco and the other members of the Newco Group, and no such fault shall be deemed to be the fault of Vornado or any other member of the Vornado Group; and (ii) any fault associated with the ownership, operation or activities of the Vornado Business prior to the Effective Time shall be deemed to be the fault of Vornado and the other members of the Vornado Group, and no such fault shall be deemed to be the fault of Newco or any other member of the Newco Group.

4.8 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any Newco Liabilities by Newco or a member of the Newco Group on the terms and conditions set forth in this Agreement and the Transfer Documents is void or unenforceable for any reason; (b) the retention of any Vornado Liabilities by Vornado or a member of the Vornado Group on the terms and conditions set forth in this Agreement and the Transfer Documents is void or unenforceable for any reason; or (c) the provisions of this Article IV are void or unenforceable for any reason.

4.9 Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

4.10 Survival of Indemnities. The rights and obligations of each of Vornado and Newco and their respective Indemnitees under this Article IV shall survive (a) the sale or other transfer by either Party or any member of its Group of any Assets or businesses or the assignment by it of any Liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of its Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of the members of its Group.

4.11 Certain Tax Procedures.

(a) *Indemnification Payments to Newco.*

(i) With respect to any period in which Newco has made or will make an election to be taxed as a REIT, notwithstanding any other provisions in this Agreement or any Ancillary Agreement, any indemnification payments to be made to any member of the Newco Group pursuant to Section 4.3 or 4.4 or any indemnification payments to be made to any member of the Newco Group pursuant to any Ancillary

Agreement (a "Newco Indemnity Payment") for any calendar year shall not exceed the sum of

(A) the amount that is determined (x) will not be gross income of Newco or (y) will be Qualifying Income of Newco, in each case for purposes of the Specified REIT Requirements and for any period in which Newco has made any election to be taxed as a REIT, with such determination to be set forth in REIT Guidance,

plus

(B) such additional amount that is estimated can be paid to Newco in such taxable year without causing Newco to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code, determined (x) as if the payment of such amount did not constitute Qualifying Income and (y) by taking into account any other payments to Newco (and any other relevant member of the Newco Group) during such taxable year that do not constitute Qualifying Income, which determination shall be (xx) made by independent tax accountants to Newco, and (yy) submitted to and approved by Newco's outside tax counsel.

Newco shall use commercially reasonable efforts to provide Vornado with a REIT Savings Notice at least fifteen (15) business days before the date on which such Newco Indemnity Payment is due, but any failure to deliver such REIT Savings Notice, whether or not timely, shall not be deemed a waiver of, or otherwise vitiate, this Section 4.11(a)(i).

(ii) Vornado shall place (or cause to be placed) the full amount of any Newco Indemnity Payments otherwise required to be made in a mutually agreed escrow account upon mutually acceptable terms, which shall provide that

(A) the amount in the escrow account shall be treated as the property of Vornado or the applicable member of the Vornado Group, unless it is released from such escrow account to any Indemnitee,

(B) all income earned upon the amount in the escrow account shall be treated as the property of Vornado or the applicable member of the Vornado Group and reported, as and to the extent required by applicable Law, by the escrow agent to the IRS, or any other

taxing authority, on IRS Form 1099 or 1042S (or other appropriate form) as income earned by Vornado or the applicable member of the Vornado Group whether or not said income has been distributed during such taxable year,

(C) the amount in the escrow account shall be invested only as determined by Vornado in its sole discretion provided that such investments shall be limited to (i) AAA-rated money market funds that comply with Rule 2a-7 of the Investment Company Act of 1940, (ii) interest-bearing securities of, or guaranteed as to all principal and interest by, the United States Government with maturities of 90 days or less, or (iii) bank deposit accounts of commercial banks with Tier 1 capital exceeding $1 billion or with an average rating above investment grade by S&P (LT Local Issuer Credit Rating), Moody's (Long Term Rating) and Fitch Ratings, Inc. (LT Issuer Default Rating) (each as reported by Bloomberg Finance L.P.), and

(D) any portion thereof shall not be released to any Newco Indemnitee unless and until Vornado receives any of the following: (x) a letter from Newco's independent tax accountants indicating the amount that it is estimated can be paid at that time to the Newco Indemnitees without causing Newco to fail to meet the Specified REIT Requirements for the taxable year in which the payment would be made, which determination shall be made by such independent tax accountants or (y) an opinion of outside tax counsel selected by Newco, such opinion to be reasonably satisfactory to Newco, to the effect that, based upon a change in applicable Law after the date on which payment was first deferred hereunder, receipt of the additional amount of Newco Indemnity Payments otherwise required to be paid either would be excluded from gross income of Newco for purposes of the Specified REIT Requirements or would constitute Qualifying Income, in either of which events amounts shall be released from the escrow account to the applicable Newco Indemnitees in an amount equal to the lesser of the unpaid Newco Indemnity Payments due and owing (determined without regard to this Section

4.11(a)) or the maximum amount stated in the letter referred to in clause (D)(x) above.

(iii) Any amount held in escrow pursuant to Section 4.11(a)(ii) for ten (10) years shall be released from such escrow to be used as determined by Vornado in its sole and absolute discretion.

(iv) Newco shall bear all costs and expenses with respect to the escrow.

(v) Vornado shall cooperate in good faith with Newco (including amending this Section 4.11(a) at the reasonable request of Newco) in order to (1) maximize the portion of the payments that may be made to the Newco Indemnitees hereunder without causing Newco to fail to meet the Specified REIT Requirements, (2) improve Newco's chances of securing a favorable ruling from the IRS if Newco should seek to obtain such a ruling as to the matters described in Section 4.11(a)(i)(A), or (3) assist Newco in obtaining a favorable opinion from its outside tax counsel or determination from its tax accountants as described in this Section 4.11(a). Such cooperation shall include, for example, agreeing, at the request of Newco, to make payments hereunder to a taxable REIT subsidiary of Newco or an Affiliate or designee of Newco. Newco shall reimburse Vornado for all reasonable costs and expenses of such cooperation.

(b) *Indemnification Payments to Vornado.*

(i) With respect to any period in which Vornado has made or will make an election to be taxed as a REIT, notwithstanding any other provisions in this Agreement or any Ancillary Agreement, any indemnification payments to be made to any member of the Vornado Group pursuant to Section 4.2 or 4.4 or any indemnification payments to be made to any member of the Vornado Group pursuant to any Ancillary Agreement (a "Vornado Indemnity Payment") for any calendar year shall not exceed the sum of

(A) the amount that is determined (x) will not be gross income of Vornado or (y) will be Qualifying Income of Vornado, in each case for purposes of the Specified REIT Requirements and for any period in which Vornado has made any election to be taxed as a REIT, with such determination to be set forth in REIT Guidance,

plus

(B) such additional amount that is estimated can be paid to Vornado in such taxable year without causing Vornado to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code, determined (x) as if the payment of such amount did not constitute Qualifying Income and (y) by taking into account

any other payments to Vornado (and any other relevant member of the Vornado Group) during such taxable year that do not constitute Qualifying Income, which determination shall be (xx) made by independent tax accountants to Vornado, and (yy) submitted to and approved by Vornado's outside tax counsel.

Vornado shall use commercially reasonable efforts to provide Newco with a REIT Savings Notice at least fifteen (15) business days before the date on which such Vornado Indemnity Payment is due, but any failure to deliver such REIT Savings Notice, whether or not timely, shall not be deemed a waiver of, or otherwise vitiate, this Section 4.11(b)(i).

(ii) Newco shall place (or cause to be placed) the full amount of any Vornado Indemnity Payments otherwise required to be made in a mutually agreed escrow account upon mutually acceptable terms, which shall provide that

(A) the amount in the escrow account shall be treated as the property of Newco or the applicable member of the Newco Group, unless it is released from such escrow account to any Vornado Indemnitee,

(B) all income earned upon the amount in the escrow account shall be treated as the property of Newco or the applicable member of the Newco Group and reported, as and to the extent required by applicable Law, by the escrow agent to the IRS, or any other taxing authority, on IRS Form 1099 or 1042S (or other appropriate form) as income earned by Newco or the applicable member of the Newco Group whether or not said income has been distributed during such taxable year,

(C) the amount in the escrow account shall be invested only as determined by Newco in its sole discretion provided that such investments shall be limited to (i) AAA-rated money market funds that comply with Rule 2a-7 of the Investment Company Act of 1940, (ii) interest-bearing securities of, or guaranteed as to all principal and interest by, the United States Government with maturities of 90 days or less, or (iii) bank deposit accounts of commercial banks with Tier 1 capital exceeding $1 billion or with an average rating above investment grade by S&P (LT Local Issuer Credit Rating), Moody's (Long Term Rating) and Fitch Ratings,

Inc. (LT Issuer Default Rating) (each as reported by Bloomberg Finance L.P.), and

(D) any portion thereof shall not be released to any Vornado Indemnitee unless and until Newco receives any of the following: (x) a letter from Vornado's independent tax accountants indicating the amount that it is estimated can be paid at that time to the Vornado Indemnitees without causing Vornado to fail to meet the Specified REIT Requirements for the taxable year in which the payment would be made, which determination shall be made by such independent tax accountants or (y) an opinion of outside tax counsel selected by Vornado, such opinion to be reasonably satisfactory to Vornado, to the effect that, based upon a change in applicable Law after the date on which payment was first deferred hereunder, receipt of the additional amount of Vornado Indemnity Payments otherwise required to be paid either would be excluded from gross income of Vornado for purposes of the Specified REIT Requirements or would constitute Qualifying Income, in either of which events amounts shall be released from the escrow account to the applicable Vornado Indemnitees in an amount equal to the lesser of the unpaid Vornado Indemnity Payments due and owing (determined without regard to this Section 4.11(b)) or the maximum amount stated in the letter referred to in clause (D)(x) above.

(iii) Any amount held in escrow pursuant to Section 4.11(b)(ii) for ten (10) years shall be released from such escrow to be used as determined by Newco in its sole and absolute discretion.

(iv) Vornado shall bear all costs and expenses with respect to the escrow.

(v) Newco shall cooperate in good faith with Vornado (including amending this Section 4.11(b) at the reasonable request of Vornado) in order to (1) maximize the portion of the payments that may be made to the Vornado Indemnitees hereunder without causing Vornado to fail to meet the Specified REIT Requirements, (2) improve Vornado's chances of securing a favorable ruling from the IRS if Vornado should seek to obtain such a ruling as to the matters described in Section 4.11(b)(i)(A), or (3) assist Vornado in obtaining a favorable opinion from its outside tax counsel or determination from its tax accountants as described in this Section 4.11(b). Such cooperation shall include, for example, agreeing, at the request of Vornado to make

payments hereunder to a taxable REIT subsidiary of Vornado or an Affiliate or designee of Vornado. Vornado shall reimburse Newco for all reasonable costs and expenses of such cooperation.

ARTICLE V
CERTAIN OTHER MATTERS

5.1 Insurance Matters.(6)

(a) In accordance with the Transition Services Agreement, until [], to the extent permitted by applicable Law, Vornado and Vornado OP shall, and shall cause the relevant members of the Vornado Group to, maintain the insurance coverage applicable to the DC Business pursuant to the terms and conditions and coverages of the existing insurance policies of the Vornado Group in effect as of the Effective Time; provided, however, that in no event shall Vornado, any other member of the Vornado Group or any Vornado Indemnitee have any Liability or obligation whatsoever to any member of the Newco Group in the event that any insurance policy or other contract or policy of insurance shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or inadequate to cover any Liability of any member of the Newco Group for any reason whatsoever or shall not be renewed or extended with respect to the DC Business beyond the current expiration date. With respect to each insurance policy, the "Insurance Termination Date" shall be [], or such earlier date as of which the DC Business ceases to be covered by the insurance policies of the Vornado Group in effect as of the Effective Time in accordance with this Section 5.1(a). Prior to the Insurance Termination Date, Vornado and Newco shall discuss in good faith whether to continue any insurance coverages beyond the Insurance Termination Date and shall cooperate in good faith to provide for an orderly transition of insurance coverage following the Insurance Termination Date; provided, however, that Vornado shall not be required to continue any such insurance coverages beyond the Insurance Termination Date.

(b) From and after the Effective Time, with respect to any Losses, damages and Liability incurred by any member of the Newco Group prior to the Insurance Termination Date, Vornado will provide Newco with access to, and Newco may, upon ten (10) days' prior written notice to Vornado, make claims under, Vornado's Third Party insurance policies in place prior to the Insurance Termination Date and Vornado's historical policies of insurance, but solely to the extent that such policies provided coverage for members of the Newco Group prior to the Insurance Termination Date; provided that such access to, and the right to make claims under, such insurance policies, shall be subject to the terms and conditions of such insurance policies, including any limits on coverage or scope, any deductibles and other fees and expenses, and shall be subject to the following additional conditions:

(i) Newco shall report any claim to Vornado, as promptly as is reasonably practicable, and in any event in sufficient time so that such claim may be made in accordance with Vornado's claim reporting procedures in effect immediately

(6) NTD: Subject to review and revision based on the terms of the Transition Services Agreement.

prior to the Effective Time (or in accordance with any modifications to such procedures after the Effective Time communicated by Vornado to Newco in writing);

(ii) Newco and the members of the Newco Group shall exclusively bear and be liable for (and neither Vornado nor any members of the Vornado Group shall have any obligation to repay or reimburse Newco or any member of the Newco Group for), and shall indemnify, hold harmless and reimburse Vornado and the members of the Vornado Group for, any deductibles, self-insured retention, fees and expenses to the extent resulting from any access to, or any claims made by Newco or any other members of the Newco Group or otherwise made in respect of Losses of the DC Business under, any insurance provided pursuant to this Section 5.1(b), including any Indemnity Payments, settlements, judgments, legal fees and allocated claims expenses and claim handling fees, whether such claims are made by members of the Newco Group, its employees or Third Parties; and

(iii) Newco shall exclusively bear and be liable for (and neither Vornado nor any members of the Vornado Group shall have any obligation to repay or reimburse Newco or any member of the Newco Group for) all uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by Newco or any member of the Newco Group under the policies as provided for in this Section 5.1(b). In the event an insurance policy aggregate is exhausted, or believed likely to be exhausted, due to noticed claims, the Newco Group, on the one hand, and the Vornado Group, on the other hand, shall be responsible for their pro rata portion of the reinstatement premium, if any, based upon the Losses of such Group submitted to Vornado's insurance carrier(s) (including any submissions prior to the Insurance Termination Date). To the extent that the Vornado Group or the Newco Group is allocated more than its pro rata portion of such premium due to the timing of Losses submitted to Vornado's insurance carrier(s), the other Party shall promptly pay the first Party an amount so that each Group has been properly allocated its pro rata portion of the reinstatement premium. Subject to the following sentence, Vornado may elect not to reinstate the policy aggregate. In the event that, at any time prior to the Insurance Termination Date, Vornado elects not to reinstate the policy aggregate, it shall provide prompt written notice to Newco, and Newco may direct Vornado in writing to, and Vornado shall, in such case, reinstate the policy aggregate; provided that Newco shall be responsible for all reinstatement premiums and other costs associated with such reinstatement.

(c) Except as provided in Section 5.1(b), from and after the Insurance Termination Date, neither Newco nor any member of the Newco Group shall have any rights to or under any of the insurance policies of Vornado or any other member of the Vornado Group. At the Insurance Termination Date, Newco shall, unless it has obtained the prior written consent of Vornado or Vornado OP, have in effect all insurance programs required to comply with Newco's contractual obligations and such other insurance policies required by Law or as reasonably necessary or appropriate for companies operating a business similar to Newco's. Such insurance programs may include but are not limited to general liability, commercial auto liability, worker's compensation, employer's liability, product/completed operations liability, pollution legal liability, surety bonds, professional services liability, property, cargo,

employment practices liability, employee dishonesty/crime, directors' and officers' liability and fiduciary liability.

(d) Neither Newco nor any member of the Newco Group, in connection with making a claim under any insurance policy of Vornado or any member of the Vornado Group pursuant to this Section 5.1, shall take any action that would be reasonably likely to (i) have an adverse impact on the then-current relationship between Vornado or any member of the Vornado Group, on the one hand, and the applicable insurance company, on the other hand; (ii) result in the applicable insurance company terminating or reducing coverage, or increasing the amount of any premium owed by Vornado or any member of the Vornado Group under the applicable insurance policy; or (iii) otherwise compromise, jeopardize or interfere with the rights of Vornado or any member of the Vornado Group under the applicable insurance policy.

(e) All payments and reimbursements by Newco pursuant to this Section 5.1 will be made within fifteen (15) days after Newco's receipt of an invoice therefor from Vornado. If Vornado incurs costs to enforce Newco's obligations herein, Newco agrees to indemnify and hold harmless Vornado for such enforcement costs, including reasonable attorneys' fees pursuant to Section 4.6(b). Vornado shall retain the exclusive right to control its insurance policies and programs, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any Newco Liabilities and/or claims Newco has made or could make in the future, and no member of the Newco Group shall erode, exhaust, settle, release, commute, buyback or otherwise resolve disputes with Vornado's insurers with respect to any of Vornado's insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs. Newco shall cooperate with Vornado and share such information as is reasonably necessary in order to permit Vornado to manage and conduct its insurance matters as it deems appropriate. Neither Vornado nor any of the members of the Vornado Group shall have any obligation to secure extended reporting for any claims under any Liability policies of Vornado or any member of the Vornado Group for any acts or omissions by any member of the Newco Group incurred prior to the Insurance Termination Date.

(f) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the Vornado Group in respect of any insurance policy or any other contract or policy of insurance.

(g) Newco does hereby, for itself and each other member of the Newco Group, agree that no member of the Vornado Group shall have any Liability whatsoever as a result of the insurance policies and practices of Vornado and the members of the Vornado Group as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

5.2 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this

Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within thirty (30) days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to Prime Rate plus two (2%) percent.

5.3 Treatment of Payments for Tax Purposes. For all Tax purposes, the Parties and the members of their respective Groups shall treat (i) any payment made pursuant to this Agreement (other than payments representing interest) as either a contribution by the relevant entity or a distribution by the relevant entity (or as adjustments to such contribution or distribution) occurring immediately prior to the applicable contribution or Distribution, as the case may be, or as a payment of an assumed or retained Liability; and (ii) any payment of interest as taxable or deductible, as the case may be, to the party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law.

5.4 Post-Effective Time Conduct. The parties hereto acknowledge that, after the Effective Time, each Party and its Group shall be independent of the other Party and its Group, with responsibility for its and their own actions and inactions and its and their own Liabilities relating to, arising out of or resulting from the conduct of its and their business, operations and activities following the Effective Time, except as may otherwise be provided in any Ancillary Agreement, and each Party shall (except as otherwise provided in Article IV) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party or the members of its Group.

5.5 Non-Solicitation Covenant. For the period of two (2) years from and after the Effective Time, Newco shall not, and shall procure that the other members of the Newco Group shall not, directly or indirectly, solicit or hire any employees of the Vornado Group who have been engaged in providing services to the Newco Group pursuant to the Transition Services Agreement without the prior written consent of Vornado; provided, however, that (i) an individual shall not be deemed to have been solicited for employment or hired in violation of this Section 5.5 if such employee has ceased to be employed by any member of the Vornado Group for at least six (6) months prior to the date when any solicitation activity occurs, and (ii) this Section 5.5 shall not prohibit any general offers of employment to the public, including through a bona fide search firm, so long as it is not specifically targeted toward employees of the Vornado Group.

ARTICLE VI
EXCHANGE OF INFORMATION; CONFIDENTIALITY

6.1 Agreement for Exchange of Information.

(a) Subject to Section 6.9 and any other applicable confidentiality obligations, each of Vornado and Newco, on behalf of itself and each member of its Group, agrees to use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party and the members of such other Party's Group, at any time before, on or after the Effective Time, as soon as reasonably practicable after written request therefor, any information (or a copy thereof) in the possession or under the control of such Party or its Group

to the extent that (i) such information relates to the DC Business, or any Newco Asset or Newco Liability, if Newco is the requesting Party, or to the Vornado Business, or any Vornado Asset or Vornado Liability, if Vornado is the requesting Party; (ii) such information is required by the requesting Party to comply with its obligations under this Agreement, the Master Agreement, any Ancillary Agreement or any Transfer Document; or (iii) such information is required by the requesting Party to comply with any obligation imposed by any Governmental Authority; provided, however, that, in the event that the Party to whom the request has been made determines that any such provision of information could be detrimental to the Party providing the information, violate any Law or agreement, or waive any privilege available under applicable Law, including any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence. The Party providing information pursuant to this Section 6.1 shall only be obligated to provide such information in the form, condition and format in which it then exists, and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such information, and nothing in this Section 6.1 shall expand the obligations of a Party under Section 6.4.

6.2 Ownership of Information. The provision of any information pursuant to Section 6.1 or Section 6.7 shall not affect the ownership of such information (which shall be determined solely in accordance with the terms of this Agreement and the Ancillary Agreements), or constitute a grant of rights in or to any such information.

6.3 Compensation for Providing Information. The Party requesting information agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such information (including any reasonable costs and expenses incurred in any review of information for purposes of protecting the Privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested information) to the extent that such costs are incurred in connection with such other Party's provision of information in response to the requesting Party. Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

6.4 Record Retention. To facilitate the possible exchange of information pursuant to this Article VI and other provisions of this Agreement after the Effective Time, the parties hereto agree to use their commercially reasonable efforts, which shall be no less rigorous than those used for retention of Vornado's or JBG Properties' own information, to retain all information in their respective possession or control on the Effective Time in accordance with the policies of such Persons as in effect on the Effective Time or such other policies as may be reasonably adopted by such Persons after the Effective Time; provided, however, that such policies at least provide for the retention of documents until the expiration of the applicable statute of limitations (giving effect to any extensions thereof). Notwithstanding the foregoing in this Section 6.4, the Tax Matters Agreement will govern the retention of Tax-related records.

6.5 Limitations of Liability. No party hereto shall have any Liability to any other party hereto in the event that any information exchanged or provided pursuant to this

Agreement is found to be inaccurate in the absence of gross negligence or willful misconduct by the party providing such information. No party hereto shall have any Liability to any other party if any information is destroyed after commercially reasonable efforts by such party to comply with the provisions of Section 6.4.

6.6 Other Agreements Providing for Exchange of Information

(a) The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of information set forth in the Master Agreement or any Ancillary Agreement.

(b) Any party hereto that receives, pursuant to a request for information in accordance with this Article VI, Tangible Information that is not relevant to its request shall, at the request of the providing Party, (i) return it to the providing Party or, at the providing Party's request, destroy such Tangible Information; and (ii) deliver to the providing Party written confirmation that such Tangible Information was returned or destroyed, as the case may be, which confirmation shall be signed by an authorized representative of the requesting Party.

6.7 Production of Witnesses; Records; Cooperation

(a) After the Effective Time, except in the case of an adversarial Action or Dispute between Vornado and Newco, or any members of their respective Groups, each Party shall use its commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, trustees, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such Person (giving consideration to business demands of such directors, trustees, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party (or member of its Group) may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the other Party shall make available to such Indemnifying Party, upon written request, the former, current and future directors, trustees, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such Person (giving consideration to business demands of such directors, trustees, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 6.7, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect any Intellectual Property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property of a Third Party in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 6.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses, inventors and other officers without regard to whether the witness or the employer of the witness could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 6.7(a)).

6.8 Privileged Matters.

(a) The Parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the Vornado Group and the Newco Group, and that each of the members of the Vornado Group and the Newco Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The Parties recognize that legal and other professional services will be provided following the Effective Time, which services will be rendered solely for the benefit of the Vornado Group or the Newco Group, as the case may be.

(b) The Parties agree as follows:

(i) Vornado shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the Vornado Business and not to the DC Business, whether or not the Privileged Information is in the possession or under the control of any member of the Vornado Group or any member of the Newco Group. Vornado shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Vornado Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the Vornado Group or any member of the Newco Group;

(ii) Newco shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the DC Business and not to the Vornado Business, whether or not the Privileged Information is in the possession or under the control of any member of the Newco Group or any member of the Vornado Group. Newco shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Newco Liabilities

resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the Newco Group or any member of the Vornado Group; and

(iii) if the Parties do not agree as to whether certain information is Privileged Information, then such information shall be treated as Privileged Information, and the Party that believes that such information is Privileged Information shall be entitled to control the assertion or waiver of all privileges and immunities in connection with any such information unless the Parties otherwise agree. The Parties shall use the procedures set forth in Article VII to attempt to resolve any disputes as to whether any information relates solely to the Vornado Business, solely to the DC Business, or to both the Vornado Business and the DC Business.

(c) Subject to the remaining provisions of this Section 6.8, the Parties agree that they shall have a shared privilege or immunity with respect to all privileges and immunities not allocated pursuant to Section 6.8(b) and all privileges and immunities relating to any Actions or other matters that involve both Parties (or one or more members of their respective Groups) and in respect of which both Parties (or one or more members of their respective Groups) have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the consent of the other Party.

(d) If any Dispute arises between the Parties or any members of their respective Groups regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party and/or any member of their respective Groups, each Party agrees that it shall (i) negotiate with the other Party in good faith; (ii) endeavor to minimize any prejudice to the rights of the other Party; and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it shall not withhold its consent to the waiver of a privilege or immunity for any purpose except in good faith to protect its own legitimate interests.

(e) In the event of any adversarial Action or Dispute between Vornado and Newco, or any members of their respective Groups, either Party may waive a privilege in which the other Party or member of such other Party's Group has a shared privilege, without obtaining consent pursuant to Section 6.8(c); provided that such waiver of a shared privilege shall be effective only as to the use of information with respect to the Action between the Parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to any Third Party.

(f) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Privileged Information subject to a shared privilege or immunity or as to which the other Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge that any of its, or any member of its respective Group's, current or former directors, trustees, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, such Party shall promptly notify the other Party of the existence of the request (which notice shall be delivered to such other Party no later than five (5)

business days following the receipt of any such subpoena, discovery or other request) and shall provide the other Party a reasonable opportunity to review the Privileged Information and to assert any rights it or they may have under this Section 6.8 or otherwise, to prevent

the production or disclosure of such Privileged Information.

(g) Any furnishing of, or access or transfer of, any information pursuant to this Agreement is made in reliance on the agreement of Vornado and Newco set forth in this Section 6.8 and in Section 6.9 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(h) In connection with any matter contemplated by Section 6.7 or this Section 6.8, the Parties agree to, and to cause the applicable members of their Group to, use commercially reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense and/or common interest agreements where necessary or useful for this purpose.

6.9 Confidentiality.

(a) *Confidentiality.* Subject to Section 6.10, from and after the Effective Time until the five (5)-year anniversary of the Effective Time, each of Vornado and Newco, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Vornado's or JBG Properties' respective confidential and proprietary information pursuant to policies in effect as of the Effective Time, all confidential and proprietary information concerning the other Party or any member of the other Party's Group or their respective businesses that is either in its possession (including confidential and proprietary information in its possession prior to the date hereof) or furnished by any such other Party or any member of such Party's Group or their respective Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such confidential and proprietary information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary information has been (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any member of such Party's Group or any of their respective Representatives in violation of this Agreement, (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group) which sources are not themselves bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential and proprietary information, or (iii) independently developed or generated without reference to or use of any proprietary or confidential information of the other Party or any member of such Party's Group. If any confidential and proprietary information of one Party or any member of its Group is disclosed to the other Party or any member of such other Party's Group in connection with providing services to such first Party or any member of such first Party's Group under this Agreement, the Master Agreement or any Ancillary Agreement, then

such disclosed confidential and proprietary information shall be used only as required to perform such services.

(b) *No Release; Return or Destruction.* Each Party agrees not to release or disclose, or permit to be released or disclosed, any information addressed in Section 6.9(a) to any other Person, except its Representatives who need to know such information in their capacities as such (who shall be advised of their obligations hereunder with respect to such information), and except in compliance with Section 6.10. Without limiting the foregoing, when any such information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each Party will promptly after request of the other Party either return to the other Party all such information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon).

(c) *Third-Party Information; Privacy or Data Protection Laws.* Each Party acknowledges that it and members of its Group may presently have and, following the Effective Time, may gain access to or possession of confidential or proprietary information of, or personal information relating to, Third Parties (i) that was received under confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or members of such Party's Group, on the other hand, prior to the Effective Time; or (ii) that, as between the two Parties, was originally collected by the other Party or members of such Party's Group and that may be subject to and protected by privacy, data protection or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary information of, or personal information relating to, Third Parties in accordance with privacy, data protection or other applicable Laws and the terms of any agreements that were either entered into before the Effective Time or affirmative commitments or representations that were made before the Effective Time by, between or among the other Party or members of the other Party's Group, on the one hand, and such Third Parties, on the other hand.

(d) *Assignment of Non-Disclosure and Confidentiality Agreements.* At or prior to the Effective Time, Vornado shall assign, or cause to be assigned, to a member of the Newco Group any rights under non-disclosure and confidentiality agreements to which any member of the Vornado Group (which is not a member of the Newco Group) is a party to the extent restricting the use or disclosure of information of the DC Business (including any such agreement entered into in connection with the possible sale of the DC Business with any potential purchaser thereof); provided that in the event that such assignment cannot be completed or such agreement also restricts the use or disclosure of information of the Vornado Business, Vornado shall not be required to assign or cause such assignment, but shall enforce, or shall cause to be enforced, such agreements for the benefit of the DC Business as reasonably requested by Newco at Newco's sole cost and expense.

6.10 Protective Arrangements. In the event that a Party or any member of its Group either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or

any member of the other Party's Group) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as is reasonably practicable under the circumstances prior to disclosing or providing such information, shall consult with the other Party on the advisability of taking steps to resist or narrow such disclosure, and shall cooperate, following the other Party's written request and at the other Party's expense, in seeking any appropriate protective order requested by the other Party or in any attempt to resist such disclosure. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

ARTICLE VII
DISPUTE RESOLUTION

7.1 Good-Faith Negotiation. Either Party seeking resolution of any dispute, controversy or claim arising out of or relating to this Agreement or any Ancillary Agreement (including regarding whether any Assets are Newco Assets, any Liabilities are Newco Liabilities or the validity, interpretation, breach or termination of this Agreement or any Ancillary Agreement) (a "Dispute"), shall provide written notice thereof to the other Party (the "Initial Notice"), and within fifteen (15) days of the delivery of the Initial Notice, the Parties shall attempt in good faith to negotiate a resolution of the Dispute. The negotiations shall be conducted by executives who hold, at a minimum, the title of vice president. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. Any resolution reached by the applicable executives through negotiation shall be subject to final approval by the Chief Administrative Officer of Vornado and the Chief Executive Officer of Newco. If the Parties are unable for any reason to resolve a Dispute within fifteen (15) days after the delivery of such notice or if a Party reasonably concludes that the other Party is not willing to negotiate as contemplated by this Section 7.1, either Party may pursue any and all rights and remedies at Law or in equity available to it with respect to the Dispute. Nothing herein shall limit or otherwise affect the rights of the Parties under Section 10.16.

7.2 Mediation. Any Dispute not resolved pursuant to Section 7.1 shall, at the written request of a Party (a "Mediation Request"), be submitted to nonbinding mediation in accordance with the then-current JAMS procedures, except as modified herein. The mediation shall be held in such place as the Parties may mutually agree in writing. The Parties shall have twenty (20) days from receipt by a Party of a Mediation Request to agree on a mediator from the JAMS panel. If no mediator has been agreed upon by the Parties within twenty (20) days of receipt by a party of a Mediation Request, then a Party may request (on written notice to the other Party), that JAMS appoint a mediator in accordance with the then current JAMS procedures from mediators on the JAMS panel. All mediation pursuant to this clause shall be confidential and shall be treated as compromise and settlement negotiations for purposes of

applicable rules of evidence, and no oral or documentary representations made by the Parties during such mediation shall be admissible for any purpose in any subsequent proceedings. No Party shall disclose or permit the disclosure of any information about the evidence adduced or the documents produced by the other Party in the mediation proceedings or about the existence, contents or results of the mediation without the prior written consent of such other Party, except in the course of a judicial or regulatory proceeding or as may be required by Law or requested by a Governmental Authority or securities exchange. Before making any disclosure permitted by the preceding sentence, the Party intending to make such disclosure shall, to the extent reasonably practicable, give the other Party reasonable written notice of the intended disclosure and afford the other party a reasonable opportunity to protect its interests. If the Dispute has not been resolved within sixty (60) days of the appointment of a mediator, or within ninety (90) days after receipt by a Party of a Mediation Request (whichever occurs sooner), or within such longer period as the Parties may agree to in writing, then the Dispute shall be submitted to binding arbitration in accordance with Section 7.3.

7.3 Arbitration.

(a) In the event that a Dispute has not been resolved within sixty (60) days of the appointment of a mediator in accordance with Section 7.2, or within ninety (90) days after receipt by a Party of a Mediation Request (whichever occurs sooner), or within such longer period as the Parties may agree to in writing, then such Dispute shall, upon the written request of a Party (the "Arbitration Request") be submitted to be finally resolved by binding arbitration pursuant to the JAMS Comprehensive Arbitration Rules and Procedures. The arbitration shall be held in the same location as the mediation pursuant to Section 7.2. Unless otherwise agreed by the Parties in writing, any Dispute to be decided pursuant to this Section 7.3 will be decided (i) before a sole arbitrator if the amount in dispute, inclusive of all claims and counterclaims, totals less than $5 million; or (ii) by a panel of three (3) arbitrators if the amount in dispute, inclusive of all claims and counterclaims, totals $5 million or more. Arbitrators shall be named from the JAMS panel.

(b) The panel of three (3) arbitrators will be chosen as follows: (i) within fifteen (15) days from the date of the receipt of the Arbitration Request, each Party will name an arbitrator; and (ii) the two (2) Party-appointed arbitrators will thereafter, within thirty (30) days from the date on which the second of the two (2) arbitrators was named, name a third, independent arbitrator who will act as chairperson of the arbitral tribunal. In the event that either Party fails to name an arbitrator within fifteen (15) days from the date of receipt of the Arbitration Request, then upon written application by either Party, that arbitrator shall be appointed pursuant to the JAMS Comprehensive Arbitration Rules and Procedures from the JAMS panel. In the event that the two (2) Party-appointed arbitrators fail to appoint the third, then the third, independent arbitrator will be appointed pursuant to the JAMS Comprehensive Arbitration Rules and Procedures. If the arbitration will be before a sole independent arbitrator, then the sole independent arbitrator will be appointed by agreement of the Parties within fifteen (15) days of the date of receipt of the Arbitration Request. If the Parties cannot agree to a sole independent arbitrator, then upon written application by either party, the sole independent arbitrator will be appointed pursuant to the JAMS Comprehensive Arbitration Rules and Procedures from the JAMS panel.

(c) The arbitrator(s) will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and reasonable attorneys' fees and costs which will be reviewed by the arbitrator(s) for reasonableness; provided that the arbitrator(s) will not award any relief not specifically requested by the Parties and, in any event, will not award any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability to a Third Party with respect to a Third-Party Claim). Upon selection of the arbitrator(s) following any grant of interim relief by a special arbitrator or court pursuant to Section 7.4, the arbitrator(s) may affirm or disaffirm that relief, and the Parties will seek modification or rescission of the order entered by the court as necessary to accord with the decision of the arbitrator(s). The award of the arbitrator(s) shall be final and binding on the Parties and the members of their respective Groups, and may be enforced in any court of competent jurisdiction. The initiation of mediation or arbitration pursuant to this Article VII will toll the applicable statute of limitations for the duration of any such proceedings.

7.4 Litigation and Unilateral Commencement of Arbitration. Notwithstanding the foregoing provisions of this Article VII, (a) a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Section 7.1, Section 7.2 and Section 7.3 if such action is reasonably necessary to avoid irreparable damage and (b) either Party may initiate arbitration before the expiration of the periods specified in Section 7.2 and Section 7.3 if (i) such Party has submitted a Mediation Request or Arbitration Request, as applicable, and the other party has failed, within the applicable periods set forth in Section 7.3, to agree upon a date for the first mediation session to take place within thirty (30) days after the appointment of such mediator or such longer period as the Parties may agree to in writing or (ii) such Party has failed to comply with Section 7.3 in good faith with respect to commencement and engagement in arbitration. In such event, the other Party may commence and prosecute such arbitration unilaterally in accordance with the JAMS Comprehensive Arbitration Rules and Procedures.

7.5 Conduct During Dispute Resolution Process. Unless otherwise agreed to in writing, the Parties shall, and shall cause their respective members of their Group to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article VII, unless such commitments are the specific subject of the Dispute at issue.

ARTICLE VIII
FURTHER ASSURANCES AND ADDITIONAL COVENANTS

8.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto shall use commercially reasonable best efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations

and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each party hereto shall cooperate with the other parties hereto, and without any further consideration, but, from and after the Effective Time, at the expense of the requesting party, execute and deliver, or use commercially reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Approvals or Notifications of, any Governmental Authority or any other Person under any Permit, license, agreement, indenture or other instrument (including any consents or Governmental Approvals), and to take or cause to be taken all such other actions as such party may reasonably be requested to take or cause to be taken by the other parties hereto from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the

Newco Assets and the Vornado Assets and the assignment and assumption of the Newco Liabilities and the Vornado Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each party hereto will, at the reasonable request, cost and expense of another party hereto, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets allocated to such party under this Agreement or any of the Ancillary Agreements, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) On or prior to the Effective Time, Vornado and Newco in their respective capacities as direct and indirect shareholders of the members of their Groups, shall each ratify any actions which are reasonably necessary or desirable to be taken by Vornado, Newco or any of the members of their respective Groups, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

(d) Vornado and Newco, and each of the members of their respective Groups, waive (and agree not to assert against any of the others) any claim or demand that any of them may have against any of the others for any Liabilities or other claims relating to or arising out of: (i) the failure of Newco or any other member of the Newco Group, on the one hand, or of Vornado or any other member of the Vornado Group, on the other hand, to provide any notification or disclosure required under any state Environmental Law in connection with the Separation or the other transactions contemplated by this Agreement, including the transfer by any member of any Group to any member of the other Group of ownership or operational control of any Assets not previously owned or operated by such transferee; or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any Third Party arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability (except in the case of willful misconduct).

ARTICLE IX
TERMINATION

9.1 Termination. This Agreement shall terminate simultaneously with the valid termination of the Master Agreement prior to the Closing Date (as defined in the Master Agreement). Except for a termination described in the immediately preceding sentence, prior to the Closing Date (as defined in the Master Agreement), Newco shall not agree to terminate this Agreement without the prior written consent of JBG Properties, which consent shall not be unreasonably withheld, conditioned or delayed. After the Closing Date (as defined in the Master Agreement), this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the parties hereto.

9.2 Effect of Termination. In the event of any termination of this Agreement prior to the Effective Time, no party hereto (nor any of its directors, trustees, officers or employees) shall have any Liability or further obligation to any other party hereto by reason of this Agreement.

ARTICLE X
MISCELLANEOUS

10.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

(b) This Agreement, the Master Agreement, the Ancillary Agreements and the Exhibits, Schedules and Appendices hereto and thereto contain the entire agreement between the parties hereto with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the parties hereto other than those set forth or referred to herein or therein.

(c) Vornado represents on behalf of itself and each other member of the Vornado Group, and Newco represents on behalf of itself and each other member of the Newco Group, as follows:

(i) each such Person has the requisite power and authority and has taken all action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each party to this Agreement acknowledges that it and each other party is executing certain of the Ancillary Agreements by facsimile, stamp or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement or any Ancillary Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement or any Ancillary Agreement. Each party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other parties hereto at any time, it will as promptly as is reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

10.2 Governing Law.

(a) This Agreement, and all claims or causes of actions (whether at Law, in contract or in tort) that may be based upon, arise out of or related to this Agreement or the negotiation, execution or performance of this Agreement, shall be governed by, and construed in accordance with, the Laws of the State of New York without giving effect to conflicts of laws principles (whether of the State of New York or any other jurisdiction that would cause the application of the Laws of any jurisdiction other than the State of New York).

(b) All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in the state courts sitting in the City, County and State of New York, or if jurisdiction over the matter is vested exclusively in federal courts, the United States District Court for the Southern District of New York, and the appellate courts to which orders and judgments thereof may be appealed (the "Chosen Courts"). Each of the parties hereto hereby irrevocably and unconditionally (a) submits to the exclusive jurisdiction of the Chosen Courts for the purpose of any Action arising out of or relating to this Agreement brought by any party hereto, whether sounding in tort, contract or otherwise, (b) agrees not to commence any such action or proceeding except in such courts, (c) agrees that any claim in respect of any such action or proceeding may be heard and determined in any Chosen Court, (d) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding, and (e) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such action or proceeding. Each of the parties hereto agrees 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. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.7. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Law.

10.3 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN

CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.3.

10.4 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the parties hereto and the parties thereto, respectively, and their respective successors and permitted assigns; provided, however, that no party hereto nor any such party thereto may assign its rights or delegate its obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other parties hereto or other parties thereto, as applicable, and any attempt to do so shall be null and void (provided that prior to the Effective Time, Newco shall not assign this Agreement or consent to an assignment of this Agreement without the prior written consent of JBG Properties, which consent shall not be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, no such consent shall be required for the assignment of a party's rights and obligations under this Agreement and the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) in whole (i.e., the assignment of a party's rights and obligations under this Agreement and all Ancillary Agreements all at the same time) in connection with a change of control of a party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other parties hereto.

10.5 Subsidiaries. Each of the Parties shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary of such Party or by any Person that becomes a Subsidiary of such Party at or after the Effective Time, in each case to the extent such Subsidiary remains a Subsidiary of the applicable Party.

10.6 Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any Vornado Indemnitee or Newco Indemnitee in their respective capacities as such, and except for JBG Operating Partners, who shall be a Third Party beneficiary of the rights of Newco under this Agreement, (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the parties hereto and are not intended to confer upon any Person except the parties hereto any rights or remedies hereunder, and (b) there are no Third Party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement; provided, however, that JBG Properties shall be a Third Party beneficiary of the rights of JBG Properties as provided in this Agreement and the other Ancillary Agreements.

10.7 Notices. All notices, requests, claims, demands or other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the Ancillary Agreements shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, or by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.7):

If to Vornado or, on or prior to the Effective Time, to Newco, then to:

Vornado Realty Trust
888 Seventh Avenue
New York, New York 10019
Attention: Corporation Counsel
Facsimile: (212) 894-7996

Vornado Realty Trust
888 Seventh Avenue
New York, New York 10019
Attention: Joseph Macnow
Facsimile: (212) 894-7996

with a copy to (which shall not constitute notice):

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: William G. Farrar
Facsimile: (212) 558-3588

and, in the case of Newco, with a copy to (which shall not constitute notice):

The JBG Companies
4445 Willard Avenue Suite 400
Chevy Chase, Maryland 20815
Attention: [·]
Facsimile: [·]

and

Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, NW
Washington, District of Columbia 20004
Phone: (202) 637-5868
Facsimile: (202) 637-5910

Attention: David W. Bonser, Esq.
E-mail: david.bonser@hoganlovells.com

If to Newco after the Effective Time, then to:

JBG Smith Properties
4445 Willard Avenue Suite 400
Chevy Chase, Maryland 20815
Attention: [·]
Facsimile: [·]

with a copy to (which shall not constitute notice):

Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, NW
Washington, District of Columbia 20004
Phone: (202) 637-5868
Facsimile: (202) 637-5910
Attention: David W. Bonser, Esq.
E-mail: david.bonser@hoganlovells.com

A Party may, by notice to the other Party, change the address to which such notices are to be given.

10.8 Severability. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by an arbitration tribunal or a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the parties hereto shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties hereto.

10.9 Force Majeure. No party hereto shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any Ancillary Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as applicable, as soon as reasonably practicable.

10.10 No Set-Off. Except as set forth in any Ancillary Agreement or as otherwise mutually agreed to in writing by the Parties, neither any Party nor any member of such Party's Group shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or any Ancillary Agreement; or (b) any other amounts claimed to be owed to such Party or any member of its Group arising out of this Agreement or any Ancillary Agreement.

10.11 Publicity. Prior to the Effective Time, Vornado and Newco shall consult with JBG Properties before issuing any press release or other public announcement that relates to the transactions contemplated hereby. Any such press release or public announcement shall comply with the requirements in Section 5.3 of the Master Agreement. From and after the Effective Time, the Chief Executive Officer of Newco and the Chief Administrative Officer of Vornado shall consult with each other prior to either Party or any member of their respective Groups issuing any press releases or otherwise making public statements with respect to the Separation, the Distribution or any of the other transactions contemplated hereby or under any Ancillary Agreement and prior to making any filings with any Governmental Authority with respect thereto.

10.12 Expenses. Except as otherwise expressly set forth in this Agreement, the Master Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, (a) Newco shall be responsible for all reasonable out-of-pocket Third Party fees, costs and expenses incurred on or prior to the Effective Time in connection with the preparation, execution, delivery and implementation of this Agreement and any Ancillary Agreement, the Separation, the Form 10, the Plan of Reorganization and the Distribution and the consummation of the transactions contemplated hereby and thereby; and (b) all fees, costs and expenses incurred after the Effective Time shall be borne by the Party or its applicable Subsidiary incurring such fees, costs or expenses.

10.13 Headings. The article, section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

10.14 Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and Liability for the breach of any obligations contained herein, shall survive the Separation and the Distribution and shall remain in full force and effect.

10.15 Waivers of Default. Waiver by a party hereto of any default by another party hereto of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving party of any subsequent or other default, nor shall it prejudice the rights of any other party. No failure or delay by a party hereto in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

10.16 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the party or parties hereto who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The parties hereto agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any Loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the parties hereto. For the avoidance of doubt, JBG Properties shall, during the term of this Agreement, have the right to enforce specifically the obligations of Vornado and Newco set forth herein.

10.17 Amendments. No provisions of this Agreement, including any Exhibit, Schedule or Appendices hereto, or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by a party hereto, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the party hereto against whom it is sought to enforce such waiver, amendment, supplement or modification. In addition, unless the Master Agreement shall have been terminated in accordance with its terms, any such amendment, waiver, supplement or modification shall be subject to the prior written consent of JBG Operating Partners.

10.18 Interpretation. In this Agreement and any Ancillary Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement (or the applicable Ancillary Agreement) as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such Ancillary Agreement); (c) Article, Section, Schedule, Exhibit and Appendix references are to the Articles, Sections, Schedules, Exhibits and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word "including" and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean "including, without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) unless otherwise specified in a particular case, the word "days" refers to calendar days; (h) references to "business day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by Law to close in the United States or New York, New York; (i) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (j) unless expressly stated to the contrary in this Agreement or in any Ancillary Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to [·]. In the case of any conflict between this Agreement and any of the Transition Services Agreement, the Tax Matters Agreement and the Employee Matters Agreement in relation to any matters addressed by such Ancillary Agreement, the applicable Ancillary Agreement shall prevail unless such

Ancillary Agreement explicitly states that this Agreement shall control. In the case of any conflict between this Agreement and the Master Agreement, the Master Agreement shall control.

10.19 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, but without limiting any recovery expressly provided bySection 7.3, neither Newco or any member of the Newco Group, on the one hand, nor Vornado or any member of the Vornado Group, on the other hand, shall be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim).

10.20 Performance. Vornado will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Vornado Group. Newco will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Newco Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any applicable Ancillary Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

10.21 Mutual Drafting. This Agreement and the Ancillary Agreements shall be deemed to be the joint work product of the parties hereto and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

10.22 No Admission of Liability. The allocation of Assets and Liabilities herein (including on the Schedules hereto) is solely for the purpose of allocation such Assets and Liabilities between Vornado and Newco and is not intended as an admission of liability or responsibility for any alleged Liabilities vis-à-vis any Third Party, including with respect to the Liabilities of any non-wholly owned Subsidiary of Vornado or Newco.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties have caused this Separation and Distribution Agreement to be executed by their duly authorized representatives.

VORNADO REALTY TRUST

By: _____
Name:
Title:

VORNADO REALTY L.P.

By: _____

Name:

Title:

JBG SMITH PROPERTIES

By: _____
Name:
Title:

JBG SMITH PROPERTIES LP

By: _____
Name:
Title:

FINAL FORM
Exhibit E

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT is entered into as of [], 2017 by and among JBG Smith Properties, a Maryland real estate investment trust (the "Company"), and the holders listed on Schedule I hereto (each an "Initial Holder" and, collectively, the "Initial Holders").

RECITALS

WHEREAS, the Company and JBG SMITH Properties LP, a Delaware limited partnership (the "Operating Partnership"), have concurrently engaged in certain combination transactions as more fully set forth in that certain Master Transaction Agreement dated as of October 31, 2016 by and among Vornado Realty Trust, Vornado Realty L.P., JBG Properties Inc., JBG/Operating Partners, L.P., certain affiliates of JBG Properties Inc., the Company and the Operating Partnership (the "Combination Transactions"), pursuant to which the Initial Holders have concurrently received, in exchange for their (or certain related parties') respective interests in the entities participating in the Combination Transactions, common units of limited partnership interest in the Operating Partnership ("OP Units");

WHEREAS, upon the terms and subject to the conditions contained in the Operating Partnership Agreement (as defined below), OP Units will be redeemable for cash or, at the Company's option, exchangeable for shares of beneficial interest of the Company, par value $0.01 per share (the "Common Shares"); and

WHEREAS, as a condition to the Combination Transactions, the Company has agreed to grant the Initial Holders and their permitted assignees and transferees the registration rights set forth in Article II hereof.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. The following terms, as used herein, have the following meanings:

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this Registration Rights Agreement, as it may be amended, supplemented or restated from time to time.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in The City of New York, New York are authorized by law to close.

"Charter" means the Articles of Amendment and Restatement of the Company as filed with the Secretary of State of the State of Maryland on [], 2017, as the same may be amended, modified or restated from time to time.

"Combination Transactions" has the meaning set forth in the recitals hereof.

"Commission" means the Securities and Exchange Commission.

"Common Shares" has the meaning set forth in the recitals hereof.

"Company" has the meaning set forth in the preamble hereof.

"Effectiveness Period" has the meaning set forth in Section 2.1(b).

"End of Suspension Notice" has the meaning set forth in Section 2.9(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Holder" means (i) any Initial Holder who is the record or beneficial owner of any Registrable Security or (ii) any assignee or transferee of such Initial Holder (including assignments or transfers of Registrable Securities to such assignees or transferees as a result of the foreclosure on any loans secured by such Registrable Securities) (x) to the extent permitted under the Operating Partnership Agreement or the Charter, as applicable, and (y) provided such assignee or transferee agrees in writing to be bound by all the provisions hereof.

"Initial Holder" has the meaning set forth in the preamble hereof.

"Issuer Shelf Registration Statement" has the meaning set forth in Section 2.1(b).

"Notice and Questionnaire" has the meaning set forth in Section 2.1(d).

"NYSE" means The New York Stock Exchange.

"OP Units" has the meaning set forth in the recitals hereof.

"Operating Partnership" has the meaning set forth in the recitals hereof.

"Operating Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of [](1), 2017, as the same may be amended, modified or restated from time to time.

"Person" means an individual or a corporation, partnership, limited liability company, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Primary Shares" has the meaning set forth in Section 2.1(b).

"Registrable Securities" means with respect to any Holder, Common Shares owned, either of record or beneficially, by such Holder that were issued or issuable upon exchange of OP Units and any additional Common Shares issued as a dividend or distribution on, in exchange for, or otherwise in respect of, such shares (including as a result of combinations, recapitalizations, mergers, consolidations, reorganizations or otherwise).

As to any particular Registrable Securities of a Holder, they shall cease to be Registrable Securities in respect of such Holder at the earliest time as one of the following shall have occurred: (i) a registration statement (including a Resale Shelf Registration Statement) covering such shares shall have become effective and all such shares have been disposed of pursuant to such effective registration statement or unless such shares were issued pursuant to an effective registration statement, (ii) such shares have been publicly sold under Rule 144, (iii) all such shares may be sold in one transaction pursuant to Rule 144 or (iv) such shares have been otherwise transferred in a transaction that constitutes a sale thereof under the Securities Act, the Company has delivered to the Holder's transferee a new certificate or other evidence of ownership for such shares not bearing the Securities Act restricted stock legend and such shares subsequently may be resold or otherwise transferred by such transferee without registration under the Securities Act.

"Registration Expenses" shall have the meaning set forth in Section 2.3.

"Registration Statement" shall have the meaning set forth in Section 2.9(a).

"Resale Shelf Registration Statement" shall have the meaning set forth in Section 2.1(a).

"Restricted Shares" means Common Shares issued under an Issuer Shelf Registration Statement which if sold by the holder thereof would constitute "restricted securities" as defined under Rule 144.

"Rule 144" means Rule 144 promulgated under the Securities Act, as amended from time to time, or any similar successor rule thereto that may be promulgated by the Commission.

"Securities Act" means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

(1) NTD: Insert combination date

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act pursuant to the terms hereof.

"Shelf Registration Statement" means a Resale Shelf Registration Statement and/or an Issuer Shelf Registration Statement.

"Suspension Notice" shall have the meaning set forth in Section 2.9(a).

ARTICLE II

REGISTRATION RIGHTS

Section 2.1. Shelf Registration.

(a) Subject to Section 2.9, the Company shall use commercially reasonable efforts to prepare and file, on or before the first Business Day that is thirteen (13) months after the consummation of the Combination Transactions, a "shelf" registration statement with respect to the resale of the Registrable Securities by the Holders thereof on an appropriate form that complies in all material respects with applicable Commission rules for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (the "Resale Shelf Registration Statement") and permitting registration of such Registrable Securities for resale by such Holders in accordance with the methods of distribution elected by the Holders and set forth in the Resale Shelf Registration Statement and use commercially reasonable efforts to cause such Resale Shelf Registration Statement to become effective as promptly as practicable thereafter. Subject to Sections 2.1(c) and 2.9, the Company shall keep such Resale Shelf Registration Statement continuously effective for a period ending when all Common Shares covered by the Resale Shelf Registration Statement are no longer Registrable Securities.

(b) The Company may, at its option, satisfy its obligation to prepare and file a Resale Shelf Registration Statement pursuant toSection 2.1(a) with respect to Common Shares issuable upon exchange of OP Units by preparing and filing a registration statement on an appropriate form that complies in all material respects with applicable Commission rules for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (an "Issuer Shelf Registration Statement") providing for (i) the issuance by the Company, from time to time, to the Holders of such OP Units, of Common Shares registered under the Securities Act (the "Primary Shares") and (ii) to the extent such Primary Shares constitute Restricted Shares, the registered resale thereof by their Holders from time to time in accordance with the methods of distribution elected by the Holders and set forth therein (but not an underwritten offering) and using commercially reasonable efforts to cause such Issuer Shelf Registration Statement to be filed by the first Business Day that is thirteen (13) months after the consummation of the Combination Transactions, and to become effective as promptly as practicable thereafter. Subject to Sections 2.1(c) and 2.9, the Company shall keep such Issuer Shelf Registration Statement continuously effective for a period (the "Effectiveness Period") expiring on the date all of the OP Units pursuant to which Registrable Securities may be issued have been redeemed for Common Shares or Registrable Securities shall cease to exist. If the Company shall exercise its rights under this Section 2.1(b), Holders (other than Holders of

Restricted Shares) shall have no right to have Common Shares issued or issuable upon exchange of OP Units included in a Resale Shelf Registration Statement pursuant toSection 2.1(a).

(c) Subsequent Filing. The Company shall prepare and file such additional registration statements as necessary every three (3) years and use its commercially reasonable efforts to cause such registration statements to become effective so that a Shelf Registration Statement remains continuously effective, subject to Section 2.9, with respect to resales of Registrable Securities as and for the periods required underSections 2.1(a) or (b), as applicable (such subsequent registration statements to constitute a Resale Shelf Registration Statement or an Issuer Shelf Registration Statement, as the case may be, hereunder).

(d) Notice and Questionnaire. At the request of the Company, each Holder shall deliver a duly completed and executed written notice (each such notice, a "Notice and Questionnaire") to the Company (i) notifying the Company of such Holder's desire to include Registrable Securities held by it in a Resale Shelf Registration Statement, (ii) containing all information about such Holder required to be included in such registration statement in accordance with applicable law, including Item 507 of Regulation S-K promulgated under the Securities Act, as amended from time to time, or any similar successor rule thereto, and (iii) pursuant to which such Holder agrees to be bound by the terms and conditions hereof. At the time a Resale Shelf Registration Statement becomes effective, each Holder that has delivered a duly completed and executed Notice and Questionnaire to the Company on or prior to the date ten (10) Business Days prior to such time of effectiveness shall be named as a selling securityholder in such Resale Shelf Registration Statement and the related prospectus in such a manner as to permit such Holder to deliver such prospectus to purchasers of Registrable Securities in accordance with applicable law. If required by applicable law, subject to the terms and conditions hereof, after effectiveness of the Resale Shelf Registration Statement, the Company shall file a supplement to such prospectus or amendment to the Resale Shelf Registration Statement not less than once a quarter as necessary to name as selling securityholders therein any Holders that provide to the Company a duly completed and executed Notice and Questionnaire and shall use commercially reasonable efforts to cause any post-effective amendment to such Resale Shelf Registration Statement filed for such purpose to be declared effective by the Commission as promptly as reasonably practicable after the filing thereof. Any Holder that has not delivered a duly completed and executed Notice and Questionnaire shall not be entitled to be named as a Selling Holder in, or have the Registrable Securities held by it covered by, a Resale Shelf Registration Statement.

Section 2.2. Registration Procedures; Filings; Information. Subject to Section 2.9 hereof, in connection with any Resale Shelf Registration Statement underSection 2.1(a), the Company will use its commercially reasonable efforts to effect the registration of the Registrable Securities covered thereby in accordance with the intended method of disposition thereof as quickly as practicable, and, in connection with any Issuer Shelf Registration Statement under Section 2.1(b), the Company will use its commercially reasonable efforts to effect the registration of the Primary Shares (including for resale, to the extent provided in clause (ii) of Section 2.1(b)) as quickly as reasonably practicable. In connection with any Shelf Registration Statement:

(a) At the request of the Selling Holder, the Company will, prior to filing a Resale Shelf Registration Statement (or an Issuer Shelf Registration Statement providing for resales pursuant to clause (ii) ofSection 2.1(b)) or prospectus or any amendment or supplement thereto, furnish without charge to each Selling Holder of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter furnish to such Selling Holder such number of conformed copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein, but excluding any documents to be incorporated by reference therein that are publicly available on the Commission's EDGAR system), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Holder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Selling Holder.

(b) After the filing of a Resale Shelf Registration Statement (or an Issuer Shelf Registration Statement providing for resales pursuant to clause (ii) ofSection 2.1(b)), the Company will promptly notify each Selling Holder of Registrable Securities covered by such registration statement of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(c) The parties hereto hereby acknowledge that, generally, pursuant to Section 18 of the Securities Act, no state securities laws requiring, or with respect to, registration or qualification of securities or securities transactions will apply to a security that is a "covered security" (as defined therein). "Covered securities," for purposes of Section 18 of the Securities Act, includes securities listed or authorized for listing on the NYSE (or certain other national securities exchanges) and securities of the same issuer that are equal in seniority or senior to such securities. In the event that the Shares cease to constitute covered securities, subject to the conditions set forth in this Agreement, the Company will use its commercially reasonable efforts to (i) register or qualify the Registrable Securities under such other securities or "blue sky" laws of such jurisdictions in the United States (where an exemption does not apply) as any Selling Holder reasonably (in light of such Selling Holder's intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities owned by such Selling Holder; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (c), (B) subject itself to general taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction. The Company will promptly notify each Selling Holder of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction or the initiation of any proceeding for such purpose.

(d) The Company will immediately notify each Selling Holder of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the Company's receipt of any notification of the suspension of the qualification of any Registrable Securities covered by a Resale Shelf Registration Statement (or

an Issuer Shelf Registration Statement providing for resales pursuant to clause (ii) ofSection 2.1(b)) for sale in any jurisdiction; or (ii) the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and promptly make available to each Selling Holder any such supplement or amendment.

(e) The Company will use commercially reasonable efforts to cause all Registrable Securities covered by such Resale Shelf Registration Statement or Primary Shares covered by such Issuer Shelf Registration Statement to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(f) In addition to the Notice and Questionnaire, the Company may require each Selling Holder of Registrable Securities to promptly furnish in writing to the Company such information regarding such selling Holder, the Registrable Securities held by it and the intended method of distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration. No Holder may include Registrable Securities in any registration statement pursuant to this Agreement unless and until such Holder has furnished to the Company such information. Each Holder further agrees to furnish as soon as reasonably practicable to the Company all information required to be disclosed in order to make information previously furnished to the Company by such Holder not misleading in light of the circumstances in which they were made.

(g) Each Selling Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Sections 2.2(b) or (d) or upon receipt of a Suspension Notice, such Selling Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Selling Holder's receipt of written notice from the Company that such disposition may be made and, if applicable, copies of any supplemented or amended prospectus contemplated by clause (ii) of Section 2.2(d) or, if applicable, prepared under Section 2.9(a), and, if so directed by the Company, such Selling Holder will deliver to the Company all copies, other than permanent file copies then in such Selling Holder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. Each Selling Holder of Registrable Securities agrees that it will immediately notify the Company at any time when a prospectus relating to the registration of such Registrable Securities is required to be delivered under the Securities Act of the happening of an event as a result of which information previously furnished by such Selling Holder to the Company in writing for inclusion in such prospectus contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances in which they were made.

Section 2.3. Registration Expenses. In connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the "Registration Expenses"), regardless whether such registration statement is declared effective by the Commission: (i) all registration

and filing fees, (ii) fees and expenses of compliance with securities or "blue sky" laws (including reasonable fees and disbursements of its counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities, (vi) reasonable fees and disbursements of counsel for the Company, (vii) all fees and disbursements of the Company's auditors, including in connection with the preparation of comfort letters, and any transfer agent and registrar fees, and (viii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration. Registration Expenses shall not include any brokerage and sales commission fees and disbursements of any counsel, accountants and other advisors of any Holder, and any transfer taxes relating to the sale or disposition of Common Shares by any Holder.

Section 2.4. Indemnification by the Company. The Company agrees to indemnify and hold harmless each Selling Holder of Registrable Securities, its officers, directors, agents, partners, members, employees, managers, advisors, sub-advisors, attorneys, representatives and Affiliates, and each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against, as incurred, any and all losses, claims, damages, liabilities, judgments and expenses (or actions in respect thereof) that arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any registration statement, preliminary prospectus, prospectus, or free writing prospectus relating to the Registrable Securities (in each case, as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or that arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such losses, claims, damages, liabilities, judgments or expenses arise out of or are based upon any such untrue statement or omission or alleged untrue statement or omission included in reliance upon and in conformity with information furnished in writing to the Company by such Selling Holder or on such Selling Holder's behalf expressly for inclusion therein.

Section 2.5. Indemnification by Holders of Registrable Securities. Each Selling Holder agrees, severally but not jointly or jointly and severally, to indemnify and hold harmless the Company, its officers, directors, agents, employees, attorneys, representatives and Affiliates and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to information relating to such Selling Holder included in reliance upon and in conformity with information furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement, preliminary prospectus, prospectus or free writing prospectus relating to the Registrable Securities, or any amendment or supplement thereto. In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Holder, such Selling Holder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Holder, by Section 2.6; provided, however, that the total obligations of such Selling Holder under this Agreement (including, but not limited to, obligations arising underSection 2.7

herein) will be limited to an amount equal to the net proceeds actually received by such Selling Holder (after deducting any discounts and commissions) from the disposition of Registrable Securities pursuant to such registration statement.

Section 2.6. Conduct of Indemnification Proceedings. In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant toSection 2.4 or 2.5, such person (an "Indemnified Party") shall promptly notify the person against whom such indemnity may be sought (an "Indemnifying Party") in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses; provided, however, that the failure of any Indemnified Party to give such notice will not relieve such Indemnifying Party of any obligations under thisSection 2, except to the extent such Indemnifying Party is materially prejudiced by such failure. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) representation of the Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential differing interests between the Indemnified Party and the Indemnified Party. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by (i) in the case of Persons indemnified pursuant to Section 2.4 hereof, the Selling Holders which owned a majority of the Registrable Securities sold under the applicable registration statement and (ii) in the case of Persons indemnified pursuant toSection 2.5, the Company. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding without any admission of liability by such Indemnified Party.

Section 2.7. Contribution. If the indemnification provided for in Section 2.4 or 2.5 hereof is held by a court of competent jurisdiction to be unavailable to an Indemnified Party or insufficient in respect of any losses, claims, damages, liabilities, judgments or expenses that otherwise would have been covered by Section 2.4 or 2.5 hereof, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities, judgments or expenses in such proportion as is appropriate to reflect the relative fault of the Company, on the one hand, and of each Selling Holder, on the other hand, in connection with

such statements or omissions which resulted in such losses, claims, damages, liabilities, judgments or expenses, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 2.7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages, liabilities, judgments or expenses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.7, no Selling Holder shall be required to contribute any amount which in the aggregate exceeds the amount by which the net proceeds actually received by such Selling Holder from the sale of its securities to the public exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Holder's obligations to contribute pursuant to this Section 2.7, if any, are several in proportion to the proceeds of the offering actually received by such Selling Holder bears to the total proceeds of the offering received by all the Selling Holders and not joint.

Section 2.8. Rule 144. The Company covenants that it will (a) make and keep public information regarding the Company available as those terms are defined in Rule 144, (b) file in a timely manner any reports and documents required to be filed by it under the Securities Act and the Exchange Act, (c) furnish to any Holder forthwith upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144, the Securities Act and the Exchange Act, and (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (d) take such further action as any Holder may reasonably request, all to the extent required from time to time to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144.

Section 2.9. Suspension of Use of Registration Statement.

(a) Notwithstanding the provisions of Section 2.1(a), the Company shall be permitted to postpone the filing of any Shelf Registration Statement (for purposes of this Section 2.9, the "Registration Statement"), and from time to time to require Holders not to sell under the Registration Statement or to suspend the use or effectiveness thereof, for such times as the Company reasonably may determine is necessary and advisable (but in no event shall the Company be entitled to exercise such right for more than an aggregate of 180 days in any rolling 12-month period commencing on the date of this Agreement, except as a result of a refusal by the Commission to declare any post-effective amendment to the Registration Statement effective

after the Company has used all commercially reasonable efforts to cause the post-effective amendment to be declared effective by the Commission, in which case, the Company must terminate the black-out period immediately following the effective date of the post-effective amendment), if any of the following events shall occur (each such circumstance a "Suspension Event"): (i) a majority of the Board of Directors of the Company determines in good faith that (A) the offer or sale of any Registrable Securities would materially impede, delay or interfere with any proposed financing, offer or sale of securities, acquisition, disposition, corporate reorganization or other material transaction involving the Company or any of its subsidiaries, (B) the sale of Registrable Securities pursuant to the Registration Statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law, or (C) (x) the Company has a bona fide business purpose for preserving the confidentiality of a proposed transaction described in clause (A) above, (y) disclosure of such proposed transaction would have a material adverse effect on the Company or the Company's ability to consummate such transaction, or (z) such proposed transaction renders the Company unable to comply with Commission requirements, in each case under circumstances that would make it impractical or inadvisable to cause the Registration Statement (or such filings) to become effective or to promptly amend or supplement a Registration Statement on a post-effective basis, as applicable; or (ii) a majority of the Board of Directors of the Company determines in good faith that it is in the Company's best interest or it is required by law, rule or regulation to supplement the Registration Statement or file a post-effective amendment to the Registration Statement in order to ensure that the prospectus included in the Registration Statement (A) contains the information required under Section 10(a)(3) of the Securities Act; (B) discloses any facts or events arising after the effective date of a Shelf Registration Statement (or of the most recent post-effective amendment) that, individually or in the aggregate, represents a fundamental change in the information set forth therein; or (C) discloses any material information with respect to the plan of distribution that was not disclosed in the Registration Statement or any material change to such information. Upon the occurrence of any such suspension, the Company shall use its commercially reasonable efforts to cause the Registration Statement to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis or to take such action as is necessary to permit resumed use of the Registration Statement or filing thereof as soon as possible.

The Company will provide written notice (a "Suspension Notice") to the Holders, if any, of the occurrence of any Suspension Event. If, as a result of a Suspension Event, the Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made (in the case of the prospectus) not misleading, each Holder agrees that (i) it will immediately discontinue offers and sales of the Registrable Securities under the Registration Statement until the Holder receives copies of a supplemental or amended prospectus (which the Company agrees to promptly prepare) that corrects the misstatement(s) or omission(s) referred to above and receives notice that any post-effective amendment has become effective or unless otherwise notified by the Company that it may resume such offers and sales, and (ii) it will maintain the confidentiality of any information included in the written notice delivered by the Company unless otherwise required by law or subpoena. If so directed by the Company, each Holder will deliver to the Company (at the expense of the Company) all copies of the prospectus covering the Registrable Securities at the time of receipt of the Suspension Notice, other than permanent file copies in the possession of

such Holder's counsel. The Holders may recommence effecting sales of the Registrable Securities pursuant to the Registration Statement (or such filings) following receipt by the Holders of any prospectus contemplated by clause (ii) of this Section 2.9(a) and further written notice to such effect (an "End of Suspension Notice") from the Company, which End of Suspension Notice shall be given by the Company to the Holders and to the Selling Holders' counsel, if any, promptly following the conclusion of any Suspension Event and its effect.

(b) In connection with any Registration Statement utilized by the Company to satisfy its obligations under this Agreement, each Holder agrees to cooperate with the Company in connection with the preparation of the Registration Statement, and each Holder agrees that it will (i) respond within ten (10) Business Days to any written request by the Company to provide or verify information regarding the Holder or the Holder's Registrable Securities (including the proposed manner of sale) that may be required to be included in such Registration Statement and related prospectus pursuant to the rules and regulations of the Commission, and (ii) provide in a timely manner information regarding the proposed distribution by the Holder of the Registrable Securities and such other information as may be requested by the Company from time to time in connection with the preparation of and for inclusion in the Registration Statement and related prospectus.

(c) If all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date taking into account any permissible extension, upon written notice thereof by the Company to the Holders, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to any Registration Statement or to require the Company take action with respect to the registration or sale of any Registrable Securities pursuant to any Registration Statement shall be suspended until the date on which the Company has filed such reports, and the Company shall use commercially reasonable efforts, taking into account the circumstances of the Company at such time, to file the required reports as promptly as commercially practicable, and shall notify the Holders as promptly as practicable when such suspension is no longer required.

Section 2.10. Additional Shares. The Company, at its option, may register under a Shelf Registration Statement and any filings with any state securities commissions filed pursuant to this Agreement, any number of unissued Common Shares or any Common Shares owned by any other shareholder or shareholders of the Company.

ARTICLE III

MISCELLANEOUS

Section 3.1. Remedies. In addition to being entitled to exercise all rights provided herein and granted by law, including recovery of damages, the Holders shall be entitled to specific performance of the rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

Section 3.2. Amendments and Waivers. The provisions of this Agreement may be amended or waived at any time only by the written agreement of the Company and the Holders of a majority of the Registrable Securities provided, however, that the provisions of this Agreement may not be amended or waived without the consent of each Holder of Registrable Securities adversely affected by such amendment or waiver if such amendment or waiver adversely affects a portion of the Registrable Securities but does not so adversely affect all of the Registrable Securities; provided, further, that the provisions of the preceding provision may not be amended or waived except in accordance with this sentence. Any waiver, permit, consent or approval of any kind or character on the part of any such Holder of any provision or condition of this Agreement must be made in writing and shall be effective only to the extent specifically set forth in writing. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Holder of Registrable Securities and the Company. No failure or delay by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 3.3. Notices. All notices and other communications in connection with this Agreement shall be made in writing by hand delivery, registered first-class mail, telecopier, or air courier guaranteeing overnight delivery:

(1) if to any Holder, initially to the address indicated in such Holder's Notice and Questionnaire or, if no Notice and Questionnaire has been delivered, c/o [], Attention: [·], or to such other address and to such other Persons as any Holder may hereafter specify in writing; and

(2) if to the Company, initially at [], Attention: Chief Executive Officer, or to such other address as the Company may hereafter specify in writing.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when received if deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and on the next Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

Section 3.4. Successors and Assigns; Assignment of Registration Rights. This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties. Any Holder may assign its rights under this Agreement without the consent of the Company in connection with a transfer of such Holder's Registrable Securities permitted under the Operating Partnership Agreement; provided, that the Holder notifies the Company of such proposed transfer and assignment and the transferee or assignee of such rights assumes in writing the obligations of such Holder under this Agreement.

Section 3.5. Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 3.6. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Maryland, without giving effect to conflict of laws principles.

Section 3.7. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

Section 3.8. Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.9. Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.10. Termination. The obligations of the parties hereunder shall terminate with respect to a Holder when it no longer holds Registrable Securities and with respect to the Company upon the end of the Effectiveness Period with respect to any Issuer Shelf Registration Statement and with respect to Resale Shelf Registration Statement when there are no longer Registrable Securities with respect to a Resale Shelf Registration Statement, except, in each case, for any obligations under Sections 2.3, 2.4, 2.5, 2.6, 2.7 and Article III.

Section 3.11. Consent to Jurisdiction.

(a) Each of the parties hereto hereby irrevocably submits to the exclusive jurisdiction of the courts of the State of Maryland and to the jurisdiction of the United States District Court for the State of Maryland, for the purpose of any action (whether based on contract, tort or otherwise), directly or indirectly, arising out of or relating to this Agreement or the actions of the parties hereto in the negotiation, administration, performance and enforcement thereof, and each of the parties hereto hereby irrevocably agrees that all claims in respect to such action may be heard and determined exclusively in any Maryland state or federal court.

(b) Each of the parties hereto (i) irrevocably consents to the service of the summons and complaint and any other process in any action relating to the transactions contemplated by this Agreement, on behalf of itself or its property, by personal delivery of copies of such process to such party and nothing in this Section 3.11 shall affect the right of any party to serve legal process in any other manner permitted by law, (ii) consents to submit itself to the personal jurisdiction of any United States federal court located in the State

of Maryland or any Maryland state court in the event any dispute arises out of this Agreement or the transactions contemplated by this Agreement, (iii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (iv) agrees that it will not bring any action or proceeding relating to this Agreement or the transactions contemplated by this

Agreement in any court other than any United States federal court located in the State of Maryland or any Maryland state court. Each of the Holders and the Company agrees that a final judgment in any action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 3.12. Waiver of Jury Trial. The parties hereto (including any Initial Holder and any subsequent Holder) irrevocably waive any right to trial by jury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

JBG SMITH PROPERTIES

By: _____
Name:
Title:

[·]

(as Attorney-in-Fact for the Initial Holders listed on Schedule I hereto)

By: _____

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT is entered into as of [·], 2017 by and among JBG Smith Properties, a Maryland real estate investment trust (the "Company"), and the holders listed on Schedule I hereto (each an "Initial Holder" and, collectively, the "Initial Holders").

RECITALS

WHEREAS, the Company and JBG SMITH Properties LP, a Delaware limited partnership (the "Operating Partnership"), have concurrently engaged in certain combination transactions as more fully set forth in that certain Master Transaction Agreement dated as of October 31, 2016 by and among Vornado Realty Trust, Vornado Realty L.P., JBG Properties Inc., JBG/Operating Partners, L.P., certain affiliates of JBG Properties Inc., the Company and the Operating Partnership (the "Combination Transactions" pursuant to which the Initial Holders have concurrently received, in exchange for their (or certain related parties') respective interests in the entities participating in the Combination Transactions common shares of beneficial interest of the Company, par value $0.01 per share (the "Common Shares"); and

WHEREAS, as a condition to the Combination Transactions, the Company has agreed to grant the Initial Holders and their permitted assignees and transferees the registration rights set forth in Article II hereof.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. The following terms, as used herein, have the following meanings:

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this Registration Rights Agreement, as it may be amended, supplemented or restated from time to time.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in The City of New York, New York are authorized by law to close.

"Charter" means the Articles of Amendment and Restatement of the Company as filed with the Secretary of State of the State of Maryland on [], 2017, as the same may be amended, modified or restated from time to time.

"Combination Transactions" has the meaning set forth in the recitals hereof.

"Commission" means the Securities and Exchange Commission.

"Common Shares" has the meaning set forth in the recitals hereof.

"Company" has the meaning set forth in the preamble hereof.

"End of Suspension Notice" has the meaning set forth in Section 2.9(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Holder" means (i) any Initial Holder who is the record or beneficial owner of any Registrable Security or (ii) any assignee or transferee of such Initial Holder (including assignments or transfers of Registrable Securities to such assignees or transferees as a result of the foreclosure on any loans secured by such Registrable Securities) (x) to the extent permitted under the Charter, and (y) provided such assignee or transferee agrees in writing to be bound by all the provisions hereof.

"Initial Holder" has the meaning set forth in the preamble hereof.

"Notice and Questionnaire" has the meaning set forth in Section 2.1(d).

"NYSE" means The New York Stock Exchange.

"Person" means an individual or a corporation, partnership, limited liability company, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Registrable Securities" means with respect to any Holder, Common Shares owned, either of record or beneficially, by such Holder that were received by such Holder or an Initial Holder in the Combination Transactions and any additional Common Shares issued as a dividend or distribution on, in exchange for, or otherwise in respect of, such shares (including as a result of combinations, recapitalizations, mergers, consolidations, reorganizations or otherwise).

As to any particular Registrable Securities of a Holder, they shall cease to be Registrable Securities in respect of such Holder at the earliest time as one of the following shall have occurred: (i) a registration statement (including a Resale Shelf Registration Statement) covering such shares shall have become effective and all such shares have been disposed of pursuant to such effective registration statement or unless such shares were issued pursuant to an effective registration statement, (ii) such shares have been publicly sold under Rule 144, (iii) all such shares may be sold in one transaction pursuant to Rule 144 or (iv) such shares have been otherwise transferred in a transaction that constitutes a sale thereof under the Securities Act, the

Company has delivered to the Holder's transferee a new certificate or other evidence of ownership for such shares not bearing the Securities Act restricted stock legend and such shares subsequently may be resold or otherwise transferred by such transferee without registration under the Securities Act.

"Registration Expenses" shall have the meaning set forth in Section 2.3.

"Resale Shelf Registration Statement" shall have the meaning set forth in Section 2.1(a).

"Rule 144" means Rule 144 promulgated under the Securities Act, as amended from time to time, or any similar successor rule thereto that may be promulgated by the Commission.

"Securities Act" means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act pursuant to the terms hereof.

"Suspension Notice" shall have the meaning set forth in Section 2.9(a).

ARTICLE II

REGISTRATION RIGHTS

Section 2.1. Shelf Registration.

(a) Subject to Section 2.9, the Company shall use commercially reasonable efforts to prepare and file, on or before the first Business Day that is sixty (60) days after the consummation date of the Combination Transactions, a "shelf" registration statement with respect to the resale of the Registrable Securities by the Holders thereof on an appropriate form that complies in all material respects with applicable Commission rules for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (the "Resale Shelf Registration Statement") and permitting registration of such Registrable Securities for resale by such Holders in accordance with the methods of distribution elected by the Holders and set forth in the Resale Shelf Registration Statement and shall use commercially reasonable efforts to cause such Resale Shelf Registration Statement to become effective as promptly as practicable thereafter. Subject to Sections 2.1(c) and 2.9, the Company shall keep such Resale Shelf Registration Statement continuously effective for a period ending when all Common Shares covered by the Resale Shelf Registration Statement are no longer Registrable Securities.

(b) [Intentionally Omitted].

(c) Subsequent Filing. The Company shall prepare and file such additional registration statements as necessary every three (3) years and use its commercially reasonable efforts to cause such registration statements to become effective so that a Resale Shelf Registration Statement remains continuously effective, subject to Section 2.9, with respect to resales of Registrable Securities as and for the periods required under Sections 2.1(a), as

applicable (such subsequent registration statements to constitute a Resale Shelf Registration Statement hereunder).

(d) Notice and Questionnaire. At the request of the Company, each Holder shall deliver a duly completed and executed written notice (each such notice, a "Notice and Questionnaire") to the Company (i) notifying the Company of such Holder's desire to include Registrable Securities held by it in a Resale Shelf Registration Statement, (ii) containing all information about such Holder required to be included in such registration statement in accordance with applicable law, including Item 507 of Regulation S-K promulgated under the Securities Act, as amended from time to time, or any similar successor rule thereto, and (iii) pursuant to which such Holder agrees to be bound by the terms and conditions hereof. At the time a Resale Shelf Registration Statement becomes effective, each Holder that has delivered a duly completed and executed Notice and Questionnaire to the Company on or prior to the date ten (10) Business Days prior to such time of effectiveness shall be named as a selling securityholder in such Resale Shelf Registration Statement and the related prospectus in such a manner as to permit such Holder to deliver such prospectus to purchasers of Registrable Securities in accordance with applicable law. If required by applicable law, subject to the terms and conditions hereof, after effectiveness of the Resale Shelf Registration Statement, the Company shall file a supplement to such prospectus or amendment to the Resale Shelf Registration Statement not less than once a quarter as necessary to name as selling securityholders therein any Holders that provide to the Company a duly completed and executed Notice and Questionnaire and shall use commercially reasonable efforts to cause any post-effective amendment to such Resale Shelf Registration Statement filed for such purpose to be declared effective by the Commission as promptly as reasonably practicable after the filing thereof. Any Holder that has not delivered a duly completed and executed Notice and Questionnaire shall not be entitled to be named as a Selling Holder in, or have the Registrable Securities held by it covered by, a Resale Shelf Registration Statement.

Section 2.2. Registration Procedures; Filings; Information. Subject to Section 2.9 hereof, in connection with any Resale Shelf Registration Statement under Section 2.1(a), the Company will use its commercially reasonable efforts to effect the registration of the Registrable Securities covered thereby in accordance with the intended method of disposition thereof as quickly as practicable. In connection with any Resale Shelf Registration Statement:

(a) At the request of the Selling Holder, the Company will, prior to filing a Resale Shelf Registration Statement or prospectus or any amendment or supplement thereto, furnish without charge to each Selling Holder of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter furnish to such Selling Holder such number of conformed copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein, but excluding any documents to be incorporated by reference therein that are publicly available on the Commission's EDGAR system) the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Holder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Selling Holder.

(b) After the filing of a Resale Shelf Registration Statement, the Company will promptly notify each Selling Holder of Registrable Securities covered by such registration statement of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(c) The parties hereto hereby acknowledge that, generally, pursuant to Section 18 of the Securities Act, no state securities laws requiring, or with respect to, registration or qualification of securities or securities transactions will apply to a security that is a "covered security" (as defined therein). "Covered securities," for purposes of Section 18 of the Securities Act, includes securities listed or authorized for listing on the NYSE (or certain other national securities exchanges) and securities of the same issuer that are equal in seniority or senior to such securities. In the event that the Shares cease to constitute covered securities, subject to the conditions set forth in this Agreement, the Company will use its commercially reasonable efforts to (i) register or qualify the Registrable Securities under such other securities or "blue sky" laws of such jurisdictions in the United States (where an exemption does not apply) as any Selling Holder reasonably (in light of such Selling Holder's intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities owned by such Selling Holder; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (c), (B) subject itself to general taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction. The Company will promptly notify each Selling Holder of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction or the initiation of any proceeding for such purpose.

(d) The Company will immediately notify each Selling Holder of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the Company's receipt of any notification of the suspension of the qualification of any Registrable Securities covered by a Resale Shelf Registration Statement for sale in any jurisdiction; or (ii) the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and promptly make available to each Selling Holder any such supplement or amendment.

(e) The Company will use commercially reasonable efforts to cause all Registrable Securities covered by such Resale Shelf Registration Statement to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(f) In addition to the Notice and Questionnaire, the Company may require each Selling Holder of Registrable Securities to promptly furnish in writing to the Company such information regarding such selling Holder, the Registrable Securities held by it and the intended

method of distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration. No Holder may include Registrable Securities in any registration statement pursuant to this Agreement unless and until such Holder has furnished to the Company such information. Each Holder further agrees to furnish as soon as reasonably practicable to the Company all information required to be disclosed in order to make information previously furnished to the Company by such Holder not misleading in light of the circumstances in which they were made.

(g) Each Selling Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Sections 2.2(b) or (d) or upon receipt of a Suspension Notice, such Selling Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Selling Holder's receipt of written notice from the Company that such disposition may be made and, if applicable, copies of any supplemented or amended prospectus contemplated by clause (ii) of Section 2.2(d) or, if applicable, prepared under Section 2.9(a), and, if so directed by the Company, such Selling Holder will deliver to the Company all copies, other than permanent file copies then in such Selling Holder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. Each Selling Holder of Registrable Securities agrees that it will immediately notify the Company at any time when a prospectus relating to the registration of such Registrable Securities is required to be delivered under the Securities Act of the happening of an event as a result of which information previously furnished by such Selling Holder to the Company in writing for inclusion in such prospectus contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances in which they were made.

Section 2.3. Registration Expenses. In connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the "Registration Expenses"), regardless whether such registration statement is declared effective by the Commission: (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or "blue sky" laws (including reasonable fees and disbursements of its counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities, (vi) reasonable fees and disbursements of counsel for the Company, (vii) all fees and disbursements of the Company's auditors, including in connection with the preparation of comfort letters, and any transfer agent and registrar fees, and (viii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration. Registration Expenses shall not include any brokerage and sales commission fees and disbursements of any counsel, accountants and other advisors of any Holder, and any transfer taxes relating to the sale or disposition of Common Shares by any Holder.

Section 2.4. Indemnification by the Company. The Company agrees to indemnify and hold harmless each Selling Holder of Registrable Securities, its officers, directors, agents, partners, members, employees, managers, advisors, sub-advisors, attorneys, representatives and

Affiliates, and each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against, as incurred, any and all losses, claims, damages, liabilities, judgments and expenses (or actions in respect thereof) that arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any registration statement, preliminary prospectus, prospectus, or free writing prospectus relating to the Registrable Securities (in each case, as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or that arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such losses, claims, damages, liabilities, judgments or expenses arise out of or are based upon any such untrue statement or omission or alleged untrue statement or omission included in reliance upon and in conformity with information furnished in writing to the Company by such Selling Holder or on such Selling Holder's behalf expressly for inclusion therein.

Section 2.5. Indemnification by Holders of Registrable Securities. Each Selling Holder agrees, severally but not jointly or jointly and severally, to indemnify and hold harmless the Company, its officers, directors, agents, employees, attorneys, representatives and Affiliates and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to information relating to such Selling Holder included in reliance upon and in conformity with information furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement, preliminary prospectus, prospectus or free writing prospectus relating to the Registrable Securities, or any amendment or supplement thereto. In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Holder, such Selling Holder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Holder, by Section 2.6; provided, however, that the total obligations of such Selling Holder under this Agreement (including, but not limited to, obligations arising under Section 2.7 herein) will be limited to an amount equal to the net proceeds actually received by such Selling Holder (after deducting any discounts and commissions) from the disposition of Registrable Securities pursuant to such registration statement.

Section 2.6. Conduct of Indemnification Proceedings. In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 2.4 or 2.5, such person (an "Indemnified Party") shall promptly notify the person against whom such indemnity may be sought (an "Indemnifying Party") in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses; provided, however, that the failure of any Indemnified Party to give such notice will not relieve such Indemnifying Party of any obligations under this Section 2, except to the extent such Indemnifying Party is materially prejudiced by such failure. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to

the retention of such counsel or (ii) representation of the Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential differing interests between the Indemnified Party and the Indemnified Party. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by (i) in the case of Persons indemnified pursuant to Section 2.4 hereof, the Selling Holders which owned a majority of the Registrable Securities sold under the applicable registration statement and (ii) in the case of Persons indemnified pursuant to Section 2.5, the Company. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding without any admission of liability by such Indemnified Party.

Section 2.7. Contribution. If the indemnification provided for in Section 2.4 or 2.5 hereof is held by a court of competent jurisdiction to be unavailable to an Indemnified Party or insufficient in respect of any losses, claims, damages, liabilities, judgments or expenses that otherwise would have been covered by Section 2.4 or 2.5 hereof, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities, judgments or expenses in such proportion as is appropriate to reflect the relative fault of the Company, on the one hand, and of each Selling Holder, on the other hand, in connection with such statements or omissions which resulted in such losses, claims, damages, liabilities, judgments or expenses, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 2.7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages, liabilities, judgments or expenses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.7, no Selling Holder shall be required to contribute any amount which in the aggregate

exceeds the amount by which the net proceeds actually received by such Selling Holder from the sale of its securities to the public exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Holder's obligations to contribute pursuant to this Section 2.7, if any, are several in proportion to the proceeds of the offering actually received by such Selling Holder bears to the total proceeds of the offering received by all the Selling Holders and not joint.

Section 2.8. Rule 144. The Company covenants that it will (a) make and keep public information regarding the Company available as those terms are defined in Rule 144, (b) file in a timely manner any reports and documents required to be filed by it under the Securities Act and the Exchange Act, (c) furnish to any Holder forthwith upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144, the Securities Act and the Exchange Act, and (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (d) take such further action as any Holder may reasonably request, all to the extent required from time to time to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144.

Section 2.9. Suspension of Use of Registration Statement.

(a) Notwithstanding the provisions of Section 2.1(a), the Company shall be permitted to postpone the filing of any Resale Shelf Registration Statement, and from time to time to require Holders not to sell under the Resale Shelf Registration Statement or to suspend the use or effectiveness thereof, for such times as the Company reasonably may determine is necessary and advisable (but in no event shall the Company be entitled to exercise such right for more than an aggregate of 180 days in any rolling 12-month period commencing on the date of this Agreement, except as a result of a refusal by the Commission to declare any post-effective amendment to the Resale Shelf Registration Statement effective after the Company has used all commercially reasonable efforts to cause the post-effective amendment to be declared effective by the Commission, in which case, the Company must terminate the black-out period immediately following the effective date of the post-effective amendment), if any of the following events shall occur (each such circumstance a "Suspension Event"): (i) a majority of the Board of Directors of the Company determines in good faith that (A) the offer or sale of any Registrable Securities would materially impede, delay or interfere with any proposed financing, offer or sale of securities, acquisition, disposition, corporate reorganization or other material transaction involving the Company or any of its subsidiaries, (B) the sale of Registrable Securities pursuant to the Resale Shelf Registration Statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law, or (C) (x) the Company has a bona fide business purpose for preserving the confidentiality of a proposed transaction described in clause (A) above, (y) disclosure of such proposed transaction would have a material adverse effect on the Company or the Company's ability to consummate such proposed transaction, or (z) such proposed transaction renders the Company unable to comply with Commission requirements, in each case under circumstances that would make it impractical or inadvisable to cause the Resale Shelf Registration Statement (or such filings) to

become effective or to promptly amend or supplement a Resale Shelf Registration Statement on a post-effective basis, as applicable; or (ii) a majority of the Board of Directors of the Company determines in good faith that it is in the Company's best interest or it is required by law, rule or regulation to supplement the Resale Shelf Registration Statement or file a post-effective amendment to the Resale Shelf Registration Statement in order to ensure that the prospectus included in the Resale Shelf Registration Statement (A) contains the information required under Section 10(a)(3) of the Securities Act; (B) discloses any facts or events arising after the effective date of a Resale Shelf Registration Statement (or of the most recent post-effective amendment) that, individually or in the aggregate, represents a fundamental change in the information set forth therein; or (C) discloses any material information with respect to the plan of distribution that was not disclosed in the Resale Shelf Registration Statement or any material change to such information. Upon the occurrence of any such suspension, the Company shall use its commercially reasonable efforts to cause the Resale Shelf Registration Statement to become effective or to promptly amend or supplement the Resale Shelf Registration Statement on a post-effective basis or to take such action as is necessary to permit resumed use of the Resale Shelf Registration Statement or filing thereof as soon as possible.

The Company will provide written notice (a "Suspension Notice") to the Holders, if any, of the occurrence of any Suspension Event. If, as a result of a Suspension Event, the Resale Shelf Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made (in the case of the prospectus) not misleading, each Holder agrees that (i) it will immediately discontinue offers and sales of the Registrable Securities under the Resale Shelf Registration Statement until the Holder receives copies of a supplemental or amended prospectus (which the Company agrees to promptly prepare) that corrects the misstatement(s) or omission(s) referred to above and receives notice that any post-effective amendment has become effective or unless otherwise notified by the Company that it may resume such offers and sales, and (ii) it will maintain the confidentiality of any information included in the written notice delivered by the Company unless otherwise required by law or subpoena. If so directed by the Company, each Holder will deliver to the Company (at the expense of the Company) all copies of the prospectus covering the Registrable Securities at the time of receipt of the Suspension Notice, other than permanent file copies in the possession of such Holder's counsel. The Holders may recommence effecting sales of the Registrable Securities pursuant to the Resale Shelf Registration Statement (or such filings) following receipt by the Holders of any prospectus contemplated by clause (ii) of this Section 2.9(a) and further written notice to such effect (an "End of Suspension Notice") from the Company, which End of Suspension Notice shall be given by the Company to the Holders and to the Selling Holders' counsel, if any, promptly following the conclusion of any Suspension Event and its effect.

(b) In connection with any Registration Statement utilized by the Company to satisfy its obligations under this Agreement, each Holder agrees to cooperate with the Company in connection with the preparation of the Resale Shelf Registration Statement, and each Holder agrees that it will (i) respond within ten (10) Business Days to any written request by the Company to provide or verify information regarding the Holder or the Holder's Registrable Securities (including the proposed manner of sale) that may be required to be included in such Resale Shelf Registration Statement and related prospectus pursuant to the rules and regulations

of the Commission, and (ii) provide in a timely manner information regarding the proposed distribution by the Holder of the Registrable Securities and such other information as may be requested by the Company from time to time in connection with the preparation of and for inclusion in the Resale Shelf Registration Statement and related prospectus.

(c) If all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date taking into account any permissible extension, upon written notice thereof by the Company to the Holders, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to any Registration Statement or to require the Company take action with respect to the registration or sale of any Registrable Securities pursuant to any Registration Statement shall be suspended until the date on which the Company has filed such reports, and the Company shall use commercially reasonable efforts, taking into account the circumstances of the Company at such time, to file the required reports as promptly as commercially practicable, and shall notify the Holders as promptly as practicable when such suspension is no longer required.

Section 2.10. Additional Shares. The Company, at its option, may register under a Shelf Registration Statement and any filings with any state securities commissions filed pursuant to this Agreement, any number of unissued Common Shares or any Common Shares owned by any other shareholder or shareholders of the Company.

ARTICLE III

MISCELLANEOUS

Section 3.1. Remedies. In addition to being entitled to exercise all rights provided herein and granted by law, including recovery of damages, the Holders shall be entitled to specific performance of the rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

Section 3.2. Amendments and Waivers. The provisions of this Agreement may be amended or waived at any time only by the written agreement of the Company and the Holders of a majority of the Registrable Securities; provided, however, that the provisions of this Agreement may not be amended or waived without the consent of each Holder of Registrable Securities adversely affected by such amendment or waiver if such amendment or waiver adversely affects a portion of the Registrable Securities but does not so adversely affect all of the Registrable Securities; provided, further, that the provisions of the preceding provision may not be amended or waived except in accordance with this sentence. Any waiver, permit, consent or approval of any kind or character on the part of any such Holder of any provision or condition of this Agreement must be made in writing and shall be effective only to the extent specifically set forth in writing. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Holder of Registrable Securities and the Company. No failure or delay by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 3.3. Notices. All notices and other communications in connection with this Agreement shall be made in writing by hand delivery, registered first-class mail, telecopier, or air courier guaranteeing overnight delivery:

(1) if to any Holder, initially to the address indicated in such Holder's Notice and Questionnaire or, if no Notice and Questionnaire has been delivered, c/o [], Attention: [·], or to such other address and to such other Persons as any Holder may hereafter specify in writing; and

(2) if to the Company, initially at [], Attention: Chief Executive Officer, or to such other address as the Company may hereafter specify in writing.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when received if deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and on the next Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

Section 3.4. Successors and Assigns; Assignment of Registration Rights. This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties. Any Holder may assign its rights under this Agreement without the consent of the Company in connection with a transfer of such Holder's Registrable Securities; provided, that the Holder notifies the Company of such proposed transfer and assignment and the transferee or assignee of such rights assumes in writing the obligations of such Holder under this Agreement.

Section 3.5. Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 3.6. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Maryland, without giving effect to conflict of laws principles.

Section 3.7. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

Section 3.8. Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.9. Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.10. Termination. The obligations of the parties hereunder shall terminate with respect to a Holder when it no longer holds Registrable Securities and with respect to the Company when there are no longer Registrable Securities with respect to a Resale Shelf Registration Statement, except, in each case, for any obligations under Sections 2.3, 2.4, 2.5, 2.6, 2.7 and Article III.

Section 3.11. Consent to Jurisdiction.

(a) Each of the parties hereto hereby irrevocably submits to the exclusive jurisdiction of the courts of the State of Maryland and to the jurisdiction of the United States District Court for the State of Maryland, for the purpose of any action (whether based on contract, tort or otherwise), directly or indirectly, arising out of or relating to this Agreement or the actions of the parties hereto in the negotiation, administration, performance and enforcement thereof, and each of the parties hereto hereby irrevocably agrees that all claims in respect to such action may be heard and determined exclusively in any Maryland state or federal court.

(b) Each of the parties hereto (i) irrevocably consents to the service of the summons and complaint and any other process in any other action relating to the transactions contemplated by this Agreement, on behalf of itself or its property, by personal delivery of copies of such process to such party and nothing in this Section 3.11 shall affect the right of any party to serve legal process in any other manner permitted by law, (ii) consents to submit itself to the personal jurisdiction of any United States federal court located in the State of Maryland or any Maryland state court in the event any dispute arises out of this Agreement or the transactions contemplated by this Agreement, (iii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (iv) agrees that it will not bring any action or proceeding relating to this Agreement or the transactions contemplated by this Agreement in any court other than any United States federal court located in the State of Maryland or any Maryland state court. Each of the Holders and the Company agrees that a final judgment in any action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 3.12. Waiver of Jury Trial. The parties hereto (including any Initial Holder and any subsequent Holder) irrevocably waive any right to trial by jury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

JBG SMITH PROPERTIES

By: _____
Name:
Title:

[·]

(as Attorney-in-Fact for the Initial Holders listed on Schedule I hereto)

By: _____

FINAL FORM
Exhibit F

LIMITED PARTNERSHIP AGREEMENT

OF

JBG SMITH PROPERTIES LP

Dated as of: [·], 2017

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE PARTNERSHIP AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE SATISFACTORY TO THE PARTNERSHIP, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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LIMITED PARTNERSHIP AGREEMENT
OF
JBG SMITH PROPERTIES LP

THIS LIMITED PARTNERSHIP AGREEMENT OF JBG SMITH Properties LP (this "Agreement"), dated as of [·], 2017, is entered into by and among JBG SMITH Properties, a Maryland real estate investment trust (the "General Partner"), as the general partner of and a limited partner in the Partnership, and the General Partner, on behalf of and as attorney in fact for each of the persons and entities identified in the Partner Registry as a Limited Partner in the Partnership, together with any other Persons who become Partners in the Partnership as provided herein.

ARTICLE I
DEFINED TERMS

Section 1.1 Definitions.

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"704(c) Value" of any Contributed Property means the fair market value of such property or other consideration at the time of contribution, as determined by the General Partner using such reasonable method of valuation as it may adopt. Subject to Exhibit B hereof, the General Partner shall, in its sole and absolute discretion, use such method as it deems reasonable and appropriate to allocate the aggregate of the 704(c) Values of Contributed Properties in a single or integrated transaction among the separate properties on a basis proportional to their respective fair market values.

"2015 Budget Act Partnership Audit Rules" means the provisions of Subchapter C of Subtitle F, Chapter 63 of the Code, as amended by P.L. 114-74, the Bipartisan Budget Act of 2015 (together with any subsequent amendments thereto, Regulations promulgated thereunder, published administrative interpretations thereof, any guidance issued thereunder and any successor provisions) or any similar procedures established by a state, local, or non-U.S. taxing authority.

"Act" means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. §17-101, et seq., as it may be amended from time to time, and any successor to such statute.

"Additional Limited Partner" means a Person admitted to the Partnership as a Limited Partner pursuant to Section 12.2 hereof and who is shown as such on the books and records of the Partnership.

"Adjusted Capital Account" means the Capital Account maintained for each Partner as of the end of each Partnership Year (i) increased by any amounts which such Partner is obligated to restore pursuant to any provision of this Agreement oris treated as obligated to restore to the Partnership pursuant to the provisions of Section 1.704-1(b)(2)(ii)(c) of the Regulations or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) and (ii) decreased by the items described in

Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Adjusted Capital Account Deficit" means, with respect to any Partner, the deficit balance, if any, in such Partner's Adjusted Capital Account as of the end of the relevant Partnership Year.

"Adjusted Property" means any property the Carrying Value of which has been adjusted pursuant to Exhibit B hereof.

"Affiliate" means, (a) respect to any individual Person, any member of the Immediate Family of such Person or a trust established for the benefit of such member, or (b) with respect to any Person who is not an individual, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, (iii) any Person of which such Person owns or controls ten percent (10%) or more of the voting interests or (iv) any officer, director, general partner or trustee of such Person or any Person referred to in clauses (i), (ii), and (iii) above. For purposes of this definition, "control," when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreed Value" means (i) in the case of any Contributed Property as of the time of its contribution to the Partnership, the 704(c) Value of such property, reduced by any liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed; and (ii) in the case of any property distributed to a Partner by the Partnership, the Partnership's Carrying Value of such property at the time such property is distributed, reduced by any indebtedness either assumed by such Partner upon such distribution or to which such property is subject at the time of distribution as determined under Section 752 of the Code and the Regulations thereunder.

"Agreement" means this Limited Partnership Agreement, as it may be amended, supplemented or restated from time to time.

"Applicable Year" means the second calendar year that begins after the calendar year in which the Vornado Distribution (as that term is defined in the Master Transaction Agreement) occurs.

"Assignee" means a Person to whom one or more Partnership Units have been transferred in a manner permitted under this Agreement, but who has not become a Substituted Limited Partner, and who has the rights set forth in Section 11.5 hereof.

"Bankruptcy" with respect to any Person shall be deemed to have occurred when (a) the Person commences a voluntary proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect, (b) the

Person is adjudged as bankrupt or insolvent, or a final and nonappealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Person, (c) the Person executes and delivers a general assignment for the benefit of the Person's creditors, (d) the Person files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Person in any proceeding of the nature described in clause (b) above, (e) the Person seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator for the Person or for all or any substantial part of the Person's properties, (f) any proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within one hundred twenty (120) days after the commencement thereof, (g) the appointment without the Person's consent or acquiescence of a trustee, receiver of liquidator has not been vacated or stayed within ninety (90) days of such appointment or (h) an appointment referred to in clause (g) is not vacated within ninety (90) days after the expiration of any such stay.

"Book-Up Target" for each LTIP Unit means the lesser of (i) the Common Partnership Unit Economic Balance as determined on the date such LTIP Unit was granted and as reduced (not to less than zero) by allocations of Liquidating Gains pursuant to Section 6.1.E(i) and reallocations of Economic Capital Account Balances to such LTIP Unit as a result of a forfeiture of an LTIP Unit, as determined by the General Partner and (ii) the amount required to be allocated to such LTIP Unit for the Economic Capital Account Balance, to the extent attributable to such LTIP Unit, to be equal to the Common Partnership Unit Economic Balance. Notwithstanding the foregoing, the Book-Up Target shall be equal to zero for any LTIP Unit for which the Economic Capital Account Balance attributable to such LTIP Unit has, at any time, reached an amount equal to the Common Partnership Unit Economic Balance determined as of such time.

"Book-Tax Disparities" means, with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date. A Partner's share of the Partnership's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Partner's Capital Account balance as maintained pursuant to Exhibit B hereof and the hypothetical balance of such Partner's Capital Account computed as if it had been maintained, with respect to each such Contributed Property or Adjusted Property, strictly in accordance with federal income tax accounting principles.

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

"Capital Account" means the Capital Account maintained for a Partner pursuant to Exhibit B hereof.

"Capital Contribution" means, with respect to any Partner, any cash, cash equivalents or the Agreed Value of Contributed Property which such Partner contributes or is deemed to contribute to the Partnership pursuant to Section 4.1, 4.2 or 4.3 hereof.

"Carrying Value" means (i) with respect to a Contributed Property or Adjusted Property, the 704(c) Value of such property reduced (but not below zero) by all Depreciation with respect to such Contributed Property or Adjusted Property, as the case may be, charged to the Partners' Capital Accounts following the contribution of or adjustment with respect to such property; and (ii) with respect to any other Partnership property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Exhibit B hereof, and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Partnership properties, as deemed appropriate by the General Partner.

"Cash Amount" means an amount of cash equal to the Value on the Valuation Date of the Shares Amount.

"Certificate" means the Certificate of Limited Partnership of the Partnership as filed in the office of the Delaware Secretary of State on [], 2017, as amended and/or restated from time to time in accordance with the terms hereof and the Act.

"Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time, as interpreted by the applicable regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"Common Partnership Unit" means any Partnership Unit other than any series of units of limited partnership interest issued in the future and designated as preferred or that is otherwise different from the Common Partnership Units, including, but not limited to, with respect to the payment of distributions, including distributions upon liquidation.

"Common Partnership Unit Economic Balance" means (i) the Capital Account balance of the General Partner, plus the amount of the General Partner's share of any Partner Minimum Gain or Partnership Minimum Gain, in either case to the extent attributable to the General Partner's ownership of Common Partnership Units and computed on a hypothetical basis after taking into account all allocations through the date on which any allocation is made under Section 6.1.E, divided by (ii) the number of the General Partner's Common Partnership Units.

"Consent" means the consent or approval of a proposed action by a Partner given in accordance with Section 14.2 hereof.

"Consent of the Outside Limited Partners" means the Consent of Limited Partners (excluding for this purpose, to the extent any of the following holds Partnership Units, (i) the General Partner or the General Partner Entity, (ii) any Person of which the General Partner or the General Partner Entity directly or indirectly owns or controls more than fifty percent (50%) of the voting interests and (iii) any Person directly or indirectly owning or controlling more than fifty percent (50%) of the outstanding voting interests of the General Partner or the General Partner Entity) holding Voting Units representing more than fifty percent (50%) of the Voting Percentage Interest of Voting Units of all Limited Partners which are not excluded pursuant to (i), (ii) and (iii) of the parenthetical above.

"Constructive Ownership" and "Constructively Own" mean ownership under the constructive ownership rules described in Exhibit G.

"Contributed Property" means each property or other asset, in such form as may be permitted by the Act (but excluding cash), contributed or deemed contributed to the Partnership. Once the Carrying Value of a Contributed Property is adjusted pursuant to Exhibit B hereof, such property shall no longer constitute a Contributed Property for purposes of Exhibit B hereof, but shall be deemed an Adjusted Property for such purposes.

"Conversion Factor" means, as of the date of this Agreement, 1.0; provided that in the event that (x) the General Partner Entity (i) declares (and the applicable record date has passed or will have passed before a redeeming Partner would receive cash or common Shares in respect of the Partnership Units being redeemed) or pays a dividend on its outstanding Shares in Shares or makes a distribution to all holders of its outstanding Shares in Shares, (ii) subdivides or reclassifies its outstanding Shares or (iii) combines its outstanding Shares into a smaller number of Shares, and (y) in connection with any such event described in clauses (i), (ii) or (iii) above *does not* cause the Partnership to make a comparable distribution of additional Units to all holders of the Partnership's outstanding Common Partnership Units (and to all holders of Units of any other class issued by the Partnership after the date hereof which are, by their terms, redeemable for cash or, at the General Partner's election, common Shares as set forth in Section 8.6), or a subdivision or combination of the Partnership's outstanding Common Partnership Units (and of all Units of any other class issued by the Partnership after the date hereof which are, by their terms, redeemable for cash or, at the General Partner's election, common Shares as set forth in Section 8.6) in any such case so that the number of Common Partnership Units held directly or indirectly by the General Partner Entity after such distribution, subdivision or combination is equal to the number of the General Partner Entity's then-outstanding Shares, then upon completion of such declaration, subdivision or combination the Conversion Factor shall be adjusted by multiplying the Conversion Factor by a fraction, the numerator of which shall be the number of Shares issued and outstanding on the record date for such dividend, distribution, subdivision or combination (assuming for such purposes that such dividend, distribution, subdivision or combination has occurred as of such time) and the denominator of which shall be the actual number of Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, subdivision or combination; and provided further that in case the General Partner Entity (w) shall issue rights or warrants to all holders of Shares entitling them to subscribe for or purchase Shares at a price per share less than the daily market price per Share on the date fixed for the determination of shareholders entitled to receive such rights or warrants, (x) shall not issue similar rights or warrants to all holders of Common Partnership Units entitling them to subscribe for or purchase Shares or Partnership Units at a comparable price (determined, in the case of Partnership Units, by reference to the Conversion Factor), and (y) cannot issue such rights or warrants to a Redeeming Partner as required by the definition of "Shares" set forth in this Article I, then the Conversion Factor in effect at the opening of business on the day following the date fixed for such determination shall be increased by multiplying such Conversion Factor by a fraction of which the numerator shall be the number of Shares outstanding at the close of business on the date fixed for such determination plus the number of Shares so offered for subscription or purchase, and of which the denominator shall be the number of Shares outstanding at the close of business on the date fixed for such determination plus the number of

Shares which the aggregate offering price of the total number of Shares so offered for subscription would purchase at such daily market price per share, such increase of the Conversion Factor to become effective immediately after the opening of business on the day following the date fixed for such determination; and provided further that in the event that an entity shall cease to be the General Partner Entity (the "Predecessor Entity") and another entity shall become the General Partner Entity (the "Successor Entity"), the Conversion Factor shall be adjusted by multiplying the Conversion Factor by a fraction, the numerator of which is the Value of one Share of the Predecessor Entity, determined as of the time immediately prior to when the Successor Entity becomes the General Partner Entity, and the denominator of which is the Value of one Share of the Successor Entity, determined as of that same date. (For purposes of the second proviso in the preceding sentence, in the event that any shareholders of the Predecessor Entity will receive consideration in connection with the transaction in which the Successor Entity becomes the General Partner Entity, the numerator in the fraction described above for determining the adjustment to the Conversion Factor (that is, the Value of one Share of the Predecessor Entity) shall be the sum of the greatest amount of cash and the fair market value of any securities and other consideration that the holder of one Share in the Predecessor Entity could have received in such transaction (determined without regard to any provisions governing fractional shares).) Except as noted above, any adjustment to the Conversion Factor shall become effective immediately after the effective date of such event retroactive to the record date, if any, for the event giving rise thereto; it being intended that (x) adjustments to the Conversion Factor are to be made in order to avoid unintended dilution or anti-dilution as a result of transactions in which Shares are issued, redeemed or exchanged without a corresponding issuance, redemption or exchange of Partnership Units and (y) if a Specified Redemption Date shall fall between the record date and the effective date of any event of the type described above, that the Conversion Factor applicable to such redemption shall be adjusted to take into account such event.

"Convertible Funding Debt" has the meaning set forth in Section 7.5.D hereof.

"Covered Person" has the meaning set forth in Section 7.8.A hereof.

"Current Partnership Audit Rules" means Subchapter C of Subtitle F, Chapter 63 of the Code as in effect on November 1, 2015, and as subsequently amended prior to the effective date of the 2015 Budget Act Partnership Audit Rules.

"Debt" means, as to any Person, as of any date of determination, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, (ii) all amounts owed by such Person to banks or other Persons in respect of reimbursement obligations under letters of credit, surety bonds and other similar instruments guaranteeing payment or other performance of obligations by such Person, (iii) all indebtedness for borrowed money or for the deferred purchase price of property or services secured by any lien on any property owned by such Person, to the extent attributable to such Person's interest in such property, even though such Person has not assumed or become liable for the payment thereof, and (iv) obligations of such Person incurred in connection with entering into a lease which, in accordance with GAAP, should be capitalized.

"Declaration of Trust" means the Declaration of Trust or other similar organizational document governing the General Partner Entity, as amended, supplemented or restated from time to time.

"Depreciation" means, for each taxable year, an amount equal to the federal income tax depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year, except that if the Carrying Value of an asset differs from

its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Carrying Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Carrying Value using any reasonable method selected by the General Partner.

"Economic Capital Account Balance" means, with respect to LTIP Unitholders and Holders of Formation Units, theirCapital Account balances, plus the amount of their shares of any Partner Minimum Gain or Partnership Minimum Gain, in either case to the extent attributable to their ownership of LTIP Units or Formation Units, respectively.

"EDGAR" means the Electronic Data Gathering, Analysis and Retrieval System or any successor system for filing information, documents or reports with the SEC.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended and in effect from time to time, as interpreted by the applicable regulations thereunder. Any reference herein to a specific section or Title of ERISA shall be deemed to include a reference to any corresponding provision of future law.

"Excluded Units" shall have the meaning set forth in Section 11.2.C.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Extraordinary Transaction" shall have the meaning set forth in Section 11.2.B.

"final adjustment" shall have the meaning set forth in Section 10.3.B.

"Formation Unit" means a Partnership Unit which is designated as a Formation Unit and which has the rights, preferences and other privileges designated inExhibit F hereof. The allocation of Formation Units among the Partners shall be set forth in the Partner Registry.

"Funding Debt" means any Debt incurred by or on behalf of the General Partner for the purpose of providing funds to the Partnership.

"GAAP" means U.S. generally accepted accounting principles.

"General Partner" means JBG SMITH Properties, a Maryland real estate investment trust, or any Person who becomes a successor general partner of the Partnership.

"General Partner Entity" means the General Partner; provided, however, that if (i) the common shares of beneficial interest (or other comparable equity interests) of the General Partner are at any time not Publicly Traded and (ii) the shares of common stock (or other comparable equity interests) of an entity that owns, directly or indirectly, all of the common shares of beneficial interest (or other comparable equity interests) of the General Partner are Publicly Traded, the term "General Partner Entity" shall refer to such entity whose shares of common stock (or other comparable equity securities) are Publicly Traded. If both requirements set forth in clauses (i) and (ii) above are not satisfied, then the term "General Partner Entity" shall mean the General Partner.

"General Partner Payment" has the meaning set forth in Section 15.13 hereof.

"General Partnership Interest" means a Partnership Interest held by the General Partner in its capacity as general partner of the Partnership. A General Partnership Interest may be (but is not required to be) expressed as a number of Partnership Units.

"Immediate Family" means, with respect to any natural Person, such natural Person's spouse, parents, descendants, nephews, nieces, brothers and sisters.

"Incapacity" or "Incapacitated" means, (i) as to any individual Partner, death, total physical disability or entry by a court of competent jurisdiction adjudicating such Partner incompetent to manage his or her Person or estate, (ii) as to any corporation which is a Partner, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter, (iii) as to any partnership or limited liability company which is a Partner, the dissolution and commencement of winding up of such partnership or limited liability company, (iv) as to any estate which is a Partner, the distribution by the fiduciary of the estate's entire interest in the Partnership, (v) as to any trustee of a trust which is a Partner, the termination of the trust (but not the substitution of a new trustee) or (vi) as to any Partner, the Bankruptcy of such Partner.

"Indemnitee" means (i) any Person made a party to a proceeding or threatened with being made a party to a proceeding by reason of (A) his or its status as the General Partner, or as a trustee, director, officer, shareholder, partner, member, employee, representative or agent of the General Partner or as an officer, employee, representative or agent of the Partnership; (B) his or its status as a Limited Partner; or (C) his or its status as a trustee, director or officer of any Subsidiary or other entity in which the Partnership owns an equity interest or any Subsidiary or other entity in which the General Partner owns an equity interest (so long as the General Partner's ownership of an interest in such entity is not prohibited by Section 7.5.A) or for which the General Partner, acting on behalf of the Partnership, requests the trustee, director, officer or shareholder to serve as a director, officer, trustee or agent, including serving as a trustee of an employee benefit plan; and (ii) such other Persons (including Affiliates of the General Partner, a Limited Partner or the Partnership) as the General Partner may designate from time to time (whether before or after the event giving rise to potential liability), in its sole and absolute discretion.

"IRS" means the Internal Revenue Service, which administers the internal revenue laws of the United States.

"Limited Partner" means any Person named as a Limited Partner of the Partnership as set forth in the Partner Registry, or any Substituted Limited Partner or Additional Limited Partner, in such Person's capacity as a Limited Partner in the Partnership.

"Limited Partnership Interest" means a Partnership Interest of a Limited Partner in the Partnership representing a fractional part of the Partnership Interests of all Limited Partners and includes any and all benefits to which the holder of such a Partnership Interest may be entitled, as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Limited Partnership Interest may be (but is not required to be) expressed as a number of Partnership Units.

"Liquidating Event" has the meaning set forth in Section 13.1 hereof.

"Liquidating Gains" means any net capital gain realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership, including but not limited to net capital gain realized in connection with an adjustment to the Carrying Value of Partnership assets under Section 1.D of Exhibit B of this Agreement.

"Liquidating Losses" means any net capital loss realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership, including but not limited to net capital gain realized in connection with an adjustment to the Carrying Value of Partnership assets under Section 1.D of Exhibit B of this Agreement.

"Liquidator" has the meaning set forth in Section 13.2.A hereof.

"LTIP Distribution Amount" has the meaning set forth in Exhibit E attached hereto.

"LTIP Unit" means a Partnership Unit which is designated as an LTIP Unit and which has the rights, preferences and other privileges designated inExhibit E hereof and elsewhere in this Agreement with respect to holders of LTIP Units. The allocation of LTIP Units among the Partners shall be set forth in the Partner Registry. For the avoidance of doubt, a Vested LTIP Unit that has been converted from a Formation Unit is an LTIP Unit, and will be treated as an LTIP effective as of the date of such conversion.

"LTIP Unit Initial Sharing Percentage" means such percentage as set forth in the related Vesting Agreement or other applicable documentation pursuant to which such LTIP Unit is awarded or, if no such percentage is stated, one hundred percent (100%).

"LTIP Unitholder" means a holder of LTIP Units.

"Majority in Interest" means Partners who hold more than fifty percent (50%) of the outstanding Common Partnership Units;provided, however, with respect to any matter to be voted on by the Partners, there shall be included in both the numerator and the denominator of the computation all (x) preferred Partnership Units of any class or series and (y) any other class or series of Partnership Units which, in each case, are expressly entitled to vote thereon pursuant to the terms of such Partnership Unit or this Agreement.

"Master Transaction Agreement" means the Master Transaction Agreement, dated as of October 31, 2016, by and among Vornado Realty Trust, Vornado Realty L.P., JBG Properties Inc., JBG/Operating Partners, L.P., certain affiliates of JBG Properties Inc. and JBG/Operating Partners, L.P., the General Partner and the Partnership.

"Net Income" means, for any taxable period, the excess, if any, of the Partnership's items of income and gain for such taxable period over the Partnership's items of loss and deduction for such taxable period. The items included in the calculation of Net Income shall be determined in accordance with federal income tax accounting principles, subject to the specific adjustments provided for in Exhibit B hereof. If an item of income, gain, loss or deduction that has been included in the initial computation of Net Income is subjected to the special allocation rules in Exhibit C hereof, Net Income or the resulting Net Loss, whichever the case may be, shall be recomputed without taking such item into account.

"Net Loss" means, for any taxable period, the excess, if any, of the Partnership's items of loss and deduction for such taxable period over the Partnership's items of income and gain for such taxable period. The items included in the calculation of Net Loss shall be determined in accordance with federal income tax accounting principles, subject to the specific adjustments provided for in Exhibit B hereof. If an item of income, gain, loss or deduction that has been included in the initial computation of Net Loss is subjected to the special allocation rules in Exhibit C hereof, Net Loss or the resulting Net Income, whichever the case may be, shall be recomputed without taking such item into account.

"New Securities" means (i) any rights, options, warrants or convertible or exchangeable securities having the right to subscribe for or purchase shares of beneficial interest (or other comparable equity interest) of the General Partner, excluding grants under any Stock Option Plan, or (ii) any Debt issued by the General Partner that provides any of the rights described in clause (i).

"Nonrecourse Built-in Gain" has the meaning set forth in Regulations Section 1.752-3(a)(2).

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1), and the amount of Nonrecourse Deductions for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.752-1(a)(2).

"Notice of Redemption" means a Notice of Redemption substantially in the form of Exhibit D attached hereto.

"Partner" means the General Partner or a Limited Partner, and "Partners" means the General Partner and the Limited Partners collectively.

"Partner Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner

Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Partner Nonrecourse Debt" has the meaning set forth in Regulations Section 1.704-2(b)(4).

"Partner Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(i)(2), and the amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(i)(2).

"Partner Registry" means the Partner Registry maintained by the General Partner in the books and records of the Partnership, which contains substantially the same information as would be necessary to complete the form of the Partner Registry attached hereto as Exhibit A.

"Partnership" means the limited partnership heretofore formed and continued under the Act and pursuant to this Agreement, and any successor thereto.

"Partnership Approval" has the meaning set forth in Section 11.2.C.

"Partnership Interest" means a Limited Partnership Interest or the General Partnership Interest, as the context requires, and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Partnership Interest may be (but is not required to be) expressed as a number of Partnership Units.

"Partnership Minimum Gain" has the meaning set forth in Regulations Section 1.704-2(b)(2), and the amount of Partnership Minimum Gain, as well as any net increase or decrease in Partnership Minimum Gain, for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

"Partnership Record Date" means the record date established by the General Partner either (i) for the making of any distribution pursuant to Section 5.1 hereof, which record date shall be the same as the record date established by the General Partner Entity for a distribution to its shareholders of some or all of its portion of such distribution received by the General Partner if the shares of common stock (or comparable equity interests) of the General Partner Entity are Publicly Traded, or (ii) if applicable, for determining the Partners entitled to vote on or consent to any proposed action for which the consent or approval of the Partners is sought pursuant to Section 14.2 hereof.

"Partnership Unit" or "Unit" means a fractional, undivided share of the Partnership Interests of all Partners issued pursuant to Sections 4.1 and 4.2 hereof, and includes Common Partnership Units, LTIP Units, Formation Units and any other classes or series of Partnership Units established after the date hereof. The number of Partnership Units outstanding and the Percentage Interests in the Partnership represented by such Partnership Units are set forth in the Partner Registry. The ownership of Partnership Units shall be evidenced by such form of

certificate for Partnership Units as the General Partner adopts from time to time unless the General Partner determines that the Partnership Units shall be uncertificated securities

"Partnership Year" means the fiscal year of the Partnership.

"Percentage Interest" means, as to a Partner, its interest in the Partnership as determined by dividing the total number of Common Partnership Units (and LTIP Units other than to the extent provided in the applicable LTIP Unit designation) owned by such Partner by the total number of Common Partnership Units (and LTIP Units, other than to the extent provided in the applicable LTIP Unit designation) then outstanding as specified in the Partner Registry (and, when used with respect to a specified class of Partnership Interests, its interest in such class as determined by dividing the total number of units or interests, as the case may be, owned by such Partner in such class by the total number of units or interests, as the case may be, of such class then outstanding as specified in in the Partner Registry).

"Person" means an individual or a real estate investment trust, corporation, partnership, limited liability company, trust, estate, unincorporated organization, association or other entity.

"Predecessor Entity" has the meaning set forth in the definition of "Conversion Factor" herein.

"Pro Rata Portion" has the meaning set forth in Section 8.6.A hereof.

"Publicly Traded" means listed or admitted to trading on the New York Stock Exchange or another national securities exchange or designated for quotation on the NASDAQ National Market, or any successor to any of the foregoing.

"Qualified REIT Subsidiary" means any Subsidiary of the General Partner that is a "qualified REIT subsidiary" within the meaning Section 856(i) of the Code. Except as otherwise specifically provided herein, a Qualified REIT Subsidiary of the General Partner that holds as its only assets direct and/or indirect interests in the Partnership will not be treated as an entity separate from the General Partner.

"Recapture Income" means any gain recognized by the Partnership upon the disposition of any property or asset of the Partnership, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"Redeeming Partner" has the meaning set forth in Section 8.6.A hereof.

"Redemption Amount" means either the Cash Amount or the Shares Amount, as determined by the General Partner in its sole and absolute discretion; provided, however, that if the Shares are not Publicly Traded at the time a Redeeming Partner exercises its Redemption Right, the Redemption Amount shall be paid only in the form of the Cash Amount unless the Redeeming Partner, in its sole and absolute discretion, consents to payment of the Redemption Amount in the form of the Shares Amount. A Redeeming Partner shall have no right, without

the General Partner's consent, in its sole and absolute discretion, to receive the Redemption Amount in the form of the Shares Amount.

"Redemption Right" has the meaning set forth in Section 8.6.A hereof.

"Regulations" means the Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"REIT" means a real estate investment trust under Section 856 of the Code.

"REIT Expenses" shall mean (i) costs and expenses relating to the continuity of existence of the General Partner and any Person in which the General Partner owns an equity interest, to the extent not prohibited by Section 7.5.A, other than the Partnership (which Persons shall, for purposes of this definition, be included within the definition of "General Partner"), including taxes, fees and assessments associated therewith (other than federal, state or local income taxes imposed upon the General Partner as a result of the General Partner's failure to distribute to its shareholders an amount equal to its taxable income), any and all costs, expenses or fees payable to any trustee or director of the General Partner or such Persons, (ii) costs and expenses relating to any offer or registration of securities by the General Partner (the proceeds of which will be contributed or advanced to the Partnership) and all statements, reports, fees and expenses incidental thereto, (iii) costs and expenses associated with the preparation and filing of any periodic reports by the General Partner under federal, state or local laws or regulations, including filings with the SEC, (iv) costs and expenses associated with compliance by the General Partner with laws, rules and regulations promulgated by any regulatory body, including the SEC, and (v) all other operating or administrative costs of the General Partner incurred in the ordinary course of its business; provided, however, that any of the foregoing expenses that are determined by the General Partner to be expenses relating to the ownership and operation of, or for the benefit of, the Partnership shall be treated as reimbursable expenses under Section 7.4.B hereof rather than as "REIT Expenses".

"REIT Requirements" has the meaning set forth in Section 5.1.A hereof.

"Required Cash Payment" has the meaning set forth in Section 8.6.A hereof.

"Required Denominator Shares" has the meaning set forth in Section 11.2.C.

"Safe Harbors" has the meaning set forth in Section 11.6.F hereof.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Share" means a share of beneficial interest (or other comparable equity interest) of the General Partner Entity. Shares may be issued in one or more classes or series in accordance with the terms of the Declaration of Trust (or, if the General Partner is not the General Partner Entity, the organizational documents of the General Partner Entity). In the event that there is more than one class or series of Shares, the term "Shares" shall, as the context

requires, be deemed to refer to the class or series of Shares that correspond to the class or series of Partnership Interests for which the reference to Shares is made. When used with reference to Common Partnership Units, the term "Shares" refers to common shares of beneficial interest (or other comparable equity interest) of the General Partner Entity.

"Shareholder Approval" has the meaning set forth in Section 11.2.B(1).

"Shareholder Vote" has the meaning set forth in Section 11.2.B(1).

"Shares Amount" means a number of Shares equal to the product of the number of Partnership Units offered for redemption by a Redeeming Partner times the Conversion Factor; provided, that in the event the General Partner Entity issues to all holders of Shares rights, options, warrants or convertible or exchangeable securities entitling such holders to subscribe for or purchase Shares or any other securities or property (collectively, the "rights"), then the Shares Amount shall also include such rights that a holder of that number of Shares would be entitled to receive.

"Specified Redemption Date" means (i) prior to January 1, 2020, the date that is sixty-one (61) days after the date of receipt by the General Partner of a Notice of Redemption, or, if such day is not a Business Day, the first Business Day thereafter; and (ii) after the Applicable Year, the tenth Business Day after receipt by the General Partner of a Notice of Redemption, unless the General Partner, pursuant to its authority in Sections 11.3.F and 11.6.F that the Partnership should continue to seek to qualify for one of the Safe Harbors, in which event the Specified Redemption Date shall continue to be the date specified in clause (i) and the General Partner shall give notice of such determination to the holders of Units.

"Stock Option Plan" means any share or stock incentive plan or similar compensation arrangement of the General Partner Entity, the Partnership or any Affiliate of the Partnership or the General Partner Entity, as the context may require.

"Subsidiary" means, with respect to any Person, any real estate investment trust, corporation, partnership, limited liability company or other entity of which a majority of (i) the voting power of the voting equity securities; or (ii) the outstanding equity interests, is owned, directly or indirectly, by such Person.

"Substituted Limited Partner" means a Person who is admitted as a Limited Partner to the Partnership pursuant to Section 11.4 hereof.

"Successor Entity" has the meaning set forth in the definition of "Conversion Factor" herein.

"Tender Offer" has the meaning set forth in Section 11.2.B(2).

"Terminating Capital Transaction" means any sale or other disposition of all or substantially all of the assets of the Partnership for cash or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of the Partnership for cash.

"Trading Days" means days on which the primary trading market for Shares, if any, is open for trading.

"Unit Equivalent" has the meaning set forth in Section 8.6.A hereof.

"Unvested LTIP Unit" has the meaning set forth in Exhibit E attached hereto.

"Valuation Date" means the date of receipt by the General Partner of a Notice of Redemption or, if such date is not a Business Day, the first Business Day thereafter.

"Value" means, with respect to any outstanding Shares of the General Partner Entity that are Publicly Traded, the average of the daily market price for the ten (10) consecutive trading days immediately preceding the date with respect to which value must be determined or, if such day is not a Business Day, the immediately preceding Business Day. The market price for each such trading day shall be the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day. In the event that the outstanding Shares of the General Partner Entity are Publicly Traded and the Shares Amount includes rights that a holder of Shares would be entitled to receive, then the Value of such rights shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate. In the event that the Shares of the General Partner Entity are not Publicly Traded, the Value of the Shares Amount per Partnership Unit offered for redemption (which will be the Cash Amount per Partnership Unit offered for redemption payable pursuant to Section 8.6.A hereof) means the amount that a holder of one Partnership Unit would receive if each of the assets of the Partnership were to be sold for its fair market value on the Specified Redemption Date, the Partnership were to pay all of its outstanding liabilities, and the remaining proceeds were to be distributed to the Partners in accordance with the terms of this Agreement. Such Value shall be determined by the General Partner, acting in good faith and based upon a commercially reasonable estimate of the amount that would be realized by the Partnership if each asset of the Partnership (and each asset of each partnership, limited liability company, joint venture or other entity in which the Partnership owns a direct or indirect interest) were sold to an unrelated purchaser in an arms' length transaction where neither the purchaser nor the seller were under economic compulsion to enter into the transaction (without regard to any discount in value as a result of the Partnership's minority interest in any property or any illiquidity of the Partnership's interest in any property).

"Vested LTIP Unit" has the meaning set forth in Exhibit E attached hereto.

"Vesting Agreement" has the meaning set forth in Exhibit E attached hereto.

"Voting Percentage Interest" means, as to a Partner, its voting interest in the Partnership as determined by dividing the total number of Voting Units owned by such Partner by the total number of Voting Units then outstanding as specified in in the Partner Registry.

"Voting Units" means Common Partnership Units, LTIP Units and any other Partnership Units that vote together with the Partnership Common Units as a single class.

ARTICLE II
ORGANIZATIONAL MATTERS

Section 2.1 Organization.

The Partnership is a limited partnership under, and has been formed pursuant to, the Act and upon the terms and conditions set forth herein. The Partners hereby confirm and agree to their status as partners of the Partnership. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. The Partnership Interest of each Partner shall be personal property for all purposes.

Section 2.2 Name.

The name of the Partnership is JBG SMITH Properties LP. The Partnership's business may be conducted under any other name or names deemed advisable by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "LP," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall notify the Limited Partners of such change in the next regular communication to the Limited Partners.

Section 2.3 Registered Office and Agent; Principal Office.

The address of the registered office of the Partnership in the State of Delaware shall be located at CorporationTrust Center, 1209 Orange Street, Wilmington, County of New Castle, Delaware, 19801, and the registered agent for service of process on the Partnership in the State of Delaware at such registered office shall be Corporation Trust Company. The General Partner may, from time to time, designate a new registered agent and/or registered office for the Partnership and, notwithstanding any provision in this Agreement, may amend this Agreement and the Certificate to reflect such designation without the consent of the Limited Partners or any other Person. The principal office of the Partnership shall be JBG SMITH Properties LP, [·], or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner deems advisable.

Section 2.4 Power of Attorney.

A. General. Each Limited Partner and each Assignee hereby constitutes and appoints the General Partner, any Liquidator, and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(1) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (a) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments or restatements thereof) that the General Partner or any

Liquidator deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the Limited Partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may or plans to conduct business or own property; (b) all instruments that the General Partner or any Liquidator deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (c) all conveyances and other instruments or documents that the General Partner or any Liquidator deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation; (d) all instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article XI, XII or XIII hereof or the Capital Contribution of any Partner; and (e) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of a Partnership Interest; and

(2) execute, swear to, seal, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the sole and absolute discretion of the General Partner or any Liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Partners hereunder or is consistent with the terms of this Agreement or appropriate or necessary, in the sole and absolute discretion of the General Partner or any Liquidator, to effectuate the terms or intent of this Agreement.

Nothing contained herein shall be construed as authorizing the General Partner or any Liquidator to amend this Agreement except in accordance with Article XIV hereof or as may be otherwise expressly provided for in this Agreement.

B. Irrevocable Nature. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, in recognition of the fact that each of the Partners will be relying upon the power of the General Partner or any Liquidator to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent Incapacity of any Limited Partner or Assignee and the transfer of all or any portion of such Limited Partner's or Assignee's Partnership Units and shall extend to such Limited Partner's or Assignee's heirs, successors, assigns and personal representatives. Each such Limited Partner or Assignee hereby agrees to be bound by any representation made by the General Partner or any Liquidator, acting in good faith pursuant to such power of attorney; and each such Limited Partner or Assignee hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of the General Partner or any Liquidator, taken in good faith under such power of attorney. Each Limited Partner or Assignee shall execute and deliver to the General Partner or the Liquidator, within fifteen (15) days after receipt of the General Partner's or Liquidator's request therefor, such further designation, powers of attorney and other instruments as the General Partner or the

Liquidator, as the case may be, deems necessary to effectuate this Agreement and the purposes of the Partnership.

Section 2.5 Term.

The term of the Partnership commenced on the date that the Certificate was filed with the Secretary of State of the State of Delaware and shall continue until it is dissolved pursuant to the provisions of Article XIII hereof or as otherwise provided by law.

Section 2.6 Admission of Limited Partners.

On the date hereof, and subsequently upon the execution of this Agreement or a counterpart of this Agreement, each of the Persons identified as a limited partner of the Partnership in the Partner Registry is hereby admitted to the Partnership as a limited partner of the Partnership.

ARTICLE III
PURPOSE

Section 3.1 Purpose and Business.

The purpose and nature of the business to be conducted by the Partnership is (i) to conduct any business that may be lawfully conducted by a limited partnership formed pursuant to the Act; (ii) to enter into any corporation, partnership, joint venture, trust, limited liability company or other similar arrangement to engage in any of the foregoing or to own interests in any entity engaged, directly or indirectly, in any of the foregoing; (iii) to continue the active management and operation of the "Vornado Included Interests" and the "JBG Included Interests" (as those terms are defined in the Master Transaction Agreement); and (iv) to do anything necessary, convenient or incidental to the foregoing; provided, however, that any such business shall be limited to and conducted in such a manner as to permit the General Partner Entity (or the General Partner, as applicable) at all times to qualify as a REIT, unless the General Partner Entity (or the General Partner, as applicable) ceases to qualify as a REIT for reasons other than the conduct of the business of the Partnership or voluntarily revokes its election to be a REIT.

Section 3.2 Powers.

The Partnership is empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership, and shall have, without limitation, any and all of the powers that may be exercised on behalf of the Partnership by the General Partner pursuant to this Agreement including, without limitation, full power and authority, directly or through its ownership interest in other entities, to enter into, perform and carry out contracts of any kind, borrow money and issue evidences of indebtedness whether or not secured by mortgage, deed of trust, pledge or other lien, acquire, own, manage, improve and develop real property, and lease, sell, transfer and dispose of real property; provided, however, that the Partnership (i) shall not take, or shall refrain from taking, any action which, in the judgment of the General Partner, in its sole and absolute discretion, (x) could adversely affect the ability of the General Partner Entity (or the General

Partner, as applicable) to qualify and continue to qualify as a REIT, (y) could subject the General Partner Entity (or the General Partner, as applicable) to any additional taxes under Section 857 or Section 4981 of the Code or any other related or successor provision of the Code or (z) could violate any law or regulation of any governmental body or agency having jurisdiction over the General Partner Entity (or the General Partner, if different) its securities or the Partnership, unless such action (or inaction) shall have been specifically consented to by the General Partner in writing, (ii) until December 31, 2020 shall not, without the approval of the board of trustees of the General Partner, contribute any of the "Vornado Included Interests" and the "JBG Included Interests" (as those terms are defined in the Master Transaction Agreement) to any REIT or other entity that is not a partnership or a disregarded entity for United States federal income tax purposes, and (iii) none of the employees of the Partnership or any of its Subsidiaries shall render services for Hotco, L.L.C. or any of its Subsidiaries or successors.

Section 3.3 Representations and Warranties by the Parties.

A. Each Partner that is an individual represents and warrants to each other Partner that (i) such Partner has the legal capacity to enter into this Agreement and perform such Partner's obligations hereunder, (ii) the consummation of the transactions contemplated by this Agreement to be performed by such Partner will not result in a breach or violation of, or a default under, any agreement by which such Partner or any of such Partner's property is or are bound, or any statute, regulation, order or other law to which such Partner is subject, (iii) such Partner is a "United States person" within the meaning of Section 7701(a)(30) of the Code, and (iv) this Agreement is binding upon, and enforceable against, such Partner in accordance with its terms.

B. Each Partner that is not an individual represents and warrants to each other Partner that (i) its execution and delivery of this Agreement and all transactions contemplated by this Agreement to be performed by it have been duly authorized by all necessary action, including without limitation, that of its general partner(s), committee(s), trustee(s), beneficiaries, director(s) and/or shareholder(s), as the case may be, as required, (ii) the consummation of such transactions shall not result in a breach or violation of, or a default under, its certificate of limited partnership, partnership agreement, trust agreement, limited liability company operating agreement, declaration of trust, charter or bylaws, as the case may be, any agreement by which such Partner or any of such Partner's properties or any of its partners, beneficiaries, trustees or shareholders, as the case may be, is or are bound, or any statute, regulation, order or other law to which such Partner or any of its partners, trustees, beneficiaries or shareholders, as the case may be, is or are subject, (iii) such Partner is a "United States person" within the meaning of Section 7701(a)(30) of the Code and (iv) this Agreement is binding upon, and enforceable against, such Partner in accordance with its terms.

C. Each Partner represents, warrants and agrees that it has acquired and continues to hold its interest in the Partnership for its own account for investment only and not for the purpose of, or with a view toward, the resale or distribution of all or any part thereof, nor with a view toward selling or otherwise distributing such interest or any part thereof at any particular time or under any predetermined circumstances. Each Partner further represents and warrants that it is a sophisticated investor, able and accustomed to handling sophisticated financial matters for itself, particularly real estate investments, and that it has a sufficiently high

net worth that it does not anticipate a need for the funds it has invested in the Partnership in what it understands to be a highly speculative and illiquid investment.

D. Each Partner further represents, warrants, covenants and agrees as follows; and

(1) Upon request of the General Partner, it will promptly disclose to the General Partner the amount of Shares or other capital shares of the General Partner that it actually owns or Constructively Owns.

E. The representations and warranties contained in this Section 3.3 shall survive the execution and delivery of this Agreement by each Partner and the dissolution and winding up of the Partnership.

F. Each Partner hereby acknowledges that no representations as to potential profit, cash flows, funds from operations or yield, if any, in respect of the Partnership or the General Partner or, if different, the General Partner Entity have been made by

any Partner or any employee or representative or Affiliate of any Partner, and that projections and any other information, including, without limitation, financial and descriptive information and documentation, which may have been in any manner submitted to such Partner shall not constitute any representation or warranty of any kind or nature, express or implied

Section 3.4 Partnership Only for Purposes Specified.

The Partnership shall be a partnership only for the purposes specified in Section 3.1 above, and this Agreement shall not be deemed to create a partnership among the Partners with respect to any activities whatsoever other than the activities within the purposes of the Partnership as specified in Section 3.1 above.

ARTICLE IV
CAPITAL CONTRIBUTIONS AND ISSUANCES
OF PARTNERSHIP INTERESTS

Section 4.1 Capital Contributions of the Partners.

A. Capital Contributions. At the time of their respective execution of this Agreement, the Partners shall make or shall have made Capital Contributions as set forth in the Partner Registry. The Partners shall own Partnership Units of the class or series and in the amounts set forth in the Partner Registry and shall have a Percentage Interest in the Partnership which shall be set forth in the Partner Registry, which Percentage Interest shall be adjusted in the Partner Registry from time to time by the General Partner to the extent necessary to reflect accurately exchanges, redemptions, additional Capital Contributions, the issuance of additional Partnership Units (pursuant to any merger or otherwise), or similar events having an effect on any Partner's Percentage Interest in accordance with the terms of this Agreement. Except as provided in Sections 4.2, 7.5 and 10.5, the Partners shall have no obligation to make any additional Capital Contributions or loans to the Partnership. Each Limited Partner that contributes any Contributed Property shall promptly provide the General Partner with any information regarding such Contributed Property that is requested by the General Partner,

including for Partnership tax return reporting purposes. Cash Capital Contributions by the General Partner or the General Partner Entity will be deemed to equal the cash contributed by the General Partner or the General Partner Entity, as the case may be, plus (a) in the case of cash contributions funded by an offering of any equity interests in or other securities of the General Partner or, if different, the General Partner Entity, the offering costs attributable to the cash contributed to the Partnership, and (b) in the case of Partnership Units issued pursuant to Section 7.5.C hereof, an amount equal to the difference between the Value of the Shares sold pursuant to any Stock Option Plan and the net proceeds of such sale.

B. General Partnership Interest. A number of Partnership Units held by the General Partner equal to one percent (1%) of all outstanding Partnership Units shall be deemed to be the General Partner Partnership Units and shall be the General Partnership Interest. All other Partnership Units held by the General Partner shall be Limited Partnership Interests and shall be held by the General Partner in its capacity as a Limited Partner in the Partnership.

C. Capital Contributions By Merger. To the extent the Partnership acquires any property by the merger of any other Person into the Partnership, Persons who receive Partnership Interests in exchange for their interests in the Person merging into the Partnership shall become Limited Partners and shall be deemed to have made Capital Contributions as provided in the applicable merger agreement and as set forth in the Partner Registry, as amended to reflect such deemed Capital Contributions.

Section 4.2 Issuances of Partnership Interests.

A. General. The General Partner is hereby authorized, without the need for any vote or approval of any Partner or any other Person who may hold Partnership Units or Partnership Interests, to cause the Partnership from time to time to issue to any existing Partner (including the General Partner and the General Partner Entity) or to any other Person, and to admit such Person as a limited partner in the Partnership, Partnership Units (including, without limitation, Common Partnership Units and preferred Partnership Units), in each case in exchange for the contribution by such Person of property or other assets, in one or more classes, or in one or more series of any of such classes, or otherwise with such designations, preferences, redemption and conversion rights and relative, participating, optional or other special rights, powers and duties, including rights, powers and duties senior to one or more other classes of Limited Partnership Interests, all as shall be determined by the General Partner in its sole and absolute discretion subject to Delaware law, including, without limitation, (i) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests, (ii) the right of each such class or series of Partnership Interests to share in Partnership distributions, (iii) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership, (iv) the rights, if any, of each such class to vote on matters that require the vote or Consent of the Limited Partners, and (v) the consideration, if any, to be received by the Partnership; provided that, no such Partnership Units shall be issued to the General Partner Entity or, if different, the General Partner unless either (a)(1) the additional Partnership Interests are issued in connection with the grant, award or issuance of Shares or other securities by the General Partner Entity, which securities have designations, preferences and other rights such that the economic interests attributable to such securities are substantially similar to the designations, preferences and other rights (except voting rights) of the additional

Partnership Interests issued to the General Partner Entity in accordance with this Section 4.2.A, and (2) the General Partner Entity shall make a Capital Contribution to the Partnership in an amount equal to the proceeds, if any, raised in connection with such issuance, (b) the additional Partnership Interests are issued to all Partners holding Partnership Interests in the same class in proportion to their respective Percentage Interests in such class, or (c) the additional Partnership Interests are issued in connection with a contribution of property to the Partnership by the General Partner Entity. In addition, the General Partner Entity may acquire Units from other Partners pursuant to this Agreement. In the event that the Partnership issues Partnership Interests pursuant to this Section 4.2.A, the General Partner shall make such revisions to this Agreement (including but not limited to the revisions described in Section 5.6, Section 6.2 and Section 8.6 hereof) as it deems necessary to reflect the issuance of such additional Partnership Interests.

B. Issuances and Repurchases of Shares.

(i) In accordance with, and subject to the terms of Section 4.3 hereof, the General Partner Entity shall not issue any Shares (other than Shares issued pursuant to Section 8.6 or pursuant to a dividend or distribution (including any share split) of Shares to all of its shareholders that results in an adjustment to the Conversion Factor pursuant to subclause (i), (ii) or (iii) of clause (x) of the definition thereof), unless (i) the General Partner shall cause, pursuant to Section 4.2.A hereof, the Partnership to issue to the General Partner Entity or the General Partner Partnership Interests or rights, options, warrants or convertible or exchangeable securities of the Partnership having designations, preferences and other rights, all such that the economic interests are substantially similar to those of such additional Shares, other equity securities, New Securities or Convertible Funding Debt, as the case may be; and (ii) in exchange therefor, the General Partner Entity contributes or lends, as the case may be, or otherwise causes to be contributed or lent, as the case may be, to the Partnership the proceeds, if any, from the grant, award or issuance of such Shares, other equity securities, New Securities or Convertible Funding Debt, as the case may be, and, if applicable, from the exercise of rights contained in such Shares, other equity securities, New Securities or Convertible Funding Debt, as the case may be (or, in the case of an acquisition described in Section 7.4.F in which all or a portion of the cash required to consummate such acquisition is to be obtained by the General Partner Entity through an issuance of Shares described in Section 4.2, the General Partner Entity complies with such Section 7.4.F). Without limiting the foregoing, the General Partner Entity is expressly authorized to issue Shares, other equity securities, New Securities or Convertible Funding Debt, as the case may be, for less than fair market value, and the General Partner is expressly authorized to cause the Partnership to issue to the General Partner Entity corresponding Partnership Interests, so long as (x) the General Partner concludes in good faith that such issuance is in the interests of the General Partner and the Partnership (for example, and not by way of limitation, the issuance of Shares and corresponding Partnership Units pursuant to an employee share purchase plan providing for employee purchases of Shares at a discount from fair market value or employee share options that have an exercise price that is less than the fair market value of the Shares, either at the time of issuance or at the time of exercise, or in order to comply with the REIT share ownership requirements set forth in Section 856(a)(5) of the Code); and (y) the General Partner Entity contributes all proceeds from such issuance and exercise to the Partnership.

(ii) If the General Partner Entity exercises its rights under its organizational documents to purchase Shares or otherwise elects to purchase from the holders thereof Shares, other equity securities of the General Partner Entity, New Securities or Convertible Funding Debt, then the General Partner Entity shall cause the Partnership to purchase from the General Partner Entity (a) in the case of a purchase of Shares, that number of Partnership Units of the appropriate class (rounded to the nearest whole Partnership Unit) held by the General Partner Entity equal to the product obtained by multiplying the number of Shares purchased by the General Partner Entity times a fraction, the numerator of which is one and the denominator of which is the Conversion Factor, or (b) in the case of the purchase of any other securities, Partnership Units or other corresponding interest in the Partnership on the same terms and for the same aggregate price that the General Partner Entity purchased such securities.

C. Classes of Partnership Units. Subject to Section 4.2.A above, the Partnership shall have one class of Common Partnership Units entitled "Common Partnership Units" which shall be issued to the General Partner in respect of its General Partnership Interest and the General Partner Entity and, if different, the General Partner in respect of their respective Limited Partnership Interests. The General Partner may, in its sole and absolute discretion, issue to newly admitted Partners Common Partnership Units or Partnership Units of any other class established by the Partnership in accordance with Section 4.2.A in exchange for the contribution by such Partners of cash, real estate partnership interests, stock, notes or any other assets or consideration; provided that any Partnership Unit that is not specifically designated by the General Partner as being of a particular class shall be deemed to be a Common Partnership Unit unless the context clearly requires otherwise.

D. Issuance of LTIP Units. The Partnership shall be authorized to issue Partnership Units of a series designated as "LTIP Units." From time to time the General Partner may issue LTIP Units to Persons providing services to or for the benefit of the Partnership. LTIP Units are intended to qualify as profits interests in the Partnership and for the avoidance of doubt, the provisions of Section 4.5 shall not apply to the issuance of LTIP Units. LTIP Units shall have the terms set forth in Exhibit E attached hereto and made part hereof.

E. Issuance of Formation Units. The Partnership shall be authorized to issue Partnership Units of a series designated as "Formation Units" in connection with the transactions described in the Master Transaction Agreement. Formation Units shall have the terms set forth in Exhibit F attached hereto and made part hereof.

Section 4.3 Contribution of Proceeds of Issuance of Securities by the General Partner Entity.

In connection with any primary offering by the General Partner Entity of its Shares and any other issuance of Shares, other equity securities of the General Partner Entity, New Securities or Convertible Funding Debt pursuant to Section 4.2, the General Partner Entity shall contribute to the Partnership any proceeds (or a portion thereof) raised in connection with such issuance in exchange for Partnership Interests or rights, options, warrants or convertible or exchangeable securities of the Partnership having designations, preferences and other rights, all such that the economic interests are substantially similar to those of the Shares, other equity securities of the General Partner Entity, New Securities or Convertible Funding Debt contributed

to the Partnership; provided, that, in each case, if the proceeds actually received by the General Partner Entity are less than the gross proceeds of such issuance as a result of any underwriter's discount or other expenses paid or incurred in connection with such issuance, then the General Partner Entity shall be deemed to have made a Capital Contribution to the Partnership in the amount equal to the sum of the net proceeds of such issuance plus the amount of such underwriter's discount and other expenses paid by the General Partner Entity (which discount and expense shall be treated as an expense for the benefit of the Partnership in accordance with Section 7.4). In the case of employee purchases of New Securities at a discount from fair market value, the amount of such discount representing compensation to the employee, as determined by the General Partner, shall be treated as an expense of the issuance of such New Securities.

Section 4.4 No Preemptive Rights.

Except to the extent expressly granted by the General Partner (on behalf of the Partnership) pursuant to another agreement, no Person shall have any preemptive, preferential or other similar right with respect to (i) additional Capital Contributions or loans to the Partnership or (ii) issuance or sale of any Partnership Units or other Partnership Interests.

Section 4.5 Other Contribution Provisions.

In the event that any Partner is admitted to the Partnership and is given a Capital Account in exchange for services rendered to the Partnership, such transaction shall be treated by the Partnership and the affected Partner as if the Partnership had compensated such Partner in cash for the fair market value of such services, and the Partner had contributed such cash to the capital of the Partnership.

Section 4.6 No Interest on Capital.

No Partner shall be entitled to interest on its Capital Contributions or its Capital Account.

ARTICLE V
DISTRIBUTIONS

Section 5.1 Requirement and Characterization of Distributions.

A. General. The General Partner shall have the exclusive right and authority to declare and cause the Partnership to make distributions as and when the General Partner deems appropriate or desirable in its sole discretion. Notwithstanding anything to the contrary contained herein, in no event may a Partner receive a distribution with respect to a Partnership Unit for a quarter or shorter period if such Partner is entitled to receive a distribution for such quarter or shorter period with respect to a Share for which such Partnership Unit has been redeemed or exchanged. Unless otherwise expressly provided for herein or in an agreement at the time a new class of Partnership Interests is created in accordance with Article IV hereof, no Partnership Interest shall be entitled to a distribution in preference to any other Partnership Interest. For so long as the General Partner Entity or the General Partner elects to qualify as a REIT, the General Partner shall make such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the qualification of the General Partner Entity or the

General Partner (as applicable) as a REIT, to make distributions to the Partners in amounts such that the General Partner Entity or General Partner will receive amounts sufficient to enable the General Partner Entity or the General Partner (as applicable) to pay shareholder dividends that will (1) satisfy the requirements for qualification as a REIT under the Code and the Regulations (the "REIT Requirements") and (2) avoid any federal income or excise tax liability for the General Partner Entity or the General Partner (as applicable).

B. Method. When, as and if declared by the General Partner, the Partnership will make distributions to the General Partner Entity in any amount necessary to enable the General Partner Entity to pay REIT Expenses, and thereafter as follows:

(i) First, to the holders of Partnership Interests of each class, if any, that is entitled to any preference in distribution in accordance with the rights of such class of Partnership Interests (and, within such class, pro rata in proportion to the respective Percentage Interests in such class on such Partnership Record Date); and

(ii) second, to the holders of Partnership Interests of each class that are not entitled to any preference in distribution pro rata to each such class in accordance with the terms of such class (and, within each such class, pro rata in proportion to the respective Percentage Interests in such class on such Partnership Record Date).

In making distributions pursuant to this Section 5.1.B, the General Partner shall take into account the provisions of Paragraph 2 of Exhibit E to this Agreement.

Section 5.2 Amounts Withheld.

All amounts withheld pursuant to the Code or any provisions of any state or local tax law and Section 10.5 hereof with respect to any allocation, payment or distribution to the Partners or Assignees shall be treated as amounts distributed to the Partners or Assignees pursuant to Section 5.1 for all purposes under this Agreement.

Section 5.3 Distributions Upon Liquidation.

Proceeds from a Terminating Capital Transaction and any other cash received or reductions in reserves made after commencement of the liquidation of the Partnership shall be distributed to the Partners in accordance with Section 13.2.

Section 5.4 Restricted Distributions.

Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of its interest in the Partnership if such distribution would violate Section 17-607 of the Act or other applicable law.

Section 5.5 Revisions to Reflect Issuance of Additional Partnership Interests.

If the Partnership issues additional Partnership Interests to the General Partner Entity or any Additional Limited Partner pursuant to Article IV hereof, the General Partner shall

make such revisions to this Article V as it deems necessary to reflect the issuance of such additional Partnership Interests.

Section 5.6 Non-Pro Rata Distribution.

Notwithstanding anything in this Agreement to the contrary, the General Partner is expressly authorized, in its sole discretion, to declare and cause the Partnership to make a non-pro rata distribution, with no other Limited Partners receiving any portion of such distribution, to Vornado Realty Trust or Vornado DC Spinco of 100% of the Partnership's ownership interests in Vornado DC Spinco GP LLC; provided that Vornado Realty Trust or Vornado DC Spinco, as applicable, is a Partner of the Partnership at the time of such distribution.

ARTICLE VI
ALLOCATIONS

Section 6.1 Allocations for Capital Account Purposes.

For purposes of maintaining the Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's items of income, gain, loss and deduction (computed in accordance with Exhibit B hereof) shall be allocated among the Partners in each taxable year (or portion thereof) as provided herein below.

A. Net Income. After giving effect to the special allocations set forth in Section 1 of Exhibit C attached hereto, Net Income shall be allocated (i) first, to the General Partner to the extent that Net Losses previously allocated to the General Partner pursuant to Section 6.1.B(iii) below exceed Net Income previously allocated to the General Partner pursuant to this clause (i) of Section 6.1.A; (ii) second, to the General Partner and the Limited Partners, in proportion to the amount of Net Losses allocated to each such Partner pursuant to Section 6.1.B(ii), to the extent Net Losses previously allocated to each such Partner pursuant to such Section 6.1.B(ii) exceed Net Income previously allocated to each such Partner pursuant to this Section 6.1.A(ii); (iii) third, to the General Partner and the Limited Partners, in proportion to the amount of Net Losses allocated to each such Partner pursuant to Section 6.1.B(i), to the extent Net Losses previously allocated to such Partner pursuant to Section 6.1.B(i) exceed Net Income previously allocated to each such Partner pursuant to this Section 6.1.A(iii); fourth, to the holders of any Partnership Interests that are entitled to any preference in distributions, in accordance with the rights of such class of Partnership Interests, until each has been allocated, on a cumulative basis pursuant to this Section 6.1.A(iv), Net Income equal to the amount of distributions received which are attributable to the preference of such class or Partnership Interest (and, within such class, pro rata in proportion to the respective Percentage Interest in such class as of the last day of the period for which such allocation is being made); and (v) fifth, with respect to Partnership Interests that are not entitled to any preference in distributions, pro rata to each such class in accordance with the terms of such class as set forth in this Agreement (and, within such class, pro rata in proportion to the respective Percentage Interest in such class as of the last day of the period for such allocation is being made).

B. Net Losses. After giving effect to the special allocations set forth in Section 1 of Exhibit C attached hereto, Net Losses shall be allocated:

(i) first, to each Partner who holds Partnership Interests not entitled to any preference in distributions, pro rata to each such class in accordance with the terms of such class as set forth in this Agreement (and, within such class, pro rata to each Partner in proportion to the respective Percentage Interests held by such Partner in such class as of the last day of the period for which the allocation is being made), until the Adjusted Capital Account (ignoring for this purpose any amounts a Partner is obligated to contribute to the capital of the Partnership under state law as described in Regulation Section 1.704-1(b)(2)(ii)(c)(2) and reduced by the Partner's share of capital attributable to its interest in a class entitled to any preference in distribution) of each such Partner is zero;

(ii) second, to each Partner who holds Partnership Interests entitled to any preference in distributions, pro rata to each such class in accordance with the terms of such class as set forth in this Agreement (and, within such class, pro rata to each Partner in proportion to the respective Percentage Interests held by such Partner in such class as of the last day of the period for which the allocation is being made), until the Adjusted Capital Account (ignoring for this purpose any amounts a Partner is obligated to contribute to the capital of the Partnership under state law as described in Regulation Section 1.704-1(b)(2)(ii)(c)(2)) of each such Partner is zero; and

(iii) third, to the General Partner.

C. Allocation of Nonrecourse Debt. For purposes of Regulations Section 1.752-3(a), the Partners agree that Nonrecourse Liabilities of the Partnership in excess of the sum of (i) the amount of Partnership Minimum Gain and (ii) the total amount of Nonrecourse Built-in Gain shall be allocated among the Partners in accordance with any permissible method determined by the General Partner, except that such excess Nonrecourse Liabilities shall be allocated first (under the fifth sentence of Treasury Regulations Section 1.752-3(a)(3)) to each Partner up to the amount of built-in gain that is allocable to the Partner on "section 704(c) property" (as defined under Regulations Section 1.704-3(a)(3)(ii)) or property for which "reverse section 704(c) allocations" are applicable as described in Regulations Section 1.704-3(a)(6)(i), where such property is subject to the excess Nonrecourse Liabilities to the extent that such built-in gain exceeds Nonrecourse Built-in Gain with respect to such property.

D. Recapture Income. Any gain allocated to the Partners upon the sale or other taxable disposition of any Partnership asset shall, to the extent possible after taking into account other required allocations of gain pursuant to Exhibit C hereof, be characterized as Recapture Income, as required by Regulations Section 1.1245-1(e).

E. Special Allocations with Respect to LTIP Units.

(i) After giving effect to the special allocations set forth in Section 1 of Exhibit C hereto, and notwithstanding the provisions of Sections 6.1.A and 6.1.B above, but subject to the prior allocation of income and gain under Subsections 6.1.A(i) through (v) above, any remaining Liquidating Gains shall first be allocated to the holders of LTIP Units until the Economic Capital Account Balances of such holders, to the extent attributable to their ownership of LTIP Units, are equal to (i) the Common Partnership Unit Economic Balance, multiplied by (ii) the number of their LTIP Units; provided that no such Liquidating Gains will be allocated

with respect to any particular LTIP Unit unless and to the extent that such Liquidating Gains, when aggregated with other Liquidating Gains realized since the issuance of such LTIP Unit, exceed Liquidating Losses realized since the issuance of such LTIP Unit.

(ii) Liquidating Gain allocated to an LTIP Unitholder under this Section 6.1.E will be attributed to specific LTIP Units of such LTIP Unitholder for purposes of determining (i) allocations under this Section 6.1.E, (ii) the effect of the forfeiture or conversion of specific LTIP Units on such LTIP Unitholder's Economic Capital Account Balance and (iii) the ability of such LTIP Unitholder to convert specific LTIP Units into Common Partnership Units. Such Liquidating Gain will be attributed to LTIP Units in the following order: (i) first, to Vested LTIP Units that have been converted from Formation Units, (ii) second, to Vested LTIP Units held for more than two years, (iii) third, to Vested LTIP Units held for two years or less, (iv) fourth, to Unvested LTIP Units that have remaining vesting conditions that only require continued employment or service to the Partnership, the General Partner, the General Partner Entity or an Affiliate of either for a certain period of time (with such Liquidating Gains being attributed in order of vesting from soonest vesting to latest vesting), and (v) fifth, to other Unvested LTIP Units (with such Liquidating Gains being attributed in order of issuance from earliest issued to latest issued). Within each such category, Liquidating Gain will be allocated serially (i.e., entirely to the first unit in the category, then entirely to the next unit in the category, and so on, until a full allocation is made to the last unit in the category) in the order of smallest Book-Up Target to largest Book-Up Target until the Economic Capital Account Balance of such LTIP Unitholder attributable to such LTIP Unitholder's ownership of each LTIP Unit in the category is equal to the Common Partnership Unit Economic Balance; provided, however, that if there is not sufficient Liquidating Gain for the Economic Capital Account Balance of such LTIP Unitholder attributable to such LTIP Unitholder's ownership of each LTIP Unit to be equal to the Common Partnership Unit Economic Balance and the Book-Up Target for any LTIP Unit is less than the amount required to be allocated to the LTIP Unit for the Economic Capital Account attributable to the LTIP Unit to equal the Common Partnership Unit Economic Balance, then Liquidating Gains shall be allocated pursuant to the waterfall set forth in 6.1.E(ii)(i)—(v) above until the Book-Up Target of each such LTIP Unit in each category has been reduced to zero and, thereafter, any remaining Liquidating Gain shall be further allocated pursuant to such waterfall until the Economic Capital Account Balance of an LTIP Unitholder attributable to such LTIP Unitholder's ownership of each LTIP Unit in the category is equal to the Common Partnership Unit Economic Balance.

(iii) After giving effect to the special allocations set forth in Section 1 of Exhibit C hereto, and notwithstanding the provisions of Sections 6.1.A and 6.1.B above, in the event that, due to distributions with respect to Common Partnership Units in which the LTIP Units do not participate or otherwise, the Economic Capital Account Balance of any present or former holder of LTIP Units, to the extent attributable to the holder's ownership of LTIP Units, exceeds the target balance specified above, the amount of such excess shall be re-allocated to such LTIP Unitholder's remaining LTIP Units to the same extent and in the same manner as would apply pursuant to Section 6.1.E(iv) below in the event of a forfeiture of LTIP Units. To the extent such excess may not be re-allocated, any remaining Liquidating Losses shall be allocated to such LTIP Unitholder to the extent necessary to reduce or eliminate the disparity; provided, however, that if Liquidating Losses are insufficient to completely eliminate all such

disparities, such losses shall be allocated among the LTIP Unitholders as reasonably determined by the General Partner.

(iv) If an LTIP Unitholder forfeits any LTIP Units to which Liquidating Gain has previously been allocated under this Section 6.1.E, the Capital Account associated with such forfeited LTIP Units will be re-allocated to that LTIP Unitholder's remaining LTIP Units using a methodology similar to that described in Section 6.1.E(ii) above to the extent necessary to cause such LTIP Unitholder's Economic Capital Account Balance attributable to each LTIP Unit to equal the Common Partnership Unit Economic Balance.

(v) In the event that Liquidating Gains or Liquidating Losses are allocated under this Section 6.1.E, Net Income allocable under Section 6.1.A and any Net Losses shall be recomputed without regard to the Liquidating Gains or Liquidating Losses so allocated.

(vi) The parties agree that the intent of this Section 6.1.E is to make the Capital Account balance associated with each LTIP Unit economically equivalent to the Capital Account balance associated with the General Partner Entity's Common Partnership Units (on a per-unit basis), but only if the Partnership has recognized cumulative net gains with respect to its assets since the issuance of the relevant LTIP Unit.

F. Special Allocations with Respect to Formation Units. The principles of Section 6.1.E shall apply in respect of allocation of Liquidating Gains and Liquidating Losses to unvested Formation Units as if they were unvested LTIP Units, until the Economic Capital Account Balance per Formation Unit is, as nearly as possible, equal to the product of (x) the number of Common Partnership Units into which such Formation Unit is convertible (as if such Formation Unit were vested), and (y) the Common Partnership Unit Economic Balance, applying correlative changes to the Book-Up Target for this purpose. The parties agree that the intent of this Section 6.1.F is to make the Capital Account balance associated with each Formation Unit economically equivalent to the Capital Account balance associated with the General Partner Entity's Common Partnership Units (on an "as converted" basis), but only if the Partnership has recognized cumulative net gains with respect to its assets since the issuance of the relevant Formation Unit, and to achieve the economic result consistent with Exhibit F.

G. Allocations to Ensure Intended Results. Recognizing the complexity of the allocations pursuant to this Article VI, the General Partner is authorized to modify these allocations (including by making allocations of gross items of income, gain, loss or deduction rather than allocations of net items) to ensure that they achieve the intended results, to the extent permitted by Section 704(b) of the Code and the Regulations thereunder.

Section 6.2 Revisions to Allocations to Reflect Issuance of Additional Partnership Interests.

If the Partnership issues additional Partnership Interests to the General Partner Entity or any Additional Limited Partner pursuant to Article IV hereof, the General Partner shall make such revisions to this Article VI and to the Partner Registry hereof as it deems necessary to reflect the terms of the issuance of such additional Partnership Interests, including making preferential allocations to classes of Partnership Interests that are entitled thereto. Such revisions shall not require the consent or approval of any other Partner.

ARTICLE VII
MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.1 Management.

A. Powers of General Partner. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership are and shall be exclusively vested in the General Partner, and no Limited Partner shall have any right to participate in or exercise control or management power over the business and affairs of the Partnership. The General Partner may not be removed by the Limited Partners with or without cause. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or which are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to Sections 7.3 and 7.6.A hereof, shall have full power and authority to do all things deemed necessary, desirable or convenient by it to conduct the business of the Partnership, to exercise all powers set forth in Section 3.2 hereof and to effectuate the purposes set forth in Section 3.1 hereof, including, without limitation:

(1) the making of any expenditures, the lending or borrowing of money (including, without limitation, making prepayments on loans and borrowing money to permit the Partnership to make distributions to its Partners in such amounts as will permit the General Partner Entity or the General Partner (as applicable) (as long as the General Partner Entity or the General Partner chooses to attempt to qualify as a REIT) to avoid the payment of any U.S. federal income tax (including, for this purpose, any excise tax pursuant to Section 4981 of the Code) and to make distributions to its shareholders sufficient to permit the General Partner Entity or the General Partner (as applicable) to satisfy the REIT Requirements), the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, including without limitation, the assumption or guarantee of the debt of the General Partner, its Subsidiaries or the Partnership's Subsidiaries, the issuance of evidences of indebtedness (including the securing of same by mortgage, deed of trust or other lien or encumbrance on the Partnership's assets) and the incurring of any obligations the General Partner deems necessary or desirable for the conduct of the activities of the Partnership;

(2) the making of tax, regulatory and other filings or elections, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(3) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Partnership (including the acquisition of any new assets, the exercise or grant of any conversion, option, privilege, or subscription right or other right available in connection with any assets at any time held by the Partnership) or the merger, consolidation, reorganization or other combination of the Partnership or any Subsidiary of the Partnership with or into another entity

(all of the foregoing subject to any prior approval only to the extent required by Section 7.3 hereof);

(4) the mortgage, pledge, encumbrance or hypothecation of any assets of the Partnership, the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms that it sees fit, including, without limitation, the financing of the conduct of the operations of the Partnership, the General Partner, the General Partner Entity or any of the Partnership's or the General Partner Entity's Subsidiaries, the lending of funds to other Persons (including, without limitation, the Subsidiaries of the Partnership and/or the General Partner Entity) and the repayment of obligations of the Partnership and its Subsidiaries and any other Person in which it has an equity investment, and the making of capital contributions to, and equity investments in, its Subsidiaries;

(5) the management, operation, leasing, landscaping, repair, alteration, demolition, disposition or improvement of any real property or improvements owned by the Partnership or any Subsidiary of the Partnership or any Person in which the Partnership has made a direct or indirect equity investment;

(6) the negotiation, execution, delivery and performance of any contracts, conveyances or other instruments that the General Partner considers useful or necessary or convenient to the conduct of the Partnership's operations or the implementation of the General Partner's powers under this Agreement, including, without limitation, contracting with contractors, developers, consultants, accountants, legal counsel, other professional advisors and other agents and the payment of their expenses and compensation out of the Partnership's assets;

(7) the distribution of Partnership cash or other Partnership assets in accordance with this Agreement;

(8) holding, managing, investing and reinvesting cash and other assets of the Partnership;

(9) the collection and receipt of revenues and income of the Partnership;

(10) the establishment of one or more divisions of the Partnership, the selection and designation of powers, authority and duties and the dismissal of employees of the Partnership (including, without limitation, employees who may be designated as officers with titles such as "president," "vice president," "secretary" and "treasurer" of the Partnership), and agents, outside attorneys, accountants, consultants and contractors of the Partnership, and the determination of their compensation and other terms of employment or hiring, including waivers of conflicts of interest and the

payment of their expenses and compensation out of the Partnership's assets;

(11) the maintenance of such insurance (including, without limitation, directors, trustees and officers insurance) for the benefit of the Partnership and the Partners (including, without limitation, the General Partner Entity) and the directors, trustees and offers thereof as the General Partner deems necessary or appropriate;

(12) the formation of, or acquisition of an interest (including non-voting interests in entities controlled by Affiliates of the Partnership or the General Partner Entity or third parties) in, and the contribution of property to, any further limited or general partnerships, joint ventures, limited liability companies, real estate investment trusts, corporations, entities that are treated as REITs, "taxable REIT subsidiaries" or as foreign corporations for federal income tax purposes, joint ventures or other relationships that it deems desirable (including, without limitation, the acquisition of interests in, and the contributions of funds or property or the making of loans to, its or the General Partner Entity's Subsidiaries and any other Person in which it has an equity investment from time to time or the incurrence of indebtedness on behalf of such Persons or the guarantee of obligations of such Persons and the making of any tax, regulatory or other filing or election with respect to any of the foregoing Persons); provided, however, that as long as the General Partner Entity has determined to attempt to continue to qualify as a REIT, the Partnership may not engage in any such formation, acquisition or contribution that would cause the General Partner Entity to fail to qualify as a REIT;

(13) the control of any matters affecting the rights and obligations of the Partnership or any Subsidiary of the Partnership, including the settlement, compromise, submission to arbitration or any other form of dispute resolution, or abandonment of, any claim, cause of action, liability, debt or damages, due or owing to or from the Partnership or any Subsidiary of the Partnership, the commencement or defense of suits, legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, the representation of the Partnership or any Subsidiary of the Partnership in all suits or legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, the incurrence of legal expense, and the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(14) the undertaking of any action in connection with the Partnership's direct or indirect investment in any Subsidiary or any other Person (including, without limitation, the contribution or loan of funds by the Partnership to such Persons);

(15) the determination of the fair market value of any Partnership property distributed in kind using such reasonable method of valuation as the General Partner may adopt;

(16) the enforcement of any rights against any Partner pursuant to representations, warranties, covenants and indemnities relating to such Partner's contribution of property or assets to the Partnership;

(17) the exercise, directly or indirectly, through any attorney-in-fact acting under a general or limited power of attorney, of any right, including the right to vote, appurtenant to any asset or investment held by the Partnership or any Subsidiary of the Partnership;

(18) the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of or in connection with any Subsidiary of the Partnership or any other Person in which the Partnership has a direct or indirect interest, individually or jointly with any such Subsidiary or other Person;

(19) the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of any Person in which the Partnership does not have an interest pursuant to contractual or other arrangements with such Person;

(20) the making, execution, delivery and performance of any and all deeds, leases, notes, deeds to secure debt, mortgages, deeds of trust, security agreements, conveyances, contracts, guarantees, warranties, indemnities, waivers, releases or other legal instruments or agreements in writing necessary, appropriate or convenient, in the judgment of the General Partner, for the accomplishment of any of the powers of the General Partner enumerated in this Agreement;

(21) the issuance of additional Partnership Units and other partnership interests, as appropriate and in the General Partner's sole discretion, in connection with Capital Contributions by Additional Limited Partners and additional Capital Contributions by Partners pursuant to Article IV hereof;

(22) the distribution of cash to acquire Partnership Units held by a Limited Partner in connection with a Limited Partner's exercise of its Redemption Right under Section 8.6 hereof;

(23) the amendment and restatement of the Partner Registry to reflect at all times the Capital Contributions and Percentage Interests of the Partners as the same are adjusted from time to time to the extent necessary to reflect redemptions, Capital Contributions, the issuance and transfer of Partnership Units, the admission of any Additional Limited Partner or any Substituted Limited Partner or otherwise, which amendment and restatement, notwithstanding anything in this Agreement to the contrary, shall not be deemed an amendment of this Agreement, as long as the

matter or event being reflected in the Partner Registry hereof otherwise is authorized by this Agreement;

(24) the registration of any class of securities under the Securities Act or the Exchange Act, and the listing of any debt securities of the Partnership on any exchange;

(25) the taking of any and all acts and things necessary or prudent, as determined by the General Partner, to ensure that the Partnership will not be classified as an association taxable as a corporation for U.S. federal income tax purposes or a "publicly traded partnership" for purposes of Section 7704 of the Code, including but not limited to imposing restrictions on transfers, restrictions on the number of Partners and restrictions on redemptions if reasonably necessary to avoid the Partnership being classified as an association taxable as a corporation for U.S. federal income tax purposes; provided, however, that the General Partner shall impose restrictions on transfers and restrictions on redemptions through the end of the Applicable Year to ensure that the Partnership will not be classified as a "publicly traded partnership" for purposes of Section 7704 of the Code;

(26) the filing of applications, communicating and otherwise dealing with any and all governmental agencies having jurisdiction over, or in any way affecting, the Partnership's assets or any other aspect of the Partnership business;

(27) taking of any action necessary or appropriate to comply with all regulatory requirements applicable to the Partnership in respect of its business, including preparing or causing to be prepared all financial statements required under applicable regulations and contractual undertakings and all reports, filings and documents, if any, required under the Exchange Act, the Securities Act, or by any national securities exchange requirements;

(28) the enforcement of any rights against any Partner pursuant to representations, warranties, covenants and indemnities relating to such Partner's contribution of property or assets to the Partnership;

(29) the approval and/or implementation of any merger (including a triangular merger), consolidation or other combination between the Partnership and another person that is not prohibited under this Agreement, whether with or without Consent; the terms of Section 17-211(g) of the Act shall be applicable such that the General Partner shall have the right to effect any amendment to this Agreement or effect the adoption of a new partnership agreement for a limited partnership if it is the surviving or resulting limited partnership on the merger or consolidation (except as may be expressly prohibited by this Agreement, including Article XIV with respect to amendments requiring Consent of Limited Partners);

(30) the taking of any action necessary or appropriate to enable the General Partner Entity to qualify as a REIT;

(31) to take such other action, execute, acknowledge, swear to or deliver such other documents and instruments, and perform any and all other acts that the General Partner deems necessary or appropriate for the formation, continuation and conduct of the business and affairs of the Partnership (including, without limitation, all actions consistent with allowing the General Partner Entity at all times to qualify as a REIT) and to possess and enjoy all the rights and powers of a general partner as provided by the Act; and

(32) the taking of any and all actions necessary or desirable in furtherance of, in connection with or incidental to the foregoing.

B. No Approval by Limited Partners. Each of the Limited Partners agrees that the General Partner is authorized to execute, deliver and perform the above-mentioned agreements and transactions on behalf of the Partnership without any further act, approval or vote of the Partners, notwithstanding any other provision of this Agreement (except as provided in Section 7.3), the Act or any applicable law, rule or regulation, to the fullest extent permitted under the Act or other applicable law, rule or regulation. The execution, delivery or performance by the General Partner or the Partnership of any agreement authorized or permitted under this Agreement shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement or of any duty stated or implied by law or equity.

C. Insurance. At all times from and after the date hereof, the General Partner may cause the Partnership to obtain and maintain (i) casualty, liability and other insurance on the properties of the Partnership and its Subsidiaries and, (ii) liability insurance for the Indemnitees hereunder and (iii) such other insurance as the General Partner, in its sole and absolute discretion, determines to be necessary.

D. Working Capital and Other Reserves. At all times from and after the date hereof, the General Partner may cause the Partnership to establish and maintain working capital reserves and other cash or similar balances in such amounts as the General Partner, in its sole and absolute discretion, deems appropriate and reasonable from time to time, including upon liquidation of the Partnership pursuant to Section 13.2 hereof.

E. Tax Consequences of General Partner Entity and Limited Partners. The Limited Partners expressly acknowledge that the General Partner, in considering whether to dispose of any of the Partnership assets, shall take into account the tax consequences to the General Partner Entity of any such disposition and shall have no liability whatsoever to the Partnership or any Limited Partner for decisions that are based upon or influenced by such tax consequences. In addition, in exercising its authority under this Agreement with respect to other matters, the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner (including the General Partner Entity) of any action taken (or not

taken) by the General Partner taken pursuant to its authority under this Agreement and in accordance with the terms of Section 7.3.

Section 7.2 Certificate of Limited Partnership.

The General Partner has filed the Certificate with the Secretary of State of the State of Delaware as required by the Act. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents as may be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and any other state, or the District of Columbia, in which the Partnership may elect to do business or own property. To the extent that such action is determined by the General Partner to be reasonable and necessary or appropriate or convenient, the General Partner shall file amendments to and restatements of the Certificate and do all of the things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of Delaware and each other state, or the District of Columbia, in which the Partnership may elect to do business or own property. Subject to the terms of Section 8.5.A(4) hereof, the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate or any amendment thereto or restatement thereof to any Limited Partner.

Section 7.3 Restrictions on General Partner Authority.

The General Partner may not take any action in contravention of an express prohibition or limitation of this Agreement without the written Consent of (i) all Partners adversely affected or (ii) such lower percentage of the Limited Partnership Interests as may be specifically provided for under a provision of this Agreement or the Act.

Section 7.4 Reimbursement of the General Partner.

A. No Compensation. Except as provided in this Section 7.4 and elsewhere in this Agreement (including the provisions of Articles V and VI hereof regarding distributions, payments and allocations to which it may be entitled), the General Partner shall not be compensated for its services as general partner of the Partnership.

B. Responsibility for Partnership Expenses. The Partnership shall be responsible for and shall pay all expenses relating to the Partnership's organization, the ownership of its assets and its operations. The General Partner and, if different, the General Partner Entity shall be reimbursed on a monthly basis, without duplication, or on such other basis as the General Partner may determine in its sole and absolute discretion, for all expenses it directly or indirectly incurs relating to the ownership and operation of the Partnership, or for the benefit of the Partnership, including, without limitation, (i) expenses relating to the ownership of interests in and operation of the Partnership, (ii) compensation of the officers and employees including, without limitation, payments under any stock option or incentive plan that provides for stock units, or other phantom stock, pursuant to which employees will receive payments based upon dividends on or the value of Shares, (iii) auditing expenses, (iv) director fees and expenses of the General Partner Entity, (v) all costs and expenses of the General Partner Entity

being a public company, including costs of filings with the Securities and Exchange Commission, reports and other distributions to its shareholders, (vi) all costs and expenses associated with litigation involving the General Partner and the General Partner Entity, the Partnership or any Subsidiary, (vii) all expenses associated with compliance by the General Partner with laws, rules and regulations promulgated by any regulatory body, (viii) expenses related to the operations of the General Partner and the General Partner Entity and to the management and administration of any Subsidiaries of the General Partner Entity or the Partnership or Affiliates of the Partnership, such as auditing expenses and filing fees and (ix) any and all salaries, compensation and expenses of officers and employees of the General Partner and General Partner Entity; provided that (x), the amount of any such reimbursement shall be reduced by (i) any interest earned by the General Partner or General Partner Entity with respect to bank accounts or other instruments or accounts held by it as permitted in Section 7.5.A below (which interest is considered to belong to the Partnership and shall be paid over to the Partnership to the extent not applied to reimburse the General Partner for expenses hereunder), (ii) any amount derived by the General Partner or General Partner Entity from any investments permitted in Section 7.5.A below; (iii) if the General Partner or General Partner Entity qualifies as a REIT, the Partnership shall not be responsible for any taxes that the General Partner Entity would not have been required to pay if that entity qualified as a REIT for federal income tax purposes or any taxes imposed on the General Partner or General Partner Entity by reason of that entity's failure to distribute to its shareholders an amount equal to its taxable income (provided that the funds to make such distributions were in fact available to the General Partner or the General Partner Entity therefor); (iv) the Partnership shall not be responsible for expenses or liabilities incurred by the General Partner or General Partner Entity in connection with any business or assets of the General Partner or General Partner Entity other than its ownership of Partnership Interests or operation of the business of the Partnership or ownership of assets to the extent permitted in Section 7.5.A; and (v) the Partnership shall not be responsible for any expenses or liabilities of the General Partner or General Partner Entity that are excluded from the scope of the indemnification provisions of Section 7.7.A by reason of the provisions of clause (i), (ii) or (iii) thereof; and (y) REIT Expenses shall not be treated as Partnership expenses for purposes of this Section 7.4.B. The General Partner shall determine in good faith the amount of expenses incurred by it related to the ownership and operation of, or for the benefit of, the Partnership. If certain expenses are incurred for the benefit of the Partnership and other entities (including the General Partner or General Partner Entity), such expenses will be allocated to the Partnership and such other entities in such a manner as the General Partner in its sole and absolute discretion deems fair and reasonable. Such reimbursements shall be in addition to any reimbursement to the General Partner pursuant to Section 10.3.C hereof and as a result of indemnification pursuant to Section 7.7 below. All payments and reimbursements hereunder shall be characterized for federal income tax purposes as expenses of the Partnership incurred on its behalf, and not as expenses of the General Partner or General Partner Entity.

C. Partnership Interest Issuance Expenses. The General Partner and, if different, the General Partner Entity shall also be reimbursed, without duplication, for all expenses it directly or indirectly incurs relating to any issuance of additional Partnership Interests, Shares, Debt of the Partnership, Funding Debt of the General Partner or the General Partner Entity or rights, options, warrants or convertible or exchangeable securities pursuant to Article IV hereof (including, without limitation, all costs, expenses, damages and other payments resulting from or arising in connection with litigation related to any of the foregoing), all of

which expenses are considered by the Partners to constitute expenses of, and for the benefit of, the Partnership.

D. Purchases of Shares by the General Partner Entity. In the event that the General Partner Entity shall elect to purchase from its shareholders Shares in connection with a share repurchase or similar program or for the purpose of delivering such Shares to satisfy an obligation under any distribution reinvestment or share purchase program adopted by the General Partner Entity, any employee share purchase plan adopted by the General Partner Entity or any similar obligation or arrangement undertaken by the General Partner Entity in the future, the purchase price paid by the General Partner Entity for such Shares and any other expenses incurred by the General Partner Entity in connection with such purchase shall be considered REIT Expenses and shall be reimbursed to the General Partner Entity, subject to the conditions that: (i) if such Shares subsequently are to be sold by the General Partner Entity, the General Partner Entity pays to the Partnership any proceeds received by the General Partner Entity for such Shares (which sales proceeds shall include the amount of distributions reinvested under any distribution reinvestment or similar program; provided that a transfer of Shares for Partnership Units pursuant to Section 8.6 hereof would not be considered a sale for United States federal, state and local income tax purposes); and (ii) if such Shares are not retransferred by the General Partner Entity within thirty (30) days after the purchase thereof, the General Partner Entity shall cause the Partnership to cancel a number of Partnership Units of the appropriate class (rounded to the nearest whole Partnership Unit) held by the General Partner Entity or the General Partner equal to the product attained by multiplying the number of such Shares by a fraction, the numerator of which is one and the denominator of which is the Conversion Factor in effect on the date of such cancellation (in which case such reimbursement shall be treated as a distribution in redemption of Partnership Units held by the General Partner Entity or the General Partner, as the case may be).

E. Reimbursement not a Distribution. Except as set forth in the succeeding sentence, if and to the extent any reimbursement made pursuant to this Section 7.4 is determined for U.S. federal income tax purposes not to constitute a payment of expenses of the Partnership, the amount so determined shall constitute a guaranteed payment with respect to capital within the meaning of Section 707(c) of the Code, shall be treated consistently therewith by the Partnership and all Partners and shall not be treated as a distribution for purposes of computing the Partners' Capital Accounts. Amounts deemed paid by the Partnership to the General Partner Entity in connection with redemption of Partnership Units pursuant to Section 7.4.D shall be treated as a distribution for purposes of computing the Partner's Capital Accounts.

F. Funding for Certain Capital Transactions. In the event that the General Partner Entity shall undertake to acquire (whether by merger, consolidation, purchase, or otherwise) the assets or equity interests of another Person and such acquisition shall require the payment of cash by the General Partner Entity (whether to such Person or to any other selling party or parties in such transaction or to one or more creditors, if any, of such Person or such selling party or parties), (a) the Partnership shall advance to the General Partner Entity the cash required to consummate such acquisition if, and to the extent that, such cash is not to be obtained by the General Partner Entity through an issuance of Shares described in Section 4.2, (b) the General Partner Entity shall, upon consummation of such acquisition, transfer to the Partnership (or cause to be transferred to the Partnership), in full and complete satisfaction of such advance,

the assets or equity interests of such Person acquired by the General Partner Entity in such acquisition (or equity interests in Persons owning all of such assets or equity interests), and (c) pursuant to and in accordance with Section 4.2, the Partnership shall issue to the General Partner Entity, Partnership Interests and/or rights, options, warrants or convertible or exchangeable securities of the Partnership having designations, preferences and other rights that are substantially similar to those of any additional Shares, other equity securities, New Securities and/or Convertible Funding Debt, as the case may be, issued by the General Partner Entity in connection with such acquisition (whether issued directly to participants in the acquisition transaction or to third parties in order to obtain cash to complete the acquisition). In addition to, and without limiting, the foregoing, in the event that the General Partner Entity engages in a transaction in which (x) the General Partner Entity (or a wholly owned direct or indirect Subsidiary of the General Partner Entity) merges with another entity (referred to as the "Parent Entity") that is organized in the UPREIT form (i.e., where the Parent Entity holds substantially all of its assets and conducts substantially all of its operations through a partnership, limited liability company or other entity (referred to as an "Operating Entity")) ("UPREIT") and the General Partner Entity survives such merger, (y) such Operating Entity merges with or is otherwise acquired by the Partnership in exchange in whole or in part for Partnership Interests, and (z) the General Partner Entity is required or elects to pay part of the consideration in connection with such merger involving the Parent Entity in the form of cash and part of the consideration in the form of Shares, the Partnership shall distribute to the General Partner Entity with respect to its existing Partnership Interest an amount of cash sufficient to complete such transaction and the General Partner Entity shall cause the Partnership to cancel a number of Partnership Units (rounded to the nearest whole number) held by the General Partner Entity equal to the product attained by multiplying the number of additional Shares that the General Partner Entity would have issued to the Parent Entity or the owners of the Parent Entity in such transaction if the entire consideration therefor were to have been paid in Shares by a fraction, the numerator of which is one and the denominator of which is the Conversion Factor. It is understood and agreed among the Partners that this Section 7.4.F shall be construed and implemented in a manner that is consistent with the General Partner Entity's REIT status.

Section 7.5 Outside Activities of the General Partner.

A. General. The General Partner Entity shall not directly or indirectly enter into or conduct any material business other than in connection with the ownership, acquisition and disposition of Partnership Interests and the management of the business of the Partnership, and such activities as are incidental thereto. The General Partner Entity and any Affiliates of the General Partner Entity may acquire Limited Partnership Interests and shall be entitled to exercise all rights of a Limited Partner relating to such Limited Partnership Interests. Without the Consent of the Outside Limited Partners, the assets of the General Partner Entity shall be limited to Partnership Interests and permitted debt obligations of the Partnership (as contemplated by Section 7.5.D below) and permitted assets of the Partnership (as contemplated in Section 7.10), so that Shares and Partnership Units are completely fungible except as otherwise specifically provided herein; provided, that the General Partner Entity shall be permitted to hold (i) interests in entities, including Qualified REIT Subsidiaries, that hold no material assets; (ii) interests in Qualified REIT Subsidiaries (or other entities that are not taxed as corporations for federal income tax purposes) that own only interests in the Partnership and/or interests in other Qualified REIT Subsidiaries (or other entities that are not taxed as corporations for federal income tax

purposes) that either hold no assets or hold only interests in the Partnership; (iii) assets and/or interests in entities, including Qualified REIT Subsidiaries, that hold assets, having an aggregate value not greater than five percent (5%) of the total market value of the General Partner Entity (determined by reference to the value of all outstanding equity securities of the General Partner Entity), provided that (X) the General Partner Entity will apply the net income from such assets (other than net income derived as a result of a Qualified REIT Subsidiary's ownership of an interest in the Partnership) to offset REIT Expenses before utilizing the distribution provisions of Section 5.1.B, (Y) the General Partner Entity will contribute or cause to be contributed all net income generated by such assets and/or interests (other than net income derived as a result of a Qualified REIT Subsidiary's ownership of an interest in the Partnership) to the Operating Partnership (after taking into account REIT Expenses as described in clause (X) above), and (Z) the General Partner Entity will use commercially reasonable efforts to transfer or cause to be transferred such assets and interests (other than interests in Qualified REIT Subsidiaries and the Partnership) to the Operating Partnership or an entity controlled by the Operating Partnership as soon as such a

transfer can be made without causing the General Partner Entity, the General Partner or the Operating Partnership to incur any material expenses in connection therewith; (iv) such bank accounts or similar instruments or account in its own name as it deems necessary to carry out its responsibilities and purposes as contemplated under this Agreement and its organizational documents; (v) cash held for payment of administrative expenses or pending distribution to security holders of the General Partner Entity or any wholly owned Subsidiary thereof or pending contribution to the Partnership; and (vi) other tangible and intangible assets that, taken as a whole, are de minimis in relation to the net assets of the Partnership and its Subsidiaries; and, provided, further, that the General Partner Entity shall be permitted to acquire, directly or through a Qualified REIT Subsidiary (or other entities that are not taxed as corporations for federal income tax purposes), up to a one percent (1%) interest in any partnership or limited liability company at least ninety-nine percent (99%) of the equity of which is owned directly or indirectly by the Partnership. The General Partner Entity and any of its Affiliates may acquire Limited Partnership Interests and shall be entitled to exercise all rights of a Limited Partner relating to such Limited Partnership Interests.

B. Forfeiture of Shares. In the event the Partnership or the General Partner Entity acquires Shares as a result of the forfeiture of such Shares under a restricted or similar share plan, then the General Partner Entity shall cause the Partnership to cancel that number of Partnership Units of the appropriate class equal to the number of Shares so acquired divided by the Conversion Factor, and, if the Partnership acquired such Shares, it shall transfer such Shares to the General Partner Entity for cancellation.

C. Stock Option Plan. If at any time or from time to time, the General Partner Entity sells Shares pursuant to any Stock Option Plan, the General Partner Entity shall transfer the net proceeds of the sale of such Shares to the Partnership as an additional Capital Contribution in exchange for an amount of additional Partnership Units equal to the number of Shares so sold divided by the Conversion Factor.

D. Funding Debt. The General Partner Entity, the General Partner or a wholly owned subsidiary of either or them may incur a Funding Debt, including, with respect to the General Partner Entity, a Funding Debt that is convertible into Shares or otherwise

constitutes a class of New Securities ("Convertible Funding Debt"), subject to the condition that the borrowing entity lends to the Partnership the net proceeds of such Funding Debtprovided, that Convertible Funding Debt shall be issued pursuant to Section 4.2.B above; and, provided, further, that the General Partner Entity shall not be obligated to lend the net proceeds of any Funding Debt to the Partnership in a manner that would be inconsistent with the General Partner Entity's ability to remain qualified as a REIT. If the General Partner Entity, the General Partner or a wholly owned subsidiary of either of them enters into any Funding Debt, the loan to the Partnership shall be on comparable terms and conditions, including interest rate, repayment schedule and costs and expenses, as are applicable with respect to or incurred in connection with such Funding Debt.

Section 7.6 Transactions with Affiliates.

A. The Partnership may lend or contribute funds or other assets to its or the General Partner Entity's Subsidiaries or other Persons in which it or the General Partner Entity has an equity investment and such Persons may borrow funds from the Partnership, on terms and conditions established in the sole and absolute discretion of the General Partner Entity. The foregoing authority shall not create any right or benefit in favor of any Subsidiary or any other Person

B. Except as provided in Section 7.5.A, the Partnership may transfer assets to joint ventures, other partnerships, limited liability companies, real estate investment trusts, corporations or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions consistent with this Agreement and applicable law as the General Partner, in its sole and absolute discretion, believes are advisable.

C. Except as expressly permitted by this Agreement (i) neither the General Partner Entity nor any of its Affiliates shall sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, and (ii) the Partnership shall not, directly or indirectly, sell, transfer or convey any property to, or purchase any property from, or borrow funds form, or lend funds to, any Partner or any Affiliate of the Partnership that is not also a Subsidiary of the Partnership, except in the case of each of clauses (i) and (ii) pursuant to transactions that are determined by the General Partner in good faith to be on terms that are fair and reasonable.

D. The General Partner, in its sole and absolute discretion and without the approval of the Limited Partners, may propose and adopt, on behalf of the Partnership, employee benefit plans, stock option plans, and similar plans funded by the Partnership for the benefit of employees of the General Partner Entity, the Partnership, Subsidiaries of the Partnership or any Affiliate of any of them in respect of services performed, directly or indirectly, for the benefit of the Partnership, the General Partner or any Subsidiaries of the Partnership.

E. The General Partner is expressly authorized to enter into, in the name and on behalf of the Partnership, and without the approval of the Limited Partners, a right of first opportunity arrangement, a non-competition arrangement and other conflict avoidance agreements with various Affiliates of the Partnership and the General Partner, on such terms as the General Partner, in its sole and absolute discretion, believes are advisable.

Section 7.7 Indemnification.

A. General. To the fullest extent permitted by law, the Partnership shall indemnify each Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements, and other amounts arising from or in connection with any and all claims, demands, subpoenas, requests for information, formal or informal investigations, actions, suits or proceedings, whether civil, criminal, administrative or investigative, incurred by the Indemnitee and relating to the Partnership, the General Partner or the General Partner Entity or the direct or indirect operations of, or the direct or indirect ownership of property by, the Partnership or the General Partner or the General Partner Entity as set forth in this Agreement, in which such Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established by a final determination of a court of competent jurisdiction that (i) the act or omission of the Indemnitee was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty, (ii) the Indemnitee actually received an improper personal benefit in money, property or services, or (iii) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. Without limitation, the foregoing indemnity shall extend to any liability of any Indemnitee, pursuant to a loan guaranty or otherwise for any indebtedness of the Partnership or any Subsidiary of the Partnership (including without limitation, any indebtedness which the Partnership or any Subsidiary of the Partnership has assumed or taken subject to), and the General Partner is hereby authorized and empowered, on behalf of the Partnership, to enter into one or more indemnity agreements consistent with the provisions of this Section 7.7 in favor of any Indemnitee having or potentially having liability for any such indebtedness. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 7.7.A. The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee acted in a manner contrary to that specified in this Section 7.7.A with respect to the subject matter of such proceeding. Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership and any insurance proceeds from the liability policy covering the General Partner and any Indemnitee, and neither the General Partner nor any Limited Partner shall have any obligation to contribute to the capital of the Partnership, or otherwise provide funds, to enable the Partnership to fund its obligations under this Section 7.7.

B. Advancement of Expenses. To the fullest extent permitted by law, reasonable expenses expected to be incurred by an Indemnitee shall be paid or reimbursed by the Partnership in advance of the final disposition of any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, made or threatened to be made against an Indemnitee, upon receipt by the Partnership of (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Partnership as authorized in Section 7.7.A has been met and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

C. No Limitation of Rights. The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity unless otherwise provided in a written agreement pursuant to which such Indemnitee is indemnified.

D. Insurance. The Partnership may, but shall not be obligated to, purchase and maintain insurance, on behalf of the Indemnitees and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Indemnitee or Person against such liability under the provisions of this Agreement.

E. Benefit Plan Fiduciary. For purposes of this Section 7.7, (i) the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Partnership also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan, (ii) excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute fines within the meaning of this Section 7.7 and (iii) actions taken or omitted by the Indemnitee with respect to an employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of the Partnership.

F. No Personal Liability for Limited Partners. In no event may an Indemnitee subject any of the Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

G. Interested Transactions. An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

H. Benefit. The provisions of this Section 7.7 are also for the benefit of the Indemnitees, their employees, officers, directors, trustees, heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons. Any amendment, modification or repeal of this Section 7.7 or any provision hereof shall be prospective only and shall not in any way affect the limitation on the Partnership's liability to any Indemnitee under this Section 7.7, as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or related to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

I. Indemnification Payments Not Distributions. If and to the extent any payments to the General Partner or the General Partner Entity pursuant to this Section 7.7 constitute gross income to the General Partner or the General Partner Entity (as opposed to the

repayment of advances made on behalf of the Partnership), such amounts shall constitute guaranteed payments within the meaning of Section 707(c) of the Code, shall be treated consistently therewith by the Partnership and all Partners, and shall not be treated as distributions for purposes of computing the Partners' Capital Accounts.

J. Exception to Indemnification of the General Partner. Notwithstanding anything to the contrary in this Agreement, the General Partner shall not be entitled to indemnification hereunder for any loss, claim, damage, liability or expense for which the General Partner is obligated to indemnify the Partnership under any other agreement between the General Partner and the Partnership.

Section 7.8 Liability of the Covered Persons.

A. General. Notwithstanding anything to the contrary set forth in this Agreement, to the fullest extent permitted by law, none of the General Partner, its Affiliates, or any of their respective officers, trustees, directors, shareholders, partners, members, employees, representatives or agents or any officer, employee, representative or agent of the Partnership and its Affiliates (individually, a "Covered Person" and collectively, the "Covered Persons") shall be liable or accountable for monetary damages or otherwise to the Partnership, any Partners or any Assignees for losses sustained or liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or of any act or omission if the Covered Person's conduct did not constitute bad faith, gross negligence or willful misconduct.

B. No Obligation to Consider Separate Interests of Limited Partners or Shareholders. The Limited Partners expressly acknowledge that the General Partner is acting on behalf of the Partnership, the Limited Partners and the shareholders of the General Partner collectively, that the General Partner is under no obligation to consider or give priority to the separate interests of the Limited Partners (including, without limitation, the tax consequences to Limited Partners or Assignees or to such shareholders) in deciding whether to cause the Partnership to take (or decline to take) any actions. Any decisions or actions taken or not taken in accordance with the terms of this Agreement shall not constitute a breach of any duty owed to the Partnership or the Limited Partners by law or equity, fiduciary or otherwise. The General Partner shall not be liable for monetary damages or otherwise for losses sustained, liabilities incurred or benefits not derived by Limited Partners in connection with such decisions, provided that the General Partner has acted in good faith.

C. Actions of Agents. Subject to its obligations and duties as General Partner set forth in Section 7.1.A hereof, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its employees and agents. The General Partner shall not be liable to the Partnership or any Partner for any misconduct or negligence on the part of any such employee or agent appointed by the General Partner in good faith.

D. Effect of Amendment. Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the Covered Person's liability to the Partnership and the Limited Partners under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with

respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

E. Limitations of Fiduciary Duty. Sections 7.1.B, 7.1.E and this Section 7.8 and any other Section of this Agreement limiting the liability of the General Partner and/or its trustees, directors and officers shall constitute an express limitation of any duties, fiduciary or otherwise, that they would owe the Partnership or the Limited Partners if such duty would be imposed by any law, in equity or otherwise.

F. Good Faith Reliance on Agreement. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to the Partners, any Covered Person acting under this Agreement or otherwise shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person under the Act or otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of such Covered Person to the maximum extent permitted by law.

G. General Partner's Discretion. Whenever in this Agreement the General Partner or the General Partner Entity is permitted or required to make a decision (i) in its "sole discretion" or "discretion," or under a similar grant of authority or latitude, the General Partner or General Partner Entity, as the case may be, shall be entitled to consider such interests and factors as it desires and may consider its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership or the Limited Partners, or (ii) in its "good faith" or under another express standard, the General Partner or General Partner Entity, as the case may be, shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement or by law or any other agreement contemplated herein.

Section 7.9 Other Matters Concerning the General Partner.

A. Reliance on Documents. The General Partner may rely and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties.

B. Reliance on Advisors. The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers, architects, engineers, environmental consultants and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion of such Persons as to matters which the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

C. Action Through Agents. The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized

officers and a duly appointed attorney or attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform all and every act and duty which is permitted or required to be done by the General Partner hereunder.

D. Actions to Maintain REIT Status or Avoid Taxation of the General Partner Entity or the General Partner (as applicable) Notwithstanding any other provisions of this Agreement (other than the limitations on the General Partner's and General Partner Entity's authority set forth in Sections 7.3, 7.5 and 7.6.A) or the Act, any action of the General Partner or General Partner Entity on behalf of the Partnership or any decision of the General Partner or General Partner Entity to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect the ability of the General Partner Entity or the General Partner (as applicable) to continue to satisfy the REIT Requirements or (ii) to avoid the General Partner Entity or the General Partner (as applicable) incurring any taxes under Section 337(d), 857, 1374 or 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

Section 7.10 Title to Partnership Assets.

Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partners, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine in its sole and absolute discretion, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner (or such other entity) for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use its commercially reasonable efforts to cause beneficial and record title to such assets to be vested in the Partnership as soon as reasonably practicable. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.11 Reliance by Third Parties.

Notwithstanding anything to the contrary in this Agreement (other than the limitations on the General Partner's and General Partner Entity's authority set forth in Sections 7.3, 7.5 and 7.6.A), any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority, without consent or approval of any other Partner or Person, to encumber, sell or otherwise use in any manner any and all assets of the Partnership, to enter into any contracts on behalf of the Partnership and to take any and all actions on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if the General Partner were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing, in each case except to the extent that such action imposes, or

purports to impose, liability on the Limited Partner. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership, and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

Section 7.12 Loans by Third Parties.

The Partnership may incur Debt, or enter into similar credit, guarantee, financing or refinancing arrangements for any purpose (including, without limitation, in connection with any acquisition of property and any borrowings from, or guarantees of Debt of the General Partner Entity or any of its Affiliates) with any Person upon such terms as the General Partner determines appropriate; provided, that the Partnership shall not incur any Debt that is recourse to the General Partner unless, and then only to the extent that, the General Partner has expressly agreed.

ARTICLE VIII
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.1 Limitation of Liability.

The Limited Partners, including the General Partner Entity, in its capacity as a Limited Partner, shall have no liability under this Agreement except as expressly provided in this Agreement, including Section 10.5 hereof, or under the Act.

Section 8.2 Management of Business.

No Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, trustee, director, member, employee, partner or agent of the General Partner, the Partnership or any of their Affiliates, in their capacity as such) shall take part in the operation, management or control (within the meaning of the Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, trustee, director, member, employee, partner or agent of the General Partner, the Partnership or any of their Affiliates, in their capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

Section 8.3 Outside Activities of Limited Partners.

Subject to any agreements entered into pursuant to Section 7.6.E hereof and any other agreements entered into by a Limited Partner or its Affiliates with General Partner, the Partnership or any of their respective Subsidiaries, any Limited Partner (other than the General Partner) and any officer, trustee, director, member, employee, agent, Affiliate or shareholder of any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities that are in direct or indirect competition with the Partnership or that are enhanced by the activities of the Partnership. Neither the Partnership nor any Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner, officer, director, manager, employee, agent, trustee, Affiliates, member, shareholder or Assignee of any Limited Partner. None of the Limited Partners (other than the General Partner) nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person (other than the General Partner to the extent expressly provided herein), and no such Person (other than the General Partner) shall have any obligation pursuant to this Agreement to offer any interest in any such business ventures to the Partnership, any Limited Partner or any such other Person, even if such opportunity is of a character which, if presented to the Partnership, any Limited Partner or such other Person, could be taken by such Person.

Section 8.4 Return of Capital.

Except pursuant to the right of redemption set forth in Section 8.6, no Limited Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent of distributions made pursuant to this Agreement or upon termination of the Partnership as provided herein. Except to the extent provided by Exhibit C hereof or as otherwise expressly provided in this Agreement, no Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee, either as to the return of Capital Contributions or as to profits, losses, distributions or credits.

Section 8.5 Rights of Limited Partners Relating to the Partnership.

A. General. In addition to other rights provided by this Agreement or by the Act, and except as limited by Section 8.5.D below, each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership, upon written demand with a statement of the purpose of such demand and at such Limited Partner's own expense (including such copying and administrative charges as the General Partner may establish from time to time):

(1) to obtain a copy of the most recent annual and quarterly reports prepared by the General Partner Entity and distributed to shareholders, including annual and quarterly reports filed with the SEC by the General Partner Entity pursuant to the Exchange Act;

(2) to obtain a copy of the Partnership's U.S. federal, state and local income tax returns for each Partnership Year;

(3) to obtain a current list of the name and last known business, residence or mailing address of each Partner as reflected in the Partnership's records;

(4) to obtain a copy of this Agreement and the Certificate and all amendments thereto, together with copies of all powers of attorney pursuant to which this Agreement, the Certificate and all amendments thereto have been executed; and

(5) to obtain true and full information regarding the amount of cash and a description and statement of the Agreed Value of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner.

B. Notice of Conversion Factor. The Partnership shall notify each Limited Partner, upon request, of the then current Conversion Factor.

C. Notice of Extraordinary Transaction of the General Partner Entity. The General Partner Entity shall not make any extraordinary distributions of cash or property to its shareholders or effect an Extraordinary Transaction without notifying the Limited Partners of its intention to make such distribution or effect such merger, sale or other extraordinary transaction not later than the time, if any, at which the General Partner Entity is required to provide notice of such transaction to its shareholders (or, if earlier, at least (20) days prior to the record date to determine shareholders eligible to receive such distribution or to vote upon the Extraordinary Transaction (or, if no such record date is applicable, at least twenty (20) days before consummation of such Extraordinary Transaction)). This provision for such notice shall not be deemed (i) to permit any transaction that otherwise is prohibited by this Agreement or requires a Consent of the Partners or (ii) to require a Consent of the Limited Partners to a transaction that does not otherwise require Consent under this Agreement. Each Limited Partner agrees, as a condition to the receipt of the notice pursuant hereto, to keep confidential the information set forth therein until such time as the General Partner Entity has made public disclosure thereof and to use such information during such period of confidentiality solely for purposes of determining whether or not to exercise the Redemption Right (if applicable) and to execute a confidentiality agreement provided by the General Partner Entity; provided, however, that a Limited Partner may disclose such information to its attorney, accountant and/or financial advisor for purposes of obtaining advice with respect to such exercise so long as such attorney, accountant and/or financial advisor agrees to receive and hold such information subject to this confidentiality requirement.

D. Confidentiality. Notwithstanding any other provision of this Section 8.5, the General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner determines in its sole and absolute discretion to be reasonable, any information that (i) the General Partner reasonably believes to be in the nature of trade secrets or other information, the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or could damage the Partnership or its business; or (ii) the Partnership is required by law or by agreements with an unaffiliated third party to keep confidential, provided, however, that this Section 8.5.D shall not affect the notice requirements set forth in Section 8.5.C.

Section 8.6 Redemption Right.

A. General. (i) Subject to Sections 8.6B and 8.6.C hereof, on or after the date one (1) year after [•], 2017(1) (or, if later than [•], 2017, the date of the issuance of a Common Partnership Unit to a Limited Partner pursuant to Article IV hereof), which one-year period shall commence upon the issuance of such Partnership Unit regardless of whether such Partnership Unit is designated upon issuance as a Common Partnership Unit or otherwise, or on or after such date prior to the expiration of such one-year period as the

General Partner, in its sole and absolute discretion, designates with respect to any or all Partnership Units then outstanding, the holder of a Partnership Unit (if other than the General Partner or the General Partner Entity or any Subsidiary of either the General Partner or the General Partner Entity) shall have the right (the "Redemption Right") to require the Partnership to redeem on a Specified Redemption Date such Partnership Unit (provided that such Partnership Unit is a Common Partnership Unit) at a redemption price equal to and in the form of the Cash Amount to be paid by the Partnership. The Redemption Right shall be exercised pursuant to a Notice of Redemption delivered to the Partnership (with a copy to the General Partner and the General Partner Entity) by the Limited Partner who is exercising the redemption right (the "Redeeming Partner"); provided, however, a Limited Partner may not exercise the Redemption Right for less than one thousand (1,000) Partnership Units at any one time or, if such Limited Partner holds less than one thousand (1,000) Partnership Units, all of the Partnership Units held by such Partner; provided further that, with respect to a Limited Partner which is an entity, such Limited Partner may exercise the Redemption Right for fewer than one thousand (1,000) Partnership Units without regard to whether or not such Limited Partner is exercising the Redemption Right for all of the Partnership Units held by such Limited Partner as long as such Limited Partner is exercising the Redemption Right on behalf of one or more of its equity owners in respect of one hundred percent (100%) of such equity owners' interests in such Limited Partner. The Redeeming Partner shall have no right, with respect to any Partnership Units so redeemed, to receive any distributions paid on or after the Specified Redemption Date unless the record date for such distribution was a date prior to the Specified Redemption Date. The Assignee of any Limited Partner may exercise the rights of such Limited Partner pursuant to this Section 8.6, and such Limited Partner shall be deemed to have assigned such rights to such Assignee and shall be bound by the exercise of such rights by such Assignee. In connection with any exercise of such rights by an Assignee on behalf of a Limited Partner, the Cash Amount shall be paid by the Partnership directly to such Assignee and not to such Limited Partner. Any Partnership Units redeemed by the Partnership pursuant to this Section 8.6.A shall be cancelled upon such redemption.

(ii) [Notwithstanding the terms of Section 8.6.A(i) or anything else in this Agreement to the contrary, if there shall have been a merger or consolidation of the General Partner Entity, or a sale or all or substantially all of the assets of the General Partner Entity as an entirety, and in either case, in connection therewith, the shareholders of the General Partner Entity are obligated to accept cash and/or debt obligations in full or partial consideration for their Shares, then the portion of the Redemption Amount per Partnership Unit that corresponds to the portion of Value of the total consideration receivable for one Share multiplied by the Conversion Factor (a "Unit Equivalent") that is required to be accepted in cash and/or debt obligations shall thereafter be an amount of cash equal to the sum of (i) the cash payable for a Unit Equivalent on

(1) NTD: To be the day that the separation, distribution, and combination takes place.

the date of the closing of such merger, consolidation or sale and (ii) the Value on the date of the closing of such merger, consolidation, or sale of the debt obligations to be received with respect to a Unit Equivalent, adjusted as set forth below (this amount of cash is referred to as the "Required Cash Payment") (the percentage that the Required Cash Payment represents of the total Redemption Amount with respect to a Partnership Unit, determined as of such closing date, is referred to as the Pro Rata Portion"). The balance of the Redemption Amount per Partnership Unit shall be determined as provided for in the definitions of Conversion Factor, Redemption Amount, Shares Amount, Cash Amount and Value].

(iii) Notwithstanding the foregoing, if the General Partner Entity provides notice to the Limited Partners pursuant to Section 8.5.C hereof, the Redemption Right shall be exercisable, without regard to whether the Partnership Units have been outstanding for any specified period, during the period commencing on the date on which the General Partner Entity provides such notice and ending on the record date to determine shareholders eligible to receive such distribution or participate in such Extraordinary Transaction (or if none, ending on the date of consummation of such distribution or Extraordinary Transaction). If this subparagraph (iii) applies, the Specified Redemption Date is the date on which the Partnership and the General Partner receive notice of exercise of the Redemption Right, rather than ten (10) Business Days after receipt of the Notice of Redemption.

B. General Partner Entity Assumption of Right. (i) Notwithstanding the provisions of Section 8.6.A, a Limited Partner that exercises the Redemption Right shall be deemed to have offered to sell the Partnership Units described in the Notice of Redemption to the General Partner Entity, and the General Partner Entity may, in its sole and absolute discretion (subject to any limitations on ownership and transfer of Shares set forth in the Declaration of Trust), elect to assume directly and satisfy a Redemption Right by paying to the Redeeming Partner either the Cash Amount or the Shares Amount, as the General Partner Entity determines in its sole and absolute discretion, on the Specified Redemption Date, whereupon the General Partner Entity shall acquire the Partnership Units offered for redemption by the Redeeming Partner and shall be treated for all purposes of this Agreement as the owner of such Partnership Units. Payment of the Redemption Amount in the form of Shares shall be in Shares (i) duly authorized, validly issued, fully paid and nonassessable, free and clear of any pledge, lien, encumbrance or restriction, other than those provided in the organizational documents of the General Partner Entity, the Securities Act, relevant state securities or blue sky laws and any applicable registration rights agreement with respect to such Shares entered into by the Redeeming Partner, and shall bear a legend in form and substance determined by the General Partner Entity, and (ii) registered under Section 12 of the Exchange Act and listed for trading on the exchange or national market on which the Shares are Publicly Traded; provided, that in the event that the Shares are not Publicly Traded at the time a Redeeming Partner exercises its Redemption Right, the Redemption Amount shall be paid only in the form of the Cash Amount unless the Redeeming Partner, in its sole and absolute discretion, consents to payment of the Redemption Amount in the form of the Shares Amount. Unless the General Partner Entity (in its sole and absolute discretion) shall exercise its right to assume and directly satisfy the Redemption Right, the General Partner Entity shall not have any obligation to the Redeeming Partner or the Partnership with respect to the Redeeming Partner's exercise of the Redemption Right. In the event the General Partner Entity shall exercise its right to assume and directly satisfy the Redemption Right, the Partnership shall have no obligation to pay any amount to the

Redeeming Partner with respect to such Redeeming Partner's exercise of such Redemption Right, and each of the Redeeming Partner, the Partnership and the General Partner Entity shall treat the transaction between the General Partner Entity and the Redeeming Partner, for federal income tax purposes, as a sale of the Redeeming Partner's Partnership Units to the General Partner Entity.

(ii) In the event that the General Partner Entity determines to pay the Redeeming Partner the Redemption Amount in the form of Shares, the total number of Shares to be paid to the Redeeming Partner in exchange for the Redeeming Partner's Partnership Units shall be the applicable Shares Amount. In the event this amount is not a whole number of Shares, the Redeeming Partner shall be paid (i) that number of Shares which equals the nearest whole number less than such amount plus (ii) an amount of cash which the General Partner Entity determines, in its reasonable discretion, to represent the fair value of the remaining fractional Share which would otherwise be payable to the Redeeming Partner.

(iii) Each Redeeming Partner agrees to execute such documents or provide such information or materials as the General Partner Entity may reasonably require in connection with the issuance of Shares upon exercise of the Redemption Right.

C. Exceptions to Exercise of Redemption Right. Notwithstanding the provisions of Section 8.6.A and Section 8.6.B, a Partner shall not be entitled to exercise the Redemption Right pursuant to Section 8.6.A to the extent that the delivery of Shares to such Partner on the Specified Redemption Date by the General Partner pursuant to Section 8.6.B (regardless of whether or not the General Partner Entity would in fact exercise its rights under Section 8.6.B) would (i) be prohibited, as determined in the sole discretion of the General Partner Entity, under the Declaration of Trust, (ii) cause the acquisition of Shares by such Partner to be "integrated" with any other distribution of Shares for purposes of complying with the Securities Act or (iii) would otherwise be prohibited under applicable federal or state securities laws or regulations. Notwithstanding the foregoing, the General Partner Entity may, in its sole and absolute discretion, waive such prohibition set forth in this Section 8.6C.

D. No Liens on Partnership Units Delivered for Redemption. Each Limited Partner covenants and agrees with the General Partner that all Partnership Units delivered for redemption shall be delivered to the Partnership or the General Partner Entity, as the case may be, free and clear of all liens, and, notwithstanding anything contained herein to the contrary, neither the General Partner Entity nor the Partnership shall be under any obligation to acquire Partnership Units which are or may be subject to any liens. Each Limited Partner further agrees that, in the event any state or local property transfer tax is payable as a result of the transfer of its Partnership Units to the Partnership or the General Partner Entity, such Limited Partner shall assume and pay such transfer tax.

E. Additional Partnership Interests; Modification of Holding Period. In the event that the Partnership issues Partnership Interests to any Additional Limited Partner pursuant to Article IV hereof, the General Partner shall make such amendments to this Section 8.6 as it determines are necessary to reflect the issuance of such Partnership Interests (including setting forth any restrictions on the exercise of the Redemption Right with respect to such Partnership Interests); provided, however, that no such revisions shall materially adversely affect the rights

of any other Limited Partner to exercise its Redemption Right without that Limited Partner's prior written consent. In addition, the General Partner may, with respect to any holder or holders of Partnership Units, at any time and from time to time, as it shall determine in its sole and absolute discretion, (i) reduce or waive the length of the period prior to which such holder or holders may not exercise the Redemption Right or (ii) reduce or waive the length of the period between the exercise of the Redemption Right and the Specified Redemption Date.

F. LTIP Unit Exception and Redemption of Common Partnership Units Issued Upon Conversion of LTIP Units. Subject to Section 8.6.G hereof, holders of LTIP Units shall not be entitled to the Redemption Right provided for in Section 8.6.A of this Agreement, unless and until such LTIP Units have been converted into Common Partnership Units (or any other class or series of Partnership Units entitled to such Redemption Right) in accordance with their terms. Notwithstanding the foregoing, and except as otherwise permitted by Section 8.6.G or the award, plan or other agreement pursuant to which an LTIP Unit was issued, the Redemption Right shall not be exercisable with respect to any Common Partnership Unit issued upon conversion of an LTIP Unit until on or after the date that is two years after the date on which the LTIP Unit was issued, provided however, that the foregoing restriction shall not apply if the Redemption Right is exercised by an LTIP Unitholder in connection with a transaction that falls within the definition of a "change of control" under the agreement or agreements pursuant to which the LTIP Units were issued to him or her and provided further that the one (1) year requirement set forth in the first sentence of Subsection 8.6.A(i) shall not apply with respect to Common Partnership Units issued upon conversion of LTIP Units.

G. Formation Unit Exception and Redemption of Common Partnership Units Issued Upon Conversion of LTIP Units Into Which Formation Units Were Converted. Holders of Formation Units shall not be entitled to the Redemption Right provided for in Section 8.6.A of this Agreement, unless and until such Formation Units (i) have been converted into LTIP Units and (ii) such LTIP Units have subsequently been converted into Common Partnership Units (or any other class or series of Partnership Units entitled to such Redemption Right), in each case in accordance with their terms. Notwithstanding the foregoing, and except as otherwise permitted by the award, plan or other agreement pursuant to which a Formation Unit was issued, the Redemption Right shall not be exercisable with respect to any Common Partnership Unit issued upon conversion of an LTIP Unit into which a Formation Unit was previously converted until on or after the date that is two years after the date on which the Formation Unit was issued, provided however, that the first sentence of Subsection 8.6.A(i) shall not apply with respect to Common Partnership Units issued upon conversion of LTIP Units into which Formation Units were previously converted. For the avoidance of doubt, the foregoing prohibition shall no longer apply upon (i) the termination of employment of the applicable holder of Formation Units with the General Partner or its affiliates (a) by the General Partner (or its successor) without Cause (as defined in the applicable Formation Unit agreement) or (b) the applicable holder of Formation Units for Good Reason (as defined in the applicable Formation Unit agreement) or (ii) the occurrence of a Change in Control (as defined in the applicable Formation Unit agreement).

ARTICLE IX
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.1 Records and Accounting.

The General Partner shall keep or cause to be kept at the principal office of the Partnership those records and documents required to be maintained by the Act and other books and records deemed by the General Partner to be appropriate with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 9.3 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on, or be in the form of, punch cards, magnetic tape, photographs, micrographics or any other information storage device; provided, that the records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with GAAP, or such other basis as the General Partner determines to be necessary or appropriate.

Section 9.2 Fiscal Year.

The fiscal year of the Partnership shall be the calendar year.

Section 9.3 Reports.

A. Annual Reports. As soon as practicable, but in no event later than the date on which the General Partner Entity mails its annual report to its shareholders, the General Partner shall cause to be mailed to each Limited Partner as of the close of the Partnership Year, an annual report containing financial statements of the Partnership, or of the General Partner if such statements are prepared solely on a consolidated basis with the General Partner, for such Partnership Year, presented in accordance with GAAP, such statements to be audited by a nationally recognized firm of independent public accountants selected by the General Partner.

B. Quarterly Reports. If and to the extent that the General Partner Entity mails quarterly reports to its shareholders, as soon as practicable, but in no event later than the date on which such reports are mailed, the General Partner shall cause to be mailed to each Limited Partner as of the last day of the calendar quarter, a report containing unaudited financial statements of the Partnership, or of the General Partner Entity, if such statements are prepared solely on a consolidated basis with the General Partner Entity, and such other information as may be required by applicable law or regulation, or as the General Partner determines to be appropriate.

C. Other Reports. The Partnership shall also cause to be prepared such reports and/or information as are necessary for the General Partner or the General Partner Entity to determine its qualification as a REIT and its compliance with the REIT Requirements, but only for so long as such entity elects to remain qualified as a REIT.

D. Delivery Method. Notwithstanding the foregoing, the General Partner may deliver to the Limited Partners each of the reports described above, as well as any other

communications that it may provide hereunder, by e-mail or by any other electronic means provided that if a report is filed with the SEC via EDGAR it shall be deemed to have been delivered to each Limited Partner.

ARTICLE X
TAX MATTERS

Section 10.1 Preparation of Tax Returns.

The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for U.S. federal and state income tax purposes and shall furnish by July 31 of the year immediately following each taxable year, or as soon as reasonably practicable thereafter, the tax information reasonably required by Limited Partners for federal and state income tax reporting purposes. If required under the Code or applicable state or local income tax law, the General Partner shall also arrange for the preparation and timely filing of all returns of income, gains, deductions, losses and other items required of the Subsidiaries of the Partnership for U.S. federal income tax purposes and shall use all reasonable efforts to furnish, by July 31 of the year immediately following each taxable year, or as soon as reasonably practicable thereafter, the tax information required by the Limited Partners for U.S. federal and state income tax reporting purposes. The General Partner shall hire PriceWaterhouseCoopers to develop a model relating to the application of Section 704(c) of the Code to the Partnership and the Limited Partners.

Section 10.2 Tax Elections.

A. Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Codeprovided, that the General Partner shall make the election under Section 754 of the Code in accordance with applicable regulations thereunder. The General Partner shall have the right to seek to revoke any such election (including, without limitation, the election under Section 754 of the Code) upon the General Partner's determination in its sole and absolute discretion that such revocation is in the best interests of the Partners.

B. To the extent provided for in Regulations, revenue rulings, revenue procedures and/or other IRS guidance issued after the date hereof, the Partnership is hereby authorized to, and at the direction of the General Partner shall, elect a safe harbor under which the fair market value of any Partnership Interests issued after the effective date of such Regulations (or other guidance) will be treated as equal to the liquidation value of such Partnership Interests (i.e., a value equal to the total amount that would be distributed with respect to such interests if the Partnership sold all of its assets for their fair market value immediately after the issuance of such Partnership Interests, satisfied its liabilities (excluding any non-recourse liabilities to the extent the balance of such liabilities exceeds the fair market value of the assets that secure them) and distributed the net proceeds to the Partners under the terms of this Agreement). In the event that the Partnership makes a safe harbor election as described in the preceding sentence, each Partner hereby agrees to comply with all safe harbor requirements with respect to transfers of such Partnership Interests while the safe harbor election remains effective.

Section 10.3 Tax Matters Partner.

A. General. The General Partner shall be the "tax matters partner" of the Partnership for federal income tax purposes pursuant to Section 6231(a)(7) of the Code under the Current Partnership Audit Rules and the "partnership representative" pursuant to Section 6223(a) of the Code under the 2015 Budget Act Partnership Audit Rules. So long as Section 6230(e) of the Current Partnership Audit Rules is in effect, upon receipt of notice from the IRS of the beginning of an administrative proceeding with respect to the Partnership, the General Partner shall furnish the IRS with the name, address, taxpayer identification number and profit interest of each of the Limited Partners and any Assignees; provided, however, that such information is provided to the Partnership by the Limited Partners and the Assignees.

B. Powers. The General Partner is authorized, but not required (and the Partners hereby consent to the tax matters partner and the partnership representative, as relevant, taking the following actions):

(1) to elect out of the 2015 Budget Act Partnership Audit Rules, if available;

(2) to enter into any settlement with the IRS with respect to any administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review"), and in the settlement agreement the General Partner may expressly state that such agreement shall bind the Partnership and all Partners, except that, so long as the Current Partnership Audit Rules are in effect, such settlement agreement shall not bind any Partner (i) who (within the time prescribed pursuant to the Code and Regulations under the Current Partnership Audit Rules) files a statement with the IRS providing that the tax matters partner shall not have the authority to enter into a settlement agreement on behalf of such Partner or (ii) who is a "notice partner" (as defined in Section 6231(a)(8) of the Current Partnership Audit Rules) or a member of a "notice group" (as defined in Section 6223(b)(2) of the Current Partnership Audit Rules);

(3) in the event that a notice of a final administrative adjustment assessed by the IRS or any other tax authority, at the Partnership level of any item required to be taken into account by a Partner for tax purposes (afinal adjustment") is mailed to the General Partner, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the United States Tax Court or the filing of a complaint for refund with the United States Claims Court or the District Court of the United States for the district in which the Partnership's principal place of business is located;

(4) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(5) to file a request for an administrative adjustment with the IRS or other tax authority at any time and, if any part of such request is not allowed by the IRS or other tax authority, to file an appropriate pleading (petition or complaint) for judicial review with respect to such request;

(6) to enter into an agreement with the IRS or other tax authority to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(7) to take any other action on behalf of the Partners or the Partnership in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations, including, without limitation, the following actions to the extent that the 2015 Budget Act Partnership Audit Rules apply to the Partnership and its current or former Partners:

a. electing to have the alternative method for the underpayment of taxes set forth in Section 6226 of the Code, as included in the 2015 Budget Act Partnership Audit Rules, apply to the Partnership and its current or former Partners; and

b. for Partnership level assessments under Section 6225 of the Code, as included in the 2015 Budget Act Partnership Audit Rules, determining apportionment of responsibility for payment among the current or former Partners, setting aside reserves from available funds of the Partnership, withholding of distributions to the Partners, and requiring current or former Partners to make cash payments to the Partnership for their share of the Partnership level assessments; and

(8) to take any other action required or permitted by the Code and Regulations in connection with its role as the tax matters partner and the partnership representative, as relevant.

The taking of any action and the incurring of any expense by the General Partner in connection with any such audit or proceeding, except to the extent required by law, is a matter in the sole and absolute discretion of the General Partner and the provisions relating to indemnification of the General Partner set forth in Section 7.7 of this Agreement shall be fully applicable to the tax matters partner and the partnership representative, as relevant, in its capacity as such. In addition, the General Partner shall be entitled to indemnification set forth in Section 7.7 for any liability for tax imposed on the Partnership under the 2015 Budget Act Partnership Audit Rules that is collected from the General Partner.

The current and former Partners agree to provide the following information and documentation to the Partnership and the tax partner to the extent that the 2015 Budget Act Partnership Audit Rules apply to the Partnership and its current or former Partners:

(1) information and documentation to determine and prove eligibility of the Partnership to elect out of the 2015 Budget Act Partnership Audit Rules;

(2) information and documentation to reduce the Partnership level assessment consistent with Section 6225(c) of the Code, as included in the 2015 Budget Act Partnership Audit Rules; and

(3) information and documentation to prove payment of the attributable liability under Section 6226 of the Code, as included in the 2015 Budget Act Partnership Audit Rules.

In addition to the foregoing, and notwithstanding any other provision of this Agreement, including, without limitation, Section 14.1 of this Agreement, the General Partner is authorized (without any requirement of the consent or approval of any other Partners) to make all such amendments to this Section 10.3 as it shall determine, in its sole judgment, to be necessary, desirable or appropriate to implement the 2015 Budget Act Partnership Audit Rules and any regulations, procedures, rulings, notices, or other administrative interpretations thereof promulgated by the U.S. Treasury Department.

C. Reimbursement. The tax matters partner and the partnership representative shall receive no compensation for their services. All third-party costs and expenses incurred by the tax matters partner and the partnership representative in performing their respective duties as such (including legal and accounting fees and expenses) shall be borne by the Partnership. Nothing herein shall be construed to restrict the Partnership from engaging an accounting and/or law firm to assist the tax matters partner and the partnership representative in discharging their respective duties hereunder, so long as the compensation paid by the Partnership for such services is reasonable.

D. Survival. The obligations of each Partner under this Section 10.3 shall survive such Partner's withdrawal from the Partnership, and each Partner agrees to execute such documentation requested by the Partnership at the time of such Partner's withdrawal from the Partnership to acknowledge and confirm such Partner's continuing obligations under this Section 10.3.

Section 10.4 Organizational Expenses.

The Partnership shall elect to deduct expenses, if any, incurred by it in organizing the Partnership ratably overa one hundred eighty (180) month period as provided in Section 709 of the Code.

Section 10.5 Withholding.

Each Limited Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Limited Partner any amount of U.S. federal, state, local, or foreign taxes (including any interest, penalties, additions to tax or additional amounts) that the General Partner determines that the Partnership is required to withhold or pay with respect to any cash or property distributable, allocable or otherwise transferred to such Limited Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or

paid by the Partnership pursuant to Section 1441, 1442, 1445, or 1446 of the Code. Any amount withheld with respect to a Limited Partner pursuant to this Section 10.5 shall be treated as paid or distributed, as applicable, to such Limited Partner for all purposes under this Agreement to the extent that the Partnership is contemporaneously making distributions against which such amount can be offset. Any amount paid on behalf of or with respect to a Limited Partner, in excess of any such amount of contemporaneous distributions against which such amount paid can be offset, shall constitute a loan by the Partnership to such Limited Partner, which loan shall be repaid by such Limited Partner within fifteen (15) days after notice from the General Partner that such payment must be made unless (i) the Partnership withholds such payment from a distribution which would otherwise be made to the Limited Partner or (ii) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the available funds of the Partnership which would, but for such payment, be distributed to the Limited Partner. Any amounts withheld pursuant to the foregoing clauses (i) or (ii) shall be treated as having been distributed or otherwise paid to such Limited Partner. Each Limited Partner hereby unconditionally and irrevocably grants to the Partnership a security interest in such Limited Partner's Partnership Interest to secure such Limited Partner's obligation to pay to the Partnership any amounts required to be paid pursuant to this Section 10.5. In the event that a Limited Partner fails to pay any amounts owed to the Partnership pursuant to this Section 10.5 when due, the General Partner may, in its sole and absolute discretion, elect to make the payment to the Partnership on behalf of such defaulting Limited Partner, and in such event shall be deemed to have loaned such amount to such defaulting Limited Partner and shall succeed to all rights and remedies of the Partnership as against such defaulting Limited Partner. Without limitation, in such event the General Partner shall have the right to receive distributions that would otherwise be distributable to such defaulting Limited Partner until such time as such loan, together with all interest thereon, has been paid in full, and any such distributions so received by the General Partner shall be treated as having been distributed to the defaulting Limited Partner and immediately paid by the defaulting Limited Partner to the General Partner in repayment of such loan. Any amounts payable by a Limited Partner hereunder shall bear interest at the lesser of (A) the base rate on corporate loans at large United States money center commercial banks, as published from time to time in *The Wall Street Journal*, plus four (4) percentage points or (B) the maximum lawful rate of interest on such obligation, such interest to accrue from the date such amount is due (i.e., fifteen (15) days after demand) until such amount is paid in full. Each Limited Partner shall take such actions as the Partnership or the General Partner shall request in order to perfect or enforce the security interest created hereunder. Upon a Limited Partner's complete withdrawal from the Partnership, such Limited Partner shall be required to restore funds to the Partnership to the extent that the cumulative amount of taxes withheld from or paid on behalf of, or with respect to, such Limited Partner exceeds the sum of such amounts (i) repaid to the Partnership by such Limited Partner, (ii) withheld from distributions to such Limited Partner and (iii) paid by the General Partner on behalf of such Limited Partner.

ARTICLE XI
TRANSFERS AND WITHDRAWALS

Section 11.1 Transfer.

A. Definition. The term "transfer," when used in this Article XI with respect to a Partnership Interest or a Partnership Unit, shall be deemed to refer to a transaction by which

the General Partner purports to assign all or any part of its General Partnership Interest to another Person or by which a Limited Partner purports to assign all or any part of its Limited Partnership Interest to another Person, and includes a transfer, sale, merger, consolidation, combination, assignment, bequest, conveyance, devise, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition, whether voluntary or involuntary, by operation of law or otherwise. The term "transfer" when used in this

Article XI does not include (i) any redemption or repurchase of Partnership Units by the Partnership from a Partner (including the General Partner), (ii) any acquisition of Partnership Units from a Limited Partner by the General Partner Entity pursuant to Section 8.6 hereof or otherwise or (iii) any distribution of Partnership Units by a Limited Partner to its beneficial owners. When used in this Article XI, the verb "transfer" shall have correlative meaning. No part of the interest of a Limited Partner shall be subject to the claims of any creditor, any spouse (for alimony, support or otherwise), or to legal process, and no part of the interest of a Limited Partner may be voluntarily or involuntarily alienated or encumbered except as may be specifically provided for in this Agreement or consented to in writing by the General Partner, in its sole and absolute discretion.

B. General. No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article XI. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article XI shall be null and void *ab initio.*

Section 11.2 Transfers of Partnership Interests of General Partner and General Partner Entity.

A. Neither the General Partner nor the General Partner Entity shall transfer any of its Partnership Interests (including both its Limited Partnership Interests and its General Partnership Interests), and, if the General Partner Entity is not the General Partner, the General Partner Entity may not transfer any of its direct or indirect interests in the General Partner, or withdraw from the Partnership, except (i) in connection with a transaction permitted under Section 11.2.B, (ii) in connection with any merger (including a triangular merger), consolidation or other combination with or into another Person following the consummation of which the equity holders of the surviving entity are substantially identical to the shareholders of the General Partner Entity, (iii) with the Consent of the Outside Limited Partners; or (iv) to any Person that is, at the time of such transfer, an Affiliate of the General Partner Entity that is controlled by the General Partner Entity, including any Qualified REIT Subsidiary.

B. Extraordinary Transactions. Notwithstanding the restrictions set forth in Section 11.2.A or any other provision of this Agreement, the General Partner Entity shall not engage in any merger (including, without limitation, a triangular merger), consolidation or other combination with or into another Person, sale of all or substantially all of its assets or any reclassification, recapitalization or other change in outstanding Shares (other than a change in par value, or from par value to no par value, or as a result of a subdivision or combination as described in the definition of Conversion Factor) (each, an "Extraordinary Transaction"), unless, in connection with such Extraordinary Transaction:

(1) the General Partner shall have obtained Partnership Approval of the Extraordinary Transaction, as set forth below, if (x) the Extraordinary Transaction would result in the Partners receiving consideration for their Partnership Units pursuant to

clause (2) below and the General Partner Entity is required to seek the approval of its common shareholders of the Extraordinary Transaction ("Shareholder Approval") in a shareholder vote (a "Shareholder Vote"), or (y) the General Partner Entity would be required to obtain Shareholder Approval of the Extraordinary Transaction but for the fact that a Tender Offer shall have been accepted with respect to a sufficient number of Shares to permit consummation of the Extraordinary Transaction without Shareholder Approval, and

(2) all Partners either will receive, or will have the right to receive, for each Partnership Unit cash, securities or other property in the same form as, and equal in amount to the product of the Conversion Factor and the greatest amount of, the cash, securities or other property paid to a holder of Shares, if any, corresponding to such Partnership Unit in consideration of one such Share at any time during the period from and after the date on which the Extraordinary Transaction is consummated; provided, however, that if in connection with the Extraordinary Transaction, a purchase, tender or exchange offer (a "Tender Offer") shall have been made to and accepted by the holders of the percentage required for the approval of the merger under the organizational documents of the General Partner Entity, each holder of Partnership Units shall receive, or shall have the right to receive, the greatest amount of cash, securities, or other property which such holder would have received had it exercised the Redemption Right and received Shares in exchange for its Partnership Units immediately prior to the expiration of such purchase, tender or exchange offer and had thereupon accepted such purchase, tender or exchange offer.

C. Partnership Approval. As used above, "Partnership Approval" means Consent of the Limited Partners holding Voting Units representing a Voting Percentage Interest that equals or exceeds, as applicable, either the percentage of (x) the Shares outstanding or (y) the Shares cast in the Shareholder Vote ((x) or (y), as applicable, the "Required Denominator Shares") required to be voted in favor of the Extraordinary Transaction in the Shareholder Vote, provided that, for purposes of determining whether Partnership Approval has been obtained, the Voting Percentage Interest of Limited Partners consenting to the Extraordinary Transaction shall be calculated as follows: Such Voting Percentage Interest shall be equal to the sum of (i) the Voting Percentage Interest of the Voting Units held by Limited Partners consenting to the Extraordinary Transaction (excluding for this purpose any Partnership Units held by (1) the General Partner or the General Partner Entity, (2) any Person of which the General Partner or the General Partner Entity directly or indirectly owns or controls more than fifty percent (50%) of either the voting interests or economic interests and (3) any Person directly or indirectly owning or controlling more than fifty percent (50%) of the outstanding voting interests of the General Partner or the General Partner Entity (collectively, the "Excluded Units")), *plus* (ii) the product of (1) the Voting Percentage Interest attributable to the Excluded Units,*multiplied by* (2) either (x) the percentage of the Required Denominator Shares voted in favor of the Extraordinary Transaction by the General Partner Entity's shareholders in the Shareholder Vote to obtain Shareholder Approval, or (y) in the event a Tender Offer shall have been accepted with respect to a sufficient number of Shares to permit consummation of the Extraordinary Transaction without Shareholder Approval, the percentage of outstanding Shares with respect to which such Tender Offer shall have been accepted.

D. Except with Consent of the Outside Limited Partners or pursuant to an Extraordinary Transaction effected pursuant to Section 11.2.B above, the General Partner shall not enter into an agreement or other arrangement providing for or facilitating the creation of a general partner of the Partnership other than the General Partner, unless the successor general partner (i) is a direct or indirect controlled Affiliate of the General Partner, and (ii) executes and delivers a counterpart to this Agreement in which such successor general partner agrees to be fully bound by all of the terms and conditions contained herein that are applicable to the General Partner.

Section 11.3 Limited Partners' Rights to Transfer.

A. General. Except as provided in Section 11.3.B or in connection with the exercise of a Redemption Right pursuant to Section 8.6, no Limited Partner shall transfer all or any portion of its Partnership Interest to any transferee without the written consent of the General Partner, which consent may be withheld in its sole and absolute discretion; provided, however, that if a Limited Partner is subject to Incapacity, such Incapacitated Limited Partner may transfer all or any portion of its Partnership Interest;

B. Transfers to Affiliates. Subject to Sections 11.3.E, 11.3.F, 11.3.G, 11.4, 11.5 and 11.6, a Limited Partner (other than the General Partner and the General Partner Entity, in their capacities as a Limited Partner) may transfer all or any portion of its Partnership Interest to any of its Affiliates and such transferee shall be admitted as a Substituted Limited Partner, all without obtaining the consent of the General Partner.

C. Incapacitated Limited Partners. If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator or receiver of such Limited Partner's estate shall have all the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners for the purpose of settling or managing the estate and such power as the Incapacitated Limited Partner possessed to transfer all or any part of its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

D. Permitted Transfers. Subject to Sections 11.3.E, 11.3.F, 11.3.G, 11.4, 11.5 and 11.6, a Limited Partner (other than the General Partner and the General Partner Entity, in their capacities as a Limited Partner) may transfer, with or without the consent of the General Partner, all or a portion of its Partnership Interest (i) in the case of a Limited Partner who is an individual, to a member of his Immediate Family, any trust formed for the benefit of himself and/or members of his Immediate Family, or any partnership, limited liability company, joint venture, corporation or other business entity comprised only of himself and/or members of his Immediate Family and entities the ownership interests in which are owned by or for the benefit of himself and/or members of his Immediate Family, (ii) in the case of a Limited Partner which is a trust, to the beneficiaries of such trust, (iii) in the case of a Limited Partner which is a partnership, limited liability company, joint venture, corporation or other business entity to which Partnership Units were transferred pursuant to clause (i) above, to its partners, owners or shareholders, as the case may be, who are members of the Immediate Family of or are actually the Person(s) who transferred Partnership Units to it pursuant to clause (i) above, (iv) in the case of a Limited Partner which acquired Partnership Units as of the date hereof and which is a

partnership, limited liability company, joint venture, corporation or other business entity, to its partners, owners, shareholders or Affiliates thereof, as the case may be, or the Persons owning the beneficial interests in any of its partners, owners or shareholders or Affiliates thereof (it being understood that this clause (iv) will apply to all of each Person's Partnership Interests whether the Partnership Units relating thereto were acquired on the date hereof or hereafter), (v) in the case of a Limited Partner which is a partnership, limited liability company, joint venture, corporation or other business entity other than any of the foregoing described in clause (iii) or (iv), in accordance with the terms of any agreement between such Limited Partner and the Partnership pursuant to which such Partnership Interest was issued, (vi) pursuant to a gift or other transfer without consideration, (vii) pursuant to applicable laws of descent or distribution, (viii) to another Limited Partner, and (ix) pursuant to a grant of security interest or other encumbrance thereof effectuated in a bona fide pledge transaction with a bona fide financial institution as a result of the exercise of remedies related thereto, subject to the provisions of Section 11.3.G hereof. A trust or other entity will be considered formed "for the benefit" of a Partner's Immediate Family even though some other Person has a remainder interest under or with respect to such trust or other entity.

E. No Transfers Violating Securities Laws. Without limiting the generality of Section 11.3.A hereof, the General Partner may prohibit any transfer by a Limited Partner of its Partnership Interest if, in the opinion of legal counsel to the Partnership, such transfer would require filing of a registration statement under the Securities Act or Exchange Act or would otherwise violate any federal or state securities laws or regulations applicable to the Partnership or the Partnership Units.

F. No Transfers Affecting Tax Status of Partnership. No transfer of Partnership Units by a Limited Partner (including a redemption or exchange pursuant to Section 8.6 hereof) may be made to any Person if (i) in the opinion of legal counsel for the Partnership, it could result in the Partnership being treated as an association taxable as a corporation for federal income tax purposes or would result in a termination of the Partnership for federal income tax purposes (except as a result of the redemption or exchange for Shares of all Partnership Units held by all Limited Partners other than the General Partner or the General Partner Entity or any Subsidiary of either the General Partner or the General Partner Entity or pursuant to a transaction not prohibited under Section 11.2 hereof), (ii) in the opinion of legal counsel for the Partnership, it would adversely affect the ability of the General Partner Entity or the General Partner (as applicable) to continue to qualify as a REIT or would subject the General Partner Entity or the General Partner (as applicable) to any additional taxes under Section 857 or Section 4981 of the Code, (iii) such transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(e) of the Code), (iv) such transfer would, in the opinion of legal counsel for the Partnership, cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101, (v) such transfer would subject the Partnership to regulation under the Investment Company Act of 1940, as amended, the Investment Advisors Act of 1940, as amended, or the fiduciary responsibility provisions of ERISA, or (vi) such transfer (x) is effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code, (y) otherwise could cause the Partnership to be treated as a "publicly traded

partnership" within the meaning of Section 7704(b) of the Code and the regulations promulgated thereunder, or (z) is not described in one of the Safe Harbors;provided, however, that this clause (vi) shall cease to apply after the end of the Applicable Year if (1) the classification of the Partnership as a "publicly traded partnership" within the meaning of Section 7704(b) of the Code and the regulations promulgated thereunder could not reasonably be expected to cause the Partnership to be taxable as a corporation for federal income tax purposes and (2) the General Partner receives an opinion of nationally recognized counsel at the beginning of the relevant taxable year to the effect that, based on its actual and proposed method of operation, the Partnership will meet the gross income requirements of Section 7704(c)(2) with respect to such taxable year, which opinion will be subject to customary exceptions, assumptions and qualifications and based on customary representations contained in an officer's certificate from the Partnership, executed by a person with the knowledge necessary to make the representations contained therein.

G. No Transfers to Holders of Nonrecourse Liabilities. No pledge or transfer of any Partnership Units may be made to a lender to the Partnership or any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership whose loan constitutes a Nonrecourse Liability without the consent of the General Partner, in its sole and absolute discretion; provided, that as a condition to such consent the lender will be required to enter into an arrangement with the Partnership and the General Partner to exchange or redeem for the Redemption Amount any Partnership Units in which a security interest is held simultaneously with the time at which such lender would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such lender under Section 752 of the Code.

H. Register. The General Partner shall keep a register for the Partnership on which the transfer, pledge or release of Partnership Units shall be shown and pursuant to which entries shall be made to effect all transfers, pledges or releases as required by the applicable sections of Article 8 of the Uniform Commercial Code, as amended, in effect in the State of Delaware. The General Partner shall (i) place proper entries in such register clearly showing each transfer and each pledge and grant of security interest and the transfer and assignment pursuant thereto, such entries to be endorsed by the General Partner, and (ii) maintain the register and make the register available for inspection by all of the Partners and their pledgees at all times during the term of this Agreement. Nothing herein shall be deemed a consent to any pledge or transfer otherwise prohibited under this Agreement.

Section 11.4 Substituted Limited Partners.

A. Consent of General Partner. No Limited Partner shall have the right to substitute a transferee as a Limited Partner in his or its place (including any transferees permitted by Section 11.3). The General Partner shall, however, have the right to consent to the admission of a transferee of the interest of a Limited Partner pursuant to this Section 11.4 as a Substituted Limited Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion. The General Partner's failure or refusal to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership, the General Partner or any Partner. A Person shall be admitted to the Partnership as a Substituted Limited Partner only upon the aforementioned consent of the General Partner and the furnishing to the General Partner of (i) evidence of acceptance in form

satisfactory to the General Partner of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Section 2.4 hereof and (ii) such other documents of the General Partner in order to effect such Person's admission as a Substituted Limited Partner. The admission of any Person as a Substituted Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the consent of the General Partner to such admission. The General Partner hereby grants its consent to the admission as a Substituted Limited Partner to any bona fide financial institution that loans money or otherwise extends credit to a holder of Partnership Units and thereafter becomes the owner of such Partnership Units pursuant to the exercise by such financial institution of its rights under a pledge of such Partnership Units granted in connection with such loan or extension of credit.

B. Rights of Substituted Limited Partner. A transferee who has been admitted as a Substituted Limited Partner in accordance with this Article XI shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement.

C. Amendment and Restatement of the Partner Registry. Upon the admission of a Substituted Limited Partner, the General Partner shall amend and restate the Partner Registry to reflect the name, address, Capital Account, number of Partnership Units, and Percentage Interest of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address, Capital Account, number of Partnership Units and Percentage Interest of the predecessor of such Substituted Limited Partner.

Section 11.5 Assignees.

If the General Partner, in its sole and absolute discretion, does not consent to the admission of any permitted transferee as a Substituted Limited Partner, as described in Section 11.4, such transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be deemed to have had assigned to it, and shall be entitled to receive distributions from the Partnership and the share of Net Income, Net Losses, Recapture Income, and any other items, gain, loss, deduction and credit of the Partnership attributable to the Partnership Interest assigned to such transferee, but shall not be deemed to be a holder of a Partnership Interest for any other purpose under this Agreement, and shall not be entitled to vote such Partnership Interest in any matter presented to the Limited Partners for a vote (such Partnership Interest being deemed to have been voted on such matter in the same proportion as all other Partnership Interest held by Limited Partners are voted). In the event any such transferee desires to make a further assignment of any such Partnership Interest, such transferee shall be subject to all of the provisions of this Article XI to the same extent and in the same manner as any Limited Partner desiring to make an assignment of his or its Partnership Interest.

Section 11.6 General Provisions.

A. Withdrawal of Limited Partner. No Limited Partner may withdraw from the Partnership other than as a result of a permitted transfer of all of such Limited Partner's Partnership Interest in accordance with this Article XI and the transferee of such Partnership Interest being admitted to the Partnership as a Substituted Limited Partner or pursuant to

redemption of all of its Partnership Units, or the acquisition thereof by the General Partner Entity, under Section 8.6.

B. Termination of Status as Limited Partner. Any Limited Partner who shall transfer all of its Partnership Interest in a transfer permitted pursuant to this Article XI or pursuant to redemption of all of its Partnership Units under Section 8.6 hereof shall cease to be a Limited Partner upon the admission of all Assignees of such Partnership Interest as Substituted Limited Partners. Similarly, any Limited Partner who shall transfer all of its Partnership Units pursuant to a redemption of all of its Partnership Units, or the acquisition thereof by the General Partner Entity, under Section 8.6 shall cease to be a Limited Partner.

C. Timing of Transfers. Transfers pursuant to this Article XI may only be made upon ten (10) Business Days prior notice to the General Partner, unless the General Partner otherwise agrees.

D. Allocations. If any Partnership Interest is transferred during any quarterly segment of the Partnership's fiscal year in compliance with the provisions of this Article XI or redeemed or transferred pursuant to Section 8.6 on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items attributable to such interest for such Partnership Year shall be divided and allocated between the transferor Partner and the transferee Partner by taking into account their varying interests during the Partnership Year in accordance with Section 706(d) of the Code and the corresponding Regulations, using the interim closing of the books method (unless the General Partner, in its sole and absolute discretion, elects to adopt a daily, weekly, or a monthly proration period, in which event Net Income, Net Losses, each item thereof and all other items attributable to such interest for such Partnership Year shall be prorated based upon the applicable method selected by the General Partner). Solely for purposes of making such allocations, at the discretion of the General Partner, each of such items for the calendar month in which the transfer or redemption occurs shall be allocated to the Person who is a Partner as of midnight on the last day of said month. All distributions attributable to such Partnership Interest with respect to which the Partnership Record Date is before the date of such transfer, assignment or redemption shall be made to the transferor Partner or the Redeeming Partner, as the case may be, and, in the case of a transfer or assignment other than a redemption, all distributions thereafter attributable to such Partnership Interest shall be made to the transferee Partner.

E. Additional Restrictions. Notwithstanding anything to the contrary herein, and in addition to any other restrictions on transfer herein contained, including without limitation the provisions of this Article XI, in no event may any transfer or assignment of a Partnership Interest by any Partner (including pursuant to Section 8.6 hereof) be made without the express consent of the General Partner, in its sole and absolute discretion, (i) to any person or entity who lacks the legal right, power or capacity to own a Partnership Interest; (ii) in violation of applicable law; (iii) of any component portion of a Partnership Interest, such as the Capital Account, or rights to distributions, separate and apart from all other components of a Partnership Interest; (iv) if in the opinion of legal counsel to the Partnership such transfer would cause a termination of the Partnership for U.S. federal or state income tax purposes (except as a result of the redemption or exchange for Shares of all Partnership Units held by all Limited Partners other than the General Partner, or pursuant to a transaction not prohibited under Section 11.2 hereof);

(v) if in the opinion of counsel to the Partnership, such transfer would cause the Partnership to cease to be classified as a partnership for U.S. federal income tax purposes (except as a result of the redemption or exchange for Shares of all Partnership Units held by all Limited Partners other than the General Partner, or pursuant to a transaction not prohibited under Section 11.2 hereof); (vi) if such transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(c) of the Code); (vii) if such transfer would, in the opinion of counsel to the Partnership, cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.1-101; (viii) if such transfer requires the registration of such Partnership Interest pursuant to any applicable federal or state securities laws; (ix) if such transfer is effectuated through an "established securities market" or a "secondary market" (or the substantial equivalent thereof) within the meaning of Section 7704 of the Code or such transfer causes the Partnership to become a "publicly traded partnership," as such term is defined in Section 469(k)(2) or Section 7704(b) of the Code; (x) if such transfer subjects the Partnership to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or the Employee Retirement Income Security Act of 1974, each as amended; (xi) if such transfer could adversely affect the ability of the General Partner Entity or the General Partner (as applicable) to remain qualified as a REIT; or (xii) if in the opinion of legal counsel for the Partnership, such transfer would adversely affect the ability of the General Partner Entity or the General Partner (as applicable) to continue to qualify as a REIT or subject the General Partner Entity or the General Partner (as applicable) to any additional taxes under Section 857 or Section 4981 of the Code.

F. Avoidance of "Publicly Traded Partnership" Status. The General Partner shall (a) use commercially reasonable efforts (as determined by it in its sole discretion exercised in good faith) to monitor the transfers of interests in the Partnership to determine (i) if such interests are being traded on an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code and (ii) whether additional transfers of interests would result in the Partnership being unable to qualify for at least one of the "safe harbors" set forth in Regulations Section 1.7704-1 (or such other guidance subsequently published by the IRS setting forth safe harbors under which interests will not be treated as "readily tradable on a secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code) (the "Safe Harbors") and (b) take such steps as it believes are commercially reasonable and appropriate (as determined by it in its sole discretion exercised in good faith) to prevent any trading of interests or any recognition by the Partnership of transfers made on such markets and, except as otherwise provided herein, to insure that at least one of the Safe Harbors is met; provided, however, that this clause (b) shall cease to apply after the end of the Applicable Year if (1) the classification of the Partnership as a "publicly traded partnership" within the meaning of Section 7704(b) of the Code and the regulations promulgated thereunder could not reasonably be expected to cause the Partnership to be taxable as a corporation for federal income tax purposes and (2) the General Partner receives an opinion of nationally recognized counsel at the beginning of the relevant taxable year to the effect that, based on its actual and proposed method of operation, the Partnership will meet the gross income requirements of Section 7704(c)(2) with respect to such taxable year, which opinion will be subject to customary exceptions, assumptions and qualifications and based on customary representations contained in an officer's certificate from the Partnership, executed by a person with the knowledge necessary to make the representations contained therein.

ARTICLE XII
ADMISSION OF PARTNERS

Section 12.1 Admission of Successor General Partner.

A successor to all of the General Partner's General Partnership Interest pursuant to Section 11.2 hereof who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective upon such transfer. Any such successor shall carry on the business of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner's executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission. In the case of such admission on any day other than the first day of a Partnership Year, all items attributable to the General Partnership Interest for such Partnership Year shall be allocated between the transferring General Partner and such successor as provided in Section 11.6.D hereof.

Section 12.2 Admission of Additional Limited Partners.

A. General. A Person who makes a Capital Contribution to the Partnership in accordance with this Agreement shall be admitted to the Partnership as an Additional Limited Partner only upon furnishing to the General Partner (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Section 2.4 hereof and (ii) such other documents or instruments as may be required in the discretion of the General Partner in order to effect such Person's admission as an Additional Limited Partner.

B. General Partner's Consent. No Person shall be admitted as an Additional Limited Partner without the consent of the General Partner, which consent shall be given or withheld in the General Partner's sole and absolute discretion. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the consent of the General Partner to such admission. Regardless of the means by which any Additional Limited Partner is admitted to the Partnership, such Additional Limited Partner shall, automatically upon such admission, become subject to and bound by all of the terms and conditions of this Agreement, including, without limitation, the provisions of Section 2.4 hereof.

C. Allocations to Additional Limited Partners. If any Additional Limited Partner is admitted to the Partnership on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items allocable among Partners and Assignees for such Partnership Year shall be allocated among such Additional Limited Partner and all other Partners and Assignees by taking into account their varying interests during the Partnership Year in accordance with Section 706(d) of the Code and the corresponding Regulations, using the interim closing of the books method (unless the General Partner, in its sole and absolute discretion, elects to adopt a daily, weekly or monthly proration method, in which event Net Income, Net Losses, and each item thereof would be prorated based upon the applicable period selected by the General Partner). Solely for purposes of making such allocations, at the discretion of the General Partner, each of such items for the calendar month in

which an admission of any Additional Limited Partner occurs shall be allocated among all the Partners and Assignees including such Additional Limited Partner. All distributions with respect to which the Partnership Record Date is before the date of such admission shall be made solely to Partners and Assignees other than the Additional Limited Partner, and all distributions thereafter shall be made to all the Partners and Assignees including such Additional Limited Partner.

Section 12.3 Amendment of Agreement and Certificate of Limited Partnership

For the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Act to amend the records of the Partnership and, if necessary, to prepare as soon as practical an amendment of this Agreement (including an amendment and restatement of the Partner Registry) and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to Section 2.4 hereof.

ARTICLE XIII
DISSOLUTION AND LIQUIDATION

Section 13.1 Dissolution.

The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner shall continue the business of the Partnership without dissolution. The Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of any of the following (each a "Liquidating Event") :

(i) an event of withdrawal of the General Partner, as defined in the Act (other than an event of Bankruptcy), unless, (a) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (b) within ninety (90) days after such event of withdrawal a Majority in Interest of the remaining Partners (or such greater percentage as may be required by the Act and determined in accordance with the Act) Consent in writing to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal, of a substitute General Partner;

(ii) from and after the date of this Agreement through [December 31, 2067], an election to dissolve the Partnership made by the General Partner with the Consent of a Majority in Interest;

(iii) on or after [January 1, 2068], an election to dissolve the Partnership made by the General Partner, in its sole and absolute discretion;

(iv) entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act;

(v) ninety (90) days after the sale of all or substantially all of the assets and properties of the Partnership for cash or for marketable securities; or

(vi) a final and nonappealable judgment is entered by a court of competent jurisdiction ruling that the General Partner is bankrupt or insolvent, or a final and nonappealable order for relief is entered by a court with appropriate jurisdiction against the General Partner, in each case under any federal or state bankruptcy or insolvency laws as now or hereafter in effect, unless prior to or within ninety days after of the entry of such order or judgment a Majority in Interest of the remaining Partners Consent in writing to continue the business of the Partnership and to the appointment, effective as of a date prior to the date of such order or judgment, of a substitute General Partner.

Section 13.2 Winding Up.

A. General. Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners. No Partner shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner (or, in the event there is no remaining General Partner, any Person elected by a Majority in Interest of the

Limited Partners (the "Liquidator")) shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and property and the Partnership property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom (which may, to the extent determined by the General Partner, include equity or other securities of the General Partner or any other entity) shall be applied and distributed in the following order:

(1) First, in satisfaction of all of the Partnership's debts and liabilities to creditors other than the Partners (whether by payment or the making of reasonable provision for payment thereof);

(2) Second, to the payment and discharge of all of the Partnership's debts and liabilities to the General Partner;

(3) Third, to the payment and discharge of all of the Partnership's debts and liabilities to the other Partners;

(4) Fourth, to the holders of Partnership Interests of any class or series that is entitled to any preference in distribution upon liquidation in accordance with the rights of any such class or series of Partnership Interests (and, within each such class or series, to each holder thereof pro rata based on its Percentage Interest in such class); and

(5) The balance, if any, to the General Partner and Limited Partners in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

The General Partner shall not receive any additional compensation for any services performed pursuant to this Article XIII, other than reimbursement of its expenses as provided in Section 7.4.

B. Deferred Liquidation. Notwithstanding the provisions of Section 13.2.A hereof which require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Partners as creditors) and/or distribute to the Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2.A hereof, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Partners, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

C. Deferred Liquidation. In the discretion of the Liquidator, a pro rata portion of the distributions that would otherwise be made to the General Partner and Limited Partners pursuant to this Article XIII may be:

(1) distributed to a trust established for the benefit of the General Partner and Limited Partners for the purposes of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent or unforeseen liabilities or obligations of the Partnership or the General Partner arising out of or in connection with the Partnership. The assets of any such trust shall be distributed to the General Partner and Limited Partners from time to time, in the reasonable discretion of the Liquidator, in the same proportions as the amount distributed to such trust by the Partnership would otherwise have been distributed to the General Partner and Limited Partners pursuant to this Agreement; or

(2) withheld or escrowed to provide a reasonable reserve for Partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership provided, that such withheld or escrowed amounts shall be distributed to the General Partner and Limited Partners in the manner and order of priority set forth in Section 13.2.A as soon as practicable.

Section 13.3 Compliance with Timing Requirements of Regulations.

Subject to Section 13.4 below, in the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Article XIII to the General Partner and Limited Partners who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2). If any Partner has a deficit

balance in his or its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever.

Section 13.4 Deemed Distribution and Recontribution.

Notwithstanding any other provision of this Article XIII, in the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no Liquidating Event has occurred, the Partnership's property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged and the Partnership's affairs shall not be wound up. Instead, for federal income tax purposes and for purposes of maintaining Capital Accounts pursuant toExhibit B hereto, the Partnership shall be deemed to have contributed all Partnership property and liabilities to a new limited partnership in exchange for an interest in such new limited partnership and immediately thereafter, the Partnership will be deemed to liquidate by distributing interests in the new limited partnership to the Partners.

Section 13.5 Rights of Limited Partners.

Except as otherwise provided in this Agreement, each Limited Partner shall look solely to the assets of the Partnership for the return of its Capital Contributions and shall have no right or power to demand or receive property other than cash from the Partnership. Except as otherwise expressly provided in this Agreement, no Limited Partner shall have priority over any other Limited Partner as to the return of its Capital Contributions, distributions, or allocations.

Section 13.6 Notice of Dissolution.

In the event a Liquidating Event occurs or an event occurs that would, but for provisions of an election or objection by one or more Partners pursuant to Section 13.1, result in a dissolution of the Partnership, the General Partner shall, within thirty (30) days thereafter, provide written notice thereof to each of the Partners and to all other parties with whom the Partnership regularly conducts business (as determined in the discretion of the General Partner) and shall publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conducts business (as determined in the discretion of the General Partner).

Section 13.7 Termination of Partnership and Cancellation of Certificate of Limited Partnership.

Upon the completion of the winding up of the Partnership and liquidation of its assets, as provided in Section 13.2 hereof, the Partnership shall be terminated by filing a certificate of cancellation with the Secretary of State of the State of Delaware, canceling all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware and taking such other actions as may be necessary to terminate the Partnership.

Section 13.8 Reasonable Time for Winding Up.

A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.2 hereof, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect among the Partners during the period of liquidation.

Section 13.9 Waiver of Partition.

Each Partner hereby waives any right to partition of the Partnership property.

Section 13.10 Liability of Liquidator.

The Liquidator shall be indemnified and held harmless by the Partnership in the same manner and to the same degree as an Indemnitee may be indemnified pursuant to Section 7.7 hereof.

ARTICLE XIV
AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS

Section 14.1 Amendments.

A. General. Amendments to this Agreement may be proposed only by the General Partner. Following such proposal (except an amendment pursuant to Section 14.1.B below), the General Partner shall submit any proposed amendment to the Limited Partners and shall seek the written vote of the Partners on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that it may deem appropriate. For purposes of obtaining a written vote, the General Partner may require a response within a reasonable specified time, but not less than fifteen (15) days, and failure to respond in such time period shall constitute a vote which is consistent with the General Partner's recommendation with respect to the proposal. Except as otherwise provided in this Agreement, a proposed amendment shall be adopted and be effective as an amendment hereto if it is approved by the General Partner and it receives the Consent of a Majority in Interest.

B. Amendments Not Requiring Limited Partner Approval. Subject to Section 14.1.C and 14.1.D, the General Partner shall have the power, without the Consent of the Limited Partners, to amend this Agreement as may be required to reflect any changes to this Agreement that the General Partner deems necessary or appropriate in its sole discretion. Without limitation, the General Partner shall have the power, without the Consent of the Limited Partners, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(i) to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;

(ii) to reflect the issuance of additional Partnership Units or the admission, substitution, termination, or withdrawal of Partners in accordance with this Agreement;

(iii) to set forth or amend the designations, rights (including redemption rights that differ from those specified in Section 8.6), powers, duties, and preferences of Partnership Units issued pursuant to Section 4.2.A hereof;

(iv) to reflect a change that is of an inconsequential nature and does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity or correct any provision in this Agreement not inconsistent with law or with other provisions;

(v) to reflect such changes as are reasonably necessary for the General Partner to maintain its status as a REIT, including changes which may be necessitated due to a change in applicable law (or an authoritative interpretation thereof) or a ruling of the IRS;

(vi) to include provisions in this Agreement that may be referenced in any rulings, regulations, notices, announcements, or other guidance regarding the federal income tax treatment of compensatory partnership interests issued and made effective after the date hereof or in connection with any elections that the General Partner determines to be necessary or advisable in respect of any such guidance. Any such amendment may include, without limitation, (a) a provision authorizing or directing the General Partner to make any election under the such guidance, (b) a covenant by the Partnership and all of the Partners to agree to comply with the such guidance, (c) an amendment to the capital account maintenance provisions and the allocation provisions contained in this Agreement so that such provisions comply with (I) the provisions of the Code and the Regulations as they apply to the issuance of compensatory partnership interests and (II) the requirements of such guidance and any election made by the General Partner with respect thereto, including, a provision requiring "forfeiture allocations" as appropriate. Any such amendments to this Agreement shall be binding upon all Partners; and

(vii) to satisfy any requirements, conditions, or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state law.

The General Partner shall notify the Limited Partners when any action under this Section 14.1.B is taken.

C. Amendments Requiring Certain Limited Partner Approval. Notwithstanding Sections 14.1.A and 14.1.B hereof, this Agreement shall not be amended with respect to any Partner adversely affected without the Consent of such Partner adversely affected if such amendment would (i) convert a Limited Partner's interest in the Partnership into a General Partnership Interest; (ii) modify the limited liability of a Limited Partner in a manner adverse to such Limited Partner; (iii) impose on the Limited Partners any obligation to make additional Capital Contributions to the Partnership; (iv) alter or modify Article V or Article XII (including the related definitions) or the rights of such Partner to receive distributions pursuant to such Articles, or Article VI (including the related definitions) or the allocations specified in Article VI (except as permitted pursuant to Section 4.2, Section 5.6, Section 6.2 and Section

14.1.B(iii) hereof), in each case in a manner adverse to such Partner; (v) alter or modify Section 8.6 (including the related definitions), including the Redemption Right and Shares Amount as set forth in Section 8.6, in a manner adverse to such Partner (except as permitted in Section 8.6.E); (vi) cause the termination of the Partnership prior to the time set forth in Section 2.5 or 13.1; or (vii) amend this Section 14.1.C; provided, however, that the Consent of each Partner adversely affected shall not be required for any amendment or action that affects all Partners holding the same class or series of Partnership Units on a uniform or *pro rata* basis; provided, further, that for the avoidance of doubt, Consent of a majority of the holders of Formation Units shall be required for any amendment or action that disproportionately and adversely affects holders of Formation Units (including without limitation any amendments to or impacting Sections 6.1.E.2, 6.1.F and 6.1.G) and Consent of a majority of the LTIP Unitholders shall be required for any amendment or action that disproportionately and adversely affects holders of LTIP Units. Any amendment consented to by any Partner shall be effective as to that Partner, notwithstanding the absence of such Consent by any other Partner. For the avoidance of doubt, any amendment that would require the Consent of Partners adversely affected pursuant to this Section 14.1.C shall be effective with respect to all Partners who are not adversely affected thereby without the Consent of such Partners.

D. Other Amendments Requiring Limited Partner Approval. Notwithstanding Section 14.1.A or Section 14.1.B hereof, the General Partner shall not amend Sections 4.2.A, 4.2.B, 7.5, 7.6, 11.2, 11.3, 14.1.D or 14.2 without the Consent of the Outside Limited Partners.

E. Amendment and Restatement of the Partner Registry Not An Amendment. Notwithstanding anything in this Article XIV or elsewhere in this Agreement to the contrary, any amendment and restatement of the Partner Registry by the General Partner to reflect events or changes otherwise authorized or permitted by this Agreement, whether pursuant to Section 7.1.A(20) hereof or otherwise, shall not be deemed an amendment of this Agreement and may be done at any time and from time to time, as necessary by the General Partner without the Consent of the Limited Partners.

F. Amendment by Merger. In the event that the Partnership participates in any merger (including a triangular merger), consolidation or combination with another entity in a transaction not otherwise prohibited by this Agreement and as a result of such merger, consolidation or combination this Agreement is to be amended (or a new agreement for a limited partnership or limited liability company, as applicable, is to be adopted for the surviving entity) and any of the Limited Partners will hold equity interests in the continuing or surviving entity, then any such amendments to this Agreement (or changes from this Agreement reflected in the new agreement for the surviving entity) that would have required the consents provided in Section 14.1.C and 14.1.D shall require such consents.

Section 14.2 Meetings of the Partners.

A. General. Meetings of the Partners may be called only by the General Partner. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Partners not less than seven (7) days nor more than thirty (30) days prior to the date of such meeting; provided that a Partner's attendance at any meeting of Partners

shall be deemed a waiver of the foregoing notice requirement with respect to such Partner (except where such attendance is to object to the holding of such meeting) Partners may vote in person or by proxy at such meeting. Whenever the vote or Consent of Partners is permitted or required under this Agreement, such vote or Consent may be given at a meeting of Partners or may be given in accordance with the procedure prescribed in Section 14.1.A above. Except as otherwise expressly provided in this Agreement, the Consent of holders of a Majority in Interest shall control.

B. Actions Without a Meeting. Except as otherwise expressly provided by this Agreement, any action required or permitted to be taken at a meeting of the Partners may be taken without a meeting if a written consent setting forth the action so taken is signed by a Majority in Interest (or such other percentage as is expressly required by this Agreement). Such consent may be in one instrument or in several instruments, and shall have the same force and effect as a vote of a Majority in Interest (or such other percentage as is expressly required by this Agreement). Such consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

C. Proxy. Each Limited Partner may authorize any Person or Persons to act for such Limited Partner by proxy on all matters in which a Limited Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Limited Partner or his or its attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Limited Partner executing it, such revocation to be effective upon the Partnership's receipt of written notice of such revocation from the Limited Partner executive such proxy.

D. Conduct of Meeting. Each meeting of Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate. Without limitation, meetings of Partners may be conducted in the same manner as meetings of the shareholders of the General Partner.

E. Record Date. The General Partner may set, in advance, the Partnership Record Date for the purpose of determining the Partners (i) entitled to Consent to any action, (ii) entitled to receive notice of or vote at any meeting of the Partners or (iii) in order to make a determination of Partners for any other proper purpose. Such date, in any case, (x) shall not be prior to the close of business on the day the Partnership Record Date is fixed and shall be not more than ninety (90) days and, in the case of a meeting of the Partners, not less than ten (10) days, before the date on which the meeting is to be held or Consent is to be given and (y) shall be, with respect to the determination of the existence of Partnership Approval, the record date established by the General Partner Entity for the approval of its shareholders for the event constituting an Extraordinary Transaction. If no record date is fixed, the record date for the determination of Partners entitled to notice of or to vote at a meeting of the Partners shall be at the close of business on the day on which the notice of the meeting is sent, and the record date for any other determination of Partners shall be the effective date of such Partner action, distribution or other event. When a determination of the Partners entitled to vote at any meeting

of the Partners has been made as provided in this section, such determination shall apply to any adjournment thereof.

ARTICLE XV
GENERAL PROVISIONS

Section 15.1 Addresses and Notice.

Any notice, demand, request or report required or permitted to be given or made to a Partner or Assignee under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written communication to such Partner or Assignee at the address set forth in the Partner Registry or such other address of which such Partner or Assignee shall notify the General Partner in writing. Notwithstanding the foregoing, the General Partner may elect to deliver any such notice, demand, request or report by e-mail or by any other electronic means, in which case such communication shall be deemed given or made one day after being sent.

Section 15.2 Titles and Captions.

All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

Section 15.3 Pronouns and Plurals.

Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 15.4 Further Action.

The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.5 Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 15.6 Creditors; Other Third Parties.

Other than as expressly set forth herein with regard to any Indemnitee, none of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership or other third party having dealings with the Partnership, it being understood

and agreed that the provisions of this Agreement shall be solely for the benefit of, and may be enforced solely by, the parties hereto and their respective successors and assigns.

Section 15.7 Waiver.

No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

Section 15.8 Counterparts.

This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all of the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart Each party shall become bound by this Agreement immediately upon affixing his or its signature hereto.

Section 15.9 Applicable Law.

This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

Section 15.10 Invalidity of Provisions.

If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 15.11 Entire Agreement.

This Agreement and all Exhibits attached hereto (which Exhibits are incorporated herein by reference as if fully set forth herein) contains the entire understanding and agreement among the Partners with respect to the subject matter hereof and supersedes any prior written or oral understandings or agreements among them with respect thereto.

Section 15.12 No Rights as Shareholders.

Nothing contained in this Agreement shall be construed as conferring upon the holders of the Partnership Units any rights whatsoever as shareholders of the General Partner Entity or the General Partner (if different), including, without limitation, any right to receive dividends or other distributions made to shareholders of the General Partner Entity or the General Partner (if different) or to vote or to consent or receive notice as shareholders in respect to any meeting of shareholders for the election of directors of the General Partner Entity or the General Partner (if different) or any other matter.

Section 15.13 Limitation to Preserve REIT Status.

To the extent that any amount paid or credited to the General Partner or the General Partner Entity or its officers, directors, employees or agents pursuant to Section 7.4 or Section 7.7 hereof would constitute gross income to the General Partner Entity or the General Partner (if it is to be qualified as a REIT) for purposes of Section 856(c)(2) or 856(c)(3) of the Code (a "General Partner Payment") then, notwithstanding any other provision of this Agreement, the amount of such General Partner Payments for any fiscal year shall not exceed the lesser of:

(i) an amount equal to the excess, if any, of (a) 5% of the General Partner Entity's or the General Partner's (if it is to be qualified as a REIT) total gross income (but not including the amount of any General Partner Payments) for the fiscal year over (b) the amount of gross income (within the meaning of Section 856(c)(2) of the Code) derived by the General Partner Entity or the General Partner (if it is to be qualified as a REIT) from sources other than those described in subsections (A) through (H) of Section 856(c)(2) of the Code (but not including the amount of any General Partner Payments); or

(ii) an amount equal to the excess, if any of (a) 25% of the General Partner Entity's or the General Partner's (if it is to be qualified as a REIT) total gross income (but not including the amount of any General Partner Payments) for the fiscal year over (b) the amount of gross income (within the meaning of Section 856(c)(3) of the Code) derived by the General Partner Entity or the General Partner (if it is to be qualified as a REIT) from sources other than those described in subsections (A) through (I) of

Section 856(c)(3) of the Code (but not including the amount of any General Partner Payments);

provided, however, that General Partner Payments in excess of the amounts set forth in subparagraphs (i) and (ii) above may be made if the General Partner Entity or the General Partner (if it is to be qualified as a REIT), as a condition precedent, obtains an opinion of tax counsel that the receipt of such excess amounts would not adversely affect the General Partner Entity's or the General Partner's (if it is to be qualified as a REIT) ability to qualify as a REIT. To the extent General Partner Payments may not be made in a year due to the foregoing limitations, such General Partner Payments shall carry over and be treated as arising in the following year, provided, however, that such amounts shall not carry over for more than five years, and if not paid within such five year period, shall expireprovided, further, that (i) as General Partner Payments are made, such payments shall be applied first to carry over amounts outstanding, if any, and (ii) with respect to carry over amounts for more than one Partnership Year, such payments shall be applied to the earliest Partnership Year first.

IN WITNESS WHEREOF, the General Partner has executed this Agreement as of the date first written above.

JBG SMITH PROPERTIES

By: _____
Name: [·]
Title: [·]

[*Signature Page to JBG SMITH Properties LP Partnership Agreement*]

FINAL FORM
Exhibit G

FORM OF
EMPLOYEE MATTERS AGREEMENT
BY AND BETWEEN
VORNADO REALTY TRUST,
VORNADO REALTY L.P.,
JBG SMITH PROPERTIES
AND
JBG SMITH PROPERTIES LP

DATED AS OF •, 2017

EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT (the "Agreement"), dated as of •, 2017, is by and among Vornado Realty Trust, a Maryland real estate investment trust ("Vornado"), Vornado Realty L.P., a Delaware limited partnership ("VRLP"), JBG SMITH Properties, a Maryland real estate investment trust ("Newco"), and JBG SMITH Properties LP, a Delaware limited partnership ("Newco LP" and together with Vornado, VRLP and Newco, each a "Party" and collectively, the "Parties").

WHEREAS, the board of trustees of Vornado (the "Vornado Board") has determined that it is in the best interests of Vornado and its shareholders to create a new publicly traded company that will operate the DC Business (as defined below);

WHEREAS, in furtherance of the foregoing, the Vornado Board has determined that it is appropriate and desirable to separate the DC Business from the Vornado Business (the "Separation");

WHEREAS, Vornado and VRLP (the "Vornado Parties"), and JBG Properties Inc., a Maryland corporation and JBG/Operating Partners, L.P., a Delaware limited partnership, together with certain JBG entities (the "JBG Parties"), and Newco and Newco LP, are parties to that certain Master Transaction Agreement dated as of October 31, 2016 (the "Transaction Agreement"), pursuant to which the Vornado Parties and the JBG Parties will effectuate a series of transactions resulting in the acquisition, transfer and contribution of assets and interests, including the DC Business, to Newco and Newco LP, a Delaware limited partnership;

WHEREAS, in furtherance of the foregoing, the Parties have entered into a Separation and Distribution Agreement, dated as of •, 2017 (the "Separation Agreement"), and have entered or will enter into other Transaction Documents that will govern certain matters relating to the Distribution (as defined below) and the relationship of Vornado, Newco and their respective Affiliates prior to and following the Distribution Date (as defined below); and

WHEREAS, pursuant to the Separation Agreement, the Parties have agreed to enter into this Agreement for the purpose of allocating assets, liabilities and responsibilities with respect to certain human resources, employee compensation and benefits matters between them to the extent not provided in, or that vary from, the Separation Agreement.

NOW, THEREFORE, in consideration of the premises and of the respective agreements and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. The following terms shall have the following meanings:

"Affiliate" shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, at and after the Effective Time, for purposes of the Transaction Documents (a) no member of the Newco Group shall be deemed to be an Affiliate of any member of the Vornado Group and (b) no member of the Vornado Group shall be deemed to be an Affiliate of any member of the Newco Group.

"Agreement" has the meaning ascribed thereto in the preamble to this Agreement.

"Benefit Plan" means, with respect to an entity, any "employee benefit plan" (as defined in Section 3(3) of ERISA), and each plan, program, arrangement, agreement or commitment that is an employment, consulting, non-competition or deferred compensation agreement, or an executive compensation, incentive bonus or other bonus, employee pension, profit-sharing, savings, retirement, supplemental retirement, stock option, stock purchase, stock appreciation rights, restricted stock, operating partnership unit, other equity-based compensation, severance pay, salary continuation, life, health, hospitalization, sick leave, vacation pay, paid time-off, disability or accident insurance plan, program, arrangement, agreement or commitment, corporate-owned or key-man life insurance or other employee benefit plan, program, arrangement, agreement or commitment, sponsored or maintained by such entity (or to which such entity contributes or is required to contribute or with respect to which such entity has any Liability).

"Closing" has the meaning given such term in the Transaction Agreement.

"COBRA" means the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code Section 4980B and Sections 601 through 608 of ERISA, and any similar state group health plan continuation Law, together with all regulations and proposed regulations promulgated thereunder, including any amendments or other modifications of such Laws and regulations that may be made from time to time.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"DC Business" shall mean the business, operations and activities of the Vornado Group relating to the Newco Properties as defined in the Separation Agreement as conducted at any time prior to the Effective Time by either Party or any of their current or former Subsidiaries.

"DCP" has the meaning ascribed thereto in Section 6.1 of this Agreement.

"DCP II" has the meaning ascribed thereto in Section 6.1 of this Agreement.

"Distribution" shall have the meaning set forth in the recitals to the Separation Agreement.

"Distribution Date" shall mean the date of the consummation of the Distribution, which shall be determined by the Vornado Board in its sole and absolute discretion.

"Effective Time" shall mean 11:59 p.m., Eastern time, on the Distribution Date.

"Employee" means any individual set forth in Schedule 1.1 who is a full-time or part-time employee of the applicable entity and provides substantially all of such individual's services for the benefit of the DC Business and who is intended to become a Newco Group Employee if such individual remains employed (or is on an approved leave) at the Effective Time.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Force Majeure" has the meaning ascribed thereto in the Separation Agreement.

"Former Employee" means any former Employee of Vornado or an Affiliate of Vornado or of Newco or an Affiliate of Newco, as of immediately prior to the Effective Time, whether having last been employed by a member of the Vornado Group or a member of the Newco Group, including retired Employees.

"Governmental Authority" means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Group" shall mean either the Newco Group or the Vornado Group, as the context requires.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended.

"Law" means any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent,

decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Liabilities" shall have the meaning ascribed thereto in the Separation Agreement.

"Newco" has the meaning ascribed thereto in the preamble to this Agreement.

"Newco 401(k) Plan" has the meaning ascribed thereto in Section 3.1(a) of this Agreement.

"Newco Benefit Plan" means any Benefit Plan sponsored, maintained or contributed to by a member of the Newco Group after the Effective Time, but excluding any Vornado Benefit Plan.

"Newco Common Share" shall mean a share of common stock, par value $0.01 per share, of Newco.

"Newco Equity Plan" has the meaning ascribed thereto in Section 5.1 of this Agreement.

"Newco Group" shall mean (a) prior to the Effective Time, Newco and each Person that will be a Subsidiary of Newco as of immediately after the Effective Time, including the Transferred Entities (as defined in the Separation Agreement), even if, prior to the Effective Time, such Person is not a Subsidiary of Newco; and (b) on and after the Effective Time, Newco and each Person that is a Subsidiary of Newco.

"Newco Group Employee" means any person who, immediately following the Effective Time, is an Employee of any member of the Newco Group, including any such Employee who is on an approved leave at such time (other than long-term disability leave, in which case such Employee will become a Newco Group Employee upon return to active employment as set forth in Section 2.1 below).

"Newco Participant" shall mean any Newco Group Employee who was, prior to the Effective Time, a participant in the applicable Vornado Benefit Plan or is, after the Effective Time, a participant in the applicable Newco Benefit Plan, or is a beneficiary, dependent or alternate payee of such a participant.

"Parties" has the meaning ascribed thereto in the preamble to this Agreement.

"Person" shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"Separation" has the meaning ascribed thereto in the recitals to this Agreement.

"Separation Agreement" has the meaning ascribed thereto in the recitals to this Agreement.

"Subsidiary" or "subsidiary" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (i) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities of such Person, (B) the total combined equity interests, or (C) the capital or profit interests, in the case of a partnership, or (ii) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Terminating Employee" means an Employee of Vornado or any of its Affiliates whose employment is not intended to be continued by Vornado or any of its Affiliates following the Effective Time and is not assigned to a member of the Newco Group, and whose employment is involuntarily terminated by Vornado as of or following the Effective Time.

"Transaction Documents" means all agreements entered into by the Parties or the members of their respective Groups (but as to which no third party is a party) in connection with the Separation, the Distribution, or the other transactions contemplated by this Agreement, including this Agreement, the Separation Agreement, the Transition Services Agreement, the Tax Matters Agreement and the Transfer Documents, as such terms are defined in the Separation Agreement (if not defined in this Agreement).

"Transition Services Agreement" means the Transition Services Agreement to be entered into by and between Vornado and Newco or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by the Separation Agreement.

"U.S." means the United States of America.

"Vornado 401(k) Plan" shall mean the Vornado Realty Trust 401(k) Plan.

"Vornado Benefit Plan" shall mean any Benefit Plan sponsored, maintained or contributed to by Vornado or any of its Affiliates.

"Vornado Board" has the meaning ascribed thereto in the recitals to this Agreement.

"Vornado Business" shall mean all businesses, operations and activities (whether or not such businesses, operations or activities are or have been terminated, divested or

discontinued) conducted at any time prior to the Effective Time by either Party or any member of its Group, other than the DC Business.

"Vornado Common Share" shall mean a common share, par value of $0.04 per share, of Vornado.

"Vornado Equity Plan" shall mean the Vornado Realty Trust 2010 Omnibus Share Plan.

"Vornado Group" shall mean Vornado and each Person that is a Subsidiary of Vornado (other than any member of the Newco Group).

"Vornado Group Employee" shall mean any person who, immediately following the Effective Time, is an Employee of any member of the Vornado Group, including any such Employee who is on an approved leave at such time.

"Vornado Nonqualified Deferred Compensation Plans" has the meaning ascribed thereto in Section 6.1 of this Agreement.

"Vornado Participant" shall mean any Vornado Group Employee or Vornado Former Employee and who is, at any time prior to, on, or after the Effective Time, a participant in the applicable Vornado Benefit Plan or is a beneficiary, dependent or alternate payee of such a participant.

"Welfare Plan" shall mean a plan that provides for health, welfare or other insurance benefits within the meaning of Section 3(1) of ERISA.

ARTICLE II
EMPLOYMENT GENERALLY

2.1 Continuation of Employment. Except as otherwise provided on Schedule 2.1 of this Agreement or as required by applicable local Law, Vornado and its Affiliates shall take all actions necessary to ensure that, as of immediately prior to the Effective Time, the Employees, including any such Employees who are on short-term disability leave or other approved leave of absence, are employed by a member of the Newco Group; provided, that with respect to any such Employee who is on long-term disability leave as of the Effective Time, employment will not transfer at the Effective Time, but upon such Employee's return to active employment, Newco shall offer the Employee employment with Newco on comparable terms for its similarly-situated Employees and, absent the Employee's express rejection of such offer and subject to applicable law, such Employee will be deemed to have accepted such offer and will become a Newco Group Employee as soon as practicable after return to active employment. In the case of any Employee who becomes a Newco Group Employee on a date following the Effective Time, all references in this Agreement to the Effective Time shall be deemed to be the references to the date on which such Employee becomes a Newco Group Employee.

2.2 Employment and Benefit Plan Liabilities. Except as specifically set forth on Schedule 2.2 or otherwise in this Agreement or the Separation Agreement, Vornado and its Affiliates will retain, and Newco shall have no obligations for, (i) any Liabilities relating to or with respect to employment, compensation, severance, employment practices, and similar claims (including any legal action, suit, investigation, inquiry, proceeding, arbitration, order or other claim) of Terminating Employees and Former Employees, regardless of when incurred, and (ii) any Liabilities relating to or with respect to employment, compensation, severance, employment practices, and similar claims (including any legal action, suit, investigation, inquiry, proceeding, arbitration, order or other claim) arising on or prior to the Effective Time in respect of a Newco Group Employee's employment with the Vornado Group. Newco shall be responsible for all employment-related Liabilities in respect of the Newco Group Employees' employment with the Newco Group arising after the Effective Time. Except as may otherwise be agreed to between the Parties, Vornado and its Affiliates will retain, and Newco shall have no obligations for, any Liabilities in respect of any Vornado Benefit Plan, regardless of when incurred.

2.3 Service Recognition. Newco shall give, or shall cause its Affiliates to give, each Newco Group Employee full credit for purposes of eligibility to participate, vesting and accrual of pension, paid time off and vacation benefits under any Newco Benefit Plan (other than a defined benefit pension plan) for such Newco Group Employee's service with Vornado or any of its Affiliates prior to the Effective Time to the same extent such service was recognized by the corresponding Vornado Benefit Plan immediately prior to the Effective Time and for purposes of any severance benefits; provided, however, that such service shall not be recognized to the extent that such recognition would result in the duplication of benefits or as otherwise provided by applicable local Law.

2.4 Employment Agreements. With respect to any employment agreements with Newco Group Employees that are not with Newco or a member of the Newco Group or which do not transfer to a Newco Group member by operation of applicable Law, the Parties shall use reasonable best efforts to assign the applicable Contract to a member of the Newco Group and Newco shall, or shall cause a member of the Newco Group to, assume and perform such employment agreements.

2.5 No Separation From Service or Termination of Employment. The Distribution and the assignment, transfer, or continuation of employment of any Employee of Vornado or any of its Affiliates in connection therewith (including in accordance with Section 2.1 hereof) shall not be deemed a separation from service or termination of employment entitling such Employee to be eligible to participate in, or to receive payment of, severance or other termination payments or benefits under any applicable Law, Vornado Benefit Plan or Newco Benefit Plan provided, however, that any Terminating Employee, shall be deemed to have incurred a separation from service and shall be eligible to receive severance and benefits in accordance with the applicable Vornado Benefit Plan.

2.6 Former Employees. Newco shall have no Liability with respect to (1) Former Employees or (2) as provided in the Transaction Agreement, former employees of JBG or its Affiliates who had a termination event on or prior to the Closing, in each case, regardless of when such Liability arises. Vornado shall retain Liability, if any, with respect to Former

Employees. Notwithstanding the foregoing, if after the Effective Time Newco hires a Former Employee (not in violation of the nonsolicitation obligations in Section 5.6 of the Separation Agreement), then Newco shall be responsible for any prospective compensation and benefits provided to such person.

2.7 Collective Bargaining Agreements. On and after the Effective Time, Newco or its Affiliates shall (a) recognize, as may be required by law, the International Union of Operating Engineers Local 99-99A, AFL-CIO (Local 99") and Service Employees International Union Local 32BJ ("Local 32BJ") as the certified labor representative of the Newco Group Employees covered by the collective bargaining agreement ('Represented Employees") between, respectively, Local 99 and Vornado /Charles E. Smith for Charles E. Smith Real Estate Services L.P. Buildings, dated January 1, 2015 — December 31, 2017, Local 32BJ and Charles E. Smith Realty, dated October 15, 2015 — October 15, 2019 and between Local 32BJ and H Street Management, LLC at Riverhouse Apartments Complex, dated October 1, 2016 — September 30, 2020 and all existing letters of understanding, letters of agreement, and memoranda of agreement ("CBAs"), and, (b) assume and be bound by, for their durations, the CBAs between such parties governing the terms and conditions of the Represented Employees and in effect immediately before the Effective Time. The terms and conditions of the employment of the Represented Employees shall be governed by the applicable CBAs. To the extent required by the National Labor Relations Act ("NLRA") or any agreement with a labor union or similar employee organization representing any Newco Group Employees, Vornado and JBG shall each comply in all material respects with the NLRA and the terms of any agreement with any labor union or similar employee organization representing any Newco Group Employee, including any all notification and/or consultation requirements. Neither Newco nor its Affiliates shall have any other obligations, or any Liabilities, other than as set forth in this Section 2.7, relating to or with respect to any Employees, Terminating Employees or Former Employees under the NLRA.

ARTICLE III
RETIREMENT PLANS

3.1 The Vornado 401(k) Plan and Newco 401(k) Plan.

(a) Establishment of Plan and Trust. Newco or one of its Affiliates shall adopt or otherwise make available a retirement plan and related trust that are qualified and tax-exempt pursuant to Code Sections 401(a) and 501(a), respectively, and that is intended to meet the requirements of Code Section 401(k) (the "Newco 401(k) Plan"), and any trust agreement or other plan documents reasonably necessary in connection therewith, and shall cause a trustee to be appointed for the Newco 401(k) Plan. Vornado and Newco acknowledge and agree that the JBG Properties, Inc. Employee 401(k) Savings Plan may serve as the Newco 401(k) Plan.

(b) Assumption of Liabilities Transfer of Assets. As soon as practicable after the Effective Time and subject to Applicable Law, to the extent applicable, Vornado will take all action necessary to cause each Newco Group Employee who so elects, to be eligible to receive a distribution of his account balances in the Vornado 401(k) Plan and Newco shall cause the Newco 401(k) Plan to permit the roll-over of any Newco Participant balances in the Vornado 401(k) Plan and shall cause the Newco 401(k) Plan to accept any outstanding loans (and

promissory notes evidencing the transfer of outstanding loans) for such Newco Participants, provided that the Newco 401(k) Plan shall not be obligated to accept the rollover of any employer securities.

(c) Contributions Under the Vornado 401(k) Plan as of the Effective Time. All employer contributions, including employee deferrals, matching contributions (including any true-up contributions, if applicable), profit-sharing contributions, and employer non-elective contributions, accrued by Newco Participants under the Vornado 401(k) Plan through the Effective Time, determined in accordance with the terms and provisions of the Vornado 401(k) Plan, ERISA and the Code, and based on all service performed and compensation accrued through the Effective Time, shall be deposited by Vornado in the Vornado 401(k) Plan and allocated to the Vornado 401(k) Plan accounts of the applicable Newco Participants prior to the Effective Time.

3.2 Reservation of Rights. Except as provided in Section 3.1, the Parties hereby acknowledge that nothing in this Article III shall be construed to require (a) Vornado or any of its Affiliates to continue the Vornado 401(k) Plan before or after the Effective Time, and (b) Newco or any of its Affiliates to continue the Newco 401(k) Plan after the Effective Time following its establishment and receipt of the asset and Liability transfer described in Section 3.1. The Parties agree that (i) Vornado reserves the right, in its sole discretion, to amend or terminate the Vornado 401(k) Plan at any time following the date of this Agreement in accordance with its terms and applicable Law, and (ii) Newco reserves the right, in its sole discretion, to amend or terminate the Newco 401(k) Plan at any time following the date of this Agreement in accordance with its terms and applicable Law; provided that no such amendment to either the Vornado 401(k) Plan or the Newco 401(k) Plan shall prevent the actions described in Section 3.1.

ARTICLE IV
HEALTH AND WELFARE PLANS

4.1 Newco Health and Welfare Plans.

(a) Cessation of Participation in Vornado Health and Welfare Plans. Effective no later than the Effective Time, Newco Group Employees shall cease to be eligible to actively participate in the Vornado Welfare Plans. No later than the Effective Time, Newco (acting directly or through its Affiliates) shall establish or otherwise make available the Newco Welfare Plans, which shall be in a form and on terms determined by Newco.

(b) Allocation of Health and Welfare Plan Liabilities. All outstanding Liabilities relating to, arising out of, or resulting from health and welfare claims incurred by or on behalf of Newco Employees or their covered dependents under the Vornado Welfare Plans on or before the Effective Time, including claims incurred but not reported, shall be retained by Vornado or the applicable member of the Vornado Group.

(c) Waiver of Conditions. To the extent permitted by applicable Law and the terms of the applicable Newco Welfare Plan, Newco (acting directly or through its Affiliates)

shall cause the Newco Welfare Plans to (i) waive all limitations as to preexisting conditions, exclusions, and service conditions with respect to participation and coverage requirements applicable to any Newco Group Employee, other than limitations that were in effect with respect to the Newco Group Employee under the corresponding Vornado Welfare Plan immediately prior to the Effective Time, and (ii) waive any waiting period limitation or evidence of insurability requirement applicable to a Newco Group Employee other than limitations or requirements that were in effect with respect to such Newco Group Employee under the corresponding Vornado Welfare Plan immediately prior to the Effective Time and requirements imposed by insurers. Such waivers described in clauses (i) and (ii) of the foregoing sentence, with respect to the Newco Welfare Plans, shall apply to initial enrollment effective immediately following the Effective Time. Following the initial enrollment, pre-existing condition limitations, exclusions, and services conditions under the Newco Welfare Plans may apply only to the extent allowable under applicable Law.

(d) Deductibles, Etc. To the extent permitted by applicable Law and the terms of the applicable Newco Welfare Plan, expenses incurred by any Newco Group Employee and credited during the year that includes the Distribution Date for purposes of calculating deductibles, co-payments and out-of-pocket maximums under a Vornado Welfare Plan shall be taken into account as if such expense had been incurred under the corresponding Newco Welfare Plan.

4.2 COBRA and HIPAA Compliance. Vornado shall continue to be responsible for compliance with the health care continuation requirements of COBRA (including the requirements under the American Recovery and Reinvestment Act), the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Vornado Welfare Plans with respect to any Newco Group Employees or any of their covered dependents who incur a qualifying event or loss of coverage under COBRA at or before the Effective Time (including as a result of the Separation and Distribution). Newco shall assume responsibility for compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Newco Welfare Plans, with respect to any Newco Group Employees or any of their covered dependents who incur a qualifying event or loss of coverage under the Newco Welfare Plans after the Effective Time.

4.3 Time-Off Benefits. Newco shall credit each Newco Group Employee immediately following the Effective Time with the amount of accrued but unused paid time-off as such Newco Group Employee had under the applicable Vornado paid time-off policy immediately prior to the Effective Time.

4.4 Incurred Claim Definition. For purposes of this Article IV, a claim or Liability is deemed to be incurred: (a) with respect to medical, dental, vision and/or prescription drug benefits, at the time professional services, equipment or prescription drugs covered by the applicable plan are incurred; (b) with respect to life insurance, accidental death and dismemberment and business travel accident insurance, upon the occurrence of the event giving rise to such claim or Liability; (c) with respect to disability benefits, upon the date of an Employee's disability, as determined by the disability benefit insurance carrier or claim

administrator, giving rise to such claim or Liability; and (d) with respect to a period of continuous hospitalization, upon the date of admission to the hospital.

4.5 Workers Compensation. The ownership and administration of workers compensation insurance shall be governed by Section 5.1 of the Separation Agreement regarding insurance matters. For the avoidance of doubt, nothing in this Agreement shall be interpreted to allocate between the Parties the claims and Liabilities under any workers compensation insurance policies.

4.6 Reservation of Rights. The Parties hereby acknowledge and agree that nothing in this Article IV shall be construed to require (a) Vornado or any of its Affiliates to continue any Vornado Benefit Plan before or after the Effective Time, or (b) Newco or any of its Affiliates to continue any Newco Benefit Plan before or after the Effective Time, in each case, except as set forth in Article VII. Each of Vornado and Newco reserves the right, in its sole discretion, to amend or terminate any Vornado Benefit Plan and any Newco Benefit Plan, respectively, at any time after the date of this Agreement, to the extent permitted or required under the terms of the applicable Vornado Benefit Plan, Newco Benefit Plan or applicable Law; provided that no such amendment or termination shall prevent the actions described in Article IV.

ARTICLE V
EQUITY PLANS AND AWARDS

5.1 Establishment of Newco Equity Plan. As of or prior to the Effective Time, Newco shall adopt an omnibus equity compensation plan (the "Newco Equity Plan") pursuant to which equity awards may be granted to Newco Group Employees. Vornado and Newco shall take all actions as may be necessary or advisable to adopt and obtain approval of the Newco Equity Plan (and the awards in respect of Newco Common Shares thereunder) in order to satisfy the requirement of Rule 16b-3 under the Exchange Act, and the applicable rules and regulations of any applicable exchange on which Newco Common Shares will be traded. The Newco Equity Plan shall be approved prior to the Effective Time by VRLP as Newco's sole shareholder.

5.2 Formation Unit Grants. Promptly after the Closing, Newco will grant a number of Formation Units (as defined in the limited partnership agreement of Newco LP, dated as of •, 2017) under the Newco Equity Plan up to $100,000,000 divided by the average of the high and low prices of the Newco stock on the NYSE on the first trading day following the Effective Time (the "Formation Unit Pool"). Seventy-five percent (75%) of the Formation Unit Pool will be allocable by JBG and the remaining twenty-five percent (25%) of the Formation Unit Pool will be allocable by Vornado, in each case as mutually agreed by Vornado and JBG prior to the Effective Time (or as otherwise committed to the individuals and in the amounts set forth on Schedule 5.2).

5.3 Liabilities for Settlement of Vornado Awards. For awards made under the Vornado Equity Plan to Newco Group Employees that remain unvested or unsettled as of the Effective Time Vornado will, in its discretion, (x) cause the awards to become vested at the Effective Time, (y) cause the awards to continue to vest after the Effective Time subject to the Newco Group Employee's continued service to Newco, and/or (z) provide the Newco Group

Employee a cash payment in respect of an award that may otherwise be forfeited in connection with the transactions contemplated by the Transaction Agreement. Vornado shall be responsible for all Liabilities (including, for the avoidance of doubt, the employer portion of any payroll taxes) associated with awards made under the Vornado Equity Plan, including without limitation such awards made to Newco Group Employees at the time they were Vornado Group Employees. Newco shall be responsible for all Liabilities associated with awards made under the Newco Equity Plan.

5.4 Reservation of Rights. The Parties hereby acknowledge and agree that nothing in this Article V shall be construed to require (a) Vornado or any of its Affiliates to continue the Vornado Equity Plan before or after the Effective Time, or (b) Newco or any of its Affiliates to continue the Newco Equity Plan before or after the Effective Time. Each of Vornado and Newco reserves the right, in its sole discretion, to amend or terminate the Vornado Equity Plan (and the awards thereunder) and the Newco Equity Plan (and the awards thereunder), respectively, at any time after the date of this Agreement, to the extent permitted or required under the terms of the Vornado Equity Plan, Newco Equity Plan or applicable Law; provided that no such amendment or termination shall prevent the actions described in Article V.

ARTICLE VI
NONQUALIFIED PLANS

6.1 Deferred Compensation Plans. Effective no later than the Effective Time, Newco Group Employees shall cease to be eligible to actively participate in the Vornado Realty Trust Nonqualified Deferred Compensation Plan (the DCP") and/or the Vornado Realty Trust Nonqualified Deferred Compensation Plan II (the "DCP II") and no further deferrals shall be made to the DCP or the DCP II on behalf of Newco Group Employees with respect to compensation or earnings for services on or for the year in which the Effective Time occurs. Each Newco Group Employee who immediately prior to the Effective Time was a participant in, or entitled to future benefits under, the DCP, the DCP II and/or the Vornado Realty Trust Nonqualified Deferred Compensation Plan (together, the "Vornado Nonqualified Deferred Compensation Plans") shall continue to have such rights, privileges and obligations under the Vornado Nonqualified Deferred Compensation Plans as are provided thereunder. A Newco Group Employee shall not be deemed to have separated from service or incurred a termination of employment for purposes of the Vornado Nonqualified Deferred Compensation Plans until such Newco Group Employee incurs a separation from service (within the meaning of Section 409A of the Code) from Newco and the Newco Affiliates (and provided such Newco Group Employee is not employed by or providing services to Vornado or any Vornado Affiliate). Newco agrees to promptly notify Vornado if and when a Newco Group Employee who is a participant of the Vornado Nonqualified Deferred Compensation Plans separates from service with Newco and the Newco Affiliates.

6.2 Liabilities for Payment of Deferred Compensation Accounts. Vornado shall remain responsible for all Liabilities associated with the accounts of each Newco Group Employee under the Vornado Nonqualified Deferred Compensation Plans.

6.3 Reservation of Rights. The Parties hereby acknowledge and agree that nothing in this Article VI shall be construed to require Vornado or any of its Affiliates to continue the Vornado Nonqualified Deferred Compensation Plans before or after the Effective Time. Vornado reserves the right, in its sole discretion, to amend or terminate the Vornado Nonqualified Deferred Compensation Plans at any time after the date of this Agreement, to the extent permitted or required under the terms of the Vornado Nonqualified Deferred Compensation Plans or applicable Law.

ARTICLE VII
ADDITIONAL COMPENSATION MATTERS; SEVERANCE

7.1 Annual Cash Incentive Awards. As of the Effective Time, Newco Group Employees shall cease participating in each Vornado annual bonus plan or policy ("Vornado Annual Bonus Plans"). As of the Effective Time, (i) Newco shall establish annual bonus plans or policies ("Newco Annual Bonus Plans") and (ii) Newco Group Employees who were eligible to participate in the Vornado Bonus Plans shall be eligible to participate in the Newco Bonus Plans. Newco shall be solely responsible for funding, paying and discharging all obligations under the Newco Annual Bonus Plans and Vornado shall have no Liability with respect to annual bonuses to be paid to Newco group employees with respect to the calendar year in which the Effective Time occurs. Vornado shall remain solely responsible for funding and discharging all obligations under the Vornado Annual Bonus Plans with respect to annual bonuses to be paid to Newco group employees with respect to performance periods ending on or prior to the Effective Time.

7.2 Assumption of Severance Liabilities.

(a) Severance Liabilities. Newco shall be responsible for the severance obligations, if any, to Newco Group Employees whose employment is terminated after the Effective Time and neither Vornado nor JBG shall have Liability with respect to such severance obligations, except as set forth in the Transaction Agreement.

(b) Severance Agreements. In the event any Newco Group Employee is eligible for severance benefits on account of a termination of employment on or after the Effective Time, Newco shall require such employee, as a condition of receiving severance benefits, to agree in writing to a release of existing claims and confidentiality and non-solicitation provisions in favor of Newco, Vornado, and JBG, in a form substantially the same as Schedule 7.2(b); provided that for a Newco Group Employee who is subject to an individual employment or severance agreement or arrangement, the release of claims shall be as set forth in such individual employment or severance agreement or arrangement.

7.3 **Reservation of Rights**. The Parties hereby acknowledge that, except for the obligations described in this Article VII, nothing in this Article VII shall be construed to require either Vornado or Newco (and their respective Affiliates) to continue any cash incentive awards program, deferred compensation plan, or severance plan after the Effective Time. The Parties agree that each of Vornado and Newco reserves the right, in its sole discretion, to amend or terminate any cash incentive awards program, deferred compensation plan, or severance plan

maintained by the Vornado Group or the Newco Group, respectively, at any time after the Effective Time to the extent permitted under the terms of the applicable cash incentive awards program, deferred compensation plan, or severance plan and applicable Lawprovided that no such amendment shall prevent the actions described in this Article VII.

ARTICLE VIII
GENERAL AND ADMINISTRATIVE

8.1 **Non-Termination of Employment; No Third-Party Beneficiaries**. Except as expressly provided for in this Agreement or the Separation Agreement, no provision of this Agreement or any of the other Transaction Documents shall be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any Vornado Group Employee, Newco Group Employee or any Former Employee, or future Employee of Vornado or any of its Affiliates or of Newco or any of its Affiliates under any Vornado Benefit Plan or Newco Benefit Plan or otherwise, nor shall any such provision be construed as an amendment to any employee benefit plan or other employee compensatory or benefit arrangement. Furthermore, nothing in this Agreement is intended to confer upon any Employee or Former Employee any right to continued employment, any recall or similar rights to an Employee on layoff or any type of approved leave, or to change the employment status of any Employee from "at will."

8.2 **Beneficiary Designation/Release of Information/Right to Reimbursement**. Newco shall seek to obtain, before or as soon as reasonably practicable following the Effective Time, beneficiary designations, authorizations for the release of Information and rights to reimbursement from all Newco Participants under Newco Benefit Plans .

8.3 **Not a Change in Control**. The Parties acknowledge and agree that the transactions contemplated by the Separation Agreement and this Agreement do not constitute a "change in control" for purposes of any Vornado Benefit Plan.

8.4 **Code Section 409A**. Notwithstanding anything to the contrary herein, if any of the provisions of this Agreement would result in imposition of taxes and/or penalties under Section 409A of the Code, Vornado and Newco shall cooperate in good faith to modify the applicable provision so that such taxes and/or penalties do not apply in order to comply with the provisions of Section 409A of the Code, other applicable provisions of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions.

ARTICLE IX
MISCELLANEOUS

9.1 **Relationship of Parties**. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the Parties, it being understood and agreed that no provision contained therein, and no act of the Parties, shall be deemed to create any relationship between the Parties other than the relationship set forth herein.

9.2 **Affiliates**. Each of Vornado and Newco shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by each of their respective Affiliates.

9.3 **Corporate Power**. Vornado represents on behalf of itself and on behalf of other members of the Vornado Group, and Newco represents on behalf of itself and on behalf of other members of the Newco Group, as follows:

(a) each such Person has the requisite trust power and authority and has taken all corporate action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby and thereby; and

(b) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

9.4 **Governing Law**. This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of New York irrespective of the choice of laws principles of the State of New York including all matters of validity, construction, effect, enforceability, performance and remedies.

9.5 **Survival of Covenants**. Except as expressly set forth in any other Transaction Document, the covenants and other agreements contained in this Agreement, and Liability for the breach of any obligations contained herein or therein, shall survive each of the transactions described in the Plan of Reorganization (as defined in the Separation Agreement) and the Distribution and shall remain in full force and effect.

9.6 **Force Majeure**. No Party shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any other Transaction Document for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under the Transaction Documents, as applicable, as soon as reasonably practicable.

9.7 **Notices**. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original

via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9.7):

If to Vornado, to:

Vornado Realty Trust
888 Seventh Avenue
New York, New York 10019
Attention: Corporation Counsel
Facsimile: (212) 894-7996

with a copy to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: William G. Farrar
Matthew M. Friestedt
Facsimile: (212) 558-3588

If to Newco, to:

JBG Properties Inc.
4445 Willard Avenue, Suite 400
Chevy Chase, Maryland 20815
Attention: W. Matthew Kelly
E-mail: mkelly@jbg.com

with a copy (until the Effective Time) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: William G. Farrar
Matthew M. Friestedt
Facsimile: (212) 558-3588

with a copy (following the Effective Time) to:

Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, NW
Washington, District of Columbia 20004
Attention: David W. Bonser, Esq.
E-mail: david.bonser@hoganlovells.com

9.8 **Termination**. Notwithstanding any provision to the contrary, in the event that the Transaction Agreement is terminated prior to the Closing, this Agreement shall terminate automatically and be of no further force and effect. In the event of such termination, this Agreement shall become void and no Party, or any of its officers and directors, shall have any Liability to any Person by reason of this Agreement.

9.9 **Severability**. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

9.10 **Entire Agreement**. Except as otherwise expressly provided in this Agreement, this Agreement (including the Schedules hereto) and the applicable provisions of the Separation Agreement together constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties with respect to the subject matter of this Agreement.

9.11 **Indemnification; Dispute Resolutions**. Article IV of the Separation Agreement governs the Parties' indemnification rights and obligations and Article VII of the Separation Agreement governs the resolution of any dispute between the Parties.

9.12 **Assignment; No Third-Party Beneficiaries**. This Agreement shall not be assigned by any Party without the prior written consent of the other Parties, except that Vornado may assign (i) any or all of its rights and obligations under this Agreement to any of its Affiliates and (ii) any or all of its rights and obligations under this Agreement in connection with a sale or disposition of any assets or entities or lines of business of Vornado; provided, however, that, in each case, no such assignment shall release Vornado from any Liability or obligation under this Agreement nor change any of the steps in the Plan of Reorganization (as defined in the Separation Agreement). Except as provided in Article IV of the Separation Agreement with respect to Indemnified Parties (as defined in the Separation Agreement), this Agreement is for the sole benefit of the Parties and members of their respective Group and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.13 **Public Announcements**. From and after the Effective Time, Vornado and Newco shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable

Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

9.14 **Specific Performance**. Subject to the provisions of Article VII of the Separation Agreement, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

9.15 **Amendment**. No provision of this Agreement may be amended or modified except by a written instrument signed by all the Parties. No waiver by any Party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the Party so waiving. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

9.16 **Rules of Construction**. Interpretation of this Agreement shall be governed by the following rules of construction (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, Exhibits and Schedules of this Agreement unless otherwise specified, (iii) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto, (iv) references to "$" shall mean U.S. dollars, (v) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation," unless otherwise specified, (vi) the word "or" shall not be exclusive, (vii) references to "written" or "in writing" include in electronic form, (viii) unless the context requires otherwise, references to "Party" shall mean Vornado or Newco, as appropriate, and references to "Parties" shall mean Vornado and Newco, (ix) provisions shall apply, when appropriate, to successive events and transactions, (x) the table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, (xi) Vornado and Newco have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement, and (xii) a reference to any Person includes such Person's successors and permitted assigns.

9.17 **Counterparts**. This Agreement may be executed in one or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same

agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

VORNADO REALTY TRUST

By: _____
Name:
Title:

VORNADO REALTY L.P.

By VORNADO REALTY TRUST, its General Partner

By: _____
Name:
Title:

JBG SMITH Properties, a Maryland real estate investment trust

By: _____
Name:
Title:

JBG SMITH Properties LP, a Delaware limited partnership

By: JBG SMITH Properties GP LLC, a Delaware limited liability company, its general partner

By: Vornado Realty L.P., a Delaware limited partnership, its manager

By: Vornado Realty Trust, a Maryland real estate investment trust, its general partner

By: _____
Name:
Title:

FINAL FORM
Exhibit H

TAX MATTERS AGREEMENT

between

VORNADO REALTY TRUST

and

JBG SMITH PROPERTIES

dated as of

[ ], 2017

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TAX MATTERS AGREEMENT

THIS TAX MATTERS AGREEMENT (the "*Agreement*") is dated as of [ ], 2017 by and between Vornado Realty Trust, a Maryland real estate investment trust ("*Vornado*") and JBG Smith Properties, a Maryland real estate investment trust and a Subsidiary of Vornado immediately prior to the Vornado Distribution (as defined below) ("*Newco*" and, together with Vornado, the "*Parties*," and each, a "*Party*"). Unless otherwise indicated, all "*Section*" references in this Agreement are to Sections of the Agreement.

RECITALS

WHEREAS, the board of directors of Vornado determined that it is in the best interest of Vornado and its stockholders to separate the businesses of Newco from Vornado's other businesses on the terms and conditions set forth in the Separation and Distribution Agreement by and among Vornado, Vornado Realty L.P., a Delaware limited partnership ("*Vornado OP*"), Newco, and JBG Smith Properties LP, a Delaware limited partnership ("*Newco OP*"), dated on or about the date hereof (the "*Separation and Distribution Agreement*");

WHEREAS, the board of directors of Vornado has authorized the distribution of all of the issued and outstanding common shares, par value $0.01 per share, of Newco (the "*Newco Shares*") to the holders of record, as of the record date, of common shares of Vornado, par value $0.04 per share (the "*Vornado Shares*"), entitled to participate in such distributions, with such distribution to be made on a *pro rata* basis (such distribution, the "*Vornado Distribution*");

WHEREAS, Vornado and Newco intend for the Transactions (as defined below) to be treated in accordance with the Agreed Treatment (as defined below), including for the Vornado Contribution of OP Units (as defined below) and the Vornado Distribution together to qualify for the Tax-Free Status (as defined below);

WHEREAS, the boards of directors of Vornado and Newco have each determined that the Vornado Distribution and the other transactions contemplated by the Separation and Distribution Agreement are in the best interests of their respective companies and stockholders and have approved the Separation and Distribution Agreement;

WHEREAS, the Parties contemplate that, pursuant to the Master Transaction Agreement (as defined below), immediately after the Vornado Distribution and the Effective Time (as defined below), the transactions described in such agreement will occur (pursuant to which, *inter alia*, Newco and Newco OP will issue Equity Interests (as defined below) to certain Persons);

WHEREAS, the Parties set forth in the Separation and Distribution Agreement and the Master Transaction Agreement (as defined below) the principal arrangements between them regarding the separation of the Newco Group (as defined below) from the Vornado Group (as defined below); and

WHEREAS, the Parties desire to provide for and agree upon the allocation between the Parties of liabilities for Taxes (as defined below) arising prior to, as a result of, and subsequent to the Vornado Distribution, and to provide for and agree upon other matters relating to Taxes (as defined below).

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Parties hereby agree as follows:

SECTION 1. Definition of Terms. For purposes of this Agreement, the following terms have the following meanings:

"Acquisition Transaction Requiring Notice" means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulations Section 1.355-7, or any other regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported, permitted or solicited by management or shareholders of Newco or any of its Subsidiaries, is a hostile acquisition, or otherwise, as a result of which Newco or such Subsidiary would merge or consolidate with or enter into any other reorganization transaction with any other Person or as a result of which one or more Persons would (directly or indirectly) acquire, or have the right to acquire, from Newco or such Subsidiary and/or one or more holders of outstanding shares of Equity Interests of Newco or such Subsidiary, as the case may be, a number of shares of Equity Interests of Newco or such Subsidiary that would, when combined with any other changes in ownership of the Equity Interests of Newco or such Subsidiary pertinent for purposes of Section 355(e) of the Code (but not taking into account Excepted Transactions), comprise an Applicable Percentage Interest in Newco or such Subsidiary (A) by value, as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (B) by vote, as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Acquisition Transaction Requiring Notice shall not include (A) the adoption by Newco of, or issuance of stock pursuant to, a shareholder rights plan or (B) issuances of Equity Interests by Newco or any of its Subsidiaries that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulations Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power shall be treated as an indirect acquisition of Equity Interests by the shareholders whose voting power is increased thereby and any redemption of shares of Equity Interests shall be treated as an indirect acquisition of Equity Interests by the non-exchanging shareholders. This definition and the application thereof are intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code or published IRS guidance with respect thereto shall be incorporated in this definition and its interpretation.

"Agreed Treatment" means the treatment of:

(i) the Vornado OP Contribution to Newco OP and the Vornado OP Distribution of OP Units together as a partnership division taking the "assets-over form" (as described in Treasury Regulations Section 1.708-1(d)) in which no gain or loss is recognized by Vornado OP, Newco OP, and Vornado pursuant to Sections 721(a), 731(a), and 731(b) of the Code and

(ii) the Vornado Contribution of OP Units and the Vornado Distribution in accordance with the Tax-Free Status.

"Agreement" has the meaning set forth in the preamble hereof.

"Applicable Percentage Interest" means a five percent (5%) or greater interest, except that (i) if ten percent (10%) or more of the Vornado Included Interests are Kickout Interests, "Applicable Percentage Interest" means a two percent (2%) or greater interest and (ii) if twenty percent (20%) or more of the Vornado Included Interests are Kickout Interests, "Applicable Percentage Interest" means a one percent (1%) or greater interest.

"Applicable Year" has the meaning assigned to such term in the Partnership Agreement.

"Business Day" means any day other than a Saturday, a Sunday or a statutory holiday on which banks in the State of New York are closed.

"Closing" has the meaning assigned to such term in the Master Transaction Agreement.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Companies" means Vornado and Newco.

"Company" means Vornado or Newco, as the context requires.

"Control" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through ownership of securities or partnership, membership, limited liability company, or other ownership interests, by contract or otherwise.

"Controlling Party" means, with respect to a Tax Contest, the Person that has responsibility, control and discretion in handling, defending, settling or contesting such Tax Contest.

"Disclosing Party" has the meaning set forth in Section 6.3.

"Distribution Comparison Analysis" means, for a Party whose required amount of distributions under Section 857(a) of the Code is reduced, the actual reduction in distributions undertaken by such Party, as determined by a Tax Arbitrator, taking into account the distribution history (or where such history is not available, the projected distributions) of such Party, in each case as appropriate in the discretion of such Tax Arbitrator.

"Distribution Date" means the Date on which Vornado distributes the Newco Shares to the holders of the Vornado Shares.

"Distribution Tax Counsel" means Sullivan & Cromwell LLP.

"Distribution Taxes" means (x) any Taxes arising from a Relevant Final Determination (including, for the avoidance of doubt, (i) Taxes imposed because "Section 1374 treatment" (as that phrase is defined in Treasury Regulations Section 1.337(d)-7(b)) applies or Taxes imposed because of the application of Temporary Treasury Regulations Section 1.337(d)-7T(b)(4) to Vornado, Newco, or any of their respective Subsidiaries and (ii) Spin-Failure Related REIT

Compliance Taxes) and all reasonable costs and expenses associated with such Taxes and (y) all costs, expenses and damages associated with shareholders litigation or controversies and any amount paid by a Party in respect of the liability of its shareholders, whether paid to its shareholders or to any Tax Authority, resulting from the failure or alleged failure of the Vornado Contribution of OP Units and the Vornado Distribution together to qualify for the Tax-Free Status and all reasonable costs and expenses associated with such payments.

"Effective Time" has the meaning assigned to such term in the Separation and Distribution Agreement.

"Employee Matters Agreement" has the meaning assigned to such term in the Master Transaction Agreement.

"Equity Incentive Plan" has the meaning assigned to such term in the Master Transaction Agreement.

"Equity Interest" means any instrument treated as equity for United States federal income tax purposes.

"Excepted Disposals" means (i) expenditure of cash paid to acquire assets in an arm's length transaction, (ii) transfers of property to a disregarded entity of the transferor, (iii) payment of indebtedness, (iv) any disposal of any property whose proceeds are reinvested in the business of the Company within six month of such disposal (it being understood that reinvestment in the business does not include increases in working capital, cash or marketable securities or similar assets).

"Excepted Transactions" means (i) the transactions described in the Master Transaction Agreement or any conversion of OP Units issued pursuant to the Master Transaction Agreement into Newco Shares, (ii) the issuance of Newco Shares and OP Units pursuant to the Employee Matters Agreement or the Equity Incentive Plan or any conversion of OP Units issued pursuant to the Employee Matters Agreement or the Equity Incentive Plan into Newco Shares, (iii) any sale or other disposition of Newco Shares by the persons receiving such Newco Shares pursuant to the previous clauses of this definition, if such sales or other dispositions satisfy the requirements of Treasury Regulations Section 1.355-7(d)(7), and (iv) any prior Acquisition Transaction Requiring Notice with respect to which Newco has notified Vornado pursuant to Section 7.6(e).

"Expert Law Firm" means a law firm nationally recognized for its expertise in the matter for which its opinion is sought that is reasonably satisfactory to the Party seeking such opinion.

"Fifty-Percent Equity Interest" means, in respect of any corporation (within the meaning of the Code), stock or other equity interests of such corporation possessing (i) at least fifty percent (50%) of the total combined voting power of all classes of stock or equity interests entitled to vote or (ii) at least fifty percent (50%) of the total value of shares of all classes of stock or of the total value of all equity interests.

"Final Determination" means a determination within the meaning of Section 1313 of the Code or any similar provision of Local Tax Law.

"Group" means the Vornado Group or the Newco Group, as the context requires.

"Indemnification-Receipt Related Corporate Taxes" means Taxes imposed on a Vornado Indemnified Party at the entity level if, as the result of a accruing or receiving an amount required to be paid pursuant to Sections 2.2(a)(i) or 2.2(a)(ii), such party is unable to comply with the requirements of operating as a REIT (including as a result of Newco failing to qualify as a REIT for any period).

"Indemnified Party" means each Newco Indemnified Party and each Vornado Indemnified Party, as the context requires.

"Indemnifying Party" has the meaning set forth in Section 4.4.

"IRS" means the Internal Revenue Service.

"JBG Tax Group" has the meaning assigned to such term in the Master Transaction Agreement.

"Kickout Interests" has the meaning assigned to such term in the Master Transaction Agreement.

"Law" means any law, statute, ordinance, rule, regulation, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by any federal, state, local or foreign court, administrative body or other governmental or quasi-governmental entity with competent jurisdiction.

"Local" means pertaining to a jurisdiction (whether within or outside the United States of America), other than the Federal Government of the United States of America.

"Master Transaction Agreement" means the Master Transaction Agreement by and among Vornado, Vornado OP, JBG Properties Inc., JBG/Operating Partners, L.P., the JBG Parties Set Forth on Schedule A, Newco and Newco OP, dated as of October 31, 2016.

"Newco" has the meaning set forth in the preamble hereof.

"Newco Business" means the "Washington, D.C. Segment Active Business," as set forth and to the extent described in the Tax Opinion Representation Letter, that constitutes an active trade or business, within the meaning of Section 355(b) of the Code, of the separate affiliated group of Newco, as represented in the Tax Opinion Representation Letter.

"Newco Group" means (i) with respect to any Tax Year (or portion thereof) ending at or before the Effective Time, Newco and each of its Subsidiaries at the Effective Time and (ii) with respect to any Tax Year (or portion thereof) beginning after the Effective Time, Newco and each Subsidiary of Newco (but only while such Subsidiary is a Subsidiary of Newco).

"Newco Indemnified Party" includes each member of the Newco Group, each of their Representatives, each of their respective heirs, executors, trustees, administrators, successors, and assigns.

"Newco OP" has the meaning set forth in the recitals to this Agreement.

"Newco Shares" has the meaning set forth in the recitals to this Agreement.

"Newco Taint" means any violation of a covenant or any inaccuracy or falsity of a representation made by Newco in Section 7.1, 7.2, or 7.4 of this Agreement, the taking of a Restricted Action by Newco, any inaccuracy or falsity of the representation made in Section 4.13(p) of the Master Transaction Agreement, any violation of the covenant in Section 6.3(f) of the Master Transaction Agreement, or any acquisition of stock of Newco (after applying Section 7.8 hereof and other than pursuant to the Master Transaction Agreement) by any member of the JBG Tax Group.

"Non-Controlling Party" has the meaning set forth in Section 5.3(a).

"Non-Preparer" means any Company that is not responsible for the preparation and filing of the applicable Tax Return pursuant to Section 3.1.

"Parties" has the meaning set forth in the preamble hereof.

"Partnership Agreement" has the meaning assigned to such term in the Master Transaction Agreement.

"Payment Date" means (x) with respect to any U.S. federal income tax return, the date on which any required installment of estimated taxes determined under Section 6655 of the Code is due, the date on which (determined without regard to extensions) filing the return determined under Section 6072 of the Code is required, and the date the return is filed and (y) with respect to any other Tax Return, the corresponding dates determined under the applicable Tax Law.

"Permitted Acquisition" means any acquisition (as a result of the Vornado Distribution) of Newco Shares solely by reason of holding Vornado Shares, but does not include such an acquisition if such Vornado Shares, before such acquisition, were itself acquired in a manner to which the flush language of Section 355(e)(3)(A) of the Code applies (thus causing, for the avoidance of doubt, Section 355(e)(3)(A)(i), (ii), (iii) or (iv) of the Code not to apply).

"Person" means any individual, corporation, company, partnership, trust, incorporated or unincorporated association, joint venture, or other entity of any kind.

"Post-Distribution Period" means any Tax Year or other taxable period beginning after the Distribution Date and, in the case of any Straddle Period, that part of the Tax Year or other taxable period that begins at the beginning of the day after the Distribution Date.

"Pre-Distribution Period" means any Tax Year or other taxable period that ends on or before the Distribution Date and, in the case of any Straddle Period, that part of the Tax Year or other taxable period through the end of the day on the Distribution Date.

"Preparer" means the Company that is responsible for the preparation and filing of the applicable Tax Return pursuant to Section 3.1.

"Protective Section 336(e) Election" has the meaning set forth in Section 4.5.

"Real Estate Taxes" means ad valorem and other property Taxes measured by reference to the value of realty and not measured by reference to income or gross receipts.

"Reasonable Cause Exceptions" has the meaning assigned to such term in the Master Transaction Agreement.

"Receiving Party" has the meaning set forth in Section 6.3.

"REIT" means a real estate investment trust within the meaning of Section 856 of the Code.

"Relevant Final Determination" means a Final Determination that the Vornado Contribution of OP Units and the Vornado Distribution failed to qualify for the Tax-Free Status (including, for the avoidance of doubt, as a result of the application of Section 355(d) or Section 355(e) of the Code) or that amounts are required to be taken into account under Treasury Regulations Section 1.337(d)-7(b) or Temporary Treasury Regulations Section 1.337(d)-7T(b).

"Relevant Gain" means, in respect of a Party to be indemnified, gain or income that arises to such Party as a result of a Relevant Final Determination.

"Representative" means, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

"Restricted Action" means any action by Newco or any of its Subsidiaries inconsistent with the covenants set forth in Section 7.2; and, for the avoidance of doubt, an action shall be and remain a Restricted Action even if Newco or any of its Subsidiaries is permitted to take such an action pursuant to Section 7.8.

"Restriction Period" means the period beginning on the Distribution Date and ending twenty-four (24) months after the Distribution Date.

"Satisfactory Guidance" means either a ruling from the IRS or an Unqualified Opinion, in either case reasonably satisfactory to Vornado in both form and substance.

"Separation and Distribution Agreement" has the meaning set forth in the recitals hereof.

"Spin-Failure Related REIT Compliance Taxes" means, in case of a Relevant Final Determination, and in respect of a Party that otherwise qualifies as a REIT (or would have so qualified in the absence of such Relevant Final Determination), Taxes imposed on such Party as a result of (i) such Party's being treated as having failed to distribute, in the taxable year that includes the Distribution Date, any amount of Relevant Gain, (ii) the application of any of the provisions of Subchapter M of Chapter 1 of Subtitle A of the Code and any related provisions (including, for the avoidance of doubt, Section 856(c)(7), 856(g)(5), 857(b)(3), 857(b)(5) or 4981 of the Code) to such Party as a result of such Party's having Relevant Gain, (iii) such Party being unable to comply with the requirements of operating as a REIT as a result of recognizing any amount of Relevant Gain or as a result of the application of Section 856(c)(8) of the Code to

such Party due to the failure of the Vornado Distribution to satisfy the exception to Section 355(h) of the Code described in Section 355(h)(2)(A) of the Code, and (iv) all costs, expenses and damages associated with shareholders litigation or controversies and any amount paid by a Party in respect of the liability of its shareholders, whether paid to its shareholders or to any Tax Authority, in connection with clauses (i), (ii), (iii) hereof, and all reasonable costs and expenses associated with such payments.

"Straddle Period" means any taxable period beginning on or prior to, and ending after, the Distribution Date.

"Subsidiary" when used with respect to any Person, means (i) (A) a corporation a majority in voting power of whose share capital or capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person, whether or not such power is subject to a voting agreement or similar encumbrance, (B) a partnership or limited liability company in which such Person or a Subsidiary of such Person is, at the date of determination, (1) in the case of a partnership, a general partner of such partnership with the power affirmatively to direct the policies and management of such partnership or (2) in the case of a limited liability company, the managing member or, in the absence of a managing member, a member with the power affirmatively to direct the policies and management of such limited liability company, or (C) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has or have (1) the power to elect or direct the election of a majority of the members of the governing body of such Person, whether or not such power is subject to a voting agreement or similar encumbrance, or (2) in the absence of such a governing body, at least a majority ownership interest or (ii) any other Person of which an aggregate of 50% or more of the equity interests are, at the time, directly or indirectly, owned by such Person and/or one or more Subsidiaries of such Person.

"Tax" or "Taxes" means any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers' compensation, employment, unemployment, disability, property, ad valorem, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other similar tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any Tax Authority, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing, together with any reasonable expenses, including attorneys' fees, incurred in defending against any such Tax.

"Tax Arbitrator" means an arbitrator selected pursuant to the Tax Arbitrator Designation Process.

"Tax Arbitrator Designation Process" means (i) the good faith attempt of the Parties to agree upon an arbitrator who is expert as to the relevant matter to resolve it and (ii) if such attempt fails within three (3) days, the determination, on the next day, by lot from a pool of arbitrators whose names have been put forth by the Parties in confidence in equal numbers and who are experts to resolve the matters put before them.

"Tax Authority" means, with respect to any Tax, the governmental entity or political subdivision, agency, commission or authority thereof (including, for the avoidance of doubt, any Local governmental authority) that imposes such Tax, and the agency, commission or authority (if any) charged with the assessment, determination or collection of such Tax for such entity or subdivision.

"Tax Benefit" means a reduction in the Tax liability of a taxpayer (or of the affiliated group of which it is a member) for any taxable period. Except as otherwise provided in this Agreement, a Tax Benefit shall be deemed to have been realized or received from a Tax Item in a taxable period only if and to the extent that the Tax liability of the taxpayer (or of the affiliated group of which it is a member) for such period, after taking into account the effect of the Tax Item on the Tax liability of such taxpayer in the current period and all prior periods, is less than it would have been if such Tax liability were determined without regard to such Tax Item.

"Tax Contest" means an audit, review, examination, or any other administrative or judicial proceeding with the purpose, potential or effect of redetermining Taxes of any member of either Group (including any administrative or judicial review of any claim for refund).

"Tax-Free Status" means the qualification of the Vornado Contribution of OP Units and the Vornado Distribution together (a) as a transaction described in Section 368(a)(1)(D) and Section 355 of the Code, (b) as a transaction in which the stock distributed by Vornado is "qualified property" for purposes of Section 355(d) and Section 355(e) of the Code, and (c) as a transaction in which shareholders of Vornado will not recognize gain or loss upon the Vornado Distribution under Section 355(a) of the Code.

"Tax Item" means, with respect to any Tax, any item of income, gain, loss, deduction, credit or other attribute that may have the effect of increasing or decreasing any Tax.

"Tax Law" means the law of any governmental entity or political subdivision thereof, and any controlling judicial or administrative interpretations of such law, relating to any Tax.

"Tax Opinion" means the opinion to be delivered by Distribution Tax Counsel to Vornado in connection with the Transactions.

"Tax Opinion Representation Letter" means the Officer's Certificate of Vornado, dated [ ], 2017, as amended or supplemented, including any appendices and exhibits attached thereto or included therewith, submitted to Distribution Tax Counsel.

"Tax Records" means Tax Returns, Tax Return work papers, documentation relating to any Tax Contests, and any other books of account or records required to be maintained under applicable Tax Laws (including but not limited to Section 6001 of the Code) or under any record retention agreement with any Tax Authority.

"Tax Return" means any report of Taxes due, any claims for refund of Taxes paid, any information return with respect to Taxes, or any other similar report, statement, declaration, or document filed or required to be filed (by paper, electronically or otherwise) under any applicable Tax Law, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"Tax Year" means, with respect to any Tax, the year, or shorter period, if applicable, for which the Tax is reported as provided under applicable Tax Law.

"Transactions" means the Pre-Combination Transactions as that term is defined in the Master Transaction Agreement.

"Transfer Taxes" has the meaning assigned to such term in the Master Transaction Agreement.

"Treasury Regulations" means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Year.

"Unqualified Opinion" means an unqualified "will" opinion of an Expert Law Firm that permits reliance by Vornado. For the avoidance of doubt, an Unqualified Opinion may be based on factual representations and assumptions that are reasonably satisfactory to Vornado. Vornado and its affiliates shall use commercially reasonable efforts to provide to the Expert Law Firm any representations reasonably requested by Expert Law Firm in order to issue its Unqualified Opinion.

"Vornado" has the meaning set forth in the preamble hereof.

"Vornado Business" means the "New York Segment Active Business," as set forth in the Tax Opinion Representation Letter that constitutes an active trade or business, within the meaning of Section 355(b) of the Code, of the separate affiliated group of Vornado, as represented in the Tax Opinion Representation Letter.

"Vornado Contribution of OP Units" has the meaning assigned to such term in Section 1.1 of the Vornado Disclosure Letter.

"Vornado Disclosure Letter" has the meaning assigned to such term in the Master Transaction Agreement.

"Vornado Distribution" has the meaning set forth in the recitals hereof.

"Vornado Group" means Vornado and each Subsidiary of Vornado (but only while such Subsidiary is a Subsidiary of Vornado) other than any Person that is a member of the Newco Group (but only during the period such Person is treated as a member of the Newco Group).

"Vornado Included Interests" has the meaning assigned to such term in the Master Transaction Agreement.

"Vornado Indemnified Party" includes each member of the Vornado Group, each of their Representatives, each of their respective heirs, executors, trustees, administrators, successors and assigns.

"Vornado Newco REIT Taxes" means:

(i) Taxes in respect of a Pre-Distribution Period that are imposed on Newco or a Vornado REIT that, in each case:

(x) are not Distribution Taxes and

(y) would not be imposed but for an action taken by Vornado after the Vornado Distribution (such as the filing of an amended Tax Return), and

(ii) Taxes in respect of any period that are imposed on Newco or a Vornado REIT that, in each case:

(x) are not Distribution Taxes and

(y) would not be imposed but for the failure of Vornado to qualify as a REIT for the taxable year of Vornado that includes the Vornado Distribution.

"Vornado OP" has the meaning set forth in the recitals to this Agreement.

"Vornado OP Contribution to Newco OP" has the meaning assigned to such term in Section 1.1 of the Vornado Disclosure Letter.

"Vornado OP Distribution of OP Units" has the meaning assigned to such term in Section 1.1 of the Vornado Disclosure Letter.

"Vornado Shares" has the meaning set forth in the recitals to this Agreement.

"Vornado Taint" means any violation of a covenant or any inaccuracy or falsity of a representation made by Vornado in Section 7.1, 7.3 or 7.5 of this Agreement.

"Vornado REIT" has the meaning assigned to such term in the Master Transaction Agreement.

SECTION 2. Allocation of Taxes and Tax-Related Losses.

2.1 *Allocation of Taxes.* Except as provided in Section 2.2 (Allocation of Distribution Taxes) and subject to the allocation of Transfer Taxes pursuant to the Master Transaction Agreement, Taxes shall be allocated as follows:

(a) Vornado shall be liable for and shall be allocated any Vornado Newco REIT Taxes.

(b) Newco shall be liable for and shall be allocated any Taxes attributable to members of the Newco Group for any period other than Vornado Newco REIT Taxes.

(c) Real Estate Taxes, whenever due, shall be borne and paid by the Party liable therefor under applicable Law and shall not be allocated pursuant to the other provisions of this Section 2. As a result, Vornado shall not be required to indemnify Newco on account of any Real Estate Taxes and Newco shall not be required to indemnify Vornado on account of any Real Estate Taxes.

(d) To the extent Vornado is liable for Taxes under this Section 2.1, it shall indemnify Newco for such Taxes. To the extent Newco is liable for Taxes under this Section 2.1, it shall indemnify Vornado for such Taxes.

2.2 *Allocation of Distribution Taxes.* Notwithstanding any other provision of this Agreement:

(a) Newco shall indemnify and hold harmless each Vornado Indemnified Party from and against any liability of such party for:

(i) Distribution Taxes to the extent such Distribution Taxes result from a Newco Taint, provided, however, that Newco shall have no obligation to indemnify any Vornado Indemnified Party hereunder if there has occurred, prior to such Newco Taint, a Vornado Taint from which such Distribution Taxes result; provided further, in the case Newco's obligation to indemnify arises pursuant to the provision of this Section 2.2(a)(i) immediately before this further proviso, Vornado shall determine its REIT compliance requirements in its reasonable discretion and shall use commercially reasonable efforts to minimize Spin-Failure Related REIT Compliance Taxes,

(ii) Any Taxes imposed on such party under Section 856(c)(7), 856(g)(5), 857(b)(3), 857(b)(5) or 4981 of the Code, as the result of accruing or receiving an amount required to be paid pursuant to Section 2.2(a)(i) or this Section 2.2(a)(ii) (including as a result of Newco failing to qualify as a REIT for any Post-Distribution Period), and

(iii) Any Indemnification-Receipt Related Corporate Taxes.

It is understood and agreed that, in determining the amounts payable under Sections 2.2(a)(ii) and 2.2(a)(iii) above, there shall be included all costs, expenses and damages associated with shareholders litigation or controversies and any amount paid by Vornado in respect of the liability of its shareholders, whether paid to its shareholders or to any Tax Authority, in connection with liability that may arise to shareholders as a result of receiving or accruing an amount payable under this Section 2.2(a), and all reasonable costs and expenses associated with such payments.

(b) Vornado shall indemnify and hold harmless each Newco Indemnified Party from and against any liability of such party for Distribution Taxes to the extent such Distribution Taxes result from a Vornado Taint provided, however, that Vornado shall have no obligation to indemnify any Newco Indemnified Party hereunder if there has occurred, prior to such Vornado Taint, a Newco Taint from which such Distribution Taxes result.

2.3 *Tax Payments.* Each Company shall be liable for and shall pay the Taxes allocated to it by this Section 2 either to the applicable Tax Authority or to the other Company in accordance with Section 4 and the other applicable provisions of this Agreement.

2.4 *Closing of Tax Year.* Each member of the Newco Group shall, unless prohibited by applicable Tax Law, close its Tax Year on the Distribution Date for each applicable Tax. If applicable Tax Law does not permit a member of the Newco Group to close its Tax Year on the Distribution Date or in any case in which a Tax is assessed with respect to a Straddle Period, the Taxes, if any, attributable to a Straddle Period shall be allocated (i) to the period up to and including the Distribution Date, on the one hand, and (ii) to the period subsequent to the Distribution Date, on the other hand, by means of a closing of the books and records of such member of the Newco Group as of the close of the Distribution Date, provided that Taxes, exemptions, allowances or deductions that are calculated on a periodic basis shall be allocated between the period ending on the Distribution Date and the period after the Distribution Date in proportion to the number of days in each such period.

2.5 *Allocation of Tax Attributes.* Vornado shall consult with Newco in good faith and consider in good faith any comments provided by Newco with respect to the portion, if any, of any earnings and profits and other Tax attributes to be allocated to the Newco Group, and Vornado shall in good faith advise Newco in writing of the such portion, if any, which Vornado shall have determined shall be allocated or apportioned to the Newco Group under applicable Tax Law. Newco and all members of the Newco Group shall prepare all Tax Returns in accordance with such written notice. In the event that, as a result of a Final Determination, the allocation provided by Vornado is required to be adjusted in accordance with such Final Determination, Vornado shall promptly notify Newco in writing of such adjustment and Newco and all members of the Newco Group shall prepare all Tax Returns, from the date of such notification, in accordance with the adjusted amounts set forth in such notification. For the avoidance of doubt, Vornado shall not be liable to Newco or any member of the Newco Group for any failure of any determination under this Section 2.5 to be accurate under applicable Tax Law.

SECTION 3. Preparation and Filing of Tax Returns.

3.1 *Returns.*

(a) *Tax Returns to be Prepared by Vornado.* Vornado shall be responsible for preparing and filing (or causing to be prepared and filed):

(i) all Tax Returns which relate to one or more members of the Vornado Group for any Tax Year and

(ii) all Tax Returns which relate to one or more members of the Newco Group for any Pre-Distribution Period or Straddle Period if such return includes a Tax for which Vornado is liable under Section 2.1(a), provided, however, that Newco shall furnish any relevant information, including pro-forma returns, disclosures, apportionment data and supporting schedules, relating to any member of the Newco Group necessary for completing any Tax Return for any Pre-Distribution Period or Straddle Period in a format suitable for inclusion in such return, and provided further, that Newco shall have the right to review and reasonably comment with respect to items on (x) such returns if and to the extent such items directly relate to a Tax for which Newco would be liable under

Section 2.1(b) or (y) such items could reasonably be expected to affect the qualification of Newco as a REIT for any Post-Distribution Period, such comments not to be unreasonably rejected.

(b) *Tax Returns to be Prepared by Newco.* Subject to Section 3.1(d), Newco shall be responsible for preparing and filing (or causing to be prepared and filed) all Tax Returns which relate to one or more members of the Newco Group and for which Vornado is not responsible under Section 3.1(a).

(c) *Agent.* Subject to the other applicable provisions of this Agreement (including, without limitation, Section 5), Newco irrevocably designates, and agrees to cause each member of the Newco Group to designate, Vornado as its sole and exclusive agent and attorney-in-fact to take such action (including execution of documents) as Vornado may deem reasonably appropriate in matters relating to the preparation or filing of any Tax Return described in Section 3.1(a)(ii) (subject to Vornado complying with the "provided further" clause in such Section).

(d) *Tax Returns Relating to Distribution Taxes.* No member of the Newco Group shall file or caused to be filed any Tax Return which relates to matters involving Distribution Taxes without the consent of Vornado (which consent shall not be unreasonably withheld or delayed). Notwithstanding anything in this Agreement to the contrary, Vornado shall not be liable for any Distribution Taxes under Section 2.2(b) to the extent such Distribution Taxes arise from a breach of this Section 3.1(d) by any member of the Newco Group.

(e) *Manner of Tax Return Preparation.* The Parties shall prepare and file all Tax Returns, and take all other actions, in a manner consistent with this Agreement, and, to the extent not inconsistent with this Agreement, the Tax Opinion Representation Letter and the Tax Opinion; except that if a Party asserts that such consistency is contrary to the requirements of applicable Law, the Parties shall cooperate in good faith to resolve such objection and, if the Parties shall be unable to resolve such objection, the dispute shall be resolved by a Tax Arbitrator, who shall be required to resolve the matter with reasonable promptness in light of the need for the timely filing of Tax Returns, with the costs and fees of hiring such Tax Arbitrator shared by the Parties in an equitable manner based on the resolution of the objection. All Tax Returns shall be filed on a timely basis (taking into account applicable extensions) by the Party responsible for filing such Tax Returns under this Agreement. Subject to the preceding sentences of this Section 3.1(e), Vornado shall have the exclusive right, in its reasonable discretion, with respect to any Tax Return described in Section 3.1(a) to determine (i) the manner in which such Tax Return shall be prepared and filed, including the elections, methods of accounting, positions, conventions and principles of taxation to be used and the manner in which any Tax Item shall be reported, (ii) whether any extensions may be requested, (iii) the elections that will be made on such Tax Return, (iv) whether any amended Tax Return(s) shall be filed, (v) whether any claim(s) for refund shall be made, (vi) whether any refund shall be paid by way of refund or credited against any liability for the related Tax, and (vii) whether to retain outside firms to prepare or review such Tax Returns (subject to Vornado

complying with the "provided further" clause in Section 3.1(a)(ii) in respect of the Tax Returns described in Section 3.1(a)(ii)).

3.2 *Provision of Information.*

(a) Vornado shall provide to Newco, and Newco shall provide to Vornado, any information about members of the Vornado Group or the Newco Group, respectively, that the Preparer reasonably requires to determine the amount of Taxes due on any Payment Date with respect to a Tax Return for which the Preparer is responsible pursuant to Section 3.1 and to properly and timely file all such Tax Returns.

(b) If a member of the Newco Group supplies information to a member of the Vornado Group, or a member of the Vornado Group supplies information to a member of the Newco Group, and an officer of the requesting member intends to sign a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then a duly authorized officer of the member supplying such information shall certify, to the best of such officer's knowledge, the accuracy of the information so supplied.

3.3 *Special Rules Relating to the Preparation of Tax Returns.* All Tax Returns that include any members of the Newco Group or Vornado Group shall be prepared in a manner that is consistent with the Tax Opinion Representation Letter and the Tax Opinion. Except as otherwise set forth in this Agreement, all Tax Returns for which Vornado is responsible under Section 3.1(a) shall be prepared (x) in accordance with elections, Tax accounting methods and other practices used with respect to such Tax Returns filed prior to the Distribution Date (unless such past practices are not permissible under applicable law), or (y) to the extent any items are not covered by past practices (or in the event such past practices are not permissible under applicable Tax Law), in accordance with reasonable practices selected by Vornado, provided such practices would not adversely affect the qualification of Newco as a REIT for any Post-Distribution Period.

3.4 *Refunds, Credits or Offsets.*

(a) Any refunds, credits or offsets with respect to Taxes allocated to, and actually paid by, Vornado (or actually paid, at whatever time, by any entity that was a Subsidiary of Vornado during any period up to and including the Distribution Date) pursuant to this Agreement shall be for the account of Vornado. Any refunds, credits or offsets with respect to Taxes not allocated to Vornado pursuant to the preceding sentence shall be for the account of Newco. For the avoidance of doubt, consistent with Section 2.1(d), any refunds, credits, or offsets with respect to Real Estate Taxes shall belong to the Party entitled thereto under applicable Law and shall not otherwise be allocated pursuant to this Section 3.4.

(b) Vornado shall forward to Newco, or reimburse Newco for, any such refunds, credits or offsets, plus any interest received thereon, net of any Taxes incurred with respect to the receipt or accrual thereof and any reasonable expenses incurred in

connection therewith, that are for the account of Newco within fifteen (15) Business Days from receipt thereof by Vornado. Newco shall forward to Vornado, or reimburse Vornado for, any refunds, credits or offsets, plus any interest received thereon, net of any Taxes incurred with respect to the receipt or accrual thereof and any reasonable expenses incurred in connection therewith, that are for the account of Vornado within fifteen (15) Business Days from receipt thereof by Newco. If, subsequent to a Tax Authority's allowance of a refund, credit or offset, such Tax Authority reduces or eliminates such allowance, any refund, credit or offset, plus any interest received thereon, forwarded or reimbursed under this Section 3.4 shall be returned to the party who had forwarded or reimbursed such refund, credit or offset and interest upon the request of such forwarding party in an amount equal to the applicable reduction, including any interest received thereon.

3.5 *Carrybacks.* To the extent permitted under applicable Tax Laws, the Newco Group shall make the appropriate elections in respect of any Tax Returns to waive any option to carry back any net operating loss, any credits or any similar item from a Post-Distribution Period to any Pre-Distribution Period or to any Straddle Period. Any refund of or credit for Taxes resulting from any such carryback by a member of the Newco Group that cannot be waived shall be payable to Newco net of any Taxes incurred with respect to the receipt or accrual thereof and any reasonable expenses incurred in connection therewith.

3.6 *Amended Returns.* Any amended Tax Return or claim for Tax refund, credit or offset with respect to any member of the Newco Group may be made (or be caused to be made) only by the Company responsible for preparing the original Tax Return with respect to such member pursuant to Section 3.1(a) (and, for the avoidance of doubt, subject to the same review and comment rights set forth in Section 3.1(a), to the extent applicable). Such Company shall not, without the prior written consent of the other Company (which consent shall not be unreasonably withheld or delayed), file, or cause to be filed, any such amended Tax Return or claim for Tax refund, credit or offset to the extent that such filing, if accepted, is likely to increase the Taxes allocated to, or the Tax indemnity obligations under this Agreement of, such other Company for any Tax Year (or portion thereof).

SECTION 4. Tax Payments.

4.1 *Payment of Taxes to Tax Authority.* Vornado shall be responsible for remitting to the proper Tax Authority the Tax shown on any Tax Return for which it is responsible for the preparation and filing pursuant to Section 3.1(a), and Newco shall be responsible for remitting to the proper Tax Authority the Tax shown on any Tax Return for which it is responsible for the preparation and filing pursuant to Section 3.1(b).

4.2 *Indemnification Payments.*

(a) *Tax Payments Made by the Vornado Group.* If any Vornado Indemnified Party is required to make a payment to a Tax Authority for Taxes allocated to Newco under this Agreement, Newco will pay the amount of Taxes allocated to it to

Vornado not later than the later of (i) ten (10) Business Days after receiving notification requesting

such amount, and (ii) one (1) Business Day prior to the date such payment is required to be made to such Tax Authority.

(b) *Tax Payments Made by the Newco Group.* If any Newco Indemnified Party is required to make a payment to a Tax Authority for Taxes allocated to Vornado under this Agreement, Vornado will pay the amount of Taxes allocated to it to Newco not later than the later of (i) ten (10) Business Days after receiving notification requesting such amount, and (ii) one (1) Business Day prior to the date such payment is required to be made to such Tax Authority.

4.3 *Interest on Late Payments.* Any amount not paid when due pursuant to this Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within thirty (30) days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the rate specified for late payments in the Separation and Distribution Agreement or, if higher and if with respect to a payment to indemnify for a Tax to which the "large corporate underpayment" provision within the meaning of Section 6621(c) of the Code applies, such interest rate that would be applicable at such time to such "large corporate underpayment."

4.4 *Tax Consequences of Payments and Adjustments.* For all Tax purposes, the Parties hereto shall treat (i) any payment made pursuant to this Agreement (other than payments representing interest) as either a contribution by the relevant entity or a distribution by the relevant entity (or as adjustments to such contribution or distribution) occurring immediately prior to the Vornado OP Contribution to Newco OP, the Vornado OP Distribution of OP Units, the Vornado Contribution of OP Units or the Vornado Distribution, as the case may be, or as a payment of an assumed or retained liability; and (ii) any payment of interest as taxable or deductible, as the case may be, to the Party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law. If the receipt or accrual of any indemnity payment under this Agreement causes, directly or indirectly, an increase in the taxable income of the recipient under one or more applicable Tax Laws, such payment shall be increased so that, after the payment of any Taxes with respect to the payment, the recipient thereof shall have realized the same net amount it would have realized had the payment not resulted in taxable income. For the avoidance of doubt, any liability for Taxes due to an increase in taxable income described in the immediately preceding sentence shall be governed by this Section 4.4 and not by Section 2.1. To the extent that Taxes for which any Party hereto (the "*Indemnifying Party*") is required to pay an Indemnified Party pursuant to this Agreement (i) may be deducted or credited in determining the amount of any other Taxes required to be paid by the Indemnified Party (for example, state Taxes which are permitted to be deducted in determining federal Taxes) or (ii) reduces the amount required to be distributed by the Indemnified Party under Section 857(a), the amount of any payment made to the Indemnified Party by the Indemnifying Party shall be decreased by taking into account, in the case of (i), any resulting reduction in other Taxes actually realized by the Indemnified Party and, in the case of (ii), the reduction of the amount actually distributed by the Indemnified Party (determined pursuant to the Distribution Comparison Analysis). If such a reduction in Taxes or reduction of such amount required to be so distributed of the Indemnified Party occurs following the payment made to the Indemnified Party with respect to the relevant indemnified Taxes, the Indemnified Party shall promptly repay the Indemnifying Party the

amount of such reduction when actually realized. If the Tax Benefit arising from the foregoing reduction of Taxes or the reduction of such amount so required to be distributed described in this Section 4.4 is subsequently decreased or eliminated, then the Indemnifying Party shall promptly pay the Indemnified Party the amount of the decrease in such Tax Benefit or such reduction, as applicable. If an adjustment to the liability for Taxes for which one Party or any of its Subsidiaries is responsible hereunder (i) gives rise to a Tax Benefit to the other Party or any of its Subsidiaries or (ii) reduces the amount required to be distributed by such other Party under Section 857(a), including, in each case, as a result of an election set forth in Section 4.5, such latter Party shall, on an annual basis, pay such former Party, in the case of (i), any resulting reduction in Taxes actually realized by such latter Party as a result of such Tax Benefit and, in the case of (ii), the reduction of the amount actually distributed by the Indemnified Party (determined pursuant to the Distribution Comparison Analysis).

4.5 *Section 336(e) Election*. The Parties agree that (i) Vornado and Newco shall enter into a written, binding agreement and (ii) Vornado shall timely make a protective election under Section 336(e) of the Code (and any similar provision of any Local Tax Law) and Treasury Regulation Section 1.336-2(j) (a "*Protective Section 336(e) Election*") with respect to the Vornado Distribution, in each case, in accordance with Treasury Regulation Section 1.336-2(h). Vornado shall timely file such forms as may be contemplated by applicable Tax Law or administrative practice to effect such Protective Section 336(e) Election. To the extent, pursuant to a Final Determination, the Vornado Distribution constitutes a "qualified stock disposition," as defined in Treasury Regulation Section 1.336-1(b)(6), the Parties shall not, and shall not permit any of their respective Subsidiaries to, take any position for Tax purposes inconsistent with the relevant Protective Section 336(e) Election, except as may be required pursuant to a Final Determination.

SECTION 5. Cooperation and Tax Contests.

5.1 *Cooperation*. In addition to the obligations enumerated in Sections 3.2 and 5.4, Vornado and Newco will cooperate (and cause their respective Subsidiaries and Representatives to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters, including provision of relevant documents and information in their possession and making available to each other, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Parties or their respective Subsidiaries or Representatives) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes.

5.2 *Notices of Tax Contests.* Each Company shall provide prompt notice to the other Company of any pending or threatened Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware relating to (i) Taxes for which it is or may reasonably be expected to be indemnified by such other Company hereunder or (ii) Tax Items that may reasonably be expected to affect the amount or treatment of Tax Items of such other Company. Such notice shall contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters; provided, however, that failure

to give such notification shall not affect the indemnification provided hereunder except, and only to the extent that, the indemnifying Company shall have been actually prejudiced as a result of such failure. Thereafter, the indemnified Company shall deliver to the indemnifying Company such additional information with respect to such Tax Contest in its possession that the indemnifying Company may reasonably request.

5.3 *Control of Tax Contests.*

(a) *Controlling Party.* Subject to the limitations set forth in Sections 5.3(b) and 5.3(c), each Preparer (or the appropriate member of its Group) shall be the Controlling Party with respect to any Tax Contest involving a Tax reported (or that, it is asserted, should have been reported) on a Tax Return for which such Company is responsible for preparing and filing (or causing to be prepared and filed) pursuant to Section 3 of this Agreement, in which case any Non-Preparer that could have liability under this Agreement for a Tax to which such Tax Contest relates shall be treated as the "*Non-Controlling Party*." Notwithstanding the immediately preceding sentence, if a Non-Preparer (x) acknowledges to the Preparer in writing its full liability under this Agreement to indemnify for any Tax, and (y) provides to the Preparer evidence (that is satisfactory to the Preparer as determined in the Preparer's reasonable discretion) of the Non-Preparer's financial readiness and capacity to make such indemnity payment, then thereafter with respect to the Tax Contest relating solely to such Tax the Non-Preparer shall be the Controlling Party (subject to Section 5.3(b)) and the Preparer shall be treated as the Non-Controlling Party.

(b) *Non-Controlling Party Participation Rights.* With respect to a Tax Contest of any Tax Return that could result in a Tax liability that is allocated under this Agreement, (i) the Non-Controlling Party shall, at its own cost and expense, be entitled to participate in such Tax Contest, (ii) the Controlling Party shall keep the Non-Controlling Party updated and informed, and shall consult with the Non-Controlling Party, (iii) the Controlling Party shall act in good faith with a view to the merits in connection with the Tax Contest, and (iv) the Controlling Party shall not settle or compromise such Tax Contest (x) that relates to the REIT qualification of the Non-Controlling Party or a Subsidiary thereof that has elected to be treated as a REIT or (y) that relates to Distribution Taxes, without (in each case) the prior written consent of the Non-Controlling Party (which consent shall not be unreasonably withheld, delayed, or conditioned).

(c) *Vornado Control in Tax Contests Relating to Distribution Taxes and the Tax-Free Status.* Notwithstanding paragraphs (a) and (b) of this Section 5.3, Vornado shall be the Controlling Party with respect to (i) any Tax Contest involving Distribution Taxes, and (ii) any Tax Contest involving the qualification of the Vornado Contribution of OP Units and the Vornado Distribution for the Tax-Free Status.

5.4 *Cooperation Regarding Tax Contests.* The Parties shall provide each other with all information relating to a Tax Contest which is needed by the other Party to handle, participate in, defend, settle or contest the Tax Contest. At the request of any Party, the other Party shall take any action (*e.g.*, executing a power of attorney) that is reasonably necessary in order for the

requesting Party to exercise its rights under this Agreement in respect of a Tax Contest. Newco shall assist Vornado, and Vornado shall assist Newco, in taking any remedial actions that are necessary or desirable to minimize the effects of any adjustment made by a Tax Authority. The Indemnifying Party shall reimburse the Indemnified Party for any reasonable out-of-pocket costs and expenses incurred in complying with this Section 5.4.

SECTION 6. Tax Records.

6.1 *Retention of Tax Records.* Each of Vornado and Newco shall preserve, and shall cause their respective Subsidiaries to preserve, all Tax Records that are in their possession, and that could affect the liability of any member of the other Group for Taxes, for as long as the contents thereof may become material in the administration of any matter under applicable Tax Law, but in any event until the later of (x) the expiration of any applicable statute of limitations, as extended, and (y) seven years after the Distribution Date.

6.2 *Access to Tax Records.* Newco shall make available, and cause its Subsidiaries to make available, to members of the Vornado Group for inspection and copying (x) all Tax Records in their possession that relate to a Pre-Distribution Period, and (y) the portion of any Tax Record in their possession that relates to a Post-Distribution Period and which is reasonably necessary for the preparation of a Tax Return by a member of the Vornado Group or with respect to any Tax Contest with respect to such return. Vornado shall make available, and cause its Subsidiaries to make available, to members of the Newco Group for inspection and copying the portion of any Tax Record in their possession that relates to (i) a Vornado Included Interest and (ii) is reasonably necessary for the preparation of a Tax Return by a member of the Newco Group or with respect to any Tax Contest with respect to such return; *provided*, *however*, that, for the avoidance of doubt, this provision shall not require Vornado to furnish any information pertaining to the status or qualification of Vornado as a REIT or the compliance of any activities or assets of Vornado that are not Vornado Included Interests with applicable REIT requirements.

6.3 *Confidentiality.* Each party hereby agrees that it will hold, and shall use its reasonable best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence all records and information prepared and shared by and among the Parties in carrying out the intent of this Agreement, except as may otherwise be necessary in connection with the filing of Tax Returns or any administrative or judicial proceedings relating to Taxes or unless disclosure is compelled by a governmental authority. Information and documents of one Party (the "*Disclosing Party*") shall not be deemed to be confidential for purposes of this Section 6.3 to the extent that such information or document (i) is previously known to or in the possession of the other Party (the "*Receiving Party*") and is not otherwise subject to a requirement to be kept confidential, (ii) becomes publicly available by means other than unauthorized disclosure under this Agreement by the Receiving Party or (iii) is received from a third party without, to the knowledge of the Receiving Party after reasonable diligence, a duty of confidentiality owed to the Disclosing Party.

SECTION 7. Representations and Covenants.

7.1 *Covenants of Vornado and Newco.*

(a) Vornado hereby covenants that, to the fullest extent permissible under United States federal income and state Tax Laws, it will, and will cause the members of the Vornado Group to, treat the applicable Transactions in accordance with the Agreed Treatment. Newco hereby covenants that, to the fullest extent permissible under United States federal income and state Tax Laws, it will, and will cause each Subsidiary of Newco to, treat the applicable Transactions in accordance with the Agreed Treatment.

(b) Vornado further covenants that, as of and following the date hereof, Vornado shall not and shall cause the members of the Vornado Group not to take any action that (or fail to take any action the omission of which) would be inconsistent with the applicable Transactions qualifying for the Agreed Treatment or Newco qualifying as a REIT at the time of the Vornado Distribution or for any Pre-Distribution Period. Newco further covenants that, as of and following the date hereof, Newco shall not and shall cause the members of the Newco Group not to take any action that (or fail to take any action the omission of which) would be inconsistent with the applicable Transactions qualifying for the Agreed Treatment or Newco qualifying as a REIT at the time of the Vornado Distribution or for any Post-Distribution Period.

7.2 *Covenants of Newco.* Without limiting the generality of the provisions of Section 7.1, Newco, on behalf of itself and each member of the Newco Group, agrees and covenants that Newco and each member of the Newco Group will not, directly or indirectly, during the Restriction Period, (i) take any action that would result in Newco's ceasing to be engaged in the active conduct of the Newco Business within the meaning of Section 355(b)(2)(A) of the Code, (ii) redeem or otherwise repurchase (directly or indirectly) any of Newco's outstanding stock other than pursuant to open market stock repurchase programs meeting the requirements of Section 4.05(1)(b) of Revenue Procedure 96-30, 1996-1 C.B. 696, (iii) vary the relative voting rights of separate classes of Newco's stock or convert one class of Newco's stock into another class of its stock, (iv) liquidate or partially liquidate Newco, (v) merge or consolidate Newco with any other corporation, (vi) sell or otherwise dispose of the assets of Newco and its Subsidiaries, or take any other action or actions if such sale, other disposition or other action or actions in the aggregate would have the effect that one or more Persons acquire (or have the right to acquire), directly or indirectly, as part of a plan or series of related transactions, assets representing thirty percent (30%) or more of the fair market value of the assets of the Newco Group, not taking into account any Excepted Disposals, or (vii) take any other action or actions that in the aggregate would have the effect that one or more Persons acquire (or have the right to acquire), directly or indirectly, as part of a plan or series of related transactions, stock or equity securities of Newco representing a Fifty-Percent Equity Interest in Newco, other than a Permitted Acquisition. Newco covenants that so long as it qualifies as a REIT at the time of the Vornado Distribution (determined as if the taxable year of Newco ended at such time), it will qualify as a REIT for the taxable year in which the Vornado Distribution occurs so long as Section 856(c)(8) of the Code does not apply.

7.3 *Covenants of Vornado.* Without limiting the generality of the provisions of Section 7.1, Vornado, on behalf of itself and each member of the Vornado Group, agrees and covenants that Vornado and each member of the Vornado Group will not, directly or indirectly, during the Restriction Period, (i) take any action that would result in Vornado's ceasing to be engaged in the active conduct of the Vornado Business within the meaning of

Section 355(b)(2)(A) of the Code, (ii) redeem or otherwise repurchase (directly or indirectly) any of Vornado's outstanding stock other than pursuant to open market stock repurchase programs meeting the requirements of Section 4.05(1)(b) of Revenue Procedure 96-30,

1996-1 C.B. 696, (iii) vary the relative voting rights of separate classes of Vornado's stock or convert one class of Vornado's stock into another class of its stock, (iv) liquidate or partially liquidate Vornado, (v) merge or consolidate Vornado with any other corporation, (vi) sell or otherwise dispose of (other than in the ordinary course of business) the assets of Vornado and its Subsidiaries, or take any other action or actions if such sale, other disposition or other action or actions in the aggregate would have the effect that one or more Persons acquire (or have the right to acquire), directly or indirectly, as part of a plan or series of related transactions, assets representing fifty percent (50%) or more of the fair market value of the assets of the Vornado Group, or (vii) take any other action or actions that in the aggregate would have the effect that one or more Persons acquire (or have the right to acquire), directly or indirectly, as part of a plan or series of related transactions, stock or equity securities of Vornado representing a Fifty-Percent Equity Interest in Vornado. Vornado further covenants that (i) it qualifies and will qualify as a REIT for its taxable year that includes the date of the Vornado Distribution and at all times during the two years thereafter and (ii) from the time of the effective date of its REIT election, Newco has qualified as a REIT and will continue to qualify as a REIT to the time of the Vornado Distribution (determined as if the taxable year of Newco ended at such time).

7.4 *Newco Further Assurances.* Newco represents that it knows of no facts that are not known to Vornado and would be inconsistent with the applicable Transactions qualifying for the Agreed Treatment. Newco further represents that, in reliance on the covenant set forth in Section 7.3, from the time of the effective date of its REIT election to the date of this Agreement, it has qualified as a REIT and that it has no intention, and knows no facts which would cause it, not to so qualify hereafter. Newco further covenants that, based on and subject to the covenant of Vornado set forth in Section 7.3, it qualifies and will qualify as a REIT for its entire taxable year that includes the date of the Vornado Distribution and through the end of the Applicable Year.

7.5 *Vornado Further Assurances.* Vornado represents that it knows of no facts that would be inconsistent with the Transactions qualifying for the Agreed Treatment. Vornado further represents that, from the time of its formation to the date of this Agreement, it has qualified as a REIT and that it has no intention, and knows no facts which would cause it, not to so qualify hereafter. Vornado further covenants that it qualifies and will qualify as a REIT for its entire taxable year that includes the date of the Vornado Distribution and through the end of the Applicable Year.

7.6 *Notices and Exceptions*.

(a) If Newco or any of its Subsidiaries determines that it desires to take a Restricted Action, Newco shall notify Vornado of this fact in writing. Nonetheless, Newco or any of its Subsidiaries may take a Restricted Action if Vornado consents in writing to such Restricted Action, or if Newco provides Vornado with Satisfactory Guidance concluding that such Restricted Action will not alter the Tax-Free Status of the Vornado Contribution of OP Units and the Vornado Distribution in respect of Vornado or Vornado's shareholders.

(b) Newco and each of its Subsidiaries agree that Vornado and each Vornado Indemnified Party are to have no liability for any Tax resulting from any Restricted Actions permitted pursuant to this Section 7.8 and, subject to Section 2.2, agree to indemnify and hold harmless each Vornado Indemnified Party against any such Tax. Newco shall bear all costs incurred by it, and all reasonable costs incurred by Vornado, in connection with requesting and/or obtaining any Satisfactory Guidance.

(c) Newco shall promptly notify Vornado in the event that Newco has knowledge that any of the representations made in Section 7.4 is false.

(d) Vornado shall promptly notify Newco in the event that Vornado has knowledge that any of the representations made in Section 7.5 is false.

(e) If Newco or any of its Subsidiaries proposes to enter into any Acquisition Transaction Requiring Notice or, to the extent Newco has the right to prohibit any Acquisition Transaction Requiring Notice, proposes to permit any Acquisition Transaction Requiring Notice to occur, in each case, during the Restriction Period, Newco shall provide Vornado no later than ten (10) days before the signing of any written agreement with respect to any Acquisition Transaction Requiring Notice, with a written description of such transaction (including the type and amount of Equity Interests in Newco or any Subsidiary of Newco that are the subject of such transaction).

7.7 *Relief.*

(a) For the avoidance of doubt, Vornado shall have the right to seek injunctive relief to prevent Newco or any of its Subsidiaries from taking any action that is not consistent with the covenants of Newco or any of its Subsidiaries under Section 7.1 or 7.2.

(b) Nothing in this Agreement shall be construed to give any Newco Indemnified Party any right to remedies other than indemnification for any increase in the actual Tax liability (and/or decrease in Tax Benefit) of such Newco Indemnified Party that results from Vornado Group's failure to comply with the covenants in made in Section 7.1 or 7.3.

7.8 *Operating Rules.* For the avoidance of doubt, for purposes of Sections 7.2 and 7.3, (i) any arrangement whereby a Person that is a corporation has the right to satisfy an obligation to purchase property by delivering either cash or its own stock shall be treated as an arrangement to which Treasury Regulations Section 1.355-7(e) applies, (ii) the acquisitions of Newco Shares and units of Newco OP pursuant to the Combination Transactions (as that term is defined in the Master Transaction Agreement) are taken into account in determining whether one or more Persons acquire (or have the right to acquire), directly or indirectly, as part of a plan or series of related transactions, stock or equity securities of Newco representing a Fifty-Percent Equity Interest in Newco, (iii) the issuance of any compensatory stock or compensatory stock options, the issuance of any stock pursuant to any equity award, compensatory option, or restricted stock unit, or the repurchase of any restricted stock, if such issuance or repurchase satisfies the conditions of Treasury Regulation Section 1.355-7(d)(8)(i), shall not be taken into

account, and (iv) the issuance of stock to a retirement plan qualified under Section 401(a) or 403(a) of the Code in a transaction that satisfies the requirements of Treasury Regulation Section 1.355-7(d)(9) shall not be taken into account *provided*, *however*, that, for the avoidance of doubt, in the case of clauses (i) and (ii) of this Section 7.8, the issuance by Newco of Newco Shares in exchange for OP Units which OP Units have been taken into account for purposes of determining whether one or more Persons acquire (or have the right to acquire), directly or indirectly, as part of a plan or series of related transactions, stock or equity securities of Newco representing a Fifty-Percent Equity Interest in Newco shall not be taken into account duplicatively for such purposes.

7.9 *REIT Certificates*. On each of the first three anniversaries of the Vornado Distribution,

(a) Newco will deliver to Vornado a written opinion of an Expert Law Firm, dated as of such date and in form and substance reasonably satisfactory to Vornado and in reliance on the tax opinions described in Sections 7.3(e)(i) and 7.3(e)(iii) of the Master Transaction Agreement (relating to the REIT qualification of the Vornado REITs and Vornado, respectively), to the effect that, commencing with Newco's taxable year in which the Vornado Distribution occurs, Newco has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its actual method of operation has enabled Newco to meet, through the date of such opinion, and its proposed method of operation will enable Newco to continue to meet, the requirements for qualification and taxation as a REIT under the Code, which opinion will (i) be subject to customary exceptions, assumptions and qualifications (including Reasonable Cause Exceptions) and (ii) be based on customary representations contained in an officer's certificate from Newco (including Reasonable Cause Exceptions); and

(b) Vornado will deliver to Newco a written opinion of an Expert Law Firm, dated as of such date and in form and substance reasonably satisfactory to Newco and upon which Newco and its REIT counsel shall be entitled to rely for future opinions, to the effect that, commencing with Vornado's first taxable year with respect to which Vornado made an election pursuant to Section 856(c)(1) of the Code to be taxed as a REIT, Vornado has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its actual method of operation has enabled Vornado to meet, through the date of such opinion, and its proposed method of operation will enable Vornado to continue to meet, the requirements for qualification and taxation as a REIT under the Code, which opinion will (i) be subject to customary exceptions, assumptions and qualifications (including Reasonable Cause Exceptions) and (ii) be based on customary representations contained in an officer's certificate from Vornado (including Reasonable Cause Exceptions), executed by an officer with the knowledge necessary to make the representations contained therein.

SECTION 8. General Provisions.

8.1 *Predecessors or Successors*. Any reference to Vornado, Newco, a Person, or a Subsidiary in this Agreement shall include any predecessors or successors (*e.g.*, by merger or other reorganization, liquidation, conversion, or election under Treasury Regulations

Section 301.7701-3) of Vornado, Newco, such Person, or such Subsidiary, respectively, including within the meaning of Section 355(e)(4)(D) of the Code and the Treasury Regulations promulgated thereunder. For the avoidance of doubt, no member of the Vornado Group shall be deemed to be a predecessor or successor of Newco and no member of the Newco Group shall be deemed to be a predecessor or successor of Vornado.

8.2 *Construction.* This Agreement and so much of the Separation and Distribution Agreement as relates to the subject matter hereof shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

8.3 *Counterparts*. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Party.

8.4 *Notices*. All notices and other communications hereunder shall be in writing, shall reference this Agreement and shall be hand delivered or mailed by registered or certified mail (return receipt requested) to the Parties at the following addresses (or at such other addresses for a Party as shall be specified by like notice) and will be deemed given on the date on which such notice is received:

If to Vornado, to:

Vornado Realty Trust
888 Seventh Avenue
New York, New York 10019
Attention: Secretary and General Counsel
E-mail: arice@vno.com

with a copy (until 12:01 a.m., Eastern time, on the Distribution Date) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: William G. Farrar
Facsimile: (212) 558-3588

If to Newco, to:

Vornado Realty Trust
888 Seventh Avenue
New York, New York 10019
Attention: Secretary and General Counsel
E-mail: arice@vno.com

with a copy (until 12:01 a.m., Eastern time, on the Distribution Date) to:

JBG Properties Inc.
4445 Willard Avenue, Suite 400
Chevy Chase, Maryland 20815
Attention: W. Matthew Kelly
E-mail: mkelly@jbg.com

8.5 *Amendments.* This Agreement may not be modified or amended except by an agreement in writing signed by each of the Parties.

8.6 *Assignment*. This Agreement shall not be assignable, in whole or in part, directly or indirectly, by any Party without the prior written consent of the other Party, and any attempt to assign any rights or obligations arising under this Agreement without such consent shall be void; provided that, subject to compliance with Section 7, if applicable, either Party may assign this Agreement to a purchaser of all or substantially all of the properties and assets of such Party so long as such purchaser expressly assumes, in a written instrument in form reasonably satisfactory to the non-assigning Party, the due and punctual performance or observance of every agreement and covenant of this Agreement on the part of the assigning Party to be performed or observed.

8.7 *Successors and Assigns*. The provisions to this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

8.8 *Change in Law.* Any reference to a provision of the Code, the Treasury Regulations or any other Tax Law shall include a reference to any applicable successor provision or law.

8.9 *Authorization, Etc*. Each of the Parties hereto hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such Party, that this Agreement constitutes a legal, valid and binding obligation of such Party and that the execution, delivery and performance of this Agreement by such Party does not contravene or conflict with any provision of law or the Party's charter or bylaws or any agreement, instrument or order binding such Party.

8.10 *Termination*. Notwithstanding any provision to the contrary, in the event that the Master Transaction Agreement is terminated prior to the Closing, this Agreement shall terminate and be of no further force and effect. In the event of such termination, no Party shall have any liability of any kind to any other Party or any other Person. After the Vornado Distribution, this Agreement may not be terminated except by an agreement in writing signed by the Parties.

8.11 *Subsidiaries*. Each of the Parties shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any entity that is contemplated to be a Subsidiary of such Party after the Distribution Date.

8.12 *Third-Party Beneficiaries*. Except with respect to Vornado Indemnified Parties and Newco Indemnified Parties, and in each case, only where and as indicated herein, this Agreement is solely for the benefit of the Parties and their respective Subsidiaries and shall not be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement. Notwithstanding anything in this Agreement to the contrary, this Agreement is not intended to confer upon any Newco Indemnified Parties any rights or remedies against Newco hereunder, and this Agreement is not intended to confer upon any Vornado Indemnified Parties any rights or remedies against Vornado hereunder.

8.13 *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in the State of New York.

8.14 *Waiver of Jury Trial.* The Parties hereby irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

8.15 *Severability*. In the event any one or more of the provisions contained in this Agreement were to be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The Parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

8.16 *Waiver*. The Parties may waive a provision of this Agreement only by a writing signed by the party intended to be bound by the waiver. A party is not prevented from enforcing any right, remedy or condition in the Party's favor because of any failure or delay in exercising any right or remedy or in requiring satisfaction of any condition, except to the extent that the Party specifically waives the same in writing. A written waiver given for one matter or occasion is effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver for any other matter or occasion. Any enumeration of a Party's rights and remedies in this Agreement is not intended to be exclusive, and a Party's rights and remedies are intended to be cumulative to the extent permitted by law and include any rights and remedies authorized in law or in equity.

8.17 *No Double Recovery.* No provision of this Agreement shall be construed to provide an indemnity or other recovery for any costs, damages, or other amounts for which the damaged Party has been fully compensated under any other provision of this Agreement or under any other agreement or action at law or equity. Unless expressly required in this Agreement, a Party shall not be required to exhaust all remedies available under other agreements or at law or equity before recovering under the remedies provided in this Agreement.

8.18 *No Strict Construction; Interpretation.*

(a) Each of Vornado and Newco acknowledges that this Agreement has been prepared jointly by the Parties hereto and shall not be strictly construed against any Party hereto.

(b) The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof," "herein," and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by the respective officers as of the date set forth above.

VORNADO REALTY TRUST

By: _____
Name:
Title:

JBG SMITH PROPERTIES

By: _____
Name:
Title:

[*Signature Page to Tax Matters Agreement*]

FINAL FORM
Exhibit I

FORM OF
ASSET MANAGEMENT SUBCONTRACT

[Newco Manager, LLC]

THIS ASSET MANAGEMENT SUBCONTRACT (this "**Agreement**") is made this [ ] day of [ ], 2017, by and among [INSERT THE NAME OF THE JBG FUND, a Delaware] (the "**Fund**"), [INSERT THE NAME OF THE GENERAL PARTNER OR MANAGING MEMBER OF THE FUND, a Delaware limited liability company], on behalf of itself and in its capacity as the [general partner] [managing member] of the Fund (the "**Fund Manager**"), and [Newco Manager, LLC], a Delaware limited liability company (the "JBGS **Manager**").

WHEREAS, the Fund has been organized as a [limited partnership] [limited liability company] and is governed by [INSERT THE NAME OF THE AGREEMENT] (the "**Operating Agreement**"); capitalized terms used herein but not defined, shall have the meanings ascribed to them in the Operating Agreement;

WHEREAS, the Fund Manager is the [general partner] [managing member] of the Fund under the Operating Agreement and provides asset management and other related services to the Fund (the "**Asset Services**") and receives the [USE THE DEFINED TERM FROM THE RELEVANT AGREEMENT WITH RESPECT TO THE ASSET MANAGEMENT FEE] and certain Additional Fees (as defined below) as compensation for such Services;

WHEREAS, the Fund Manager desires to subcontract the Asset Services, other than those specified in Exhibit A, to the JBGS Manager (collectively, the "**Services**"), whereby the JBGS Manager shall perform such Services on behalf of the Fund Manager;

WHEREAS, in consideration for the JBGS Manager performing the Services, the Fund Manager desires to pay to the JBGS Manager the [USE THE DEFINED TERM FROM THE RELEVANT AGREEMENT WITH RESPECT TO THE ASSET MANAGEMENT FEE] and the Additional Fees;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, each party hereto agrees as follows:

1. Services.

(a) The JBGS Manager hereby agrees to perform, as a subcontractor to the Fund Manager, the Services, all in accordance with the standards, terms and provisions set forth in the Operating Agreement to the extent required or permitted to be provided by the Fund Manager and subject to the applicable restrictions on the Fund Manager's authority, including

without limitation, as set forth in Section thereof. [INSERT APPROPRIATE REFERENCE TO THE MAJOR DECISIONS SECTION AND/OR OTHER APPROVAL PROVISIONS OF THE OPERATING AGREEMENT] The JBGS Manager may, in its discretion, retain other professionals, including, but not limited to, contractors, custodians, agents, accountants, lawyers and other consultants and service providers of whatsoever nature, to assist it in rendering the Services.

(b) Except with respect to [Reimbursable Expenses] [THE BRACKETED LANGUAGE TO BE CUSTOMIZED BASED ON THE APPLICABLE FUND TERMS OR PROVISIONS FROM THE OPERATING AGREEMENT WHICH REQUIRE OR PERMIT REIMBURSEMENT OF EXPENSES TO THE FUND MANAGER OR ITS AFFILIATES], the JBGS Manager agrees to pay all expenses related to the performance of its duties under this Agreement.

2. Term. This Agreement shall continue in effect until the removal of the Fund Manager as the [general partner] [managing member] of the Fund under the Operating Agreement, at which time this Agreement shall automatically terminate. Upon termination of this Agreement, the JBGS Manager will deliver to the Fund Manager all files and other materials relating to the Services and the Fund Manager shall deliver any accrued but unpaid [USE THE DEFINED TERM FROM THE RELEVANT AGREEMENT WITH RESPECT TO THE ASSET MANAGEMENT FEE] and Additional Fees.

3. Compensation. In consideration for the Services provided to the Fund by the JBGS Manager hereunder, to the extent that the JBGS Manager does not receive such amounts directly from the Fund, the Fund Manager shall pay to the JBGS Manager (i) the [USE THE DEFINED TERM FROM THE RELEVANT AGREEMENT WITH RESPECT TO THE ASSET MANAGEMENT FEE] (which shall be prorated for the current fiscal quarter) and [(ii) the fees, expenses and reimbursements (other than [Reimbursable Expenses]) payable to the Fund Manager with respect to the Services pursuant to the Operating Agreement, including [Transaction Fees] (such fees and expenses and reimbursements are collectively referred to as, the "**Additional Fees**"). Such payments shall be due and payable as set forth in Section 3.6 of the Operating Agreement.] [THE BRACKETED LANGUAGE TO BE CUSTOMIZED BASED ON THE APPLICABLE FUND SUCH THAT ALL FEES PAYABLE BY THE FUND TO THE FUND MANAGER OR ITS AFFILIATES ARE PAYABLE TO JBGS MANAGER UNLESS OTHERWISE PAYABLE TO A SUBSIDIARY OF NEWCO PURSUANT TO A SEPARATE AGREEMENT]

4. Third Party Beneficiary. The JBGS Manager is an intended third party beneficiary of [Section 3.6 and Schedule D] and all other provisions of the Operating Agreement with respect to the Services, the [Managing Member Fee] and the fees, reimbursements, indemnification or other compensation or rights or obligations of the Fund Manager with respect to the Services under the Operating Agreement, and shall be entitled to the benefits arising thereunder. The Fund Manager hereby agrees not to initiate and not to consent to any amendments of the Operating Agreement altering the Services, the [USE THE DEFINED TERM FROM THE RELEVANT AGREEMENT WITH RESPECT TO THE ASSET MANAGEMENT

FEE] or any other terms of the Operating Agreement with respect to the fees, reimbursements, indemnification or other compensation or rights or obligations of the Fund Manager with respect to the Services or such fees, including, without limitation [Section 3.6, Section 8.1 and Schedule D] of the Operating Agreement, without the prior written consent of the JBGS Manager. [THE BRACKETED LANGUAGE TO BE CUSTOMIZED BASED ON THE APPLICABLE FUND]

5. Assignment; Successors. Except as set forth herein, this Agreement may not be assigned by any party hereto without the prior written consent of the other parties hereto. Any such assignment made without the prior written consent of the other parties shall be void and deemed ineffective. Notwithstanding the above, the JBGS Manager shall have the right to assign this Agreement, and any rights or obligations hereunder without the prior written consent of any other parties, to (i) an Affiliate (as defined below) of [Newco] or the JBGS Manager, or (ii) any successor by operation of law of [Newco] or the JBGS Manager or any Affiliate thereof. This Agreement shall be binding upon the successors and permitted assigns of the parties hereto. "Affiliate," for purposes of this section, means, with respect to any person, (i) any person directly or indirectly controlling, controlled by, or under common control with such person, (ii) any person directly or indirectly owning or controlling 51% or more of the outstanding voting securities of such person, (iii) any officer, partner, member, director or trustee of such person, and (iv) if such person is an officer, partner, member, director or trustee, any person for which such person acts in any such capacity. For purposes of this definition, "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, including the day-to-day management control of such person, whether through the ownership of voting securities, by contract or otherwise.

6. Other Activities. This Agreement shall not be construed or applied to prevent the JBGS Manager or any of its affiliates from engaging in any other business or activities, including those which may be similar to the investments or business of the Fund or the Fund Manager. This Agreement shall not be construed to create any partnership relationship between JBGS Manager and the Fund Manager, and JBGS Manager shall be deemed for all purposes an independent contractor.

7. Notices. Any notice, demand, consent, approval, request or other communication or document to be provided hereunder to a party hereto shall be given in writing, and shall be deemed to have been given upon receipt of such notice by the other party.

8. Entire Agreement. This Agreement represents the complete understanding and entire agreement between the parties hereto as to the subject matter hereof, and supersedes all prior and contemporaneous written or oral negotiations, representations, warranties, statements or agreements between the parties hereto as to the same.

9. Amendment. This Agreement may be amended only by an instrument executed and delivered by each party hereto.

10. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any choice of law or

conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first above written.

JBG/Fund III Manager, L.L.C.

By: _____
Name:
Title:

[Newco Manager, LLC]

By: _____
Name:
Title:

Acknowledged and Agreed:

[JBG FUND]

By: [JBG/Fund Manager, L.L.C.],
Its [general partner] [managing member]

By: _____
Name:
Title:

FINAL FORM
Exhibit J

FIRPTA CERTIFICATE

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that a transferee of a "United States real property interest" (as that term is defined in Section 897(c)(1) of the Code and Section 1.897-1(c) of the Treasury Regulations) must withhold tax if the transferor is a foreign person. For U.S. federal income tax purposes (including Section 1445 of the Code), the owner of a disregarded entity (which has legal title to a United States real property interest under local law) will be the transferor of the property and not the disregarded entity. To confirm that withholding of tax is not required upon the disposition of a United States real property interest by [] ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor or, if Transferor is an individual, on behalf of himself/herself:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, foreign estate, or a nonresident alien individual (as those terms are defined in the Code and Treasury Regulations);

2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii) of the Treasury Regulations;

3. Transferor's U.S. employer identification number or, if Transferor is an individual, Transferor's social security number is []; and

4. Transferor's office address or, if Transferor is an individual, Transferor's home address is [].

Transferor understands that this certification may be disclosed to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment, or both.

[*Signature page follows*]

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and, if Transferor is not an individual, I further declare that I have authority to sign this document on behalf of Transferor.

_____
Name of Transferor

Dated: [], 2017

_____
Signature of Transferor (or, if signing on behalf of Transferor that is an entity, signature of person authorized to sign on behalf of the entity)

_____
Name of person authorized to sign on behalf of Transferor that is an entity

_____
Title of person authorized to sign on behalf of Transferor that is an entity

FINAL FORM
Exhibit K

JBG SMITH Properties

2017 Omnibus Share Plan

(As approved by shareholders on •, 2017)

Table of Contents

1. Purpose

The purpose of the 2017 Omnibus Share Plan of JBG SMITH Properties, as amended from time to time (the "Plan"), is to promote the financial interests of JBG SMITH Properties (the "Trust"), including its growth and performance, by encouraging employees of the Trust and its subsidiaries, including officers (together, the "Employees"), its non-employee trustees of the Trust and non-employee directors of its subsidiaries (together, the "Non-Employee Trustees"), and certain non-employee advisors and consultants that provide bona fide services to the Trust or its subsidiaries (together, the "Consultants") to acquire an ownership position in the Trust, enhancing the ability of the Trust and its subsidiaries to attract and retain Employees, Non-Employee Trustees and Consultants of outstanding ability, and providing Employees, Non-Employee Trustees and Consultants with a way to acquire or increase their proprietary interest in the Trust's success and to further align the interests of the Employees, Non-Employee Trustees and Consultants with shareholders of the Trust.

2. Shares Available for Awards

Subject to the provisions of this Section 2 or any adjustment as provided in Section 18, awards may be granted under the Plan with respect to • Share Equivalents (as defined below), which, in accordance with the share counting provisions of this Section 2, would result in the issuance of up to a maximum of • common shares, par value $.01, of beneficial interest in the Trust (the "Shares") if all awards granted under the Plan were Full Value Awards (as defined below) and • Shares if all awards granted under the Plan were not Full Value Awards. No Participant (as defined in Section 3) who is an Employee shall be granted during any period of 12 consecutive months stock options, stock appreciation rights or any award intended to be "performance-based compensation" (as that term is used in Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code")) with respect to more than • Shares (subject to adjustment as provided in Section 18). The Shares issued under the Plan may be authorized and unissued Shares or treasury Shares, as the Trust may from time to time determine. Any Shares that are subject to awards that are not Full Value Awards shall be counted against the number of Share Equivalents available for the grant of awards under the Plan, as set forth in the first sentence of this Section 2, as one Share Equivalent for every Share granted pursuant to an award; any Shares that are subject to awards that are Full Value Awards shall be counted as one Share Equivalent for every Share granted pursuant to an award. "Full Value Award" means an award under the Plan other than a stock option, stock appreciation right or other award that does not deliver to a Participant on the grant date of such award the full value of the underlying Shares or underlying OP Units (as defined in Section 11). "Share Equivalent" shall be the measuring unit for purposes of the Plan to determine the number of Shares that may be subject to awards hereunder, which number of Shares shall not in any event exceed •, subject to the provisions of this Section 2 or any adjustment as provided in Section 18.

The Committee (as defined in Section 3) may, without affecting the number of Share Equivalents available pursuant to this Section 2, authorize the issuance or assumption of benefits under the Plan in connection with any merger, consolidation, acquisition of property or stock, reorganization or similar transaction upon such terms and conditions as it may deem appropriate, subject to compliance with Section 409A (as defined in Section 18) and any other applicable provisions of the Code.

Shares subject to an award granted under the Plan that expires unexercised, that is forfeited, terminated or cancelled, in whole or in part, or is paid in cash in lieu of Shares, shall thereafter again be available for grant under the Plan; provided, however, that the number of Share Equivalents that shall again be available for the grant under the Plan shall be increased by one Share Equivalent for each Share that is subject to a Full Value Award at the time such Full Value Award expires or is forfeited, terminated or cancelled and by one Share Equivalent for each Share that is subject to an award that is not a Full Value Award at the time such award expires or is forfeited, terminated or cancelled. Awards that use Shares as a reference but that are paid or settled in whole or in part in cash shall not affect the number of Share Equivalents available under the Plan pursuant to this Section 2 to the extent paid or settled in cash. The number of Share Equivalents available for the purpose of awards under the Plan shall be reduced by (i) one of the gross number of Shares for which stock options or stock appreciation rights are exercised, regardless of whether any of the Shares underlying such awards are not actually issued to the Participant as the result of a net settlement and (ii) one of any Shares withheld to satisfy any tax withholding obligation with respect to any award that is not a Full Value Award and one Share for each Share withheld to satisfy any tax withholding obligation with respect to any Full Value Award, as described further in Section 15.

The maximum aggregate number of Shares that may be issued under the Plan pursuant to the exercise of incentive stock options within the meaning of Section 422 of the Code shall not exceed • Shares (as adjusted pursuant to the provisions of Section 18).

3. Administration

The Plan shall be administered by the Compensation Committee (the "Committee") of the Board of Trustees of the Trust. A majority of the Committee shall constitute a quorum, and the acts of a majority shall be the acts of the Committee. Notwithstanding anything to the contrary contained herein, the Board of Trustees may, in its sole discretion, at any time and from time to time, grant awards or administer the Plan. In any such case, the Board of Trustees will have all of the authority and responsibility granted to the Committee herein.

Subject to the provisions of the Plan, the Committee shall select the Employees, Non-Employee Trustees and Consultants who will be participants in the Plan (together, the "Participants"). The Committee shall (i) determine the type of awards to be made to Participants, determine the Shares or share units subject to awards, and (ii) have the authority to interpret the Plan, to establish, amend, and rescind any rules and regulations relating to the Plan, to determine the terms and provisions of any agreements entered into hereunder, and to make all other determinations necessary or advisable for the administration of the Plan, based on, among other things, information made available to the Committee by the management of the Trust. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any award in the manner and to the extent it shall deem desirable to carry it into effect. The determinations of the Committee in its administration of the Plan, as described herein, shall be final and conclusive.

4. Eligibility

All Employees who have demonstrated significant management potential or who have the capacity for contributing in a substantial measure to the successful performance

of the Trust, as determined by the Committee, and Non-Employee Trustees and Consultants, as determined by the Committee, are eligible to be Participants in the Plan.

5. Awards

Awards under the Plan may consist of the following: stock options (either incentive stock options within the meaning of Section 422 of the Code or non-qualified stock options), stock appreciation rights, performance shares, grants of restricted stock and other-stock based awards, including OP Units (as defined in Section 11). Awards of performance shares, restricted stock or share units and other-stock based awards may provide the Participant with dividends or dividend equivalents and voting rights prior to vesting (whether based on a period of time or based on attainment of specified performance conditions). Unless the Committee otherwise specifies in the award agreement, if dividends or dividend equivalent rights are granted, dividends and dividend equivalents shall be paid to the Participant at the same time as the Trust pays dividends to common shareholders (even if the Shares subject to the underlying award are held by the Trust) but not less than annually and not later than the fifteenth day of the third month following the end of the calendar year in which the dividends or dividend equivalents are credited (or, if later, the fifteenth day of the third month following the end of the calendar year in which the dividends or dividend equivalents are no longer subject to a "substantial risk of forfeiture" within the meaning of Section 409A (as defined in Section 18)); provided, however, that dividend and dividend equivalent payments in the case of an award that is subject to performance vesting conditions shall be treated as unvested so long as such award remains unvested, and any such dividend and dividend equivalent payments that would otherwise have been paid during the vesting period shall instead be accumulated (and, if paid in cash, reinvested in additional Shares based on the Surrender Value (as defined in Section 6) of the Shares on the date of reinvestment) and paid within 30 days following the date on which such award is determined by the Committee to have satisfied such performance vesting conditions. Any dividends or dividend equivalents that are accumulated and paid after the date specified in the preceding sentence may be treated separately from the right to other amounts under the award.

Notwithstanding any other provision of the Plan to the contrary, Full Value Awards (a) that vest on the basis of the Participant's continued employment or service shall be subject to a minimum vesting schedule of at least three years (with no more than one-third of the Shares subject thereto vesting earlier than a date 60 days prior to the first anniversary of the date on which such award is granted and on each of the next two anniversaries of such initial vesting date) and (b) that vest on the basis of the attainment of performance goals shall provide for a performance period that ends no earlier than 60 days prior to the first anniversary of the commencement of the period over which performance is evaluated; provided, however, that the foregoing limitations shall not preclude the acceleration of vesting of any such award upon the involuntary termination, death, disability or retirement of the Participant or upon an actual change in control (and not, for example, the commencement of a tender offer for the Trust's shares or shareholder approval of a transaction that, if consummated, would result in an actual change in control). Notwithstanding the foregoing, (i) Full Value Awards with respect to 5% of the maximum aggregate number of Share Equivalents available for the purpose of awards under the Plan pursuant to Section 2 may be granted under the Plan to any one or more Participants without respect to such minimum vesting provisions and (ii) Full Value Awards granted in connection with the Spinoff (as defined in Section 21) shall not be

subject to the provisions of this paragraph and shall not be counted against the 5% exception in clause (i).

6. Stock Options

The Committee shall establish the option price at the time each stock option is granted, which price shall not be less than 100% of the Fair Market Value (as defined below) of the Shares on that date. Stock options shall be exercisable for such period as specified by the Committee but in no event may options be exercisable more than ten years after their date of grant. The option price of each Share as to which a stock option is exercised shall be paid in full at the time of such exercise. Such payment shall be made (i) in cash, (ii) by tender of Shares owned by the Participant valued at Surrender Value as of the date of exercise, (iii) to the extent approved by the Committee in its sole discretion, by surrender of all or part of the Shares issuable upon exercise of the option by the largest whole number of Shares with a Surrender Value that does not exceed the aggregate exercise price; provided, however, that the Trust shall accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole Shares to be issued, (iv) in such other consideration as the Committee deems appropriate, or (v) by a combination of cash, Shares and such other consideration.

For purposes of the Plan, (i) "Fair Market Value" means, with respect to a Share, the average of the high and the low prices reported for the Shares on the applicable date as reported on the New York Stock Exchange or, if not so reported, as determined in accordance with a valuation methodology approved by the Committee in a manner consistent with Section 409A, unless determined as otherwise specified herein; provided that the "Fair Market Value" for purposes of any award granted in connection with the Spinoff pursuant to a legally binding right that existed prior to the Spinoff may be determined based on the volume-weighted average trading price of the Shares for up to 20 trading days following (but not including) the date of the Spinoff, and (ii) "Surrender Value" means, with respect to a Share, the closing price reported for the Shares on the applicable date as reported on the New York Stock Exchange or, if not so reported, as determined in accordance with a valuation methodology approved by the Committee in a manner consistent with Section 409A, unless determined as otherwise specified herein. For purposes of the grant of any award, the applicable date will be the trading day on which the award is granted or, if the date the award is granted is not a trading day, the trading day immediately prior to the date the award is granted. For purposes of the exercise of any award, the applicable date is the date a notice of exercise is received by the Trust or, if such date is not a trading day, the trading day immediately following the date a notice of exercise is received by the Trust.

7. Stock Appreciation Rights

Stock appreciation rights may be granted in tandem with a stock option, in addition to a stock option, or may be freestanding and unrelated to a stock option. Stock appreciation rights granted in tandem with or in addition to a stock option may be granted either at the same time as the stock option or at a later time. The Committee shall establish the grant price of each stock appreciation right granted at the time each such stock appreciation right is granted, which price shall not be less than 100% of the Fair Market Value of the Shares subject to such award on that date. A stock appreciation right shall entitle the Participant to receive from the Trust an amount equal to the increase of

the Fair Market Value of the Shares on the exercise of the stock appreciation right over the grant price. The Committee, in its sole discretion, shall determine whether the stock appreciation right shall be settled in cash, Shares or a combination of cash and Shares.

8. Performance Shares

Performance shares may be granted in the form of actual Shares or share units having a value equal to an identical number of Shares. In the event that a certificate is issued in respect of Shares subject to a grant of performance shares, such certificate shall be registered in the name of the Participant but shall be held by the Trust until the time the Shares subject to the grant of performance shares are earned. The performance conditions and the length of the performance period shall be determined by the Committee. The Committee, in its sole discretion, shall determine whether performance shares granted in the form of share units shall be paid in cash, Shares, or a combination of cash and Shares.

Notwithstanding anything to the contrary herein, performance shares granted under this Section 8 may, at the discretion of the Committee, be granted in a manner which is intended to be deductible by the Trust under Section 162(m) of the Code. In such event, the Committee shall follow procedures substantially equivalent to those set forth in Section 10 for Performance-Based Awards (as defined in Section 10).

9. Restricted Stock

Restricted stock may be granted in the form of actual Shares or share units having a value equal to an identical number of Shares. In the event that a certificate is issued in respect of Shares subject to a grant of restricted stock, such certificate shall be registered in the name of the Participant but shall be held by the Trust until the end of the restricted period. The employment conditions and the length of the period for vesting of restricted stock shall be established by the Committee at time of grant. The Committee, in its sole discretion, shall determine whether restricted stock granted in the form of share units shall be paid in cash, Shares, or a combination of cash and Shares.

Notwithstanding anything to the contrary herein, restricted stock granted under this Section 9 may, at the discretion of the Committee, be granted in a manner which is intended to be deductible by the Trust under Section 162(m) of the Code. In such event, the Committee shall follow procedures substantially equivalent to those set forth in Section 10 for Performance-Based Awards.

10. Other Stock-Based Awards

Other types of equity-based or equity-related awards (including the grant or offer for sale of unrestricted Shares and performance stock and performance units settled in shares or cash) may be granted under such terms and conditions as may be determined by the Committee in its sole discretion.

Notwithstanding anything to the contrary herein, any other stock-based awards may, at the discretion of the Committee, be granted in a manner that is intended to be deductible by the Trust under Section 162(m) of the Code (a "Performance-Based Award"). In such event, the Committee shall follow the following procedures:

A Participant's Performance-Based Award shall be determined based on the attainment of written objective performance goals approved by the Committee for a performance period generally of one year established by the Committee (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days which is equal to 25% of the relevant performance period. At the same time as the performance goals are established, the Committee will prescribe a formula to determine the amount of the Performance-Based Award that may be payable based upon the level of attainment of the performance goal during the performance period.

The performance goals shall be based on one or more of the following business criteria (either separately or in combination) with regard to the Trust (or a subsidiary, division, other operational unit or administrative department of the Trust): (i) pre-tax income, (ii) after-tax income, (iii) net income (meaning net income as reflected in the Trust's financial reports for the applicable period, on an aggregate, diluted and/or per share basis), (iv) operating income, (v) cash flow, (vi) earnings per share, (vii) return on equity, (viii) return on invested capital or assets, (ix) cash and/or funds available for distribution, (x) appreciation in the Fair Market Value of Shares, (xi) return on investment, (xii) total return to shareholders, (xiii) net earnings growth, (xiv) stock appreciation (meaning an increase in the price or value of the Shares after the date of grant of an award and during the applicable period), (xv) related return ratios, (xvi) increase in revenues, (xvii) net earnings, (xviii) changes (or the absence of changes) in the per share or aggregate market price of the Shares, (xix) number of securities sold, (xx) earnings before any one or more of the following items: interest, taxes, depreciation or amortization for the applicable period, as reflected in the Trust's financial reports for the applicable period, (xxi) total revenue growth (meaning the increase in total revenues after the date of grant of an award and during the applicable period, as reflected in the Trust's financial reports for the applicable period), (xxii) total shareholder return, (xxiii) funds from operations, as determined and reported by the Trust in its financial reports and (xxiv) increase in net asset value per Share.

Performance criteria may be absolute amounts or percentages of amounts or may be relative to the performance of a peer group of real estate investment trusts or other corporations or indices.

Except as otherwise expressly provided, all financial terms are used as defined under Generally Accepted Accounting Principles ("GAAP") and all determinations shall be made in accordance with GAAP, as applied by the Trust in the preparation of its periodic reports to shareholders.

In addition, the performance goals may be based upon the attainment of specified levels of Trust (or subsidiary, division, other operational unit or administrative department of the Trust) performance under one or more of the measures described above relative to the performance of other real estate investment trusts or the historic performance of the Trust. To the extent permitted by Section 162(m) of the Code, unless the Committee provides otherwise at the time of establishing the performance goals, for each fiscal year of the Trust, the Committee may (i) designate additional business criteria on which the performance goals may be based or (ii) provide for objectively determinable adjustments, modifications or amendments, as determined in accordance with GAAP, to any of the performance criteria described above for one or more of the items of gain, loss, profit or

expense: (A) determined to be extraordinary or unusual in nature or infrequent in occurrence, (B) related to the disposal of a segment of a business, (C) related to a change in accounting principle under GAAP, (D) related to discontinued operations that do not qualify as a segment of business under GAAP, and (E) attributable to the business operations of any entity acquired by the Trust during the fiscal year.

Following the completion of each performance period, the Committee shall have the sole discretion to determine, based on information made available to the Committee by the management of the Trust, whether the applicable performance goals have been met with respect to a given Participant and, if they have, shall so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be paid for such performance period until such certification is made by the Committee. The amount of the Performance-Based Award actually paid to a given Participant may be less (but not more) than the amount determined by the applicable performance goal formula, at the discretion of the Committee. The amount of the Performance-Based Award determined by the Committee for a performance period shall be paid to the Participant at such time as determined by the Committee in its sole discretion, after the end of such performance period and after the Committee's certification described above.

11. Operating Partnership Units

Awards may be granted under the Plan in the form of undivided fractional limited partnership interests in JBG SMITH Properties LP (together with any successor entity, the "Operating Partnership"), a Delaware limited partnership, the entity through which the Trust conducts its business and an entity that has elected to be treated as a partnership for federal income tax purposes, of one or more classes ("OP Units") established pursuant to the Operating Partnership's agreement of limited partnership, as amended from time to time. Awards of OP Units shall be valued by reference to, or otherwise determined by reference to or based on, Shares. OP Units awarded under the Plan may be (1) convertible, exchangeable or redeemable for other limited partnership interests in the Operating Partnership (including OP Units of a different class or series) or Shares, or (2) valued by reference to the book value, fair value or performance of the Operating Partnership. Awards of OP Units are intended to qualify as "profits interests" within the meaning of IRS Revenue Procedure 93-27, as clarified by IRS Revenue Procedure 2001-43, with respect to a Participant in the Plan who is rendering services to or for the benefit of the Operating Partnership, including its subsidiaries.

For purposes of calculating the number of Shares underlying an award of OP Units relative to the total number of Share Equivalents available for issuance under the Plan, the Committee shall establish in good faith the maximum number of Shares to which a Participant receiving such award of OP Units may be entitled upon fulfillment of all applicable conditions set forth in the relevant award documentation, including vesting conditions, partnership capital account allocations, value accretion factors, conversion ratios, exchange ratios and other similar criteria. If and when any such conditions are no longer capable of being met, in whole or in part, the number of Shares underlying such awards of OP Units shall be reduced accordingly by the Committee, and the number of Share Equivalents shall be increased by one Share Equivalent for each Share so reduced. Awards of OP Units may be granted either alone or in addition to other awards granted under the Plan. The Committee shall determine the eligible Participants to whom, and the time or times at which, awards of OP Units shall be made; the number of OP Units to be awarded; the price, if any, to be paid by the Participant for the acquisition of such OP

Units; and the restrictions and conditions applicable to such award of OP Units. Conditions may be based on continuing employment (or other service relationship), computation of financial metrics (including with reference to the book value of the Operating Partnership or the value of shares of common stock of the Trust) and/or achievement of pre-established performance goals and objectives, with related length of the service period for vesting, minimum or maximum performance thresholds, measurement procedures and length of the performance period to be established by the Committee at the time of grant, in its sole discretion. The Committee may allow awards of OP Units to be held through a limited partnership, or similar "look-through" entity, and the Committee may require such limited partnership or similar entity to impose restrictions on its partners or other beneficial owners that are not inconsistent with the provisions of this Section 11. The provisions of the grant of OP Units need not be the same with respect to each Participant.

Notwithstanding Section 5 of the Plan, the award agreement or other award documentation in respect of an award of OP Units may provide that the recipient of an award under this Section 11 shall be entitled to receive, currently or on a deferred or contingent basis, dividends or dividend equivalents with respect to the number of Shares underlying the award or other distributions from the Operating Partnership prior to vesting (whether based on a period of time or based on attainment of specified performance conditions), as determined at the time of grant by the Committee, in its sole discretion, and the Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or OP Units.

OP Units awarded under this Section 11 may be issued for no cash consideration.

12. Award Agreements

Each award under the Plan shall be evidenced by an agreement setting forth the terms and conditions, as determined by the Committee, which shall apply to such award, in addition to the terms and conditions specified in the Plan.

13. Change in Control

In the event of a Change in Control, a Participant's award will be treated as set forth in the applicable award agreement, or, in the case of OP Units, shall also be governed by the applicable agreement of the limited partnership of the Operating Partnership and any exhibits thereto. In addition, notwithstanding the foregoing, in the event of a Change in Control, to the extent determined by the Committee to be permitted under Section 409A, the Committee may take one or more of the following actions with respect to outstanding awards, in its sole discretion: (i) settle such awards for an amount (as determined in the sole discretion of the Committee) of cash or securities, where in the case of stock options and stock appreciation rights, the value of such amount, if any, will be equal to the in-the-money spread value (if any) of such awards; (ii) provide for the assumption of or the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted under the Plan, as determined by the Committee in its sole discretion; (iii) modify the terms of such awards to add events, conditions or circumstances (including termination of employment within a specified period after a Change in Control) upon which the vesting of such Awards or lapse of restrictions thereon will accelerate; (iv) deem any performance conditions satisfied at target, maximum or actual performance through closing or provide for the performance

conditions to continue (as is or as adjusted by the Committee) after closing or (v) provide that for a period of at least 20 days prior to the Change in Control, any stock options or stock appreciation rights that would not otherwise become exercisable prior to the Change in Control will be exercisable as to all Shares subject thereto (but any such exercise will be contingent upon and subject to the occurrence of the Change in Control and if the Change in Control does not take place within a specified period after giving such notice for any reason whatsoever, the exercise will be null and void) and that any stock options or stock appreciation rights not exercised prior to the consummation of the Change in Control will terminate and be of no further force and effect as of the consummation of the Change in Control. For the avoidance of doubt, in the event of a Change in Control where all stock options and stock appreciation rights are settled for an amount (as determined in the sole discretion of the Committee) of cash or securities, the Committee may, in its sole discretion, terminate any stock option or stock appreciation right for which the exercise price is equal to or exceeds the per share value of the consideration to be paid in the Change in Control transaction without payment of consideration therefor.

Unless otherwise set forth in an award agreement, a"Change in Control" of the Trust means the occurrence of one of the following events:

(i) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (1) the then-outstanding Common Shares (the "Outstanding Trust Common Stock") or (2) the combined voting power of the then-outstanding voting securities of the Trust entitled to vote generally in the election of directors (the "Outstanding Trust Voting Securities"); provided, however, that, for purposes of this Section 13(i), the following acquisitions shall not constitute a Change of Control: (a) any acquisition directly from the Trust, (b) any acquisition by the Trust, (c) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Trust or any of its affiliates or (d) any acquisition by any entity pursuant to a transaction that complies with Sections 13(iii)(1), (2) and (3);

(ii) Any time at which individuals who, as of the date hereof, constitute the Board of Directors of the Trust (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Trust (the "Board"); provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Trust's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Trust or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Trust, or the acquisition of assets or stock of another entity by the Trust or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such

Business Combination, (1) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Trust Common Stock and the Outstanding Trust Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Trust or all or substantially all of the Trust's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Trust Common Stock and the Outstanding Trust Voting Securities, as the case may be, (2) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Trust or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (3) at least a majority of the members of the board of directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) Approval by the stockholders of the Trust of a complete liquidation or dissolution of the Trust.

14. Clawback/Forfeiture

Awards granted under the Plan will be subject to the requirement that the awards be repaid to the Trust after they have been distributed to the Participant (x) to the extent set forth in this Plan or an award agreement or (y) to the extent the Participant is, or in the future becomes, subject to (1) any Trust clawback or recapture policy, including any such policy that is adopted to comply with the requirements of any applicable laws, or (2) any applicable laws which impose mandatory recoupment, under circumstances set forth in such applicable laws.

15. Withholding

The Trust shall have the right to deduct from any payment to be made pursuant to the Plan, or to require prior to the issuance or delivery of any Shares or the payment of cash under the Plan, any taxes required by law to be withheld therefrom. The Committee, in its sole discretion, may permit a Participant who is an employee of the Trust or its subsidiaries to elect to satisfy such withholding obligation by having the Trust retain the number of Shares whose Fair Market Value equals the minimum statutory amount of taxes required by applicable law to be withheld. Any fraction of a Share required to satisfy such obligation shall be disregarded, and the amount due shall instead be paid in cash to or by the Participant, as the case may be.

16. Nontransferability

No award under the Plan shall be assignable or transferable except by will or the laws of descent and distribution, and no right or interest of any Participant shall be subject to any lien, obligation or liability of the Participant. Notwithstanding the foregoing, the Committee may determine, at the time of grant or thereafter, that an award (other than stock options intended to be incentive stock options within the meaning of Section 422 of the Code) is transferable by the Participant to such Participant's immediate family members (or trusts, partnerships, or limited liability companies established for such immediate family members). For this purpose, immediate family member means, except as otherwise defined by the Committee, the Participant's children, stepchildren, grandchildren, parents, stepparents, grandparents, spouse, siblings (including half brothers and sisters), in-laws and persons related by reason of legal adoption. Such transferees may transfer an award only by will or the laws of descent or distribution. An award transferred pursuant to this Section 16 shall remain subject to the provisions of the Plan, and shall be subject to such other rules as the Committee shall determine. Upon transfer of a stock option, any related stock appreciation right shall be canceled. Except in the case of a holder's incapacity, an award shall be exercisable only by the holder thereof.

17. No Right to Employment

No person shall have any claim or right to be granted an award, and the grant of an award shall not be construed as giving a Participant any right to continue his or her service to the Trust or its subsidiaries as an Employee, Non-Employee Trustee or Consultant. Further, the Trust and its subsidiaries expressly reserve the right at any time to dismiss a Participant free from any liability, or any claim under the Plan, except as provided herein or in any agreement entered into hereunder.

18. Adjustment of and Changes in Shares

In the event of any change in the outstanding Shares by reason of any share dividend or split, reverse split, recapitalization, merger, consolidation, spinoff, combination or exchange of Shares or other corporate change, or any distributions to common shareholders other than regular cash dividends, the Committee shall make such substitution or adjustment, if any, as it deems to be equitable, as to (i) the number of Share Equivalents for which awards may be granted under the Plan, (ii) the number or kind of Shares or other securities issued or reserved for issuance pursuant to outstanding awards, (iii) the individual Participant limitation set forth in Section 2, and (iv) the number of Shares set forth in Section 2 that can be issued through incentive stock options within the meaning of Section 422 of the Code; provided, however, that no such substitution or adjustment shall be required if the Committee determines that such action could cause an award to fail to satisfy the conditions of an applicable exception from the requirements of Section 409A of the Code ("Section 409A") or otherwise could subject a Participant to the additional tax imposed under Section 409A in respect of an outstanding award; and further provided that no Participant shall have the right to require the Committee to make any adjustment or substitution under this Section 18 or have any claim or right whatsoever against the Trust or any of its subsidiaries or affiliates or any of their respective trustees, directors, officer or employees in respect of any action taken or not taken under this Section 18.

19. Amendment

The Committee may amend or terminate the Plan or any portion thereof from time to time, provided that no amendment shall be made without shareholder approval if such amendment (i) would increase the maximum aggregate number of Shares that may be issued under the Plan (other than pursuant to Section 18), (ii) would materially modify the requirements for participation in the Plan, (iii) would result in a material increase in the benefits accrued to Participants under the Plan, (iv) would reduce the exercise price of outstanding stock options or stock appreciation rights or cancel outstanding stock options or stock appreciation rights in exchange for cash, other awards or stock options or stock appreciation rights with an exercise price that is less than the exercise price of the original stock options or stock appreciation rights (other than pursuant to Section 18) or (v) requires shareholder approval to comply with any applicable laws, regulations or rules, including the rules of a securities exchange or self-regulatory agency. Notwithstanding anything contrary in this Plan, if there is a change in applicable tax law such that OP Units become taxable to the holder of such OP Units as ordinary income, the Operating Partnership, at any time at the election of the general partner of the Operating Partnership, may cause the OP Units to be restructured and/or substituted for other awards in a way that permits a tax deduction to the Operating Partnership or the Trust while preserving substantially similar pre-tax economics to the holder of such OP Units.

20. Section 409A

It is the Trust's intent that awards under the Plan be exempt from, or comply with, the requirements of Section 409A, and that the Plan be administered and interpreted accordingly. If and to the extent that any award made under the Plan is determined by the Trust to constitute "non-qualified deferred compensation" subject to Section 409A and is payable to a Participant by reason of the Participant's termination of employment, then (a) such payment or benefit shall be made or provided to the Participant only upon a "separation from service" as defined for purposes of Section 409A under applicable regulations and (b) if the Participant is a "specified employee" (within the meaning of Section 409A and as determined by the Trust), such payment or benefit shall not be made or provided before the date that is six months after the date of the Participant's separation from service (or the Participant's earlier death).

21. Effective Date

The Plan was adopted on •, 2017 by the Compensation Committee of the Board of Trustees of Vornado Realty Trust, subject to the approval of Vornado Realty L.P. (as the sole shareholder of the Trust), and shall be effective as of the date the Trust is separated (the "Spinoff") from Vornado Realty Trust (the "Effective Date"). Subject to earlier termination pursuant to Section 19, the Plan shall have a term of ten years from the Effective Date; provided, however, that all awards made under the Plan before its termination, and the Committee's authority to administer the terms of such awards, will remain in effect until such awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable award agreements.

FINAL FORM
Exhibit L

JBG SMITH PROPERTIES

ARTICLES OF AMENDMENT AND RESTATEMENT

FIRST: JBG SMITH Properties, a Maryland real estate investment trust (the "Trust") formed under Title 8 of the Corporations and Associations Article of the Annotated Code of Maryland ("Title 8"), desires to amend and restate its Declaration of Trust as currently in effect and as hereinafter amended.

SECOND: The following provisions are all the provisions of the Declaration of Trust currently in effect and as hereinafter amended and restated:

ARTICLE I

FORMATION

The Trust is a real estate investment trust within the meaning of Title 8. The Trust shall not be deemed to be a general partnership, limited partnership, joint venture, joint stock company or a corporation but nothing herein shall preclude the Trust from being treated for tax purposes as an association under the Internal Revenue Code of 1986, as amended (the "Code").

ARTICLE II

NAME

The name of the Trust is:

JBG SMITH Properties

ARTICLE III

PURPOSES AND POWERS

Section 3.1 Purposes. The purposes for which the Trust is formed are to invest in and to acquire, hold, manage, administer, control and dispose of property, including, without limitation or obligation, engaging in business as a real estate investment trust within the meaning of Section 856 of the Code (a "REIT").

Section 3.2 Powers. The Trust shall have all of the powers granted to real estate investment trusts by Title 8 or any successor statute and all other powers set forth in the Declaration of Trust of the Trust (the "Declaration of Trust") which are not inconsistent with law and are appropriate to promote and attain the purposes set forth in the Declaration of Trust.

ARTICLE IV

RESIDENT AGENT

The name of the resident agent of the Trust in the State of Maryland is The Corporation Trust Incorporated, whose post office address is 351 West Camden Street, Baltimore, MD 21201. The resident agent is a Maryland corporation. The Trust may have such offices or places of business within or outside the State of Maryland as the Board of Trustees of the Trust (the "Board of Trustees" or "Board") may from time to time determine.

ARTICLE V

BOARD OF TRUSTEES

Section 5.1 Powers. Subject to any express limitations contained in the Declaration of Trust or in the Bylaws, (a) the business and affairs of the Trust shall be managed under the direction of the Board of Trustees and (b) the Board shall have full, exclusive and absolute power, control and authority over any and all property and business of the Trust. The Board may take any action as in its sole judgment and discretion is necessary or appropriate to conduct the business and affairs of the Trust. The Declaration of Trust shall be construed with the presumption in favor of the grant of power and authority to the Board. Any construction of the Declaration of Trust or determination made by the Board concerning its powers and authority hereunder shall be conclusive. The enumeration and definition of particular powers of the Board of Trustees included in the Declaration of Trust or in the Bylaws of the Trust (the "Bylaws") shall in no way be construed or deemed by inference or otherwise in any manner to exclude or limit the powers conferred upon the Board or the Trustees under the general laws of the State of Maryland or any other applicable laws.

The Board, without any action by the shareholders of the Trust, shall have and may exercise, on behalf of the Trust, without limitation, the power to terminate the status under the Code of the Trust as a REIT; to determine that compliance with any restriction or limitations on ownership and transfers of shares of the Trust's beneficial interest set forth in Article VII of the Declaration of Trust is no longer required in order for the Trust to qualify as a REIT; to adopt, amend and repeal Bylaws; to elect officers in the manner prescribed in the Bylaws; to solicit proxies from holders of shares of beneficial interest of the Trust; and to do any other acts and deliver any other documents necessary or appropriate to the foregoing powers.

Section 5.2 Number and Classification. The number of Trustees (hereinafter the "Trustees") initially shall be six, which number may be increased or decreased pursuant to the Bylaws or this Section 5.2. No reduction in the number of Trustees shall cause the removal of any Trustee from office prior to the expiration of his or her term. The names of the current Trustees who shall serve until their successors are duly elected and qualify are:

[•]

Effective upon Closing (as defined in the Master Transaction Agreement, dated as of October 31, 2016, by and among Vornado Realty Trust ("Vornado"), Vornado Realty L.P., JBG Properties Inc., JBG Operating/Partners L.P., certain affiliates of JBG Properties Inc. and JBG Operating/Partners L.P., the Trust and JBG SMITH Properties LP (the "Master Agreement")), the number of Trustees shall be increased to twelve and the Trustees (other than any Trustee elected solely by holders of one or more classes or series of Preferred Shares) shall be classified, with respect to the terms for which they severally hold office, into three classes, one class ("Class I") to hold office initially for a term expiring at the annual meeting of shareholders in 2018, another class ("Class II") to hold office initially for a term expiring at the annual meeting of shareholders in 2019 and another class ("Class III") to hold office initially for a term expiring at the annual meeting of shareholders in 2020, with the members of each class to hold office until their successors are duly elected and qualify. At the annual meeting of shareholders held in 2018, the successors to the Trustees whose terms expire at such meeting shall be elected to hold

office for a term expiring at the annual meeting of shareholders held in 2020 and until their successors are duly elected and qualify. At the annual meeting of shareholders held in 2019 and each annual meeting of shareholders held thereafter, the successors to the Trustees whose terms expire at each annual meeting shall be elected to hold office for a term expiring at the next annual meeting of shareholders and until their successors are duly elected and qualify. Upon Closing (as defined in the Master Agreement), the names and class of the Trustees who shall serve until their successors are duly elected and qualify shall be:

Class I

[•]

Class II

[•]

Class III

[•]

The Trustees shall be elected in the manner provided in the Bylaws and (subject to the following paragraph) any vacancy on the Board of Trustees may be filled in the manner provided in the Bylaws. It shall not be necessary to list in the Declaration of Trust the names and addresses of any Trustees hereinafter elected.

The Trust elects, pursuant to Section 3-802(b) of the Maryland General Corporation Law (the "MGCL"), that, except as may be provided by the Board of Trustees in setting the terms of any class or series of Shares, any and all vacancies on the Board of Trustees may be filled only by the affirmative vote of a majority of the remaining Trustees in office, even if the remaining Trustees do not constitute a quorum, and any Trustee elected to fill a vacancy shall serve for the remainder of the full term of the trusteeship in which such vacancy occurred and until a successor is duly elected and qualifies.

Section 5.3 Removal. Subject to the rights of holders of one or more classes or series of Preferred Shares to elect or remove one or more Trustees, a Trustee may be removed at any time, but only for cause and then only by the affirmative vote of the holders of a majority of

the Shares then outstanding and entitled to vote generally in the election of Trustees. For the purpose of this paragraph, "cause" shall mean, with respect to any particular Trustee, conviction of a felony or a final judgment of a court of competent jurisdiction holding that such Trustee caused demonstrable, material harm to the Trust through willful misconduct, bad faith or active and deliberate dishonesty. Any amendment to this Section 5.3 that amends or removes the requirement of cause for the removal of Trustees shall not apply to or affect in any respect the applicability of the preceding sentence with respect to any Trustee in office at the time of such amendment.

Section 5.4 Determinations by Board. The determination as to any of the following matters, made by or pursuant to the direction of the Board of Trustees shall be final and conclusive and shall be binding upon the Trust and every holder of Shares: the amount of the net income of the Trust for any period and the amount of assets at any time legally available for the payment of dividends, acquisition of Shares or the payment of other distributions on Shares; the amount of paid-in surplus, net assets, other surplus, cash flow, funds from operations, adjusted funds from operations, net profit, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); any interpretation or resolution of any ambiguity with respect to any provision of the Declaration of Trust (including any of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of any shares of any class or series of Shares) or of the Bylaws; the number of Shares of any class or series of the Trust; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Trust or of any Shares of the Trust; any matter relating to the acquisition, holding and disposition of any assets by the Trust; any interpretation of the terms and conditions of one or more agreements with any person, corporation, association, company, trust, partnership

(limited or general) or other organization; the compensation of Trustees, officers, employees or agents of the Trust; or any other matter relating to the business and affairs of the Trust or required or permitted by applicable law, the Declaration of Trust or Bylaws or otherwise to be determined by the Board of Trustees.

Section 5.5 Business Opportunities.

(a) The Trust shall have the power to renounce, by resolution of the Board of Trustees, any interest or expectancy of the Trust in, or in being offered an opportunity to participate in, business opportunities or classes or categories of business opportunities that are (i) presented to the Trust or (ii) developed by or presented to one or more Trustees or officers of the Trust.

(b) A Trustee of the Trust who is also a trustee, officer, employee or agent of Vornado or any of Vornado's affiliates (each such Trustee, a "Covered Person") shall not have a duty to communicate or present any business opportunity to the Trust, and the Trust renounces, on its behalf and on behalf of its subsidiaries, any potential interest or expectation in, or right to be offered or to participate in such business opportunity and waives to the maximum extent permitted by Maryland law any claim against a Covered Person arising from the fact that he or she does not present, communicate or offer such business opportunity to the Trust or any of its subsidiaries or pursues such business opportunity or facilitates the pursuit of such business opportunity by others; provided, however, that the foregoing shall not apply in a case in which a Covered Person is presented with a business opportunity in writing expressly in his or her capacity as a Trustee of the Trust. The taking by a Covered Person for himself or herself, or the offering or other transfer to another person or entity, of any potential business opportunity, in accordance with the provisions of this Section 5.5(b), shall not constitute or be construed or interpreted as (i) an act or omission of the Trustee committed in bad faith or as the result of active or deliberate dishonesty or (ii) receipt by the Covered Person of an improper benefit or profit in money, property, services or otherwise. No amendment or repeal of the foregoing provision of this Declaration of Trust shall affect the treatment of, or obligations with respect to, any business opportunity of which a Covered

Person learned prior to such amendment or repeal.

ARTICLE VI

SHARES OF BENEFICIAL INTEREST

Section 6.1 Authorized Shares. The beneficial interest of the Trust shall be divided into shares of beneficial interest (the "Shares"). The Trust has authority to issue [•] common shares of beneficial interest, par value $0.01 per share ("Common Shares"), and [•] preferred shares of beneficial interest, par value $0.01 per share ("Preferred Shares"). The Board of Trustees shall have the power, without approval of the holders of shares of beneficial interest, to classify any unissued Common Shares and the Preferred Shares into one or more class or series of capital stock by setting or changing the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or terms or conditions of such shares. If shares of one class are classified or reclassified into shares of another class of shares pursuant to this Article VI, the number of authorized shares of the former class shall be automatically decreased and the number of shares of the latter class shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of beneficial interest of all classes that the Trust has authority to issue shall not be more than the total number of shares of beneficial interest set forth in the second sentence of this paragraph. The Board of Trustees, with the approval of a majority of the entire Board and without any action by the shareholders of the Trust, may amend the Declaration of Trust from time to time to increase or decrease the aggregate number of Shares or the number of Shares of any class or series that the Trust has authority to issue.

Section 6.2 Common Shares. Subject to the provisions of Article VII and except as may otherwise be specified in the Declaration of Trust, each Common Share shall entitle the holder thereof to one vote on each matter upon which holders of Common Shares are entitled to vote.

Section 6.3 Classified or Reclassified Shares. Prior to issuance of classified or reclassified Shares of any class or series, the Board of Trustees by resolution shall (a) designate

that class or series to distinguish it from all other classes and series of Shares; (b) specify the number of Shares to be included in the class or series; (c) set, subject to the provisions of Article VII and subject to the express terms of any class or series of Shares outstanding at the time, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Trust to file articles supplementary with the State Department of Assessments and Taxation of Maryland (the "SDAT"). Any of the terms of any class or series of Shares set pursuant to clause (c) of this Section 6.3 may be made dependent upon facts ascertainable outside the Declaration of Trust (including the occurrence of any event, including a determination or action by the Trust or any other person or body) and may vary among holders thereof, provided that the manner in which such facts or variations shall operate upon the terms of such class or series of Shares is clearly and expressly set forth in the articles supplementary filed with the SDAT.

Section 6.4 Authorization by Board of Share Issuance. The Board of Trustees may authorize the issuance from time to time of Shares of any class or series, whether now or hereafter authorized, or securities or rights convertible into Shares of any class or

series, whether now or hereafter authorized, for such consideration (whether in cash, property, past or future services, obligation for future payment or otherwise) as the Board of Trustees may deem advisable (or without consideration in the case of a Share split or Share dividend), subject to such restrictions or limitations, if any, as may be set forth in the Declaration of Trust or the Bylaws.

Section 6.5 Dividends and Other Distributions. The Board of Trustees may from time to time authorize, and cause the Trust to declare to shareholders, such dividends or other distributions, in cash or other assets of the Trust or in securities of the Trust or from any other source as the Board of Trustees in its discretion shall determine. The Board of Trustees shall endeavor to cause the Trust to declare and pay such dividends and other distributions as shall be necessary for the Trust to qualify under the Code as a REIT; however, shareholders shall have no right to any dividend or distribution unless and until authorized by the Board and declared by the

Trust. The exercise of the powers and rights of the Board of Trustees pursuant to this Section 6.5 shall be subject to the provisions of any class or series of Shares at the time outstanding. Notwithstanding any other provision in the Declaration of Trust, no determination shall be made by the Board of Trustees nor shall any transaction be entered into by the Trust which would cause any Shares or other beneficial interest in the Trust not to constitute "transferable shares" or "transferable certificates of beneficial interest" under Section 856(a)(2) of the Code or which would cause any distribution to constitute a preferential dividend as described in Section 562(c) of the Code.

Section 6.6 General Nature of Shares. All Shares shall be personal property entitling the shareholders only to those rights provided in the Declaration of Trust. The shareholders shall have no interest in the property of the Trust and shall have no right to compel any partition, division, dividend or distribution of the Trust or of the property of the Trust. The death of a shareholder shall not terminate the Trust or give his or her legal representatives any rights against other shareholders, the Trustees or the property of the Trust. The Trust is entitled to treat as shareholders only those persons in whose names Shares are registered as holders of Shares on the beneficial interest ledger of the Trust.

Section 6.7 Fractional Shares. The Trust may, without the consent or approval of any shareholder, issue fractional Shares, eliminate a fraction of a Share by rounding up or down to a full Share, arrange for the disposition of a fraction of a Share by the person entitled to it, or pay cash for the fair value of a fraction of a Share.

Section 6.8 Declaration and Bylaws. The rights of all shareholders and the terms of all Shares are subject to the provisions of the Declaration of Trust and the Bylaws.

Section 6.9 Divisions and Combinations of Shares. Subject to an express provision to the contrary in the terms of any class or series of beneficial interest hereafter authorized, the Board of Trustees shall have the power to divide or combine the outstanding shares of any class or series of beneficial interest, without a vote of shareholders, so long as the number of shares combined into one share in any such combination or series of combinations

within any period of twelve months is not greater than ten.

ARTICLE VII

RESTRICTION ON TRANSFER AND OWNERSHIP OF SHARES

Section 7.1 Definitions. For the purposes of this Article VII, the following terms shall have the following meanings:

"Adoption Time" shall mean the date and time upon which the Articles of Amendment and Restatement containing this Article VII are accepted for record by the SDAT.

"Beneficial Ownership" shall mean ownership of Equity Shares either directly or constructively through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

"Beneficiary" shall mean one or more beneficiaries of the Special Trust as determined pursuant to Section 7.3.6.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Constructive Ownership" shall mean ownership of Equity Shares either directly or constructively through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have the correlative meanings.

"Constructive Ownership Limit" shall mean 9.8% (in value or in number of shares, whichever is more restrictive), or such other percentage determined by the Board in accordance with Section 7.2.8, of the outstanding Equity Shares of any class or series.

"Equity Shares" shall mean Shares of any class or series, including, without limitation, Common Shares and Preferred Shares.

"Market Price" shall mean the last reported sales price of Equity Shares of the relevant class or series reported on the New York Stock Exchange on the trading day immediately preceding the relevant date, or if the Equity Shares of the relevant class or series are

not then traded on the New York Stock Exchange, the last reported sales price of Equity Shares of the relevant class or series on the trading day immediately preceding the relevant date, as reported on any other exchange or quotation system over which the Equity Shares of the relevant class or series may be traded, or if the Equity Shares of the relevant class or series are not then traded over any exchange or quotation system, then the market price of the Equity Shares of the relevant class or series on the relevant date as determined by the Board.

"Ownership Limit" shall mean 9.8% (in value or in number of shares, whichever is more restrictive), or such other percentage determined by the Board in accordance with Section 7.2.8, of the outstanding Equity Shares of any class or series.

"Ownership Limitation Termination Date" shall mean, with respect to any or all of the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfer of Equity Shares set forth herein, the first day after the Adoption Time on which the Board of Trustees determines that it is no longer in the best interests of the Trust to attempt to, or continue to, qualify as a REIT or that compliance with such restriction or limitation on Beneficial Ownership, Constructive Ownership or Transfer of Equity Shares is no longer required in order for the Trust to qualify as a REIT.

"Person" shall mean an individual, corporation, partnership, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity or any government or agency or political subdivision thereof and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, but does not include an underwriter which participates in a public offering of Equity Shares for a period of 25 days following the purchase by such underwriter of those Equity Shares, but only with respect to such Equity Shares.

"Prohibited Owner" shall mean with respect to any purported Transfer or other event, any Person that, but for the provisions of Section 7.2.2, would have Beneficially Owned or

Constructively Owned the Equity Shares that were transferred to a Special Trust and, if appropriatein the context, shall also mean any Person who would have been the record owner of the Equity Shares that the Prohibited Owner would have so owned.

"Special Trust" shall mean any trust provided for in Section 7.3.

"Special Trustee" shall mean the Person unaffiliated with the Trust and the Prohibited Owner that is appointed by the Trust to serve as trustee of the Special Trust.

"Transfer" shall mean any sale, transfer, gift, assignment, devise or other disposition of Equity Shares (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Equity Shares or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Equity Shares), whether voluntary or involuntary, whether of record or beneficially and whether by operation of law or otherwise.

Section 7.2 Equity Shares.

Section 7.2.1 Restrictions on Ownership and Transfer.

(a) Except as provided in Section 7.2.8(a)(ii), from the Adoption Time and prior to the Ownership Limitation Termination Date, no Person shall Beneficially Own Equity Shares of any class or series in excess of the Ownership Limit with respect to Equity Shares of such class or series and no Person shall Constructively Own Equity Shares of any class or series in excess of the Constructive Ownership Limit with respect to Equity Shares of such class or series.

(b) Except as provided in Section 7.2.8(a)(ii), from the Adoption Time and prior to the Ownership Limitation Termination Date, any Transfer that, if effective, would result in any Person Beneficially Owning Equity Shares of any class or series in excess of the Ownership Limit with respect to Equity Shares of such class or series shall be void ab initio as to the Transfer of such Equity Shares that would be otherwise Beneficially Owned by such Person in excess of such Ownership Limit; and the intended transferee shall acquire no rights to such Equity Shares.

(c) Except as provided in Section 7.2.8(a)(ii), from the Adoption Time and prior to the Ownership Limitation Termination Date, any Transfer that, if effective, would result in any Person Constructively Owning Equity Shares of any class or series in excess of the Constructive Ownership Limit with respect to Equity Shares of such class or series shall be void ab initio as to the Transfer of such Equity Shares that would be otherwise Constructively Owned by such Person in excess of such Constructive Ownership Limit; and the intended transferee shall acquire no rights in such Equity Shares.

(d) From the Adoption Time and prior to the Ownership Limitation Termination Date, any Transfer that, if effective, would result in Equity Shares being beneficially owned by fewer than 100 Persons (within the meaning of Section 856(a)(5) of the Code and the Treasury Regulations promulgated thereunder) shall be void ab initio as to the Transfer of such Equity Shares that would be otherwise Beneficially Owned by the transferee; and the intended transferee shall acquire no rights in such Equity Shares.

(e) From the Adoption Time and prior to the Ownership Limitation Termination Date, any Transfer that, if effective, would result in the Trust being "closely held" (within the meaning of Section 856(h) of the Code) or otherwise failing to qualify as a REIT, shall be void ab initio as to the Transfer of the Equity Shares that would cause the Trust to be "closely held" (within the meaning of Section 856(h) of the Code) or otherwise fail to qualify as a REIT (including, but not limited to, Beneficial Ownership or Constructive Ownership that would result in the Trust owning (actually or Constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the Trust from such tenant would cause the Trust to fail to satisfy any of the gross income requirements of Section 856(c) of the Code), and the intended transferee shall acquire no rights in such Equity Shares.

(f) From the Adoption Time and prior to the Ownership Limitation Termination Date, no Person shall Beneficially Own or Constructively Own Equity Shares of any class or series that would cause the Trust to be "closely held" (within the meaning

of Section 856(h) of the Code) or otherwise fail to qualify as a REIT (including, but not limited to, Beneficial Ownership or Constructive Ownership that would result in the Trust owning (actually or Constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the Trust from such tenant would cause the Trust to fail to satisfy any of the gross income requirements of Section 856(c) of the Code).

(g) Notwithstanding anything to the contrary herein, from the Adoption Time until the consummation of the Pre-Combination Transactions (as defined in the Master Agreement), the provisions of this Article VII, including without limitation the Ownership Limit and the Constructive Ownership Limit, shall not apply to the ownership of Equity Shares of any class or series by, or the Transfer of Equity Shares of any class or series to, Vornado or any of its subsidiaries.

Section 7.2.2 Transfer of Equity Shares to Special Trust.

(a) If, notwithstanding the other provisions contained in this Article VII, at any time from the Adoption Time and prior to the Ownership Limitation Termination Date, there is a purported or attempted Transfer that, if effective,

would cause any Person to Beneficially Own Equity Shares of any class or series in excess of the Ownership Limit with respect to Equity Shares of such class or series, then, except as otherwise provided in Section 7.2.8(a)(ii), the Equity Shares that would have been Beneficially Owned in excess of such Ownership Limit (rounded up to the nearest whole Share) shall be transferred automatically to a Special Trust, effective as of the close of business on the business day prior to the date of the purported or attempted Transfer.

(b) If, notwithstanding the other provisions contained in this Article VII, at any time from the Adoption Time and prior to the Ownership Limitation Termination Date, there is a purported or attempted Transfer that, if effective, would cause any Person to Constructively Own Equity Shares of any class or series in excess of the Constructive Ownership Limit with respect to Equity Shares of such class or series, then, except as otherwise provided in Section 7.2.8(a)(ii), the Equity Shares that would have been Constructively Owned in

excess of such Constructive Ownership Limit (rounded up to the nearest whole Share) shall be transferred automatically to a Special Trust, effective as of the close of business on the business day prior to the date of the purported or attempted Transfer.

(c) If, notwithstanding the other provisions contained in this Article VII, at any time from the Adoption Time and prior to the Ownership Limitation Termination Date, there is a purported or attempted Transfer that, if effective, would cause the Trust to become "closely held" (within the meaning of Section 856(h) of the Code) or otherwise fail to qualify as a REIT, then the Equity Shares being Transferred that would have caused the Trust to become "closely held" (within the meaning of Section 856(h) of the Code) or otherwise fail to qualify as a REIT (rounded up to the nearest whole share) shall be transferred automatically to a Special Trust, effective as of the close of business on the business day prior to the date of the purported or attempted Transfer.

(d) If, notwithstanding the other provisions contained in this Article VII, at any time from the Adoption Time and prior to the Ownership Limitation Termination Date, any Person (the "Beneficial Purchaser") purchases or otherwise acquires an interest in a Person that Beneficially Owns Equity Shares (the "Beneficial Purchase") and, as a result, the Beneficial Purchaser would Beneficially Own Equity Shares of any class or series in excess of the Ownership Limit with respect to Equity Shares of such class or series, then, except as otherwise provided in Section 7.2.8(a)(ii), such number of Equity Shares, the acquisition of Beneficial Ownership of which would cause the Beneficial Purchaser to Beneficially Own Equity Shares in excess of such Ownership Limit (rounded up to the nearest whole Share), shall be transferred automatically to a Special Trust, effective as of the close of business on the business day prior to the date of the Beneficial Purchase. In determining which Equity Shares are so transferred to a Special Trust, Equity Shares Beneficially Owned by the Beneficial Purchaser prior to the Beneficial Purchase shall be transferred to the Special Trust before any Equity Shares Beneficially Owned by the Person, an interest in which is being so purchased or acquired, are so transferred.

(e) If, notwithstanding the other provisions contained in this Article VII, at any time from the Adoption Time and prior to the Ownership Limitation Termination Date, any Person (the "Constructive Purchaser") purchases or otherwise acquires an interest in a Person that Constructively Owns Equity Shares (the "Constructive Purchase") and, as a result, the Constructive Purchaser would Constructively Own Equity Shares of any class or series in excess of the Constructive Ownership Limit with respect to Equity Shares of such class or series, then, except as otherwise provided in Section 7.2.8(a)(ii), such number of Equity Shares, the acquisition of Constructive Ownership of which would cause the Constructive Purchaser to Constructively Own Equity Shares in excess of such Constructive Ownership Limit (rounded up to the nearest whole Share), shall be transferred automatically to a Special Trust, effective as of the close of business on the business day prior to the date of the Constructive Purchase. In determining which Equity Shares are so transferred to a Special Trust, Equity Shares Constructively Owned by the Constructive Purchaser prior to the Constructive Purchase shall be transferred to the Special Trust before any Equity Shares Constructively Owned by the Person, an interest in which is being so purchased or acquired, are so transferred.

(f) If, notwithstanding the other provisions contained in this Article VII, at any time from the Adoption Time and prior to the Ownership Limitation Termination Date, there is a redemption, repurchase, restructuring or similar transaction with respect to a Person that Beneficially Owns Equity Shares (the "Beneficial Entity") and, as a result, any Person holding a direct or indirect interest in the Beneficial Entity would Beneficially Own Equity Shares of any class or series in excess of the Ownership Limit with respect to Equity Shares of such class or series, then, except as otherwise provided in Section 7.2.8(a)(ii), such number of Equity Shares, the Beneficial Ownership of which by the Beneficial Entity would cause such Person to Beneficially Own Equity Shares in excess of such Ownership Limit (rounded up to the nearest whole Share), shall be transferred automatically to a Special Trust, effective as of the close of business on the business day prior to the date of such redemption, repurchase, restructuring or similar transaction. In determining which Equity Shares are so

transferred to a Special Trust, Equity Shares of the relevant class or series Beneficially Owned by the Beneficial Entity shall be transferred to the Special Trust before any Equity Shares Beneficially Owned by the Person holding an interest in the Beneficial Entity (independently of such Person's interest in the Entity) are so transferred.

(g) If, notwithstanding the other provisions contained in this Article VII, at any time from the Adoption Time and prior to the Ownership Limitation Termination Date, there is a redemption, repurchase, restructuring or similar transaction with respect to a Person that Constructively Owns Equity Shares (the "Constructive Entity") and, as a result, any Person holding a direct or indirect interest in the Constructive Entity would Constructively Own Equity Shares of any class or series in excess of the Constructive Ownership Limit with respect to Equity Shares of such class or series, then, except as otherwise provided in Section 7.2.8(a)(ii), such number of Equity Shares, the Constructive Ownership of which by the Constructive Entity would cause such Person to Constructively Own Equity Shares in excess of such Constructive Ownership Limit (rounded up to the nearest whole Share), shall be transferred automatically to a Special Trust, effective as of the close of business on the business day prior to the date of such redemption, repurchase, restructuring or similar transaction. In determining which Equity Shares are so transferred to a Special Trust, Equity Shares of the relevant class or series Constructively Owned by the Constructive Entity shall be transferred to the Special Trust before any Equity Shares Constructively Owned by the Person holding an interest in the Constructive Entity (independently of such Person's interest in the Entity) are so transferred.

(h) If, notwithstanding the other provisions contained in this Article VII, at any time from the Adoption Time and prior to the Ownership Limitation Termination Date, an event, other than an event described in Sections 7.2.2(a) through (g), occurs that would, if effective, result in any Person Constructively Owning Equity Shares of any class or series in excess of the Constructive Ownership Limit with respect to Equity Shares of such class or series, then, except as otherwise provided in Section 7.2.8(a)(ii), the smallest whole number of Equity Shares of such class or series Constructively Owned by such Person which, if transferred

to a Special Trust, would result in such Person's Constructive Ownership of Equity Shares not being in excess of such Constructive Ownership Limit, shall be transferred automatically to a Special Trust, effective as of the close of business on the business day prior to the date of the relevant event.

(i) If, notwithstanding the other provisions contained in this Article VII, at any time from the Adoption Time and prior to the Ownership Limitation Termination Date, an event, other than an event described in Sections 7.2.2(a) through (g), occurs that would, if effective, result in any Person Beneficially Owning Equity Shares of any class or series in excess of the Ownership Limit with respect to Equity Shares of such class or series, then, except as otherwise provided in Section 7.2.8(a)(ii), the smallest whole number of Equity Shares of such class or series Beneficially Owned by such Person which, if transferred to a Special Trust, would result in such Person's Beneficial Ownership of Equity Shares not being in excess of such Ownership Limit, shall be transferred automatically to a Special Trust, effective as of the close of business on the business day prior to the date of the relevant event.

(j) If, notwithstanding the other provisions contained in this Article VII, at any time from the Adoption Time and prior to the Ownership Limitation Termination Date, an event, other than an event described in Sections 7.2.2(a) through (g), occurs that, if effective, would cause the Trust to become "closely held" (within the meaning of Section 856(h) of the Code) or otherwise fail to qualify as a REIT, then the Equity Shares that would have caused the Trust to become "closely held" (within the meaning of Section 856(h) of the Code) or otherwise fail to qualify as a REIT (rounded up to the nearest whole share) shall be transferred automatically to a Special Trust, effective as of the close of business on the business day prior to the date of the event that would have caused such violation.

(k) To the extent that, upon a transfer of Equity Shares pursuant to this Section 7.2.2, a violation of any provision of this Article VII would nonetheless be continuing (for example, where the ownership of Equity Shares by a single Special Trust would violate the restrictions in Section 7.2.1(d)), then Equity Shares may be transferred to that

number of Special Trusts, each having a distinct Special Trustee and Beneficiary or Beneficiaries that are distinct from those of each other Special Trust, such that no violation of this Article VII results.

(l) In determining which Equity Shares are to be transferred to a Special Trust in accordance with this Section 7.2.2, Equity Shares shall be so transferred to the Special Trust in such a manner as minimizes the aggregate value of the Equity Shares that are transferred to the Special Trust and, to the extent not inconsistent herewith, on a pro rata basis.

Section 7.2.3 Remedies For Breach. If the Board of Trustees or its designees shall at any time determine that a Transfer has taken place in violation of Section 7.2.1 or that a Person intends to acquire or has attempted to acquire beneficial ownership (determined under the principles of Section 856(a)(5) of the Code), Beneficial Ownership or Constructive Ownership of any Equity Shares in violation of Section 7.2.1, the Board of Trustees or its designees may take such action as it deems advisable to refuse to give effect or to prevent such Transfer (or any Transfer related to such intent), including, but not limited to, refusing to give effect to such Transfer on the books of the Trust or instituting proceedings to enjoin such Transfer; provided, however, that any Transfers or attempted Transfers in violation of Sections 7.2.1(a) through (c) or Section 7.2.1(e) shall automatically result in the transfer to a Special Trust as provided in Section 7.2.2, irrespective of any action (or non-action) by the Board of Trustees.

Section 7.2.4 Notice of Ownership or Attempted Ownership in Violation of Section 7.2.1. Any Person who acquires or attempts to acquire Beneficial or Constructive Ownership of Equity Shares in violation of Section 7.2.1, shall immediately give written notice to the Trust of such event or, in the case of such a proposed or attempted acquisition, give at least 15 days' prior written notice, and shall provide to the Trust such other information as the Trust may request in order to determine the effect, if any, of such acquisition or attempted acquisition on the Trust's status as a REIT.

Section 7.2.5 Owners Required to Provide Information. From the Adoption Time and prior to the Ownership Limitation Termination Date:

(a) Every Beneficial Owner and Constructive Owner of more than 1.0% (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) of the outstanding Equity Shares of any class or series shall, within 30 days after January 1 of each year, give written notice to the Trust stating the name and address of such Beneficial Owner or Constructive Owner, the number of Equity Shares Beneficially Owned and/or Constructively Owned, and a description of how such Equity Shares are held. Each such Beneficial Owner and Constructive Owner shall provide to the Trust such additional information as the Trust may request in order to determine the effect, if any, of such Beneficial Ownership and/or Constructive Ownership on the Trust's status as a REIT and to ensure compliance with the Ownership Limit and the Constructive Ownership Limit.

(b) Each Person who is a Beneficial Owner or Constructive Owner of Equity Shares and each Person (including the shareholder of record) who is holding Equity Shares for a Beneficial Owner or Constructive Owner shall provide to the Trust such information as the Trust may request in order to determine the Trust's status as a REIT or to comply with regulations promulgated under the REIT provisions of the Code or the requirements of any other taxing authority or governmental authority, or to determine such compliance.

Section 7.2.6 Remedies Not Limited. Subject to Section 5.1, nothing contained in this Article VII shall limit the power of the Board of Trustees to take such other action as it deems necessary or advisable to preserve the Trust's status as a REIT.

Section 7.2.7 Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Article VII, including any definition contained in Section 7.1 and any ambiguity with respect to which Equity Shares are transferred to a Special Trust in a given situation, the Board of Trustees shall have the power to determine the application of the provisions of this Article VII with respect to any situation based on the facts known to it. In the event Section 7.2 or 7.3 requires an action by the Board of Trustees and the Declaration of Trust fails to provide specific guidance with respect to such action, the Board of Trustees may

determine the action to be taken so long as such action is not contrary to the provisions of Sections 7.1, 7.2 or 7.3.

Section 7.2.8 Modifications of Ownership Limit.

(a) The Board of Trustees may from time to time, prospectively or retroactively, (i) increase or decrease the Ownership Limit and/or the Constructive Ownership Limit with respect to one or more classes or series of Equity Shares for one or more Persons and increase or decrease the Ownership Limit and the Constructive Ownership Limit with respect to one or more classes or series of Equity Shares for all other Persons and (ii) exempt one or more Persons from the Ownership Limit and Constructive Ownership Limit, as the case may be, with respect to a class or series of Equity Shares, if in each case the Board of Trustees obtains such representations, covenants and undertakings as the Board of Trustees may deem appropriate in order to conclude that increasing or decreasing the Ownership Limit or the Constructive Ownership Limit or granting the exemption, as the case may be, will not cause the Trust to lose its status as a REIT under the Code.

(b) Prior to modifications or exemptions of any Ownership Limit or Constructive Ownership Limit pursuant to this Section 7.2.8, the Board of Trustees may require such opinions of counsel, affidavits, undertakings or agreements or a ruling from the Internal Revenue Service as it may deem necessary or advisable in order to determine or ensure the Trust's status as a REIT, and any such modification or exemption may be subject to such conditions or restrictions as the Board may impose.

(c) No decreased Ownership Limit or Constructive Ownership Limit will be effective for any Person whose percentage of ownership of Equity Shares is in excess of such decreased Ownership Limit or Constructive Ownership Limit, as applicable, until such time as such Person's percentage of ownership of Equity Shares equals or falls below the decreased Ownership Limit or Constructive Ownership Limit (the "Reduced Limit Trigger"); provided, however, until the Reduced Limit Trigger occurs, such Person (other than a Person for whom an exemption has been granted pursuant to Section 7.2.8(a)(ii)) shall not be entitled to

make any further acquisition of Equity Shares to the extent such acquisition would result in such Person Beneficially Owning or Constructively Owning in excess of the lesser of (i) the number of Equity Shares owned by such Person on the date the adoption of the decreased Ownership Limit or Constructive Ownership Limit or (ii) if, after the adoption of such decreased Ownership Limit or Constructive Ownership Limit, such Person Transfers Equity Shares, the number of Equity Shares owned by such Person after such Transfer or Transfers, and such acquisition in excess of the lesser of (i) or (ii) above shall be a violation of the Ownership Limit or Constructive Ownership Limit.

Section 7.2.9 Legend. (a) Each certificate for Equity Shares, if certificated, or the notice in lieu of a certificate, if any, shall bear substantially the following legend:

The Equity Shares evidenced by this certificate are subject to restrictions on transfer and ownership for the purpose, among others, of theTrust's maintenance of its status as a real estate investment trust (a "REIT") under the Internal Revenue Code of 1986, as amended (the "Code"). Subject to certain further restrictions and except as expressly provided in the Trust's Declaration of Trust, (i) no Person may Beneficially Own Equity Shares in excess of the Ownership Limit; (ii) no Person may Constructively Own Equity Shares in excess of the Constructive Ownership Limit; (iii) no Person may Transfer Equity Shares if such Transfer would result in the Equity Shares of the Trust being owned by fewer than 100 Persons; and (iv) no Person may Transfer Equity Shares if such Transfer would result in the Trust being "closely held" under Section 856(h) of the Code or otherwise cause the Trust to fail to qualify as a REIT. Any Person who Beneficially or Constructively Owns or attempts to Beneficially or Constructively Own Equity Shares which causes or will cause a Person to Beneficially or Constructively Own Equity Shares in excess or in violation of the above limitations must immediately notify the Trust. Attempted Transfers in violation of the restrictions described above will be void ab initio, and if the Beneficial Ownership, Constructive Ownership or Transfer of the Equity Shares represented hereby violates the restrictions on transfer or ownership set forth in clauses (i), (ii) or (iv), the Equity Shares represented hereby will be automatically transferred to a Special Trust for the benefit of one or more Beneficiaries. In addition, the Trust may redeem Equity Shares upon the terms and

conditions specified by the Board of Trustees in its sole and absolute discretion if the Board of Trustees determines that ownership or a Transfer or other event may violate the restrictions described above. All capitalized terms in this legend have the meanings set forth in the Declaration of Trust, a copy of which, including the restrictions on transfer and ownership, will be furnished to each holder of Equity Shares of the Trust on request and without charge. Requests for such a copy may be directed to the Secretary of the Trust at its principal office.

Instead of the foregoing legend, a certificate or notice in lieu of a certificate may state that the Trust will furnish a full statement about certain restrictions on transfer and ownership of the Equity Shares to a shareholder on request and without charge.

Section 7.3 Transfer of Equity Shares in Special Trust.

Section 7.3.1 Ownership in Trust. The Equity Shares transferred to the Special Trust pursuant to Section 7.2.2 shall be held in trust by a Special Trustee for the exclusive benefit of one or more Beneficiaries. The Special Trustee shall be appointed by the Trust and shall be a Person unaffiliated with the Trust and any Prohibited Owner. Each Beneficiary shall be designated by the Trust as provided in Section 7.3.6. Equity Shares so held in a Special Trust shall be issued and outstanding shares of beneficial interest in the Trust. The Prohibited Owner shall have no rights in such Equity Shares. The Prohibited Owner shall not benefit economically from ownership of any Equity Shares held in a Special Trust by the Special Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the Equity Shares held in the Special Trust.

Section 7.3.2 Dividend Rights. The Special Trustee shall have all rights to dividends or other distributions with respect to Equity Shares held in a Special Trust, which rights shall be exercised for the exclusive benefit of the Beneficiary. Any dividend or other distribution paid prior to the discovery by the Trust that the Equity Shares have been transferred to the Special Trustee shall be paid by the recipient of such dividend or other distribution to the Special Trustee upon demand and any dividend or other distribution authorized but unpaid shall

be paid when due to the Special Trustee. Any dividend or other distribution so paid to the Special Trustee shall be held in trust for the Beneficiary.

Section 7.3.3 Voting Rights. The Special Trustee shall have all voting rights with respect to the Equity Shares held in a Special Trust, which rights shall be exercised for the exclusive benefit of the Beneficiary. The Prohibited Owner shall have no voting rights with respect to Equity Shares held in a Special Trust and, subject to Maryland law, effective as of the date that the Equity Shares have been transferred to the Special Trustee, the Special Trustee shall have the authority (at the Special Trustee's sole and absolute discretion) (a) to rescind as void any vote cast by Prohibited Owner prior to the discovery by the Trust that the Equity Shares have been transferred to the Special Trustee and (b) to recast such vote; provided, however, that if the Trust has already taken irreversible trust action, then the Special Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article VII, until the Trust has received notification that Equity Shares have been transferred into a Special Trust, the Trust shall be entitled to rely on its share transfer and other stockholder records for purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes and determining the other rights of stockholders.

Section 7.3.4 Sale of Equity Shares by Special Trustee. Within 20 days of receiving notice from the Special Trust that Equity Shares have been transferred to a Special Trust, the Special Trustee shall sell such Equity Shares to a Person or Persons designated by the Special Trustee, whose ownership of the Equity Shares will not violate the ownership limitations set forth in Section 7.2.1. Upon such sale, the interest of the Beneficiary in the Equity Shares sold shall terminate and the Special Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Beneficiary as provided in this Section 7.3.4. The Prohibited Owner shall receive the lesser of (i) the price such Prohibited Owner paid (or proposed to pay) for the Equity Shares, or if the transaction or event that caused the Equity Shares to be transferred to the Special Trust did not involve a purchase of such shares at Market Price, a price per share equal to

the Market Price of such Equity Shares on the date of the event that resulted in the transfer to the Special Trust and (ii) the price per share received by the Special Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the Equity Shares. The Special Trustee may reduce the amount payable to the Prohibited Owner by the amount of dividends and distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Special Trustee pursuant to Section 7.3.2 of this Article VII. Any net sales proceeds in excess of the amount payable to the Prohibited Owner and any other amounts held in the Special Trust with respect to such Equity Shares shall be immediately paid to the Beneficiary. If, prior to the discovery by the Trust that Equity Shares have been transferred to the Special Trustee, such shares are sold by a Prohibited Owner, then (i) such shares shall be deemed to have been sold on behalf of the Special Trust and (ii) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 7.3.4, such excess shall be paid to the Special Trustee upon demand.

Section 7.3.5 Purchase Right in Equity Shares. Equity Shares transferred to a Special Trust shall be deemed to have been offered for sale to the Trust, or its designee, at a price per share equal to the lesser of (i) the price such Prohibited Owner paid (or proposed to pay) for the Equity Shares, or if the transaction or event that caused the Equity Shares to be transferred to the Special Trust did not involve a purchase of such shares at Market Price, a price per share equal to the Market Price of such Equity Shares on the date of the event that resulted in the transfer to the Special Trust and (ii) the Market Price on the date the Trust, or its designee, accepts such offer. The Trust may reduce the amount so payable by the amount of dividends and other distributions which has been paid to the Prohibited Owner and is owed by the Prohibited Owner to the Special Trustee pursuant to Section 7.3.2 of this Article VII and pay the amount of such reduction to the Special Trustee for the benefit of the Beneficiary. The Trust shall have the right to accept such offer until the Special Trustee has sold the shares held in the Special Trust pursuant to Section 7.3.4. Upon such a sale to the Trust, the interest of the Beneficiary in the

Equity Shares sold shall terminate and the Special Trustee shall distribute the net proceeds of the sale to the Prohibited Owner, and distribute any dividends or other distributions held by the Special Trustee with respect to such Equity Shares to the Beneficiary.

Section 7.3.6 Designation of Beneficiaries. By written notice to the Special Trustee, the Trust shall designate one or more nonprofit organizations to be the Beneficiary of the interest in a Special Trust such that (i) the Equity Shares held in the Special Trust would not violate the restrictions set forth in Section 7.2.1(a) in the hands of such Beneficiary and (ii) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code. Neither the failure of the Trust to make such designation nor the failure of the Trust to appoint the Special Trustee before the automatic transfer provided in Section 7.2.2 shall make such transfer ineffective, provided that the Trust thereafter makes such designation and appointment.

Section 7.4 Severability. If any provision of this Article VII or any application of any such provision is determined to be invalid by any Federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

Section 7.5 New York Stock Exchange Transactions. Nothing in this Article VII, shall preclude the settlement of any transaction entered into through the facilities of the New York Stock Exchange. The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article VII and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article VII.

ARTICLE VIII

SHAREHOLDERS

Section 8.1 Meetings. There shall be an annual meeting of the shareholders, to be held on proper notice at such time (after the delivery of the annual report) and location as shall be determined by or in the manner prescribed in the Bylaws, for the election of the Trustees, if required, and for the transaction of any other business within the powers of the Trust. Except as otherwise provided in the Declaration of Trust, special meetings of shareholders may be called in the manner provided in the Bylaws. If there are no Trustees, the officers of the Trust shall promptly call a special meeting of the shareholders entitled to vote for the election of successor Trustees. Any meeting may be adjourned and reconvened as the Trustees determine or as provided in the Bylaws.

Section 8.2 Voting Rights. Subject to the provisions of any class or series of Shares then outstanding, the shareholders shall be entitled to vote only on the following matters: (a) election of Trustees as provided in Section 5.2 and the removal of Trustees as provided in Section 5.3; (b) amendment of the Declaration of Trust as provided in Article X; (c) termination of the Trust as provided in Section 12.2; (d) merger or consolidation of the Trust, to the extent a vote of the shareholders is required by Title 8; (e) the sale or disposition of substantially all of the property of the Trust, to the same extent as a stockholder of a Maryland corporation would be entitled to vote on such sale or disposition under the MGCL; and (e) such other matters with respect to which the Board of Trustees has adopted a resolution declaring that a proposed action is advisable and directing that the matter be submitted to the shareholders for approval or ratification. Except with respect to the foregoing matters, no action taken by the shareholders at any meeting, or by written consent, shall in any way bind the Board of Trustees.

Section 8.3 Preemptive and Appraisal Rights. Except as may be provided by the Board of Trustees in setting the terms of classified or reclassified Shares pursuant to Section 6.1, or as may otherwise be provided by contract approved by the Board of Trustees, no holder of Shares shall, as such holder, have any preemptive right to purchase or subscribe for any

additional Shares of the Trust or any other security of the Trust which it may issue or sell. Holders of shares of beneficial interest shall not be entitled to exercise any rights of an objecting shareholder provided for under Title 8 and Title 3, Subtitle 2 of the MGCL or any successor statute unless the Board of Trustees, upon the affirmative vote of a majority of the Board of Trustees and upon such terms and conditions as may be specified by the Board of Trustees, shall determine that such rights apply, with respect to all or any classes or series of shares of beneficial interest, to one or more transactions occurring after the date of such determination in connection with which holders of such shares would otherwise be entitled to exercise such rights. Notwithstanding the foregoing, in the event the Trust is subject to the Maryland Control Share Acquisition Act, holders of shares of beneficial interest shall be entitled to exercise rights of an objecting shareholder under Section 3-708(a) of the MGCL.

Section 8.4 Extraordinary Actions. Notwithstanding any provision of law permitting or requiring any action to be taken or authorized by the affirmative vote of the holders of a greater number of votes, any such action shall be effective and valid if declared advisable by the Board of Trustees and taken or approved by the affirmative vote of holders of Shares entitled to cast a majority of all the votes entitled to be cast on the matter.

Section 8.5 Board Approval. The submission of any action of the Trust to the shareholders for their consideration shall first be approved by the Board of Trustees.

Section 8.6 Action By Shareholders without a Meeting. The Bylaws may provide that any action required or permitted to be taken by the shareholders may be taken without a meeting by the written consent of the shareholders entitled to cast the minimum number of votes that would be necessary to approve the matter at a meeting at which all Shares entitled to vote thereon were present and voted, as required by statute, the Declaration of Trust or the Bylaws, as the case may be.

ARTICLE IX

LIABILITY LIMITATION, INDEMNIFICATION

AND TRANSACTIONS WITH THE TRUST

Section 9.1 Limitation of Shareholder Liability. No shareholder shall be liable for any debt, claim, demand, judgment or obligation of any kind of, against or with respect to the Trust by reason of his being a shareholder, nor shall any shareholder be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the property or the affairs of the Trust by reason of his being a shareholder.

Section 9.2 Limitation of Trustee and Officer Liability. To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of trustees and officers of a real estate investment trust, no present or former Trustee or officer of the Trust shall be liable to the Trust or to any shareholder for money damages. Neither the amendment nor repeal of this Section 9.2, nor the adoption or amendment of any other provision of the Declaration of Trust inconsistent with this Section 9.2, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption. No Trustee or officer of the Trust shall be liable to the Trust or to any shareholder for money damages except to the extent that (a) the Trustee or officer actually received an improper benefit or profit in money, property or services, for the amount of the benefit or profit in money, property or services actually received; or (b) a judgment or other final adjudication adverse to the Trustee or officer is entered in a proceeding based on a finding in the proceeding that the Trustee's or officer's action or failure to act was the result of

active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding.

Section 9.3 Express Exculpatory Clauses in Instruments. Neither the shareholders nor the Trustees, officers, employees or agents of the Trust shall be liable under any written instrument creating an obligation of the Trust, and all persons shall look solely to the property of the Trust for the payment of any claim under or for the performance of that instrument. The omission of the foregoing exculpatory language from any instrument shall not affect the validity of enforceability of such instrument and shall not render any shareholder, Trustee, officer, employee or agent liable thereunder to any third party, nor shall the Trustees or any officer, employee or agent of the Trust be liable to anyone for such omission.

Section 9.4 Indemnification. To the maximum extent permitted by Maryland law in effect from time to time, the Trust shall indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is a present or former Trustee or officer of the Trust and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity or (b) any individual who, while a Trustee or officer of the Trust and at the request of the Trust, serves or has served as a director, trustee, officer, partner, member or manager of another corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity. The rights to indemnification and advance of expenses provided by this Declaration of Trust shall vest immediately upon election of a Trustee or officer. The Trust may, with the approval of its Board of Trustees, provide such indemnification and advance for expenses to an individual who served a predecessor of the Trust in any of the capacities described in (a) or (b) above and to any employee or agent of the Trust or a predecessor of the Trust. The indemnification and payment or reimbursement of expenses provided in this Declaration of Trust shall not be deemed exclusive of or limit in any way other rights to which any person seeking

indemnification or payment or reimbursement of expenses may be or may become entitled under any bylaw, resolution, insurance, agreement or otherwise.

Neither the amendment nor repeal of this Section 9.4, nor the adoption or amendment of any other provision of this Declaration of Trust inconsistent with this Section 9.4, shall apply to or affect in any respect the applicability of the preceding paragraph of this Section 9.4 with respect to any act or failure to act that occurred prior to such amendment, repeal or adoption.

Section 9.5 Transactions Between the Trust and its Trustees, Officers, Employees and Agents. Subject to any express restrictions in the Declaration of Trust or adopted by the Trustees in the Bylaws or by resolution, the Trust may enter into any contract or transaction of any kind with any person, including any Trustee, officer, employee or agent of the Trust or any person affiliated with a Trustee, officer, employee or agent of the Trust, whether or not any of them has a financial interest in such transaction.

Section 9.6 Insurance. The Trust may, to the fullest extent permitted by law, purchase and maintain insurance on behalf of any person described in the preceding paragraph against any liability which may be asserted against such person.

Section 9.7 No Limitation. The indemnification provided herein shall not be deemed to limit the right of the Trust to indemnify any other person for any such expenses to the fullest extent permitted by law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification from the Trust may be entitled under any agreement, vote of shareholders or disinterested trustees, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

ARTICLE X

AMENDMENTS

Section 10.1 General. The Trust reserves the right from time to time to make any amendment to the Declaration of Trust, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Declaration of Trust,

of any Shares. All rights and powers conferred by the Declaration of Trust on shareholders, Trustees and officers are granted subject to this reservation. An amendment to the Declaration of Trust (a) shall be filed for record as provided in Section 13.5 and (b) shall become effective as of the later of the time the SDAT accepts the amendment for record or the time established in the amendment, not to exceed 30 days after the amendment is accepted for record. All references to the Declaration of Trust shall include all amendments thereto.

Section 10.2 By Trustees. The Trustees may amend the Declaration of Trust from time to time, in the manner provided by Title 8, without any action by the shareholders, (i) to qualify under the Code as a REIT or as a real estate investment trust under Title 8, (ii) in any respect in which the charter of a corporation may be amended in accordance with Section 2-605 of the Corporations and Associations Article of the Annotated Code of Maryland and (iii) as otherwise provided in the Declaration of Trust.

Section 10.3 By Shareholders. Except as otherwise provided in the Declaration of Trust, any amendment to the Declaration of Trust shall be valid only if declared advisable by the Board of Trustees and approved by the affirmative vote of majority of all the votes entitled to be cast on the matter.

ARTICLE XI

MERGER, CONSOLIDATION OR SALE OF TRUST PROPERTY

Subject to the provisions of any class or series of Shares at the time outstanding, the Trust may (a) merge the Trust into another entity, (b) consolidate the Trust with one or more other entities into a new entity or (c) sell, lease, exchange or otherwise transfer all or substantially all of the property of the Trust. Any such action must be approved (a) by the Board of Trustees and (b) if a vote of shareholders is required by Title 8, after notice to all shareholders entitled to vote on the matter, by the affirmative vote of a majority of votes entitled to be cast on the matter.

ARTICLE XII

DURATION AND TERMINATION OF TRUST

Section 12.1 Duration. The Trust shall continue perpetually unless terminated

pursuant to Section 12.2 or pursuant to any applicable provision of Title 8.

Section 12.2 Termination.

(a) Subject to the provisions of any class or series of Shares at the time outstanding, after approval by a majority of the entire Board of Trustees, the Trust may be terminated at any meeting of shareholders, by the affirmative vote of a majority of all the votes entitled to be cast on the matter. Upon the termination of the Trust:

(i) The Trust shall carry on no business except for the purpose of winding up its affairs.

(ii) The Trustees shall proceed to wind up the affairs of the Trust and all of the powers of the Trustees under the Declaration of Trust shall continue, including the powers to fulfill or discharge the Trust's contracts, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining property of the Trust to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay its liabilities and do all other acts appropriate to liquidate its business. The Trustees may appoint any officer of the Trust or any other person to supervise the winding up of the affairs of the Trust and delegate to such officer or such person any or all powers of the Trustees in this regard.

(iii) After paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and agreements as they deem necessary for their protection, the Trust may distribute the remaining property of the Trust, in cash or in kind or partly each, among the shareholders so that after payment in full or the setting apart for payment of such preferential amounts, if any, to which the holders of any Shares at the time outstanding shall be entitled, the remaining property of the Trust shall, subject to any participating or similar rights of Shares at the time outstanding, be distributed ratably among the holders of Common Shares at the time outstanding.

(b) After termination of the Trust, the liquidation of its business and the distribution to the shareholders as herein provided, a majority of the Trustees shall execute

and file with the Trust's records a document certifying that the Trust has been duly terminated, and the Trustees shall be discharged from all liabilities and duties hereunder, and the rights and interests of all shareholders shall cease.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Governing Law. The Declaration of Trust is executed by the undersigned Trustees and delivered in the State of Maryland with reference to the laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State of Maryland without regard to conflicts of laws provisions thereof.

Section 13.2 Reliance by Third Parties. Any certificate shall be final and conclusive as to any person dealing with the Trust if executed by the Secretary or an Assistant Secretary of the Trust or a Trustee, and if certifying to: (a) the number or identity of Trustees, officers of the Trust or shareholders; (b) the due authorization of the execution of any document; (c) the action or vote taken, and the existence of a quorum, at a meeting of the Board of Trustees or shareholders; (d) a copy of the Declaration of Trust or of the Bylaws as a true and complete copy as then in force; (e) an amendment to the Declaration of Trust; (f) the termination of the Trust; or (g) the existence of any fact relating to the affairs of the Trust. No purchaser, lender, transfer agent or other person shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Trust on its behalf or by any officer, employee or agent of the Trust.

Section 13.3 Severability.

(a) The provisions of the Declaration of Trust are severable, and if the Board of Trustees shall determine, with the advice of counsel, that any one or more of such provisions (the "Conflicting Provisions") are in conflict with the Code, Title 8 or other applicable federal or state laws, the Conflicting Provisions, to the extent of the conflict, shall be deemed never to have constituted a part of the Declaration of Trust, even without any amendment of the Declaration of Trust pursuant to Article X and without affecting or impairing any of the remaining provisions of the Declaration of Trust or rendering invalid or improper any action taken or omitted prior to such determination. No Trustee shall be liable for making or failing to make such a determination. In the event of any

such determination by the Board of Trustees, the Board shall amend the Declaration of Trust in the manner provided in Section 10.2.

(b) If any provision of the Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such holding shall apply only to the extent of any such invalidity or unenforceability and shall not in any manner affect, impair or render invalid or unenforceable such provision in any other jurisdiction or any other provision of the Declaration of Trust in any jurisdiction.

Section 13.4 Construction. In the Declaration of Trust, unless the context otherwise requires, words used in the singular or in the plural include both the plural and singular and words denoting any gender include all genders. The title and headings of different parts are inserted for convenience and shall not affect the meaning, construction or effect of the Declaration of Trust. In defining or interpreting the powers and duties of the Trust and its Trustees and officers, reference may be made by the Trustees or officers, to the extent appropriate and not inconsistent with the Code or Title 8, to Titles 1 through 3 of the Corporations and Associations Article of the Annotated Code of Maryland.

Section 13.5 Recordation. The Declaration of Trust and any amendment hereto shall be filed for record with the SDAT and may also be filed or recorded in such other places as the Trustees deem appropriate, but failure to file for record the Declaration of Trust or any

amendment hereto in any office other than in the State of Maryland shall not affect or impair the validity or effectiveness of the Declaration of Trust or any amendment hereto. A restated Declaration of Trust shall, upon filing, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original Declaration of Trust and the various amendments thereto.

THIRD: The amendment to and restatement of the Declaration of Trust of the Trust as hereinabove set forth have been duly advised by the Board of Trustees and approved by the shareholders of the Trust as required by law.

FOURTH: The total number of shares of beneficial interest which the Trust had authority to issue immediately prior to this amendment and restatement was 1,000, consisting of 1,000 Common Shares, $0.01 par value per share. The aggregate par value of all shares of beneficial interest having par value was $10.00.

FIFTH: The total number of shares of beneficial interest which the Trust has authority to issue pursuant to the foregoing amendment and restatement of the Declaration of Trust is [], consisting of [·] Common Shares, $0.01 par value per share, and [·] Preferred Shares, $0.01 par value per share. The aggregate par value of all authorized shares of beneficial interest having par value is $[·].

The undersigned acknowledges these Articles of Amendment and Restatement to be the trust act of the Trust and as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Trust has caused these Articles of Amendment and Restatement to be signed in its name and on its behalf by its Chief Executive Officer and attested to by its Secretary on this][day of [·], 2017.

ATTEST:

JBG SMITH Properties

_____
Secretary

_____ (SEAL)
Chief Executive Officer

FINAL FORM
Exhibit M

JBG SMITH PROPERTIES

BYLAWS

ARTICLE I

OFFICES

Section 1. PRINCIPAL OFFICE. The principal office of the Trust in the State of Maryland shall be located at such place as the Board of Trustees may designate.

Section 2. ADDITIONAL OFFICES. The Trust may have additional offices, including a principal executive office, at such places as the Board of Trustees may from time to time determine or the business of the Trust may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Section 1. PLACE. All meetings of shareholders shall be held at the principal executive office of the Trust or at such other place as shall be set in accordance with these Bylaws and stated in the notice of the meeting.

Section 2. ANNUAL MEETING. An annual meeting of shareholders for the election of trustees and the transaction of any business within the powers of the Trust shall be held on the date and at the time and place set by the Board of Trustees.

Section 3. SPECIAL MEETINGS. Each of the chairman of the board, chief executive officer, president and a majority of the Board of Trustees then in office shall have the exclusive power to call a special meeting of shareholders. A special meeting of shareholders shall be held on the date and at the time and place set by the chairman of the board, chief executive officer, president or Board of Trustees, whoever has called the meeting.

Section 4. NOTICE. Not less than ten nor more than 90 days before each meeting of shareholders, the secretary shall give to each shareholder entitled to vote at such meeting and to each shareholder not entitled to vote who is entitled to notice of the meeting notice in writing or by electronic transmission stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by any statute, the purpose for which the meeting is called, by mail, by presenting it to such shareholder personally, by leaving it at the shareholder's residence or usual place of business or by any other means permitted by Maryland law. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the shareholder at the shareholder's address as it appears on the records of the Trust, with postage thereon prepaid. If transmitted electronically, such notice shall be deemed to be given when transmitted to the shareholder by an electronic transmission to any address or number of the shareholder at which the shareholder receives electronic transmissions.

The Trust may give a single notice to all shareholders who share an address, which single notice shall be effective as to any shareholder at such address, unless such shareholder objects to receiving such single notice or revokes a prior consent to receiving such single notice. Failure to give notice of any meeting to one or more shareholders, or any irregularity in such notice, shall not affect the validity of any meeting fixed in accordance with this Article II or the validity of any proceedings at any such meeting.

Subject to Section 12(a) of this Article II, any business of the Trust may be transacted at an annual meeting of shareholders without being specifically designated in the notice, except such business as is required by any statute to be stated in such notice. No business shall be transacted at a special meeting of shareholders except as specifically designated in the notice. The Trust may postpone or cancel a meeting of shareholders by making a "public announcement" (as defined in Section 12(c)(3) of this Article II) of such postponement or cancellation prior to the meeting. Notice of the date, time and place to which the meeting is postponed shall be given not less than ten days prior to such date and otherwise in the manner set forth in this section.

Section 5. ORGANIZATION AND CONDUCT. Every meeting of shareholders shall be conducted by an individual appointed by the Board of Trustees to be chairman of the meeting or, in the absence of such appointment or appointed individual, by the chairman of the board or, in the case of a vacancy in the office or absence of the chairman of the board, by one of the following officers present at the meeting in the following order: the vice chairman of the board, if there is one, the chief executive officer, the president, the vice presidents in their order of rank and seniority, the secretary or, in the absence of such officers, a chairman chosen by the shareholders by the vote of a majority of the votes cast by shareholders present in person or by proxy. The secretary or, in the secretary's absence, an assistant secretary, or, in the absence of both the secretary and assistant secretaries, an individual appointed by the Board of Trustees or, in the absence of such appointment, an individual appointed by the chairman of the meeting shall act as secretary. In the event that the secretary presides at a meeting of shareholders, an assistant secretary or, in the absence of all assistant secretaries, an individual appointed by the Board of Trustees or the chairman of the meeting, shall record the minutes of the meeting. The order of business and all other matters of procedure at any meeting of shareholders shall be determined by the chairman of the meeting. The chairman of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of the chairman and without any action by the shareholders, are appropriate for the proper conduct of the meeting, including, without limitation, (a) restricting admission to the time set for the commencement of the meeting; (b) limiting attendance at the meeting to shareholders of record of the Trust, their duly authorized proxies and such other individuals as the chairman of the meeting may determine; (c) limiting participation at the meeting on any matter to shareholders of record of the Trust entitled to vote on such matter, their duly authorized proxies and other such individuals as the chairman of the meeting may determine; (d) limiting the time allotted to questions or comments; (e) determining when and for how long the polls should be opened and when the polls should be closed; (f) maintaining order and security at the meeting; (g) removing any shareholder or any other individual who refuses to comply with meeting procedures, rules or guidelines as set forth by the chairman of the meeting; (h) concluding a meeting or recessing or adjourning the meeting, whether or not a quorum is present, to a later

date and time and at a place announced at the meeting;and (i) complying with any state and local laws and regulations concerning safety and security. Unless otherwise determined by the chairman of the meeting, meetings of shareholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 6. QUORUM. At any meeting of shareholders, the presence in person or by proxy of shareholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter shall constitute a quorum; but this section shall not affect any requirement under any statute or the Declaration of Trust of the Trust (the "Declaration of Trust") for the vote necessary for the approval of any matter. If such quorum is not established at any meeting of the shareholders, the chairman of the meeting may adjourn the meeting *sine die* or from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

The shareholders present either in person or by proxy, at a meeting which has been duly called and at which a quorum has been established, may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough shareholders to leave fewer than would be required to establish a quorum.

Section 7. VOTING. A plurality of all the votes cast at a meeting of shareholders duly called and at which a quorum is present shall be sufficient to elect a trustee. Each share may be voted for as many individuals as there are trustees to be elected and for whose election the share is entitled to be voted. A majority of the votes cast at a meeting of shareholders duly called and at which a quorum is present shall be sufficient to approve any other matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the Declaration of Trust. Unless otherwise provided by statute or by the Declaration of Trust, each outstanding share of beneficial interest, regardless of class, entitles the holder thereof to cast one vote on each matter submitted to a vote at a meeting of shareholders. Voting on any question or in any election may be viva voce unless the chairman of the meeting shall order that voting be by ballot or otherwise.

Section 8. PROXIES. A holder of record of shares of beneficial interest of the Trust may cast votes in person or by proxy executed by the shareholder or by the shareholder's duly authorized agent in any manner permitted by law. Such proxy or evidence of authorization of such proxy shall be filed with the secretary of the Trust before or at the meeting. No proxy shall be valid more than eleven months after its date unless otherwise provided in the proxy.

Section 9. VOTING OF SHARES BY CERTAIN HOLDERS. Shares of beneficial interest of the Trust registered in the name of a corporation, limited liability company, partnership, joint venture, trust or other entity, if entitled to be voted, may be voted by the president or a vice president, managing member, manager, general partner or trustee thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other

person who has been appointed to vote such shares pursuant to a bylaw or a resolution of the governing body of such corporation or other entity or agreement of the partners of a partnership presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such shares. Any trustee or fiduciary, in such capacity, may vote shares of beneficial interest registered in such trustee's or fiduciary's name, either in person or by proxy.

Shares of beneficial interest of the Trust directly or indirectly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Board of Trustees may adopt by resolution a procedure by which a shareholder may certify in writing to the Trust that any shares of beneficial interest registered in the name of the shareholder are held for the account of a specified person other than the shareholder. The resolution shall set forth the class of shareholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be contained in it; if the certification is with respect to a record date, the time after the record date within which the certification must be received by the Trust; and any other provisions with respect to the procedure which the Board of Trustees considers necessary or desirable. On receipt by the Trust of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the holder of record of the specified shares of beneficial interest in place of the shareholder who makes the certification.

Section 10. INSPECTORS. The Board of Trustees or the chairman of the meeting may appoint, before or at the meeting, one or more inspectors for the meeting and any successor to the inspector. Except as otherwise provided by the chairman of the meeting, the inspectors, if any, shall (i) determine the number of shares of beneficial interest represented at the meeting in person or by proxy and the validity and effect of proxies, (ii) receive and tabulate all votes, ballots or consents, (iii) report such tabulation to the chairman of the meeting, (iv) hear and determine all challenges and questions arising in connection with the right to vote, and (v) do such acts as are proper to fairly conduct the election or vote. Each such report shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

Section 11. REPORTS TO SHAREHOLDERS. The president or some other executive officer designated by the Board of Trustees shall prepare annually a full and correct statement of the affairs of the Trust, which shall include a balance sheet and a financial statement of operations for the preceding fiscal year. The statement of affairs shall be submitted at the annual meeting of the shareholders and, within 20 days after the annual meeting of shareholders, placed on file at the principal office of the Trust.

Section 12. ADVANCE NOTICE OF SHAREHOLDER NOMINEES FOR TRUSTEE AND OTHER SHAREHOLDER PROPOSALS.

(a) Annual Meetings of Shareholders. (1) Nominations of individuals for election to the Board of Trustees and the proposal of other business to be considered by the shareholders may be made at an annual meeting of shareholders (i) pursuant to the Trust's notice of meeting, (ii) by or at the direction of the Board of Trustees (and to the extent required by the Master Transaction Agreement, dated as of October 31, 2016, by and among Vornado Realty Trust, Vornado Realty L.P., JBG Properties Inc., JBG/Operating Partners, L.P., certain affiliates of JBG Properties Inc. and JBG/Operating Partners, L.P., the Trust and JBG SMITH Properties LP (f/k/a Vornado DC Spinco OP LP) (the "Master Agreement"), in accordance with Section 5.13 of the Master Agreement) or (iii) by any shareholder of the Trust who was a shareholder of record both at the time of giving of notice by the shareholder as provided for in this Section 12(a) and at the time of the annual meeting, who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who has complied with this Section 12(a).

(2) For any nomination or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (iii) of paragraph (a)(1) of this Section 12, the shareholder must have given timely notice thereof in writing to the secretary of the Trust and any such other business must otherwise be a proper matter for action by the shareholders. To be timely, a shareholder's notice shall set forth all information required under this Section 12 and shall be delivered to the secretary at the principal executive office of the Trust not earlier than the 150th day nor later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of the proxy statement (as defined in Section 12(c)(3) of this Article II) for the preceding year's annual meeting; provided, however, that, in connection with the Trust's first annual meeting or in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, in order for notice by the shareholder to be timely, such notice must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to the date of such annual meeting, as originally convened, or the tenth day following the day on which public announcement of the date of such meeting is first made. The public announcement of a postponement or adjournment of an annual meeting shall not commence a new time period for the giving of a shareholder's notice as described above.

(3) Such shareholder's notice shall set forth:

(i) as to each individual whom the shareholder proposes to nominate for election or reelection as a trustee (each, a "Proposed Nominee"), all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a trustee in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act");

(ii) as to any other business that the shareholder proposes to bring before the meeting, a description of such business, the shareholder's reasons for proposing such business at the meeting and any material interest in such business of such shareholder or any Shareholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the shareholder or the Shareholder Associated Person therefrom;

(iii) as to the shareholder giving the notice, any Proposed Nominee and any Shareholder Associated Person,

(A) the class, series and number of all shares of beneficial interest or other securities of the Trust or any affiliate thereof (collectively, the "Company Securities"), if any, which are owned (beneficially or of record) by such shareholder, Proposed Nominee or Shareholder Associated Person, the date on which each such Company Security was acquired and the investment intent of such acquisition, and any short interest (including any opportunity to profit or share in any benefit from any decrease in the price of such shares or other security) in any Company Securities of any such person,

(B) the nominee holder for, and number of, any Company Securities owned beneficially but not of record by such shareholder, Proposed Nominee or Shareholder Associated Person,

(C) whether and the extent to which such shareholder, Proposed Nominee or Shareholder Associated Person, directly or indirectly (through brokers, nominees or otherwise), is subject to or during the last six months has engaged in any hedging, derivative or other transaction or series of transactions or entered into any other agreement, arrangement or understanding (including any short interest, any borrowing or lending of securities or any proxy or voting agreement), the effect or intent of which is to (I) manage risk or benefit of changes in the price of **(x)** Company Securities or (y) any security of any entity that was listed in the Peer Group in the Share Performance Graph in the most recent annual report to security holders of the Trust (a "Peer Group Company") for such shareholder, Proposed Nominee or Shareholder Associated Person or (II) increase or decrease the voting power of such shareholder, Proposed Nominee or Shareholder Associated Person in the Trust or any affiliate thereof (or, as applicable, in any Peer Group Company) disproportionately to such person's economic interest in the Company Securities (or, as applicable, in any Peer Group Company) and

(D) any substantial interest, direct or indirect (including, without limitation, any existing or prospective commercial, business or contractual relationship with the Trust), by security holdings or otherwise, of such shareholder, Proposed Nominee or Shareholder Associated Person, in the Trust or any affiliate thereof, other than an interest arising from the ownership of Company Securities where such shareholder, Proposed Nominee or Shareholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis by all other holders of the same class or series;

(iv) as to the shareholder giving the notice, any Shareholder Associated Person with an interest or ownership referred to in clauses (ii) or (iii) of this paragraph (3) of this Section 12(a) and any Proposed Nominee,

(A) the name and address of such shareholder, as they appear on the Trust's share ledger, and the current name and business address, if different, of each such Shareholder Associated Person and any Proposed Nominee,

(B) the investment strategy or objective, if any, of such shareholder and each such Shareholder Associated Person who is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, provided to investors or potential investors in such shareholder and each such Shareholder Associated Person; and

(C) whether any such shareholder or any Shareholder Associated Person has received any financial assistance, funding or other consideration from any other person in respect of the nomination or such other business.

(v) the name and address of any person who contacted or was contacted by the shareholder giving the notice or any Shareholder Associated Person about the Proposed Nominee or other business proposal prior to the date of such shareholder's notice; and

(vi) to the extent known by the shareholder giving the notice, the name and address of any other shareholder supporting the Proposed Nominee or the proposal of other business on the date of such shareholder's notice.

(4) Such shareholder's notice shall, with respect to any Proposed Nominee, be accompanied by a certificate executed by the Proposed Nominee (i) certifying that such Proposed Nominee (a) is not, and will not become, a party to any agreement, arrangement or understanding with any person or entity other than the Trust in connection with service or action as a trustee that has not been disclosed to the Trust and (b) will serve as a trustee of the Trust if elected; and (ii) attaching a completed Proposed Nominee questionnaire (which questionnaire shall be provided by the Trust, upon request, to the shareholder providing the notice and shall include all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a trustee in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act and the rules thereunder, or would be required pursuant to the rules of any national securities exchange on which any securities of the Trust are listed or over-the-counter market on which any securities of the Trust are traded).

(5) Notwithstanding anything in this subsection (a) of this Section 12 to the contrary, in the event that the number of trustees to be elected to the Board of Trustees is increased, and there is no public announcement of such action at least 130 days prior to the first anniversary of the date of the proxy statement (as defined in Section 12(c)(3) of this Article II) for the preceding year's annual meeting, a shareholder's notice required by this Section 12(a)

shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the principal executive office of the Trust not later than 5:00 p.m., Eastern Time, on the tenth day following the day on which such public announcement is first made by the Trust.

(6) For purposes of this Section 12, "Shareholder Associated Person" of any shareholder shall mean (i) any person acting in concert with, such shareholder, (ii) any beneficial owner of shares of beneficial interest of the Trust owned of record or beneficially by such shareholder (other than a shareholder that is a depositary) and (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such shareholder or Shareholder Associated Person.

(b) Special Meetings of Shareholders. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Trust's notice of meeting. Nominations of individuals for election to the Board of Trustees may be made at a special meeting of shareholders at which trustees are to be elected only (i) by or at the direction of the Board of Trustees or (ii) provided that the special meeting has been called in accordance with Section 3(a) of this Article II for the purpose of electing trustees, by any shareholder of the Trust who is a shareholder of record both at the time of giving of notice provided for in this Section 12 and at the time of the special meeting, who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the notice procedures set forth in this Section 12. In the event the Trust calls a special meeting of shareholders for the purpose of electing one or more individuals to the Board of Trustees, any shareholder may nominate an individual or individuals (as the case may be) for election as a trustee as specified in the Trust's notice of meeting, if the shareholder's notice, containing the information required by paragraphs (a)(3) and (4) of this Section 12 is delivered to the secretary at the principal executive office of the Trust not earlier than the 120th day prior to such special meeting and not later than 5:00 p.m., Eastern Time, on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Trustees to be elected at such meeting. The public announcement of a postponement or adjournment of a special meeting shall not commence a new time period for the giving of a shareholder's notice as described above.

(c) General. (1) If information submitted pursuant to this Section 12 by any shareholder proposing a nominee for election as a trustee or any proposal for other business at a meeting of shareholders shall be inaccurate in any material respect, such information may be deemed not to have been provided in accordance with this Section 12. Any such shareholder shall notify the Trust of any inaccuracy or change (within two Business Days of becoming aware of such inaccuracy or change) in any such information. Upon written request by the secretary or the Board of Trustees, any such shareholder shall provide, within five Business Days of delivery of such request (or such other period as may be specified in such request), (A) written verification, satisfactory, in the discretion of the Board of Trustees or any authorized officer of the Trust, to demonstrate the accuracy of any information submitted by the shareholder pursuant to this Section 12 and (B) a written update of any information (including, if requested by the

Trust, written confirmation by such shareholder that it continues to intend to bring such nomination or other business proposal before the meeting) submitted by the shareholder pursuant to this Section 12 as of an earlier date. If a shareholder fails to provide such written verification or written update within such period, the information as to which written verification or a written update was requested may be deemed not to have been provided in accordance with this Section 12.

(2) Only such individuals who are nominated in accordance with this Section 12 shall be eligible for election by shareholders as trustees, and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with this Section 12. The chairman of the meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with this Section 12.

(3) For purposes of this Section 12, "the date of the proxy statement" shall have the same meaning as "the date of the company's proxy statement released to shareholders" as used in Rule 14a-8(e) promulgated under the Exchange Act, as interpreted by the Securities and Exchange Commission from time to time. "Public announcement" shall mean disclosure (A) in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or other widely circulated news or wire service or (B) in a document publicly filed by the Trust with the Securities and Exchange Commission pursuant to the Exchange Act or the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(4) Notwithstanding the foregoing provisions of this Section 12, a shareholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 12. Nothing in this Section 12 shall be deemed to affect any right of a shareholder to request inclusion of a proposal in, or the right of the Trust to omit a proposal from, the Trust's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in this Section 12 shall require disclosure of revocable proxies received by the shareholder or Shareholder Associated Person pursuant to a solicitation of proxies after the filing of an effective Schedule 14A by such shareholder or Shareholder

Associated Person under Section 14(a) of the Exchange Act.

(5) For purposes of these Bylaws, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

Section 13. CONTROL SHARE ACQUISITION ACT. Notwithstanding any other provision of the Declaration of Trust or these Bylaws, Title 3, Subtitle 7 of the Maryland General Corporation Law, or any successor statute (the "MGCL"), shall not apply to any acquisition by any person of shares of beneficial interest of the Trust. This section may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

Section 14. SHAREHOLDERS' CONSENT IN LIEU OF MEETING. Any action required or permitted to be taken at any meeting of shareholders may be taken without a meeting (a) if a unanimous consent setting forth the action is given in writing or by electronic transmission by each shareholder entitled to vote on the matter and filed with the minutes of proceedings of the shareholders or (b) if the action is advised, and submitted to the shareholders for approval, by the Board of Trustees and a consent in writing or by electronic transmission of shareholders entitled to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting of shareholders is delivered to the Trust in accordance with the Maryland REIT Law or the other applicable provisions of the Corporations and Associations Article of the Annotated Code of Maryland (collectively, the "MRL"). The Trust shall give notice of any action taken by less than unanimous consent to each shareholder not later than ten days after the effective time of such action.

ARTICLE III

TRUSTEES

Section 1. GENERAL POWERS. The business and affairs of the Trust shall be managed under the direction of its Board of Trustees.

Section 2. NUMBER, TENURE, QUALIFICATIONS AND RESIGNATION. At any regular meeting or at any special meeting called for that purpose, a majority of the entire Board of Trustees may establish, increase or decrease the number of trustees, provided that the number thereof shall never be less than the minimum number required by the MRL, nor more than 15, and further provided that the tenure of office of a trustee shall not be affected by any decrease in the number of trustees. In case of failure to elect trustees at the designated time, the trustees holding over shall continue to serve as trustees until their successors are elected and qualify. Any trustee of the Trust may resign at any time by delivering his or her resignation to the Board of Trustees, the chairman of the board or the secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

Section 3. ANNUAL AND REGULAR MEETINGS. An annual meeting of the Board of Trustees shall be held immediately after and at the same place as the annual meeting of shareholders, no notice other than this Bylaw being necessary. In the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Trustees. The Board of Trustees may provide, by resolution, the time and place of regular meetings of the Board of Trustees without other notice than such resolution.

Section 4. SPECIAL MEETINGS. Special meetings of the Board of Trustees may be called by or at the request of the chairman of the board, the chief executive officer, the president or a majority of the trustees then in office. The person or persons authorized to call special meetings of the Board of Trustees may fix the time and place of any special meeting of the Board of Trustees called by them. The Board of Trustees may provide, by resolution, the

time and place for special meetings of the Board of Trustees without other notice than such resolution.

Section 5. NOTICE. Notice of any special meeting of the Board of Trustees shall be delivered personally or by telephone, electronic mail, facsimile transmission, courier or United States mail to each trustee at his or her business or residence address. Notice by personal delivery, telephone, electronic mail or facsimile transmission shall be given at least 24 hours prior to the meeting. Notice by United States mail shall be given at least three days prior to the meeting. Notice by courier shall be given at least two days prior to the meeting. Telephone notice shall be deemed to be given when the trustee or his or her agent is personally given such notice in a telephone call to which the trustee or his or her agent is a party. Electronic mail notice shall be deemed to be given upon transmission of the message to the electronic mail address given to the Trust by the trustee. Facsimile transmission notice shall be deemed to be given upon completion of the transmission of the message to the number given to the Trust by the trustee and receipt of a completed answer-back indicating receipt. Notice by United States mail shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. Notice by courier shall be deemed to be given when deposited with or delivered to a courier properly addressed. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Trustees need be stated in the notice, unless specifically required by statute or these Bylaws.

Section 6. QUORUM. A majority of the trustees shall constitute a quorum for transaction of business at any meeting of the Board of Trustees, provided that, if less than a majority of such trustees is present at such meeting, a majority of the trustees present may adjourn the meeting from time to time without further notice, and provided further that if, pursuant to applicable law, the Declaration of Trust or these Bylaws, the vote of a majority or other percentage of a particular group of trustees is required for action, a quorum must also include a majority or such other percentage of such group.

The trustees present at a meeting which has been duly called and at which a quorum has been established may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough trustees to leave fewer than required to establish a quorum.

Section 7. VOTING. The action of a majority of the trustees present at a meeting at which a quorum is present shall be the action of the Board of Trustees, unless the concurrence of a greater proportion is required for such action by applicable law, the Declaration of Trust or these Bylaws. If enough trustees have withdrawn from a meeting to leave fewer than required to establish a quorum, but the meeting is not adjourned, the action of the majority of that number of trustees necessary to constitute a quorum at such meeting shall be the action of the Board of Trustees, unless the concurrence of a greater proportion is required for such action by applicable law, the Declaration of Trust or these Bylaws.

Section 8. ORGANIZATION. At each meeting of the Board of Trustees, the chairman of the board or, in the absence of the chairman, the vice chairman of the board, if any,

shall act as chairman of the meeting. In the absence of both the chairman and vice chairman of the board, the chief executive officer or, in the absence of the chief executive officer, the president or, in the absence of the president, a trustee chosen by a majority of the trustees present, shall act as chairman of the meeting. The secretary or, in his or her absence, an assistant secretary of the Trust or, in the absence of the secretary and all assistant secretaries, an individual appointed by the chairman of the meeting, shall act as secretary of the meeting.

Section 9. TELEPHONE MEETINGS. Trustees may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 10. CONSENT BY TRUSTEES WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of the Board of Trustees may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each trustee and is filed with the minutes of proceedings of the Board of Trustees.

Section 11. VACANCIES. If for any reason any or all the trustees cease to be trustees, such event shall not terminate the Trust or affect these Bylaws or the powers of the remaining trustees hereunder. Except as may be provided by the Board of Trustees in setting the terms of any class or series of preferred shares of beneficial interest, any vacancy on the Board of Trustees may be filled only by a majority of the remaining trustees, even if the remaining trustees do not constitute a quorum. To the extent required by the Master Agreement, any vacancy on the Board of Trustees shall be filled with a "Replacement Designee" (as defined in the Master Agreement) in accordance with the Master Agreement. Any trustee elected to fill a vacancy shall serve for the remainder of the full term of the trusteeship in which the vacancy occurred and until a successor is elected and qualifies.

Section 12. COMPENSATION. Trustees shall not receive any stated salary for their services as trustees but, by resolution of the trustees, may receive compensation per year and/or per meeting and/or per visit to real property or other facilities owned or leased by the Trust and for any service or activity they performed or engaged in as trustees. Trustees may be reimbursed for expenses of attendance, if any, at each annual, regular or special meeting of the trustees or of any committee thereof and for their expenses, if any, in connection with each property visit and any other service or activity they perform or engage in as trustees; but nothing herein contained shall be construed to preclude any trustees from serving the Trust in any other capacity and receiving compensation therefor.

Section 13. RELIANCE. Each trustee and officer of the Trust shall, in the performance of his or her duties with respect to the Trust, be entitled to rely on any information, opinion, report or statement, including any financial statement or other financial data, prepared or presented by an officer or employee of the Trust whom the trustee or officer reasonably believes to be reliable and competent in the matters presented, by a lawyer, certified public accountant or other person, as to a matter which the trustee or officer reasonably believes to be within the person's professional or expert competence, or, with respect to a trustee, by a committee of the

Board of Trustees on which the trustee does not serve, as to a matter within its designated authority, if the trustee reasonably believes the committee to merit confidence.

Section 14. RATIFICATION. The Board of Trustees or the shareholders may ratify and make binding on the Trust any action or inaction by the Trust or its officers to the extent that the Board of Trustees or the shareholders could have originally authorized the matter. Moreover, any action or inaction questioned in any shareholders' derivative proceeding or any other proceeding on the ground of lack of authority, defective or irregular execution, adverse interest of a trustee, officer or shareholder, non-disclosure, miscomputation, the application of improper principles or practices of accounting or otherwise, may be ratified, before or after judgment, by the Board of Trustees or by the shareholders, and if so ratified, shall have the same force and effect as if the questioned action or inaction had been originally duly authorized, and such ratification shall be binding upon the Trust and its shareholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned action or inaction.

Section 15. INTERESTED TRUSTEE TRANSACTIONS. Section 2-419 of the MGCL shall be available for and apply to any contract or other transaction between the Trust and any of its trustees or between the Trust and any other trust, corporation, firm or other entity in which any of its trustees is a trustee or director or has a material financial interest.

Section 16. CERTAIN RIGHTS OF TRUSTEES AND OFFICERS. Any trustee or officer, in his or her personal capacity or in a capacity as an affiliate, employee or agent of any other person, or otherwise, may have business interests and engage in business activities similar to, in addition to or in competition with those of or relating to the Trust.

Section 17. EMERGENCY PROVISIONS. Notwithstanding any other provision in the Declaration of Trust or these Bylaws, this Section 17 shall apply during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Trustees under Article III of these Bylaws cannot readily be obtained (an "Emergency"). During any Emergency, unless otherwise provided by the Board of Trustees, (i) a meeting of the Board of Trustees or a committee thereof may be called by any trustee or officer by any means feasible under the circumstances; (ii) notice of any meeting of the Board of Trustees during such an Emergency may be given less than 24 hours prior to the meeting to as many trustees and by such means as may be feasible at the time, including publication, television or radio; and (iii) the number of trustees necessary to constitute a quorum shall be one-third of the entire Board of Trustees.

ARTICLE IV

COMMITTEES

Section 1. NUMBER, TENURE AND QUALIFICATIONS. The Board of Trustees may appoint from among its members an Executive Committee, an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and other committees, composed of one or more trustees, to serve at the pleasure of the Board of Trustees. To the extent required by the Master Agreement, the membership of each of the Audit

Committee, Compensation Committee and Nominating and Corporate Governance Committee shall consist of an equal number of JBG Board Designees and Vornado Board Designees (each as defined in the Master Agreement) (or if applicable, their respective Replacement Designees).

Section 2. POWERS. The Board of Trustees may delegate to committees appointed under Section 1 of this Article IV any of the powers of the Board of Trustees. Except as may be otherwise provided by the Board of Trustees, any committee may delegate some or all of its power and authority to one or more subcommittees, composed of one or more trustees, as the committee deems appropriate in its sole and absolute discretion.

Section 3. MEETINGS. Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Trustees. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of the committee members present at a meeting shall be the act of such committee. The Board of Trustees may designate a chairman of any committee, and such chairman or, in the absence of a chairman, any two members of any committee (if there are at least two members of the committee) may fix the time and place of its meeting unless the Board shall otherwise provide. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another trustee to act in the place of such absent member.

Section 4. TELEPHONE MEETINGS. Members of a committee of the Board of Trustees may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 5. CONSENT BY COMMITTEES WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of a committee of the Board of Trustees may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each member of the committee and is filed with the minutes of proceedings of such committee.

Section 6. VACANCIES. Subject to the provisions hereof, the Board of Trustees shall have the power at any time to change the membership of any committee, to fill any vacancy, to designate an alternate member to replace any absent or disqualified member or to dissolve any such committee.

ARTICLE V

OFFICERS

Section 1. GENERAL PROVISIONS. The officers of the Trust shall include a president, a secretary and a treasurer and may include a chairman of the board, a vice chairman of the board, a chief executive officer, one or more vice presidents, a chief operating officer, a

chief financial officer, one or more assistant secretaries and one or more assistant treasurers. In addition, the Board of Trustees may from time to time elect such other officers with such powers and duties as it shall deem necessary or desirable. The officers of the Trust shall be elected annually by the Board of Trustees, except that the chief executive officer or president may from time to time appoint one or more vice presidents, assistant secretaries and assistant treasurers or other officers. Each officer shall serve until his or her successor is elected and qualifies or until his or her death, or his or her resignation or removal in the manner hereinafter provided. Any two or more offices except president and vice president may be held by the same person. Election of an officer or agent shall not of itself create contract rights between the Trust and such officer or agent.

Section 2. REMOVAL AND RESIGNATION. Any officer or agent of the Trust may be removed, with or without cause, by the Board of Trustees if in its judgment the best interests of the Trust would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Trust may resign at any time by delivering his or her resignation to the Board of Trustees, the chairman of the board, the chief executive officer, the president or the secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Such resignation shall be without prejudice to the contract rights, if any, of the Trust.

Section 3. VACANCIES. A vacancy in any office may be filled by the Board of Trustees for the balance of the term.

Section 4. CHIEF EXECUTIVE OFFICER. The Board of Trustees may designate a chief executive officer. The chief executive officer shall have general responsibility for implementation of the policies of the Trust, as determined by the Board of Trustees, and for the management of the business and affairs of the Trust. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Trustees or by these Bylaws to some other officer or agent of the Trust or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of chief executive officer and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 5. CHIEF OPERATING OFFICER. The Board of Trustees may designate a chief operating officer. The chief operating officer shall have the responsibilities and duties as determined by the Board of Trustees or the chief executive officer.

Section 6. CHIEF FINANCIAL OFFICER. The Board of Trustees may designate a chief financial officer. The chief financial officer shall have the responsibilities and duties as determined by the Board of Trustees or the chief executive officer.

Section 7. CHAIRMAN OF THE BOARD. The Board of Trustees may designate from among its members a chairman of the board, who shall not, solely by reason of these Bylaws, be an officer of the Trust. The Board of Trustees may designate the chairman of

the board as an executive or non-executive chairman. The chairman of the board shall preside over the meetings of the Board of Trustees. The chairman of the board shall perform such other duties as may be assigned to him or her by these Bylaws or the Board of Trustees.

Section 8. PRESIDENT. In the absence of a chief executive officer, the president shall in general supervise and control all of the business and affairs of the Trust. In the absence of a designation of a chief operating officer by the Board of Trustees, the president shall be the chief operating officer. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Trustees or by these Bylaws to some other officer or agent of the Trust or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 9. VICE PRESIDENTS. In the absence of the president or in the event of a vacancy in such office, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon the president; and shall perform such other duties as from time to time may be assigned to such vice president by the chief executive officer, the president or the Board of Trustees. The Board of Trustees may designate one or more vice presidents as executive vice president, senior vice president, or vice president for particular areas of responsibility.

Section 10. SECRETARY. The secretary shall (a) keep the minutes of the proceedings of the shareholders, the Board of Trustees and committees of the Board of Trustees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the trust records and of the seal of the Trust; (d) keep a register of the post office address of each shareholder which shall be furnished to the secretary by such shareholder; (e) have general charge of the share transfer books of the Trust; and (f) in general perform such other duties as from time to time may be assigned to him or her by the chief executive officer, the president or the Board of Trustees.

Section 11. TREASURER. The treasurer shall have the custody of the funds and securities of the Trust, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Trust, shall deposit all moneys and other valuable effects in the name and to the credit of the Trust in such depositories as may be designated by the Board of Trustees and in general perform such other duties as from time to time may be assigned to him or her by the chief executive officer, the president or the Board of Trustees. In the absence of a designation of a chief financial officer by the Board of Trustees, the treasurer shall be the chief financial officer of the Trust.

The treasurer shall disburse the funds of the Trust as may be ordered by the Board of Trustees, taking proper vouchers for such disbursements, and shall render to the president and Board of Trustees, at the regular meetings of the Board of Trustees or whenever it may so

require, an account of all his or her transactions as treasurer and of the financial condition of the Trust.

Section 12. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or treasurer, respectively, or by the chief executive officer, the president or the Board of Trustees.

Section 13. COMPENSATION. The compensation of the officers shall be fixed from time to time by or under the authority of the Board of Trustees and no officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a trustee.

ARTICLE VI

CONTRACTS, CHECKS AND DEPOSITS

Section 1. CONTRACTS. The Board of Trustees may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Trust and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document shall be valid and binding upon the Trust when duly authorized or ratified by action of the Board of Trustees and executed by an authorized person.

Section 2. CHECKS AND DRAFTS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Trust shall be signed by such officer or agent of the Trust in such manner as shall from time to time be determined by the Board of Trustees.

Section 3. DEPOSITS. All funds of the Trust not otherwise employed shall be deposited or invested from time to time to the credit of the Trust as the Board of Trustees, the chief executive officer, the president, the chief financial officer, or any other officer designated by the Board of Trustees may determine.

ARTICLE VII

SHARES

Section 1. CERTIFICATES. Except as may be otherwise provided by the Board of Trustees, shareholders of the Trust are not entitled to certificates evidencing the shares of beneficial interest held by them. In the event that the Trust issues shares of beneficial interest evidenced by certificates, such certificates shall be in such form as prescribed by the Board of Trustees or a duly authorized officer, shall contain the statements and information required by the MRL and shall be signed by the officers of the Trust in any manner permitted by the MRL. In the event that the Trust issues shares of beneficial interest without certificates, to the extent then required by the MRL, the Trust shall provide to the record holders of such shares a written

statement of the information required by the MRL to be included on share certificates. There shall be no differences in the rights and obligations of shareholders based on whether or not their shares are evidenced by certificates.

Section 2. TRANSFERS. All transfers of shares shall be made on the books of the Trust, by the holder of the shares, in person or by his or her attorney, in such manner as the Board of Trustees or any officer of the Trust may prescribe and, if such shares are certificated, upon surrender of certificates duly endorsed. The issuance of a new certificate upon the transfer of certificated shares is subject to the determination of the Board of Trustees that such shares shall no longer be evidenced by certificates. Upon the transfer of any uncertificated shares the Trust shall provide to the record holders of such shares, to the extent then required by the MRL, a written statement of the information required by the MRL to be included on share certificates.

The Trust shall be entitled to treat the holder of record of any share of beneficial interest as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by the laws of the State of Maryland.

Notwithstanding the foregoing, transfers of shares of any class or series of beneficial interest will be subject in all respects to the Declaration of Trust and all of the terms and conditions contained therein.

Section 3. REPLACEMENT CERTIFICATE. Any officer of the Trust may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Trust alleged to have been lost, destroyed, stolen or mutilated, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, destroyed, stolen or mutilated; provided, however, if such shares have ceased to be certificated, no new certificate shall be issued unless requested in writing by such shareholder and the Board of Trustees has determined that such certificates may be issued. Unless otherwise determined by an officer of the Trust, the owner of such lost, destroyed, stolen or mutilated certificate or certificates, or his or her legal representative, shall be required, as a condition precedent to the issuance of a new certificate or certificates, to give the Trust a bond in such sums as it may direct as indemnity against any claim that may be made against the Trust.

Section 4. FIXING OF RECORD DATE. The Board of Trustees may set, in advance, a record date for the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or determining shareholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of shareholders for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of shareholders, not less than ten days, before the date on which the meeting or particular action requiring such determination of shareholders of record is to be held or taken.

When a record date for the determination of shareholders entitled to notice of and

to vote at any meeting of shareholders has been set as provided in this section, such record date shall continue to apply to the meeting if adjourned or postponed, except if the meeting is adjourned or postponed to a date more than 120 days after the record date originally fixed for the meeting, in which case a new record date for such meeting shall be determined as set forth herein.

Section 5. SHARE LEDGER. The Trust shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate share ledger containing the name and address of each shareholder and the number of shares of each class held by such shareholder.

Section 6. FRACTIONAL SHARES; ISSUANCE OF UNITS. The Board of Trustees may authorize the Trust to issue fractional shares or authorize the issuance of scrip, all on such terms and under such conditions as it may determine. Notwithstanding any other provision of the Declaration of Trust or these Bylaws, the Board of Trustees may authorize the issuance of units consisting of different securities of the Trust. Any security issued in a unit shall have the same characteristics as any identical securities issued by the Trust, except that the Board of Trustees may provide that for a specified period securities of the Trust issued in such unit may be transferred on the books of the Trust only in such unit.

ARTICLE VIII

ACCOUNTING YEAR

The Board of Trustees shall have the power, from time to time, to fix the fiscal year of the Trust by a duly adopted resolution.

ARTICLE IX

DISTRIBUTIONS

Section 1. AUTHORIZATION. Dividends and other distributions upon the shares of beneficial interest of the Trust may be authorized by the Board of Trustees, subject to the provisions of law and the Declaration of Trust. Dividends and other distributions may be paid in cash, property or shares of beneficial interest of the Trust, subject to the provisions of law and the Declaration of Trust.

Section 2. CONTINGENCIES. Before payment of any dividends or other distributions, there may be set aside out of any assets of the Trust available for dividends or other distributions such sum or sums as the Board of Trustees may from time to time, in its absolute discretion, think proper as a reserve fund for contingencies, for equalizing dividends, for repairing or maintaining any property of the Trust or for such other purpose as the Board of Trustees shall determine, and the Board of Trustees may modify or abolish any such reserve.

ARTICLE X

INVESTMENT POLICY

Subject to the provisions of the Declaration of Trust, the Board of Trustees may from time to time adopt, amend, revise or terminate any policy or policies with respect to investments by the Trust as it shall deem appropriate in its sole discretion.

ARTICLE XI

SEAL

Section 1. SEAL. The Board of Trustees may authorize the adoption of a seal by the Trust. The seal shall contain the name of the Trust and the year of its formation and the words "Formed Maryland." The Board of Trustees may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. AFFIXING SEAL. Whenever the Trust is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the Trust.

ARTICLE XII

INDEMNIFICATION AND ADVANCE OF EXPENSES

To the maximum extent permitted by Maryland law in effect from time to time, the Trust shall indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is a present or former trustee or officer of the Trust and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity or (b) any individual who, while a trustee or officer of the Trust and at the request of the Trust, serves or has served as a director, trustee, officer, partner, member or manager of another corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity. The rights to indemnification and advance of expenses provided by the Declaration of Trust and these Bylaws shall vest immediately upon election of a trustee or officer. The Trust may, with the approval of its Board of Trustees, provide such indemnification and advance for expenses to an individual who served a predecessor of the Trust in any of the capacities described in (a) or (b) above and to any employee or agent of the Trust or a predecessor of the Trust. The indemnification and payment or reimbursement of expenses provided in these Bylaws shall not be deemed exclusive of or limit in any way other rights to which any person seeking indemnification or payment or reimbursement of expenses may be or may become entitled under any bylaw, resolution, insurance, agreement or otherwise.

Neither the amendment nor repeal of this Article XII, nor the adoption or amendment of any other provision of the Declaration of Trust or these Bylaws inconsistent with this Article, shall apply to or affect in any respect the applicability of the preceding paragraph of this Article XII with respect to any act or failure to act that occurred prior to such amendment, repeal or adoption.

ARTICLE XIII

WAIVER OF NOTICE

Whenever any notice of a meeting is required to be given pursuant to the Declaration of Trust or these Bylaws or pursuant to applicable law, a waiver thereof in writing or by electronic transmission, given by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice of such meeting, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

ARTICLE XIV

EXCLUSIVE FORUM FOR CERTAIN LITIGATION

Unless the Trust consents in writing to the selection of an alternative forum, and to the fullest extent permitted by law, the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the United States District Court for the District of Maryland, Baltimore Division, shall be the sole and exclusive forum for (a) any derivative action or proceeding brought in the right or on behalf of the Trust, (b) any action asserting a claim of breach of any duty owed by any trustee, officer, other employee, or agent of the Trust to the Trust or to the shareholders of the Trust, (c) any action asserting a claim against the Trust or any trustee, officer, other employee, or agent of the Trust arising pursuant to any provision of the MRL, the Declaration of Trust or these Bylaws, or (d) any action asserting a claim against the Trust or any trustee or officer or other employee of the Trust that is governed by the internal affairs doctrine. In the event that any action or proceeding described in the this Article XIV is pending in the Circuit Court for Baltimore City, Maryland, any shareholder that is a party to such action, proceeding or claim shall cooperate in seeking to have the action or proceeding assigned to the Business & Technology Case Management Program.

ARTICLE XV

AMENDMENT OF BYLAWS

The Board of Trustees shall have the exclusive power to adopt, alter or repeal any provision of these Bylaws and to make new Bylaws. For a period of two years following the Closing (as defined in the Master Agreement), any amendment to (i) Article II, Section 12(a)(1), (ii) Article III, Section 11, (iii) Article IV, Section 1 or (iv) this sentence of the Bylaws shall be valid only if approved by a majority of the entire Board of Trustees, including a majority of each of the JBG Board Designees and Vornado Board Designees.

ARTICLE XVI

MISCELLANEOUS

All references to the Declaration of Trust shall include all amendments and supplements thereto and any other documents filed with and accepted for record by the State Department of Assessments and Taxation related thereto.

ARTICLE XVII

SEVERABILITY

If any provision of these Bylaws shall be held invalid or unenforceable in any respect, such holding shall apply only to the extent of any such invalidity or unenforceability and shall not in any manner affect, impair or render invalid or unenforceable any other provision of these Bylaws in any jurisdiction.

FINAL FORM
Exhibit N

FORM OF GROUND LEASE ESTOPPEL

, 201

Ladies and Gentlemen:

The undersigned warrants, represents, agrees and certifies to ("Lessee"), its successors and assigns, and any holder or proposed holder of a mortgage or deed of trust encumbering Lessee's leasehold interest in the [Premises](1) ("Lender"), and its successor and assigns, as of the date hereof as follows:

1. It is the ground lessor under that certain ground lease dated , (together with all amendments, modifications and supplements thereto, collectively, the "Lease"), between the undersigned (or its predecessor-in-interest), as lessor ("Lessor") and Lessee (or its predecessor-in-interest), as ground lessee covering property located at , (the "Premises"). A true and correct copy of the Lease is attached hereto as Exhibit A.

2. The Lease is in full force and effect. The Lease has not been assigned, modified, supplemented or amended except as described on Exhibit A hereto. There are no other agreements, whether oral or written, between Lessee and Lessor with respect to the Lease or concerning the Premises.

3. The term of the Lease commenced on , , and expires on , , subject to the following renewal options: .

4. The current fixed rent under the Lease is $ per annum, payable in installments, and has been paid in full through , 20 . No additional rent or charge (including, without limitation, as applicable, taxes, maintenance, operating expenses or otherwise) that has been billed to Lessee by Lessor is overdue. There are no provisions for, and Lessor has no rights with respect to, terminating the Lease or increasing the rent payable thereunder, except as expressly set forth in the Lease. The amount of the security deposit presently held by Lessor under the Lease is $.

5. Lessor has not delivered or received any notices of default under the Lease; to the best knowledge of Lessor, there is no default by Lessee or Lessor under the Lease, nor has any event or omission occurred which, with the giving of notice or the lapse of time, or both, would constitute a default thereunder. To the best knowledge of Lessor, Lessee has no defense, set-offs, basis for withholding rent, claims or counterclaims against Lessor for any failure of performance of any of the terms of the Lease.

6. Lessee has no options, rights of first refusal, termination, renewal or extension, or other rights to extend or otherwise modify the Lease, except as follows: .

7. Any improvements required by the terms of the Lease to be made by Lessee have been completed to the satisfaction of Lessor, and Lessee's current use and operation of the Premises complies with any use covenants or operating requirements contained in the Lease.

(1) Conform to underlying lease.

8. Lessor is the record and beneficial owner of the Premises, and the Lease is not subordinate, and has not been subordinated by Lessor, to any mortgage, lien or other encumbrance. Lessor has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Lease or the Premises, and there are no mortgages, deeds of trust or other security interests encumbering the Lessor's fee interest in the Premises.

9. No third party has any option or preferential right to purchase all or any part of the Premises from Lessor.

10. Lessor has not received written notice of any pending eminent domain proceedings or other governmental actions or any judicial actions of any kind against Lessor's interest in the Premises.

11. This Ground Lease Estoppel, the covenants, terms and conditions hereof and the rights and obligations created hereby shall run with the land and be binding upon and inure to the benefit of Lessor, Lessee, Lender and their respective successors and assigns. Lessor, and the person or persons executing this certificate on behalf of Lessor, have the power and authority to execute this certificate.

LESSOR:

By: _____
Name: _____
Title: _____

Agreed and Approved

LESSEE:

By: _____
Name: _____
Title: _____

EXHIBIT 10.29

AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT

dated as of November 7, 2016,

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. and WELLS FARGO BANK, N.A.,
as Co-Syndication Agents,

and

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

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

CITIGROUP GLOBAL MARKETS INC., PNC CAPITAL MARKETS LLC
and
U.S. BANK NATIONAL ASSOCIATION,
as Joint Lead Arrangers

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SCHEDULES AND EXHIBITS

AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this " Agreement") dated as of November 7, 2016 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. and WELLS FARGO BANK, N.A., 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 a Revolving Credit Agreement dated as of June 8, 2011, as amended by Amendment No. 1 to Revolving Credit Agreement dated as of March 28, 2013 and Amendment No. 2 to Revolving Credit Agreement dated as of April 2, 2015 (as so amended, the " Existing 2011 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 2011 Credit Agreement in its entirety, and the Administrative Agent and the Banks are willing to so amend and restate the Existing 2011 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 2011 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 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 or corruption or money laundering.

"Applicable Lending Office" means, for each Bank and for its LIBOR Loan, Bid Rate Loan(s), Base Rate Loan or Swingline Loan, as applicable, the lending office of such Bank (or of an Affiliate of such Bank) designated as such on its signature page hereof 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 Swingline Loan, as applicable, is to be made and maintained.

"Applicable Margin" means, with respect to Base Rate Loans and LIBOR 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/Moody's Ratings)	Applicable Margin for Base Rate Loans (% per annum)	Applicable Margin for LIBOR Loans (% per annum)
A-/A3 or higher	0.000	0.850
BBB+/Baa1	0.000	0.900
BBB/Baa2	0.000	1.000
BBB-/Baa3	0.200	1.200
Below BBB-/Baa3 or unrated	0.550	1.550

"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, 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.

"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 Bid Rate Loan, an Interest Period with respect to a LIBOR Loan or a Bid Rate Loan, or notice with respect to a LIBOR Loan or 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.

"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.

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

"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 Indebtedness 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.

"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).

"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 a Base Rate Loan into a LIBOR Loan or a LIBOR Loan into a Base Rate 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, the Swingline Lender 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 Swingline Loans 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, a Swingline Lender 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 and Swingline Loans 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, such Swingline Lender's or Borrower's (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, 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 2011 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 (S&P/Moody's Ratings)	Facility Fee (% per annum)
A-/A3 or higher	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 depositary 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.

"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).

"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. 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 its Affiliate, 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.

"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".

"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 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; and (2) with respect to any 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.

"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).

"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.

"Lead Arrangers" means JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities LLC.

"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 $66,666,667.

"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 Interest Rate" means, for any LIBOR Loan or 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 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 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 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 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, Bid Rate Loan(s) and Swingline Loan(s), 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 (upon the execution of Assignment and Assumption Agreements, the definition of Loan Commitment shall be deemed revised to reflect the assignment being effected pursuant to each such Assignment and Assumption Agreement).

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

"Mandatory Borrowing" has the meaning specified in Section 2.03(b)(3).

"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 February 1, 2021, subject to extension pursuant to Section 2.18.

"Moody's" means Moody's Investors Service, Inc.

"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.

"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 Business 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 Business 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 that rate of interest from time to time announced by the Bank serving as Administrative Agent in the United States as its prime commercial lending rate. Any change in the Prime Rate shall be effective as of the date such change is announced by the Bank serving as Administrative Agent.

"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 transaction set forth in Section 406 of ERISA or Section 4975 of the Code.

"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 Pro Rata Shares aggregating at least 51% (excluding, however, any Defaulting Lender); provided, however, that during the existence of an Event of Default, 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); and provided, further that in the case of Swingline Loans, the amount of each Bank's funded participation interest in such Swingline Loans shall be considered for purposes hereof as if it were a direct Loan and not a participation interest, and the aggregate amount of Swingline Loans owing to Swingline Lender shall be considered for purposes hereof as reduced by the amount of such funded participation interests.

"Required Payment" has the meaning set forth in Section 10.12.

"Sanctioned Country" means, at any time, a country or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, including but not limited to Cuba, Iran, North Korea, Sudan 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 or Her Majesty's Treasury of the United Kingdom, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"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 or Her Majesty's Treasury of the United Kingdom.

"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.

"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 Standard & Poor's Ratings Services, a division of McGraw-Hill Financial, Inc.

"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.

"Swingline Commitment" has the meaning specified in Section 2.03(a).

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Bank at any time shall be the sum of (a) its Pro Rata Share of the total Swingline Exposure at such time other than with respect to any Swingline Loans made by such Bank in its capacity as a Swingline Lender and (b), the aggregate principal amount of all Swingline Loans made by such Bank as a Swingline Lender outstanding at such time (less the amount of participations funded by the other Banks in such Swingline Loans).

"Swingline Lenders" means JPMorgan Chase Bank, N.A., Bank of America, N.A., and Wells Fargo Bank, N.A. in their capacity as Swingline Lenders hereunder, and their permitted successors in such capacity in accordance with the terms of this Agreement. When used herein, "Swingline Lender" shall mean the applicable Swingline Lender, each Swingline Lender, any Swingline Lender or all of the Swingline Lenders, as the context may require.

"Swingline Loan" has the meaning set forth in Section 2.03(a).

"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.

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.

ARTICLE II

THE LOANS

SECTION 2.01. 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 previously drawn and then outstanding advances (including Bid Rate Loans and Swingline Loans) made by the Banks which remain unpaid and (2) the LC Exposure, plus, without duplication of any amount included in clause (1) above, Swingline Loans outstanding. 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; or (3) 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 Swingline 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 LIBOR 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. (a) 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) the prepayment terms of such Bid Rate Loan(s), which, if not specified, shall have the same prepayment terms as Ratable Loans; and

(4) 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) the margin above or below the applicable LIBOR Interest Rate (the "LIBOR Bid Margin") offered for each such 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;

(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 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 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, 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. Swingline Loan Subfacility.

(a) Swingline Commitment. Subject to the terms and conditions of this Section 2.03, each Swingline Lender, in its individual capacity, agrees to make certain revolving credit loans in Dollars to Borrower (each a "Swingline Loan" and, collectively, the "Swingline Loans") from time to time during the term hereof in an amount equal to its pro rata share of the Swingline Loans requested by Borrower in its notice of borrowing described in clause (b) below; provided, however, that the aggregate amount of Swingline Loans outstanding at any time shall not exceed the least of (i) Seventy-Five Million Dollars ($75,000,000), (ii) the Total Loan Commitment less the sum of (A) all Loans then outstanding, excluding Swingline Loans, and (B) the outstanding amount of all Letters of Credit and (iii) the Loan Commitment of the each Swingline Lender less

its Pro Rata Share of the principal amount of all Ratable Loans and Letters of Credit then outstanding (the "Swingline Commitment"). Subject to the limitations set forth herein, any amounts repaid in respect of Swingline Loans may be reborrowed.

(b) Swingline Borrowings.

(1) Notice of Borrowing. With respect to any Swingline Loan, Borrower shall give Swingline Lenders and Administrative Agent notice in writing which is received by Swingline Lenders and Administrative Agent not later than 2:00 p.m. (New York City time) on the proposed date of such Swingline Loan (and confirmed by telephone by such time), specifying (A) that a Swingline Loan is being requested, (B) the amount of such Swingline Loan, (C) the proposed date of such Swingline Loan, which shall be a Banking Day and (D) stating that no Default or Event of Default has occurred and is continuing both before and after giving effect to such Swingline Loan. Such notice shall be irrevocable.

(2) Minimum Amounts. Each Swingline Loan shall be at least Three Million Dollars ($3,000,000) and, or an integral multiple of One Million Dollars ($1,000,000).

(3) Repayment of Swingline Loans. Each Swingline Loan shall be due and payable on the earliest of (A) five (5) Banking Days from and including the date of such Swingline Loan, (B) the last calendar day of the month in which such Swingline Loan is made or (C) the Maturity Date. If, and to the extent, any Swingline Loans shall be outstanding on the date of any Ratable Loan, such Swingline Loans shall first be repaid from the proceeds of such Ratable Loan prior to the disbursement of the same to Borrower. If, and to the extent, a Ratable Loan is not requested prior to the earliest of the Maturity Date, the last calendar day of the month in which such Swingline Loan is made, or the end of the five (5) Banking Day period after such Swingline Loan was made, or unless Borrower shall have notified Administrative Agent and the Swingline Lender prior to 1:00 p.m. (New York City time) on the third (3rd) Banking Day after such Swingline Loan was made that Borrower intends to reimburse Swingline Lender for the amount of such Swingline Loan with funds other than proceeds of the Ratable Loans, Borrower shall be deemed to have requested a Ratable Loan comprised entirely of Base Rate Loans in the amount of the applicable Swingline Loan then outstanding, the proceeds of which shall be used to repay such Swingline Loan to Swingline Lenders. In addition, if (x) Borrower does not repay a Swingline Loan on or prior to the end of such five (5) Banking Day period, or (y) a Default or Event of Default shall have occurred during such five (5) Banking Day period, a Swingline Lender may, at any time, in its sole discretion, by written notice to the Borrower and Administrative Agent, demand repayment of all Swingline Loans by way of a Ratable Loan, in which case the Borrower shall be deemed to have requested a Ratable Loan comprised entirely of Base Rate Loans in the amount of such Swingline Loans then outstanding, the proceeds of which shall be used to repay such Swingline Loans to Swingline Lenders. Any Ratable Loan which is deemed requested by the Borrower in accordance with this Section 2.03(b)(3) is hereinafter referred to as a "Mandatory Borrowing". Each Bank hereby irrevocably agrees to make Ratable Loans promptly upon receipt of notice from a Swingline Lender or the Administrative Agent of any such deemed request for a Mandatory Borrowing in the

amount and in the manner specified in the preceding sentences and on the date such notice is received by such Bank (or the next Banking Day if such notice is received after 12:00 p.m. (New York City time)) notwithstanding (I) the amount of the Mandatory Borrowing may not comply with the minimum amount of Ratable Loans otherwise required hereunder, (II) whether any conditions specified in Section 4.02 are then satisfied, (III) whether a Default or an Event of Default then exists, (IV) failure of any such deemed request for a Ratable Loan to be made by the time otherwise required in Section 2.05, (V) the date of such Mandatory Borrowing (provided that such date must be a Banking Day), or (VI) any termination of the Loan Commitments immediately prior to such Mandatory Borrowing or contemporaneously therewith; provided, however, that no Bank shall be obligated to make Ratable Loans in respect of a Mandatory Borrowing if a Default or an Event of Default then exists and the applicable Swingline Loan was made by Swingline Lenders without receipt of a written notice of borrowing in the form specified in Section 2.03(b)(1) or after Administrative Agent has delivered a notice of Default or Event of Default which has not been rescinded.

(4) Purchase of Participations. In the event that any Mandatory Borrowing 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 the Bankruptcy Code with respect to the Borrower), then each Bank hereby agrees that it shall forthwith purchase (as of the date the Mandatory Borrowing would otherwise have occurred, but adjusted for any payment received from the Borrower on or after such date and prior to such purchase) from Swingline Lenders such participations in the outstanding Swingline Loans as shall be necessary to cause each such Bank to share in such Swingline Loans ratably based upon its Pro Rata Share (determined before giving effect to any termination of the Loan Commitments), provided that (A) all interest payable on the Swingline Loans with respect to any participation shall be for the account of Swingline Lenders until but excluding the day upon which the Mandatory Borrowing would otherwise have occurred, and (B) in the event of a delay between the day upon which the Mandatory Borrowing would otherwise have occurred and the time any purchase of a participation pursuant to this sentence is actually made, the purchasing Bank shall be required to pay to Swingline Lenders interest on the principal amount of such participation for each day from and including the day upon which the Mandatory Borrowing would otherwise have occurred to but excluding the date of payment for such participation, at the rate equal to the Federal Funds Effective Rate, for the two (2) Banking Days after the date the Mandatory Borrowing would otherwise have occurred, and thereafter at a rate equal to the Base Rate. Notwithstanding the foregoing, no Bank shall be obligated to purchase a participation in any Swingline Loan if a Default or an Event of Default then exists and such Swingline Loan was made by Swingline Lenders without receipt of a written notice of borrowing in the form specified in Section 2.03(b)(1) or after Administrative Agent has delivered a notice of Default or Event of Default which has not been rescinded.

(c) Interest Rate. Each Swingline Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Swingline Loan is made until the date it is repaid, at a rate per annum equal to the Base Rate plus the Applicable Margin for Base Rate Loans.

(d) Replacement and Resignation of Swingline Lender. Any Swingline Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Swingline Lender and the successor Swingline Lender. The Administrative Agent shall notify the Banks of any such replacement of a Swingline Lender. At the time any such replacement shall become effective, the Borrower shall pay all unpaid interest accrued for the account of the replaced Swingline Lender pursuant to Section 2.03(c). From and after the effective date of any such replacement, (x) the successor Swingline Lender shall have all the rights and obligations of the replaced Swingline Lender under this Agreement with respect to Swingline Loans made thereafter and (y) references herein to the term "Swingline Lender" shall be deemed to refer to such successor or to any previous Swingline Lender, or to such successor and all previous Swingline Lenders and all other Swingline Lenders, as the context shall require. After the replacement of a Swingline Lender hereunder, the replaced Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of a Swingline Lender under this Agreement with respect to Swingline Loans made by it prior to its replacement, but shall not be required to make additional Swingline Loans. Subject to the appointment and acceptance by Administrative Agent and Borrower of a successor Swingline Lender, any Swingline Lender may resign as a Swingline Lender at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Banks, in which case, such Swingline Lender shall be replaced as provided above.

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 and Swingline Loans are set forth in Sections 2.02 and 2.03, respectively.

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 Indebtedness 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, which is the proposed date of such Base Rate 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. 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. In the case of advances of Swingline Loans, Borrower shall submit a notice of borrowing at the time specified in Section 2.03. 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 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; and (3) for Bid Rate Loans at a rate equal to the applicable LIBOR 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 on Base Rate Loans, LIBOR Loans and Bid Rate Loans shall not exceed the maximum amount permitted under applicable law. Interest shall be calculated for the actual number of days elapsed on the basis of a year consisting of three hundred sixty (360) days.

Accrued interest shall be due and payable in arrears, (x) in the case of both Base Rate Loans and LIBOR 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 and Swingline 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 Six Hundred Twenty Five Million Dollars ($625,000,000),

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, or, in the case of Swingline Loans, in accordance with Section 2.03, in either case 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 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. Borrower may, from time to time on any Banking Day so long as prior notice is given to Administrative Agent and Swingline Lender no later than 1:00

p.m. (New York City time) on the day on which Borrower intends to make such prepayment, prepay any Swingline Loans in whole or in part in amounts aggregating at least One Hundred Thousand Dollars ($100,000), and in an integral multiple of One Hundred Thousand Dollars ($100,000) (or, if less, the aggregate outstanding principal amount of all Swingline Loans then outstanding) by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment by initiating a wire transfer of the principal and interest on the Swingline Loans no later than 1:00 P.M. (New York City time) on such day and Borrower shall deliver a federal reference number evidencing such wire transfer to Administrative Agent as soon as available thereafter on such day.

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 Prime 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, to Convert LIBOR Loans into Base Rate 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:

Notice	Number of Banking Days Prior
Conversions into or Continuances as Base Rate 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 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 2.03(b)(4), 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, the Swingline Lender 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). A reduction of the unused Loan Commitments pursuant to this Section 2.16(a) shall not effect a reduction in the Swingline Commitment (unless so elected by the Borrower) until the aggregate unused Loan Commitments have been reduced to an amount equal to or less than the Swingline Commitment.

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

(c) 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 the Total Loan Commitment be increased by an amount not less than Twenty Five Million Dollars ($25,000,000) per request and not more than Five Hundred Million Dollars ($500,000,000) in the aggregate (such that the Total Loan Commitment after such increase shall never exceed One Billion Seven Hundred Fifty Million Dollars ($1,750,000,000)); provided that for any such request (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 increase, at its sole discretion, may elect to increase its Loan Commitment but shall not have any obligation to so increase its Loan Commitment, and (c) in the event that each Bank does not elect to increase its Loan Commitment, the Lead Arrangers shall use commercially reasonable efforts to locate additional Qualified Institutions willing to hold commitments for the requested increase, and Borrower may also identify additional Qualified Institutions willing to hold commitments for the requested increase; provided however that Administrative Agent, the Swingline Lender and each Fronting Bank shall have the right to approve any such additional Qualified Institutions, which approval will not be unreasonably withheld or delayed. In the event that Qualified Institutions commit to any such increase, the Total Loan Commitment and the Loan Commitments of the committed Banks shall be increased, the Pro Rata Shares of the Banks shall be adjusted, new Notes shall be issued, Borrower shall make such borrowings and repayments as shall be necessary to effect the reallocation of the Ratable Loans so that the Ratable Loans are held by the Banks in accordance with their Pro Rata Shares after giving effect to such increase, and other changes shall be made to the Loan Documents as may be necessary to reflect the aggregate amount, if any, by which Banks have agreed to increase their respective Loan Commitments or make new Loan Commitments in

response to the Borrower's request for an increase in the Total Loan Commitment pursuant to this Section 2.16(c), in each case without the consent of the Banks other than those Banks increasing their Loan Commitments. The fees payable by Borrower upon any such increase in the Total Loan Commitment shall be agreed upon by the Lead Arranger and Borrower at the time of such increase.

Notwithstanding the foregoing, nothing in this Section 2.16(c) shall constitute or be deemed to constitute an agreement by any Bank to increase its Loan Commitment hereunder.

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) (it being understood that the issuance of a Letter of Credit for the account of a designee shall not in any way relieve Borrower of any of its obligations hereunder), 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 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.

(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 Business 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 Business 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, Swingline Exposure 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 (1) 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, 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., and/or JPMorgan Chase Bank, N.A. as "Fronting Bank" under the Existing 2011 Credit Agreement and listed on SCHEDULE 2.17(j) attached hereto 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 an 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 wilful 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.

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 (x) 0.0625% of the Total Loan Commitment for the first extension and (y) 0.075% of the Total Loan Commitment for the second 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 may reasonably determine to be necessary to compensate it for any increased costs which such Bank determines are attributable to its making or maintaining a LIBOR Loan or a Bid Rate Loan, or its obligation to make or maintain a LIBOR Loan or a Bid Rate Loan, or its obligation to Convert a Base Rate Loan to a LIBOR Loan hereunder, or any reduction in any amount receivable by such Bank hereunder in respect of its LIBOR Loan or Bid Rate 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 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 or 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 Base Rate Loans into, LIBOR 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:

(a) 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 or the LIBOR Base Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Banks (or, in the case of a 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 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;

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 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 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 Bid Rate Loans may be made to Banks that are not affected thereby.

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 or Bid Rate Loan hereunder, to allow Elections or Continuations of a LIBOR Loan or to Convert a Base Rate 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 or Bid Rate Loan, or to permit Elections of, to Continue, or to Convert its Base Rate Loan into, a LIBOR 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 or Bid Rate Loan.

SECTION 3.04. Treatment of Affected Loans. If the obligations of any Bank to make or maintain a LIBOR Loan or a Bid Rate Loan, or to permit an Election of a LIBOR Loan, to Continue its LIBOR Loan, or to Convert its Base Rate Loan into a LIBOR Loan, are suspended pursuant to Section 3.01 or 3.03 (each LIBOR Loan or 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 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, 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 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.

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 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 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 its Parent) as a consequence of such Bank's obligations hereunder to a level below that which such 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 to be material, then from time to time, within fifteen (15) days after demand by such

Bank (with a copy to Administrative Agent), Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank (or its Parent) for such reduction. A certificate of any 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 or 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 notice provided for 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 notice provided for 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, 2015;

(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. 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.

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 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.

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 is in excess of $250,000; 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 of each 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" 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, as interpreted by the Internal Revenue Service and the U.S. Department of Labor in rules, regulations, releases or bulletins or as interpreted under applicable case law.

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, Joan 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 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.

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. 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.

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. No Swingline Loan shall be used more than once for the purpose of refinancing another Swingline Loan, in whole or part. The Borrower is not 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 officers and employees and to the knowledge of the Borrower its directors and 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), 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. 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

General Information. Promptly, such other information respecting the condition or operations, financial or otherwise, 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), or sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions) Borrower's or General Partner's assets substantially as an entirety (whether now owned or hereafter acquired) or enter into any agreement to do any of the foregoing. 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. For the avoidance of doubt, Administrative Agent and each Bank acknowledges that (i) the entry into and consummation of the proposed spin-off and combination transactions in respect of the Borrower's Washington, D.C. metropolitan area business contemplated by the General Partner's Current Report on Form

8-K filed with the SEC on October 31, 2016 (the "DC Spin-Merger") are not prohibited by this Section 7.01 or any other provision of this Agreement, (ii) the consummation of the DC Spin-Merger shall not constitute a Material Adverse Change and (iii) this sentence shall not be construed to expand the scope of any covenants contained in this Article VII. Borrower acknowledges that the immediately preceding sentence shall not be construed to modify in any respect Borrower's obligations under Article VIII of this Agreement. In addition, the Administrative and each Bank which is party to one or both of the agreements described on Schedule 7.01 (the "Other Agreements") acknowledges that (i) the entry into and consummation of the DC Spin-Merger are not prohibited by Section 7.01 or any other provision of either of the Other Agreements, (ii) the consummation of the DC Spin-Merger shall not constitute a "Material Adverse Change" under either of the Other Agreements and (iii) this sentence shall not be construed to expand the scope of any covenants contained in Article VII of either of the Other Agreements. Borrower acknowledges that the immediately preceding sentence shall not be construed to modify in any respect Borrower's obligations under Article VIII of either of the Other Agreements.

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 Borrowing 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 fiscal quarter 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 fiscal quarter 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 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 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(32) 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 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). 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. Borrower shall pay any fee agreed to by Borrower and Administrative Agent with respect to Administrative Agent's services hereunder. Notwithstanding anything to the contrary contained in this Agreement, Administrative Agent agrees with the Banks that Administrative Agent shall perform its obligations under this Agreement in good faith according to the same standard of care as that customarily exercised by it in administering its own revolving credit loans.

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 in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions signed by the Required Banks, and such instructions of the Required Banks 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.

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, 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. The rights and duties of Administrative Agent to be vested in any successor Administrative Agent shall include, without limitation, the rights and duties as Swingline Lender. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article X 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 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 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 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 IRS Form W-8BEN or W-8BEN-E; or

(4) to the extent a Foreign Bank is not the beneficial owner, an executed 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.

(i) Defined Terms. For purposes of this Section 10.13, the term "***Bank***" includes any Fronting Bank or Designated Bank and the term "***applicable law***" includes FATCA.

(j) 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, from and after the Execution Date, this Agreement will 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.

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. No amendment 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; (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 Swingline Loans or 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 Swingline Lenders or the Fronting Banks affected thereby, as applicable. 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"). 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 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; 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, agents and advisors 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 Bank or Administrative Agent relating to or arising from this Agreement and the transactions contemplated pursuant to this Agreement; 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 the 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 (a "Participant"), in minimum amounts of not less than $5,000,000 (or any lesser amount in the case of participations to an existing Bank or any lesser amounts 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 Lender)) to the same extent as if it were a Lender 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 Lender would have been entitled to receive. Each Lender 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 Lender; provided that such Participant agrees to be subject to Section 10.15 as though it were a Lender. 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 only 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) 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, the Swingline Lender 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. Each Bank agrees to provide Borrower with advance notice of all Participations to be sold by such Bank.

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. Notices. (a) 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 business 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, the Fronting Banks and the Swingline Lender.

(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.

(ii) 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.

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 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 Swingline Loan or 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 Swingline Loans and/or 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 Swingline Loans and 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 (x) first, prepay such Defaulting Lender's Pro Rata Share of the Swingline Loans and (y) second, 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 Swingline Lender shall not be required to fund any Swingline Loan and 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 made Swingline Loan or 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 Swingline Lender or 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 Swingline Lender shall not be required to fund any Swingline Loan and the Fronting Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the Fronting Bank, as the case may be, (x) shall have entered into arrangements with Borrower or such Bank, satisfactory to the Swingline Lender or the Fronting Bank, as the case may be, 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 made Swingline Loan or 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, the Swingline Lender 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 Swingline Loans and 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 and Swingline 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. Bottom-Up Guaranties. At Borrower's request from time to time, Administrative Agent shall accept "bottom-up" 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 OFAC 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 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) 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 2011 Credit Agreement Superseded. This Agreement shall supersede the Existing 2011 Credit Agreement in its entirety, except as provided in this Section 12.24. On the Execution Date, (i) the loans outstanding under the Existing 2011 Credit Agreement shall become Loans hereunder, (ii) the rights and obligations of the parties under the Existing 2011 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 2011 Credit Agreement) outstanding under the Existing 2011 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 2011 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 2011 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 2011 Credit Agreement, or constitute a waiver of any covenant, agreement or obligation under the Existing 2011 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 and Swingline Loans under the Existing 2011 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 2011 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 2011 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.

(b) Interest and Fees under Existing 2011 Credit Agreement. All interest and all commitment, facility and other fees and expenses owing or accruing under or in respect of the Existing 2011 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 2011 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. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, any Lead Arranger or any Bank with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction 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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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 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, Fronting Bank
and Swingline Lender

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, Fronting Bank and Swingline Lender

By: /s/ Ronald Odlozil
Name: Ronald Odlozil
Title: Senior Vice President

Address for Notices:

Bank of America, N.A.
901 Main Street, 64th Floor
Dallas, TX 75202
Attn: Ron Odlozil
Telephone: (214) 209-1512
Telecopy: (214) 290-0995

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ D. Bryan Gregory
Name: D. Bryan Gregory
Title: Director

CITIBANK, N.A.

By: /s/ John C. Rowland
Name: John C. Rowland
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Denise Smyth
Name: Denise Smyth
Title: Senior Vice President

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Michael Hussey
Name: Michael Hussey
Title: Senior Vice President

BMO HARRIS BANK, N.A.

By: /s/ Kevin Fennell
Name: Kevin Fennell
Title: Vice President

GOLDMAN SACHS BANK USA

By: /s/ Annie Carr
Name: Annie Carr
Title: Authorized Signatory

MIZUHO BANK, LTD.

By: /s/ John Davies
Name: John Davies
Title: Authorized Signatory

MORGAN STANLEY BANK, N.A.

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

BARCLAYS BANK PLC

By: /s/ Christopher Aitkin
Name: Christopher Aitkin
Title: Assistant Vice President

DEUTSCHE BANK AG NEW YORK BRANCH

By: /s/ James Rolison
Name: James Rolison
Title: Managing Director

By: /s/ Murray Mackinnon
Name: Murray Mackinnon
Title: Vice President

SOCIÉTÉ GÉNÉRALE

By: /s/ Nigel Elvey
Name: Nigel Elvey
Title: Director

BRANCH BANKING AND TRUST COMPANY

By: /s/ Brad Bowen
Name: Brad Bowen
Title: Vice President

ING CAPITAL LLC

By: /s/ Craig R. Bender
Name: Craig R. Bender
Title: Managing Director

By: /s/ Jeffrey B. Schwartz
Name: Jeffrey B. Schwartz
Title: Vice President

LANDESBANK BADEN-WÜRTTEMBERG,
NEW YORK BRANCH

By: /s/ David Mcgannon
Name: David Mcgannon
Title: Senior Relationship Manager
Vice President

By: /s/ Rayna Karaivanov
Name Rayna Karaivanov
Title: AVP
Relationship Manager

THE BANK OF NEW YORK MELLON

By: /s/ Carol Murray
Name: Carol Murray
Title: Managing Director

THE BANK OF NOVA SCOTIA

By: /s/ Anthony Ottavino
Name: Anthony Ottavino
Title: Director

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
NEW YORK BRANCH

By: /s/ John Feeney
Name: John Feeney
Title: Director

BANK OF CHINA NEW YORK BRANCH

By: /s/ Raymond Qiao
Name: Raymond Qiao
Title: Managing Director

CHINA MERCHANTS BANK CO. LTD., NEW YORK BRANCH

By: /s/ Xin Wang
Name: Xin Wang
Title: Department Head of
Corporate Banking U.S. Group

By: /s/ Xuejun (Andrew) Mao
Name: Xuejun (Andrew) Mao
Title: Deputy General Manager

CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK

By: /s/ Adam Jenner
Name: Adam Jenner
Title: Director

By: /s/ Dominique Fournier
Name: Dominique Fournier
Title: Managing Director

PEOPLE'S UNITED BANK, NATIONAL ASSOCIATION

By: /s/ Jason Bishop
Name: Jason Bishop
Title: Senior Vice President

TD BANK, N.A.

By: /s/ Aaron C. Miller
Name: Aaron C. Miller
Title: VP

MANUFACTURERS AND TRADERS TRUST COMPANY

By: /s/ Jonathan Tolpin
Name: Jonathan Tolpin
Title: Administrative Vice President

THE BANK OF EAST ASIA, LIMITED
NEW YORK BRANCH

By: /s/ Victor Cheong
Name: Victor Cheong
Title: SVP & Head of Business Development

By: /s/ Kitty Sin
Name: Kitty Sin
Title: SVP & Head of Credit

TRISTATE CAPITAL BANK

By: /s/ Alex Fatenko
Name: Alex Fatenko
Title: SVP

DEUTSCHE BANK TRUST COMPANY
AMERICAS, as Exiting Bank

By: /s/ James Rolison
Name: James Rolison
Title: Managing Director

By: /s/ Murray Mackinnon
Name: Murray Mackinnon
Title: Vice President

SCHEDULE 1

Bank	Loan Commitment
JPMorgan Chase Bank, N.A.	$77,000,000.00
Bank of America, N.A.	$77,000,000.00
Wells Fargo Bank, National Association	$77,000,000.00
Citibank, N.A.	$67,000,000.00
PNC Bank, National Association	$67,000,000.00
U.S. Bank National Association	$67,000,000.00
BMO Harris Bank, N.A.	$67,000,000.00
Goldman Sachs Bank USA	$67,000,000.00
Mizuho Bank, Ltd.	$67,000,000.00
Morgan Stanley Bank, N.A.	$67,000,000.00
Barclays Bank PLC	$60,000,000.00
Deutsche Bank AG, New York Branch	$60,000,000.00
Société Générale	$60,000,000.00
Branch Banking and Trust Company	$35,000,000.00
ING Capital LLC	$35,000,000.00
Landesbank Baden-W✔rttemberg, New York Branch	$35,000,000.00
The Bank of New York Mellon	$35,000,000.00
The Bank of Nova Scotia	$35,000,000.00
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	$35,000,000.00
Bank of China New York Branch	$25,000,000.00
China Merchants Bank Co., Ltd., New York Branch	$25,000,000.00
Credit Agricole Corporate and Investment Bank	$25,000,000.00
People’s United Bank	$25,000,000.00
TD Bank, N.A.	$25,000,000.00
Manufacturers and Traders Trust Company	$15,000,000.00
The Bank of East Asia, Limited	$10,000,000.00
TriState Capital Bank	$10,000,000.00
Total	**$1,250,000,000.00**

Schedule 2

Toys 'R' Us
Dune
Suffolk Downs
Insignia
Island Global Yachting
1776 Seed Fund
Local Motors
Sinewave

Schedule 2.17(j)

None

SCHEDULE 2A General Partner Investments

Entity	State of Organization	Percentage of Ownership	Asset Owned (other than VRLP units)
825 Seventh Avenue Holding Corporation	New York	100%	None
NFM Corp.	Delaware	100%	None
Ninety Park Lender QRS. Inc.	Delaware	100%	1% interest in loan from Ninety Park Lenders LLC
Trees Acquisitions Subsidiary, Inc.	Delaware	100%	None
Vornado Finance SPE, Inc.	Delaware	100%	None
Vornado Green Acres SPE Managing Member, Inc.	Delaware	100%	0.1% Interest in Green Acres Mall
Vornado 90 Park QRS, Inc.	New York	100%	1% interest in mortgage from Vornado 90 Park Avenue LLC
Vornado Investments Corporation	Delaware	100%	None

Schedule 3

None

Schedule 7.01

Term Loan Agreement, dated as of October 30, 2015 among Vornado Realty L.P., JPMorgan Chase Bank, N.A., as administrative agent, the documentation agents listed on the cover sheet thereto, and the Banks party thereto from time to time.

Amended and Restated Revolving Agreement, dated as of September 30, 2014 among Vornado Realty L.P., JPMorgan Chase Bank, N.A., as administrative agent, the documentation agents listed on the cover sheet thereto, and the Banks party thereto from time to time.

EXHIBIT A

AUTHORIZATION LETTER

November__, 2016

JPMorgan Chase Bank, N.A.
270 Park Avenue
New York, New York 10017

Re: Amended and Restated Revolving Credit Agreement dated as of the date hereof (the "Loan Agreement"; capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement) among us, as Borrower, the Banks named therein, and you, as Administrative Agent for said Banks

Gentlemen:

In connection with the captioned Loan Agreement, we hereby designate any of the following persons to give to you instructions, including notices required pursuant to the Loan Agreement, orally, by telephone or teleprocess, or in writing:

Steven Roth;
Mark Hudspeth;
Michael Franco;
Joseph Macnow; and
Stephen Theriot.

Instructions may be honored on the oral, telephonic, teleprocess or written instructions of anyone purporting to be any one of the above designated persons even if the instructions are for the benefit of the person delivering them. We will furnish you with confirmation of each such instruction in writing signed by any person designated above (including any telecopy or .pdf via e-mail which, in each case, appears to bear the signature of any person designated above) on the same day that the instruction is provided to you but your responsibility with respect to any instruction shall not be affected by your failure to receive such confirmation or by its contents.

Without limiting the foregoing, we hereby unconditionally authorize any one of the above-designated persons to execute and submit requests for advances of proceeds of the Loans (including the Initial Advance) and notices of Elections, Conversions and Continuations to you under the Loan Agreement with the identical force and effect in all respects as if executed and submitted by us.

You and the Banks shall be fully protected in, and shall incur no liability to us for, acting upon any instructions which you in good faith believe to have been given by any person designated above, and in no event shall you or any Bank be liable for special, consequential or punitive damages.

Upon written notice to us, you may, at your option, refuse to execute any instruction, or part thereof, without incurring any responsibility for any loss, liability or expense arising out of such refusal if you in good faith believe that the person delivering the instruction is not one of the persons designated above or if the instruction is not accompanied by an authentication method that we have agreed to in writing.

We will promptly notify you in writing of any change in the persons designated above and, until you have actually received such written notice and have had a reasonable opportunity to act upon it, you are authorized to act upon instructions, even though the person delivering them may no longer be authorized.

Very truly yours,

VORNADO REALTY L.P.,
a Delaware limited partnership

By: Vornado Realty Trust,
a Maryland real estate investment trust, general partner

By:_____
Name:
Title:

EXHIBIT B

RATABLE LOAN NOTE

$_____

New York, New York
November 7, 2016

For value received, Vornado Realty L.P., a Delaware limited partnership ("Borrower"), hereby promises to pay to the order of _____ or its successors or assigns (collectively, the "Bank"), at the principal office of JPMorgan Chase Bank, N.A. located at 270 Park Avenue, New York, New York 10017 ("Administrative Agent") for the account of the Applicable Lending Office of the Bank, the principal sum of _____ Dollars ($_____) or, if less, the amount loaned by the Bank as Ratable Loans and Swingline Loans to Borrower pursuant to the Loan Agreement (as defined below) and actually outstanding, in lawful money of the United States and in immediately available funds, in accordance with the terms set forth in the Loan Agreement. Borrower also promises to pay interest on the unpaid principal balance hereof, for the period such balance is outstanding, in like money, at said office for the account of said Applicable Lending Office, at the times and at the rates per annum as provided in the Loan Agreement. Any amount of principal hereof which is not paid when due, whether at stated maturity, by acceleration, or otherwise, shall bear interest from the date when due until said principal amount is paid in full, payable on demand, at the rates set forth in the Loan Agreement.

The date and amount of each advance of a Ratable Loan or a Swingline Loan made by the Bank to Borrower under the Loan Agreement, and each payment of said Ratable Loan or Swingline Loan, shall be recorded by the Bank on its books and, prior to any transfer of this Note (or, at the discretion of the Bank, at any other earlier time), may be endorsed by the Bank on the schedule attached hereto and any continuation thereof.

This Note is one of the Ratable Loan Notes referred to in the Amended and Restated Revolving Credit Agreement dated as of November 7, 2016 (as the same may be amended from time to time, the "Loan Agreement") among Borrower, the Banks named therein (including the Bank) and Administrative Agent, as administrative agent for the Banks. All of the terms, conditions and provisions of the Loan Agreement are hereby incorporated by reference. All capitalized terms used herein and not defined herein shall have the meanings given to them in the Loan Agreement.

The Loan Agreement contains, among other things, provisions for the prepayment of and acceleration of this Note upon the happening of certain stated events.

No recourse shall be had under this Note against the General Partner or the VRT Principals except as and to the extent set forth in Section 11.02 of the Loan Agreement.

All parties to this Note, whether principal, surety, guarantor or endorser, hereby waive presentment for payment, demand, protest, notice of protest and notice of dishonor.

This Note shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, Borrower has executed and delivered this Note on 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._____
Name:
Title:

Date	Type of Advance	Amount of Advance	Amount of Payment	Balance Outstanding	Notation By

EXHIBIT C

BID RATE LOAN NOTE

$625,000,000

New York, New York
November 7, 2016

For value received, Vornado Realty L.P., a Delaware limited partnership ("Borrower"), hereby promises to pay to the order of JPMorgan Chase Bank, N.A. ("Administrative Agent") or its successors or assigns as Administrative Agent for the account of the respective Banks making Bid Rate Loans or their respective successors or assigns (for the further account of their respective Applicable Lending Offices), at the principal office of Administrative Agent located at 270 Park Avenue, New York, New York 10017, the principal sum of Six Hundred Twenty Five Million Dollars ($625,000,000) or, if less, the amount loaned by said Banks as Bid Rate Loans to Borrower pursuant to the Loan Agreement (as defined below) and actually outstanding, in lawful money of the United States and in immediately available funds, in accordance with the terms set forth in the Loan Agreement. Borrower also promises to pay interest on the unpaid principal balance hereof, for the period such balance is outstanding, in like money, at said office for the account of said Banks for the further account of their respective Applicable Lending Offices, at the times and at the rates per annum as provided in the Loan Agreement. Any amount of principal hereof which is not paid when due, whether at stated maturity, by acceleration, or otherwise, shall bear interest from the date when due until said principal amount is paid in full, payable on demand, at the rate set forth in the Loan Agreement.

The date and amount of each Bid Rate Loan to Borrower under the Loan Agreement referred to below, the name of the Bank making the same, the interest rate applicable thereto and the maturity date thereof (i.e., the end of the Interest Period applicable thereto) shall be recorded by Administrative Agent on its records and may be endorsed by Administrative Agent on the schedule attached hereto and any continuation thereof.

This Note is the Bid Rate Loan Note referred to in the Amended and Restated Revolving Credit Agreement dated as of November 7, 2016 (as the same may be amended from time to time, the "Loan Agreement") among Borrower, the Banks named therein and Administrative Agent, as administrative agent for the Banks. All of the terms, conditions and provisions of the Loan Agreement are hereby incorporated by reference. All capitalized terms used herein and not defined herein shall have the meanings given to them in the Loan Agreement.

The Loan Agreement contains, among other things, provisions for the prepayment of and acceleration of this Note upon the happening of certain stated events.

No recourse shall be had under this Note against the General Partner or the VRT Principals except as and to the extent set forth in Section 11.02 of the Loan Agreement.

All parties to this Note, whether principal, surety, guarantor or endorser, hereby waive presentment for payment, demand, protest, notice of protest and notice of dishonor.

This Note shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, Borrower has executed and delivered this Note on 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._____
Name:
Title:

Date	Type of Advance	Amount of Advance	Amount of Payment	Balance Outstanding	Notation By

EXHIBIT D

SOLVENCY CERTIFICATE

The officer executing this Certificate is the _____ of Vornado Realty Trust, a Maryland real estate investment trust ("General Partner"), the sole general partner of Vornado Realty L.P., a Delaware limited partnership ("Borrower"), and is familiar with its properties, assets and businesses, and is duly authorized to execute this Certificate on behalf of Borrower pursuant to the Amended and Restated Revolving Credit Agreement dated the date hereof (the "Loan Agreement") among Borrower, the banks party thereto (each a "Bank" and collectively, the "Banks") and JPMorgan Chase Bank, N.A., as agent for the Banks (in such capacity, together with its successors in such capacity, the "Agent"). In executing this Certificate, such individual is acting solely in [his] [her] capacity as the _____ of General Partner, and not in [his] [her] individual capacity. Unless otherwise defined herein, terms defined in the Loan Agreement are used herein as therein defined.

The undersigned further certifies that [he] [she] has carefully reviewed the Loan Agreement and the other Loan Documents and the contents of this Certificate and, in connection herewith, has made such investigation and inquiries as [he] [she] deems necessary and prudent therefor. The undersigned further certifies that the financial information and assumptions which underlie and form the basis for the representations made in this Certificate were reasonable when made and were made in good faith and continue to be reasonable as of the date hereof.

The undersigned understands that the Agent is relying on the truth and accuracy of this Certificate in connection with the transactions contemplated by the Loan Agreement.

The undersigned certifies that Borrower is Solvent.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on ____ _____.

_____
Name:
Title:

EXHIBIT E

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement identified below (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Loan Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Loan Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Bank under the Loan Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Bank) against any Person, whether known or unknown, arising under or in connection with the Loan Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
   [and is [a Bank] [a Bank Affiliate of [*identify Bank*][1]]]

3. Borrower: Vornado Realty L.P.

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Loan Agreement

5. Loan Agreement: The Amended and Restated Revolving Credit Agreement dated as of November 7, 2016 among Vornado Realty L.P., the Banks from time

[1] Select as applicable.

to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent for the Banks

6. Assigned Interest:

Aggregate Amount of Loan Commitment/Loans for all Banks	Amount of Loan Commitment/Loans Assigned	Percentage Assigned of Loan Commitment/Loans [2]
$	$	%
$	$	%
$	$	%

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee, if not already a Bank, agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Affiliates or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.

This Assignment and Assumption is conditioned upon the consent of the Administrative Agent and, if no Event of Default shall have occurred and be continuing, Borrower pursuant to Section 12.05(c) of the Loan Agreement. The execution of this Assignment and Assumption by the Borrower and the Administrative Agent is evidence of this consent and acknowledgment, respectively.

Reference is made to Section 10.13 of the Loan Agreement. The Assignee hereby represents that it is entitled to receive any payments to be made to it under the Loan Agreement or hereunder without the withholding of any tax and agrees to furnish the evidence of such exemption as specified therein and otherwise to comply with the provisions of said Section 10.13.

[Signature pages follow]

[2] Set forth, to at least 9 decimals, as a percentage of the applicable Loan Commitment/Loans of all Banks thereunder.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and][3] Accepted:

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

By_____
Name:
Title:

VORNADO REALTY L.P.,
Delaware limited partnership

By: Vornado Realty Trust,
a Maryland real estate investment trust, general partner

By_____
Name:
Title:

[FRONTING BANKS/SWINGLINE LENDERS]

By_____
Name:
Title:

[3] To be added only if the consent of the Administrative Agent and/or Borrower and/or Fronting Banks and/or Swingline Lenders is required by the terms of the Loan Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim created by the Assignor, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Loan Agreement, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of the Loan Agreement or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under the Loan Agreement.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Bank under the Loan Agreement, (ii) it satisfies the requirements, if any, specified in the Loan Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Bank, (iii) from and after the Effective Date, it shall be bound by the provisions of the Loan Agreement as a Bank thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Bank thereunder, (iv) it has received a copy of the Loan Agreement, together with copies of the most recent financial statements referred to in Section 5.15 thereof or delivered pursuant to Section 6.09(1) and Section 6.09(2) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, the Assignor or any other Bank, and (v) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Loan Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Agreement, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Agreement are required to be performed by it as a Bank.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and

Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Acceptance and adoption of the terms of this Assignment and Assumption by the Assignee and the Assignor by electronic signature or delivery of an executed counterpart of a signature page of this Assignment and Assumption by any Electronic System shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT F

MATERIAL AFFILIATES

None

EXHIBIT G-1

BID RATE QUOTE REQUEST

[Date]

To: JPMorgan Chase Bank, NA, as Administrative Agent (the "Administrative Agent")

From: Vornado Realty L.P.

Re: Amended and Restated Revolving Credit Agreement (as amended, the "Loan Agreement") dated as of November 7, 2016 among Vornado Realty L.P., the Banks party thereto and the Administrative Agent

We hereby give notice pursuant to Section 2.02 of the Loan Agreement that we request Bid Rate Quotes for the following proposed Bid Rate Loans:

Date of Borrowing: _____

Principal Amount*	Interest Period**
$	

Such Bid Rate Quotes should offer a LIBOR Bid Margin. [Such Bid Rate Quotes should offer the following prepayment terms: _____.]***

Terms used herein have the meanings assigned to them in the Loan Agreement.

VORNADO REALTY L.P.,
a Delaware limited partnership

By: Vornado Realty Trust,
a Maryland real estate investment trust,
general partner

By _____
Name:
Title:

---

* Subject to the minimum amount and other requirements set forth in Section 2.02 of the Loan Agreement.
** Subject to the provisions of the definition of "Interest Period" in the Loan Agreement.
*** To be included if Borrower requests prepayment terms different than those applicable to Ratable Loans.

EXHIBIT G-2

INVITATION FOR BID RATE QUOTES

To: [Bank]

Re: Invitation for Bid Rate Quotes to Vornado Realty L.P. ("Borrower")

Pursuant to Section 2.02 of the Amended and Restated Revolving Credit Agreement dated as of November 7, 2016 among Borrower, the Banks party thereto and the undersigned, as Administrative Agent (as amended, the "Loan Agreement'), we are pleased on behalf of Borrower to invite you to submit Bid Rate Quotes to Borrower for the following proposed Bid Rate Loans:

Date of Borrowing: _____

Principal Amount	Interest Period
$	

Such Bid Rate Quotes should offer a LIBOR Bid Margin. [Such Bid Rate Quotes should offer the following prepayment terms: _____.]*

Please respond to this invitation by no later than 10:00 a.m. (New York time) on [date] (the third Banking Day prior to the Date of Borrowing).

Terms used herein have the meanings assigned to them in the Loan Agreement.

JPMORGAN CHASE BANK, NA.,
as Administrative Agent

By _____
Name:
Title:

_____

* To be included if Borrower requests prepayment terms different than those applicable to Ratable Loans.

EXHIBIT G-3

BID RATE QUOTE

To: JPMorgan Chase Bank, N.A., as Administrative Agent

Re: Bid Rate Quote to Vornado Realty L.P. ("Borrower") pursuant to Amended and Restated Revolving Credit Agreement dated November 7, 2016 among Borrower, the Banks party thereto and Administrative Agent (as amended, the "Loan Agreement")

In response to your invitation on behalf of Borrower dated _____ 20__, we hereby make the following Bid Rate Quote on the following terms:

1. Quoting Bank: _____
2. Person to contact at Quoting Bank: _____
3. Date of borrowing: _____*
4. We hereby offer to make Bid Rate Loan(s) in the following principal amounts, for the following Interest Periods and at the following rates:

Principal Amount**	Interest Period***	LIBOR Bid Margin****
$		
$		

[Provided, that the aggregate principal amount of Bid Rate Loans for which the above offers may be accepted shall not exceed $__.]

5. LIBOR Reserve Requirement, if any _____:
6. Prepayment terms if different from Ratable Loans: _____
7. Terms used herein have the meanings assigned to them in the Loan Agreement.

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the Loan Agreement, irrevocably obligates us to make the Bid Rate Loan(s) for which any offer(s) are accepted, in whole or in part.

Very truly yours,
[NAME OF BANK]

Date: _____ By:_____
Authorized Officer

_____

* As specified in the related Invitation for Bid Rate Quotes.

** Principal amount bid for each Interest Period may not exceed principal amount requested. Specify aggregate limitation if the sum of the individual offers exceeds the amount the Bank is willing to lend. Amounts of bids are subject to the requirements of Section 2.02(c) of the Loan Agreement.

*** No more than five (5) bids are permitted for each Interest Period.

**** Margin over or under the LIBOR Interest Rate determined for the applicable Interest Period. Specify percentage (to the nearest 1/1,000 of 1 %) and specify whether "PLUS" or "MINUS".

EXHIBIT G-4

ACCEPTANCE OF BID RATE QUOTE

To: JPMorgan Chase Bank, N.A., as Administrative Agent (the "Administrative Agent")

From: Vornado Realty L.P. ("Borrower")

Re: Amended and Restated Revolving Credit Agreement (as amended, the "Loan Agreement") dated as of November 7, 2016 among Borrower, the Banks party thereto and the Administrative Agent

We hereby accept the offers to make Bid Rate Loan(s) set forth in the Bid Rate Quote(s) identified below:

Bank	Date of Bid Rate Quote	Principal Amount	Interest Period	LIBOR Bid Margin

Terms used herein have the meanings assigned to them in the Loan Agreement.

Very truly yours,

VORNADO REALTY L.P.,
a Delaware limited partnership

By: Vornado Realty Trust,
a Maryland real estate investment trust, general partner

By _____
Name:
Title:

EXHIBIT H

DESIGNATION AGREEMENT

Reference is made to that certain Amended and Restated Revolving Credit Agreement dated as of November 7, 2016 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement") among Vornado Realty L.P., the Banks party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent for said banks. Terms defined in the Loan Agreement and not otherwise defined herein are used herein with the same meaning.

[**BANK**] ("Designor") and _____, a _____ ("Designee"), agree as follows:

1. Designor hereby designates Designee, and Designee hereby accepts such designation, to have a right to make Bid Rate Loans pursuant to Section 2.02 of the Loan Agreement. Any assignment by Designor to Designee of its rights to make a Bid Rate Loan pursuant to such Section shall be effective at the time of the funding of such Bid Rate Loan and not before such time.

2. Except as set forth in Section 6 below, Designor makes no representation or warranty and assumes no responsibility pursuant to this Designation Agreement with respect to (a) any statements, warranties or representations made in or in connection with any Loan Document or any other instrument or document furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument and document furnished pursuant thereto or (b) the financial condition of Borrower or the performance or observance by Borrower of any of their obligations under any Loan Document or any other instrument or document furnished pursuant thereto.

3. Designee (a) confirms that it has received a copy of each Loan Document, together with copies of such financial statements and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Designation Agreement; (b) agrees that it will independently and without reliance upon Administrative Agent, Designor or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under any Loan Document; (c) represents that it is a Designated Lender; (d) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under any Loan Document as are delegated to Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; and (e) agrees that it will perform in accordance with their terms all of the obligations which by the terms of any Loan Document are required to be performed by it as a Bank.

4. Designee hereby appoints Designor as Designee's agent and attorney-in-fact, and grants to Designor an irrevocable power of attorney, to receive payments made for the benefit of Designee under the Loan Agreement, to deliver and receive all communications and notices under the Loan Agreement and other Loan Documents and to exercise on Designee's behalf all rights to vote and to grant and make approvals, waivers, consents or amendments to or under the Loan Agreement or other Loan Documents. Any document executed by Designor on

Designee's behalf in connection with the Loan Agreement or other Loan Documents shall be binding on Designee. Borrower, Administrative Agent and each of the Banks may rely on and are beneficiaries of this Designation Agreement.

5. Following the execution of this Designation Agreement by Designor and Designee, it will be delivered to Administrative Agent for acceptance by Administrative Agent. The effective date for this Designation Agreement (the "Effective Date") shall be the date of acceptance hereof by Administrative Agent.

6. Designor unconditionally agrees to pay or reimburse Designee and save Designee harmless against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed or asserted by any of the parties to the Loan Documents against Designee, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by the Designee hereunder or thereunder, provided that Designor shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements if the same results from Designee's gross negligence or willful misconduct.

7. As of the Effective Date, Designee shall be a party to the Loan Agreement with a right to make Bid Rate Loans as a Bank pursuant to Section 2.02 of the Loan Agreement and the rights and obligations of a Bank related thereto; provided, however, that Designee shall not be required to make payments with respect to such obligations except to the extent of excess cash flow of Designee which is not otherwise required to repay obligations of Designee which are then due and payable, Notwithstanding the foregoing, Designor, as administrative agent for Designee, shall be and remain obligated to Borrower, Administrative Agent and the Banks for each and every of the obligations of Designee and Designor with respect to the Loan Agreement, including, without limitation, any indemnification obligations under Section 10.05 of the Loan Agreement.

8. This Designation Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

9. This Designation Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Designor and Designee have executed and delivered this Designation Agreement as of the date first set forth above.

[DESIGNOR]

By _____
Name:
Title:

[DESIGNEE]

By _____
Name:
Title:

Applicable Lending Office
and Address for Notices:

_____
_____
_____

Attention: _____
Telephone: (__)_____
Telecopy: (__)_____

ACCEPTED AS OF THE __ DAY OF _____, 20___

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

By _____
Name:
Title:

EXHIBIT I

Local 32B/J Service Employees International Union and Charles E. Smith Realty, 10/16/15-10/15/19

2012 Contractors Agreement between Service Employees International Union Local 32B/J, AFL-CIO and The Realty Advisory Board on Labor Relations, Inc., 1/1/16-12/31/19

2012 Commercial Building Agreement between Local 32B/J Service Employees International Union, AFL-CIO and The Realty Advisory Board on Labor Relations, Inc., 1/1/16-12/31/19

Security Officers Collective Bargaining Agreement between the Service Employees International Union Local 32B/J, AFL-CIO and Guard Management Service Corp., 1/1/16-12/31/19

Metal Polishers Production and Novelty Workers Union Local 8A-28A and Metal Brite Service Corp., 6/1/14-5/31/17

Local Union No. 7 Tile, Marble, and Terrazzo, AFL-CIO of New York and New Jersey and The Marble Industry of New York, Inc., 7/1/12 - 6/30/18

Collective Bargaining Agreement between Hotel Association of New York City, Inc. and New York Hotel-Motel Trades Council, AFL-CIO, 7/1/12 - 6/30/18

2012 New Jersey Contractors Agreement Local 32B/J, Service Employees International Union and Building Maintenance Service LLC, 1/1/16-12/31/19

Agreement between Charles E. Smith Commercial Realty (CESCR) and International Union of Operating Engineers Local 99-99A, AFL-CIO for Charles E. Smith Real Estate Services L.P. Buildings, 1/1/15-12/31/17

Engineer Agreement between Realty Advisory Board on Labor Relations, Incorporated, and Local 94-94A-94B International Union of Operating Engineers AFL-CIO, 1/1/15-12/31/18

Collective Bargaining Agreement between Service Employees International Union Local 32BJ and Washington Service Contractors Association, 10/16/15-10/15/19

Collective Bargaining Agreement between Local 670, Stationary Engineers, Firemen, Maintenance and Building Service Union and Building Maintenance Service LLC, 1/1/16-12/31/19

Agreement by and between Building Maintenance Service LLC and Service Employees International Union Local 32BJ for Metal Marble Workers, 1/25/15-1/24/19

2012 Window Cleaners Agreement between Service Employees International Union, Local 32BJ and The Realty Advisory Board on Labor Relations, Inc. 1/1/16 – 12/31/19

Collective Bargaining Agreement between Service Employees International Union Local 32BJ and H Street Management, LLC at Riverhouse Apartments Complex, 10/1/1 - 9/30/16

Local 1, Janitorial Agreement between Building Owners and Management Association of Chicago and Building Service Division, Service Employees International Union, Local 1 Janitorial Employees, 4/6/15 - 4/8/18

Local 1, Security Agreement between Building Owners and Management Association of Chicago and Service Employees International Union, Local 1, 4/25/16 - 4/28/19

Engineer Agreement between Building Owners and Management Association of Chicago and Local 399 of the International Union of Operating Engineers, 5/19/14 - 5/21/17

Electricians Agreement between The Electrical Contractors' Association of City of Chicago and Local Union No. 134 International Brotherhood of Electrical Workers, 6/2/2014 – 6/5/2017

Joint Agreement between the Builders' Association, Mason Contractors' Association of Greater Chicago, Lake County Contractors Association, Illinois Road and Transportation Builders Association, Underground Contractors Association and the Construction and General Laborers' District Council of Chicago and Vicinity, affiliated with the Laborers International Union of North America, 6/1/2013 – 5/31/2017

Collective Bargaining Agreement between the Chicago Journeymen Plumbers' Local Union 130, U.A. and Plumbing Contractors Association, 6/1/2014 – 5/31/2017

Agreement between Mid-America Regional Bargaining Association and the Chicago Regional Council of Carpenters, 6/1/2014 – 5/31/2019

Agreement between VNO 3300 Northern Blvd. LLC and United Industrial Service, Transportation, Professional and Government Worker of North America, AFL-CIO, 5/1/15 – 11/30/16

Agreement between Production and Service Employees International Union Local #143, IND, and Building Maintenance Service LLC, 9/1/16 – 8/31/19

EXHIBIT J-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Banks That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 7, 2016 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among Vornado Realty, L.P., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and each Bank from time to time party thereto.

Pursuant to the provisions of Section 10.13(f)(ii)(B)(3) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(c)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF BANK]

By:_____
Name:
Title:

Date: _____ __, 20__

EXHIBIT J-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Banks That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 7, 2016 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among Vornado Realty, L.P., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and each Bank from time to time party thereto.

Pursuant to the provisions of Section 10.13(f)(ii)(B)(4) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Loan Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF BANK]

By:_____
Name:
Title:

Date: _____ __, 20__

EXHIBIT J-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 7, 2016 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among Vornado Realty, L.P., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and each Bank from time to time party thereto.

Pursuant to the provisions of Section 10.13(f)(ii)(B)(4) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(c)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Bank with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank in writing, and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF PARTICIPANT]

By:_____
Name:
Title:

Date: _____ __, 20__

EXHIBIT J-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 7, 2016 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among Vornado Realty, L.P., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and each Bank from time to time party thereto.

Pursuant to the provisions of Section 10.13(f)(ii)(B)(4) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Bank with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF PARTICIPANT]

By:_____
Name:
Title:

Date: _____ __, 20__

EXHIBIT 12.1

COMPUTATION OF RATIOS FOR VORNADO REALTY TRUST
(UNAUDITED)

Our consolidated ratios of earnings to fixed charges and earnings to combined fixed charges and preference dividends for each of the fiscal years ended December 31, 2016, 2015, 2014, 2013, and 2012 are as follows:

	For the Year Ended December 31,				
(Amounts in thousands)	**2016**	**2015**	**2014**	**2013**	**2012**
Income (loss) from continuing operations before income taxes and income from partially owned entities	$ 1,147,311	$ 735,103	$ 492,492	$ 328,810	$ (29,300)
Fixed charges	450,973	450,450	487,696	481,216	467,183
Income distributions from partially owned entities	217,468	65,018	96,286	54,030	226,172
Capitalized interest and debt expense	(34,097)	(59,305)	(62,786)	(42,303)	(16,801)
Preferred unit distributions	(194)	(158)	(50)	(1,158)	(9,936)
Earnings - Numerator	**$ 1,781,461**	**$ 1,191,108**	**$ 1,013,638**	**$ 820,595**	**$ 637,318**
Interest and debt expense	$ 402,674	$ 378,025	$ 412,755	$ 425,782	$ 431,235
Capitalized interest and debt expense	34,097	59,305	62,786	42,303	16,801
1/3 of rental expense – interest factor	14,008	12,962	12,105	11,973	9,211
Preferred unit distributions	194	158	50	1,158	9,936
Fixed charges - Denominator	**450,973**	**450,450**	**487,696**	**481,216**	**467,183**
Preferred share dividends	75,903	80,578	81,464	82,807	76,937
Combined fixed charges and preference dividends - Denominator	**$ 526,876**	**$ 531,028**	**$ 569,160**	**$ 564,023**	**$ 544,120**
Ratio of earnings to fixed charges	**$ 3.95**	**$ 2.64**	**$ 2.08**	**$ 1.71**	**$ 1.36**
Ratio of earnings to combined fixed charges and preference dividends	**$ 3.38**	**$ 2.24**	**$ 1.78**	**$ 1.45**	**$ 1.17**

Earnings equals (i) income from continuing operations before income taxes and income from partially owned entities, plus, (ii) fixed charges, (iii) income distributions from partially owned entities, minus (iv) capitalized interest and debt expense and (v) preferred unit distributions of the Operating Partnership. Fixed charges equals (i) interest and debt expense, plus (ii) capitalized interest and debt expense, (iii) the portion of operating lease rental expense that is representative of the interest factor, which is one-third of operating lease rentals and (iv) preferred unit distributions of the Operating Partnership. Combined fixed charges and preference dividends equals fixed charges plus preferred share dividends.

EXHIBIT 12.2

COMPUTATION OF RATIOS FOR VORNADO REALTY L.P.
(UNAUDITED)

Our consolidated ratios of earnings to fixed charges and earnings to combined fixed charges and preference dividends for each of the fiscal years ended December 31, 2016, 2015, 2014, 2013 and 2012 are as follows:

	For the Year Ended December 31,				
(Amounts in thousands)	**2016**	**2015**	**2014**	**2013**	**2012**
Income (loss) from continuing operations before income taxes and income from partially owned entities	$ 1,147,311	$ 735,103	$ 492,492	$ 328,810	$ (29,300)
Fixed charges	450,779	450,292	487,646	480,058	457,247
Income distributions from partially owned entities	217,468	65,018	96,286	54,030	226,172
Capitalized interest and debt expense	(34,097)	(59,305)	(62,786)	(42,303)	(16,801)
Earnings - Numerator	**$ 1,781,461**	**$ 1,191,108**	**$ 1,013,638**	**$ 820,595**	**$ 637,318**
Interest and debt expense	$ 402,674	$ 378,025	$ 412,755	$ 425,782	$ 431,235
Capitalized interest and debt expense	34,097	59,305	62,786	42,303	16,801
1/3 of rental expense – interest factor	14,008	12,962	12,105	11,973	9,211
Fixed charges - Denominator	**450,779**	**450,292**	**487,646**	**480,058**	**457,247**
Preferred unit distributions	76,097	80,736	81,514	83,965	86,873
Combined fixed charges and preference dividends - Denominator	**$ 526,876**	**$ 531,028**	**$ 569,160**	**$ 564,023**	**$ 544,120**
Ratio of earnings to fixed charges	**$ 3.95**	**$ 2.65**	**$ 2.08**	**$ 1.71**	**$ 1.39**
Ratio of earnings to combined fixed charges and preference dividends	**$ 3.38**	**$ 2.24**	**$ 1.78**	**$ 1.45**	**$ 1.17**

Earnings equals (i) income from continuing operations before income taxes and income from partially owned entities, plus, (ii) fixed charges, (iii) income distributions from partially owned entities, minus (iv) capitalized interest and debt expense and (v) preferred unit distributions of the Operating Partnership. Fixed charges equals (i) interest and debt expense, plus (ii) capitalized interest and debt expense, (iii) the portion of operating lease rental expense that is representative of the interest factor, which is one-third of operating lease rentals and (iv) preferred unit distributions of the Operating Partnership. Combined fixed charges and preference dividends equals fixed charges plus preferred share dividends.

EXHIBIT 21

All of the following are subsidiaries of both Vornado Realty Trust and Vornado Realty, L.P. as of December 31, 2016, except Vornado Realty, L.P. is only a subsidiary of Vornado Realty Trust.

Name of Subsidiary	State of Organization
11 East 68th Parallel REIT LLC	Delaware
11 East 68th REIT Holding LLC	Delaware
11 East 68th REIT LLC	Delaware
11 East 68th Retail Owner LLC	Delaware
11 East 68th Street I Corp.	British Virgin Islands
11 East 68th Street II Corp.	British Virgin Islands
11 East 68th Street LLC	Delaware
11 East 68th Street Unit C Owner LLC	Delaware
11 East 68th TRS LLC	Delaware
1200 Eads Street LLC	Delaware
1200 Eads Street Sub LLC	Delaware
1290 Management II, LLC	Delaware
131 West 33rd Street Owner LLC	Delaware
137 West 33rd Street Owner LLC	Delaware
138-142 West 32nd EAT LLC	Delaware
1400 Eads Street LLC	Delaware
1400 Eads Street Sub LLC	Delaware
144-150 West 34th Street EAT LLC	Delaware
148 Spring Street, LLC	Delaware
14th Street Owner LLC	Delaware
14th Street Purchaser LLC	Delaware
150 East 58th Street, L.L.C.	New York
150 Spring Street LLC	Delaware
1535 Broadway LLC	Delaware
1800 Park REIT LLC	Delaware
201 East 66th Street LLC	New York
205-217 E. 138th Street LLC	Delaware
220 Building Owner LLC	Delaware
220 S 20th Street Developer LLC	Delaware
265 West 34th Street EAT LLC	Delaware
265 West 34th Street Owner LLC	Delaware
27 Washington Sq North Owner LLC	Delaware
280 Park Administration LLC	Delaware
280 Park Cleaning LLC	Delaware
29 West 57th Street Owner LLC	Delaware
304-306 Canal Street LLC	Delaware
31 West 57th Street Owner LLC	Delaware
330 Madison Company LLC	Delaware
334 Canal Street LLC	Delaware
350 Park EAT LLC	Delaware
4 USS LLC	Delaware

40 East 14 Realty Associates, L.L.C.	New York
40 Fulton Street LLC	New York
401 Commercial Son II LLC	Delaware
401 Commercial Son, LLC	Delaware
401 Commercial, L.P.	Delaware
401 General Partner, L.L.C.	Delaware
401 Hotel General Partner, L.L.C.	Delaware
401 Hotel REIT, LLC	Delaware
401 Hotel TRS, Inc.	Delaware
401 Hotel, L.P.	Delaware
408 West 15th Street Owner LLC	Delaware
480-486 Broadway, LLC	Delaware
486 8th Avenue Owner LLC	Delaware
488 Eighth Avenue Owner LLC	Delaware
49 West 57th Street Owner LLC	Delaware
50 East 86th Street Owner LLC	Delaware
501 Broadway Parallel REIT LLC	Delaware
501 Broadway REIT LLC	Delaware
527 West Kinzie LLC	Delaware
555 California TRS LLC	Delaware
58 Central Park III LLC	Delaware
58 Central Park LLC	Delaware
61 Ninth Avenue Development Holdings LLC	Delaware
61 Ninth Avenue Development LLC	Delaware
61 Ninth Avenue Development Member LLC	Delaware
61 Ninth Avenue Management LLC	Delaware
61 Ninth Retail Manager LLC	Delaware
650 Madison GP LLC	Delaware
650 Madison GP LP	Delaware
650 Madison Junior Mezz LLC	Delaware
650 Madison Office Manager LLC	Delaware
650 Madison Owner LLC	Delaware
650 Madison Retail Manager LLC	Delaware
650 Madison Senior Mezz LLC	Delaware
655 Fifth Avenue LLC	Delaware
655 Fifth Avenue Owner LLC	Delaware
655 Fifth Holdings LLC	Delaware
655 Fifth II LLC	Delaware
655 Fifth III LLC	Delaware
655 Fifth IV LLC	Delaware
666 Fifth Cleaning LLC	Delaware
666 Fifth Management LLC	Delaware
689 Fifth Avenue L.L.C.	New York
697 Fifth/2 East 55th Street Manager LLC	Delaware
697 Fifth/2 East 55th Street TIC A Holdings LLC	Delaware
697 Fifth/2 East 55th Street TIC A Master Lessee LLC	Delaware
697 Fifth/2 East 55th Street TIC A Mezz LLC	Delaware
697 Fifth/2 East 55th Street TIC B Lower-Tier LLC	Delaware
697 Fifth/2 East 55th Street TIC B Mezz LLC	Delaware
697 Fifth/2 East 55th Street TIC B Upper-Tier LLC	Delaware

697 Fifth/2 East 55th TIC B Holdings LLC	Delaware
697 Fifth/2 East 55th TIC B Mortgage Borrower LLC	Delaware
6M Investor LP	Delaware
6M REIT LLC	Delaware
7 West 34th Street LLC	New York
715 Lexington Avenue LLC	New York
715 Lexington Avenue TIC II LLC	Delaware
715 Lexington Avenue TIC LLC	Delaware
770 Broadway Company LLC	New York
770 Broadway Mezzanine LLC	Delaware
770 Broadway Owner LLC	Delaware
825 Seventh Avenue Holding Corporation	New York
825 Seventh Avenue Holding L.L.C.	New York
85 Tenth Junior Mezz LLC	Delaware
888 Seventh Avenue LLC	Delaware
909 Third Avenue Assignee LLC	New York
909 Third Company, L.P.	New York
909 Third GP, LLC	Delaware
968 Third, L.L.C.	New York
AG-VNO GTP Equity LLC	Delaware
Alexander's, Inc.	Delaware
Allentown VF L.L.C.	Pennsylvania
Altius Management Advisors Pvt. Ltd.	Foreign
Arbor Property, L.P.	Delaware
Arna-Eads, Inc.	Delaware
Arna-Fern, Inc.	Delaware
Atlantic City Holding L.L.C.	New Jersey
Balena Real Estate Development II LLC	Delaware
Balena Real Estate Development III LLC	Delaware
Balena Real Estate Development IV LLC	Delaware
Balena Real Estate Development LLC	Delaware
Bengal Intelligent Parks Pvt. Ltd.	Foreign
Bensalem VF, L.L.C.	Pennsylvania
BIP Developers Pvt. Ltd.	Foreign
Boulevard Services Pvt. Ltd.	Foreign
Bowen Building, L.P.	Delaware
Building Maintenance Service LLC	Delaware
CESC 1101 17th Street L.L.C.	Delaware
CESC 1101 17th Street Limited Partnership	Maryland
CESC 1101 17th Street Manager L.L.C.	Delaware
CESC 1140 Connecticut Avenue Holding LLC	Delaware
CESC 1140 Connecticut Avenue L.L.C.	Delaware
CESC 1140 Connecticut Avenue Limited Partnership	District of Columbia
CESC 1140 Connecticut Avenue Manager L.L.C.	Delaware
CESC 1150 17th Street L.L.C.	Delaware
CESC 1150 17th Street Manager L.L.C.	Delaware
CESC 1730 M Street L.L.C.	Delaware
CESC 1750 Pennsylvania Avenue L.L.C.	Delaware
CESC 2101 L Street L.L.C.	Delaware
CESC Commerce Executive Park L.L.C.	Delaware

CESC Crystal Square Four L.L.C.	Delaware
CESC Crystal/Rosslyn L.L.C.	Delaware
CESC District Holdings L.L.C.	Delaware
CESC Downtown Member L.L.C.	Delaware
CESC Engineering TRS Inc.	Delaware
CESC Fairfax Square Manager L.L.C.	Delaware
CESC Gateway One L.L.C.	Delaware
CESC Gateway Two Limited Partnership	Virginia
CESC Gateway Two Manager L.L.C.	Delaware
CESC Gateway/Square L.L.C.	Delaware
CESC Gateway/Square Member L.L.C.	District of Columbia
CESC H Street L.L.C.	Delaware
CESC Mall L.L.C.	Delaware
CESC Mall Land, L.L.C.	Delaware
CESC One Courthouse Plaza Holdings, LLC	Delaware
CESC One Courthouse Plaza L.L.C.	Delaware
CESC One Democracy Plaza L.P.	Delaware
CESC One Democracy Plaza Manager LLC	Delaware
CESC Park Five Land L.L.C.	Delaware
CESC Park Five Manager L.L.C.	Virginia
CESC Park Four Land L.L.C.	Delaware
CESC Park Four Manager L.L.C.	Virginia
CESC Park One Land L.L.C.	Delaware
CESC Park One Manager L.L.C.	Virginia
CESC Park Three Land L.L.C.	Delaware
CESC Park Three Manager L.L.C.	Virginia
CESC Park Two L.L.C.	Delaware
CESC Park Two Land L.L.C.	Delaware
CESC Plaza Five Limited Partnership	Delaware
CESC Plaza Limited Partnership	Virginia
CESC Plaza Manager, L.L.C.	Virginia
CESC Plaza Parking L.L.C.	Delaware
CESC Potomac Yard LLC	Delaware
CESC Skyline LLC	Delaware
CESC Square L.L.C.	Delaware
CESC TRS, Inc.	Delaware
CESC Two Courthouse Plaza Limited Partnership	Virginia
CESC Two Courthouse Plaza Manager, L.L.C.	Delaware
CESC Water Park L.L.C.	Delaware
Charles E. Smith Commercial Realty, L.P.	Delaware
Cinderella Homes Pvt. Ltd.	Foreign
Circle 1 LLC	Delaware
Commerce Executive Park Association of Co-Owners	Virginia
CP Culver City Parallel REIT LLC	Delaware
CP Culver City REIT LLC	Delaware
CP Parallel TRS LLC	Delaware
CP TRS LLC	Delaware
CPTS Domestic Owner LLC	Delaware
CPTS Hotel Lessee LLC	Delaware
CPTS Hotel Lessee Mezz 1 LLC	Delaware

CPTS Hotel Lessee Mezz 2 LLC	Delaware
CPTS Hotel Lessee Mezz 3 LLC	Delaware
CPTS Parallel Owner LLC	Delaware
CPTS TRS LLC	Delaware
CV Harlem Park LLC	Delaware
Delran VF L.L.C.	New Jersey
Design Center Owner (D.C.), L.L.C.	Delaware
Durham Leasing II L.L.C.	New Jersey
Durham Leasing L.L.C.	New Jersey
Eleven Penn Plaza LLC	New York
Everest Infrastructure Development Mauritius Limited	Foreign
Fairfax Square L.L.C	Delaware
Fairfax Square Parking LLC	Delaware
Fairfax Square Partners	Delaware
Fifth Crystal Park Associates Limited Partnership	Virginia
First Crystal Park Associates Limited Partnership	Virginia
Fourth Crystal Park Associates Limited Partnership	Virginia
Franconia GP, L.L.C.	Delaware
Fuller Madison LLC	New York
Gallery Market Holding Company, L.L.C.	Pennsylvania
Gallery Market Holding Company, L.P.	Pennsylvania
Gallery Market Properties Holding Company, L.L.C.	Pennsylvania
Gallery Market Properties Holding Company, L.P.	Pennsylvania
Garfield Parcel L.L.C.	New Jersey
Geneva Associates Owner LLC	Delaware
Green Acres 666 Fifth Retail EAT TIC Owner LLC	Delaware
Green Acres 666 Fifth Retail TIC Owner LLC	Delaware
Green Acres Mall, L.L.C.	Delaware
Guard Management Service Corp.	Delaware
H Street Building Corporation	Delaware
H Street Management, L.L.C.	Delaware
HBR Annapolis Properties, L.L.C.	Delaware
HBR Properties Pennsylvania LLC	Delaware
HBR Properties, L.L.C.	Delaware
International Biotech Park Ltd.	Foreign
IP Mezz Borrower I LLC	Delaware
IP Mezz Borrower II LLC	Delaware
IP Mortgage Borrower LLC	Delaware
JBG SMITH Properties	Delaware
JBG SMITH Properties GP LLC	Delaware
JBG SMITH Properties LP	Delaware
Juggernaut Homes Pvt. Ltd.	Foreign
LaSalle Hubbard L.L.C.	Delaware
Lincoln Road II LLC	Delaware
Lincoln Road Management LLC	Delaware
Lincoln Road Parallel REIT LLC	Delaware
Lincoln Road REIT LLC	Delaware
Littleton Holding L.L.C.	New Jersey
M 330 Associates L.P.	New York
M 393 Associates LLC	New York

Mart Franchise Center, Inc.	Illinois
Mart Parking II, LLC	Delaware
Mart Parking LLC	Delaware
Mart Trade Show L.L.C.	Delaware
Menands Holding Corporation	New York
Menands VF L.L.C.	New York
Merchandise Mart First Mezzanine Borrower L.L.C.	Delaware
Merchandise Mart Holdco L.L.C.	Delaware
Merchandise Mart L.L.C.	Delaware
Merchandise Mart Properties, Inc.	Delaware
Merchandise Mart Second Mezzanine Borrower L.L.C.	Delaware
MMPI Piers MTS L.L.C.	Delaware
MMPI Volta LLC	Delaware
Mortgage Owner LLC	Delaware
MTS-MM L.L.C.	Delaware
MW Hyde Park LLC	Delaware
New Jersey GL LLC	Delaware
New Kaempfer 1501 LLC	Delaware
New Kaempfer IB LLC	Delaware
New Kaempfer Waterfront LLC	Delaware
Ninety Park Lender LLC	New York
Ninety Park Lender QRS, Inc.	Delaware
Ninety Park Manager LLC	New York
Ninety Park Property LLC	New York
NYCRP LLC	Delaware
Office Center Owner (D.C.) L.L.C.	Delaware
One Park Owner JV LP	Delaware
One Penn Plaza LLC	New York
One Penn Plaza TRS, Inc.	Delaware
Orleans Hubbard LLC	Delaware
Palisades 1399 New York Avenue TIC Owner LLC	Delaware
Paris Associates Owner LLC	Delaware
Park One Member L.L.C.	Delaware
PCJ I Inc.	New York
Peak Power One LLC	Delaware
Penn Plaza Insurance Company, L.L.C.	Vermont
Philadelphia VF L.L.C.	Pennsylvania
Philadelphia VF L.P.	Pennsylvania
Piers 92/94 LLC	Delaware
Pike Holding Company, L.L.C.	Pennsylvania
Pike Holding Company, L.P.	Pennsylvania
Pike VF L.L.C.	Pennsylvania
Pike VF L.P.	Pennsylvania
Powerspace & Services, Inc.	Delaware
Rahway Leasing L.L.C.	New Jersey
Realty Services Trustee Company Pvt. Ltd.	Foreign
Restaurant Corp Lessor LLC	Delaware
River House Corporation	Virginia
RTR VW LLC	Delaware
RV Farley Developer LLC	Delaware

RVS Partners LLC	Delaware
Shenandoah DC Holding, LLC	Delaware
Shenandoah Parent LLC	Delaware
Skyline Parent LLC	Delaware
SMB Administration LLC	Delaware
SMB Tenant Services LLC	Delaware
SO Hudson 555 Management, Inc.	Delaware
SO Hudson Westside I Corp.	Delaware
South Capitol, L.L.C.	Delaware
T53 Condominium, L.L.C.	New York
TCG Developments India Pvt. Ltd.	Foreign
TCG Real Estate Investment Management Company Pvt. Ltd.	Foreign
TCG Software Parks Pvt. Ltd.	Foreign
TCG Urban Infrastructure Holdings Ltd.	Foreign
Techna Infrastructure Pvt. Ltd.	Foreign
The Armory Show Inc.	New York
The Palisades A/V Company, L.L.C.	Delaware
The Park Laurel Condominium	Delaware
The Pennsy Holdings LLC	Delaware
Thebes I LLC	Delaware
TheMart Tots LLC	Delaware
Third Crystal Park Associates Limited Partnership	Virginia
TMO 1 LLC	Delaware
Trees Acquisition Subsidiary, Inc.	Delaware
Two Guys from Harrison N.Y. (DE), L.L.C.	Delaware
Two Guys From Harrison N.Y. L.L.C.	New York
Two Guys From Harrison NY Member LLC	Delaware
Two Guys-Connecticut Holding L.L.C.	Connecticut
Two Penn Plaza REIT, Inc.	New York
UBI Management, L.L.C.	Delaware
Universal Building North, Inc.	District of Columbia
Universal Building, Inc.	District of Columbia
Upper Moreland Holding Company, L.L.C.	Pennsylvania
Upper Moreland Holding Company, L.P.	Pennsylvania
Upper Moreland VF, L.L.C.	Pennsylvania
VBL Company, L.L.C.	New York
VCP COI One Park LP	Delaware
VCP CP Culver City LLC	Delaware
VCP CP Culver City Parking LLC	Delaware
VCP IM L.L.C.	Delaware
VCP Lincoln Road LLC	Delaware
VCP LP L.L.C.	Delaware
VCP One Park Parallel REIT LLC	Delaware
VCP Parallel COI One Park LP	Delaware
VFC Connecticut Holding, L.L.C.	Delaware
VFC New Jersey Holding, L.L.C.	Delaware
Virgin Sign L.L.C.	Delaware
VMS Lender LLC	Delaware
VNK L.L.C.	Delaware
VNO 100 West 33rd Street LLC	Delaware

VNO 11 East 68th Street Holding Company LLC	Delaware
VNO 11 East 68th Street Mezz LLC	Delaware
VNO 11 East 68th Street Property Owner LLC	Delaware
VNO 1229-1231 25th Street LLC	Delaware
VNO 125 West 31st Street Mezz LLC	Delaware
VNO 1399 GP LLC	Delaware
VNO 1399 Holding LLC	Delaware
VNO 154 Spring Street LLC	Delaware
VNO 155 Spring Street LLC	Delaware
VNO 1800 Park LLC	Delaware
VNO 1920 L Street LLC	Delaware
VNO 220 Development LLC	Delaware
VNO 220 S. 20th Street LLC	Delaware
VNO 220 S. 20th Street Member LLC	Delaware
VNO 225 West 58th Street LLC	Delaware
VNO 225 West 58th Street Mezz Owner LLC	Delaware
VNO 267 West 34th LLC	Delaware
VNO 280 Park JV Member LLC	Delaware
VNO 33 West 57th Street LLC	Delaware
VNO 33-00 Northern Blvd LLC	Delaware
VNO 3500 US Highway 9 LLC	Delaware
VNO 401 Commercial Leasee LLC	Delaware
VNO 426 Washington Street Developer LLC	Delaware
VNO 426 West Broadway, LLC	Delaware
VNO 431 Seventh Avenue LLC	Delaware
VNO 435 Seventh Avenue LLC	Delaware
VNO 443 Broadway Holdings II LLC	Delaware
VNO 443 Broadway Holdings III LLC	Delaware
VNO 443 Broadway LLC	Delaware
VNO 501 Broadway LLC	Delaware
VNO 510 Fifth LLC	Delaware
VNO 510 West 22nd JV Member LLC	Delaware
VNO 510 West 22nd Lender LLC	Delaware
VNO 530 Broadway Mezz II LLC	Delaware
VNO 530 Broadway Mezz LLC	Delaware
VNO 530 Broadway Mezzanine I LLC	Delaware
VNO 535-545 5th Loan LLC	Delaware
VNO 555 Fifth LLC	Delaware
VNO 606 Broadway LLC	Delaware
VNO 606 Broadway Manager Member LLC	Delaware
VNO 61 Ninth Avenue Member LLC	Delaware
VNO 63rd Street LLC	Delaware
VNO 6417 Loisdale Road LLC	Delaware
VNO 650 Madison Investor LLC	Delaware
VNO 650 Madison LLC	Delaware
VNO 655 Partners LLC	Delaware
VNO 666 Fifth Holding LLC	Delaware
VNO 666 Fifth Lender LLC	Delaware
VNO 666 Fifth Member LLC	Delaware
VNO 666 Fifth Retail TIC Lessee LLC	Delaware

VNO 7 West 34th Street Owner LLC	Delaware
VNO 7 West 34th Street Sub LLC	Delaware
VNO 701 Seventh Avenue Mezz LLC	Delaware
VNO 701 Seventh Avenue TRS LLC	Delaware
VNO 757 Third Avenue LLC	Delaware
VNO 78 11TH Avenue Mezz LLC	Delaware
VNO 86 Lex LLC	Delaware
VNO 93rd Street LLC	Delaware
VNO 966 Third Avenue LLC	Delaware
VNO 99-01 Queens Boulevard LLC	Delaware
VNO AC LLC	Delaware
VNO Ashley House LLC	Delaware
VNO Ashley House Member LLC	Delaware
VNO Broad Street LLC	Delaware
VNO Bruckner Plaza Lender LLC	Delaware
VNO Building Acquisition LLC	Delaware
VNO Capital Partners REIT LLC	Delaware
VNO Capital Partners TRS LLC	Delaware
VNO Courthouse I LLC	Delaware
VNO Courthouse II LLC	Delaware
VNO Courthouse Place Mezz LLC	Delaware
VNO CP Co-Investor LP	Delaware
VNO CP GP LLC	Delaware
VNO CP LLC	Delaware
VNO CPPIB Member LLC	Delaware
VNO Crystal City Marriott, Inc.	Delaware
VNO Crystal City TRS, Inc.	Delaware
VNO Fashion LLC	Delaware
VNO GT Owner LLC	Delaware
VNO Hotel L.L.C.	Delaware
VNO IF Delaware PI LLC	Delaware
VNO IF GP LLC	Delaware
VNO IF LLC	Delaware
VNO IP Loan LLC	Delaware
VNO IP Warrant LLC	Delaware
VNO Island Global LLC	Delaware
VNO James House Member LLC	Delaware
VNO James House, LLC	Delaware
VNO JCP LLC	Delaware
VNO LF 50 West 57th Street Holding LLC	Delaware
VNO LF 50 West 57th Street JV LLC	Delaware
VNO LF 50 West 57th Street LLC	Delaware
VNO LF 50 West 57th Street Management LLC	Delaware
VNO LNR Holdco, L.L.C.	Delaware
VNO Morris Avenue GL LLC	Delaware
VNO New York Office Management LLC	Delaware
VNO One Park LLC	Delaware
VNO One Park Management LLC	Delaware
VNO Patson Geary, L.P.	Delaware
VNO Pentagon City LLC	Delaware

VNO Pentagon Plaza LLC	Delaware
VNO Potomac House LLC	Delaware
VNO Potomac House Member LLC	Delaware
VNO Pune Township LLC	Delaware
VNO Roosevelt Hotel Mezz II LLC	Delaware
VNO Roosevelt Hotel Mezz LLC	Delaware
VNO RTR AP, LLC	Delaware
VNO SC Note LLC	Delaware
VNO Skyline Lender LLC	Delaware
VNO SM GP LLC	Delaware
VNO SM LLC	Delaware
VNO South Capitol LLC	Delaware
VNO Suffolk II LLC	Delaware
VNO Surplus 2006 LLC	Delaware
VNO SW Ventures LLC	Delaware
VNO T-Hotel Loan LLC	Delaware
VNO TRU 25 1/2 Road LLC	Delaware
VNO TRU Beckley Road LLC	Delaware
VNO TRU Eastman Avenue LLC	Delaware
VNO TRU Frederica Street LLC	Delaware
VNO TRU Geary Street L.P.	Delaware
VNO TRU Kennedy Road LLC	Delaware
VNO TRU Lafayette Street LLC	Delaware
VNO TRU Mall Drive L.P.	Delaware
VNO TRU MICH L.P.	Delaware
VNO TRU Military Road L.P.	Delaware
VNO TRU Princeton Road LLC	Delaware
VNO TRU Rand Road LLC	Delaware
VNO TRU Route 50 LLC	Delaware
VNO TRU South Wadsworth Avenue LLC	Delaware
VNO TRU TX LLC	Delaware
VNO TRU University Drive LLC	Delaware
VNO VE LLC	Delaware
VNO Wayne License LLC	Delaware
VNO Wayne Towne Center Holding LLC	Delaware
VNO Wayne Towne Center LLC	Delaware
VNO/HQ Member LLC	Delaware
VNO-MM Mezzanine Lender LLC	Delaware
Vorando Penn Plaza Master Plan Developer LLC	Delaware
Vornado - KC License L.L.C.	Delaware
Vornado / Charles E. Smith L.P.	Delaware
Vornado / Charles E. Smith Management L.L.C.	Delaware
Vornado 1399 LLC	Delaware
Vornado 1540 Broadway LLC	Delaware
Vornado 17th Street Holdings LP	Delaware
Vornado 17th Street LLC	Delaware
Vornado 220 Central Park South II LLC	Delaware
Vornado 220 Central Park South LLC	Delaware
Vornado 25W14 LLC	Delaware
Vornado 3040 M Street LLC	Delaware

Vornado 330 W 34 Mezz LLC	Delaware
Vornado 330 West 34th Street L.L.C.	Delaware
Vornado 40 East 66th Street LLC	Delaware
Vornado 40 East 66th Street Member LLC	Delaware
Vornado 40 East 66th Street TRS LLC	Delaware
Vornado 401 Commercial LLC	Delaware
Vornado 601 Madison Avenue, L.L.C.	Delaware
Vornado 620 Sixth Avenue L.L.C.	Delaware
Vornado 640 Fifth Avenue L.L.C.	Delaware
Vornado 677 Madison LLC	Delaware
Vornado 692 Broadway, L.L.C.	Delaware
Vornado 800 17th Street, LLC	Delaware
Vornado 90 Park Avenue L.L.C.	Delaware
Vornado 90 Park Member L.L.C.	Delaware
Vornado 90 Park QRS, Inc.	Delaware
Vornado Acquisition Co. LLC	Delaware
Vornado Air Rights LLC	Delaware
Vornado Auto L.L.C.	Delaware
Vornado BAP LLC	Delaware
Vornado Bowen GP LLC	Delaware
Vornado Bowen II LLC	Delaware
Vornado Bowen, LLC	Delaware
Vornado Capital Partners GP LLC	Delaware
Vornado Capital Partners Parallel GP LLC	Delaware
Vornado Capital Partners Parallel LP	Delaware
Vornado Capital Partners Parallel REIT LLC	Delaware
Vornado Capital Partners, L.P.	Delaware
Vornado CESCR Gen-Par, LLC	Delaware
Vornado Cogen Holdings LLC	Delaware
Vornado Communications, LLC	Delaware
Vornado Condominium Management LLC	Delaware
Vornado Crystal City L.L.C.	Delaware
Vornado Crystal Park Loan, L.L.C.	Delaware
Vornado DC Holding LLC	Delaware
Vornado Dune LLC	Delaware
Vornado Eleven Penn Plaza LLC	Delaware
Vornado Eleven Penn Plaza Owner LLC	Delaware
Vornado Everest Lender, L.L.C.	Delaware
Vornado Everest, L.L.C.	Delaware
Vornado Farley LLC	Delaware
Vornado Farley Member LLC	Delaware
Vornado Finance GP L.L.C.	Delaware
Vornado Finance L.P.	Delaware
Vornado Finance SPE, Inc.	Delaware
Vornado Fort Lee L.L.C.	Delaware
Vornado Fortress LLC	Delaware
Vornado Green Acres Acquisition L.L.C.	Delaware
Vornado Green Acres Delaware L.L.C.	Delaware
Vornado Green Acres Funding L.L.C.	Delaware
Vornado Green Acres Holdings L.L.C.	Delaware

Vornado Green Acres SPE Managing Member, Inc.	Delaware
Vornado Harlem Park LLC	Delaware
Vornado Hinjewadi Township Private Limited	Foreign
Vornado IB Holdings LLC	Delaware
Vornado India Retail LLC	Delaware
Vornado India Retail Management LLC	Delaware
Vornado Investment Corporation	Delaware
Vornado Investments L.L.C.	Delaware
Vornado KMS Holdings LLC	Delaware
Vornado Lending L.L.C.	New Jersey
Vornado Lodi L.L.C.	Delaware
Vornado LXP, L.L.C.	Delaware
Vornado M 330 L.L.C.	Delaware
Vornado M 393 L.L.C.	Delaware
Vornado Management Corp.	Delaware
Vornado Manhattan House Mortgage LLC	Delaware
Vornado Marketing LLC	Delaware
Vornado Mauritius Advisors LLC	Delaware
Vornado Mauritius II LLC	Delaware
Vornado New York RR One L.L.C.	Delaware
Vornado Newkirk Advisory LLC	Delaware
Vornado Newkirk L.L.C.	Delaware
Vornado NK Loan L.L.C.	Delaware
Vornado Office Inc.	Delaware
Vornado Office Management LLC	Delaware
Vornado PC LLC	Delaware
Vornado Property Advisor LLC	Delaware
Vornado Realty L.L.C.	Delaware
Vornado Realty, L.P.	Delaware
Vornado Records 2006, L.L.C.	Delaware
Vornado Retail Finance Manager LLC	Delaware
Vornado Rosslyn LLC	Delaware
Vornado RTR DC LLC	Delaware
Vornado RTR Urban Development LLC	Delaware
Vornado RTR Urban Development TMP LLC	Delaware
Vornado RTR, Inc.	Delaware
Vornado San Jose LLC	Delaware
Vornado Savanna LLC	Delaware
Vornado Savanna SM LLC	Delaware
Vornado SB 11 L.P.	Delaware
Vornado SB 9 L.P.	Delaware
Vornado SB LLC	Delaware
Vornado SC Properties II LLC	Delaware
Vornado SC Properties LLC	Delaware
Vornado Shenandoah Holdings II LLC	Delaware
Vornado Shenandoah Holdings LLC	Delaware
Vornado Sign LLC	Delaware
Vornado Springfield Mall LLC	Delaware
Vornado Springfield Mall Manager LLC	Delaware
Vornado Square Mile LLC	Delaware

Vornado Suffolk LLC	Delaware
Vornado Sun LLC	Delaware
Vornado Title L.L.C.	Delaware
Vornado Toys Bridge LLC	Delaware
Vornado Truck LLC	Delaware
Vornado TSQ LLC	Delaware
Vornado Two Penn Plaza L.L.C.	Delaware
Vornado Two Penn Property L.L.C.	Delaware
Vornado Warner Acquisition LLC	Delaware
Vornado Warner GP LLC	Delaware
Vornado Warner Holdings LP	Delaware
Vornado Warner LLC	Delaware
Vornado Waterfront Holdings LLC	Delaware
Vornado Westbury Retail II LLC	Delaware
Vornado Westbury Retail LLC	Delaware
VRT Development Rights LLC	New York
VRT New Jersey Holding L.L.C.	Delaware
VSPS LLC	Delaware
Warner Investments, L.P.	Delaware
Washington CESC TRS, Inc.	Delaware
Washington CT Fund GP LLC	Delaware
Washington Design Center L.L.C.	Delaware
Washington Design Center Subsidiary L.L.C.	Delaware
Washington Mart SPE LLC	Delaware
Washington Mart TRS, Inc.	Delaware
Washington Office Center L.L.C.	Delaware
Wasserman Vornado Strategic Real Estate Fund LLC	Delaware
WDC 666 Fifth Retail TIC Owner LLC	Delaware
Wells Kinzie L.L.C.	Delaware
West 57th Street Holding LLC	Delaware
West 57th Street JV LLC	Delaware
West 57th Street Management LLC	Delaware
West End 25 Developer LLC	Delaware
WOC 666 Fifth Retail TIC Owner LLC	Delaware
WREC Columbus Ave LLC	Delaware
WREC Hyde Park LLC	Delaware
WREC Lido LLC	Delaware
WREC Lido Venture LLC	Delaware
WREC Quadrille LLC	Delaware
WREC San Pasqual LLC	Delaware
York VF L.L.C.	Pennsylvania

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of our reports dated February 13, 2017, relating to the consolidated financial statements and financial statement schedules of Vornado Realty Trust (which report expresses an unqualified opinion), and the effectiveness of Vornado Realty Trust's internal control over financial reporting, appearing in the Annual Report on Form 10-K of Vornado Realty Trust and Vornado Realty L.P. and consolidated subsidiaries for the year ended December 31, 2016:

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. 333-109661 on Form S-3
Registration Statement No. 333-114146 on Form S-3
Registration Statement No. 333-114807 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 joint Registration Statement No. 333-203294 on Form S-3 of Vornado Realty Trust and Vornado Realty L.P.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
February 13, 2017

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement No. 333-203294 on Form S-3 of our reports dated February 13, 2017, relating to the consolidated financial statements and financial statement schedules of Vornado Realty L.P. and consolidated subsidiaries (which report expresses an unqualified opinion), and the effectiveness of Vornado Realty L.P. and consolidated subsidiaries' internal control over financial reporting, appearing in the Annual Report on Form 10-K of Vornado Realty L.P. and consolidated subsidiaries and Vornado Realty Trust for the year ended December 31, 2016.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
February 13, 2017

EXHIBIT 31.1

CERTIFICATION

I, Steven Roth, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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.

February 13, 2017

/s/ Steven Roth
Steven Roth
Chairman of the Board and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Stephen W. Theriot, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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.

February 13, 2017

/s/ Stephen W. Theriot
Stephen W. Theriot
Chief Financial Officer

EXHIBIT 31.3

CERTIFICATION

I, Steven Roth, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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.

February 13, 2017

/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.

EXHIBIT 31.4

CERTIFICATION

I, Stephen W. Theriot, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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.

February 13, 2017

/s/ Stephen W. Theriot
Stephen W. Theriot
Chief Financial Officer of Vornado Realty Trust,
sole General Partner of Vornado Realty L.P.

EXHIBIT 32.1

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 Annual Report on Form 10-K for year ended December 31, 2016 (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.

February 13, 2017

/s/ Steven Roth
Name: Steven Roth
Title: Chairman of the Board and Chief Executive Officer

EXHIBIT 32.2

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 Annual Report on Form 10-K for year ended December 31, 2016 (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.

February 13, 2017

/s/ Stephen W. Theriot

Name: Stephen W. Theriot
Title: Chief Financial Officer

EXHIBIT 32.3

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 Annual Report on Form 10-K for year ended December 31, 2016 (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.

February 13, 2017

/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.

EXHIBIT 32.4

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 Annual Report on Form 10-K for year ended December 31, 2016 (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.

February 13, 2017

/s/ Stephen W. Theriot

Name: Stephen W. Theriot
Title: Chief Financial Officer of Vornado Realty Trust,
sole General Partner of Vornado Realty L.P.