FOI #16019

Olivencia, Mildred

From: psalamoun@reedsmith.com
Sent: Friday, May 15, 2015 3:30 PM
To: Olivencia, Mildred
Cc: Torres-Rojas, Genara; Van Duyne, Sheree; Ng, Danny
Subject: Freedom of Information Online Request Form

Information:

First Name: Paula
Last Name: Salamoun
Company: Reed Smith LLP
Mailing Address 1: 1301 K Street
Mailing Address 2: Suite 1000
City: Washington
State: DC
Zip Code: 20005
Email Address: psalamoun@reedsmith.com
Phone: 202-414-9471
Required copies of the records: Yes

List of specific record(s):
We are filing a FOI to obtain further information on the right of first offer including any similar right, a "ROFO" of Host Marriott and Westfield hotel and retail, respectively on the property known as "5 World Trade Center" or "5 WTC" – •Documents and records relating to ithe fulfillment of conditions precedent under the letter agreement of 21st Oct 2003 between Host Marriott and PANYNJthe "Marriott Letter Agreement" and ii any records relating to the satisfaction of all conditions precedent to Host Marriott's performance under the Marriott Letter Agreement, including the payment of USD 1m on the effective date and any evidence of such payment. •Documents and records relating to the ROFO between PANYNJ and Westfield for all of PANYNJ's retail activities within the WTC, including documents addressing whether the ROFO covers the 5 WTC plot or reversion of ownership of 5 WTC to PANYNJ. Please provide what is available at the earliest opportunity.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

August 19, 2015

Ms. Paula Salamoun
Reed Smith LLP
1301 K. Street, Suite 1000
Washington, DC 20005

Re: Freedom of Information Reference No. 16019

Dear Ms. Salamoun:

This is in response to your May 15, 2015 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code", copy enclosed) for copies of records related to the right of first offer including any similar right, a "ROFO" of Host Marriott and Westfield hotel and retail, respectively on the property known as "5 World Trade Center" or "5 WTC" – Documents and records relating to ithe fulfiliment of conditions precedent under the letter agreement of 21st Oct 2003 between Host Marriott and PANYNJthe "Marriott Letter Agreement" and ii any records relating to the satisfaction of all conditions precedent to Host Marriott's performance under the Marriott Letter Agreement, including the payment of USD 1m on the effective date and any evidence of such payment. Documents and records relating to the ROFO between PANYNJ and Westfield for all of PANYNJ's retail activities within the WTC, including documents addressing whether the ROFO covers the 5 WTC plot or reversion of ownership of 5 WTC to PANYNJ.

Material responsive to your request and available under the Code can be found on the Port Authority's website at http://www.panynj.gov/corporate-information/foi/16019-LPA.pdf. Paper copies of the available records are available upon request.

Pursuant to the Code, certain portions of the material responsive to your request are exempt from disclosure as, among other classifications, privacy.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,

Danny Ng
FOI Administrator

Enclosure

4 World Trade Center, 18th Floor
150 Greenwich Street
New York, NY 10007
T: 212 435 7348 F: 212 435 7555

SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT entered into this 25th day of November, 2003 between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and HMH WTC LLC ("**Host Marriott**"), a Delaware limited liability company having an office at 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817.

WITNESSETH:

WHEREAS, pursuant to an Agreement dated as of November 2, 1995 between Host Marriott Corporation and the Port Authority, as amended by letter agreement dated November 22, 1995 (the "**Purchase Agreement**"), Host Marriott Corporation agreed to pay to the Port Authority $141,500,000 as the purchase price for the rights to lease the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**"), $65,000,000 of which purchase price (the "**Facility Amount**") remains outstanding and is due and payable on December 31, 2003;

WHEREAS, pursuant to the Purchase Agreement, Host Marriott and the Port Authority are parties to an Agreement of Lease dated as of December 21, 1995, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC (the "**Hotel Operating Tenant**") dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which the Port Authority leases the Hotel to Host Marriott;

WHEREAS, Host Marriott and the Port Authority are parties to a Security Agreement dated as of March 21, 1995 (the "**Security Agreement**"), pursuant to which the Port Authority was granted a security interest in certain personal property located in the Hotel to secure payment of the Facility Amount;

WHEREAS, Host Marriott and West Street Hotels, Inc. (the "**Manager**"), a wholly-owned subsidiary of Marriott International, Inc. ("**MI**"), are parties to an Amended and Restated Management Agreement dated as of February 23, 1996, as amended by the First Amendment to Amended and Restated Management Agreement dated as of December 6, 1996 between Host Marriott and the Manager,

the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of December 31, 1998 among the Manager, Host Marriott and the Hotel Operating Tenant, and Amendment No. 1 to the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of January 10, 2001 among the Manager, Host Marriott and the Hotel Operating Tenant (as amended, the "**Management Agreement**"), pursuant to which the Manager is responsible for managing the Hotel;

WHEREAS, Factory Mutual Insurance Company ("**FMIC**") issued insurance policy no. LP300 covering numerous hotels and property, including the Hotel, and providing coverage from April 1, 2001 to April 1, 2002 (the "**Policy**") insuring, among others, MI, the Manager and Host Marriott;

WHEREAS, the Port Authority is a "loss payee" under the Policy as its interests may appear, but only to the extent contractually required;

WHEREAS, on September 11, 2001, terrorists committed an attack in the United States of America that involved the hijacking and crashing of four commercial jets destroying or damaging several buildings, including the World Trade Center and the Hotel (the "**Attack**");

WHEREAS, the Port Authority made a claim under the Policy for artwork at the Hotel that was destroyed in the Attack, and that claim was resolved by the payment by FMIC to the Port Authority of $397,595 (the "**Artwork Proceeds**");

WHEREAS, since the Attack, Host Marriott and the Port Authority have held discussions regarding their respective rights and interests in the Hotel and under the Policy;

WHEREAS, Host Marriott and the Port Authority desire to resolve fully and finally all matters arising out of or in connection with the Lease, the Purchase Agreement and the Policy, including payment of all amounts paid or payable by FMIC to any person or entity under or pursuant to the Policy (such amounts, other than the Artwork Proceeds, being hereinafter the "**Insurance Proceeds**");

WHEREAS, in order to reach such a resolution, Host Marriott and the Port Authority have agreed to the surrender and termination of the Lease, and also to effect rights under the Policy, all according to the terms and conditions specified below; and

WHEREAS, all necessary actions and approvals required to be taken or obtained by either party in order to enter into this Settlement Agreement and the transactions contemplated hereby have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and

New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Settlement Agreement hereby agree as follows:

SECTION 1. Settlement. The Port Authority and Host Marriott agree that on and as of the Effective Date (as defined below):

(a) Host Marriott will pay the Facility Amount to the Port Authority.

(b) The Lease, Purchase Agreement and Security Agreement are terminated and are of no further force and effect. "Basic rental", "tax equivalent rental" and "BID Assessment" (as such quoted terms are defined in the Lease) paid by Host Marriott to the Port Authority for the period in which the Effective Date occurs shall be pro-rated on a per diem basis and any amounts owing Host Marriott shall be deducted from payments due the Port Authority pursuant to Section 3(a)(i) below.

(c) The Port Authority hereby assigns to Host Marriott all of the Port Authority's right, title and interest in and to the Policy and in and to any or all of the Insurance Proceeds, and the Port Authority further foregoes any future claim of right, title or interest in and to the Policy and in and to any or all of the Insurance Proceeds.

(d) Except for the rights, liabilities and obligations expressly set forth in this Settlement Agreement, each of the parties to this Settlement Agreement, for itself and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents, hereby forever releases, waives, and discharges the other party hereto and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents from any actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, controversies, agreements, promises, damages (whether compensatory, punitive, statutory, interest, costs, attorneys' fees or otherwise), judgments, executions, claims, counterclaims, demands, and other forms of liability howsoever denominated, whether at law or in equity, whether based on contract, tort, statute or otherwise relating in any way to the Attack, the Hotel, Host Marriott's letting of the Hotel, the Lease, the Purchase Agreement, the Security Agreement or the Policy.

(e) (1) If, at any time from the Effective Date to and including December 31, 2023 (the "**Negotiation Period**"), the Port Authority or its successors or assigns as the owner or operator of the World Trade Center site (as the same may be known from time to time, the "**World Trade Center**"), or any representative persons, bodies or committees thereof, or any lessee thereof, shall undertake the development of a hotel within the World Trade Center site, whether through the sale of a fee interest therein, through the granting or sale of a leasehold interest therein or through the grant of development rights (in any such event, as the case may be, the "**Offered Interest**"), then the Port Authority shall give notice of the Offered Interest (the "**Initial Notice**") to Host Marriott, L.P. ("**Host**"). The Port Authority and Host shall then discuss and negotiate in good faith for a period not to exceed sixty (60) days from the date of the Initial Notice towards the end of reaching an agreement upon the terms and conditions to govern the Offered Interest. If the Port Authority and Host reach an agreement on such terms, the Port Authority shall prepare all necessary and appropriate contracts in connection with the Offered Interest (the "**Necessary Contracts**"), setting forth the details of the arrangement with respect to the Offered Interest for execution by Host. If the Port Authority and Host fail to reach an agreement on the terms and conditions to govern such Offered Interest within the sixty day period referred to above, or if after reaching final agreement on all of the terms and provisions Host fails to execute and deliver to the Port Authority the Necessary Contracts within sixty (60) days after submission to Host of the Necessary Contracts, then and in either such event, the Port Authority may freely discuss with other parties the Offered Interest and the right granted to Host under this Section 1(e)(1) (the "**Right of First Offer**") shall be deemed cancelled and null and void and of no further force and effect. If this Right of First Offer is so cancelled, Host and the Port Authority will execute and deliver a discharge of the Memorandum (as defined below). The parties specifically acknowledge and agree that nothing in this Section 1(e)(1) shall create, or be deemed to create, infer or imply, any obligation on the part of either party to enter into an agreement regarding the Offered Interest until the execution and delivery of the Necessary Contracts. In the event this Right of First Offer is cancelled, and within the one year period following such cancellation the Port Authority elects to seek a developer for a hotel within the World Trade Center site, whether through the sale of a fee interest therein, through the granting or sale of a leasehold interest therein or through the grant of development rights, it will initiate or engage in a competitive process in accordance with its routine practices and procedures. Host shall be deemed a qualified entity to participate in such process and shall be invited to participate in such process and to submit a proposal in response thereto. Nothing contained herein shall obligate or be deemed to obligate the Port Authority to seek a developer during such one year period, but the Port Authority's decision not to seek a developer during such period shall be made in good faith and for valid business reasons that are unrelated to the avoidance of the Right of First Offer and, upon request, the Port

Authority shall furnish Host with a reasonable explanation of such valid business purpose. In the event the Port Authority does engage in a competitive process in which Host participates, the Port Authority shall evaluate the offers submitted in response to such process in good faith and in accordance with its customary practices and procedures governing such process. If the Port Authority accepts an offer received in response to such process, the Port Authority shall accept that offer which, in accordance with the methodology established by the Port Authority for the competitive process, is determined by the Port Authority to be the best offer. The methodology established by the Port Authority for the competitive process shall be developed and applied by the Port Authority in good faith and in a non-discriminatory manner. Nothing contained herein shall require the Port Authority to accept any of the offers received in response to such process.

(2) In consideration for the Right of First Offer, Host will pay $1,000,000 to the Port Authority (the "**Offer Payment**").

"**Effective Date**" means the date on which the Conditions Precedent (as defined in Section 2 below) have occurred or have been waived in writing by both the Port Authority and Host Marriott; *provided, however*, that if the Effective Date has not occurred prior to December 8, 2003, then this Settlement Agreement shall be deemed cancelled and null and void and of no further force and effect. No such cancellation shall affect Host Marriott's obligation to pay to the Port Authority the Facility Amount pursuant to the terms of the Purchase Agreement.

SECTION 2. Conditions Precedent. This Settlement Agreement is subject to, and the rights and obligations of the parties hereunder are conditioned upon, the satisfaction of the following conditions (the "**Conditions Precedent**"):

(a) Host Marriott shall deliver to the Port Authority an agreement executed by FMIC, substantially in the form of Exhibit A, pursuant to which the Port Authority and FMIC (and their respective agents, affiliates, successors and assigns) agree to a mutual release of any claims and other forms of liability howsoever denominated, whether at law or in equity, relating in any way to the Policy (the "**FMIC Release**").

(b) Host Marriott shall deliver to the Port Authority: either (i) an agreement executed by MI, substantially in the form of Exhibit B, pursuant to which the Port Authority and MI (and their respective agents, affiliates, successors and assigns) agree to a mutual release of any claims and other forms of liability howsoever denominated, whether at law or in equity, relating in any way to this Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy (the "**MI Release**"); or (ii) an indemnification executed by Host, substantially in the form of Exhibit C, pursuant to which Host indemnifies, holds harmless and defends the Port

Authority and its commissioners, governing bodies, officers, agents and employees from and against any all claims, demands, obligations, damages, liabilities, actions or proceedings made, brought or claimed by MI or its affiliates arising out of or in connection with this Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy (the "**Indemnification**"). The Indemnification, if any, will provide that the Indemnification will be of no further force and effect if at any time Host Marriott delivers the MI Release, executed by MI, to the Port Authority.

SECTION 3. Closing Deliveries. (a) On the Effective Date, upon satisfaction of the Conditions Precedent, Host Marriott shall deliver to the Port Authority:

(i) the Facility Amount and the Offer Payment, as adjusted pursuant to Section 1(b) above, by wire transfer of immediately available funds to an account designated by the Port Authority;

(ii) a counterpart of a memorandum evidencing the Right of First Offer duly executed by Host Marriott, substantially in the form of Exhibit D, for recording in the real estate records (the "**Memorandum**");

(iii) a counterpart of a surrender and termination agreement with respect to the Lease duly executed by Host Marriott, substantially in the form of Exhibit E, pursuant to which all rights, duties and obligations of the parties under the Lease are of no further force and effect, and pursuant to which the memorandum of lease filed in connection with the Lease shall be discharged of record (the "**Surrender Agreement**"), along with the transfer tax forms required to be filed in connection therewith;

(iv) the counterpart of the FMIC Release duly executed by FMIC;

(v) the counterpart of the MI Release duly executed by MI; and

(vi) if the Port Authority and MI have not entered into the MI Release, the duly executed Indemnification.

(b) On the Effective Date, upon satisfaction of the Conditions Precedent, the Port Authority shall deliver to Host Marriott:

(i) a counterpart of the Memorandum duly executed by the Port Authority;

(ii) a counterpart of the Surrender Agreement duly executed by the Port Authority, along with the transfer tax forms required to be filed in connection

therewith and UCC-3 filings required to be filed in connection with the termination of the Security Agreement;

(iii) a counterpart of the FMIC Release duly executed by the Port Authority;

(iv) a counterpart of the MI Release duly executed by the Port Authority; and

(v) a duly executed letter from the Port Authority's General Counsel delivered to FMIC, substantially in the form of Exhibit F, stating that the Settlement Agreement and FMIC Release are valid and binding obligations of the Port Authority and the execution by the Port Authority of the Settlement Agreement and FMIC Release are valid and proper and meet with all applicable requirements (the "**Port Authority Opinion**"); *provided, however*, that the Port Authority's obligation to deliver the Port Authority Opinion to FMIC is conditioned upon the receipt by the Port Authority of a duly executed letter from FMIC's General Counsel delivered to the Port Authority, substantially in the form of Exhibit G, stating that the FMIC Release is a valid and binding obligation of FMIC and the execution by FMIC of the FMIC Release is valid and proper and meets with all applicable requirements.

SECTION 4. Confidentiality. Subject to Section 5 hereof, from the date hereof, unless compelled by judicial process to appear in any proceeding, to provide sworn testimony or to produce documents, the parties hereto shall not discuss or disclose, generally or specifically, the terms of this Settlement Agreement with anyone not a signatory to this Settlement Agreement for any purpose except to (i) the parties' governing bodies, parents, subsidiaries, affiliates, successors, employees, consultants, attorneys, accountants and insurance companies or their agents (as applies to each party, their "**Representatives**" and each individually, a "**Representative**"); (ii) regulatory authorities and (iii) tax authorities, and only with respect to the effectuation or enforcement of this Settlement Agreement. If so compelled by judicial process, each party agrees that, if possible, it shall notify the other party prior to disclosure so that the other party may take whatever action it deems appropriate. To the extent any party discloses information to any of their Representatives as permitted by the foregoing, such party agrees to advise each such Representative of the confidential nature of the information and further agrees to fully indemnify and hold harmless the other party to this Settlement Agreement with respect to any breach of confidentiality by such Representative. Any disclosure of information by either party which (i) is a matter of public record or is or becomes generally available to the public other than as a result of its disclosure by such party; (ii) was known to the party receiving it at the time of disclosure; (iii) is disclosed with the prior approval of the other party; (iv) is required to be disclosed to comply with applicable

governmental laws, ordinances, enactments, resolutions, rules, and orders, including, without limitation, with respect to the Port Authority, in the opinion of the Port Authority, enactments, ordinances, resolutions and regulations of the City of New York and its various Departments, Boards and Bureaus that are applicable, or which would be applicable if the Port Authority were a private corporation; (v) the attorneys or accountants of such party are required to disclose by rules of professional responsibility; or (vi) with respect to the Port Authority, it is determined by the Secretary of the Port Authority to be subject to disclosure and is disclosed by the Port Authority pursuant to and in accordance with the Port Authority's Freedom of Information policy in effect at the time of disclosure, in each case shall not be deemed to be a violation of this Section 4. Notwithstanding anything herein to the contrary, either party to this Settlement Agreement, and any Representative of either party to this Settlement Agreement, may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the federal and state income tax treatment and tax structure of the matters set forth herein and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure.

SECTION 5. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed duly given when delivered either by overnight courier or by certified mail, return receipt requested, and duly addressed as indicated below or to such changed address as may be subsequently designated in writing:

For Host Marriott:

HMH WTC LLC
c/o Host Marriott Corporation
6903 Rockledge Drive
Suite 1500
Bethesda, Maryland 20817
Attn: James F. Risoleo

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attn: Thomas Patrick Dore, Jr., Esq.

For the Port Authority:

The Port Authority of New York and New Jersey
225 Park Avenue South – 15th Floor
New York, New York 10003
Attention: James T. Connors

with a copy to:

The Port Authority of New York and New Jersey
225 Park Avenue South – 14th Floor
New York, New York 10003
Attention: Sidney D. Lipstein, Chief Real Estate and Environmental Law Division

SECTION 6. Governing Law. This Settlement Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, as such laws are applied to agreements entered into and performed entirely within New York between New York residents, without regard to conflicts of law provisions. Subject to the provisions of the Port Authority's suability statute (meaning the concurrent legislation of the State of New York and the State of New Jersey set forth at Chapter 301 of the Laws of New York of 1950, as amended by Chapter 938 of the Laws of New York of 1974, McKinney's Unconsolidated Laws §§7101-7112; and Chapter 204 of the Laws of New Jersey of 1951, NJSA §§32:1-157-32:1-168) and to any other aspect of the Port Authority's governmental immunity (to the maximum extent permitted by applicable law), the parties unconditionally and irrevocably submit to the jurisdiction of the United States District Court for the Southern District of New York (or, if such court shall not have jurisdiction over the relevant action, of the New York State Supreme Court, County of New York) in connection with any dispute arising out of this Agreement, and all parties to this Agreement irrevocably submit to the jurisdiction of such courts without regard to any principles of conflict of laws, and, subject to the provisions of the Port Authority's suability statute and to any other aspect of the Port Authority's governmental immunity (to the maximum extent permitted by applicable law), irrevocably waive any objection to venue or inconvenient forum.

SECTION 7. Modification. No alleged modification or waiver of any provision of this Settlement Agreement shall be valid unless it is contained in a writing duly signed by both parties hereto.

SECTION 8. Entire Agreement. This document, together with the operative documents corresponding to the Exhibits hereto, sets forth the entire agreement of the parties and all prior and contemporaneous conversations, agreements, understandings, covenants, representations and negotiations with respect to the subject matter hereof are merged herein and superseded hereby. No other agreements, covenants, representations, or warranties, express or implied, oral or written, have been made by any of the parties hereto with respect to the subject matter hereof.

SECTION 9. Severability. If any provision of this Settlement Agreement is held unenforceable for any reason, the unenforceable provision shall be deemed severed from this Settlement Agreement, and the remainder of this Settlement Agreement shall continue in full force and effect.

SECTION 10. Counterparts. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be one and the same instrument.

SECTION 11. No Admissions. Nothing contained in this Settlement Agreement shall be considered an admission by any party of any wrongdoing on the part of any party or its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, governing bodies, officers, directors, stockholders, employees or agents.

SECTION 12. Representations and Warranties. (a) Each of the parties hereto represents and warrants that: (i) it has the legal right and power and authority to enter into this Settlement Agreement and the transactions contemplated hereby, and the execution, delivery and performance of this Settlement Agreement and, as applicable, the Indemnification and the Surrender Agreement have been duly authorized; (ii) all actions necessary for the due execution, delivery and performance of this Settlement Agreement and, as applicable, the Indemnification and the Surrender Agreement have been taken, including approval by the Board of Commissioners of the Port Authority and the Board of Directors of Host Marriott Corporation; (iii) this Settlement Agreement constitutes a legal, valid and binding obligation of the parties enforceable against each party in accordance with the terms of this Settlement Agreement; (iv) it has been represented by legal counsel of its choosing; (v) this Settlement Agreement has been executed and delivered as its own free act and deed and not as a result of duress by the other party hereto; and (vi) it has not assigned or transferred to any person or entity any right to recovery for any claim or potential claim that otherwise would be released under this Settlement Agreement.

(b) The Port Authority represents and warrants that all procedures for obtaining approval or veto of the Governors of New York and New Jersey

pursuant to NY CLS Unconsol. Ch. 151-A, §§1 *et seq.* and N.J.S.A. §§32:2-6 *et seq.* in order to enter into this Settlement Agreement and the transactions contemplated hereby have been complied with in full, including but not limited to (i) the timely delivery and transmittal to the Governors of New York and New Jersey of the minutes of the meeting of the Board of Commissioners of the Port Authority at which the transactions contemplated by this Settlement Agreement have been approved; and (ii) the lapse of any and all periods during which the Governors of New York and New Jersey have an opportunity to review and veto any of the transactions contemplated by this Settlement Agreement.

SECTION 13. Authorized Signatories. Each of the natural persons executing this Settlement Agreement on behalf of a party hereto represents and warrants that he or she is authorized to enter into this Settlement Agreement on behalf of such party.

SECTION 14. No Presumption of Construction. This Settlement Agreement has been drafted and reviewed jointly by counsel for the parties, and no presumption of construction as to the drafting of this Settlement Agreement shall be applied against or in favor of any of the parties hereto.

SECTION 15. Binding on Successors and Assigns. This Settlement Agreement is binding upon and inures to the benefit of the parties hereto and their successors and assigns.

SECTION 16. Costs. Each of the parties shall bear its own attorneys' fees and costs in connection with the disputes settled by this Settlement Agreement, including, without limitation, the preparation of this Settlement Agreement.

SECTION 17. No Personal Liability. Neither the Commissioners of the Port Authority, nor any Director of Host Marriott, nor officer, agent or employee of either the Port Authority or Host Marriott shall be charged personally by either party with any liability or be held liable to either party under any term or provision of this Settlement Agreement, or because of its execution or attempted execution or because of any breach hereof.

IN WITNESS WHEREOF, the parties have executed this Settlement Agreement as of the date hereinafter appearing:

Dated: November 25, 2003

HMH WTC LLC

By: _____

Name: James F. Brisolea

Title: Vice President

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____
Name: Ernesto L. Butcher
Title: Chief operating officer

APPROVED	
TERMS	FORM

Exhibit A

MUTUAL RELEASE AGREEMENT

This MUTUAL RELEASE AGREEMENT (this "**Mutual Release**") dated as of the ___ day of _____, 2003, is by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and FACTORY MUTUAL INSURANCE COMPANY ("**FMIC**"), a Rhode Island corporation having an office at 1301 Atwood Avenue, P.O. Box 7500, Johnston, Rhode Island 02919. The parties hereto are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**".

WITNESSETH:

WHEREAS, HMH WTC LLC ("**Host Marriott**") and the Port Authority are parties to an Agreement of Lease dated as of December 21, 1995, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which the Port Authority leases to Host Marriott the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**");

WHEREAS, FMIC issued insurance policy no. LP300 covering numerous hotels and property, including the Hotel, and providing coverage from April 1, 2001 to April 1, 2002 (the "**Policy**") insuring Host Marriott, among others;

WHEREAS, the Port Authority is a "loss payee" under the Policy as its interests may appear, but only to the extent contractually required;

WHEREAS, on September 11, 2001, terrorists committed an attack in the United States of America that involved the hijacking and crashing of four commercial jets destroying or damaging several buildings, including the Hotel (the "**Attack**");

WHEREAS, in order to resolve fully and finally all matters arising out of or in connection with the Lease and the Policy, Host Marriott and the Port Authority have entered into a Settlement Agreement dated November ___, 2003 (the "**Settlement Agreement**") and the Port Authority has assigned to Host Marriott all of its right, title and interest in and to any amount paid or payable by FMIC under the Policy (other than the $397,595 previously paid by FMIC to

the Port Authority for artwork at the Hotel that was destroyed in the attack) (the "**Port Authority Assignment**"); and

WHEREAS, all necessary actions and approvals required to be taken or obtained by either the Port Authority or Host Marriott in order to enter into the Settlement Agreement and the transactions contemplated thereby have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, for and in consideration of the mutual covenants and premises contained herein, the Parties agree as follows:

SECTION 1. Mutual Release. Each Party, for itself and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents, hereby releases and forever discharges the other Party and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees, agents, insurers and reinsurers (collectively, the "**Released Parties**") from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, controversies, agreements, promises, damages (whether compensatory, punitive, statutory, interest, costs, attorneys' fees or otherwise), judgments, executions, claims, counterclaims, demands, and other forms of liability howsoever denominated, whether at law or in equity, whether based on contract, tort, statute or otherwise, which the releasing Party now owns or holds, has at any time heretofore owned or held or may hereafter own or hold against any one or more of the Released Parties as a result of, arising out of or relating in any way to the Policy. Nothing herein, however, shall derogate or diminish Host Marriott claims under the Policy, including by reason of the Port Authority Assignment.

SECTION 2. Further Assurances. The Parties agree to execute and deliver to each other such additional documents, and to do such other acts and things, all as the other Party may reasonably request for the purposes of carrying out the intent of this Mutual Release.

SECTION 3. Entire Agreement. This Mutual Release constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions (whether oral or written) of the Parties with respect to the subject matter hereof. This Mutual Release may only be amended by an instrument in writing executed by the Parties hereto.

SECTION 4. Successors and Assigns. This Mutual Release and all of the terms and provisions herein shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

SECTION 5. Representations and Warranties. (a) FMIC represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all necessary actions and approvals required to be taken or obtained by FMIC in order to enter into this Mutual Release have been taken and obtained; and (iii) all procedures for obtaining such approval have been followed and complied with in full.

(b) The Port Authority represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all actions necessary for the due execution, delivery and performance of this Mutual Release have been taken, including approval by the Board of Commissioners of the Port Authority; and (iii) all procedures for obtaining approval or veto of the Governors of New York and New Jersey pursuant to NY CLS Unconsol. Ch. 151-A, §§1 *et seq.* and N.J.S.A. §§32:2-6 *et seq.* in order to enter into the Settlement Agreement and the transactions contemplated thereby have been complied with in full, including but not limited to (A) the timely delivery and transmittal to the Governors of New York and New Jersey of the minutes of the meeting of the Board of Commissioners of the Port Authority at which the transactions contemplated by the Settlement Agreement have been approved; and (B) the lapse of any and all periods during which the Governors of New York and New Jersey have an opportunity to review and veto any of the transactions contemplated by the Settlement Agreement.

SECTION 6. Counterparts. This Mutual Release may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be one and the same instrument.

SECTION 7. Governing Law. This Mutual Release shall be governed by, and construed in accordance with, the laws of the State of New York.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Mutual Release as of the date first written above.

FACTORY MUTUAL INSURANCE COMPANY

By: _____

Name:

Title:

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: _____
Name:
Title:

Exhibit B

MUTUAL RELEASE AGREEMENT

This MUTUAL RELEASE AGREEMENT (this "**Mutual Release**") dated as of the ___ day of _____, 2003, is by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and MARRIOTT INTERNATIONAL, INC. ("**MI**"), a Delaware corporation having an office at 10400 Fernwood Road, Bethesda, Maryland 20817. The parties hereto are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**".

WITNESSETH:

WHEREAS, HMH WTC LLC ("**Host Marriott**") and the Port Authority are parties to an Agreement of Lease dated as of December 21, 1995, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC (the "**Hotel Operating Tenant**") dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which the Port Authority leases to Host Marriott the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**");

WHEREAS, Host Marriott and West Street Hotels, Inc. (the "**Manager**"), a wholly-owned subsidiary of MI, are parties to an Amended and Restated Management Agreement dated as of February 23, 1996, as amended by the First Amendment to Amended and Restated Management Agreement dated as of December 6, 1996 between Host Marriott and the Manager, the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of December 31, 1998 among the Manager, Host Marriott and the Hotel Operating Tenant, and Amendment No. 1 to the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of January 10, 2001 among the Manager, Host Marriott and the Hotel Operating Tenant (as amended, the "**Management Agreement**"), pursuant to which the Manager is responsible for managing the Hotel;

WHEREAS, Factory Mutual Insurance Company issued insurance policy no. LP300 covering numerous hotels and property, including the Hotel, and providing coverage from April 1, 2001 to April 1, 2002 (the "**Policy**") insuring, among others, MI, the Manager and Host Marriott;

WHEREAS, the Port Authority is a "loss payee" under the Policy as its interests may appear, but only to the extent contractually required;

WHEREAS, on September 11, 2001, terrorists committed an attack in the United States of America that involved the hijacking and crashing of four commercial jets destroying or damaging several buildings, including the Hotel (the "**Attack**");

WHEREAS, in order to resolve fully and finally all matters arising out of or in connection with the Lease and the Policy, Host Marriott and the Port Authority have entered into a Settlement Agreement dated November ___, 2003 (the "**Settlement Agreement**") and have agreed to a surrender and termination of the Lease; and

WHEREAS, all necessary actions and approvals required to be taken or obtained by either the Port Authority or Host Marriott in order to enter into the Settlement Agreement and the transactions contemplated thereby have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, for and in consideration of the mutual covenants and premises contained herein, the Parties agree as follows:

SECTION 1. Mutual Release. Each Party, for itself and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents, hereby releases and forever discharges the other Party and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents (collectively, the "**Released Parties**") from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, controversies, agreements, promises, damages (whether compensatory, punitive, statutory, interest, costs, attorneys' fees or otherwise), judgments, executions, claims, counterclaims, demands, and other forms of liability howsoever denominated, whether at law or in equity, whether based on contract, tort, statute or otherwise, which the releasing Party now owns or holds, has at any time heretofore owned or held or may hereafter own or hold against any one or more of the Released Parties as a result of, arising out of or relating in any way to the Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy.

SECTION 2. Further Assurances. The Parties agree to execute and deliver to each other such additional documents, and to do such other acts and things, all as the other Party may reasonably request for the purposes of carrying out the intent of this Mutual Release.

SECTION 3. Entire Agreement. This Mutual Release constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions (whether oral or written) of the Parties with respect to the subject matter hereof. This Mutual Release may only be amended by an instrument in writing executed by the Parties hereto.

SECTION 4. Successors and Assigns. This Mutual Release and all of the terms and provisions herein shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

SECTION 5. Representations and Warranties. (a) MI represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all necessary actions and approvals required to be taken or obtained by MI in order to enter into this Mutual Release have been taken and obtained; and (iii) all procedures for obtaining such approval have been followed and complied with in full.

(b) The Port Authority represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all actions necessary for the due execution, delivery and performance of this Mutual Release have been taken, including approval by the Board of Commissioners of the Port Authority; and (iii) all procedures for obtaining approval or veto of the Governors of New York and New Jersey pursuant to NY CLS Unconsol. Ch. 151-A, §§1 *et seq.* and N.J.S.A. §§32:2-6 *et seq.* in order to enter into the Settlement Agreement and the transactions contemplated thereby have been complied with in full, including but not limited to (A) the timely delivery and transmittal to the Governors of New York and New Jersey of the minutes of the meeting of the Board of Commissioners of the Port Authority at which the transactions contemplated by the Settlement Agreement have been approved; and (B) the lapse of any and all periods during which the Governors of New York and New Jersey have an opportunity to review and veto any of the transactions contemplated by the Settlement Agreement.

SECTION 6. Counterparts. This Mutual Release may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be one and the same instrument.

SECTION 7. Governing Law. This Mutual Release shall be governed by, and construed in accordance with, the laws of the State of New York.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Mutual Release as of the date first written above.

MARRIOTT INTERNATIONAL, INC.

By: _____
Name:
Title:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Name:

Title:

Exhibit C

INDEMNIFICATION

This INDEMNIFICATION (this "**Indemnification**") dated as of the ___ day of _____, 2003 is given by HOST MARRIOTT, L.P. (the "**Indemnitor**"), a Delaware limited partnership having an office at 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817, to THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Indemnitee**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003.

W I T N E S S E T H:

WHEREAS, HMH WTC LLC, an affiliate of the Indemnitor (the "**Lessee**") and the Indemnitee are parties to an Agreement of Lease dated as of December 21, 1995, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Indemnitee and the Lessee dated as of October 1998, the Agreement among the Indemnitee, the Lessee and CCMH World Trade Ctr. LLC (the "**Hotel Operating Tenant**") dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Indemnitee and the Lessee, and the Privilege Permit granted by the Indemnitee to the Lessee dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which the Indemnitee leases to the Lessee the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**");

WHEREAS, the Lessee and West Street Hotels, Inc. (the "**Manager**"), a wholly-owned subsidiary of Marriott International, Inc. ("**MI**"), are parties to an Amended and Restated Management Agreement dated as of February 23, 1996, as amended by the First Amendment to Amended and Restated Management Agreement dated as of December 6, 1996 between the Lessee and the Manager, the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of December 31, 1998 among the Manager, the Lessee and the Hotel Operating Tenant, and Amendment No. 1 to the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of January 10, 2001 among the Manager, the Lessee and the Hotel Operating Tenant (as amended, the "**Management Agreement**"), pursuant to which the Manager is responsible for managing the Hotel;

WHEREAS, Factory Mutual Insurance Company issued insurance policy no. LP300 covering numerous hotels and property, including the Hotel, and providing coverage from April 1, 2001 to April 1, 2002 (the "**Policy**") insuring, among others, MI, the Manager, and the Lessee;

WHEREAS, the Port Authority is a "loss payee" under the Policy as its interests may appear, but only to the extent contractually required;

WHEREAS, on September 11, 2001, terrorists committed an attack in the United States of America that involved the hijacking and crashing of four commercial jets destroying or damaging several buildings, including the Hotel (the "**Attack**");

WHEREAS, in order to resolve fully and finally all matters arising out of or in connection with the Lease and the Policy, the Lessee and the Indemnitee have entered into a Settlement Agreement dated November ___, 2003 (the "**Settlement Agreement**");

WHEREAS, as a condition precedent to the Settlement Agreement (the "**Condition Precedent**"), the Lessee has agreed to deliver to the Indemnitee either (i) an agreement executed by MI pursuant to which the Indemnitee and MI agree to a mutual release of any claims relating to the Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy (the "**MI Release**"); or (ii) an indemnification pursuant to which the Indemnitor indemnifies the Indemnitee from and against any all claims made by MI or its affiliates arising out of or in connection with the Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy (collectively, the "**Indemnified Matters**"); and

WHEREAS, as of the date hereof, the Indemnitor has not yet delivered the MI Release to the Indemnitee;

NOW THEREFORE, the Indemnitor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby indemnify, protect, defend and hold the Indemnitee, its commissioners, governing bodies, officers, agents, employees, successors and assigns, harmless and free from all claims, demands, obligations, losses, costs, damages, liabilities, actions or proceedings made, brought or claimed by MI or its agents, affiliates or successors, including court costs and reasonable attorneys' fees and expenses of every kind, which it may actually incur, sustain or suffer arising out of or in connection with the Indemnified Matters.

The Indemnitee agrees to give prompt notice to the Indemnitor of the assertion of any claim, or the commencement of any suit, action or proceeding in

respect of which indemnity may be sought hereunder and of any damage, loss, liability or expense which the Indemnitee deems to be within the ambit of this Indemnification, specifying with reasonable particularity the basis therefor, and will give the Indemnitor such information with respect thereto as the Indemnitee may have in its possession. The Indemnitor, at its own expense, shall assume the defense of any such suit, action or proceeding, and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

The Indemnitee will not, without the prior written consent of the Indemnitor, take any action with respect to the Indemnified Matters, including without limitation, the defense or prosecution of any action with respect thereto. The taking of any such action will void the indemnity stated herein.

This Indemnification will be of no further force and effect if at any time the Lessee shall deliver the MI Release, executed by MI, to the Indemnitee.

If any provision in this Agreement is held to be void or unenforceable under the laws of the State of New York this instrument shall not be void or vitiated thereby, but shall be construed to be in force with the same effect as though such provision were omitted.

This instrument shall be binding upon the Indemnitor and its successors and assigns and shall inure to the benefit of the Indemnitee and its successors and assigns.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Indemnitor has executed this Indemnification as of the date first written above.

HOST MARRIOTT, L.P. by
Host Marriott Corporation, its general partner

By: _____
Name:
Title:

Exhibit D

When recorded return to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Thomas Patrick Dore, Jr., Esq.

MEMORANDUM OF RIGHT OF FIRST OFFER

MEMORANDUM OF RIGHT OF FIRST OFFER (this "**Memorandum**"), dated as of the ___ day of _____ 2003, between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and HOST MARRIOTT, L.P. ("**Host**"), a Delaware limited partnership having an office at 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817.

WITNESSETH:

WHEREAS, the Port Authority is the owner of the World Trade Center facility in the Borough of Manhattan, City, County and State of New York, such facility being more particularly described as Lot 1, Block 58 on the tax map of the City of New York (as the same may be known from time to time, the "**World Trade Center**"); and

WHEREAS, the Port Authority and HMH WTC LLC, an affiliate of Host, have entered into a Settlement Agreement dated November ___, 2003 (the "**Settlement Agreement**") pursuant to which the Port Authority has granted to Host a right of first offer;

NOW, THEREFORE, the Port Authority and Host agree and declare as follows:

SECTION 1. In consideration of, and upon and subject to, the terms, covenants, conditions and provisions reserved and set forth in the Settlement Agreement, the Port Authority has agreed that during the period prior to December 31, 2023, the Port Authority on behalf of itself, or its successors or assigns as the owner or operator of the World Trade Center, or any representative persons, bodies or committees thereof, or any lessee thereof, has granted Host a

Right of First Offer, as defined in the Settlement Agreement, with respect to the development of a hotel at the World Trade Center.

SECTION 2. All of the terms, covenants, conditions and provisions of the Settlement Agreement are incorporated in this Memorandum by reference as though written out at length herein, and the Settlement Agreement and this Memorandum shall be deemed to constitute a single instrument or document. In the event of any inconsistency between the Settlement Agreement and this Memorandum, the Settlement Agreement shall control.

SECTION 3. The Settlement Agreement and this Memorandum shall be binding upon and inure to the benefit of the Port Authority, Host and their respective successors and assigns, and all references in the Settlement Agreement and this Memorandum to the "Port Authority" or "Host" shall include the respective successors and assigns of such parties.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Port Authority and Host have caused this Memorandum to be duly executed, acknowledged and delivered as of the date first above written.

HOST MARRIOTT, L.P. by
Host Marriott Corporation, its general partner

By: _____
Name:
Title:

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: _____
Name:
Title:

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Outside of New York State)

STATE OF)
ss.:
COUNTY OF)

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

_____
Notary Public

[Notary Seal]

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Within New York State)

STATE OF)
ss.:
COUNTY OF)

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

_____
Notary Public

[Notary Seal]

Exhibit E

When recorded return to:

The Port Authority of New York and New Jersey
225 Park Avenue South – 15th Floor
New York, New York 10003
Attention: James T. Connors

SURRENDER AND TERMINATION OF LEASE AGREEMENT AND DISCHARGE OF MEMORANDUM OF LEASE

SURRENDER AND TERMINATION OF LEASE AGREEMENT AND DISCHARGE OF MEMORANDUM OF LEASE (this "**Agreement**") entered into this ___ day of _____, 2003 between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY ("**Lessor**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and HMH WTC LLC ("**Lessee**"), a Delaware limited liability company having an office at 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817.

WITNESSETH:

WHEREAS, Lessee and Lessor are parties to an Agreement of Lease dated as of December 21, 1995, as amended by the Waiver and Consent Agreement between Lessor and Lessee dated as of October 1998, the Agreement among Lessor, Lessee and CCMH World Trade Ctr. LLC dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between Lessor and Lessee, and the Privilege Permit granted by Lessor to Lessee dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which Lessor leases to Lessee the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**") and certain premises in and around the Hotel to Lessee (as more particularly described on Exhibit A, the "**Premises**");

WHEREAS, a memorandum of lease in connection with the Lease was recorded in the office of the City Register, New York County, on December 29, 1995 in Reel 2276, page 1540 (the "**Memorandum of Lease**"); and

WHEREAS, Lessor and Lessee desire to terminate the Lease and discharge the Memorandum of Lease;

WHEREAS, all necessary actions and approvals required to be taken or obtained by either party in order to terminate the Lease have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and provisions hereinafter set forth, Lessor and Lessee hereby covenant and agree as follows:

SECTION 1. Surrender of Lease. Effective at 11:59 o'clock P.M. on the date immediately preceding the date hereof (the "**Effective Time**") Lessee has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Lessor, its successors and assigns, forever the premises under the Lease and the term of years with respect thereto yet to come, and has given, granted and surrendered and by these presents does give, grant and surrender to the Lessor, its successors and assigns, all of Lessee's right, title and interest under the Lease, including, without limitation, all the rights, rights of renewal, licenses, privileges and, options of the Lessee granted by the Lease with respect to the premises, to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options, and all Lessee's estate under the Lease and in and to the Premises shall be wholly extinguished, merged, and determined as of the Effective Time and Lessor accepts such surrender. Lessor and Lessee hereby declare and agree that the Premises shall be, and are, released and discharged from the operation of the Lease, all as of the Effective Time.

SECTION 2. Lessee's Interest. Lessee hereby covenants that Lessee has not done or suffered to be done anything whereby the estate of Lessee under the Lease has been encumbered in any way whatsoever; that Lessee has good right to surrender the same; that the Lessee is the sole and absolute owner of the leasehold estate in the premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are free and clear of all liens and encumbrances of whatsoever nature, and that no one other than Lessee has acquired through or under Lessee any right, title or interest under the Lease or in or to the Premises or any part thereof that has not, or is not being, terminated on or before the date hereof.

SECTION 3. Termination of Lease and Discharge of Memorandum of Lease. Effective as of the date hereof, the Lease is terminated and of no further

force and effect, the parties hereto agree that the Memorandum of Lease shall be discharged of record, at no cost to the Lessor and neither Lessor nor Lessee shall have any further liability under the Lease. Lessee shall provide Lessor with satisfactory evidence of such discharge of record promptly.

SECTION 4. Successors and Assigns. The covenants, agreements, terms, provisions and conditions contained in this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 5. No Personal Liability. Neither the Commissioners of Lessor, nor any Director of Lessee, nor officer, agent or employee of either Lessor or Lessee shall be charged personally by either party with any liability or be held liable to either party under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach hereof.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

HMH WTC LLC

By:_____
Name:
Title:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By:_____

Name:

Title:

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Outside of New York State)

STATE OF)
ss.:
COUNTY OF)

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

_____
Notary Public

[Notary Seal]

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Within New York State)

STATE OF)
ss.:
COUNTY OF)

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

_____
Notary Public

[Notary Seal]

Exhibit A

The Premises

(a) The following described space:

(i) the volume of space on the Service Level (Elevation 293.5'-309.5') of the World Trade Center (as defined below) described on Schedule A hereto;

(ii) the volume of space on the Concourse Level (Elevation 309.5'-331.5') of the World Trade Center described on Schedule A-1 hereto;

(iii) the volume of space on the Plaza Level (Elevation 331.5'-390.5') of the World Trade Center described on Schedule A-2 hereto;

(iv) the volume of space on the Plaza Level (Elevation 331.5'-585.0') of the World Trade Center described on Schedule A-3 hereto;

(v) the volume of space on the Service Level (Elevation 293.5'-309.5') of the World Trade Center described on Schedule A-4 hereto.

(b) The building constructed within the volumes of space described in subdivisions (i), (ii), (iii) and (iv) above and all other improvements, fixtures, machinery, apparatus and fittings affixed thereto which are considered real property by operation of law, and any additions thereto or replacement thereof in accordance with the Lease (the "**Building**");

(c) The foundation and column work constructed by the Port Authority upon which the Building now stands, together with the right of support and the right to use in common with the Port Authority the structural steel, columns, supports, foundation, footings and other structural elements constructed by the Port Authority.

The Premises are a part of the World Trade Center facility in the Borough of Manhattan, City, County and State of New York (the "**World Trade Center**"), such facility being more particularly described as Lot 1, Block 58 on the tax map of the City of New York.

Schedules A, A-1, A-2, A-3 and A-4

Exhibit F

(Letterhead of PA General Counsel)

November 25, 2003

Factory Mutual Insurance Company
1301 Atwood Avenue
P.O. Box 7500
Johnston, Rhode Island 02919

Re: Settlement Agreement dated November 25, 2003 between the Port Authority of New York and New Jersey (the "Port Authority") and HMC WTC LLC (the "Settlement Agreement")

Dear Sirs:

In connection with the Settlement Agreement you have requested my opinion, to be relied upon by you, as to the validity and enforceability of the Settlement Agreement and the Mutual Release Agreement to be entered into between us as contemplated by the Settlement Agreement (the "Mutual Release").

As General Counsel of The Port Authority of New York and New Jersey, a body corporate and politic and a municipal corporate instrumentality of the States of New York and New Jersey created and existing by virtue of the Compact of April 30, 1921, made by and between said States and thereafter consented to by the Congress of the United States (the "Port Authority"), I have examined into the transactions contemplated by the Mutual Release. This opinion is being delivered solely in my capacity as General Counsel of the Port Authority and at the express request of the Port Authority. All terms used in this opinion and not otherwise expressly defined herein shall have the respective meanings assigned thereto or provided therefor in the Mutual Release.

For purposes of rendering the opinions set forth herein, I have examined the following documents and such other materials as I deemed necessary or appropriate for the purposes hereof:

(a) That certain Agreement of Lease dated as of December 21, 1995 by and between HMH WTC LLC ("Host Marriott") and the Port Authority, as

evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October ?? 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "Lease"), setting forth the terms and conditions pursuant to which the Port Authority leases to Host Marriott the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "Hotel");

(b) That certain agreement dated as of November 2, 1995 between Host Marriott Corporation and the Port Authority, as amended by letter agreement dated November 22, 1995 (the "Purchase Agreement") pursuant to which Host Marriott Corporation agreed to pay to the Port Authority $141,500,000 as the purchase price for the rights to lease the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "Hotel"), $65,000,000 of which purchase price (the "Facility Amount") remains outstanding and is due and payable on December 31, 2003;

(c) The Security Agreement dated as of March 21, 1995 (the "Security Agreement"), pursuant to which the Port Authority was granted a security interest in certain personal property located in the Hotel to secure payment of the Facility Amount;

(d) The Settlement Agreement dated as of November 25, 2003 by and between Host Marriott and the Port Authority pursuant to which the Port Authority and Host Marriott resolve fully and finally all matters arising out of or in connection with the Lease, the Purchase Agreement and a certain insurance policy bearing policy no. LP300 (the "Policy") issued by Factory Mutual Insurance Company ("FMIC"), a Rhode Island corporation having an office at 1301 Atwood Avenue, P.O. Box 7500, Johnston, Rhode Island 02919 insuring Host Marriott, among others, and covering numerous hotels and other property, including the Hotel, for the period from April 1, 2001 to April 1, 2002 under which the Port Authority is a "loss payee" as its interests may appear, to the extent contractually required, with respect to payment of all amounts (the "Insurance Proceeds") other than the amounts heretofore paid by FMIC to the Port Authority under the Policy for artwork at the Hotel that was destroyed;

(e) The Mutual Release Agreement ("Mutual Release") dated as of November 25, 2003 by and between The Port Authority and FMIC; and

(f) The Surrender And Termination Of Lease Agreement And Discharge Of Memorandum Of Lease Agreement dated as of November 25, 2003 by and between Host Marriott and the Port Authority pursuant to which the Lease is terminated and the Memorandum of Lease discharged.

(g) A transcript from the Official Minutes of a meeting of the Port Authority on October 23, 2003, entitled "*World Trade Center Site – Agreement With Host Marriott Corporation To Surrender Leasehold Interest*'";

(h) A delegation dated January 6, 1997, of the Executive Director of the Port Authority entitled "*Delegation of Authority*" acknowledged by the Director, Real Estate Department of the Port Authority, the Director, World Trade Department of the Port Authority, and the Chief Engineer of the Port Authority; and

(i) A certificate dated November 25, 2003, of the Secretary of the Port Authority entitled "*Certification of The Port Authority of New York and New Jersey*".

The documents referred to in (a) through (i) above are herein collectively referred to as the "Transaction Documents".

In rendering the opinions expressed herein, I have assumed, without independent investigation (i) the genuineness of all signatures on the documents reviewed by me (*provided, however,* I am not assuming for purposes of the opinions herein the genuineness of signatures of individuals executing documents on behalf of the Port Authority), (ii) the authenticity of all such documents submitted to me as originals, (iii) the conformity to the originals of all such documents submitted to me as copies, (iv) the due execution of all documents by individuals authorized to execute them and the delivery of all such documents (*provided, however,* I am not assuming for purposes of the opinions herein the due execution and delivery of documents by individuals executing documents on behalf of the Port Authority), (v) with respect to documents executed by parties other than the Port Authority, that those parties executing documents have the requisite power and authority to enter into and perform all obligations under those documents, that those documents are their legal, valid and binding obligations enforceable in accordance with their terms and that all statements made therein by such parties are true and correct, (vi) the legal capacity of all natural persons executing the Transaction Documents, and (vii) that the Transaction Documents accurately describe and contain the mutual understanding of the parties, and that there are no oral or written statements or agreements that modify, amend, vary or postpone, or purport to modify, amend, vary or postpone, any of the terms of the Transaction Documents. As to questions of fact material to the opinions rendered herein, I have made such inquiry as in my judgment is appropriate under the circumstances.

To the extent that any opinion expressed herein is based upon "my knowledge", or words of similar import, these words imply that in the course of my representation of the Port Authority in connection with this matter, no information has come to my attention or the attention of the attorneys currently in my office who have rendered services to the Port Authority in connection with this matter that would give us actual knowledge or actual notice of the existence or absence of facts which would change the opinions stated herein.

To the extent that this opinion deals with the application of law, it is limited as to the effect on the subject transaction only of the laws of the United States of America, the State of New York and the State of New Jersey, and I express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or of principles of conflicts of laws.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that:

(1) The Port Authority is a body corporate and politic and a municipal corporate instrumentality of the States of New York and New Jersey created and existing by virtue of the Compact of April 30, 1921, made by and between said States and thereafter consented to by the Congress of the United States, and has the requisite power and authority to execute and deliver the Transaction Documents and to perform its obligations thereunder. The Transaction Documents have been duly authorized, executed and delivered by the Port Authority and constitute the legal, valid and binding obligations of the Port Authority enforceable against the Port Authority in accordance with their respective terms.

(2) Neither (a) the authorization of the execution and delivery by the Port Authority of the Transaction Documents, (b) the performance by the Port Authority of its obligations under the Transaction Documents, nor (c) the consummation of the transactions contemplated in the Transaction Documents, will (i) violate any law, rule or regulation applicable to and binding upon the Port Authority, (ii) conflict with, breach or contravene, or constitute a default of, in any material respect, the provisions of any material agreement to which the Port Authority is a party or by which it is bound, or (iii) contravene any law, rule or regulation applicable to and binding upon the Port Authority, or pertinent resolution of the Port Authority, or any ruling or order of any court of the United States of America, the State of New York or the State of New Jersey applicable to and binding upon the Port Authority.

(3) No approval, consent, authorization or other action by, or filing with, any agency or authority of the United States of America, the State of New York or the State of New Jersey is required in connection with the execution and delivery by the Port Authority of the Transaction Documents.

(4) There are no pending actions, suits or proceedings to which the Port Authority is a party which purport to affect the legality, validity or enforceability of the Transaction Documents, or which will materially adversely affect the ability of the Port Authority to perform its obligations under the Transaction Documents, nor, to the best of my knowledge, has any such action, suit or proceeding been threatened in writing.

(5) Under the laws of the State of New York or the State of New Jersey, the Port Authority would not have the right to claim the defense of sovereign immunity with respect to the enforcement of its obligations under the Transaction Documents and the Port Authority may be sued in a court of competent jurisdiction and appropriate venue; *provided, however,* that the party seeking to enforce such obligations has complied with the conditions set forth in the laws of the States of New York and New Jersey consenting to the waiver of the sovereign immunity previously enjoyed by the Port Authority.

The opinions set forth above are subject to the following additional assumptions, qualifications and exceptions:

(a) The enforceability of the Transaction Documents is subject to, and limited by (i) bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance or transfer or other laws relating to or affecting the rights of creditors generally, now existing or hereafter enacted, and (ii) the application of general principles of equity.

(b) I express no opinion herein as to whether a court would limit enforcement of any of the enforcing party's rights or remedies under the Transaction Documents, if the enforcement thereof under the circumstances would violate an implied covenant of good faith and fair dealing.

(c) I express no opinion as to the (i) enforceability of any provisions (x) requiring the Port Authority to indemnify any party or its directors, officers, employees, agents or representatives from the consequences of their respective acts or omissions to the extent the acts or omissions involve gross negligence, recklessness, willful misconduct or unlawful conduct, or (y) exculpating any party from liability for its acts or omissions to the extent the acts or omissions involve gross negligence, recklessness, willful misconduct or unlawful conduct.

(d) I express no opinion herein on (i) the securities laws of the United States of America, the State of New York or the State of New Jersey, (ii) the environmental laws of the United States of America, the State of New York or the State of New Jersey, (iii) the Internal Revenue Code of 1986 and all rules and regulations promulgated thereunder and (iv) the statutes, ordinances,

administrative decisions, rules, regulations and laws of counties, towns, municipalities, political subdivisions and other similar local governmental units of the State of New York or the State of New Jersey (including, without limitation, those pertaining to zoning and other real property and land use matters, and other local law matters of any kind).

This opinion is delivered to you upon the instructions of the Port Authority and is rendered solely for your benefit in connection with the referenced transaction and may not be quoted or relied on by any other person, or used for any other purpose, without our prior written consent. No opinion is to be implied or inferred beyond the opinions expressly stated herein.

The opinions expressed herein are based upon the law in effect on the date hereof, and I assume no obligation to revise, supplement or update this opinion or otherwise advise you of any matters after the date hereof should such law be changed by legislative action, judicial decision or otherwise.

Very truly yours,

Jeffrey S. Green
General Counsel

Exhibit G

Factory Mutual Insurance Company
1301 Atwood Avenue
P.O. Box 7500 Johnston, RI 02919 USA
T: 401 275 3000 X: 1075 F: 401 275 3026
john.pomeroy@fmglobal.com

John J. Pomeroy
Senior Vice President
General Counsel & Secretary

November 25, 2003

Port Authority of New York and New Jersey
225 Park Avenue South, 18th Floor
New York, NY 10003

Re: Settlement Agreement dated November 25, 2003 between the Port Authority of New York and New Jersey (the "Port Authority") and HMC WTC LLC (the "Settlement Agreement") and related Mutual Release attached thereto between Port Authority and Factory Mutual Insurance Company (the "Mutual Release")

Dear Sirs:

In connection with the above-referenced agreements, you have requested my opinion, to be relied upon by you, as to the validity and enforceability of the Mutual Release to be entered into between us as contemplated by the Settlement Agreement.

The Mutual Release is a valid and binding obligation of FMIC under all applicable laws and regulations governing FMIC, and the execution by FMIC of the Mutual Release is valid and proper and meets with all the requirements of any applicable statute, rule or requirement. All governmental laws, rules, regulations, orders and directives have been complied with. All necessary permissions, approvals, consents and resolutions have been obtained. The Mutual Release is enforceable in accordance with its terms.

Very truly yours,

John J. Pomeroy

New York
Menlo Park
Washington DC
London
Paris
Madrid
Tokyo
Beijing
Hong Kong

Davis Polk

Thomas Patrick Dore, Jr.

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017

212 450 4136 tel
212 701 5136 fax
pat.dore@davispolk.com

Re: WTC – Host Hotels & Resorts

June 26, 2009

Anthony R. Coscia
Chairman of the Port Authority
of New York and New Jersey
225 Park Avenue South – 15th Floor
New York, New York 10003

Dear Mr. Coscia:

I am writing at the request of Host Hotels & Resorts, Inc., formerly known as Host Marriott, in connection with the Settlement Agreement, dated November 25, 2003, and their Right of First Offer granted thereby.

Over the course of the last several months, the popular press has discussed possible plans of the Port Authority to undertake the development of a hotel within the World Trade Center site. As you may remember, the Settlement Agreement provides for a right of First Offer in favor of Host in connection with any such undertaking.

Please be so kind as to inform Host of he Port's current plans with respect to the undertaking of the development of a hotel within the World Trade Center site. Host values its relationship with the Port Authority and looks forward to discussing this matter at your earliest convenience.

Very truly yours,

Pat Dore

cc: David L. Buckley, Esq.,
Senior Vice President and Assistant General
Counsel, Host Hotels & Resorts, Inc.
Christopher O. Ward, Executive Director of the
Port Authority of New York and New Jersey

Host Marriott-Port Authority

Settlement and Lease Termination

All documents dated November 25, 2003
(unless otherwise indicated)

And released from escrow on
December 2, 2003

DOCUMENT	TAB
Settlement Agreement between the Port Authority of New York and New Jersey (the "Port Authority") and HMH WTC LLC ("Host Marriott")	1.
Certification of the Port Authority as to:	2.
(a) resolution adopted by the Board of Commissioners of the Port Authority on October 23, 2003;	
(b) By-Laws of the Port Authority amended November 12, 1981;	
(c) Delegation of Authority dated January 6, 1997; and	
(d) Ernesto L. Butcher being Chief Operating Officer of the Port Authority, dated November 25, 2003	
Certification of Executive Director's designation of authorized signatory	3.
Port Authority's General Counsel letter addressed to Factory Mutual Insurance Company	4.
Memorandum of Right of First Offer between the Port Authority and Host Marriott, L.P., recorded in the office of the City Register of the City of New York on January 15, 2004 as City Register File No. 2004000028240	5.
a) New York City Real Property transfer tax form	
b) New York State TP-584 transfer tax form	
Surrender and Termination of Lease Agreement and Discharge of Memorandum of Lease between the Port Authority and Host Marriott	6.
a) New York City Real Property transfer tax form	
b) New York State TP-584 transfer tax form	
c) Property Owner's Registration Form	
d) Customer Registration Form for Water and Sewer Billing	

DOCUMENT	TAB
Mutual Release Agreement by and between the Port Authority and Factory Mutual Insurance Company	7.
Factory Mutual Insurance Company's General Counsel letter addressed to the Port Authority	8.
Mutual Release Agreement by and between the Port Authority and Marriot International, Inc.	9.
Host Marriott, L.P. wiring instructions	10.
UCC Financing Statement (Termination) between HMH WTC, Inc., as Debtor, and the Port Authority, as Secured Party, terminating Financing Statement No. 255255 (Department of State)	11.
UCC Financing Statement (Termination) between HMH WTC, Inc., as Debtor, and the Port Authority, as Secured Party, terminating Financing Statement No. 95PN55221 (City Register)	12.
Certificate of Non-Foreign Status	13.
Host Marriot's General Counsel letter addressed to the Port Authority dated December 1, 2003	14.
Title Commitment, dated December 2, 2003, title No. 3008-23413, issued by First American Title Insurance Company of New York	15.
Termination of Lease, dated as of December 2, 2003, by and between HMH WTC LLC and CCMH World Trade Ctr. LLC	16.

SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT entered into this 25th day of November, 2003 between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and HMH WTC LLC ("**Host Marriott**"), a Delaware limited liability company having an office at 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817.

WITNESSETH:

WHEREAS, pursuant to an Agreement dated as of November 2, 1995 between Host Marriott Corporation and the Port Authority, as amended by letter agreement dated November 22, 1995 (the "**Purchase Agreement**"), Host Marriott Corporation agreed to pay to the Port Authority $141,500,000 as the purchase price for the rights to lease the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**"), $65,000,000 of which purchase price (the "**Facility Amount**") remains outstanding and is due and payable on December 31, 2003;

WHEREAS, pursuant to the Purchase Agreement, Host Marriott and the Port Authority are parties to an Agreement of Lease dated as of December 21, 1995, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC (the "**Hotel Operating Tenant**") dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which the Port Authority leases the Hotel to Host Marriott;

WHEREAS, Host Marriott and the Port Authority are parties to a Security Agreement dated as of March 21, 1995 (the "**Security Agreement**"), pursuant to which the Port Authority was granted a security interest in certain personal property located in the Hotel to secure payment of the Facility Amount;

WHEREAS, Host Marriott and West Street Hotels, Inc. (the "**Manager**"), a wholly-owned subsidiary of Marriott International, Inc. ("**MI**"), are parties to an Amended and Restated Management Agreement dated as of February 23, 1996, as amended by the First Amendment to Amended and Restated Management Agreement dated as of December 6, 1996 between Host Marriott and the Manager,

the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of December 31, 1998 among the Manager, Host Marriott and the Hotel Operating Tenant, and Amendment No. 1 to the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of January 10, 2001 among the Manager, Host Marriott and the Hotel Operating Tenant (as amended, the "**Management Agreement**"), pursuant to which the Manager is responsible for managing the Hotel;

WHEREAS, Factory Mutual Insurance Company ("**FMIC**") issued insurance policy no. LP300 covering numerous hotels and property, including the Hotel, and providing coverage from April 1, 2001 to April 1, 2002 (the "**Policy**") insuring, among others, MI, the Manager and Host Marriott;

WHEREAS, the Port Authority is a "loss payee" under the Policy as its interests may appear, but only to the extent contractually required;

WHEREAS, on September 11, 2001, terrorists committed an attack in the United States of America that involved the hijacking and crashing of four commercial jets destroying or damaging several buildings, including the World Trade Center and the Hotel (the "**Attack**");

WHEREAS, the Port Authority made a claim under the Policy for artwork at the Hotel that was destroyed in the Attack, and that claim was resolved by the payment by FMIC to the Port Authority of $397,595 (the "**Artwork Proceeds**");

WHEREAS, since the Attack, Host Marriott and the Port Authority have held discussions regarding their respective rights and interests in the Hotel and under the Policy;

WHEREAS, Host Marriott and the Port Authority desire to resolve fully and finally all matters arising out of or in connection with the Lease, the Purchase Agreement and the Policy, including payment of all amounts paid or payable by FMIC to any person or entity under or pursuant to the Policy (such amounts, other than the Artwork Proceeds, being hereinafter the "**Insurance Proceeds**");

WHEREAS, in order to reach such a resolution, Host Marriott and the Port Authority have agreed to the surrender and termination of the Lease, and also to effect rights under the Policy, all according to the terms and conditions specified below; and

WHEREAS, all necessary actions and approvals required to be taken or obtained by either party in order to enter into this Settlement Agreement and the transactions contemplated hereby have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and

New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Settlement Agreement hereby agree as follows:

SECTION 1. Settlement. The Port Authority and Host Marriott agree that on and as of the Effective Date (as defined below):

(a) Host Marriott will pay the Facility Amount to the Port Authority.

(b) The Lease, Purchase Agreement and Security Agreement are terminated and are of no further force and effect. "Basic rental", "tax equivalent rental" and "BID Assessment" (as such quoted terms are defined in the Lease) paid by Host Marriott to the Port Authority for the period in which the Effective Date occurs shall be pro-rated on a per diem basis and any amounts owing Host Marriott shall be deducted from payments due the Port Authority pursuant to Section 3(a)(i) below.

(c) The Port Authority hereby assigns to Host Marriott all of the Port Authority's right, title and interest in and to the Policy and in and to any or all of the Insurance Proceeds, and the Port Authority further foregoes any future claim of right, title or interest in and to the Policy and in and to any or all of the Insurance Proceeds.

(d) Except for the rights, liabilities and obligations expressly set forth in this Settlement Agreement, each of the parties to this Settlement Agreement, for itself and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents, hereby forever releases, waives, and discharges the other party hereto and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents from any actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, controversies, agreements, promises, damages (whether compensatory, punitive, statutory, interest, costs, attorneys' fees or otherwise), judgments, executions, claims, counterclaims, demands, and other forms of liability howsoever denominated, whether at law or in equity, whether based on contract, tort, statute or otherwise relating in any way to the Attack, the Hotel, Host Marriott's letting of the Hotel, the Lease, the Purchase Agreement, the Security Agreement or the Policy.

(e) (1) If, at any time from the Effective Date to and including December 31, 2023 (the "**Negotiation Period**"), the Port Authority or its successors or assigns as the owner or operator of the World Trade Center site (as the same may be known from time to time, the "**World Trade Center**"), or any representative persons, bodies or committees thereof, or any lessee thereof, shall undertake the development of a hotel within the World Trade Center site, whether through the sale of a fee interest therein, through the granting or sale of a leasehold interest therein or through the grant of development rights (in any such event, as the case may be, the "**Offered Interest**"), then the Port Authority shall give notice of the Offered Interest (the "**Initial Notice**") to Host Marriott, L.P. ("**Host**"). The Port Authority and Host shall then discuss and negotiate in good faith for a period not to exceed sixty (60) days from the date of the Initial Notice towards the end of reaching an agreement upon the terms and conditions to govern the Offered Interest. If the Port Authority and Host reach an agreement on such terms, the Port Authority shall prepare all necessary and appropriate contracts in connection with the Offered Interest (the "**Necessary Contracts**"), setting forth the details of the arrangement with respect to the Offered Interest for execution by Host. If the Port Authority and Host fail to reach an agreement on the terms and conditions to govern such Offered Interest within the sixty day period referred to above, or if after reaching final agreement on all of the terms and provisions Host fails to execute and deliver to the Port Authority the Necessary Contracts within sixty (60) days after submission to Host of the Necessary Contracts, then and in either such event, the Port Authority may freely discuss with other parties the Offered Interest and the right granted to Host under this Section 1(e)(1) (the "**Right of First Offer**") shall be deemed cancelled and null and void and of no further force and effect. If this Right of First Offer is so cancelled, Host and the Port Authority will execute and deliver a discharge of the Memorandum (as defined below). The parties specifically acknowledge and agree that nothing in this Section 1(e)(1) shall create, or be deemed to create, infer or imply, any obligation on the part of either party to enter into an agreement regarding the Offered Interest until the execution and delivery of the Necessary Contracts. In the event this Right of First Offer is cancelled, and within the one year period following such cancellation the Port Authority elects to seek a developer for a hotel within the World Trade Center site, whether through the sale of a fee interest therein, through the granting or sale of a leasehold interest therein or through the grant of development rights, it will initiate or engage in a competitive process in accordance with its routine practices and procedures. Host shall be deemed a qualified entity to participate in such process and shall be invited to participate in such process and to submit a proposal in response thereto. Nothing contained herein shall obligate or be deemed to obligate the Port Authority to seek a developer during such one year period, but the Port Authority's decision not to seek a developer during such period shall be made in good faith and for valid business reasons that are unrelated to the avoidance of the Right of First Offer and, upon request, the Port

Authority shall furnish Host with a reasonable explanation of such valid business purpose. In the event the Port Authority does engage in a competitive process in which Host participates, the Port Authority shall evaluate the offers submitted in response to such process in good faith and in accordance with its customary practices and procedures governing such process. If the Port Authority accepts an offer received in response to such process, the Port Authority shall accept that offer which, in accordance with the methodology established by the Port Authority for the competitive process, is determined by the Port Authority to be the best offer. The methodology established by the Port Authority for the competitive process shall be developed and applied by the Port Authority in good faith and in a non-discriminatory manner. Nothing contained herein shall require the Port Authority to accept any of the offers received in response to such process.

(2) In consideration for the Right of First Offer, Host will pay $1,000,000 to the Port Authority (the "**Offer Payment**").

"**Effective Date**" means the date on which the Conditions Precedent (as defined in Section 2 below) have occurred or have been waived in writing by both the Port Authority and Host Marriott; *provided, however*, that if the Effective Date has not occurred prior to December 8, 2003, then this Settlement Agreement shall be deemed cancelled and null and void and of no further force and effect. No such cancellation shall affect Host Marriott's obligation to pay to the Port Authority the Facility Amount pursuant to the terms of the Purchase Agreement.

SECTION 2. Conditions Precedent. This Settlement Agreement is subject to, and the rights and obligations of the parties hereunder are conditioned upon, the satisfaction of the following conditions (the "**Conditions Precedent**"):

(a) Host Marriott shall deliver to the Port Authority an agreement executed by FMIC, substantially in the form of Exhibit A, pursuant to which the Port Authority and FMIC (and their respective agents, affiliates, successors and assigns) agree to a mutual release of any claims and other forms of liability howsoever denominated, whether at law or in equity, relating in any way to the Policy (the "**FMIC Release**").

(b) Host Marriott shall deliver to the Port Authority: either (i) an agreement executed by MI, substantially in the form of Exhibit B, pursuant to which the Port Authority and MI (and their respective agents, affiliates, successors and assigns) agree to a mutual release of any claims and other forms of liability howsoever denominated, whether at law or in equity, relating in any way to this Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy (the "**MI Release**"); or (ii) an indemnification executed by Host, substantially in the form of Exhibit C, pursuant to which Host indemnifies, holds harmless and defends the Port

Authority and its commissioners, governing bodies, officers, agents and employees from and against any all claims, demands, obligations, damages, liabilities, actions or proceedings made, brought or claimed by MI or its affiliates arising out of or in connection with this Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy (the "**Indemnification**"). The Indemnification, if any, will provide that the Indemnification will be of no further force and effect if at any time Host Marriott delivers the MI Release, executed by MI, to the Port Authority.

SECTION 3. Closing Deliveries. (a) On the Effective Date, upon satisfaction of the Conditions Precedent, Host Marriott shall deliver to the Port Authority:

(i) the Facility Amount and the Offer Payment, as adjusted pursuant to Section 1(b) above, by wire transfer of immediately available funds to an account designated by the Port Authority;

(ii) a counterpart of a memorandum evidencing the Right of First Offer duly executed by Host Marriott, substantially in the form of Exhibit D, for recording in the real estate records (the "**Memorandum**");

(iii) a counterpart of a surrender and termination agreement with respect to the Lease duly executed by Host Marriott, substantially in the form of Exhibit E, pursuant to which all rights, duties and obligations of the parties under the Lease are of no further force and effect, and pursuant to which the memorandum of lease filed in connection with the Lease shall be discharged of record (the "**Surrender Agreement**"), along with the transfer tax forms required to be filed in connection therewith;

(iv) the counterpart of the FMIC Release duly executed by FMIC;

(v) the counterpart of the MI Release duly executed by MI; and

(vi) if the Port Authority and MI have not entered into the MI Release, the duly executed Indemnification.

(b) On the Effective Date, upon satisfaction of the Conditions Precedent, the Port Authority shall deliver to Host Marriott:

(i) a counterpart of the Memorandum duly executed by the Port Authority;

(ii) a counterpart of the Surrender Agreement duly executed by the Port Authority, along with the transfer tax forms required to be filed in connection

therewith and UCC-3 filings required to be filed in connection with the termination of the Security Agreement;

(iii) a counterpart of the FMIC Release duly executed by the Port Authority;

(iv) a counterpart of the MI Release duly executed by the Port Authority; and

(v) a duly executed letter from the Port Authority's General Counsel delivered to FMIC, substantially in the form of Exhibit F, stating that the Settlement Agreement and FMIC Release are valid and binding obligations of the Port Authority and the execution by the Port Authority of the Settlement Agreement and FMIC Release are valid and proper and meet with all applicable requirements (the "**Port Authority Opinion**"); *provided, however*, that the Port Authority's obligation to deliver the Port Authority Opinion to FMIC is conditioned upon the receipt by the Port Authority of a duly executed letter from FMIC's General Counsel delivered to the Port Authority, substantially in the form of Exhibit G, stating that the FMIC Release is a valid and binding obligation of FMIC and the execution by FMIC of the FMIC Release is valid and proper and meets with all applicable requirements.

SECTION 4. Confidentiality. Subject to Section 5 hereof, from the date hereof, unless compelled by judicial process to appear in any proceeding, to provide sworn testimony or to produce documents, the parties hereto shall not discuss or disclose, generally or specifically, the terms of this Settlement Agreement with anyone not a signatory to this Settlement Agreement for any purpose except to (i) the parties' governing bodies, parents, subsidiaries, affiliates, successors, employees, consultants, attorneys, accountants and insurance companies or their agents (as applies to each party, their "**Representatives**" and each individually, a "**Representative**"); (ii) regulatory authorities and (iii) tax authorities, and only with respect to the effectuation or enforcement of this Settlement Agreement. If so compelled by judicial process, each party agrees that, if possible, it shall notify the other party prior to disclosure so that the other party may take whatever action it deems appropriate. To the extent any party discloses information to any of their Representatives as permitted by the foregoing, such party agrees to advise each such Representative of the confidential nature of the information and further agrees to fully indemnify and hold harmless the other party to this Settlement Agreement with respect to any breach of confidentiality by such Representative. Any disclosure of information by either party which (i) is a matter of public record or is or becomes generally available to the public other than as a result of its disclosure by such party; (ii) was known to the party receiving it at the time of disclosure; (iii) is disclosed with the prior approval of the other party; (iv) is required to be disclosed to comply with applicable

governmental laws, ordinances, enactments, resolutions, rules, and orders, including, without limitation, with respect to the Port Authority, in the opinion of the Port Authority, enactments, ordinances, resolutions and regulations of the City of New York and its various Departments, Boards and Bureaus that are applicable, or which would be applicable if the Port Authority were a private corporation; (v) the attorneys or accountants of such party are required to disclose by rules of professional responsibility; or (vi) with respect to the Port Authority, it is determined by the Secretary of the Port Authority to be subject to disclosure and is disclosed by the Port Authority pursuant to and in accordance with the Port Authority's Freedom of Information policy in effect at the time of disclosure, in each case shall not be deemed to be a violation of this Section 4. Notwithstanding anything herein to the contrary, either party to this Settlement Agreement, and any Representative of either party to this Settlement Agreement, may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the federal and state income tax treatment and tax structure of the matters set forth herein and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure.

SECTION 5. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed duly given when delivered either by overnight courier or by certified mail, return receipt requested, and duly addressed as indicated below or to such changed address as may be subsequently designated in writing:

For Host Marriott:

HMH WTC LLC
c/o Host Marriott Corporation
6903 Rockledge Drive
Suite 1500
Bethesda, Maryland 20817
Attn: James F. Risoleo

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attn: Thomas Patrick Dore, Jr., Esq.

For the Port Authority:

The Port Authority of New York and New Jersey
225 Park Avenue South – 15th Floor
New York, New York 10003
Attention: James T. Connors

with a copy to:

The Port Authority of New York and New Jersey
225 Park Avenue South – 14th Floor
New York, New York 10003
Attention: Sidney D. Lipstein, Chief Real Estate and Environmental Law Division

SECTION 6. Governing Law. This Settlement Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, as such laws are applied to agreements entered into and performed entirely within New York between New York residents, without regard to conflicts of law provisions. Subject to the provisions of the Port Authority's suability statute (meaning the concurrent legislation of the State of New York and the State of New Jersey set forth at Chapter 301 of the Laws of New York of 1950, as amended by Chapter 938 of the Laws of New York of 1974, McKinney's Unconsolidated Laws §§7101-7112; and Chapter 204 of the Laws of New Jersey of 1951, NJSA §§32:1-157-32:1-168) and to any other aspect of the Port Authority's governmental immunity (to the maximum extent permitted by applicable law), the parties unconditionally and irrevocably submit to the jurisdiction of the United States District Court for the Southern District of New York (or, if such court shall not have jurisdiction over the relevant action, of the New York State Supreme Court, County of New York) in connection with any dispute arising out of this Agreement, and all parties to this Agreement irrevocably submit to the jurisdiction of such courts without regard to any principles of conflict of laws, and, subject to the provisions of the Port Authority's suability statute and to any other aspect of the Port Authority's governmental immunity (to the maximum extent permitted by applicable law), irrevocably waive any objection to venue or inconvenient forum.

SECTION 7. Modification. No alleged modification or waiver of any provision of this Settlement Agreement shall be valid unless it is contained in a writing duly signed by both parties hereto.

SECTION 8. Entire Agreement. This document, together with the operative documents corresponding to the Exhibits hereto, sets forth the entire agreement of the parties and all prior and contemporaneous conversations, agreements, understandings, covenants, representations and negotiations with respect to the subject matter hereof are merged herein and superseded hereby. No other agreements, covenants, representations, or warranties, express or implied, oral or written, have been made by any of the parties hereto with respect to the subject matter hereof.

SECTION 9. Severability. If any provision of this Settlement Agreement is held unenforceable for any reason, the unenforceable provision shall be deemed severed from this Settlement Agreement, and the remainder of this Settlement Agreement shall continue in full force and effect.

SECTION 10. Counterparts. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be one and the same instrument.

SECTION 11. No Admissions. Nothing contained in this Settlement Agreement shall be considered an admission by any party of any wrongdoing on the part of any party or its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, governing bodies, officers, directors, stockholders, employees or agents.

SECTION 12. Representations and Warranties. (a) Each of the parties hereto represents and warrants that: (i) it has the legal right and power and authority to enter into this Settlement Agreement and the transactions contemplated hereby, and the execution, delivery and performance of this Settlement Agreement and, as applicable, the Indemnification and the Surrender Agreement have been duly authorized; (ii) all actions necessary for the due execution, delivery and performance of this Settlement Agreement and, as applicable, the Indemnification and the Surrender Agreement have been taken, including approval by the Board of Commissioners of the Port Authority and the Board of Directors of Host Marriott Corporation; (iii) this Settlement Agreement constitutes a legal, valid and binding obligation of the parties enforceable against each party in accordance with the terms of this Settlement Agreement; (iv) it has been represented by legal counsel of its choosing; (v) this Settlement Agreement has been executed and delivered as its own free act and deed and not as a result of duress by the other party hereto; and (vi) it has not assigned or transferred to any person or entity any right to recovery for any claim or potential claim that otherwise would be released under this Settlement Agreement.

(b) The Port Authority represents and warrants that all procedures for obtaining approval or veto of the Governors of New York and New Jersey

pursuant to NY CLS Unconsol. Ch. 151-A, §§1 *et seq.* and N.J.S.A. §§32:2-6 *et seq.* in order to enter into this Settlement Agreement and the transactions contemplated hereby have been complied with in full, including but not limited to (i) the timely delivery and transmittal to the Governors of New York and New Jersey of the minutes of the meeting of the Board of Commissioners of the Port Authority at which the transactions contemplated by this Settlement Agreement have been approved; and (ii) the lapse of any and all periods during which the Governors of New York and New Jersey have an opportunity to review and veto any of the transactions contemplated by this Settlement Agreement.

SECTION 13. Authorized Signatories. Each of the natural persons executing this Settlement Agreement on behalf of a party hereto represents and warrants that he or she is authorized to enter into this Settlement Agreement on behalf of such party.

SECTION 14. No Presumption of Construction. This Settlement Agreement has been drafted and reviewed jointly by counsel for the parties, and no presumption of construction as to the drafting of this Settlement Agreement shall be applied against or in favor of any of the parties hereto.

SECTION 15. Binding on Successors and Assigns. This Settlement Agreement is binding upon and inures to the benefit of the parties hereto and their successors and assigns.

SECTION 16. Costs. Each of the parties shall bear its own attorneys' fees and costs in connection with the disputes settled by this Settlement Agreement, including, without limitation, the preparation of this Settlement Agreement.

SECTION 17. No Personal Liability. Neither the Commissioners of the Port Authority, nor any Director of Host Marriott, nor officer, agent or employee of either the Port Authority or Host Marriott shall be charged personally by either party with any liability or be held liable to either party under any term or provision of this Settlement Agreement, or because of its execution or attempted execution or because of any breach hereof.

IN WITNESS WHEREOF, the parties have executed this Settlement Agreement as of the date hereinafter appearing:

Dated: November 25th, 2003

HMH WTC LLC

By: _____

Name: James F. Risolea

Title: Vice President

APPROVED	
TERMS	FORM

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Name: Ernesto L. Butcher

Title: Chief Operating Officer

APPROVED

TERMS	FORM

Exhibit A

MUTUAL RELEASE AGREEMENT

This MUTUAL RELEASE AGREEMENT (this "**Mutual Release**") dated as of the ___ day of _____, 2003, is by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and FACTORY MUTUAL INSURANCE COMPANY ("**FMIC**"), a Rhode Island corporation having an office at 1301 Atwood Avenue, P.O. Box 7500, Johnston, Rhode Island 02919. The parties hereto are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**".

WITNESSETH:

WHEREAS, HMH WTC LLC ("**Host Marriott**") and the Port Authority are parties to an Agreement of Lease dated as of December 21, 1995, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which the Port Authority leases to Host Marriott the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**");

WHEREAS, FMIC issued insurance policy no. LP300 covering numerous hotels and property, including the Hotel, and providing coverage from April 1, 2001 to April 1, 2002 (the "**Policy**") insuring Host Marriott, among others;

WHEREAS, the Port Authority is a "loss payee" under the Policy as its interests may appear, but only to the extent contractually required;

WHEREAS, on September 11, 2001, terrorists committed an attack in the United States of America that involved the hijacking and crashing of four commercial jets destroying or damaging several buildings, including the Hotel (the "**Attack**");

WHEREAS, in order to resolve fully and finally all matters arising out of or in connection with the Lease and the Policy, Host Marriott and the Port Authority have entered into a Settlement Agreement dated November ___, 2003 (the "**Settlement Agreement**") and the Port Authority has assigned to Host Marriott all of its right, title and interest in and to any amount paid or payable by FMIC under the Policy (other than the $397,595 previously paid by FMIC to

the Port Authority for artwork at the Hotel that was destroyed in the attack) (the "**Port Authority Assignment**"); and

WHEREAS, all necessary actions and approvals required to be taken or obtained by either the Port Authority or Host Marriott in order to enter into the Settlement Agreement and the transactions contemplated thereby have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, for and in consideration of the mutual covenants and premises contained herein, the Parties agree as follows:

SECTION 1. Mutual Release. Each Party, for itself and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents, hereby releases and forever discharges the other Party and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees, agents, insurers and reinsurers (collectively, the "**Released Parties**") from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, controversies, agreements, promises, damages (whether compensatory, punitive, statutory, interest, costs, attorneys' fees or otherwise), judgments, executions, claims, counterclaims, demands, and other forms of liability howsoever denominated, whether at law or in equity, whether based on contract, tort, statute or otherwise, which the releasing Party now owns or holds, has at any time heretofore owned or held or may hereafter own or hold against any one or more of the Released Parties as a result of, arising out of or relating in any way to the Policy. Nothing herein, however, shall derogate or diminish Host Marriott claims under the Policy, including by reason of the Port Authority Assignment.

SECTION 2. Further Assurances. The Parties agree to execute and deliver to each other such additional documents, and to do such other acts and things, all as the other Party may reasonably request for the purposes of carrying out the intent of this Mutual Release.

SECTION 3. Entire Agreement. This Mutual Release constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions (whether oral or written) of the Parties with respect to the subject matter hereof. This Mutual Release may only be amended by an instrument in writing executed by the Parties hereto.

SECTION 4. Successors and Assigns. This Mutual Release and all of the terms and provisions herein shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

SECTION 5. Representations and Warranties. (a) FMIC represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all necessary actions and approvals required to be taken or obtained by FMIC in order to enter into this Mutual Release have been taken and obtained; and (iii) all procedures for obtaining such approval have been followed and complied with in full.

(b) The Port Authority represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all actions necessary for the due execution, delivery and performance of this Mutual Release have been taken, including approval by the Board of Commissioners of the Port Authority; and (iii) all procedures for obtaining approval or veto of the Governors of New York and New Jersey pursuant to NY CLS Unconsol. Ch. 151-A, §§1 *et seq.* and N.J.S.A. §§32:2-6 *et seq.* in order to enter into the Settlement Agreement and the transactions contemplated thereby have been complied with in full, including but not limited to (A) the timely delivery and transmittal to the Governors of New York and New Jersey of the minutes of the meeting of the Board of Commissioners of the Port Authority at which the transactions contemplated by the Settlement Agreement have been approved; and (B) the lapse of any and all periods during which the Governors of New York and New Jersey have an opportunity to review and veto any of the transactions contemplated by the Settlement Agreement.

SECTION 6. Counterparts. This Mutual Release may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be one and the same instrument.

SECTION 7. Governing Law. This Mutual Release shall be governed by, and construed in accordance with, the laws of the State of New York.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Mutual Release as of the date first written above.

FACTORY MUTUAL INSURANCE COMPANY

By: _____

Name:

Title:

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: _____
Name:
Title:

Exhibit B

MUTUAL RELEASE AGREEMENT

This MUTUAL RELEASE AGREEMENT (this "**Mutual Release**") dated as of the ___ day of _____, 2003, is by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and MARRIOTT INTERNATIONAL, INC. ("**MI**"), a Delaware corporation having an office at 10400 Fernwood Road, Bethesda, Maryland 20817. The parties hereto are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**".

WITNESSETH:

WHEREAS, HMH WTC LLC ("**Host Marriott**") and the Port Authority are parties to an Agreement of Lease dated as of December 21, 1995, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC (the "**Hotel Operating Tenant**") dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which the Port Authority leases to Host Marriott the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**");

WHEREAS, Host Marriott and West Street Hotels, Inc. (the "**Manager**"), a wholly-owned subsidiary of MI, are parties to an Amended and Restated Management Agreement dated as of February 23, 1996, as amended by the First Amendment to Amended and Restated Management Agreement dated as of December 6, 1996 between Host Marriott and the Manager, the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of December 31, 1998 among the Manager, Host Marriott and the Hotel Operating Tenant, and Amendment No. 1 to the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of January 10, 2001 among the Manager, Host Marriott and the Hotel Operating Tenant (as amended, the "**Management Agreement**"), pursuant to which the Manager is responsible for managing the Hotel;

WHEREAS, Factory Mutual Insurance Company issued insurance policy no. LP300 covering numerous hotels and property, including the Hotel, and providing coverage from April 1, 2001 to April 1, 2002 (the "**Policy**") insuring, among others, MI, the Manager and Host Marriott;

WHEREAS, the Port Authority is a "loss payee" under the Policy as its interests may appear, but only to the extent contractually required;

WHEREAS, on September 11, 2001, terrorists committed an attack in the United States of America that involved the hijacking and crashing of four commercial jets destroying or damaging several buildings, including the Hotel (the "**Attack**");

WHEREAS, in order to resolve fully and finally all matters arising out of or in connection with the Lease and the Policy, Host Marriott and the Port Authority have entered into a Settlement Agreement dated November ___, 2003 (the "**Settlement Agreement**") and have agreed to a surrender and termination of the Lease; and

WHEREAS, all necessary actions and approvals required to be taken or obtained by either the Port Authority or Host Marriott in order to enter into the Settlement Agreement and the transactions contemplated thereby have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, for and in consideration of the mutual covenants and premises contained herein, the Parties agree as follows:

SECTION 1. Mutual Release. Each Party, for itself and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents, hereby releases and forever discharges the other Party and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents (collectively, the "**Released Parties**") from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, controversies, agreements, promises, damages (whether compensatory, punitive, statutory, interest, costs, attorneys' fees or otherwise), judgments, executions, claims, counterclaims, demands, and other forms of liability howsoever denominated, whether at law or in equity, whether based on contract, tort, statute or otherwise, which the releasing Party now owns or holds, has at any time heretofore owned or held or may hereafter own or hold against any one or more of the Released Parties as a result of, arising out of or relating in any way to the Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy.

SECTION 2. Further Assurances. The Parties agree to execute and deliver to each other such additional documents, and to do such other acts and things, all as the other Party may reasonably request for the purposes of carrying out the intent of this Mutual Release.

SECTION 3. Entire Agreement. This Mutual Release constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions (whether oral or written) of the Parties with respect to the subject matter hereof. This Mutual Release may only be amended by an instrument in writing executed by the Parties hereto.

SECTION 4. Successors and Assigns. This Mutual Release and all of the terms and provisions herein shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

SECTION 5. Representations and Warranties. (a) MI represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all necessary actions and approvals required to be taken or obtained by MI in order to enter into this Mutual Release have been taken and obtained; and (iii) all procedures for obtaining such approval have been followed and complied with in full.

(b) The Port Authority represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all actions necessary for the due execution, delivery and performance of this Mutual Release have been taken, including approval by the Board of Commissioners of the Port Authority; and (iii) all procedures for obtaining approval or veto of the Governors of New York and New Jersey pursuant to NY CLS Unconsol. Ch. 151-A, §§1 *et seq.* and N.J.S.A. §§32:2-6 *et seq.* in order to enter into the Settlement Agreement and the transactions contemplated thereby have been complied with in full, including but not limited to (A) the timely delivery and transmittal to the Governors of New York and New Jersey of the minutes of the meeting of the Board of Commissioners of the Port Authority at which the transactions contemplated by the Settlement Agreement have been approved; and (B) the lapse of any and all periods during which the Governors of New York and New Jersey have an opportunity to review and veto any of the transactions contemplated by the Settlement Agreement.

SECTION 6. Counterparts. This Mutual Release may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be one and the same instrument.

SECTION 7. Governing Law. This Mutual Release shall be governed by, and construed in accordance with, the laws of the State of New York.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Mutual Release as of the date first written above.

MARRIOTT INTERNATIONAL, INC.

By: _____
Name:
Title:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____
Name:
Title:

Exhibit C

INDEMNIFICATION

This INDEMNIFICATION (this "**Indemnification**") dated as of the ___ day of _____, 2003 is given by HOST MARRIOTT, L.P. (the "**Indemnitor**"), a Delaware limited partnership having an office at 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817, to THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Indemnitee**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003.

W I T N E S S E T H:

WHEREAS, HMH WTC LLC, an affiliate of the Indemnitor (the "**Lessee**") and the Indemnitee are parties to an Agreement of Lease dated as of December 21, 1995, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Indemnitee and the Lessee dated as of October 1998, the Agreement among the Indemnitee, the Lessee and CCMH World Trade Ctr. LLC (the "**Hotel Operating Tenant**") dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Indemnitee and the Lessee, and the Privilege Permit granted by the Indemnitee to the Lessee dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which the Indemnitee leases to the Lessee the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**");

WHEREAS, the Lessee and West Street Hotels, Inc. (the "**Manager**"), a wholly-owned subsidiary of Marriott International, Inc. ("**MI**"), are parties to an Amended and Restated Management Agreement dated as of February 23, 1996, as amended by the First Amendment to Amended and Restated Management Agreement dated as of December 6, 1996 between the Lessee and the Manager, the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of December 31, 1998 among the Manager, the Lessee and the Hotel Operating Tenant, and Amendment No. 1 to the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of January 10, 2001 among the Manager, the Lessee and the Hotel Operating Tenant (as amended, the "**Management Agreement**"), pursuant to which the Manager is responsible for managing the Hotel;

WHEREAS, Factory Mutual Insurance Company issued insurance policy no. LP300 covering numerous hotels and property, including the Hotel, and providing coverage from April 1, 2001 to April 1, 2002 (the "**Policy**") insuring, among others, MI, the Manager, and the Lessee;

WHEREAS, the Port Authority is a "loss payee" under the Policy as its interests may appear, but only to the extent contractually required;

WHEREAS, on September 11, 2001, terrorists committed an attack in the United States of America that involved the hijacking and crashing of four commercial jets destroying or damaging several buildings, including the Hotel (the "**Attack**");

WHEREAS, in order to resolve fully and finally all matters arising out of or in connection with the Lease and the Policy, the Lessee and the Indemnitee have entered into a Settlement Agreement dated November ___, 2003 (the "**Settlement Agreement**");

WHEREAS, as a condition precedent to the Settlement Agreement (the "**Condition Precedent**"), the Lessee has agreed to deliver to the Indemnitee either (i) an agreement executed by MI pursuant to which the Indemnitee and MI agree to a mutual release of any claims relating to the Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy (the "**MI Release**"); or (ii) an indemnification pursuant to which the Indemnitor indemnifies the Indemnitee from and against any all claims made by MI or its affiliates arising out of or in connection with the Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy (collectively, the "**Indemnified Matters**"); and

WHEREAS, as of the date hereof, the Indemnitor has not yet delivered the MI Release to the Indemnitee;

NOW THEREFORE, the Indemnitor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby indemnify, protect, defend and hold the Indemnitee, its commissioners, governing bodies, officers, agents, employees, successors and assigns, harmless and free from all claims, demands, obligations, losses, costs, damages, liabilities, actions or proceedings made, brought or claimed by MI or its agents, affiliates or successors, including court costs and reasonable attorneys' fees and expenses of every kind, which it may actually incur, sustain or suffer arising out of or in connection with the Indemnified Matters.

The Indemnitee agrees to give prompt notice to the Indemnitor of the assertion of any claim, or the commencement of any suit, action or proceeding in

respect of which indemnity may be sought hereunder and of any damage, loss, liability or expense which the Indemnitee deems to be within the ambit of this Indemnification, specifying with reasonable particularity the basis therefor, and will give the Indemnitor such information with respect thereto as the Indemnitee may have in its possession. The Indemnitor, at its own expense, shall assume the defense of any such suit, action or proceeding, and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

The Indemnitee will not, without the prior written consent of the Indemnitor, take any action with respect to the Indemnified Matters, including without limitation, the defense or prosecution of any action with respect thereto. The taking of any such action will void the indemnity stated herein.

This Indemnification will be of no further force and effect if at any time the Lessee shall deliver the MI Release, executed by MI, to the Indemnitee.

If any provision in this Agreement is held to be void or unenforceable under the laws of the State of New York this instrument shall not be void or vitiated thereby, but shall be construed to be in force with the same effect as though such provision were omitted.

This instrument shall be binding upon the Indemnitor and its successors and assigns and shall inure to the benefit of the Indemnitee and its successors and assigns.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Indemnitor has executed this Indemnification as of the date first written above.

HOST MARRIOTT, L.P. by
Host Marriott Corporation, its general partner

By: _____
Name:
Title:

Exhibit D

When recorded return to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Thomas Patrick Dore, Jr., Esq.

MEMORANDUM OF RIGHT OF FIRST OFFER

MEMORANDUM OF RIGHT OF FIRST OFFER (this "**Memorandum**"), dated as of the ___ day of _____ 2003, between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and HOST MARRIOTT, L.P. ("**Host**"), a Delaware limited partnership having an office at 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817.

WITNESSETH:

WHEREAS, the Port Authority is the owner of the World Trade Center facility in the Borough of Manhattan, City, County and State of New York, such facility being more particularly described as Lot 1, Block 58 on the tax map of the City of New York (as the same may be known from time to time, the "**World Trade Center**"); and

WHEREAS, the Port Authority and HMH WTC LLC, an affiliate of Host, have entered into a Settlement Agreement dated November ___, 2003 (the "**Settlement Agreement**") pursuant to which the Port Authority has granted to Host a right of first offer;

NOW, THEREFORE, the Port Authority and Host agree and declare as follows:

SECTION 1. In consideration of, and upon and subject to, the terms, covenants, conditions and provisions reserved and set forth in the Settlement Agreement, the Port Authority has agreed that during the period prior to December 31, 2023, the Port Authority on behalf of itself, or its successors or assigns as the owner or operator of the World Trade Center, or any representative persons, bodies or committees thereof, or any lessee thereof, has granted Host a

Right of First Offer, as defined in the Settlement Agreement, with respect to the development of a hotel at the World Trade Center.

SECTION 2. All of the terms, covenants, conditions and provisions of the Settlement Agreement are incorporated in this Memorandum by reference as though written out at length herein, and the Settlement Agreement and this Memorandum shall be deemed to constitute a single instrument or document. In the event of any inconsistency between the Settlement Agreement and this Memorandum, the Settlement Agreement shall control.

SECTION 3. The Settlement Agreement and this Memorandum shall be binding upon and inure to the benefit of the Port Authority, Host and their respective successors and assigns, and all references in the Settlement Agreement and this Memorandum to the "Port Authority" or "Host" shall include the respective successors and assigns of such parties.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Port Authority and Host have caused this Memorandum to be duly executed, acknowledged and delivered as of the date first above written.

HOST MARRIOTT, L.P. by
Host Marriott Corporation, its general partner

By: _____
Name:
Title:

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: _____
Name:
Title:

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Outside of New York State)

STATE OF)
ss.:
COUNTY OF)

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

_____
Notary Public

[Notary Seal]

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Within New York State)

STATE OF)
ss.:
COUNTY OF)

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

_____
Notary Public

[Notary Seal]

Exhibit E

When recorded return to:

The Port Authority of New York and New Jersey
225 Park Avenue South – 15th Floor
New York, New York 10003
Attention: James T. Connors

SURRENDER AND TERMINATION OF LEASE AGREEMENT AND DISCHARGE OF MEMORANDUM OF LEASE

SURRENDER AND TERMINATION OF LEASE AGREEMENT AND DISCHARGE OF MEMORANDUM OF LEASE (this "**Agreement**") entered into this ___ day of _____, 2003 between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY ("**Lessor**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and HMH WTC LLC ("**Lessee**"), a Delaware limited liability company having an office at 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817.

WITNESSETH:

WHEREAS, Lessee and Lessor are parties to an Agreement of Lease dated as of December 21, 1995, as amended by the Waiver and Consent Agreement between Lessor and Lessee dated as of October 1998, the Agreement among Lessor, Lessee and CCMH World Trade Ctr. LLC dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between Lessor and Lessee, and the Privilege Permit granted by Lessor to Lessee dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which Lessor leases to Lessee the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**") and certain premises in and around the Hotel to Lessee (as more particularly described on Exhibit A, the "**Premises**");

WHEREAS, a memorandum of lease in connection with the Lease was recorded in the office of the City Register, New York County, on December 29, 1995 in Reel 2276, page 1540 (the "**Memorandum of Lease**"); and

WHEREAS, Lessor and Lessee desire to terminate the Lease and discharge the Memorandum of Lease;

WHEREAS, all necessary actions and approvals required to be taken or obtained by either party in order to terminate the Lease have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and provisions hereinafter set forth, Lessor and Lessee hereby covenant and agree as follows:

SECTION 1. Surrender of Lease. Effective at 11:59 o'clock P.M. on the date immediately preceding the date hereof (the "**Effective Time**") Lessee has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Lessor, its successors and assigns, forever the premises under the Lease and the term of years with respect thereto yet to come, and has given, granted and surrendered and by these presents does give, grant and surrender to the Lessor, its successors and assigns, all of Lessee's right, title and interest under the Lease, including, without limitation, all the rights, rights of renewal, licenses, privileges and, options of the Lessee granted by the Lease with respect to the premises, to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options, and all Lessee's estate under the Lease and in and to the Premises shall be wholly extinguished, merged, and determined as of the Effective Time and Lessor accepts such surrender. Lessor and Lessee hereby declare and agree that the Premises shall be, and are, released and discharged from the operation of the Lease, all as of the Effective Time.

SECTION 2. Lessee's Interest. Lessee hereby covenants that Lessee has not done or suffered to be done anything whereby the estate of Lessee under the Lease has been encumbered in any way whatsoever; that Lessee has good right to surrender the same; that the Lessee is the sole and absolute owner of the leasehold estate in the premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are free and clear of all liens and encumbrances of whatsoever nature, and that no one other than Lessee has acquired through or under Lessee any right, title or interest under the Lease or in or to the Premises or any part thereof that has not, or is not being, terminated on or before the date hereof.

SECTION 3. Termination of Lease and Discharge of Memorandum of Lease. Effective as of the date hereof, the Lease is terminated and of no further

force and effect, the parties hereto agree that the Memorandum of Lease shall be discharged of record, at no cost to the Lessor and neither Lessor nor Lessee shall have any further liability under the Lease. Lessee shall provide Lessor with satisfactory evidence of such discharge of record promptly.

SECTION 4. Successors and Assigns. The covenants, agreements, terms, provisions and conditions contained in this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 5. No Personal Liability. Neither the Commissioners of Lessor, nor any Director of Lessee, nor officer, agent or employee of either Lessor or Lessee shall be charged personally by either party with any liability or be held liable to either party under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach hereof.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

HMH WTC LLC

By:_____
Name:
Title:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By:_____

Name:

Title:

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Outside of New York State)

STATE OF)
ss.:
COUNTY OF)

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

_____
Notary Public

[Notary Seal]

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Within New York State)

STATE OF)
ss.:
COUNTY OF)

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

_____
Notary Public

[Notary Seal]

Exhibit A

The Premises

(a) The following described space:

(i) the volume of space on the Service Level (Elevation 293.5'-309.5') of the World Trade Center (as defined below) described on Schedule A hereto;

(ii) the volume of space on the Concourse Level (Elevation 309.5'-331.5') of the World Trade Center described on Schedule A-1 hereto;

(iii) the volume of space on the Plaza Level (Elevation 331.5'-390.5') of the World Trade Center described on Schedule A-2 hereto;

(iv) the volume of space on the Plaza Level (Elevation 331.5'-585.0') of the World Trade Center described on Schedule A-3 hereto;

(v) the volume of space on the Service Level (Elevation 293.5'-309.5') of the World Trade Center described on Schedule A-4 hereto.

(b) The building constructed within the volumes of space described in subdivisions (i), (ii), (iii) and (iv) above and all other improvements, fixtures, machinery, apparatus and fittings affixed thereto which are considered real property by operation of law, and any additions thereto or replacement thereof in accordance with the Lease (the "**Building**");

(c) The foundation and column work constructed by the Port Authority upon which the Building now stands, together with the right of support and the right to use in common with the Port Authority the structural steel, columns, supports, foundation, footings and other structural elements constructed by the Port Authority.

The Premises are a part of the World Trade Center facility in the Borough of Manhattan, City, County and State of New York (the "**World Trade Center**"), such facility being more particularly described as Lot 1, Block 58 on the tax map of the City of New York.

Schedules A, A-1, A-2, A-3 and A-4

Exhibit F

(Letterhead of PA General Counsel)

November 25, 2003

Factory Mutual Insurance Company
1301 Atwood Avenue
P.O. Box 7500
Johnston, Rhode Island 02919

Re: Settlement Agreement dated November 25, 2003 between the Port Authority of New York and New Jersey (the "Port Authority") and HMC WTC LLC (the "Settlement Agreement")

Dear Sirs:

In connection with the Settlement Agreement you have requested my opinion, to be relied upon by you, as to the validity and enforceability of the Settlement Agreement and the Mutual Release Agreement to be entered into between us as contemplated by the Settlement Agreement (the "Mutual Release").

As General Counsel of The Port Authority of New York and New Jersey, a body corporate and politic and a municipal corporate instrumentality of the States of New York and New Jersey created and existing by virtue of the Compact of April 30, 1921, made by and between said States and thereafter consented to by the Congress of the United States (the "Port Authority"), I have examined into the transactions contemplated by the Mutual Release. This opinion is being delivered solely in my capacity as General Counsel of the Port Authority and at the express request of the Port Authority. All terms used in this opinion and not otherwise expressly defined herein shall have the respective meanings assigned thereto or provided therefor in the Mutual Release.

For purposes of rendering the opinions set forth herein, I have examined the following documents and such other materials as I deemed necessary or appropriate for the purposes hereof:

(a) That certain Agreement of Lease dated as of December 21, 1995 by and between HMH WTC LLC ("Host Marriott") and the Port Authority, as

evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October ?? 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "Lease"), setting forth the terms and conditions pursuant to which the Port Authority leases to Host Marriott the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "Hotel");

(b) That certain agreement dated as of November 2, 1995 between Host Marriott Corporation and the Port Authority, as amended by letter agreement dated November 22, 1995 (the "Purchase Agreement") pursuant to which Host Marriott Corporation agreed to pay to the Port Authority $141,500,000 as the purchase price for the rights to lease the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "Hotel"), $65,000,000 of which purchase price (the "Facility Amount") remains outstanding and is due and payable on December 31, 2003;

(c) The Security Agreement dated as of March 21, 1995 (the "Security Agreement"), pursuant to which the Port Authority was granted a security interest in certain personal property located in the Hotel to secure payment of the Facility Amount;

(d) The Settlement Agreement dated as of November 25, 2003 by and between Host Marriott and the Port Authority pursuant to which the Port Authority and Host Marriott resolve fully and finally all matters arising out of or in connection with the Lease, the Purchase Agreement and a certain insurance policy bearing policy no. LP300 (the "Policy") issued by Factory Mutual Insurance Company ("FMIC"), a Rhode Island corporation having an office at 1301 Atwood Avenue, P.O. Box 7500, Johnston, Rhode Island 02919 insuring Host Marriott, among others, and covering numerous hotels and other property, including the Hotel, for the period from April 1, 2001 to April 1, 2002 under which the Port Authority is a "loss payee" as its interests may appear, to the extent contractually required, with respect to payment of all amounts (the "Insurance Proceeds") other than the amounts heretofore paid by FMIC to the Port Authority under the Policy for artwork at the Hotel that was destroyed;

(e) The Mutual Release Agreement ("Mutual Release") dated as of November 25, 2003 by and between The Port Authority and FMIC; and

(f) The Surrender And Termination Of Lease Agreement And Discharge Of Memorandum Of Lease Agreement dated as of November 25, 2003 by and between Host Marriott and the Port Authority pursuant to which the Lease is terminated and the Memorandum of Lease discharged.

(g) A transcript from the Official Minutes of a meeting of the Port Authority on October 23, 2003, entitled "*World Trade Center Site – Agreement With Host Marriott Corporation To Surrender Leasehold Interest*";

(h) A delegation dated January 6, 1997, of the Executive Director of the Port Authority entitled "*Delegation of Authority*" acknowledged by the Director, Real Estate Department of the Port Authority, the Director, World Trade Department of the Port Authority, and the Chief Engineer of the Port Authority; and

(i) A certificate dated November 25, 2003, of the Secretary of the Port Authority entitled "*Certification of The Port Authority of New York and New Jersey*".

The documents referred to in (a) through (i) above are herein collectively referred to as the "Transaction Documents".

In rendering the opinions expressed herein, I have assumed, without independent investigation (i) the genuineness of all signatures on the documents reviewed by me (*provided, however,* I am not assuming for purposes of the opinions herein the genuineness of signatures of individuals executing documents on behalf of the Port Authority), (ii) the authenticity of all such documents submitted to me as originals, (iii) the conformity to the originals of all such documents submitted to me as copies, (iv) the due execution of all documents by individuals authorized to execute them and the delivery of all such documents (*provided, however,* I am not assuming for purposes of the opinions herein the due execution and delivery of documents by individuals executing documents on behalf of the Port Authority), (v) with respect to documents executed by parties other than the Port Authority, that those parties executing documents have the requisite power and authority to enter into and perform all obligations under those documents, that those documents are their legal, valid and binding obligations enforceable in accordance with their terms and that all statements made therein by such parties are true and correct, (vi) the legal capacity of all natural persons executing the Transaction Documents, and (vii) that the Transaction Documents accurately describe and contain the mutual understanding of the parties, and that there are no oral or written statements or agreements that modify, amend, vary or postpone, or purport to modify, amend, vary or postpone, any of the terms of the Transaction Documents. As to questions of fact material to the opinions rendered herein, I have made such inquiry as in my judgment is appropriate under the circumstances.

To the extent that any opinion expressed herein is based upon "my knowledge", or words of similar import, these words imply that in the course of my representation of the Port Authority in connection with this matter, no information has come to my attention or the attention of the attorneys currently in my office who have rendered services to the Port Authority in connection with this matter that would give us actual knowledge or actual notice of the existence or absence of facts which would change the opinions stated herein.

To the extent that this opinion deals with the application of law, it is limited as to the effect on the subject transaction only of the laws of the United States of America, the State of New York and the State of New Jersey, and I express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or of principles of conflicts of laws.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that:

(1) The Port Authority is a body corporate and politic and a municipal corporate instrumentality of the States of New York and New Jersey created and existing by virtue of the Compact of April 30, 1921, made by and between said States and thereafter consented to by the Congress of the United States, and has the requisite power and authority to execute and deliver the Transaction Documents and to perform its obligations thereunder. The Transaction Documents have been duly authorized, executed and delivered by the Port Authority and constitute the legal, valid and binding obligations of the Port Authority enforceable against the Port Authority in accordance with their respective terms.

(2) Neither (a) the authorization of the execution and delivery by the Port Authority of the Transaction Documents, (b) the performance by the Port Authority of its obligations under the Transaction Documents, nor (c) the consummation of the transactions contemplated in the Transaction Documents, will (i) violate any law, rule or regulation applicable to and binding upon the Port Authority, (ii) conflict with, breach or contravene, or constitute a default of, in any material respect, the provisions of any material agreement to which the Port Authority is a party or by which it is bound, or (iii) contravene any law, rule or regulation applicable to and binding upon the Port Authority, or pertinent resolution of the Port Authority, or any ruling or order of any court of the United States of America, the State of New York or the State of New Jersey applicable to and binding upon the Port Authority.

(3) No approval, consent, authorization or other action by, or filing with, any agency or authority of the United States of America, the State of New York or the State of New Jersey is required in connection with the execution and delivery by the Port Authority of the Transaction Documents.

(4) There are no pending actions, suits or proceedings to which the Port Authority is a party which purport to affect the legality, validity or enforceability of the Transaction Documents, or which will materially adversely affect the ability of the Port Authority to perform its obligations under the Transaction Documents, nor, to the best of my knowledge, has any such action, suit or proceeding been threatened in writing.

(5) Under the laws of the State of New York or the State of New Jersey, the Port Authority would not have the right to claim the defense of sovereign immunity with respect to the enforcement of its obligations under the Transaction Documents and the Port Authority may be sued in a court of competent jurisdiction and appropriate venue; *provided, however,* that the party seeking to enforce such obligations has complied with the conditions set forth in the laws of the States of New York and New Jersey consenting to the waiver of the sovereign immunity previously enjoyed by the Port Authority.

The opinions set forth above are subject to the following additional assumptions, qualifications and exceptions:

(a) The enforceability of the Transaction Documents is subject to, and limited by (i) bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance or transfer or other laws relating to or affecting the rights of creditors generally, now existing or hereafter enacted, and (ii) the application of general principles of equity.

(b) I express no opinion herein as to whether a court would limit enforcement of any of the enforcing party's rights or remedies under the Transaction Documents, if the enforcement thereof under the circumstances would violate an implied covenant of good faith and fair dealing.

(c) I express no opinion as to the (i) enforceability of any provisions (x) requiring the Port Authority to indemnify any party or its directors, officers, employees, agents or representatives from the consequences of their respective acts or omissions to the extent the acts or omissions involve gross negligence, recklessness, willful misconduct or unlawful conduct, or (y) exculpating any party from liability for its acts or omissions to the extent the acts or omissions involve gross negligence, recklessness, willful misconduct or unlawful conduct.

(d) I express no opinion herein on (i) the securities laws of the United States of America, the State of New York or the State of New Jersey, (ii) the environmental laws of the United States of America, the State of New York or the State of New Jersey, (iii) the Internal Revenue Code of 1986 and all rules and regulations promulgated thereunder and (iv) the statutes, ordinances,

administrative decisions, rules, regulations and laws of counties, towns, municipalities, political subdivisions and other similar local governmental units of the State of New York or the State of New Jersey (including, without limitation, those pertaining to zoning and other real property and land use matters, and other local law matters of any kind).

This opinion is delivered to you upon the instructions of the Port Authority and is rendered solely for your benefit in connection with the referenced transaction and may not be quoted or relied on by any other person, or used for any other purpose, without our prior written consent. No opinion is to be implied or inferred beyond the opinions expressly stated herein.

The opinions expressed herein are based upon the law in effect on the date hereof, and I assume no obligation to revise, supplement or update this opinion or otherwise advise you of any matters after the date hereof should such law be changed by legislative action, judicial decision or otherwise.

Very truly yours,

Jeffrey S. Green
General Counsel

Exhibit G

FM Global

Factory Mutual Insurance Company
1301 Atwood Avenue
P.O. Box 7500 Johnston, RI 02919 USA
T: 401 275 3000 X: 1075 F: 401 275 3026
john.pomeroy@fmglobal.com

John J. Pomeroy
Senior Vice President
General Counsel & Secretary

November 25, 2003

Port Authority of New York and New Jersey
225 Park Avenue South, 18th Floor
New York, NY 10003

Re: Settlement Agreement dated November 25, 2003 between the Port Authority of New York and New Jersey (the "Port Authority") and HMC WTC LLC (the "Settlement Agreement") and related Mutual Release attached thereto between Port Authority and Factory Mutual Insurance Company (the "Mutual Release")

Dear Sirs:

In connection with the above-referenced agreements, you have requested my opinion, to be relied upon by you, as to the validity and enforceability of the Mutual Release to be entered into between us as contemplated by the Settlement Agreement.

The Mutual Release is a valid and binding obligation of FMIC under all applicable laws and regulations governing FMIC, and the execution by FMIC of the Mutual Release is valid and proper and meets with all the requirements of any applicable statute, rule or requirement. All governmental laws, rules, regulations, orders and directives have been complied with. All necessary permissions, approvals, consents and resolutions have been obtained. The Mutual Release is enforceable in accordance with its terms.

Very truly yours,

John J. Pomeroy

CERTIFICATION OF
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

On this 25th day of November, 2003, I, Karen E. Eastman, Secretary of The Port Authority of New York and New Jersey (hereinafter called the "Port Authority"), a body corporate and politic and a municipal corporate instrumentality of the States of New York and New Jersey created and existing by virtue of the Compact of April 30, 1921, made by and between said States and thereafter consented to by the Congress of the United States, HEREBY CERTIFY THAT:

(a) Annexed hereto is a true and correct copy of a resolution entitled: "World Trade Center Site – Agreement with Host Marriott Corporation to Surrender Leasehold Interest" adopted by the Board of Commissioners of the Port Authority on October 23, 2003, and is now in full force and effect;

(b) Annexed hereto is a true and correct copy of the By-Laws of the Port Authority, as most recently amended on November 12, 1981;

(c) Annexed hereto is a true and correct copy of a Delegation of Authority signed by the Executive Director of the Port Authority, dated January 6, 1997; on that date, George J. Marlin was Executive Director of the Port Authority, and the signature of George J. Marlin appearing on the Delegation of Authority is his true and genuine signature, and the Delegation of Authority has not been altered or repealed and continues in full force and effect; and

(d) Ernesto L. Butcher is the Chief Operating Officer of the Port Authority.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of and on behalf of the Port Authority and caused the official seal of the Port Authority to be affixed hereto on the day and year first set forth above.

Karen E. Eastman
Secretary
THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

WORLD TRADE CENTER SITE – AGREEMENT WITH HOST MARRIOTT CORPORATION TO SURRENDER LEASEHOLD INTEREST

It was recommended that the Board authorize the Executive Director to enter into an agreement with Host Marriott Corporation (Host Marriott) whereby Host Marriott would agree to surrender the premises and all rights, licenses, privileges and options granted to Host Marriott under its net lease of the space comprising the entire building known as 3 World Trade Center, which was used by Host Marriott for the operation of the World Trade Center Marriott Hotel.

Host Marriott would retain any property insurance proceeds from insurance policies that were procured and maintained by Host Marriott to cover its property interest in the building. Host Marriott's obligation to pay the Port Authority the balance of $65 million owed on account of the original purchase by Host Marriott of the net lease interest in the operating assets of the hotel would be unaffected by the agreement, although Host Marriott has agreed to accelerate this payment if the surrender agreement is executed prior to the due date of the $65 million payment. Host Marriott has also agreed to pay the Port Authority $1 million for grant of a right of first offer with regard to any future hotel development opportunity on the World Trade Center (WTC) site.

Given the land constraints of the entire WTC site, including the memorial, the Port Authority Trans-Hudson System Terminal and the associated transit connections and the commercial elements of the redevelopment, the former location occupied by the hotel will not be available for commercial redevelopment. This proposed agreement returns the hotel development rights for the entire site to the Port Authority for future lease or sale, relieves the Port Authority or the WTC net lessees from the obligation to provide a subgrade structure to support a replacement hotel, and facilitates the continued planning and redevelopment of the site by allowing for the development of a replacement hotel whose design would be appropriately adapted to the constraints of the site.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Mack, Sartor, Silverman, Sinagra and Steiner voting in favor; none against:

> **RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Host Marriott Corporation (Host Marriott) whereby Host Marriott would surrender its leasehold interest at the World Trade Center site, substantially in accordance with the terms outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

BY-LAWS OF

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Corrected to November 12, 1981

BY-LAWS OF

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

I. SEAL

The official seal of The Port Authority of New York and New Jersey (hereinafter referred to as the "Port Authority") shall be a design bearing a combination of the seals of the State of New York and of the State of New Jersey, and bearing the words "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY – ESTABLISHED BY COMPACT BETWEEN NEW YORK AND NEW JERSEY – APRIL THIRTIETH – 1921".

II. OFFICERS

The officers of the Port Authority shall be a Chairman, a Vice-Chairman, an Executive Director, a General Counsel, a Director of Finance, a Treasurer, a Comptroller, and a Secretary.

III. DUTIES OF THE OFFICERS

A. The Chairman – The Chairman shall preside at all meetings, sign all official orders of the Port Authority, and shall have general supervision over the business and affairs of the Port Authority subject to the direction of the Port Authority. He shall, where required by statute, sign all vouchers and requisitions for payments upon the Comptrollers of the two States or upon any other fiscal officers.

B. The Vice-Chairman – The Vice-Chairman shall perform the duties of the Chairman, in the event the office of Chairman is vacant, or in the event that the Chairman is unable to perform such duties by reason of illness, disability or absence.

C. The Acting Chairman – In the event the offices of Chairman and Vice-Chairman are both vacant, or in the event that the Chairman and Vice-Chairman are both unable to perform the duties of Chairman by reason of illness, disability or absence, the Chairman of the Committee on Finance (or in the event he is for any reason unable to act, the Vice-Chairman of the Committee on Finance) shall become *ex officio* the Acting Chairman, and shall perform the duties of the Chairman.

D. The Secretary – The Secretary shall keep the official records and the seal of the Port Authority, shall certify, when required to, copies of records, and shall, from time to time, perform such other duties as shall be assigned to him by the Port Authority.

E. The General Counsel – The General Counsel shall be the legal advisor of the Port Authority, shall furnish to the Port Authority such opinions, advice and counsel as shall, from time to time, be required, shall represent the Port Authority in all legal matters or hearings as directed by the Port Authority, and shall from time to time, perform such other duties as shall be assigned to him by the Port Authority.

F. The Executive Director – The Executive Director shall, subject to the foregoing provisions and under the direction of the Chairman, be generally in administrative charge of all activities of the Port Authority. The Executive Director shall make final certification for payment of all duly authenticated and authorized items of expenditure for payment from any Port Authority funds from whatever source derived; whenever the Chairman is required by statute to sign vouchers, payrolls and/or requisitions, the Executive Director shall approve the same for submission to the Chairman for his signature; and he shall sign all deeds of conveyance when authorized by resolution of the Board.

G. The Director of Finance – The Director of Finance shall, under the supervision of the Executive Director, act as chief financial officer of the Port Authority and shall supervise the activities of the Treasurer and the Comptroller.

H. The Comptroller – The Comptroller shall, under the supervision of the Director of Finance, be in charge of the books of account of the Port Authority and shall audit all payments to and expenditures by the Port Authority.

I. The Treasurer – The Treasurer shall, under the supervision of the Director of Finance, have custody of all funds of the Port Authority.

J. The Director of the Audit Department - The Director of the Audit Department shall, under the general direction of the Executive Director, be responsible for the internal auditing functions in the Port Authority and for external audits of financial and operating records of firms doing business with the Port Authority.

IV. ADDITIONAL STAFF

The Port Authority shall name and appoint, from time to time, such additional officers, consultants and employees as it may require, and shall, by resolution or amendment of these By-Laws, designate their duties and under whose supervision or direction they shall serve.

V. TERM OF OFFICE

All officers of the Port Authority shall hold office until the next annual meeting of the Port Authority, or until their successors are elected or appointed, whichever may be the later.

VI. MEETINGS

The annual meetings of the Port Authority for the election of officers shall be held in April of each year at the time and place designated by the Chairman.

Regular meetings of the Port Authority shall be held at the time and place designated by the Chairman.

Special meetings may be called at any time by the Chairman and on request of any two members must be called.

At least two days written notice of annual, regular and special meetings, specifying the time and place of the meeting, shall be given to members by mail or in person. The written notice of a special meeting shall specify the subject(s) to be considered thereat.

VII. QUORUM

Six members, three from each state, shall constitute a quorum.

VIII. VOTES

Upon demand of any member, after due debate, the roll shall be called and the vote recorded upon any resolution or amendment thereto. If three votes from each State shall not be cast therefor, (or in case six Commissioners from either State are present, if four votes from such State shall not be cast therefor) the resolution or amendment shall be deemed lost. But a motion to adjourn, to lay on the table, to postpone consideration, or to refer a matter may be carried by a vote of a majority present.

IX. PUBLIC HEARINGS

Public hearings shall be held upon all matters requiring public consideration and shall be held upon any matter upon the request of any two members of the Port Authority, one from each State.

X. ORDER OF BUSINESS

The order of business at regular meetings shall be:

(a) Approval of the minutes of the previous meeting. (Copies of minutes shall be sent not less than two days in advance by the Secretary to each member, and if no corrections or amendments are made, shall be deemed approved).

(b) Report of the Chairman.

(c) Special Orders.

(d) Reports of Committees.

(e) Report of General Counsel.

(f) Report of Executive Director.

(g) Communications. (The Secretary shall prepare in advance of the meeting a resume of all communications to be read at the meeting and shall send it to each member. Any member may request the reading in full of any communication).

(h) Unfinished Business.

(i) New Business.

The Port Authority may order any matter placed on the calendar for any meeting as special business, or, in his discretion, the Chairman may place upon the calendar of special business any matter which he deems of sufficient or pressing importance.

XI. COMMITTEES

The Chairman, Vice-Chairman and members of all standing Committees shall be appointed by the Chairman of the Port Authority who shall be an *ex officio* member of each Committee of which he is not a regular member, except the Audit Committee of which he may not be a member, and who, as such *ex officio* member, shall be entitled to vote if one or more regular members are absent, in which case he shall be counted in counting quorum, and shall also be entitled to vote as such *ex officio* member to decide a tie vote.

The Vice-Chairman of the Port Authority shall likewise be an *ex officio* member of each Committee of which he is not a regular member, except the Audit Committee of which he may not be a member, and as such *ex officio* member he shall be entitled to vote under the same circumstances as the Chairman of the Port Authority, but only in the absence of the Chairman of the Port Authority.

A quorum of any Committee shall consist of a number equal to the majority of the regular members, provided that at least one Commissioner from each State shall be present. If there be no quorum present at any regular, special or adjourned meeting of any standing or special Committee of the Port Authority, then any available Commissioners who are not already members of such Committee may be designated as substitute members *pro tem* to act at such meeting in the place and stead of absentee Committee members. So far as practicable, in designating Commissioners to act as substitute Committee members, such Commissioners shall be designated as will result in an equal representation of both states at such Committee meeting. Any Committee

member may designate another Commissioner from the same state as a substitute member to act in his place and stead at any meeting where he cannot personnally be present. In the absence of such advance designation, the following persons, in the order named, are authorized to designate substitute Committee members, to wit: – The Chairman of the Board, the Vice-Chairman of the Board, the Chairman of the Committee, the Vice-Chairman of the Committee, or the regular members of the Committee present.

Commissioners designated as substitute Committee members *pro tem* shall be treated as regular members for the purpose of determining whether a quorum is present, and for the purpose of determining whether an *ex officio* member may vote.

No action of a Committee shall be binding unless at least one Commissioner from each state shall vote in favor thereof.

In order to assure the right of approval or veto by the Governor of each State, any action by a Committee taken pursuant to the powers granted in Article XI shall be considered part of the minutes of the Board.

Whenever a Committee purports to act pursuant to power vested under these By-Laws then all third persons are entitled to rely on the Committee's representation that it has power to act.

The powers vested by these By-Laws in the Committees shall not be construed or deemed to limit the authority of the Board of Commissioners to act in any instance or the statutory veto power of the Governor of each State. If such authority is exercised by the Board it shall not be construed or deemed to affect the power of the Committees to act in similar cases thereafter.

There shall be the following standing Committees, each of which shall consist of five regular members (including a Chairman and Vice-Chairman), in addition to the *ex officio* members, except the Audit Committee which shall have no *ex officio* members and shall consist of four regular members (including a Chairman and Vice-Chairman), two from each state, and shall perform the duties enumerated for it. When two or more committees have powers relating to the same subject matter, none shall be deemed to have exclusive authority, but such Committees shall confer and cooperate in regard thereto.

A. Committee on Port Planning

1. The Committee on Port Planning shall keep informed regarding the duties of the Port Authority, whether imposed by statutes or otherwise, and from time to time recommend to the Board such programs and policies as in its opinion may be desirable as will enable the Port Authority to perform its duties most effectively and in due relation to their order of importance.

2. The Committee shall keep informed of the needs of the Port District with regard to marine, air, railroad and motor vehicle terminals and other transportation and terminal facilities, and matters relating thereto, and shall, from time to time, make recommendations in reference thereto. The Committee shall have general supervision over transportation and terminal studies and do all things necessary and convenient to progress such studies.

3. The Committee shall have the following powers, the exercise of which by the Committee shall be discretionary and not mandatory:

(a) To authorize or arrange for the initiation of or the intervention by the Port Authority in proceedings before the courts of the United States and the States of New York and New Jersey, the Interstate Commerce Commission, the Civil Aeronautics Board, the United States Maritime Commission, the Aviation Commissions of the States of New York and New Jersey and other tribunals to protect the interests of the Port District and with regard to matters of harbor regulations, airline routes, freight and ocean rates and other matters affecting the commerce of the Port District and to have general supervision over such proceedings.

(b) To authorize or arrange for the appearance by the Port Authority before Congressional Committees and Federal Boards and officials to protect the interests of the Port District in any matters affecting the commerce of the Port District.

4. Whenever a budget adopted by the Board contains an item for the making of studies relating to transportation and terminal facilities, the Committee shall have the power, in its discretion, to authorize the employment of consultants and experts required therefor.

B. Committee on Finance

The Committee on Finance shall consider all questions relating to financial affairs of the Port Authority, and shall, from time to time, make such recommendations in reference thereto as in its opinion may be desirable. It shall appoint Paying Agents and Registrars in connection with bonds, notes or other securities or obligations, with power to rescind or change such appointments; and it shall authorize the making of payments into such sinking funds or reserve funds out of revenues or funds pledged or otherwise available for such purposes. It shall authorize the transfer of surplus revenues, available for such purpose, to the General Reserve Fund. It shall authorize payments out of the General Reserve Fund for purposes for which the moneys therein may be applied.

It shall establish sinking funds for the retirement of the various series of bonds, and it shall, when it deems necessary or desirable, call or authorize the call of bonds for retirement for sinking fund purposes, select or arrange for the selection of the particular bonds to be called, publish or arrange for the publication of notice of call, pay or arrange for the payment of such bonds upon the date set for their redemption, and generally do all things necessary or incidental to the call and retirement of such bonds for sinking fund purposes; – all in accordance with the resolutions authorizing the issuance of such bonds.

It shall have the power to authorize or arrange for the appointment of bond counsel in connection with any and all future issues of bonds, notes and other evidences of indebtedness of the Port Authority and to authorize or arrange for the employment of financial experts in connection with the financial affairs of the Port Authority.

It shall select depositories for Port Authority funds, and shall authorize and approve investments and reinvestments thereof.

It shall have general supervision over insurance matters, surety bonds, and all claims of and against the Port Authority except those specifically referred to elsewhere in these By-Laws. It shall authorize or arrange for insurance policies and surety bonds, and shall make rules relating to the amount and form thereof and to the acceptability of insurance carriers and sureties. It shall, from time to time, adopt or authorize policies and practices to be followed in connection with insurance, surety bonds and such claims as are under the supervision of the Committee.

It shall have authority to settle all claims of and against the Port Authority when the payment is not in excess of $200,000; or when the amount of damages incurred by the Port Authority is not in excess of $200,000; and when the payment or the amount of damages incurred exceeds $200,000, it shall make such recommendations in reference thereto as in its opinion may be desirable. Claims of and against the Port Authority shall include all claims, except those specifically referred to in Article XI, Sections C-3 and D-3, and shall include claims against officers and employees of the Port Authority for which the Port Authority would be responsible under the doctrine of respondent superior, provided, that in the case of claims against officers and employees of the Port Authority which are covered by insurance purchased by such officers or employees, the Port Authority shall pay such claims only to the extent that they are in excess of the amount for which the insurance carriers are responsible, provided, that in the case of officers and employees, the Port Authority shall pay such claims or judgments only if such officers and employees have authorized the Port Authority in its discretion to settle or defend such actions and shall have cooperated with the Port Authority in the defense thereof, and provided that in the case of officers and employees the Port Authority shall pay such judgments or claims only if such officers and employees shall have given the Port Authority prompt notice of claim or action against them.

C. Committee on Construction

1. The Committee on Construction shall have general supervision over all construction by the Port Authority, including without limitation thereto rehabilitation, repairs, demolition and excavation, except such as may be authorized by the Committee on Operations, and shall, from time to time, make such recommendation in reference to such construction as in its opinion may be desirable.

2. Whenever a budget adopted by the Board contains an item relating to construction, the Committee on Construction shall have the following powers, the exercise of which by the Committee shall be discretionary and not mandatory:

(a) To authorize such construction and authorize or arrange for contracts (herein called construction contracts) for the performance of such construction works, with or without public advertising, upon such terms and conditions and with such contractors as the Committee may deem proper, and the signature or execution thereof by the Port Authority, or in the alternative, to make recommendations to the Board with respect to the award thereof, provided, that unless expressly authorized by the Board, the Committee shall have no power to authorize construction or to authorize or arrange for the signature of any construction contract, the amount or estimated cost of which, together with the amount of extra work which is authorized by the Committee at the

time of its authorization of the signature of the contract, is in excess of $2,000,000. The Committee shall, from time to time, report to the Board all such contracts, the amount or estimated cost of which is in excess of $500,000, which may have been awarded without public advertisement or, if publicly advertised, to other than the lowest bidder; but the failure of the Committee to report the same shall not affect the validity of any action of the Committee taken with respect thereto.

(b) To authorize or arrange for the employment of engineering consultants and other experts required in connection therewith.

3. Whenever any construction contract has been executed on behalf of the Port Authority, the Committee on Construction shall have power to authorize or approve the making of contracts or agreements on behalf of the Port Authority amendatory of or supplemental to such construction contracts, the placing of extra work orders, the making of payments to contractors, the compromise or settlement of claims by or against the Port Authority under such contracts, and the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority in any such construction contract; provided that with respect to any one contract the total of all payments authorized or approved by the Committee under the provisions of this paragraph 3 shall not exceed the following amounts: (i) With respect to extra work under a contract if the Committee has previously authorized signature thereof: $500,000 in addition to the amount of extra work authorized by the Committee at the time of such authorization to sign but, if such authorization to sign was granted pursuant to the powers of the Committee under these By-Laws and not under another power granted to the Committee by the Board, then not in excess of an amount of extra work which would make the aggregate of the original contract price and all extra work authorized by the Committee in excess of $2,500,000; or, with respect to extra work under a contract if the Board has authorized signature thereof other than through a power given to the Committee: $2,000,000 or, with respect to extra work under a contract if the Executive Director has authorized signature thereof pursuant to Article XII, paragraph (d) of these By-Laws: $500,000; (ii) $2,000,000 under all amendatory or supplemental contracts or agreements; (iii) $500,000 under all compromises or settlements of claims against the Port Authority; and (iv) $500,000 under all compromises or settlements of claims by the Port Authority.

4. Whenever a budget adopted by the Board contains an item relating to the acquisition, purchase or lease of real property for any purpose, the Committee on Construction shall have power to arrange for the preparation and signature of contracts for the acquisition and/or use of such real property and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contracts, provided, that, unless expressly authorized by the Board, the Committee shall have no power to authorize or arrange for the signature of any such contract, the amount or estimated cost of which is in excess of $2,000,000.

5. Whenever a budget adopted by the Board contains an item relating to the acquisition of materials for use in connection with construction, the Committee on Construction shall have the power to arrange for the preparation and signature of

contracts for the purchase of such materials and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contracts, provided, that, unless expressly authorized by the Board, the Committee shall have no power to authorize or arrange for the signature of any such contract, the amount or estimated cost of which is in excess of $2,000,000.

D. Committee on Operations

1. The Committee on Operations shall have general supervision over the operation and maintenance of all facilities and properties operated by the Port Authority, and shall, from time to time, make such recommendations in reference thereto as in its opinion may be desirable.

2. Whenever a budget adopted by the Board contains an item relating to maintenance, including repair or rehabilitation of any Port Authority facility or property which is in operation or minor capital improvements thereto, the Committee on Operations shall have the following powers, the exercise of which by the Committee shall be discretionary and not mandatory:

To authorize such maintenance and to authorize or arrange for contracts (herein called maintenance contracts) for such maintenance upon such terms and conditions and with such contractors as the Committee may deem proper, and the signature and/or execution thereof by the Port Authority, or in the alternative, to make recommendations to the Board with respect to the award thereof, provided, that, unless expressly authorized by the Board, the Committee shall have no power to authorize or arrange for the signature of any maintenance contract, the amount or estimated cost of which, together with the amount of extra work which is authorized by the Committee at the time of its authorization of the signature of the contract, is in excess of $2,000,000. The Committee shall, from time to time, report to the Board all such contracts, the amount or estimated cost of which is in excess of $500,000, which may have been awarded without public advertisement or, if publicly advertised, to other than the lowest bidder, but the failure of the Committee to report the same shall not affect the validity of any action of the Committee taken with respect thereto.

3. Whenever any maintenance contract has been executed on behalf of the Port Authority, the Committee on Operations shall have power to authorize or approve the making of contracts or agreements on behalf of the Port Authority amendatory of or supplemental to such maintenance contracts, the placing of extra work orders, the making of payments to contractors, the compromise or settlement of claims by or against the Port Authority under such contracts, and the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority in any such maintenance contract; provided that with respect to any one contract the total of all payments authorized or approved by the Committee under the provisions of this paragraph 3 shall not exceed the following amounts: (i) With respect to extra work under a contract if the Committee has previously authorized signature thereof: $500,000 in addition to the amount of extra work authorized by the Committee at the time of such authorization to sign but, if such authorization to sign was granted pursuant to the

powers of the Committee under these By-Laws and not under another power granted to the Committee by the Board, then not in excess of an amount of extra work which would make the aggregate of the original contract price and all extra work authorized by the Committee in excess of $2,500,000; or, with respect to extra work under a contract if the Board has authorized signature thereof other than through a power given to the Committee: $2,000,000 or, with respect to extra work under a contract if the Executive Director has authorized signature thereof pursuant to Article XII, paragraph (d) of these By-Laws: $500,000; (ii) $2,000,000 under all amendatory or supplemental contracts or agreements; (iii) $500,000 under all compromises or settlements of claims against the Port Authority; and (iv) $500,000 under all compromises or settlements of claims by the Port Authority.

4. Whenever a budget adopted by the Board contains an item relating to the acquisition or purchase of equipment, tools, materials, supplies, or other personal property for use in connection with the operation of any Port Authority facility or property, the Committee on Operations shall have power to arrange for the preparation and the signature of contracts for the acquisition of such personal property, and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contracts, provided, that, unless expressly authorized by the Board, the Committee shall have no power to authorize or arrange for the signature of any such contract, the amount or estimated cost of which is in excess of $2,000,000.

5. Whenever a budget adopted by the Board contains an item relating to any construction and such construction is required under any agreement made or about to be made for the use of Port Authority property, the Committee shall have the same powers with respect to such construction as the Committee on Construction has with respect to construction generally.

6. Whenever a budget adopted by the Board contains an item relating to an expenditure which is properly chargeable as in operating expense and which is for a purpose not mentioned elsewhere under the foregoing subheading D, "Committee on Operations", of this Article XI, "Committees" of these By-Laws, the Committee on Operations shall have the power in its discretion to authority or arrange for the expenditure thereof, including the power to authorize or arrange for contracts for such purpose, and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contract, provided, that, unless expressly authorized by the Board the Committee shall have no power to authorize or arrange for the signature of any such contract, the amount or estimated cost of which is in excess of $2,000,000.

7. The Committee on Operations shall have the power to authorize the sale of personal property owned by the Port Authority pursuant to such contracts and upon such terms and conditions and for such price or other consideration as the Committee may deem proper.

8. The Committee on Operations shall have general authority with respect to personnel matters. Whenever a budget adopted by the Board contains an item for a group of positions, the Committee shall have the power to prescribe the compensation payable for such positions. It shall have power to establish new positions and to abolish existing

positions in the staff of the Port Authority and to determine and prescribe the duties of new and existing positions and the qualifications for appointment made hereafter thereto. It shall also have the power to make and terminate appointments to the Port Authority staff, and to make promotions and demotions within the staff. It shall have the power to authorize or arrange for the employment of consultants and other experts in all cases where similar power is not vested in any other committee. It shall have power to grant or authorize the granting of vacations, sick leave and other leaves of absence and to take other action affecting personnel.

9. The Committee on Operations shall have power from time to time to adopt, rescind, amend and modify rules and regulations for and in connection with the operation of the facilities and properties operated by the Port Authority and for the conduct of the users thereof and all other persons in or about such facilities or properties, including the officers, employees or representatives of the Port Authority and of the users of its facilities and properties and people doing business with it or them. In all cases where any Port Authority facilities or properties are opened to public use, the Committee shall have power to establish and from time to time rescind, change or modify, just and reasonable tolls, fees or other charges for such use, and for that purpose to establish reasonable classifications of users and services. In all other cases, the Committee shall have power to authorize the use of Port Authority facilities or properties pursuant to leases, permits or other special contracts or agreements upon such terms and conditions and for such rent or other consideration as the Committee may deem proper.

E. Audit Committee

1. The Audit Committee shall have general supervision over the books and accounts of the Port Authority and the auditing thereof and take such action as it may deem necessary or desirable in connection therewith. It shall arrange for the auditing of said accounts from time to time by independent accountants designated by the Board and shall keep informed regarding the management of the Port Authority. It shall receive from the Director of the Audit Department any information he may have on matters within his responsibilities which involve the conduct of any Commissioner or of the Executive Director, and it shall be the duty of the Director of the Audit Department to report such information to the Committee. The appointment of any person to the position of the Audit Department shall not be made or terminated, the salary or benefits of the Director of the Audit Department shall not be increased or reduced and the responsibilities of the Director of the Audit Department shall not be changed in any way without the approval of the Chairman of the Committee, provided that the Board may elect in any given instance to act in the stead of the Chairman of the Committee in giving or withholding such approval, provided further that any increase or reduction in salary or benefits that may be made with respect to Port Authority department heads generally and would be effective as to the Director of the Audit Department in the absence of the foregoing requirement of approval shall not require such approval in order to be effective as to the Director of the Audit Department, and provided further that the salary and benefits of the first appointee to the position of Director of the Audit Department shall be subject to such approval.

2. The Committee shall report from time to time to the Board on the results of its supervisory, auditing and other activities including any recommendations which in its opinion may be desirable regarding policies and procedures to govern the administration of the affairs of the Port Authority.

XIa. NOMINATING COMMITTEE

The Nominating Committee shall consist of all of the Commissioners of the Port Authority except the Commissioners holding office as Chairman and Vice-Chairman. It shall have power to make nominations for election to the office of Chairman and Vice-Chairman. Nominations for election to fill such offices may, however, also be made by any Commissioner at any meeting at which elections to fill such offices are held.

The Nominating Committee shall meet at least once during the month immediately preceding the annual meeting of the Port Authority.

In addition, if the office of Chairman or Vice-Chairman shall become vacant for any reason other than expiration of term, the Nominating Committee shall meet as soon as practical thereafter.

Meetings of the Nominating Committee shall be held pursuant to notice given by the Secretary at the request of any member or members of the Committee.

At each meeting of the Committee, the members thereof shall elect a Chairman whose duties shall be to preside at such meeting, and to submit or cause to be submitted to the Board any reports or recommendations adopted at such meeting.

XII. ADMINISTRATIVE POWERS

The Executive Director shall have the following administrative powers which shall be in addition to any other powers conferred upon him by any other provisions of these By-Laws, or by any resolution heretofore or hereafter adopted by the Board of Commissioners.

(a) Unless otherwise directed by the Committee on Operations or otherwise provided by any resolution of the Board of Commissioners and subject to the limitations, if any, of the Budget adopted by the Board:

(i) To determine and prescribe the duties of new and existing positions and the qualifications for appointments made thereto;

(ii) Subject to the approval of the Chairman of the Committee on Operations, to make permanent appointments to the Port Authority staff;

(iii) To make promotions and demotions within the staff;

(iv) To terminate appointments to the staff subject to the approval of the Chairman of the Committee on Operations whenever approval of the Committee on Operations is not otherwise specifically required;

(v) To create temporary positions and to make temporary appointments thereto for periods not exceeding three (3) months' duration;

(vi) To grant or authorize the granting of vacation, sick leave, other leave of absence and to establish or modify other employee benefits (other than retirement matters) and to take other action affecting personnel.

(b) Unless directed by the Committee on Finance:

(i) To authorize or arrange for the printing and engraving of bonds, notes or other securities or obligations, the issuance whereof has been authorized by the Board.

(ii) To authorize and arrange for the payment of the interest upon and principal of such bonds, notes, or other securities or obligations, in accordance with the resolutions authorizing their issuance, out of any revenues directly pledged therefor, out of any sinking funds or special reserve funds especially established in connection therewith and, in case there are no other moneys available for the payment of such interest and principal, out of the General Reserve Fund if such fund has been pledged as security for such payments.

(iii) To authorize or arrange for the making of payments into such reserve funds during the year for which such payments are to be made out of revenues directly pledged for such purposes, to authorize or arrange for the making of payments into such sinking funds during the year for which such payments are to be made out of revenues directly pledged for such purposes, out of any special reserve funds especially established in connection with the particular issue of such bonds, notes, securities or other obligations for which such payments are to be made, out of any other special reserve funds available for such purposes, out of any other Port Authority funds available for such purposes, and, in case of all the preceding available sources are insufficient to make such payment, then out of the General Reserve Fund.

(iv) Whenever the resolutions of the Board establishing the issue of bonds and the various resolutions of the Board establishing the separate series of such bonds require the redemption of bonds for retirement for sinking fund purposes, to arrange for or authorize the call of such bonds for redemption, within the limitations of said bond resolutions to select or arrange for the selection of the particular bonds to be redeemed, publish or arrange for the publication of notice of redemption, pay or arrange for the payment of such bonds upon the date set for their redemption and generally do all things necessary or incidental to the redemption and retirement of such bonds.

(c) In his discretion, to delegate in whole or in part any power, authority or discretion, conferred upon him by any of the provisions of these By-Laws, or by any resolution heretofore or hereafter adopted by the Board of Commissioners to any other officer or member of the staff, provided, that this power shall not apply to any case where the Executive Director is authorized to sign checks, drafts or commercial paper, or to any case where he is authorized to have access to safe deposit boxes.

(d) Whenever a budget adopted by the Board contains an item relating to the maintenance, repair or rehabilitation of any Port Authority facility or property which is in operation, or to the making of capital improvements and additions thereto, or the construction of a Port Authority project, or to major repairs, or major rehabilitation to any Port Authority project, or any Port Authority property, or to the purchase of materials and supplies, or to the furnishing of utility or other services, the Executive Director (unless otherwise directed by the appropriate Committee) shall have the following powers, the exercise of which by the Excutive Director shall be discretionary and not mandatory:

(i) To authorize or arrange for contracts for such maintenance, repairs or rehabilitation or for the making of capital improvements and additions thereto, and for the performance of construction work, including demolition and excavation, and to authorize and arrange for purchase orders or contracts for the purchase of materials and supplies, or for the furnishing of utility or other services and for the making of other expenditures, upon such terms and conditions as the Executive Director may deem proper and to execute the same on behalf of the Port Authority where the amount of any such contract or purchase order is not in excess of $1,000,000; provided, however, that in the case of contracts or purchase orders whose amount is in excess of $250,000 he shall not execute with other than the lowest bidder after public advertisement. The limitation set forth above in this subdivision (i) on the power of the Executive Director to execute any such contract or purchase order shall not be construed as imposing on the Executive Director a mandatory requirement to execute any contract or purchase order with the lowest bidder.

(ii) Whenever any such contracts or purchase orders have been executed on behalf of the Port Authority, pursuant to subdivision (i) hereof, the Executive Director shall have the power to enter into contracts or agreements on behalf of the Port Authority amendatory of or supplemental to such contracts and purchase orders, to place extra work orders, to make payments to vendors and contractors, (provided that the total of payments ((exclusive of settlement payments under paragraph (h) below or authorized by the Board or a Committee thereof)) under any such contract or purchase order is not thereby increased to a sum in excess of $250,000 or in the case of such contracts or purchase orders executed with the lowest bidder after public advertisement at a price in excess of $200,000 is not thereby increased to a sum in excess of either $1,000,000 or the amount of the low bid plus 25% thereof, whichever is less), and to exercise any rights and to perform any obligations vested in or assumed by the Port Authority in any such contracts.

(iii) To require a bond securing the performance of any contract or purchase order authorized by the Board or a Committee thereof or by him and/or the payment of subcontractors, materialmen, workmen and other third persons, whenever he deems it advisable under the circumstances.

(iv) To acquire temporary interests in real property necessary in connection with such construction or maintenance, provided the term of any such interest shall not be in excess of five years.

(e) Whenever a budget adopted by the Board contains an item relating to an expenditure which is properly chargeable as an operating expense and which is for a purpose not mentioned elsewhere under this Article XII, "Administrative Powers," of these By-Laws, the Executive Director shall have the power in his discretion to authorize or arrange for the expenditure thereof, including the power to authorize or arrange for contracts for such purpose, for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contract where the amount or estimated cost of any such contract is not in excess of $250,000.

(f) Whenever any construction or maintenance contract or any purchase order has been executed pursuant to authorization granted by the Board (other than under this Article XII) or any Committee thereof, the Executive Director shall have the power to enter into contracts or agreements on behalf of the Port Authority amendatory of or supplemental to such contracts and purchase orders, to place extra work orders, to make payments to vendors and contractors, and to exercise any rights and to perform any obligations vested in or assumed by the Port Authority in any such contracts; provided, that, the total of payments made pursuant to this paragraph (f) shall not exceed $250,000 in connection with any one such construction or maintenance contract or purchase order.

(f-1) Whenever a budget adopted by the Board contains an item relating to an expenditure for professional, technical or advisory services including but not limited to services of consultants, engineers, architects, designers, artists, technicians, inspectors, appraisers and experts of any kind and others whether similar to or different from the foregoing, the Executive Director shall have the power in his discretion to authorize or arrange for the expenditure thereof, including the power to authorize or arrange for contracts for such services, for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contract where the amount or estimated cost of any such contract is not in excess of $50,000 in the case of contracts for technical services such as inspection, testing and cost estimating of materials and construction, and $10,000 in the case of contracts for other services.

(f-2) Whenever any contract for services of the types described in paragraph (f-1) above has been executed pursuant to authorization granted by the Board (other than under this Article XII) or any Committee thereof, the Executive Director shall have the power in his discretion to enter into contracts amendatory of or supplemental to such contract, to authorize performance of and payment for additional services under such contract and to exercise any rights and perform any obligations vested in or assumed by the Port Authority under such amendatory or supplemental contract, provided that with respect to any one such contract authorized by the Board (other than under this Article XII) or any Committee thereof, the total of payments made pursuant to this paragraph (f-2) shall not exceed $50,000 in the case of contracts for technical services such as inspection, testing and cost estimating of materials and construction, and $10,000 in the case of contracts for other services.

(g) The Executive Director shall, from time to time, report to the appropriate Committee (1) all contracts or purchase orders executed under the provisions of paragraph (d) and (e) above where the total of the payments thereunder (exclusive of settlement payments under paragraph (h) below or payments authorized by the Board or a Committee thereof) is in excess of $75,000; (2) all authorizations exercised under the provisions of paragraphs (f), (f-1) and (f-2) above; (3) all settlements of claims of or against the Port Authority in excess of $500 made under the provisions of paragraph (h) below; and (4) all authorizations exercised under the provisions of paragraphs (k), (l-1), (m) and (n) below; but the failure of the Executive Director to report the same shall not affect the validity of any action taken by the Executive Director with respect thereto.

(h) In his discretion, to settle claims by or against the Port Authority arising under or in connection with construction or maintenance contracts or purchase orders, provided that the total amount of the settlement in connection with or under any one contract or purchase orders does not exceed $100,000.

(i) In his discretion, to authorize the payment to contractors and vendors of all or any portion of their compensation even though not yet payable under the terms of the contract or purchase order.

(j) On behalf of the Port Authority, to enter into any agreement including, but not limited to, leases, permits and licenses, for the use or occupancy of any property owned or operated by the Port Authority and for the use or occupancy of property by the Port Authority or for the exercise of privileges thereat, where any such agreement (i) is unconditionally revocable without cause by the Port Authority upon thirty days' notice or less, or (ii) requires payment to or by the Port Authority of a fixed monetary consideration either alone or combined with a percentage or other variable additional rental or fee and such fixed consideration (exclusive of any separate obligations of the occupant or user to pay for utilities, insurance, services or other such) does not exceed $50,000 per annum, or under the terms of such agreement the Port Authority does not incur any fixed liability for initial improvements or alterations to the premises or contingent liability for termination which is in excess of $50,000, or (iii) substitutes another for the contracting party to an existing agreement, or (iv) is a renewal, extension, amendment or modification of an existing agreement with terms and conditions at least as favorable to the Port Authority, or (v) provides for a rental or fee at a rate not less than the rate approved or established by the Board or a Committee; and any such agreement may contain such indemnity and other provisions as he may deem appropriate.

(k) In his discretion, to authorize or arrange for contracts for the sale of personal property owned by the Port Authority upon such terms and conditions as he may deem proper and to execute the same on behalf of the Port Authority where the amount of any such contract is not in excess of $250,000; provided, however, that in the case of contracts whose amount is in excess of $50,000 he shall not execute with other than the highest bidder after public advertisement. The limitation set forth above in this paragraph (k) on the power of the Executive Director to execute any such contract shall not be construed as imposing on the Executive Director a mandatory requirement to execute any contract with the highest bidder.

(l) The Executive Director may, in his discretion, authorize intervention and participation on behalf of the Port Authority in proceedings before the Interstate Commerce Commission, Civil Aeronautics Board, Federal Maritime Commission, or any other administrative tribunal of the United States or of the States of New York and New Jersey or their subdivisions affecting the trade and commerce of the Port District or the terminal or transportation facilities therein provided, however, that no statement as to the position of the Port Authority on the issues in the proceedings shall be submitted until the position has been authorized by the Board or the Committee on Port Planning.

(l-1) In addition to the authority granted elsewhere in these By-Laws, with respect to the operation, planning and development of Port Authority facilities and with respect to other projects, programs and studies which have been authorized by the Port Authority, the Executive Director may, in his discretion, apply for and accept on behalf of the Port Authority grants from federal, state or other governmental entities, and, in addition, may, in his discretion, authorize execution of agreements with federal, state or other governmental entities for the performance of services by Port Authority and/or PATH employees or the participation by such employees in programs or other activities sponsored in whole or in part by such entities where the reimbursable salaries of the Port Authority and/or PATH employees for the time so spent does not exceed $50,000.

(m) The Executive Director shall have authority to settle all claims of and against the Port Authority when the payment is not in excess of $50,000; or when the amount of damages incurred by the Port Authority is not in excess of $50,000. Claims of and against the Port Authority shall include all claims, except those specifically referred to in Article XII, paragraph (h) above, and shall include claims against officers and employees of the Port Authority for which the Port Authority would be responsible under the doctrine of respondent superior, provided, that in the case of claims against officers and employees of the Port Authority which are covered by insurance purchased by such officers or employees, the Port Authority shall pay such claims only to the extent that they are in excess of the amount for which the insurance carriers are responsible, provided that in the case of officers and employees, the Port Authority shall pay such claims or judgments only if such officers and employees have authorized the Port Authority in its discretion to settle or defend such actions and shall have cooperated with the Port Authority in the defense thereof, and provided that in the case of officers and employees the Port Authority shall pay such judgments or claims only if such officers and employees shall have given the Port Authority prompt notice of claim or action against them.

(n) Whenever a budget adopted by the Board contains an item relating to the purchase or renewal by the Port Authority of any type of insurance, the Executive Director (unless otherwise directed by the appropriate Committee) shall have the power in his discretion to authorize or arrange for such purchase or renewal where the total premium for the term of the purchase or renewal is not in excess of $50,000.

(o) With respect to Port Authority property or to the operation, planning and development of Port Authority facilities the Executive Director, in his discretion, may enter into such indemnity agreements as he may deem appropriate.

Whenever the Executive Director purports to act pursuant to power vested under these By-Laws, then all third persons are entitled to rely on the Executive Director's representation that he has the power to act.

The powers herein vested in the Executive Director shall not be construed or deemed to affect the power of the Board of Commissioners to act in any case, nor shall any power vested in the Executive Director be construed or deemed to affect the power of any Committee to act where such power is also vested in a Committee, but where either the Board or any Committee exercises a power in any such case, such action shall not be construed or deemed to affect the power of the Executive Director to act in similar cases in the future.

XIII. BUDGET

Whenever reference in these By-Laws is made to a budget, it shall mean a budget approved or authorized by the Board. Whenever in these By-Laws a Committee or officer is vested with powers or discretion by reason of a budget item, such Committee or officer shall also have the same powers and discretion in any case where the Board approves or authorizes an expenditure of a specified amount (or of an approximate sum or of an amount not to exceed a specified sum) for a specified purpose, by resolution or otherwise, or in any case where the Board approves or ratifies expressly or by implication any action taken by any Committee either recommending that the Board approve or ratify such an expenditure for such a purpose, or authorizing such an expenditure for such a purpose, subject to the approval of the Board.

XIV. AMENDMENTS

These By-Laws may be amended by resolution duly adopted at any meeting, regular or special, provided that notice of intention to present such resolution shall be given at least two days in advance of the meeting at which the motion to adopt such resolution is made. Such notice may be given by any Commissioner or by any Committee, (or by the Secretary at the request of any Commissioner or any Committee). Such notice may be given in writing, mailed or delivered to all Commissioners, or in the alternate, such notice may be given orally at any meeting, in which event such notice shall be noted in the minutes of the meeting at which it is given. Advance notices of motions to amend motions to amend the By-Laws need not, however, be given.

The provisions of these By-Laws may be suspended by unanimous consent of a quorum.

Delegation of Authority

In light of the departure of Deputy Executive Director John J. Haley, Jr., pursuant to the authority vested in me under Article XII, Section (b) of the By-Laws of The Port Authority of New York and New Jersey (the "Port Authority") and of its subsidiaries, Port Authority Trans-Hudson Corporation and the Newark Legal and Communications Center Urban Renewal Corporation, I hereby delegate to the persons holding the office of Chief Operating Officer, Chief Administrative Officer, Chief Technology Officer, and Chief Financial Officer, each of the Port Authority, all power, authority, or discretion conferred upon me by any provision of the By-Laws of the Port Authority or one of the subsidiaries, or by any resolution heretofore or hereafter adopted by the Board of Commissioners of the Port Authority, or the Board of Directors of one of the subsidiaries, or any Committee thereof (other than with respect to access to safe deposit boxes), within each Chief Officer's designated areas of responsibility, and, in all cases where contracts, agreements, instruments, documents, or papers (other than conveyances of property interests, checks, drafts, or commercial paper) are signed on behalf of the Port Authority or one of the subsidiaries by the Chief Operating Officer, Chief Administrative Officer, Chief Technology Officer, or Chief Financial Officer of the Port Authority under and pursuant to this delegation, or under any action of my predecessors as Executive Director of the Port Authority or President of one of the subsidiaries, all persons whatsoever shall be entitled to rely thereon; provided, however, that prior delegations made by the Executive Director or the Acting Executive Director (or President or Acting President) shall continue in effect in accordance with their terms, to the extent not inconsistent with the provisions of this delegation; and provided, further, that this delegation shall apply to the officers or staff members indicated herein and to their successors in office or duties and shall continue in effect until rescinded by the undersigned or his successor in office or duties.

GEORGE J. MARLIN

Executive Director
The Port Authority of New York and New Jersey

President
Port Authority Trans-Hudson Corporation

President
Newark Legal and Communications Center
Urban Renewal Corporation

January 6, 1997

TOTAL P.03

CERTIFICATION OF
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

I, Karen E. Eastman, Secretary of The Port Authority of New York and New Jersey (hereinafter called the "Authority"), a body corporate and politic and a municipal corporate instrumentality of the States of New York and New Jersey created and existing by virtue of the Compact of April 30, 1921, made by and between said States and thereafter consented to by the Congress of the United States, HEREBY CERTIFY THAT annexed hereto is a true and correct copy of a Delegation of Authority signed by the Executive Director of the Authority, dated January 6, 1997; on that date, George J. Marlin was Executive Director of the Authority, and the signature of George J. Marlin appearing on the Delegation of Authority is his true and genuine signature, and the Delegation of Authority has not been altered or repealed and continues in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary as aforesaid and affixed the official seal of The Port Authority of New York and New Jersey this 25th day of November, 2003.

Karen E. Eastman
Secretary
THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

Delegation of Authority

In light of the departure of Deputy Executive Director John J. Haley, Jr., pursuant to the authority vested in me under Article XII, Section (b) of the By-Laws of The Port Authority of New York and New Jersey (the "Port Authority") and of its subsidiaries, Port Authority Trans-Hudson Corporation and the Newark Legal and Communications Center Urban Renewal Corporation, I hereby delegate to the persons holding the office of Chief Operating Officer, Chief Administrative Officer, Chief Technology Officer, and Chief Financial Officer, each of the Port Authority, all power, authority, or discretion conferred upon me by any provision of the By-Laws of the Port Authority or one of the subsidiaries, or by any resolution heretofore or hereafter adopted by the Board of Commissioners of the Port Authority, or the Board of Directors of one of the subsidiaries, or any Committee thereof (other than with respect to access to safe deposit boxes), within each Chief Officer's designated areas of responsibility, and, in all cases where contracts, agreements, instruments, documents, or papers (other than conveyances of property interests, checks, drafts, or commercial paper) are signed on behalf of the Port Authority or one of the subsidiaries by the Chief Operating Officer, Chief Administrative Officer, Chief Technology Officer, or Chief Financial Officer of the Port Authority under and pursuant to this delegation, or under any action of my predecessors as Executive Director of the Port Authority or President of one of the subsidiaries, all persons whatsoever shall be entitled to rely thereon; provided, however, that prior delegations made by the Executive Director or the Acting Executive Director (or President or Acting President) shall continue in effect in accordance with their terms, to the extent not inconsistent with the provisions of this delegation; and provided, further, that this delegation shall apply to the officers or staff members indicated herein and to their successors in office or duties and shall continue in effect until rescinded by the undersigned or his successor in office or duties.

GEORGE J. MARUN

Executive Director
The Port Authority of New York and New Jersey

President
Port Authority Trans-Hudson Corporation

President
Newark Legal and Communications Center
Urban Renewal Corporation

January 6, 1997

THE PORT AUTHORITY OF NY & NJ

JEFFREY S. GREEN
GENERAL COUNSEL
225 PARK AVENUE SOUTH 15TH FLOOR
NEW YORK, NY 10003
(212) 435-6910
jgreen@panynj.gov

November 25, 2003

Factory Mutual Insurance Company
1301 Atwood Avenue
P.O. Box 7500
Johnston, Rhode Island 02919

Re: Settlement Agreement dated November 25, 2003 between the Port Authority of New York and New Jersey (the "Port Authority") and HMC WTC LLC (the "Settlement Agreement")

Dear Sirs:

In connection with the Settlement Agreement you have requested my opinion, to be relied upon by you, as to the validity and enforceability of the Settlement Agreement and the Mutual Release Agreement to be entered into between us as contemplated by the Settlement Agreement (the "Mutual Release").

As General Counsel of The Port Authority of New York and New Jersey, a body corporate and politic and a municipal corporate instrumentality of the States of New York and New Jersey created and existing by virtue of the Compact of April 30, 1921, made by and between said States and thereafter consented to by the Congress of the United States (the "Port Authority"), I have examined into the transactions contemplated by the Mutual Release. This opinion is being delivered solely in my capacity as General Counsel of the Port Authority and at the express request of the Port Authority. All terms used in this opinion and not otherwise expressly defined herein shall have the respective meanings assigned thereto or provided therefor in the Mutual Release.

For purposes of rendering the opinions set forth herein, I have examined the following documents and such other materials as I deemed necessary or appropriate for the purposes hereof:

(a) That certain Agreement of Lease dated as of December 21, 1995 by and between HMH WTC LLC ("Host Marriott") and the Port Authority, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October ?? 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "Lease"), setting forth the terms and conditions pursuant to which the Port Authority leases to Host Marriott the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "Hotel");

(b) That certain agreement dated as of November 2, 1995 between Host Marriott Corporation and the Port Authority, as amended by letter agreement dated November 22, 1995 (the "Purchase Agreement") pursuant to which Host Marriott Corporation agreed to pay to the Port Authority $141,500,000 as the purchase price for the rights to lease the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "Hotel"), $65,000,000 of which purchase price (the "Facility Amount") remains outstanding and is due and payable on December 31, 2003;

(c) The Security Agreement dated as of March 21, 1995 (the "Security Agreement"), pursuant to which the Port Authority was granted a security interest in certain personal property located in the Hotel to secure payment of the Facility Amount;

(d) The Settlement Agreement dated as of November 25, 2003 by and between Host Marriott and the Port Authority pursuant to which the Port Authority and Host Marriott resolve fully and finally all matters arising out of or in connection with the Lease, the Purchase Agreement and a certain insurance policy bearing policy no. LP300 (the "Policy") issued by Factory Mutual Insurance Company ("FMIC"), a Rhode Island corporation having an office at 1301 Atwood Avenue, P.O. Box 7500, Johnston, Rhode Island 02919 insuring Host Marriott, among others, and covering numerous hotels and other property, including the Hotel, for the period from April 1, 2001 to April 1, 2002 under which the Port Authority is a "loss payee" as its interests may appear, to the extent contractually required, with respect to payment of all amounts (the "Insurance Proceeds") other than the amounts heretofore paid by FMIC to the Port Authority under the Policy for artwork at the Hotel that was destroyed;

(e) The Mutual Release Agreement ("Mutual Release") dated as of November 25, 2003 by and between The Port Authority and FMIC; and

(f) The Surrender And Termination Of Lease Agreement And Discharge Of Memorandum Of Lease Agreement dated as of November 25, 2003 by and between Host Marriott and the Port Authority pursuant to which the Lease is terminated and the Memorandum of Lease discharged.

(g) A transcript from the Official Minutes of a meeting of the Port Authority on October 23, 2003, entitled "*World Trade Center Site – Agreement With Host Marriott Corporation To Surrender Leasehold Interest*";

(h) A delegation dated January 6, 1997, of the Executive Director of the Port Authority entitled "*Delegation of Authority*" acknowledged by the Director, Real Estate Department of the Port Authority, the Director, World Trade Department of the Port Authority, and the Chief Engineer of the Port Authority; and

(i) A certificate dated November 25, 2003, of the Secretary of the Port Authority entitled "*Certification of The Port Authority of New York and New Jersey*".

The documents referred to in (a) through (i) above are herein collectively referred to as the "Transaction Documents".

In rendering the opinions expressed herein, I have assumed, without independent investigation (i) the genuineness of all signatures on the documents reviewed by me (*provided, however,* I am not assuming for purposes of the opinions herein the genuineness of signatures of individuals executing documents on behalf of the Port Authority), (ii) the authenticity of all such documents submitted to me as originals, (iii) the conformity to the originals of all such documents submitted to me as copies, (iv) the due execution of all documents by individuals authorized to execute them and the delivery of all such documents (*provided, however,* I am not assuming for purposes of the opinions herein the due execution and delivery of documents by individuals executing documents on behalf of the Port Authority), (v) with respect to documents executed by parties other than the Port Authority, that those parties executing documents have the requisite power and authority to enter into and perform all obligations under those documents, that those documents are their legal, valid and binding obligations enforceable in accordance with their terms and that all statements made therein by such parties are true and correct, (vi) the legal capacity of all natural persons executing the Transaction Documents, and (vii) that the Transaction Documents accurately describe and contain the mutual understanding of the parties, and that there are no oral or written statements or agreements that modify, amend, vary or postpone, or purport to modify, amend, vary or postpone, any of the terms of the Transaction Documents. As to questions of fact material to the opinions rendered herein, I have made such inquiry as in my judgment is appropriate under the circumstances.

To the extent that any opinion expressed herein is based upon "my knowledge", or words of similar import, these words imply that in the course of my representation of the Port Authority in connection with this matter, no information has come to my attention or the attention of the attorneys currently in my office who have rendered services to the Port Authority in connection with this matter that would give us actual knowledge or actual notice of the existence or absence of facts which would change the opinions stated herein.

To the extent that this opinion deals with the application of law, it is limited as to the effect on the subject transaction only of the laws of the United States of America, the State of New York and the State of New Jersey, and I express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or of principles of conflicts of laws. Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that:

(1) The Port Authority is a body corporate and politic and a municipal corporate instrumentality of the States of New York and New Jersey created and existing by virtue of the Compact of April 30, 1921, made by and between said States and thereafter consented to by the Congress of the United States, and has the requisite power and authority to execute and deliver the Transaction Documents and to perform its obligations thereunder. The Transaction Documents have been duly authorized, executed and delivered by the Port Authority and constitute the legal, valid and binding obligations of the Port Authority enforceable against the Port Authority in accordance with their respective terms.

(2) Neither (a) the authorization of the execution and delivery by the Port Authority of the Transaction Documents, (b) the performance by the Port Authority of its obligations under

the Transaction Documents, nor (c) the consummation of the transactions contemplated in the Transaction Documents, will (i) violate any law, rule or regulation applicable to and binding upon the Port Authority, (ii) conflict with, breach or contravene, or constitute a default of, in any material respect, the provisions of any material agreement to which the Port Authority is a party or by which it is bound, or (iii) contravene any law, rule or regulation applicable to and binding upon the Port Authority, or pertinent resolution of the Port Authority, or any ruling or order of any court of the United States of America, the State of New York or the State of New Jersey applicable to and binding upon the Port Authority.

(3) No approval, consent, authorization or other action by, or filing with, any agency or authority of the United States of America, the State of New York or the State of New Jersey is required in connection with the execution and delivery by the Port Authority of the Transaction Documents.

(4) There are no pending actions, suits or proceedings to which the Port Authority is a party which purport to affect the legality, validity or enforceability of the Transaction Documents, or which will materially adversely affect the ability of the Port Authority to perform its obligations under the Transaction Documents, nor, to the best of my knowledge, has any such action, suit or proceeding been threatened in writing.

(5) Under the laws of the State of New York or the State of New Jersey, the Port Authority would not have the right to claim the defense of sovereign immunity with respect to the enforcement of its obligations under the Transaction Documents and the Port Authority may be sued in a court of competent jurisdiction and appropriate venue; *provided, however,* that the party seeking to enforce such obligations has complied with the conditions set forth in the laws of the States of New York and New Jersey consenting to the waiver of the sovereign immunity previously enjoyed by the Port Authority.

The opinions set forth above are subject to the following additional assumptions, qualifications and exceptions:

(a) The enforceability of the Transaction Documents is subject to, and limited by (i) bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance or transfer or other laws relating to or affecting the rights of creditors generally, now existing or hereafter enacted, and (ii) the application of general principles of equity.

(b) I express no opinion herein as to whether a court would limit enforcement of any of the enforcing party's rights or remedies under the Transaction Documents, if the enforcement thereof under the circumstances would violate an implied covenant of good faith and fair dealing.

(c) I express no opinion as to the (i) enforceability of any provisions (x) requiring the Port Authority to indemnify any party or its directors, officers, employees, agents or representatives from the consequences of their respective acts or omissions to the extent the acts or omissions involve gross negligence, recklessness, willful misconduct or unlawful conduct, or

(y) exculpating any party from liability for its acts or omissions to the extent the acts or omissions involve gross negligence, recklessness, willful misconduct or unlawful conduct.

(d) I express no opinion herein on (i) the securities laws of the United States of America, the State of New York or the State of New Jersey, (ii) the environmental laws of the United States of America, the State of New York or the State of New Jersey, (iii) the Internal Revenue Code of 1986 and all rules and regulations promulgated thereunder and (iv) the statutes, ordinances, administrative decisions, rules, regulations and laws of counties, towns, municipalities, political subdivisions and other similar local governmental units of the State of New York or the State of New Jersey (including, without limitation, those pertaining to zoning and other real property and land use matters, and other local law matters of any kind).

This opinion is delivered to you upon the instructions of the Port Authority and is rendered solely for your benefit in connection with the referenced transaction and may not be quoted or relied on by any other person, or used for any other purpose, without our prior written consent. No opinion is to be implied or inferred beyond the opinions expressly stated herein.

The opinions expressed herein are based upon the law in effect on the date hereof, and I assume no obligation to revise, supplement or update this opinion or otherwise advise you of any matters after the date hereof should such law be changed by legislative action, judicial decision or otherwise.

Very truly yours,

Jeffrey S. Green
General Counsel

From: Martin Demsky <MDemsky@FirstAm.com>
To: "'bernadette.sullivan@dpw.com'" <bernadette.sullivan@dpw.com>
Subject: FW: Host Marriott/WTC
Date: Wed, 4 Feb 2004 07:30:24 -0500
X-Mailer: Internet Mail Service (5.5.2657.72)

-----Original Message-----
From: Carol Quartararo
Sent: Tuesday, February 03, 2004 4:25 PM
To: Martin Demsky
Subject: RE: Host Marriott/WTC

The Memorandum of Right of First Offer was recorded on 1/15/2004, CRFN# 2004000028240.

I would think transfer tax forms were accepted because they didn't come back. There is no way for me to know.

-----Original Message-----
From: Martin Demsky
Sent: Tuesday, February 03, 2004 4:07 PM
To: Carol Quartararo
Subject: FW: Host Marriott/WTC

-----Original Message-----
From: Bernadette Sullivan [mailto:bsullivn@dpw.com]
Sent: Tuesday, February 03, 2004 4:05 PM
To: mdemsky@firstamny.com
Cc: mcintyre@dpw.com; david.speiser@dpw.com
Subject: Host Marriott/WTC

Marty:

hello, I hope you are well. I was just following-up to see if you received a recorded copy of the Memorandum of Right of First Offer. If you could please let me know I would be very grateful.

Also, please let me know if all of the transfer tax returns were accepted for filing.

Thanks very much, Bernadette

Bernadette M. Sullivan
Legal Assistant Coordinator Real Estate
Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
Room: 2118-B
Tel: 212-450-4657
Fax: 212-450-3657
Email: Bernadette.Sullivan@dpw.com

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NYC DEPARTMENT OF FINANCE
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2003120802184002001E4492

RECORDING AND ENDORSEMENT COVER PAGE

Document ID: 2003120802184002 Document Date: 11-25-2003 Preparation Date: 12-10-2003
Document Type: AGREEMENT
Document Page Count: 6

PRESENTER:	**RETURN TO:**
FIRST AMERICAN TITLE INSURANCE 633 THIRD AVENUE NEW YORK, NY 10017 300824893NYNYREC-CQ	DAVIS POLK & WARDWELL 450 LEXINGTON AVENUE NEW YORK, NY 10017 ATTN: THOMAS PATRICK DORE, JR., ESQ.

PROPERTY DATA

Borough	Block	Lot	Unit	Address
MANHATTAN	58	1	Entire Lot	3 WORLD TRADE CENTER

Property Type: INDUSTRIAL BUILDING

CROSS REFERENCE DATA

CRFN_____ *or* Document ID_____ *or* _____ Year ____ Reel ___ Page ____ *or* File Number_____

PARTIES

PARTY 1:	**PARTY 2:**
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY 225 PARK AVENUE SOUTH, 15TH FLOOR NEW YORK, NY 10003	HOST MARRIOTT, L.P. 6903 ROCKLEDGE DRIVE, SUITE 1500 BETHESDA, MD 20817

FEES AND TAXES

Mortgage			Recording Fee: $	67.00
Mortgage Amount:	$	0.00	Affidavit Fee: $	0.00
Taxable Mortgage Amount:	$	0.00	NYC Real Property Transfer Tax Filing Fee:	
Exemption:			$	50.00
TAXES:			NYS Real Estate Transfer Tax:	
County (Basic):	$	0.00	$	0.00
City (Additional):	$	0.00		
Spec (Additional):	$	0.00		
TASF:	$	0.00		
MTA:	$	0.00		
NYCTA:	$	0.00		
TOTAL:	$	0.00		

RECORDED OR FILED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK

Recorded/Filed 01-15-2004 11:36
City Register File No.(CRFN): 2004000028240

Rochelle Patrick

City Register Official Signature

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER

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FEES AND TAXES

Mortgage			Recording Fee: $	67.00
Mortgage Amount:	$	0.00	Affidavit Fee: $	0.00
Taxable Mortgage Amount:	$	0.00	NYC Real Property Transfer Tax Filing Fee:	
Exemption:			$	50.00
TAXES:			NYS Real Estate Transfer Tax:	
County (Basic):	$	0.00	$	0.00
City (Additional):	$	0.00		
Spec (Additional):	$	0.00		
TASF:	$	0.00		
MTA:	$	0.00		
NYCTA:	$	0.00		
TOTAL:	$	0.00		

#300824893
When recorded return to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Thomas Patrick Dore, Jr., Esq.

MEMORANDUM OF RIGHT OF FIRST OFFER

MEMORANDUM OF RIGHT OF FIRST OFFER (this "**Memorandum**"), dated as of the 25th day of November 2003, between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and HOST MARRIOTT, L.P. ("**Host**"), a Delaware limited partnership having an office at 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817.

WITNESSETH:

WHEREAS, the Port Authority is the owner of the World Trade Center facility in the Borough of Manhattan, City, County and State of New York, such facility being more particularly described as Lot 1, Block 58 on the tax map of the City of New York (as the same may be known from time to time, the "**World Trade Center**"); and

WHEREAS, the Port Authority and HMH WTC LLC, an affiliate of Host, have entered into a Settlement Agreement dated November 25th, 2003 (the "**Settlement Agreement**") pursuant to which the Port Authority has granted to Host a right of first offer;

NOW, THEREFORE, the Port Authority and Host agree and declare as follows:

SECTION 1. In consideration of, and upon and subject to, the terms, covenants, conditions and provisions reserved and set forth in the Settlement Agreement, the Port Authority has agreed that during the period prior to December 31, 2023, the Port Authority on behalf of itself, or its successors or assigns as the owner or operator of the World Trade Center, or any representative persons, bodies or committees thereof, or any lessee thereof, has granted Host a Right of First Offer, as defined in the Settlement Agreement, with respect to the development of a hotel at the World Trade Center.

3 World Trade Center, New York, N.Y
Block: 58 Lot: 1

SECTION 2. All of the terms, covenants, conditions and provisions of the Settlement Agreement are incorporated in this Memorandum by reference as though written out at length herein, and the Settlement Agreement and this Memorandum shall be deemed to constitute a single instrument or document. In the event of any inconsistency between the Settlement Agreement and this Memorandum, the Settlement Agreement shall control.

SECTION 3. The Settlement Agreement and this Memorandum shall be binding upon and inure to the benefit of the Port Authority, Host and their respective successors and assigns, and all references in the Settlement Agreement and this Memorandum to the "Port Authority" or "Host" shall include the respective successors and assigns of such parties.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Port Authority and Host have caused this Memorandum to be duly executed, acknowledged and delivered as of the date first above written.

HOST MARRIOTT, L.P. by
Host Marriott Corporation, its general partner

By: _____
Name: James F. Risolo
Title: Executive Vice President

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: _____
Name: Ernesto L. Butler
Title: Chief Operating Officer

APPROVED	
TERMS	FORM

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Within New York State)

STATE OF New York)
ss.:
COUNTY OF New York)

On this 25th day of November, in the year 2003, before me, the undersigned, personally appeared James F. Risolco, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(~~s~~) whose name(~~s~~) is (~~are~~) subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument, the individual(~~s~~), or the person upon behalf of which the individual(~~s~~) acted, executed the instrument.

Bernadette M. Sullivan
Notary Public

SEAL

[Notary Seal]

BERNADETTE M. SULLIVAN
Notary Public, State of New York
No. 01SU4813940
Qualified in New York County
Commission Expires June 30, 2006

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Within New York State)

STATE OF New York)
ss.:
COUNTY OF New York)

On this 25th day of November, in the year 2003, before me, the undersigned, personally appeared Ernesto J. Butcher, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Linda C Handel
Notary Public

SEAL

[Notary Seal]

LINDA C HANDEL
My Commission Expires
January 3 2006
No. 01HA6035589

(NY) 12512/014/SETTLEMENT/final.memo.rofo.doc

When recorded return to:

The Port Authority of New York and New Jersey
225 Park Avenue South – 15th Floor
New York, New York 10003
Attention: James T. Connors

SURRENDER AND TERMINATION OF LEASE AGREEMENT AND DISCHARGE OF MEMORANDUM OF LEASE

SURRENDER AND TERMINATION OF LEASE AGREEMENT AND DISCHARGE OF MEMORANDUM OF LEASE (this "**Agreement**") entered into this 26th day of November, 2003 between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY ("**Lessor**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and HMH WTC LLC ("**Lessee**"), a Delaware limited liability company having an office at 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817.

WITNESSETH:

WHEREAS, Lessee and Lessor are parties to an Agreement of Lease dated as of December 21, 1995, as amended by the Waiver and Consent Agreement between Lessor and Lessee dated as of October 1998, the Agreement among Lessor, Lessee and CCMH World Trade Ctr. LLC dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between Lessor and Lessee, and the Privilege Permit granted by Lessor to Lessee dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which Lessor leases to Lessee the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**") and certain premises in and around the Hotel to Lessee (as more particularly described on Exhibit A, the "**Premises**");

WHEREAS, a memorandum of lease in connection with the Lease was recorded in the office of the City Register, New York County, on December 29, 1995 in Reel 2276, page 1540 (the "**Memorandum of Lease**"); and

WHEREAS, Lessor and Lessee desire to terminate the Lease and discharge the Memorandum of Lease;

WHEREAS, all necessary actions and approvals required to be taken or obtained by either party in order to terminate the Lease have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and provisions hereinafter set forth, Lessor and Lessee hereby covenant and agree as follows:

SECTION 1. Surrender of Lease. Effective at 11:59 o'clock P.M. on the date immediately preceding the date hereof (the "**Effective Time**") Lessee has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Lessor, its successors and assigns, forever the premises under the Lease and the term of years with respect thereto yet to come, and has given, granted and surrendered and by these presents does give, grant and surrender to the Lessor, its successors and assigns, all of Lessee's right, title and interest under the Lease, including, without limitation, all the rights, rights of renewal, licenses, privileges and, options of the Lessee granted by the Lease with respect to the premises, to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options, and all Lessee's estate under the Lease and in and to the Premises shall be wholly extinguished, merged, and determined as of the Effective Time and Lessor accepts such surrender. Lessor and Lessee hereby declare and agree that the Premises shall be, and are, released and discharged from the operation of the Lease, all as of the Effective Time.

SECTION 2. Lessee's Interest. Lessee hereby covenants that Lessee has not done or suffered to be done anything whereby the estate of Lessee under the Lease has been encumbered in any way whatsoever; that Lessee has good right to surrender the same; that the Lessee is the sole and absolute owner of the leasehold estate in the premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are free and clear of all liens and encumbrances of whatsoever nature, and that no one other than Lessee has acquired through or under Lessee any right, title or interest under the Lease or in or to the Premises or any part thereof that has not, or is not being, terminated on or before the date hereof.

SECTION 3. Termination of Lease and Discharge of Memorandum of Lease. Effective as of the date hereof, the Lease is terminated and of no further force and effect, the parties hereto agree that the Memorandum of Lease shall be discharged of record, at no cost to the Lessor and neither Lessor nor Lessee shall have any further liability under the Lease. Lessee shall provide Lessor with satisfactory evidence of such discharge of record promptly.

SECTION 4. Successors and Assigns. The covenants, agreements, terms, provisions and conditions contained in this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 5. No Personal Liability. Neither the Commissioners of Lessor, nor any Director of Lessee, nor officer, agent or employee of either Lessor or Lessee shall be charged personally by either party with any liability or be held liable to either party under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach hereof.

[The balance of this page has been intentionally left blank.]

Exhibit A

The Premises

(a) The following described space:

(i) the volume of space on the Service Level (Elevation 293.5'-309.5') of the World Trade Center (as defined below) described on Schedule A hereto;

(ii) the volume of space on the Concourse Level (Elevation 309.5'-331.5') of the World Trade Center described on Schedule A-1 hereto;

(iii) the volume of space on the Plaza Level (Elevation 331.5'-390.5') of the World Trade Center described on Schedule A-2 hereto;

(iv) the volume of space on the Plaza Level (Elevation 331.5'-585.0') of the World Trade Center described on Schedule A-3 hereto;

(v) the volume of space on the Service Level (Elevation 293.5'-309.5') of the World Trade Center described on Schedule A-4 hereto.

(b) The building constructed within the volumes of space described in subdivisions (i), (ii), (iii) and (iv) above and all other improvements, fixtures, machinery, apparatus and fittings affixed thereto which are considered real property by operation of law, and any additions thereto or replacement thereof in accordance with the Lease (the "**Building**");

(c) The foundation and column work constructed by the Port Authority upon which the Building now stands, together with the right of support and the right to use in common with the Port Authority the structural steel, columns, supports, foundation, footings and other structural elements constructed by the Port Authority.

The Premises are a part of the World Trade Center facility in the Borough of Manhattan, City, County and State of New York (the "**World Trade Center**"), such facility being more particularly described as Lot 1, Block 58 on the tax map of the City of New York.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

HMH WTC LLC

By: _____

Name: James F. Risolo

Title: Vice President

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Name: Ernesto L. Butcher

Title: Chief Operating officer

APPROVED

TERMS | FORM

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Within New York State)

STATE OF New York)
ss.:
COUNTY OF New York)

On this 26th day of November, in the year 2003, before me, the undersigned, personally appeared James F. Rocco, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(~~s~~) is (~~are~~) subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument, the individual(~~s~~), or the person upon behalf of which the individual(~~s~~) acted, executed the instrument.

Bernadette M. Sullivan
Notary Public
BERNADETTE M. SULLIVAN
Notary Public, State of New York
No. 01SU4813940
Qualified in New York County
Commission Expires June 30, 2006

[Notary Seal]

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Within New York State)

STATE OF New York)
COUNTY OF New York) ss.:

On this 25th day of November in the year 2003, before me, the undersigned, personally appeared Ernest L Barker, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Linda C Handel
Notary Public

[Notary Seal]

LINDA C HANDEL
My Commission Expires
January 3 2006
No. 01HA6035589

SCHEDULE A

December 20, 1995

VISTA INTERNATIONAL HOTEL
Service Level - Part I

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 293'-6" and an upper horizontal plane drawn at elevation 309'-6" bounded and described as follows:

BEGINNING at an interior point: said point being distant 5.16 feet easterly, as measured along the northerly line of Liberty Street, from the corner formed by the intersection of the easterly line of West Street with the northerly line of Liberty Street and 5.08 feet north of the northerly line of Liberty Street being the point of beginning of the description:

1) Running thence DUE NORTH, 4.59 feet;

2) Thence DUE WEST, 29.92 feet;

3) Thence N.3°-15'-00"E., 4.47 feet;

4) Thence N.16°-50'-00"W., 126.88 feet;

5) Thence N.37°-13'-00"W., 0.88 feet;

6) Thence N.52°-47'-00'E., 0.76 feet;

7) Thence northerly and easterly on the arc of a circle curving to the right whose radial line bears N.63°-10'-00"E., having a radius of 23.50 feet and an included angle of 116°-50'00", 47.92 feet to a point of tangency;

8) Thence DUE EAST, 21.51 feet to a point of curvature;

9) Thence easterly and northerly on the arc of a circle curving to the left having a radius of 55.65 feet and an included angle of 90°-00'-00", 87.41 feet to a point of tangency;

10) Thence DUE NORTH, 28.90 feet;

11) Thence DUE WEST, 0.60 feet;

12) Thence DUE NORTH, 3.35 feet;

13) Thence DUE EAST, 1.00 feet;

14) Thence DUE NORTH, 26.07 feet;

15) Thence DUE WEST, 1.00 feet;

16) Thence DUE NORTH, 3.33 feet;

17) Thence DUE EAST, 0.52 feet;

18) Thence DUE NORTH, 4.63 feet;

19) Thence S.89°-00'-00"E., 34.23 feet;

20) Thence DUE SOUTH, 42.48 feet;

21) Thence DUE EAST, 42.32 feet;

22) Thence DUE SOUTH, 13.05 feet;

23) Thence DUE EAST, 3.75 feet;

24) Thence DUE SOUTH, 1.90 feet;

December 20, 1995

25) Thence DUE EAST, 2.50 feet;

26) Thence DUE SOUTH, 3.50 feet;

27) Thence DUE WEST, 10.00 feet;

28) Thence DUE SOUTH, 13.27 feet;

29) Thence DUE EAST, 6.88 feet;

30) Thence DUE SOUTH, 79.63 feet;

31) Thence DUE WEST, 14.85 feet;

32) Thence DUE NORTH, 2.00 feet;

33) Thence DUE WEST, 1.69 feet;

34) Thence DUE SOUTH, 1.39 feet;

35) Thence DUE WEST, 8.30 feet;

36) Thence DUE SOUTH, 33.13 feet;

37) Thence DUE EAST, 8.30 feet;

38) Thence DUE SOUTH, 1.63 feet;

39) Thence DUE EAST, 1.69 feet;

40) Thence DUE NORTH, 0.05 feet;

41) Thence DUE EAST, 14.97 feet;

42) Thence DUE SOUTH, 10.79 feet;

43) Thence DUE WEST, 23.54 feet;

44) Thence DUE SOUTH, 1[illegible].27 feet;

45) Thence DUE WEST, 1.[illegible]0 feet;

46) Thence DUE SOUTH, 1.38 feet;

47) Thence DUE EAST, 1.50 feet;

48) Thence DUE SOUTH, 28.52 feet;

49) Thence DUE WEST, 1.71 feet;

50) Thence DUE SOUTH, 2.58 feet;

51) Thence DUE EAST, 1.71 feet;

52) Thence DUE SOUTH, 28.71 feet;

53) Thence DUE WEST, 1.92 feet;

54) Thence DUE SOUTH, 6.75 feet;

55) Thence DUE WEST, 27.39 feet;

56) Thence DUE NORTH, 3.45 feet;

57) Thence DUE WEST, 16.89 feet;

58) Thence DUE SOUTH, 4.62 feet;

59) Thence DUE WEST, 41.76 feet to the point or place of BEGINNING.

SCHEDULE A-1

December 20, 1995

VISTA INTERNATIONAL HOTEL

Concourse Level - Part I

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 309'-0" and an upper horizontal plane drawn at elevation 331'-6" bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly line of Liberty Street with the easterly line of West Street:

1) Running thence N.17°-54'-22"W., along the easterly line of West Street, 352.65 feet;

2) Thence DUE EAST, 5.30 feet;

3) Thence DUE NORTH, 4.71 feet;

4) Thence DUE EAST, 5.17 feet;

5) Thence DUE NORTH, 4.95 feet;

6) Thence DUE EAST, 50.64 feet;

7) Thence DUE SOUTH, 7.06 feet;

8) Thence DUE EAST, 4.75 feet;

9) Thence DUE NORTH, 7.06 feet;

10) Thence DUE EAST, 31.27 feet;

11) Thence DUE NORTH, 4.94 feet;

12) Thence DUE WEST, 2.30 feet;

13) Thence DUE NORTH, 21.33 feet;

14) Thence DUE EAST, 27.39 feet;

15) Thence DUE NORTH, 0.17 feet;

16) Thence DUE EAST, 55.00 feet;

17) Thence DUE SOUTH, 92.75 feet;

18) Thence DUE EAST, 49.38 feet;

19) Thence DUE SOUTH, 43.75 feet;

20) Thence DUE EAST, 1.36 feet;

21) Thence DUE SOUTH, 4.17 feet;

22) Thence DUE WEST, 2.08 feet;

23) Thence DUE SOUTH, 3.00 feet;

24) Thence DUE EAST, 2.08 feet;

25) Thence DUE SOUTH, 7.00 feet;

26) Thence DUE WEST, 2.08 feet;

27) Thence DUE SOUTH, 3.00 feet;

28) Thence DUE EAST, 2.08 feet;

December 20, 1995

29) Thence DUE SOUTH, 7.00 feet;

30) Thence DUE WEST, 2.08 feet;

31) Thence DUE SOUTH, 3.00;

32) Thence DUE EAST, 2.08 feet;

33) Thence DUE SOUTH, 7.00 feet;

34) Thence DUE WEST, 2.08 feet;

35) Thence DUE SOUTH, 3.00 feet;

36) Thence DUE EAST, 2.08 feet;

37) Thence DUE SOUTH, 7.00 feet;

38) Thence DUE WEST, 2.08 feet;

39) Thence DUE SOUTH, 3.00 feet;

40) Thence DUE EAST, 2.08 feet;

41) Thence DUE SOUTH, 7.00 feet;

42) Thence DUE WEST, 2.08 feet;

43) Thence DUE SOUTH, 3.00 feet;

44) Thence DUE EAST, 2.08 feet;

45) Thence DUE SOUTH, 7.00 feet;

46) Thence DUE WEST, 2.08 feet;

47) Thence DUE SOUTH, 3.00 feet;

48) Thence DUE EAST, 2.08 feet;

49) Thence DUE SOUTH, 7.00 feet;

50) Thence DUE WEST, 2.08 feet;

51) Thence DUE SOUTH, 3.00 feet;

52) Thence DUE EAST, 2.08 feet;

53) Thence DUE SOUTH, 7.00 feet;

54) Thence DUE WEST, 2.08 feet;

55) Thence DUE SOUTH, 3.00 feet;

56) Thence DUE EAST, 2.08 feet;

57) Thence DUE SOUTH, 7.00 feet;

58) Thence DUE WEST, 2.08 feet;

59) Thence DUE SOUTH, 0.54 feet;

60) Thence DUE WEST, 17.46 feet;

61) Thence DUE SOUTH, 1.50 feet;

62) Thence DUE WEST, 8.29 feet;

63) Thence DUE SOUTH, 33.13 feet;

December 20, 1995

64) Thence DUE EAST, 8.29 feet;

65) Thence DUE SOUTH, 1.67 feet;

66) Thence DUE EAST, 0.88 feet;

67) Thence DUE SOUTH, 13.96 feet;

68) Thence DUE WEST, 8.47 feet;

69) Thence DUE SOUTH, 63.46 feet;

70) Thence DUE EAST, 11.64 feet;

71) Thence DUE SOUTH, 14.75 feet;

72) Thence DUE WEST, 21.16 feet;

73) Thence DUE SOUTH, 6.00 feet;

74) Thence DUE EAST, 3.75 feet;

75) Thence DUE SOUTH, 6.00 feet, to a point in the northerly line of Liberty Street;

76) Thence DUE WEST, along the northerly line of Liberty Street, 86.63 feet to the point or place of BEGINNING

Excluding therefrom the following three below described parcels:

Concourse Level - Exclusion I

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 309'-6" and an upper horizontal plane drawn at elevation 317'-0" bounded and described as follows:

BEGINNING at a point in the easterly line of West Street distant 284.83 feet northerly from the corner formed by the intersection of the northerly line of Liberty Street with the easterly line of West Street:

1) Running thence N.17°-54'-22"W., along the easterly line of West Street, 32.58 feet;

2) Thence DUE EAST, 36.69 feet;

3) Thence DUE SOUTH, 31.00 feet;

4) Thence DUE WEST, 26.67 feet, to the point or place of BEGINNING.

December 20, 1995

Concourse Level - Exclusion II

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 309'-6" and an upper horizontal plane drawn at elevation 314'-6" bounded and described as follows:

BEGINNING at a point at the intersection of Courses 2 and 3 in Concourse Level - Exclusion I Description:

1) Running thence DUE EAST, 21.00 feet;

2) Thence DUE SOUTH, 31.00 feet;

3) Thence DUE WEST, 21.00 feet;

4) Thence DUE NORTH, 31.00 feet to the point or place of BEGINNING.

Concourse Level - Exclusion III

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 309'-6" and an upper horizontal plane drawn at elevation 311'-6" bounded and described as follows:

BEGINNING at a point at the intersection of Courses 1 and 2 in Concourse Level - Exclusion II Description:

1) Running thence DUE EAST, 14.00 feet;

2) Thence DUE SOUTH, 31.00 feet;

3) Thence DUE WEST, 14.00 feet;

4) Thence DUE NORTH, 31.00 feet to the point or place of BEGINNING.

Concourse Level Maintenance Easement

BEGINNING at the corner formed by the intersection of the northerly line of Liberty Street with the easterly line of West Street:

1) Running thence DUE EAST, along the northerly line of Liberty Street and its prolongation easterly, 105.12 feet;

2) Thence DUE SOUTH, 13.42 feet;

3) Thence DUE WEST, 100.05 feet to a point of curvature;

4) Thence westerly and northerly, on the arc of a circle curving to the right having a radius of 30.00 feet and an included angle of 72°-05'-38", 37.75 feet to a point of tangency;

5) Thence N.17°-54'-22"W., 369.19 feet;

6) Thence DUE EAST, 21.10 feet to a point in the easterly line of West Street;

7) Thence S.17°-54'-22"E., along the easterly line of West Street, 376.92 feet to the point or place of BEGINNING.

December 20, 1995

VISTA INTERNATIONAL HOTEL
Concourse Level - Part II

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 320'-6" and an upper horizontal plane drawn at elevation 331'-6" bounded and described as follows:

BEGINNING the intersection of courses 64 and 65 in Concourse Level Description - Part I:

1) Running thence DUE EAST, 5.12 feet;

2) Thence DUE SOUTH, 23.08 feet;

3) Thence DUE WEST, 12.72 feet;

4) Thence DUE NORTH, 7.46 feet;

5) Thence DUE EAST, 8.47 feet;

6) Thence DUE NORTH, 13.96 feet;

7) Thence DUE WEST, 0.88 feet;

8) Thence DUE NORTH, 1.67 feet to the point or place of BEGINNING.

SCHEDULE A-2

December 20, 1995

VISTA INTERNATIONAL HOTEL

Plaza Level - Part II

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 111'-6" and an upper horizontal plane drawn at elevation 190'-6" bounded and described as follows:

BEGINNING at a point in the northerly line of Liberty Street distant 76.39 feet easterly from the corner formed by the intersection of the northerly line of Liberty Street with the easterly line of West Street:

1) Thence N.17°-57'-35"W., 115.62 feet to a point of curvature;

2) Thence northerly and easterly on the arc of a circle curving to the right having a radius of 0.67 feet and an included angle of 90°-00'-00", 1.05 feet to a point of tangency;

3) Thence N.72°-02'-25"E., 9.33 feet to a point of curvature;

4) Thence easterly and northerly, on the arc of a circle curving to the left having a radius of 3.00 feet and an included angle of 90°-00"-00", 4.71 feet to a point of tangency;

5) Thence N.17°-57'-35"W., 24.54 feet to a point of curvature;

6) Thence northerly and westerly on the arc of a circle curving to the left having a radius of 3.00 feet and an included angle of 90°-00'-00", 4.71 feet to a point of tangency;

7) Thence S.72°-02'-25"W., 9.33 feet to a point of curvature;

8) Thence westerly and northerly on the arc of a circle curving to the right having a radius of 0.67 feet and an included angle of 90°-00'-00"; 1.05 feet to a point of tangency;

9) Thence N.17°-57'-35"W., 92.73 feet;

10) Thence N.8°-50'-14"W., 4.33 feet;

11) Thence DUE EAST, 26.36 feet;

12) Thence S.17°-55'-15"E., 8.30;

13) Thence N.72°-04'-45"E., 8.25 feet;

14) Thence S.17°-55'-15"E., 23.17;

15) Thence S.72°-04'-45"W., 8.25 feet;

16) Thence S.17°-55'-15"E., 6.71 feet;

17) Thence N.71°-59'-06"E., 56.13 feet, to a point of curvature

18) Thence easterly and southerly along the arc of a circle curving to the right having a radius of 3.00 feet and included angle of 108°-05'-19", 5.66 feet, to a point tangency;

19) Thence S.0°-04'-25"W., 90.49 feet;

20) Thence DUE EAST, 8.18 feet;

21) Thence DUE SOUTH, 120.50 feet;

22) Thence DUE WEST, partly along the northerly line of Liberty Street, 28.73 feet to the point or place of BEGINNING.

SCHEDULE A-3

December 20, 1995

VISTA INTERNATIONAL HOTEL

Plaza Level - Part I

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 331'-6" and an upper horizontal plane drawn at elevation 585'-0" bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly line of Liberty Street with the easterly line of West Street:

1) Running thence N.17°-54'-22"W., along the easterly line of West Street, 376.92 feet;

Thence DUE EAST, 42.17 feet;

Thence DUE SOUTH, 10.60 feet;

Thence S.89°-58'-49"E., 71.81 feet to a point of curvature;

Thence easterly and southerly on the arc of a circle curving to the right having a radius of 3.00 feet and an included angle of 90°-01'-22", 4.71 feet to a point of tangency;

Thence S.0°-02'-33"W., 108.12 feet;

Thence S.8°-50'-14"E., 8.51 feet;

8) Thence S. 17°-57'-35"E., 92.73 feet to a point of curvature;

9) Thence southerly and easterly on the arc of a circle curving to the left having a radius of 0.67 feet and included angle of 90°-00'-00", 1.05 feet to a point of tangency;

10) Thence N.72°-02'-25"E., 9.33 feet to a point of curvature;

11) Thence easterly and southerly, on the arc of a circle curving to the right having a radius of 3.00 feet and an included angle of 90°-00'-00", 4.71 feet to a point of tangency;

12) Thence S.17°-57'-35"E., 24.54 feet to a point of curvature;

13) Thence southerly and westerly on the arc of a circle curving to the right having a radius of 3.00 feet and an included angle of 90°-00'-00", 4.71 feet to a point of tangency;

14) Thence S.72°-02'-25"W., 9.33 feet to a point of curvature;

15) Thence westerly and southerly on the arc of a circle curving to the left having a radius of 0.67 feet and an included angle of 90°-00'-00", 1.05 feet to a point of tangency;

16) Thence S.17°-57'35"E., 115.62 feet to a point in the northerly line of Liberty Street;

17) Thence DUE WEST, along the northerly line of Liberty Street 76.39 feet to the point or place of BEGINNING.

December 20, 1995

VISTA INTERNATIONAL HOTEL

Descriptions

Street lines noted herein are in accordance with "Map showing a change in the street system, etc." dated February 23, 1967, ACC. No. 29910 and "Map showing a change in the street system, etc. dated February 24, 1967, ACC. No. 29911 adopted by the Board of Estimate on June 22, 1967 Cal. 1 and 2.

Elevations refer to datum used by the Port Authority of N.Y. and N.J. which is 297.347 feet below national geodetic survey vertical datum of 1929, mean sea level, Sandy Hook, New Jersey.

Bearings refer to the meridian used by the Port Authority of N.Y. and N.J. for "Hudson Tubes - World Trade Center area." This meridian is identical with that used by the Topographical Bureau, Borough of Manhattan.

December 20, 1995

Service Level - Part II

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 293'-6" and an upper horizontal plane drawn at elevation 309'-6" bounded and described as follows:

BEGINNING at a point: said point being distant 206.21 feet northerly from the corner formed by the intersection of the northerly line of Liberty Street with the easterly line of West Street as measured along the easterly line of West Street and 21.17 feet west of the easterly line of West Street as measured along a line running DUE WEST:

1) Running thence N. 17°-03'-00"W., 78.25 feet;

2) Thence DUE EAST, 101.53 feet, to a point of curvature;

3) Thence easterly and southerly on the arc of a circle curving to the right having a radius of 12.82 feet and an included angle of 90°-00'-00", 20.13 feet;

4) Thence DUE EAST, 0.60 feet;

5) Thence DUE SOUTH, 31.88;

6) Thence S.24°-05'-00"W., 27.44 feet to a point of curvature;

7) Thence southerly and westerly, on the arc of a circle curving to the right having a radius of 8.55 feet and an included angle of 65°-55'-00", 9.84 feet to a point of tangency;

8) Thence DUE WEST, 73.00 feet to the point or place of BEGINNING.

Service Level - Part III

BEGINNING at a point: said point being 2.89 feet south of the corner formed by the intersection of the northerly line of Liberty Street with the easterly line of West Street and 276.67 feet east of said corner:

1) Running thence DUE EAST, 11.95 feet;

2) Thence DUE SOUTH, 21.13 feet;

3) Thence DUE EAST, 5.03 feet;

4) Thence DUE SOUTH, 0.33 feet;

5) Thence DUE EAST, 1.92 feet;

6) Thence DUE NORTH, 0.33 feet;

7) Thence DUE EAST, 28.08 feet;

8) Thence DUE SOUTH, 0.33 feet;

9) Thence DUE EAST, 1.92 feet;

10) Thence DUE NORTH, 0.33 feet;

11) Thence DUE EAST, 28.08 feet;

12) Thence DUE SOUTH, 0.33 feet;

December 20, 1995

13) Thence DUE EAST, 1.92 feet;

14) Thence DUE NORTH, 0.33 feet;

15) Thence DUE EAST, 16.06 feet;

16) Thence DUE SOUTH, 45.20 feet;

17) Thence N.88°-49'-00"W., 94.98 feet;

18) Thence DUE NORTH, 64.37 feet to the point or place of BEGINNING.

FINANCE NEW • YORK
THE CITY OF NEW YORK DEPARTMENT OF FINANCE

PROPERTY OWNER'S REGISTRATION FORM

FOR OFFICE USE ONLY

NEW YORK CITY DEPARTMENT OF FINANCE CENTRAL REGISTRATION 25 ELM PLACE, 3RD FLOOR BROOKLYN, NY 11201

ONLY ONE (1) PROPERTY (BLOCK AND LOT) MAY BE REGISTERED WITH THIS CARD. MAKE PHOTOCOPIES IF YOU ARE REGISTERING MORE THAN ONE PROPERTY.

Type or print in ink. Additional instructions appear on the reverse side of this form.

PROPERTY OWNER'S INFORMATION (FOR GENERAL CORRESPONDENCE)

1. Borough the property is in: Manhattan Block: 58 Lot: P/01

Owner's name - FILL EITHER 2A OR 2B ONLY ▼

2a. Individual Owner FIRST M. I. LAST

2b. Business Owner
The Port Authority of New York and New Jersey

3. Owner's Residence or Company's Business Address
225 Park Avenue South, 15th Floor
City: New York State: NY Zip Code: 10003

4. Property Address
3 World Trade Center
City: New York State: NY Zip Code: 10048

5. If the property has more than one owner, check this box and see instructions - ☐

6. Owner's Tax Identification Number -
SSN (If owner is an individual or trust) OR EIN (If owner is a corporation or partnership)

7. Indicate owner's daytime telephone number: (212) 435-8242

BILLING INFORMATION - REAL ESTATE TAX BILLS

IF YOUR MORTGAGE PAYMENTS INCLUDE YOUR REAL ESTATE TAXES, FILL IN THE NAME AND ADDRESS OF YOUR BANK/LENDER IN THE SPACE PROVIDED IN 9 BELOW. IF NOT, FILL IN THE NAME AND ADDRESS TO WHICH YOU ARE CHOOSING TO HAVE REAL ESTATE TAX BILLS SENT.

8. Indicate to whom Real Estate Tax bills should be mailed (Check ✓ one) ▼

Bank/Lender ☐ Owner ☑ Tenant ☐ Agent ☐

If "TENANT" or "AGENT" is checked provide either Social Security Number or Employer Identification Number, whichever is applicable.

SOCIAL SECURITY NUMBER OR EMPLOYER IDENTIFICATION NUMBER

9. Name of Real Estate Tax Bill Recipient
The Port Authority of New York and New Jersey
Address
225 Park Avenue South, 15th Floor
City: New York State: NY Zip Code: 10003

Have you recently paid off your mortgage? (✓) ☐ Yes ☑ No

BILLING INFORMATION - SPECIAL ASSESSMENT BILLS

INDICATE TO WHOM SPECIAL ASSESSMENT BILLS SHOULD BE MAILED (SEE INSTRUCTIONS FOR LINE 10)

10. TYPE OF SPECIAL ASSESSMENT BILL:
Name of Recipient
The Port Authority of New York and New Jersey
Address
225 Park Avenue South, 15th Floor
City: New York State: NY Zip Code: 10003

Relationship of addressee to property (Check ✓ one) ▼

Owner ☑ Tenant ☐ Agent ☐

If "TENANT" is checked provide either Social Security Number or Employer Identification Number, whichever is applicable.

SOCIAL SECURITY NUMBER EMPLOYER IDENTIFICATION NUMBER

TYPE OF SPECIAL ASSESSMENT BILL:
Name of Recipient
Address
City State Zip Code

Relationship of addressee to property (Check ✓ one) ▼

Owner ☐ Tenant ☐ Agent ☐

If "TENANT" is checked provide either Social Security Number or Employer Identification Number, whichever is applicable.

SOCIAL SECURITY NUMBER EMPLOYER IDENTIFICATION NUMBER

11. Signature of owner or corporate officer (required by statute) 12. Date 11/25/03

If you need assistance in completing this form, please call Taxpayer Assistance at (718) 935-9500. Si usted necesita recibir asistencia en Español para llenar esto formulario, llame al (718) 935-9500 y solicite un Representante que hable Español.

NOTE: Water and Sewer Charge registration requires a different form. Contact the Bureau of Water and Energy Conservation at (718) 595-7000.

THE CITY OF NEW YORK

DEP

DEPARTMENT OF ENVIRONMENTAL PROTECTION

The City of New York
Department of Environmental Protection
Bureau of Customer and Conservation Services
59-17 Junction Boulevard
Corona, NY 11368-5107

Customer Registration Form for Water and Sewer Billing

Property Owner Information

(1) Property is located in the borough of: Manhattan

Block: ☐ ☐ ☐ 5 8 Lot: ☐ ☐ 0 1

Meter # (if available): ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

(2) Service Address:
Street 3 World Trade Center
City New York
State, Zip NY, 10048 - _____

(3) Mailing Address (if different from Service Address)
225 Park Avenue South, 15th Floor
New York
NY, 10003 - _____

(4) Owner's Name: Business: The Port Authority of New York and New Jersey **OR**
Individual: _____
(Last Name) (First Name) (MI)

(5) Owner's Telephone Number:
Residence: (____) _____ - _____ Business: (____) _____ - _____

Customer Billing Information

(Please provide the following information about the customer responsible for paying water/sewer bills at this premise.)

(6) Account Number (if available): _____

(7) Name: Business: The Port Authority of New York and New Jersey
Individual: _____ - _____ - _____
(Last Name) (First Name) (MI)

(8) Mailing Address:
Street 225 Park Avenue South, 15th Floor
City New York State NY Zip 10003

(9) Relationship of Customer to this premise (Check one) Agent: ____ Owner: ✔ Tenant: ____

Owner's Approval:

(The property owner must approve someone as a customer at this property. The failure by a Customer to pay the water/sewer bills will initiate "Delinquency" actions which may ultimately result in the property being taken over by the City or placed in a lien sale.)

(10) Owner's EIN OR SSN: _____

(11) Ernesto Butcher, Chief Operating Officer
(Print name and title if applicable)

(12) E. K. Butcher 11/25/03
(Signature) (Date)

MUTUAL RELEASE AGREEMENT

This MUTUAL RELEASE AGREEMENT (this "**Mutual Release**") dated as of the 25th day of November, 2003, is by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and FACTORY MUTUAL INSURANCE COMPANY ("**FMIC**"), a Rhode Island corporation having an office at 1301 Atwood Avenue, P.O. Box 7500, Johnston, Rhode Island 02919. The parties hereto are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**".

WITNESSETH:

WHEREAS, HMH WTC LLC ("**Host Marriott**") and the Port Authority are parties to an Agreement of Lease dated as of December 21, 1995, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which the Port Authority leases to Host Marriott the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**");

WHEREAS, FMIC issued insurance policy no. LP300 covering numerous hotels and property, including the Hotel, and providing coverage from April 1, 2001 to April 1, 2002 (the "**Policy**") insuring Host Marriott, among others;

WHEREAS, the Port Authority is a "loss payee" under the Policy as its interests may appear, but only to the extent contractually required;

WHEREAS, on September 11, 2001, terrorists committed an attack in the United States of America that involved the hijacking and crashing of four commercial jets destroying or damaging several buildings, including the Hotel (the "**Attack**");

WHEREAS, in order to resolve fully and finally all matters arising out of or in connection with the Lease and the Policy, Host Marriott and the Port Authority have entered into a Settlement Agreement dated November 25, 2003 (the "**Settlement Agreement**") and the Port Authority has assigned to Host Marriott all of its right, title and interest in and to any amount paid or payable by FMIC under the Policy (other than the $397,595 previously paid by FMIC to the Port Authority for artwork at the Hotel that was destroyed in the attack) (the "**Port Authority Assignment**"); and

WHEREAS, all necessary actions and approvals required to be taken or obtained by either the Port Authority or Host Marriott in order to enter into the Settlement Agreement and the transactions contemplated thereby have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, for and in consideration of the mutual covenants and premises contained herein, the Parties agree as follows:

SECTION 1. Mutual Release. Each Party, for itself and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents, hereby releases and forever discharges the other Party and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees, agents, insurers and reinsurers (collectively, the "**Released Parties**") from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, controversies, agreements, promises, damages (whether compensatory, punitive, statutory, interest, costs, attorneys' fees or otherwise), judgments, executions, claims, counterclaims, demands, and other forms of liability howsoever denominated, whether at law or in equity, whether based on contract, tort, statute or otherwise, which the releasing Party now owns or holds, has at any time heretofore owned or held or may hereafter own or hold against any one or more of the Released Parties as a result of, arising out of or relating in any way to the Policy. Nothing herein, however, shall derogate or diminish Host Marriott claims under the Policy, including by reason of the Port Authority Assignment.

SECTION 2. Further Assurances. The Parties agree to execute and deliver to each other such additional documents, and to do such other acts and things, all as the other Party may reasonably request for the purposes of carrying out the intent of this Mutual Release.

SECTION 3. Entire Agreement. This Mutual Release constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions (whether oral or written) of the Parties with respect to the subject matter hereof. This Mutual Release may only be amended by an instrument in writing executed by the Parties hereto.

SECTION 4. Successors and Assigns. This Mutual Release and all of the terms and provisions herein shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

SECTION 5. Representations and Warranties. (a) FMIC represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all necessary actions and approvals required to be taken or obtained by FMIC in order to enter into this Mutual Release have been taken and obtained; and (iii) all procedures for obtaining such approval have been followed and complied with in full.

(b) The Port Authority represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all actions necessary for the

due execution, delivery and performance of this Mutual Release have been taken, including approval by the Board of Commissioners of the Port Authority; and (iii) all procedures for obtaining approval or veto of the Governors of New York and New Jersey pursuant to NY CLS Unconsol. Ch. 151-A, §§1 *et seq.* and N.J.S.A. §§32:2-6 *et seq.* in order to enter into the Settlement Agreement and the transactions contemplated thereby have been complied with in full, including but not limited to (A) the timely delivery and transmittal to the Governors of New York and New Jersey of the minutes of the meeting of the Board of Commissioners of the Port Authority at which the transactions contemplated by the Settlement Agreement have been approved; and (B) the lapse of any and all periods during which the Governors of New York and New Jersey have an opportunity to review and veto any of the transactions contemplated by the Settlement Agreement.

SECTION 6. Counterparts. This Mutual Release may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be one and the same instrument.

SECTION 7. Governing Law. This Mutual Release shall be governed by, and construed in accordance with, the laws of the State of New York.

[The balance of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Mutual Release as of the date first written above.

FACTORY MUTUAL INSURANCE COMPANY

By: _____
Name: Jonathan W. Hall
Title: Senior Vice President

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: _____
Name: Ernesto L. Butler
Title: Chief Operating Officer

APPROVED

TERMS	FORM

FM Global

Factory Mutual Insurance Company
1301 Atwood Avenue
P.O. Box 7500 Johnston, RI 02919 USA
T: 401 275 3000 X: 1075 F: 401 275 3026
john.pomeroy@fmglobal.com

John J. Pomeroy
Senior Vice President
General Counsel & Secretary

November 25, 2003

Port Authority of New York and New Jersey
225 Park Avenue South, 18th Floor
New York, NY 10003

Re: Settlement Agreement dated November 25, 2003 between the Port Authority of New York and New Jersey (the "Port Authority") and HMC WTC LLC (the "Settlement Agreement") and related Mutual Release attached thereto between Port Authority and Factory Mutual Insurance Company (the "Mutual Release")

Dear Sirs:

In connection with the above-referenced agreements, you have requested my opinion, to be relied upon by you, as to the validity and enforceability of the Mutual Release to be entered into between us as contemplated by the Settlement Agreement.

The Mutual Release is a valid and binding obligation of FMIC under all applicable laws and regulations governing FMIC, and the execution by FMIC of the Mutual Release is valid and proper and meets with all the requirements of any applicable statute, rule or requirement. All governmental laws, rules, regulations, orders and directives have been complied with. All necessary permissions, approvals, consents and resolutions have been obtained. The Mutual Release is enforceable in accordance with its terms.

Very truly yours,

John J. Pomeroy

MUTUAL RELEASE AGREEMENT

This MUTUAL RELEASE AGREEMENT (this "**Mutual Release**") dated as of the 25th day of November, 2003, is by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, 15th Floor, New York, New York 10003, and MARRIOTT INTERNATIONAL, INC. ("**MI**"), a Delaware corporation having an office at 10400 Fernwood Road, Bethesda, Maryland 20817. The parties hereto are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**".

WITNESSETH:

WHEREAS, HMH WTC LLC ("**Host Marriott**") and the Port Authority are parties to an Agreement of Lease dated as of December 21, 1995, as evidenced by the memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and Host Marriott dated as of October 1998, the Agreement among the Port Authority, Host Marriott and CCMH World Trade Ctr. LLC (the "**Hotel Operating Tenant**") dated January 1, 2001, the Supplemental Agreement dated as of May 9, 2001 between the Port Authority and Host Marriott, and the Privilege Permit granted by the Port Authority to Host Marriott dated as of January 1, 1998 (collectively, the "**Lease**"), setting forth the terms and conditions pursuant to which the Port Authority leases to Host Marriott the hotel, including the assets therein, formerly located at 3 World Trade Center, New York, New York and known as the New York Marriott World Trade Center (the "**Hotel**");

WHEREAS, Host Marriott and West Street Hotels, Inc. (the "**Manager**"), a wholly-owned subsidiary of MI, are parties to an Amended and Restated Management Agreement dated as of February 23, 1996, as amended by the First Amendment to Amended and Restated Management Agreement dated as of December 6, 1996 between Host Marriott and the Manager, the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of December 31, 1998 among the Manager, Host Marriott and the Hotel Operating Tenant, and Amendment No. 1 to the Consent, Assignment and Assumption and Amendment of Management Agreement dated as of January 10, 2001 among the Manager, Host Marriott and the Hotel Operating Tenant (as amended, the "**Management Agreement**"), pursuant to which the Manager is responsible for managing the Hotel;

WHEREAS, Factory Mutual Insurance Company issued insurance policy no. LP300 covering numerous hotels and property, including the Hotel, and providing coverage from April 1, 2001 to April 1, 2002 (the "**Policy**") insuring, among others, MI, the Manager and Host Marriott;

WHEREAS, the Port Authority is a "loss payee" under the Policy as its interests may appear, but only to the extent contractually required;

WHEREAS, on September 11, 2001, terrorists committed an attack in the United States of America that involved the hijacking and crashing of four commercial jets destroying or damaging several buildings, including the Hotel (the "**Attack**");

WHEREAS, in order to resolve fully and finally all matters arising out of or in connection with the Lease and the Policy, Host Marriott and the Port Authority have entered into a Settlement Agreement dated November 25, 2003 (the "**Settlement Agreement**") and have agreed to a surrender and termination of the Lease; and

WHEREAS, all necessary actions and approvals required to be taken or obtained by either the Port Authority or Host Marriott in order to enter into the Settlement Agreement and the transactions contemplated thereby have been taken and obtained, and all procedures for obtaining approval or veto of the Governors of New York and New Jersey, including the lapsing of any veto periods, have been followed and complied with in full;

NOW, THEREFORE, for and in consideration of the mutual covenants and premises contained herein, the Parties agree as follows:

SECTION 1. Mutual Release. Each Party, for itself and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents, hereby releases and forever discharges the other Party and its predecessors, successors, present and former affiliates, subsidiaries, parents, assigns, commissioners, officers, directors, stockholders, employees and agents (collectively, the "**Released Parties**") from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, controversies, agreements, promises, damages (whether compensatory, punitive, statutory, interest, costs, attorneys' fees or otherwise), judgments, executions, claims, counterclaims, demands, and other forms of liability howsoever denominated, whether at law or in equity, whether based on contract, tort, statute or otherwise, which the releasing Party now owns or holds, has at any time heretofore owned or held or may hereafter own or hold against any one or more of the Released Parties as a result of, arising out of or relating in any way to the Settlement Agreement, the surrender and termination of the Lease, the Management Agreement, the Hotel, the Attack or the Policy.

SECTION 2. Further Assurances. The Parties agree to execute and deliver to each other such additional documents, and to do such other acts and things, all as the other Party may reasonably request for the purposes of carrying out the intent of this Mutual Release.

SECTION 3. Entire Agreement. This Mutual Release constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions (whether oral or written) of the Parties with respect to the subject matter hereof. This Mutual Release may only be amended by an instrument in writing executed by the Parties hereto.

SECTION 4. Successors and Assigns. This Mutual Release and all of the terms and provisions herein shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

SECTION 5. Representations and Warranties. (a) MI represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all necessary actions and approvals required to be taken or obtained by MI in order to enter into this Mutual Release have been taken and obtained; and (iii) all procedures for obtaining such approval have been followed and complied with in full.

(b) The Port Authority represents and warrants that (i) the execution, delivery and performance of this Mutual Release has been duly authorized; (ii) all actions necessary for the due execution, delivery and performance of this Mutual Release have been taken, including approval by the Board of Commissioners of the Port Authority; and (iii) all procedures for obtaining approval or veto of the Governors of New York and New Jersey pursuant to NY CLS Unconsol. Ch. 151-A, §§1 *et seq.* and N.J.S.A. §§32:2-6 *et seq.* in order to enter into the Settlement Agreement and the transactions contemplated thereby have been complied with in full, including but not limited to (A) the timely delivery and transmittal to the Governors of New York and New Jersey of the minutes of the meeting of the Board of Commissioners of the Port Authority at which the transactions contemplated by the Settlement Agreement have been approved; and (B) the lapse of any and all periods during which the Governors of New York and New Jersey have an opportunity to review and veto any of the transactions contemplated by the Settlement Agreement.

SECTION 6. Counterparts. This Mutual Release may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be one and the same instrument.

SECTION 7. Governing Law. This Mutual Release shall be governed by, and construed in accordance with, the laws of the State of New York.

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THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____
Name: Ernesto L. Butcher
Title: Chief Operating Officer

APPROVED
TERMS | FORM
SDC

IN WITNESS WHEREOF, the Parties have executed this Mutual Release as of the date first written above.

MARRIOTT INTERNATIONAL, INC.

By: James C. Fisher

Name: James C. Fisher

Title: Attorney-in-fact

EXHIBIT A

HOST MARRIOTT, LP
WIRING INSTRUCTIONS

The total funds wired at the direction of Host Marriott, LP should be sent in two wire transfers, as follows:

Wire Transfer I

Amount:	Sixty-six million dollars and no cents ($66,000,000.00).
Bank Name:	Citibank, N.A.
Bank Address:	399 Park Ave., New York, NY 10022
ABA:	021000089
Account Number:	
Beneficiary Name:	THE PORT AUTHORITY OF NY & NJ
Reference:	Host Marriott Settlement Proceeds

Wire Transfer II

Amount:	Two-hundred eighty-six million, seven-hundred fifty-two thousand, four-hundred and five dollars and no cents ($286,752,405.00).
Bank Name:	Bank of New York
Bank Address:	New York
ABA:	021-000-018
Account Number:	
Account Name:	Host Marriott, LP
Reference:	WTC/FC Settlement Proceeds

Office handling purchase or the Uniform Commercial Code

1. Debtor(s) (Last Name First and Address(es))
HMH WTC, Inc.
c/o Host Marriott Corporation
10400 Fernwood Road
Bethesda, Maryland
20817-1109

2. Secured Party(ies) Name(s) and Address(es)
The Port Authority of New York and New Jersey
One World Trade Center
New York, New York
10048

3. For Filing Officer (Date, Time, File Number, and Filing Office)
95 DEC 22 PM 1:52
95PH55221

5. This Financing Statement covers the following types (or items) of property:

See Schedule A attached hereto and made a part hereof

☐ Products of the Collateral are also covered.

6. Assignee(s) of Secured Party and Address(es)

7. ☐ The described crops are growing or to be grown on:*
☒ The described goods are or are to be affixed to:*
☐ The lumber to be cut or minerals or the like (including oil and gas) is on:*
*(Describe Real Estate Below)

8. Describe Real Estate Here: ☒ This statement is to be indexed in the Real Estate Records:

1-7 WTC
See Schedule B attached hereto and made a part hereof

9. Name of a Record Owner: Port Authority of New York and New Jersey

No. & Street | Town or City N.Y. | County N.Y. | Section 1 | Block 58 | Lot 1

10. This statement is filed without the debtor's signature to perfect a security interest in collateral (check appropriate box)
☐ under a security agreement signed by debtor authorizing secured party to file this statement, or
☐ which is proceeds of the original collateral described above in which a security interest was perfected, or
☐ acquired after a change of name, identity or corporate structure of the debtor, or ☐ as to which the filing has lapsed, or
already subject to a security interest in another jurisdiction:
☐ when the collateral was brought into the state, or ☐ when the debtor's location was changed to this state.

HMH WTC, INC.

By _____ Signature(s) of Debtor(s)

Port Authority

By _____ Signature(s) of Secured Party(ies)

(5/82) Filing Officer Copy-Acknowledgement
STANDARD FORM - FORM UCC-1 — Approved by Secretary of State of New York

To: **The Port Authority of New York And New Jersey**

CERTIFICATION OF NON-FOREIGN STATUS FOR ENTITIES

(As contemplated by Treasury Regulation Section 1.1445-2(b))

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee(s) that withholding of tax is not required upon the disposition of a U.S. real property interest by HMH WTC LLC, a Delaware limited liability company ("HMH WTC"), the undersigned hereby certifies the following:

1. HMH WTC is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. HMH WTC's U.S. Employer Identification number is 52-2095412;

3. HMH WTC's office address within the United States is:

   6903 Rockledge Drive
   Suite 1500
   Bethesda, Maryland 20817

HMH WTC understands that this certification may be disclosed to the Internal Revenue Service by transferee(s) and that any false statement contained herein could be punished by fine, imprisonment, or both.

[Remainder of page intentionally left blank]

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 I further declare that I have authority to sign this document on behalf of HMH WTC.

Dated: November 25th, 2003

HMH WTC LLC, a Delaware Limited Liability Company

By: _____
Name: James F. Risolec
Title: Vice President

STATE OF New York)
ss.:
COUNTY OF New York)

On November 25th, 2003 before me, Bernadette M. Sullivan personally appeared James F. Risolco personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/sh~~e/the~~y executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~) or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Bernadette M. Sullivan

My commission expires:

June 30, 2006

BERNADETTE M. SULLIVAN
Notary Public, State of New York
No. 01SU4813940
Qualified in New York County
Commission Expires June 30, 2006

HOST MARRIOTT
CORPORATION

December 1, 2003

Port Authority of New York and New Jersey
225 Park Avenue South, 18th Floor
New York, New York 10003

Re: **Settlement Agreement dated November 25, 2003 between The Port Authority of New York and New Jersey and HMH WTC LLC (the "Settlement Agreement")**

Ladies/Gentlemen:

I am General Counsel and Corporate Secretary of Host Marriott Corporation, a Maryland corporation ("Host Marriott"), and acted as counsel to Host Marriott, L.P., a Delaware limited partnership ("Host LP"), and HMH WTC LLC, a Delaware limited liability company ("HMH"; with Host LP, the "Host Entities"), in connection with the above-captioned Settlement Agreement.

On November 7, 2003 the Board of Directors of Host Marriott (the "Board") approved the settlement of all matters relating to the September 11, 2001 terrorist attacks and resulting destruction of the New York Marriott World Trade Center hotel. Under the approval provided by the Board, each of the Host Entities is authorized to enter into the Settlement Agreement and documents ancillary thereto and to perform its obligations thereunder.

Very truly yours,

Elizabeth A. Abdoo

Elizabeth A. Abdoo
Executive Vice President,
General Counsel and
Corporate Secretary

EAA:jhs

ELIZABETH A. ABDOO
EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL
6903 ROCKLEDGE DRIVE, SUITE 1500 BETHESDA, MD 20817 240-744-5150 FAX 240-744-5155
ELIZABETH.ABDOO@HOSTMARRIOTT.COM

First American Title Insurance Company of New York

633 Third Avenue
New York, New York 10017

Phone: (212) 922-9700
Fax: (212) 922-0881

TLE NUMBER: 3008-23413
SUBMITTED BY: Martin I Demsky
TYPED BY: Nicelyn C. Barley
APPLICATION DATE: 11/11/2003
REPORT DATE:
AMENDED DATE: 12/02/2003
RE-ISSUE TITLE NO.: 135NYNY14089

APPLICANT:
James P. McIntyre, Esq.
Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
Phone #(212) 450-4000
Fax #(212) 450-3800

BANK ATTORNEY:

SELLER'S ATTORNEY:

ADDITIONAL COPIES:

TRANSACTION TYPE: Search Package
AMOUNT OF INSURANCE:
FEE: $
MTGE: $

INSURED MORTGAGEE:
INSURED FEE:
RECORD OWNER: Port Authority of New York & New Jersey

PREMISES: 3 World Trade Center,
New York, New York

DISTRICT	SECTION	BLOCK	LOTS	COUNTY OF:
		58	Part of Lot 1	

FILED MAP:
APP DESC:
UNIT #:
SURVEY INSTRUCTIONS: None at Present

IF THIS IS A REFINANCE WITHIN TEN YEARS, YOU MAY BE ENTITLED TO A REDUCED PREMIUM. CONTACT THIS COMPANY IMMEDIATELY FOR DETAILS.

Order Confirmation

-SEE ATTACHED PRELIMINARY INVOICE FOR LIST OF CHARGES AND MUNICIPAL SEARCHES ORDERED-

CERTIFICATE OF TITLE

First American Title Insurance Company of New York

Title No. **3008-23413**

First American Title Insurance Company of New York ("the Company") certifies to the "proposed insured(s)" listed herein that an examination of title to the premises described in Schedule A has been made in accordance with its usual procedure and agrees to issue its standard form of title insurance policy authorized by the Insurance Department of the State of New York, in the amount set forth herein, insuring the interest set forth herein, and the marketability thereof, in the premises described in Schedule A, after the closing of the transaction in conformance with the requirements and procedures approved by the Company and after the payment of the premium and fees associated herewith excepting (a) all loss or damage by reason of the estates, interests, defects, objections, liens, encumbrances and other matters set forth herein that are not disposed of to the satisfaction of the Company prior to such closing or issuance of the policy (b) any question or objection coming to the attention of the Company before the date of closing, or if there be no closing, before the issuance of the policy.

This Agreement to insure shall terminate (1) if the prospective insured, his or her attorney or agent makes any untrue statement with respect to any material fact or suppresses or fails to disclose any material fact or if any untrue answers are given to material inquires by or on behalf of the Company; or (2) upon the issuance of title insurance in accordance herewith. In the event that this Certificate is endorsed and redated by an authorized representative of the Company after the closing of the transaction and payment of the premium and fees associated herewith, such "redated" Certificate shall serve as evidence of the title insurance issued until such time as a policy of title insurance is delivered to the insured. Any claim made under the redated Certificate shall be restricted to the conditions, stipulations and exclusions from coverage of the standard form of title insurance policy issued by the Company.

Countersigned

Authorized Signatory

First American Title Insurance Company of New York

President

By:

James M. Orphanides

CLOSING REQUIREMENTS

1. CLOSING DATE: In order to facilitate the closing of title, please notify the closing department at least 48 hours prior to the closing, of the date and place of closing, so that searches may be continued.

2. PROOF OF IDENTITY: Identity of all persons executing the papers delivered on the closing must be established to the satisfaction of the Company.

3. POWER OF ATTORNEY: If any of the closing instruments are to be executed pursuant to a Power of Attorney, a copy of Power should be submitted to the Company prior to closing. THE IDENTITY OF THE PRINCIPAL EXECUTING THE POWER AND THE CONTINUED EFFECTIVENESS OF THE POWER MUST BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY. The Power must be in recordable form.

4. CLOSING INSTRUMENTS: If any of the closing instruments will be other than commonly used forms or contain unusual provisions, the closing can be simplified and expedited by furnishing the Company with copies of the proposed documents in advance of closing.

5. LIEN LAW CLAUSE: Deeds and mortgages must contain the covenant required by Section 13 of the Lien Law. The covenant is not required in deeds from referees or other persons appointed by a court for the sole purpose of selling property.

6. REFERENCE TO SURVEYS AND MAPS: Closing instruments should make no reference to surveys or maps unless such surveys or maps are on file.

7. INTERMEDIARY DEEDS: In the event an intermediary will come into title at closing, other than the ultimate insured, the name of such party must be furnished to the Company in advance of closing so that appropriate searches can be made and relevant exceptions considered.

MISCELLANEOUS PROVISIONS

1. THIS CERTIFICATE IS INTENDED FOR LAWYERS ONLY. YOUR LAWYER SHOULD BE CONSULTED BEFORE TAKING ANY ACTION BASED UPON THE CONTENTS HEREOF.

2. THE COMPANY'S CLOSER MAY NOT ACT AS LEGAL ADVISOR FOR ANY OF THE PARTIES OR DRAW LEGAL INSTRUMENTS FOR THEM. THE CLOSER IS PERMITTED TO BE OF ASSISTANCE ONLY TO AN ATTORNEY.

the insured contemplates making improvements to the property costing more than twenty per centum of the amount of ance to be issued hereunder, we suggest that the amount of insurance be increased to cover the cost thereof; otherwise, in certain cases the insured will become a co-insurer.

4. Our policy will except from coverage any state of facts which an accurate survey might show, unless survey coverage is ordered. When such coverage is ordered, this certificate will set forth the specific survey exceptions which we will include in our policy. Whenever the word "trim" is used in any survey exceptions from coverage, it shall be deemed to include, roof cornices, mouldings, belt courses, water tables, keystones, pilasters, portico, balcony all of which project beyond the street line.

5. Our examination of the title includes a search for any unexpired financing statements which affect fixtures and which have been properly filed and indexed pursuant to the Uniform Commercial Code in the office of the recording officer of the county in which the real property lies. No search has been made for other financing statements because we do not insure title to personal property. We will on request, in connection with the issuance of a title insurance policy, prepare such search for an additional charge. Our liability in connection with such search is limited to $1,000.00.

6. This company must be notified immediately of the recording or the filing, after the date of this certificate, of any instrument and of the discharge or other disposition of any mortgage, judgment, lien or any other matter set forth in this certificate and of any change in the transaction to be insured or the parties thereto. The continuation will not otherwise disclose the disposition of any lien.

7. If affirmative insurance is desired regarding any of the restrictive covenants with respect to new construction or alterations, please request such insurance in advance of closing as this request should not be considered at closing.

8. If it is discovered that there is additional property or an appurtenant easement for which insurance is desired, please contact the Company in advance of closing so that an appropriate title search may be made. In some cases, our rate manual ides for an additional charge for such insurance.

First American Title Insurance Company of New York

633 Third Avenue
New York, New York 10017

Phone: (212) 922-9700
Fax: (212) 922-0881

NEW YORK CITY OPERATIONS

	DIRECT DIAL	DIRECT FAX	E-MAIL ADDRESS
CLEARANCE/LEGAL			
SENIOR UNDERWRITING COUNSEL			
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CLEARANCE OFFICERS			
Stephanie Butler	(212) 850-0680		sbutler@firstam.com
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David M. Smedley	(212) 850-0658		dsmedley@firstam.com
CONDOMINIUMS			
Gail T. Heiner, Manager	(212) 850-0699		gheiner@firstam.com
Jensen Ambachen	(212) 551-9480		jambachen@firstam.com
BUILDING LOAN, CLOSINGS			
Marilyn Wilson	(212) 850-0633		
DEPARTMENTALS/MUNICIPALS			
Mary Lettieri	(212) 551-9421		
POLICY PRODUCTION			
Marilyn Wilson	(212) 850-0633		
Marie St. Fleur	(212) 922-9700		
SURVEYS			
Adrienne Czaplinski	(212) 850-0605		
R. Kristofer Claps	(212) 551-9481		
Jordan Zelniker	(212) 551-9413		
SPECIAL SERVICES			
Veronica Kearney	(212) 850-0655		
Barbara Flohn	(212) 551-9425		
RECORDINGS			
Jorge Gamboa	(212) 850-0654		
Ana Sanchez	(212) 850-0652		

First American Title Insurance Company of New York

,posed Insured		Title No.:	3008-23413
Purchaser:	Certificate of Title	Effective Date:	11/15/2003
Mortgagee:		Redated:	

Amount of Insurance:
Fee:
Mortgage:

THIS COMPANY CERTIFIES that a good and marketable title to the premises described in Schedule "A", subject to the liens, encumbrances and other matter, if any, set forth in this certificate may be conveyed and or mortgaged by:

AS TO THE FEE INTEREST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY,
formerly known as THE PORT OF NEW YORK AUTHORITY

which acquired title by a final decree of condemnation under Index No. 41716/65 dated 6/17/70; and by deed from The City of New York, dated 1/31/68 and recorded 2/2/68 in Reel 373 Page 34 (as to closed streets).

AS TO THE GROUND LEASE OF PREMISES KNOWN AS THE HOST MARRIOTT HOTEL

Lease made by and between The Port Authority of New York and New Jersey, and HMW WTC, Inc., a memorandum of which is dated as of 12/21/95 and recorded 12/29/95 in Reel 2276 Page 1540, is a valid and subsisting lease upon the mises therein described for the unexpired term thereof and can be assigned and/or mortgaged by: HMC WTC, Inc., being recited as a Delaware corporation.

Premises described in Schedule "A" are known as:

Address:	The Host Marriott Hotel 3 World Trade Center New York, New York		
County:	New York	City:	New York
District:			
Section:			
Block:	58		
Lot:	Part of Lot 1		

For any Title Clearance Questions
on this Report please call
Michael J. Berey
(212) 922-9700

First American Title Insurance Company of New York

Title No. 3008-23413

SCHEDULE "A"

PLAZA LEVEL - PART I

ALL THAT PORTION OF THE PARCEL BELOW DESCRIBED LYING BETWEEN A LOWER HORIZONTAL PLANE DRAWN AT ELEVATION 331'-6" AND AN UPPER HORIZONTAL PLANE DRAWN AT ELEVATION 585'-0" BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF LIBERTY STREET WITH THE EASTERLY LINE OF WEST STREET:

1) RUNNING THENCE N.17°-54'-22"W., ALONG THE EASTERLY LINE OF WEST STREET, 376.92 FEET;

2) THENCE DUE EAST, 42.17 FEET;

3) THENCE DUE SOUTH, 10.60 FEET;

4) THENCE S.89°-58'-49"E., 71.81 FEET TO A POINT OF CURVATURE;

5) THENCE EASTERLY AND SOUTHERLY ON THE ARC OF A CIRCLE CURVING TO THE RIGHT HAVING A RADIUS OF 3.00 FEET AND AN INCLUDED ANGLE OF 90°-01'-22", 4.71 FEET TO A POINT OF TANGENCY;

6) THENCE S.0°-02'-33"W., 108.12 FEET;

7) THENCE S.8°-50'-14"E., 8.51 FEET;

8) THENCE S. 17°-57'-35"E., 92.73 FEET TO A POINT OF CURVATURE;

9) THENCE SOUTHERLY AND EASTERLY ON THE ARC OF A CIRCLE CURVING TO THE LEFT HAVING A RADIUS OF 0.67 FEET AND INCLUDED ANGLE OF 90°-00'-00", 1.05 FEET TO A POINT OF TANGENCY;

10) THENCE N.72°- 02'-25"E., 9.33 FEET TO A POINT OF CURVATURE;

11) THENCE EASTERLY AND SOUTHERLY, ON THE ARC OF A CIRCLE CURVING TO THE RIGHT HAVING A RADIUS OF 3.00 FEET AND AN INCLUDED ANGLE OF 90°-00'-00", 4.71 FEET TO A POINT OF TANGENCY;

12) THENCE S.17°-57'-35"E., 24.54 FEET TO A POINT OF CURVATURE;

13) THENCE SOUTHERLY AND WESTERLY ON THE ARC OF A CIRCLE CURVING TO THE RIGHT HAVING A RADIUS OF 3.00 FEET AND AN INCLUDED ANGLE OF 90°-00'-00", 4.71 FEET TO A POINT OF TANGENCY;

14) THENCE S.72°-02'-25"W., 9.33 FEET TO A POINT OF CURVATURE;

15) THENCE WESTERLY AND SOUTHERLY ON THE ARC OF A CIRCLE CURVING TO THE LEFT HAVING A RADIUS OF 0.67 FEET AND AN INCLUDED ANGLE OF 90°-00'-00", 1.05 FEET TO A POINT OF TANGENCY;

16) THENCE S.17°-57'-35"E., 115.52 FEET TO A POINT IN THE NORTHERLY LINE OF LIBERTY STREET;

17) THENCE DUE WEST, ALONG THE NORTHERLY LINE OF LIBERTY STREET, 76.39 FEET TO THE POINT OR

PLACE OF BEGINNING.

PLAZA LEVEL- PART II

ALL THAT PORTION OF THE PARCEL BELOW DESCRIBED LYING BETWEEN A LOWER HORIZONTAL PLANE DRAWN AT ELEVATION 331'-6" AND AN UPPER HORIZONTAL PLANE DRAWN AT ELEVATION 390'-6" BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF LIBERTY STREET DISTANT 76.39 FEET EASTERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF LIBERTY STREET WITH THE EASTERLY LINE OF WEST STREET:

1) THENCE N.17°-57'-35"W., 115.62 FEET TO A POINT OF CURVATURE;

2) THENCE NORTHERLY AND EASTERLY ON THE ARC OF A CIRCLE CURVING TO THE RIGHT HAVING A RADIUS OF 0.67 FEET AND AN INCLUDED ANGLE OF 90°-00'-00", 1.05 FEET TO A POINT OF TANGENCY;

3) THENCE N.72°-02'-25"E., 9.33 FEET TO A POINT OF CURVATURE;

4) THENCE EASTERLY AND NORTHERLY, ON THE ARC OF A CIRCLE CURVING TO THE LEFT HAVING A RADIUS OF 3.00 FEET AND AN INCLUDED ANGLE OF 90°-00'-00", 4.71 FEET TO A POINT OF TANGENCY;

5) THENCE N.17°-57'-35"W., 24.54 FEET TO A POINT OF CURVATURE;

6) THENCE NORTHERLY AND WESTERLY ON THE ARC OF A CIRCLE CURVING TO THE LEFT HAVING A RADIUS OF 3.00 FEET AND AN INCLUDED ANGLE OF 90°-00'-00", 4.71 FEET TO A POINT OF TANGENCY;

7) THENCE S.72°-02'-25"W., 9.33 FEET TO A POINT OF CURVATURE;

8) THENCE WESTERLY AND NORTHERLY ON THE ARC OF A CIRCLE CURVING TO THE RIGHT HAVING A RADIUS OF 0.67 FEET AND AN INCLUDED ANGLE OF 90°-00'-00"; 1.05 FEET TO A POINT OF TANGENCY;

9) THENCE N.17°-57'-35"W., 92.73 FEET;

10) THENCE N.8°-50'-14"W., 4.33 FEET;

11) THENCE DUE EAST, 26.36 FEET;

12) THENCE S.17°-55'-15"E., 8.30;

13) THENCE N.72°-04'-45"E., 8.25 FEET;

14) THENCE S.17°-55'-15"E., 23.17;

15) THENCE S.72°-04'-45"W., 8.25 FEET;

16) THENCE S.17°-55'-15"E., 6.71 FEET;

17) THENCE N.71°-59'-06"E., 56.13 FEET, TO A POINT OF CURVATURE;

18) THENCE EASTERLY AND SOUTHERLY ALONG THE ARC OF A CIRCLE CURVING TO THE RIGHT HAVING A RADIUS OF 3.00 FEET AND AN INCLUDED ANGLE OF 108°-05'-19", 5.66 FEET, TO A POINT OF TANGENCY;

19) THENCE S.0°-04'-25"W., 90.49 FEET;

20) THENCE DUE EAST, 8.18 FEET;

21) THENCE DUE SOUTH, 120.50 FEET;

22) THENCE DUE WEST, PARTLY ALONG THE NORTHERLY LINE OF LIBERTY STREET, 28.73 FEET TO THE POINT OR PLACE OF BEGINNING.

CONCOURSE LEVEL - PART I

ALL THAT PORTION OF THE PARCEL BELOW DESCRIBED LYING BETWEEN A LOWER HORIZONTAL PLANE DRAWN AT ELEVATION 309'-6" AND AN UPPER HORIZONTAL PLANE DRAWN AT ELEVATION 331'-6" BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF LIBERTY STREET WITH THE EASTERLY LINE OF WEST STREET:

1) RUNNING THENCE N.17°54'22"W., ALONG THE EASTERLY LINE OF WEST STREET, 352.65 FEET;

2) THENCE DUE EAST, 5.30 FEET;

3) THENCE DUE NORTH, 4.71 FEET;

4) THENCE DUE EAST, 5.17 FEET;

5) THENCE DUE NORTH, 4.95 FEET;

6) THENCE DUE EAST, 50.64 FEET:

7) THENCE DUE SOUTH, 7.06 FEET;

8) THENCE DUE EAST, 4.75 FEET;

9) THENCE DUE NORTH, 7.06 FEET;

10) THENCE DUE EAST, 31.27 FEET;

11) THENCE DUE NORTH, 4.94 FEET;

12) THENCE DUE WEST, 2.30 FEET;

13) THENCE DUE NORTH, 21.33 FEET;

14) THENCE DUE EAST, 27.39 FEET;

15) THENCE DUE NORTH, 0.17 FEET;

16) THENCE DUE EAST, 55.00 FEET;

17) THENCE DUE SOUTH, 92.75 FEET;

18) THENCE DUE EAST, 49.38 FEET;

19) THENCE DUE SOUTH, 43.75 FEET;

20) THENCE DUE EAST, 1.36 FEET;

21) THENCE DUE SOUTH, 4.17 FEET;

22) THENCE DUE WEST, 2.08 FEET;

23) THENCE DUE SOUTH, 3.00 FEET;

24) THENCE DUE EAST, 2.08 FEET;

25) THENCE DUE SOUTH, 7.00 FEET;

26) THENCE DUE WEST, 2.08 FEET;

27) THENCE DUE SOUTH, 3.00 FEET;

28) THENCE DUE EAST, 2.08 FEET;

29) THENCE DUE SOUTH, 7.00 FEET;

30) THENCE DUE WEST, 2.08 FEET;

31) THENCE DUE SOUTH, 3.00;

32) THENCE DUE EAST, 2.08 FEET;

33) THENCE DUE SOUTH, 7.00 FEET;

34) THENCE DUE WEST, 2.08 FEET;

35) THENCE DUE SOUTH, 3.00 FEET;

36) THENCE DUE EAST, 2.08 FEET;

37) THENCE DUE SOUTH, 7.00 FEET;

38) THENCE DUE WEST, 2.08 FEET;

39) THENCE DUE SOUTH, 3.00 FEET;

40) THENCE DUE EAST, 2.08 FEET;

41) THENCE DUE SOUTH, 7.00 FEET

42) THENCE DUE WEST, 2.08 FEET;

43) THENCE DUE SOUTH, 3.00 FEET;

44) THENCE DUE EAST, 2.08 FEET;

45) THENCE DUE SOUTH, 7.00 FEET;

46) THENCE DUE WEST, 2.08 FEET;

47) THENCE DUE SOUTH, 3.00 FEET;

48) THENCE DUE EAST, 2.08 FEET;

49) THENCE DUE SOUTH, 7.00 FEET;

50) THENCE DUE WEST, 2.08 FEET;

51) THENCE DUE SOUTH, 3.00 FEET;

52) THENCE DUE EAST, 2.08 FEET;

53) THENCE DUE SOUTH, 7.00 FEET;

54) THENCE DUE WEST, 2.08 FEET;

55) THENCE DUE SOUTH, 3.00 FEET;

56) THENCE DUE EAST, 2.08 FEET;

57) THENCE DUE SOUTH, 7.00 FEET;

58) THENCE DUE WEST, 2.08 FEET;

59) THENCE DUE SOUTH, 0.54 FEET;

60) THENCE DUE WEST, 17.46 FEET;

61) THENCE DUE SOUTH, 1.50 FEET;

62) THENCE DUE WEST, 8.29 FEET;

63) THENCE DUE SOUTH, 33.13 FEET;

64) THENCE DUE EAST, 8.29 FEET;

65) THENCE DUE SOUTH, 1.67 FEET;

66) THENCE DUE EAST, 0.88 FEET;

67) THENCE DUE SOUTH, 13.96 FEET;

68) THENCE DUE WEST, 8.47 FEET;

69) THENCE DUE SOUTH, 63.46 FEET;

70) THENCE DUE EAST, 11.64 FEET;

71) THENCE DUE SOUTH, 14.75 FEET;

72) THENCE DUE WEST, 21.16 FEET;

73) THENCE DUE SOUTH, 6.00 FEET;

74) THENCE DUE EAST, 3.75 FEET;

75) THENCE DUE SOUTH, 6.00 FEET, TO A POINT IN THE NORTHERLY LINE OF LIBERTY STREET;

76) THENCE DUE WEST, ALONG THE NORTHERLY LINE OF LIBERTY STREET, 86.63 FEET TO THE POINT OR PLACE OF BEGINNING.

EXCLUDING THEREFROM THE FOLLOWING THREE BELOW DESCRIBED PARCELS:

CONCOURSE LEVEL - EXCLUSION I

ALL THAT PORTION OF THE PARCEL BELOW DESCRIBED LYING BETWEEN A LOWER HORIZONTAL PLANE DRAWN AT ELEVATION 309'-6" AND AN UPPER HORIZONTAL PLANE DRAWN AT ELEVATION 317'-0" BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF WEST STREET DISTANT 284.83 FEET NORTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF LIBERTY STREET WITH THE EASTERLY LINE OF WEST STREET:

1) RUNNING THENCE N.17°-54'-22"W., ALONG THE EASTERLY LINE OF WEST STREET, 32.58 FEET;

2) THENCE DUE EAST, 36.69 FEET;

3) THENCE DUE SOUTH, 31.00 FEET;

4) THENCE DUE WEST, 26.67 FEET, TO THE POINT OR PLACE OF BEGINNING.

CONCOURSE LEVEL - EXCLUSION II

ALL THAT PORTION OF THE PARCEL BELOW DESCRIBED LYING BETWEEN A LOWER HORIZONTAL PLANE DRAWN AT ELEVATION 309'-6" AND AN UPPER HORIZONTAL PLANE DRAWN AT ELEVATION 314'-6" BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE INTERSECTION OF COURSES 2 AND 3 IN CONCOURSE LEVEL - EXCLUSION I DESCRIPTION:

1) RUNNING THENCE DUE EAST, 21.00 FEET;

2) THENCE DUE SOUTH, 31.00 FEET;

3) THENCE DUE WEST, 21.00 FEET;

4) THENCE DUE NORTH, 31.00 FEET TO THE POINT OR PLACE OF BEGINNING.

CONCOURSE LEVEL - EXCLUSION III

ALL THAT PORTION OF THE PARCEL BELOW DESCRIBED LYING BETWEEN A LOWER HORIZONTAL PLANE DRAWN AT ELEVATION 309'-6" AND AN UPPER HORIZONTAL PLANE DRAWN AT ELEVATION 311'-6" BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE INTERSECTION OF COURSES 1 AND 2 IN CONCOURSE LEVEL - EXCLUSION II DESCRIPTION:

1) RUNNING THENCE DUE EAST, 14.00 FEET;

2) THENCE DUE SOUTH, 31.00 FEET;

3) THENCE DUE WEST, 14.00 FEET;

4) THENCE DUE NORTH, 31.00 FEET TO THE POINT OR PLACE OF BEGINNING.

CONCOURSE LEVEL MAINTENANCE EASEMENT

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF LIBERTY STREET WITH THE EASTERLY LINE OF WEST STREET:

1) RUNNING THENCE DUE EAST, ALONG THE NORTHERLY LINE OF LIBERTY STREET AND ITS PROLONGATION EASTERLY, 105.12 FEET;

2) THENCE DUE SOUTH, 13.42 FEET;

3) THENCE DUE WEST, 100.05 FEET TO A POINT OF CURVATURE;

4) THENCE WESTERLY AND NORTHERLY, ON THE ARC OF A CIRCLE CURVING TO THE RIGHT HAVING A RADIUS OF 30.00 FEET AND AN INCLUDED ANGLE OF 72°-05'-38", 37.75 FEET TO A POINT OF TANGENCY;

5) THENCE N.17°-54'-22"W., 369.19 FEET;

6) THENCE DUE EAST, 21.10 FEET TO A POINT IN THE EASTERLY LINE OF WEST STREET;

7) THENCE S.17°-54'-22"E., ALONG THE EASTERLY LINE OF WEST STREET, 376.92 FEET TO THE POINT OR PLACE OF BEGINNING.

CONCOURSE LEVEL - PART II

ALL THAT PORTION OF THE PARCEL BELOW DESCRIBED LYING BETWEEN A LOWER HORIZONTAL PLANE DRAWN AT ELEVATION 320'-6" AND AN UPPER HORIZONTAL PLANE DRAWN AT ELEVATION 331'-6" BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING THE INTERSECTION OF COURSES 64 AND 65 IN CONCOURSE LEVEL DESCRIPTION - PART I:

1) RUNNING THENCE DUE EAST, 5.12 FEET;

2) THENCE DUE SOUTH, 23.08 FEET;

3) THENCE DUE WEST, 12.72 FEET;

4) THENCE DUE NORTH, 7.46 FEET;

5) THENCE DUE EAST, 8.47 FEET;

6) THENCE DUE NORTH, 13.96 FEET;

7) THENCE DUE WEST, 0.88 FEET;

8) THENCE DUE NORTH, 1.67 FEET TO THE POINT OR PLACE OF BEGINNING.

First American Title Insurance Company of New York

SERVICE LEVEL - PART I

ALL THAT PORTION OF THE PARCEL BELOW DESCRIBED LYING BETWEEN A LOWER HORIZONTAL PLANE DRAWN AT ELEVATION 293'-6" AND AN UPPER HORIZONTAL PLANE DRAWN AT ELEVATION 309'-6" BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT AN INTERIOR POINT: SAID POINT BEING DISTANT 5.16 FEET EASTERLY, AS MEASURED ALONG THE NORTHERLY LINE OF LIBERTY STREET, FROM THE CORNER FORMED BY THE INTERSECTION OF THE EASTERLY LINE OF WEST STREET WITH THE NORTHERLY LINE OF LIBERTY STREET AND 5.08 FEET NORTH OF THE NORTHERLY LINE OF LIBERTY STREET BEING THE POINT OF BEGINNING OF THE DESCRIPTION:

1) RUNNING THENCE DUE NORTH, 4.59 FEET;

2) THENCE DUE WEST, 29.92 FEET;

3) THENCE N.3°-15'-00"E., 4.47 FEET;

4) THENCE N.16°-50'-00"W., 126.88 FEET;

5) THENCE N.37°-13'-00"W., 0.88 FEET;

6) THENCE N.52°-47'-00"E., 0.76 FEET;

7) THENCE NORTHERLY AND EASTERLY ON THE ARC OF A CIRCLE CURVING TO THE RIGHT WHOSE RADIAL LINE BEARS N.63°-10'-00"E., HAVING A RADIUS OF 23.50 FEET AND AN INCLUDED ANGLE OF 116°-50'-0", 47.92 FEET TO A POINT OF TANGENCY;

8) THENCE DUE EAST, 21.51 FEET TO A POINT OF CURVATURE;

9) THENCE EASTERLY AND NORTHERLY ON THE ARC OF A CIRCLE CURVING TO THE LEFT HAVING A RADIUS OF 55.65 FEET AND AN INCLUDED ANGLE OF 90°-00'-00", 87.41 FEET TO A POINT OF TANGENCY;

10) THENCE DUE NORTH, 28.90 FEET;

11) THENCE DUE WEST, 0.60 FEET;

12) THENCE DUE NORTH, 3.35 FEET;

13) THENCE DUE EAST, 1.00 FEET;

14) THENCE DUE NORTH, 26.07 FEET;

15) THENCE DUE WEST, 1.00 FEET;

16) THENCE DUE NORTH, 3.33 FEET;

17) THENCE DUE EAST, 0.52 FEET;

18) THENCE DUE NORTH, 4.63 FEET;

19) THENCE S.89° -00'-00"E., 34.23 FEET;

20) THENCE DUE SOUTH, 42.48 FEET;

21) THENCE DUE EAST, 42.32 FEET;

22) THENCE DUE SOUTH, 13.05 FEET;

23) THENCE DUE EAST, 3.75 FEET;

24) THENCE DUE SOUTH, 1.90 FEET;

25) THENCE DUE EAST, 2.50 FEET;

26) THENCE DUE SOUTH, 3.50 FEET;

27) THENCE DUE WEST, 10.00 FEET;

28) THENCE DUE SOUTH, 13.27 FEET;

29) THENCE DUE EAST, 6.88 FEET;

30) THENCE DUE SOUTH, 79.63 FEET;

31) THENCE DUE WEST, 14.85 FEET;

32) THENCE DUE NORTH, 2.00 FEET;

33) THENCE DUE WEST, 1.69 FEET;

34) THENCE DUE SOUTH, 1.39 FEET;

35) THENCE DUE WEST, 8.30 FEET;

36) THENCE DUE SOUTH, 33.13 FEET;

37) THENCE DUE EAST, 8.30 FEET;

38) THENCE DUE SOUTH, 1.63 FEET;

39) THENCE DUE EAST, 1.69 FEET;

40) THENCE DUE NORTH, 0.05 FEET;

41) THENCE DUE EAST, 14.97 FEET;

42) THENCE DUE SOUTH, 10.79 FEET;

43) THENCE DUE WEST, 23.54 FEET;

44) THENCE DUE SOUTH, 19.27 FEET:

45) THENCE DUE WEST, 1.60 FEET;

46) THENCE DUE SOUTH, 1.38 FEET;

47) THENCE DUE EAST, 1.50 FEET;

48) THENCE DUE SOUTH, 28.52 FEET;

49) THENCE DUE WEST, 1.71 FEET;

50) THENCE DUE SOUTH, 2.58 FEET;

51) THENCE DUE EAST, 1.71 FEET;

52) THENCE DUE SOUTH, 28.71 FEET;

53) THENCE DUE WEST, 1.92 FEET;

54) THENCE DUE SOUTH, 6.75 FEET;

55) THENCE DUE WEST, 27.39 FEET;

56) THENCE DUE NORTH, 3.45 FEET;

57) THENCE DUE WEST, 16.89 FEET;

58) THENCE DUE SOUTH, 4.62 FEET:

59) THENCE DUE WEST, 41.76 FEET TO THE POINT OR PLACE OF BEGINNING.

SERVICE LEVEL - PART II

ALL THAT PORTION OF THE PARCEL BELOW DESCRIBED LYING BETWEEN A LOWER HORIZONTAL PLANE DRAWN AT ELEVATION 293'-6" AND AN UPPER HORIZONTAL PLANE DRAWN AT ELEVATION 309'-6" BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT: SAID POINT BEING DISTANT 206.21 FEET NORTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF LIBERTY STREET WITH THE EASTERLY LINE OF WEST STREET AS MEASURED ALONG THE EASTERLY LINE OF WEST STREET AND 21.17 FEET WEST OF THE EASTERLY LINE OF WEST STREET AS MEASURED ALONG A LINE RUNNING DUE WEST:

1) RUNNING THENCE N. 17°-03'-00"W., 78.25 FEET;

2) THENCE DUE EAST, 101.53 FEET, TO A POINT OF CURVATURE;

3) THENCE EASTERLY AND SOUTHERLY ON THE ARC OF A CIRCLE CURVING TO THE RIGHT HAVING A RADIUS OF 12.82 FEET AND AN INCLUDED ANGLE OF 90°-00'-00", 20.13 FEET;

4) THENCE DUE EAST, 0.60 FEET;

5) THENCE DUE SOUTH, 31.88;

6) THENCE S.24°-05'-00"W., 27.44 FEET TO A POINT OF CURVATURE;

7) THENCE SOUTHERLY AND WESTERLY, ON THE ARC OF A CIRCLE CURVING TO THE RIGHT HAVING A RADIUS OF 8.55 FEET AND AN INCLUDED ANGLE OF 65° -55'-00", 9.84 FEET TO A POINT OF TANGENCY;

8) THENCE DUE WEST, 73.00 FEET TO THE POINT OR PLACE OF BEGINNING.

First American Title Insurance Company of New York

SERVICE LEVEL - PART III

BEGINNING AT A POINT: SAID POINT BEING 2.89 FEET SOUTH OF THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF LIBERTY STREET WITH THE EASTERLY LINE OF THE WEST STREET AND 276.67 FEET EAST OF SAID CORNER:

1) RUNNING THENCE DUE EAST, 11.95 FEET;

2) THENCE DUE SOUTH, 21.13 FEET;

3) THENCE DUE EAST, 5.03 FEET;

4) THENCE DUE SOUTH, 0.33 FEET;

5) THENCE DUE EAST, 1.92 FEET;

6) THENCE DUE NORTH, 0.33 FEET;

7) THENCE DUE EAST, 28.08 FEET;

8) THENCE DUE SOUTH, 0.33 FEET;

9) THENCE DUE EAST, 1.92 FEET;

10) THENCE DUE NORTH, 0.33 FEET;

11) THENCE DUE EAST, 28.08 FEET;

12) THENCE DUE SOUTH, 0.33 FEET;

13) THENCE DUE EAST, 1.92 FEET;

14) THENCE DUE NORTH, 0.33 FEET;

15) THENCE DUE EAST, 16.06 FEET;

16) THENCE DUE SOUTH, 45.20 FEET;

17) THENCE N.88°-49'-00"W., 94.98 FEET;

18) THENCE DUE NORTH, 64.37 FEET TO THE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

First American Title Insurance Company of New York

Title No. 3008-23413

SCHEDULE "B"

THE POLICY WILL INCLUDE AS EXCEPTIONS TO TITLE THE FOLLOWING MATTERS UNLESS THEY ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY:

1. Rights of tenants or persons in possession, if any.

2. Taxes, tax liens, tax sales, water rates, sewer rents and assessments set forth herein.

   NOTE:

   Block 81456 Lot 16 is assessed to MTA – NYC Transit Authority
   Block 80499 Lot 2011 is assessed to Port Authority
   Block 70022 Lot 2 is assessed to Verizon
   Block 72511 Lot 11 is assessed to Bank of New York

3. Any state of facts which a guaranteed survey of current date would disclose.

4. There are no open mortgages of record. (See post)

5. Terms, provisions and easement as contained in Street Closing Agreement dated 6/6/67, by and between THE PORT OF NEW YORK AUTHORITY and THE CITY OF NEW YORK, recorded 11/16/67 in Record Liber 243 Page 350. (Exhibit A to follow)

   WITH REGARD THERETO:

   (a) Terms and provisions of an unrecorded Agreement dated 6/21/67, by and between THE PORT OF NEW YORK AUTHORITY and the CITY OF NEW YORK, as evidenced by recital contained in instrument set forth in sub-paragraph (d) below (supplements Agreement recorded in Record Liber 243 Page 350)

   (b) Release dated 1/31/68, by and between THE CITY OF NEW YORK and THE PORT OF NEW YORK AUTHORIYY, recorded 2/2/68 in Record Liber 273 Page 34. (Exhibit B)

   (c) Terms and provisions of an Agreement dated 3/19/70, by and between THE PORT OF NEW YORK AUTHORITY and THE CITY OF NEW YORK, recorded 3/19/70 in Reel 168 Page 765. (Exhibit C)

   (d) Assumption as contained in an Agreement dated 6/18/70, by and between THE CITY OF NEW YORK, party of the first part, THE PORT OF NEW YORK AUTHORITY, party of the second part, and BATTERY CITY AUTHORITY, party of the third part, recorded 10/29/75 in Reel 354 Page 650 (party of the third part assumes all obligations of the party of the first part under agreement in Record Liber 243 Page 350 insofar as they affect the Battery Park City Area). (Exhibit D)

   e) Terms and provisions of an Amendment as contained in an Agreement dated 8/4/76, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and THE CITY OF NEW YORK, recorded 1/12/77 in Reel 388 Page 1439 (amends Section 6.6 of the Street Closing Agreement). (Exhibit E)

First American Title Insurance Company of New York

Title No. 3008-23413

SCHEDULE "B"
(Continued)

6. Terms, provisions, right of entry and easements as contained in an Agreement dated 8/4/76, by and between THE CITY OF NEW YORK, FISHER LIBERTY CO., and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, recorded 1/2/77 in Reel 388 Page 1446. (Exhibit F)

7. Terms and provisions of an Easement Agreement dated 9/1/81, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, PORT AUTHORITY TRANS-HUDSON CORPORATION and BPC DEVELOPMENT CORPORATION and BATTERY PARK CITY AUTHORITY, recorded 10/27/81 in Reel 589 Page 868. (Exhibit G)

   WITH REGARD THERETO:

   (a) Amendment to Easement Agreement dated as of 2/8/82, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, party of the first part, PORT AUTHORITY TRANS-HUDSON CORPORATION, party of the second part, BPC DEVELOPMENT CORPORATION, party of the third part, and BATTERY PARK CITY AUTHORITY, party of the fourth part, recorded 2/3/84 in Reel 762 Page 45. (Exhibit H)

   (b) Terms and provisions of an Agreement dated as of 1/20/84, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, PORT AUTHORITY TRANS-HUDSON CORPORATION, BATTERY PARK CITY AUTHORITY, OLYMPIA & YORK PARK COMPANY, and OLYMPIA & YORK TOWER B COMPANY, recorded 2/3/84 in Reel 762 Page 52. (Exhibit I)

   (c) Second Amendment to Easement Agreement dated as of 1/20/84, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, party of the first part, PORT AUTHORITY TRANS-HUDSON CORPORATION (a subsidiary of the party of the first part), party of the second part, and BATTERY PARK CITY AUTHORITY party of the third part, recorded 2/3/84 in Reel 762 Page 65. (Exhibit J)

8. Terms, covenants, conditions and agreements contained in a lease made by and between The Port Authority of New York and New Jersey, Lessor, and HMH WTC, Inc., Lessee, a memorandum of which was dated as of 12/21/95 and recorded 12/19/95 in Reel 2276 Page 1540 (Exhibit K)

9. The following Notices of Appropriation were found:

   A) Notice of Appropriation filed by the Commissioner of Transportation of the State of New York dated 8/28/98 recorded 3/15/99 in Reel 2836 Page 628 (Exhibit L).

   B) Superceding Notice of Appropriation filed by the Commissioner of Transportation of the State of New York dated 8/28/98 recorded 3/15/99 in Reel 2836 Page 471 (Exhibit M).

   C) New York State Department of Transportation Description and Map for the Acquisition of Property filed by the Director of the Real Estate Division of the New York State Department of Transportation dated 3/3/98 recorded 3/19/99 in Reel 2836 Page 631 (Exhibit N).

First American Title Insurance Company of New York

Title No. 3008-23413

SCHEDULE "B"
(Continued)

Exception No. 9 continued:

D) New York State Department of Transportation Description and Map for the Acquisition of Property filed by the Director of the Real Estate Division of the Department of Transportation dated 2/3/98 recorded 3/15/99 in Reel 2836 Page 474 (Exhibit O).

E) Notice of Appropriation filed by Commissioner of Transportion of the State of New York dated (no date) recorded 9/26/03 in CRFN 2003000391961 (Exhibit P).

10. The following Notice(s) of Sidewalk Violation(s) were found:

(a)	Filed:	11/10/86
	Index No.:	40077
	Block:	58
	Lot:	Part of Lot 1
(b)	Filed:	10/23/91
	Index No.:	59641
	Block:	58
	Lot:	Part of Lot 1
(c)	Filed:	12/10/91
	Index No.:	06819
	Block:	58
	Lot:	Part of Lot 1

11. Searches, including judgments, federal tax liens and bankruptcies have been run against The Port Authority of New York and New Jersey , the certified owner(s) herein and the following were found:

A. (55) JUDGMENTS: **(Exhibit Q)**
B. PARKING VIOLATIONS BURREAU JUDGMENTS: **(Exhibit R)**

First American Title Insurance Company of New York

Title No. 3008-23413

SCHEDULE "B"
(Continued)

12. Searches, including judgments, federal tax liens and bankruptcies have been run against HMH WTC, Inc., the certified lessee herein and the following were found:

A. **PARKING VIOLATION BOARD JUDGMENT:**

HMH WTC INC. CO BRK MRT Brooklyn, NY 11201	Amount: Interest: Tickets: Plate No.:	$ 176.00 $21.44 3 20188AL

B. **JUDGMENT:**

Debtor:	HMH WTC, INC. 3 World Trade Center New York, NY 10048
Creditor:	NY STATE DEP'T OF TAXATION AND FINANCE 80-02 Kew Gardens Road Kew Gardens, NY 11415
Amount:	$ 68,564.81
No.:	E021387231
Perfected:	7/01/03
Docketed:	7/7/03
Court:	N/A
Attorney:	N/A

13. The following Financing Statement(s) (UCC-1) must be disposed of:

Debtor:	HMH WTC LLC C/O HOST MARRIOTT CORPORATION 10400 Pennwood Road Bethesda, MD 20817-1109

First American Title Insurance Company of New York

Title No. 3008-23413

SCHEDULE "B"
(Continued)

Exception No. 13 continued:

Secured Party: THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
One World Trade Center
New York, NY 10048

File No.: 01PN13679
Filed: 3/22/01
Covers: 3 World Trade Center, New York, NY
Land (Block & Lot): 58/Part of Lot 1

14. The tax search indicates that current, actual water meter readings have not been entered and/or that there may have been minimum, average or estimated water meter readings. An actual meter reading should be obtained.

    NOTE: A request for final reading should be made in advance of closing to the Department of Environmental Protection – Bureau of Customer and Conservation services office in the Borough in which the property is located.

15. Any water tap closing or related work performed by the New York City Department of Environmental Protection, or any work performed by the Department of Health, at the land described in Schedule A herein.

16. Section 26-128 of the Administrative Code of the City of New York and Section 27-4029.1 of the Administrative Code of the City of New York, created tax liens for unpaid Inspection fees and permit fees, respectively, billed by the Building Department and the Fire Department, regardless of the fact that said fees may not be entered in the records of the Department of Finance.

17. FOR INFORMATION ONLY: The Company only conducts a search in the New York City Department of Finance for entries pertaining to emergency response costs relative to hazardous substances which may thereafter become a lien pursuant to New York City Administrative Code Section 24-605

18. This search has been issued only for the benefit of the applicant to whom the search is addressed. Liability for the search and the information provided herein, whether based on contract or negligence, shall not exceed $1,000.00..

MUNICIPAL
DATA
SERVICES, INC.
30 BAY STREET STATEN ISLAND, NY 10301
PHONE (718) 815-0707 FAX (718) 815-9101

DATE: 11/13/2003

COMPANY: FI-256
TITLE #: 300823413
BLOCK: 58 LOT: 1
COUNTY: MANHATTAN

VAULT TAX SEARCH

As per your request, we have conducted a search with regard to annual vault taxes for the above captioned block and lot and found as follows:

[X] The Department of Finance records indicate no record of vault charges as of 11/13/2003.

Please note: There may be existing vaults at the above mentioned Block and Lot that have not yet been inspected by the Department of Finance. This search does not cover any Block and Lots merged with the above.

Note: MUNICIPAL DATA SERVICES INC. makes no representation as to the accuracy of this information. Sole responsibility is assumed by the user.

Municipal Data Services Inc. certifies that the records of the above municipal agency were examined on behalf of FIRST AMERICAN TITLE INSURANCE CO,. The information reported above is a true and accurate abstract of the information on file therein. This report is submitted for information purposes only. No liability is assumed.

2401820 6698455

First American Title Insurance Company of New York

Title No. 3008-23413

MORTGAGE SCHEDULE

NONE OF RECORD

This title report does not show all the terms and provisions of the mortgage(s) set forth herein. Interested parties should contact the holder(s) thereof to ascertain the terms, covenants and conditions contained therein, and to determine if there are any unrecorded amendments or modifications thereto.

TERMINATION OF LEASE

This Termination of Lease Agreement ("Termination") is entered into the as of the 2nd day of December, 2003 by and between HMH WTC LLC ("Landlord") and CCMH World Trade Ctr. LLC ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Amended and Restated Lease Agreement ("Lease") as of January 1, 2001 pursuant to which Tenant leased from Landlord the property known as the World Trade Center Marriott ("Hotel") as more particularly described in such Lease; and

WHEREAS, Landlord has entered into an agreement with a third party to sell the Hotel to such third party; and

WHEREAS, Landlord desires to terminate the Lease in connection with such sale, and Tenant has agreed to the termination of the Lease;

NOW THEREFORE, for the mutual covenants and consideration herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Termination.** The Lease shall terminate as of 11:58 p.m. on December 1, 2003 (the "Termination").

2. **Entire Agreement; Modification; Capitalized Terms.** This Termination constitutes the entire agreement between the parties hereto with respect to the matters contemplated herein, but does not modify any provisions of the Lease or Assignment which survive termination except as specifically set forth herein. No oral modification of this Termination shall be binding upon the parties hereto. Capitalized terms not defined herein shall have the meanings set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Termination as of the date first above written.

Witness

Susan S. Winson

CCMH World Trade Ctr. LLC

By:
Name: John A Carnella
Title: Vice President

Witness

Susan S. Winson

HMH WTC LLC

By:
Name: John A Carnella
Title: Vice President

TP-584 (10/03)

Recording office time stamp

New York State Department of Taxation and Finance

Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax

See instructions (TP-584-I) before completing this form. Please print or type.

Schedule A — Information relating to conveyance

Grantor/Transferor	Name (if individual; last, first, middle initial)			Social security number
☐ Individual	The Port Authority of New York and New Jersey			
☐ Corporation	Mailing address			Social security number
☐ Partnership	225 Park Avenue South, 15th Floor			
☐ Estate/Trust	City	State	ZIP code	Federal employer ident. number
☒ Other	New York	NY	10003	
Grantee/Transferee	Name (if individual: last, first, middle initial)			Social security number
☐ Individual	Host Marriott, L.P.			
☐ Corporation	Mailing address			Social security number
☒ Partnership	6903 Rockledge Drive, Suite 1500			
☐ Estate/Trust	City	State	ZIP code	Federal employer ident. number
☐ Other	Bethesda	MD	20817	

Location and description of property conveyed

Tax map designation			Address	City/village	Town	County
Section	Block	Lot				
1	58	1	3 World Trade Center	New York		New York

Type of property conveyed *(check applicable box)*

1 ☐ One- to three-family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☐ Vacant land
5 ☐ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☒ Other Hotel

Date of conveyance: 11 (month) 25 (day) 03 (year)

Percentage of real property conveyed which is residential real property 0.00 % *(see instructions)*

Condition of conveyance *(check all that apply)*

a. ☐ Conveyance of fee interest
b. ☐ Acquisition of a controlling interest (state percentage acquired _____ %)
c. ☐ Transfer of a controlling interest (state percentage transferred _____ %)
d. ☐ Conveyance to cooperative housing corporation
e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*
f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*
g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*
h. ☐ Conveyance of cooperative apartment(s)
i. ☐ Syndication
j. ☐ Conveyance of air rights or development rights
k. ☐ Contract assignment
l. ☐ Option assignment or surrender
m. ☐ Leasehold assignment or surrender
n. ☐ Leasehold grant
o. ☐ Conveyance of an easement
p. ☒ Conveyance for which exemption from transfer tax claimed *(complete Schedule B, Part III)*
q. ☐ Conveyance of property partly within and partly outside the state
r. ☒ Other *(describe)* Right of first offer

For recording officer's use	Amount received	Date received	Transaction number
	Schedule B., Part I $ _____ Schedule B., Part II $		

Schedule B — Real estate transfer tax return (Tax Law, Article 31)

Part I – Computation of tax due

1 Enter amount of consideration for the conveyance *(if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III)* ☒ **Exemption claimed**	1.	1,000,00.00
2 Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2.	
3 Taxable consideration *(subtract line 2 from line 1)*	3.	
4 Tax: $2 for each $500, or fractional part thereof, of consideration on line 3	4.	
5 Amount of credit claimed *(see instructions and attach Form TP-584.1,* Schedule G)	5.	
6 Total tax due* *(subtract line 5 from line 4)*	6.	

Part II – Computation of additional tax due on the conveyance of residential real property for $1 million or more

1 Enter amount of consideration for conveyance *(from* Part I, *line 1)*	1.	
2 Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property, as shown in* Schedule A)	2.	
3 Total additional transfer tax due* *(multiply line 2 by 1% (.01))*	3.	

Part III – Explanation of exemption claimed on Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☐

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal Bankruptcy Act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment ..... j ☐

k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) *(attach documents supporting such claim)* ..... k ☒

l. Other *(attach explanation)* ..... l ☐

*Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in New York City, make check(s) payable to the ***NYC Department of Finance***. If a recording is not required, send this return and your check(s) made payable to the ***NYS Department of Taxation and Finance***, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule C — Credit Line Mortgage Certificate (Tax Law, Article 11)

Complete the following only if the interest being transferred is a fee simple interest.
I (we) certify that: *(check the appropriate box)*

1. ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

2. ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:

   ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.

   ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).

   ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.

   ☐ The maximum principal amount secured by the credit line mortgage is $3,000,000 or more, and the real property being sold or transferred is **not** principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

   Please note: for purposes of determining whether the maximum principal amount secured is $3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.

   ☐ Other *(attach detailed explanation)*.

3. ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:

   ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.

   ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

4. ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City, make check payable to the **NYC Department of Finance**.)*

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of his/her knowledge, true and complete.

The Port Authority of New York and New Jersey		Host Marriott, L.P. by Host Marriott Corporation, its general partner	
Grantor signature	Title	Grantee signature	Title
By:	COO	By:	Executive Vice President
Grantor signature	Title	Grantee signature	Title
		Name: James K. Risley	

Reminder: Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked e, f, or g in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in New York City, to the ***NYC Department of Finance***? If no recording is required, send your check(s), made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

APPROVED AS TO FORM AND TERMS

FINANCE NEW • YORK
THE CITY OF NEW YORK DEPARTMENT OF FINANCE

NYC RPT

NEW YORK CITY DEPARTMENT OF FINANCE
REAL PROPERTY TRANSFER TAX RETURN
(Pursuant to Title 11, Chapter 21, NYC Administrative Code)

TYPE OR PRINT LEGIBLY
If the transfer involves more than one grantor or grantee or a partnership, the names, addresses and Social Security Numbers or Employer Identification Numbers of all grantors or grantees and general partners must be provided on Schedule 3, page 3.

R

GRANTOR ▼

Name: HMH WTC LLC

Grantor is a(n): (check one) ☐ individual ☐ partnership (must complete Schedule 3) ☐ corporation ☒ other limited liability company

Telephone Number:

Permanent mailing address after transfer (number and street): 6903 Rockledge Drive, Suite 1500

City and State: Bethesda, MD

Zip Code: 20817

EMPLOYER IDENTIFICATION NUMBER: - OR SOCIAL SECURITY NUMBER: - -

GRANTEE ▼

Name: The Port Authority of New York and New Jersey

Grantee is a(n): (check one) ☐ individual ☐ partnership (must complete Schedule 3) ☒ corporation ☐ other

Telephone Number:

Permanent mailing address after transfer (number and street): 225 Park Avenue South, 15th Floor

City and State: New York, NY

Zip Code: 10003

EMPLOYER IDENTIFICATION NUMBER: - OR SOCIAL SECURITY NUMBER: - -

DO NOT WRITE IN THIS SPACE
FOR OFFICE USE ONLY

RETURN NUMBER ▲

DEED SERIAL NUMBER ▲

NYS REAL ESTATE TRANSFER TAX PAID ▲

PROPERTY LOCATION ▼

LIST EACH LOT SEPARATELY. ATTACH A RIDER IF ADDITIONAL SPACE IS REQUIRED

Address (number and street)	Apt. No.	Borough	Block	Lot	# of Floors	Square Feet	Assessed Value of Property
3 World Trade Center		Manhattan	58	1			

DATE OF TRANSFER TO GRANTEE: November 25, 2003

PERCENTAGE OF INTEREST TRANSFERRED: 100 %

CONDITION OF TRANSFER ▼ See Instructions

Check (✓) all of the conditions that apply and fill out the appropriate schedules on pages 5-11 of this return. Additionally, Schedules1 and 2 must be completed for all transfers.

a. ☑ .....Arms length transfer
b. ☐ .....Transfer in exercise of option to purchase
c. ☐ .....Transfer from cooperative sponsor to cooperative corporation
d. ☐ .....Transfer by referee or receiver (complete Schedule A, page 5)
e. ☐ .....Transfer pursuant to marital settlement agreement or divorce decree
f. ☐ .....Deed in lieu of foreclosure (complete Schedule C, page 6)
g. ☐ .....Transfer pursuant to liquidation of an entity (complete Schedule D, page 6)
h. ☐ .....Transfer from principal to agent, dummy, strawman or conduit or vice-versa (complete Schedule E, page 7)
i. ☐ .....Transfer pursuant to trust agreement or will (attach a copy of trust agreement or will)
j. ☐ .....Gift transfer not subject to indebtedness
k. ☐ .....Gift transfer subject to indebtedness
l. ☐ .....Transfer to a business entity in exchange for an interest in the business entity (complete Schedule F, page 7)
m. ☑ .....Transfer to a governmental body
n. ☐ .....Correction deed
o. ☐ .....Transfer by or to a tax exempt organization (complete Schedule G, page 8)
p. ☐ .....Transfer of property partly within and partly without NYC
q. ☐ .....Transfer of successful bid pursuant to foreclosure
r. ☐ .....Transfer by borrower solely as security for a debt or a transfer by lender solely to return such security
s. ☐ .....Transfer wholly or partly exempt as a mere change of identity or form of ownership. Complete Schedule M, page 9)
t. ☐ .....Transfer to a REIT or to a corporation or partnership controlled by a REIT (Complete Schedule R, pages 10 and 11)
u. ☐ .....Other transfer in connection with financing (describe):
v. ☑ .....Other (describe): Lease surrender

12512/014/settlement/rpt.lease.pdf

● TYPE OF PROPERTY (✓)

- a. ☐ 1-3 family house
- b. ☐ Individual residential condominium unit
- c. ☐ Individual cooperative apartment
- d. ☐ Commercial condominium unit
- e. ☐ Commercial cooperative
- f. ☐ Apartment building
- g. ☐ Office building
- h. ☐ Industrial building
- i. ☐ Utility
- j. ☑ OTHER, (describe): vacant land

● TYPE OF INTEREST (✓)

Check box at LEFT if you intend to record a document related to this transfer. Check box at RIGHT if you do not intend to record a document related to this transfer.

REC.		NON REC.
a. ☐	Fee	☐
b. ☐	Leasehold Grant	☐
c. ☑	Leasehold Assignment or Surrender	☐
d. ☐	Easement	☐
e. ☐	Development Rights	☐
f. ☐	Stock	☐
g. ☐	Partnership Interest	☐
h. ☐	OTHER, (describe):	☐

SCHEDULE 1 - DETAILS OF CONSIDERATION

COMPLETE THIS SCHEDULE FOR ALL TRANSFERS AFTER COMPLETING THE APPROPRIATE SCHEDULES ON PAGES 5 THROUGH 11. ENTER "ZERO" ON LINE 11 IF THE TRANSFER REPORTED WAS WITHOUT CONSIDERATION.

1. Cash	1.	0 00
2. Purchase money mortgage	2.	
3. Unpaid principal of pre-existing mortgage(s)	3.	00
4. Accrued interest on pre-existing mortgage(s)	4.	
5. Accrued real estate taxes	5.	
6. Amounts of other liens on property	6.	
7. Value of shares of stock or of partnership interest received	7.	
8. Value of real or personal property received in exchange	8.	
9. Amount of Real Property Transfer Tax and/or other taxes or expenses of the grantor which are paid by the grantee	9.	
10. Other (describe):	10.	
11. **TOTAL CONSIDERATION** (add lines 1 through 10 - must equal amount entered on line 1 of Schedule 2) (see instructions)	11.	0 00

See instructions for special rules relating to transfers of cooperative units, liquidations, marital settlements and transfers of property to a business entity in return for an interest in the entity.

SCHEDULE 2 - COMPUTATION OF TAX

		Payment Enclosed
A. **Payment** — Pay amount shown on line 14 - *See Instructions*		50 00
1 Total Consideration (from line 11, above)	1.	0 00
2. Excludable liens (see instructions)	2.	
3. Consideration (Line 1 less line 2)	3.	0 00
4. Tax Rate (see instructions)	4.	%
5. Percentage change in beneficial ownership *(see instructions)*	5.	%
6. Taxable consideration (multiply line 3 by line 5)	6.	0 00
7. Tax (multiply line 6 by line 4)	7.	0 00
8. Credit (see instructions)	8.	
9. Tax due (line 7 less line 8) (if the result is negative, enter zero)	9.	0 00
10. Interest (see instructions)	10.	
11. Penalty (see instructions)	11.	
12. Total tax due (add lines 9, 10 and 11)	12.	0 00
13. Filing Fee	13.	50 00
14. **Total Remittance Due** (line 12 plus line 13)	14.	50 00

GRANTOR'S ATTORNEY

Name of Attorney: Davis Polk & Wardwell, Attention: Thomas Patrick Dore, Jr., Esq.

Telephone Number: (212) 450-4136

Address (number and street): 450 Lexington Avenue

City and State: New York, NY

Zip Code: 10017

EMPLOYER IDENTIFICATION NUMBER: - OR SOCIAL SECURITY NUMBER: - -

GRANTEE'S ATTORNEY

Name of Attorney: Sidney D. Lipskin, The Port Authority of NY and NJ

Telephone Number: (212) 435-3412

Address (number and street): 225 Park Avenue South, 14th Floor

City and State: New York, NY

Zip Code: 10003

EMPLOYER IDENTIFICATION NUMBER: - K OR SOCIAL SECURITY NUMBER: - -

CERTIFICATION

I swear or affirm that this return, including any accompanying schedules, affidavits and attachments, has been examined by me and is, to the best of my knowledge, a true and complete return made in good faith, pursuant to Title 11, Chapter 21 of the Administrative Code and the regulations issued thereunder.

GRANTOR

Sworn to and subscribed to before me on this 25th day of November, 2003

EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER

HMH WTC LLC
Name of Grantor

Bernadette M. Sullivan
Signature of Notary

By: [signature]
Signature of Grantor
Name: James F. Risolio
Title: Vice President

Notary's stamp or seal

BERNADETTE M. SULLIVAN
Notary Public, State of New York
No. 01SU4813940
Qualified in New York County
Commission Expires June 30, 2006

GRANTEE

Sworn to and subscribed to before me on this 25th day of November, 2003

EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER

The Port Authority of New York and New Jersey
Name of Grantee

Linda C Handel
Signature of Notary

By: [signature]
Signature of Grantee

Notary's stamp or seal

LINDA C HANDEL
My Commission Expires
January 3 2006
No. 01HA6035599

APPROVED
TERMS | FORM

GRANTEE: To ensure that your property and water/sewer tax bills are sent to the proper address you must complete the Registration forms included in this packet. Owner's Registration Cards can also be obtained by calling the Department of Finance at (718) 935-9500.

TP-584 (10/03)

Recording office time stamp

New York State Department of Taxation and Finance

Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax

See instructions (TP-584-I) before completing this form. Please print or type.

Schedule A — Information relating to conveyance

Grantor/Transferor ☐ Individual ☐ Corporation ☐ Partnership ☐ Estate/Trust ☒ Other	Name *(if individual; last, first, middle initial)* HMH WTC LLC			Social security number
	Mailing address 6903 Rockledge Drive, Suite 1500			Social security number
	City Bethesda	State MD	ZIP code 20817	Federal employer ident. number
Grantee/Transferee ☐ Individual ☒ Corporation ☐ Partnership ☐ Estate/Trust ☐ Other	Name *(if individual; last, first, middle initial)* The Port Authority of New York and New Jersey			Social security number
	Mailing address 225 Park Avenue South, 15th Floor			Social security number
	City New York	State NY	ZIP code 10003	Federal employer ident. number

Location and description of property conveyed

Tax map designation			Address	City/village	Town	County
Section	Block	Lot				
1	58	1	3 World Trade Center	New York		New York

Type of property conveyed *(check applicable box)*

1 ☐ One- to three-family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☒ Vacant land
5 ☐ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☐ Other _____

Date of conveyance: 11 (month) 25 (day) 03 (year)

Percentage of real property conveyed which is residential real property 0.00 % *(see instructions)*

Condition of conveyance *(check all that apply)*

a. ☐ Conveyance of fee interest
b. ☐ Acquisition of a controlling interest (state percentage acquired _____ %)
c. ☐ Transfer of a controlling interest (state percentage transferred _____ %)
d. ☐ Conveyance to cooperative housing corporation
e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*
f. ☐ Conveyance which consists of a mere change of identify or form of ownership or organization *(attach Form TP-584.1, Schedule F)*
g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*
h. ☐ Conveyance of cooperative apartment(s)
i. ☐ Syndication
j. ☐ Conveyance of air rights or development rights
k. ☐ Contract assignment
l. ☐ Option assignment or surrender
m. ☒ Leasehold assignment or surrender
n. ☐ Leasehold grant
o. ☐ Conveyance of an easement
p. ☒ Conveyance for which exemption from transfer tax claimed *(complete Schedule B, Part III)*
q. ☐ Conveyance of property partly within and partly outside the state
r. ☐ Other *(describe)* _____

For recording officer's use	Amount received Schedule B., Part I $ _____ Schedule B., Part II $	Date received	Transaction number

Schedule B — Real estate transfer tax return (Tax Law, Article 31)

Part I – Computation of tax due

1 Enter amount of consideration for the conveyance *(if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III)* ☒ **Exemption claimed**	1.	0.00
2 Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2.	
3 Taxable consideration *(subtract line 2 from line 1)*	3.	
4 Tax: $2 for each $500, or fractional part thereof, of consideration on line 3	4.	
5 Amount of credit claimed *(see instructions and attach Form TP-584.1,* Schedule G*)*	5.	
6 Total tax due* *(subtract line 5 from line 4)*	6.	

Part II – Computation of additional tax due on the conveyance of residential real property for $1 million or more

1 Enter amount of consideration for conveyance *(from* Part I, *line 1)*	1.	
2 Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property, as shown in* Schedule A*)*	2.	
3 Total additional transfer tax due* *(multiply line 2 by 1% (.01))*	3.	

Part III – Explanation of exemption claimed on Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☒

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☒

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal Bankruptcy Act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment ..... j ☐

k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) *(attach documents supporting such claim)* ..... k ☐

l. Other *(attach explanation)* ..... l ☐

*Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in New York City, make check(s) payable to the ***NYC Department of Finance.*** If a recording is not required, send this return and your check(s) made payable to the ***NYS Department of Taxation and Finance***, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule C — Credit Line Mortgage Certificate (Tax Law, Article 11)

Complete the following only if the interest being transferred is a fee simple interest.
I (we) certify that: *(check the appropriate box)*

1. ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

2. ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
   - ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
   - ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
   - ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.
   - ☐ The maximum principal amount secured by the credit line mortgage is $3,000,000 or more, and the real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

     Please note: for purposes of determining whether the maximum principal amount secured is $3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.
   - ☐ Other *(attach detailed explanation)*.

3. ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
   - ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
   - ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

4. ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City, make check payable to the **NYC Department of Finance.**)*

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of his/her knowledge, true and complete.

HMH WTC LLC		The Port Authority of New York and New Jersey	
Grantor signature	Title	Grantee signature	Title
By:	Vice President	By	C.O.
Grantor signature	Title	Grantee signature	Title

Name: James F. Rosolco

Reminder: Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked e, f, or g in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in New York City, to the ***NYC Department of Finance***? If no recording is required, send your check(s), made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

APPROVED AS TO FORM

FINANCE NEW • YORK
THE CITY OF NEW YORK DEPARTMENT OF FINANCE

NYC RPT

NEW YORK CITY DEPARTMENT OF FINANCE
REAL PROPERTY TRANSFER TAX RETURN
(Pursuant to Title 11, Chapter 21, NYC Administrative Code)

TYPE OR PRINT LEGIBLY
If the transfer involves more than one grantor or grantee or a partnership, the names, addresses and Social Security Numbers or Employer Identification Numbers of all grantors or grantees and general partners must be provided on Schedule 3, page 3.

R

GRANTOR

Name: The Port Authority of New York and New Jersey

Grantor is a(n): (check one) ☐ individual ☐ partnership (must complete Schedule 3) ☐ corporation ☐ other _____ Telephone Number

Permanent mailing address after transfer (number and street): 225 Park Avenue South, 15th Floor

City and State: New York, NY Zip Code: 10003

EMPLOYER IDENTIFICATION NUMBER ___ - ___ OR SOCIAL SECURITY NUMBER ___ - ___ - ___

GRANTEE

Name: Host Marriott, L.P.

Grantee is a(n): (check one) ☐ individual ☒ partnership (must complete Schedule 3) ☐ corporation ☐ other _____ Telephone Number

Permanent mailing address after transfer (number and street): 6903 Rockledge Drive, Suite 1500

City and State: Bethesda, MD Zip Code: 20817

EMPLOYER IDENTIFICATION NUMBER ___ - ___ OR SOCIAL SECURITY NUMBER ___ - ___ - ___

DO NOT WRITE IN THIS SPACE
FOR OFFICE USE ONLY

RETURN NUMBER ▲

DEED SERIAL NUMBER ▲

NYS REAL ESTATE TRANSFER TAX PAID ▲

PROPERTY LOCATION

LIST EACH LOT SEPARATELY. ATTACH A RIDER IF ADDITIONAL SPACE IS REQUIRED

Address (number and street)	Apt. No	Borough	Block	Lot	# of Floors	Square Feet	Assessed Value of Property
3 World Trade Center		Manhattan	58	1			

DATE OF TRANSFER TO GRANTEE: November 25, 2003 PERCENTAGE OF INTEREST TRANSFERRED: 100 %

CONDITION OF TRANSFER ▼ See Instructions

Check (✓) all of the conditions that apply and fill out the appropriate schedules on pages 5-11 of this return. Additionally, Schedules 1 and 2 must be completed for all transfers.

a. ☑ .....Arms length transfer
b. ☐ .....Transfer in exercise of option to purchase
c. ☐ .....Transfer from cooperative sponsor to cooperative corporation
d. ☐ .....Transfer by referee or receiver (complete Schedule A, page 5)
e. ☐ .....Transfer pursuant to marital settlement agreement or divorce decree
f. ☐ .....Deed in lieu of foreclosure (complete Schedule C, page 6)
g. ☐ .....Transfer pursuant to liquidation of an entity (complete Schedule D, page 6)
h. ☐ .....Transfer from principal to agent, dummy, strawman or conduit or vice-versa (complete Schedule E, page 7)
i. ☐ .....Transfer pursuant to trust agreement or will (attach a copy of trust agreement or will)
j. ☐ .....Gift transfer not subject to indebtedness
k. ☐ .....Gift transfer subject to indebtedness
l. ☐ .....Transfer to a business entity in exchange for an interest in the business entity (complete Schedule F, page 7)
m. ☐ .....Transfer to a governmental body
n. ☐ .....Correction deed
o. ☐ .....Transfer by or to a tax exempt organization (complete Schedule G, page 8).
p. ☐ .....Transfer of property partly within and partly without NYC
q. ☐ .....Transfer of successful bid pursuant to foreclosure
r. ☐ .....Transfer by borrower solely as security for a debt or a transfer by lender solely to return such security
s. ☐ .....Transfer wholly or partly exempt as a mere change of identity or form of ownership Complete Schedule M, page 9)
t. ☐ .....Transfer to a REIT or to a corporation or partnership controlled by a REIT (Complete Schedule R, pages 10 and 11)
u. ☐ .....Other transfer in connection with financing (describe) _____
v. ☑ .....Other (describe) Right of first offer

12512/014/settlement/rpt.pdf

● TYPE OF PROPERTY (✓)

- a. ☐ 1-3 family house
- b. ☐ Individual residential condominium unit
- c. ☐ Individual cooperative apartment
- d. ☐ Commercial condominium unit
- e. ☐ Commercial cooperative
- f. ☐ Apartment building
- g. ☐ Office building
- h. ☐ Industrial building
- i. ☐ Utility
- j. ☑ OTHER. (describe): Hotel

● TYPE OF INTEREST (✓)

Check box at LEFT if you intend to record a document related to this transfer. Check box at RIGHT if you do not intend to record a document related to this transfer.

	REC.		NON REC.
a.	☐	Fee	☐
b.	☐	Leasehold Grant	☐
c.	☐	Leasehold Assignment or Surrender	☐
d.	☐	Easement	☐
e.	☐	Development Rights	☐
f.	☐	Stock	☐
g.	☐	Partnership Interest	☐
h.	☑	OTHER. (describe): Right of First Offer	☐

SCHEDULE 1 - DETAILS OF CONSIDERATION ▼

COMPLETE THIS SCHEDULE FOR ALL TRANSFERS AFTER COMPLETING THE APPROPRIATE SCHEDULES ON PAGES 5 THROUGH 11. ENTER "ZERO" ON LINE 11 IF THE TRANSFER REPORTED WAS WITHOUT CONSIDERATION.

1. Cash	1.	1,000,000 00
2. Purchase money mortgage	2.	
3. Unpaid principal of pre-existing mortgage(s)	3.	
4. Accrued interest on pre-existing mortgage(s)	4.	
5. Accrued real estate taxes	5.	
6. Amounts of other liens on property	6.	
7. Value of shares of stock or of partnership interest received	7.	
8. Value of real or personal property received in exchange	8.	
9. Amount of Real Property Transfer Tax and/or other taxes or expenses of the grantor which are paid by the grantee	9.	
10. Other (describe):	10.	
11. **TOTAL CONSIDERATION** (add lines 1 through 10 - must equal amount entered on line 1 of Schedule 2) (see instructions)	11.	1,000,000 00

See instructions for special rules relating to transfers of cooperative units, liquidations, marital settlements and transfers of property to a business entity in return for an interest in the entity.

SCHEDULE 2 - COMPUTATION OF TAX ▼

A. **Payment**	Pay amount shown on line 14 - *See Instructions*	Payment Enclosed 50 00
1 Total Consideration (from line 11, above)	1.	1,000,000 00
2. Excludable liens (see instructions)	2.	
3. Consideration (Line 1 less line 2)	3.	1,000,000 00
4. Tax Rate (see instructions)	4.	%
5. Percentage change in beneficial ownership *(see instructions)*	5.	%
6. Taxable consideration (multiply line 3 by line 5)	6.	0 00
7. Tax (multiply line 6 by line 4)	7.	0 00
8. Credit (see instructions)	8.	
9. Tax due (line 7 less line 8) (if the result is negative, enter zero)	9.	0 00
10. Interest (see instructions)	10.	
11. Penalty (see instructions)	11.	
12. Total tax due (add lines 9, 10 and 11)	12.	0 00
13. Filing Fee	13.	**50 00**
14. **Total Remittance Due** (line 12 plus line 13)	14.	50 00

SCHEDULE 3 - TRANSFERS INVOLVING MULTIPLE GRANTORS AND/OR GRANTEES OR A PARTNERSHIP

NOTE If additional space is needed, attach copies of this schedule or an addendum listing all of the information required below.

GRANTOR(S)/PARTNER(S)

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE

ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE

ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE

ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE

ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

GRANTEE(S)/PARTNER(S)

NAME
Host Marriott Corporation (general and limited partner)

PERMANENT MAILING ADDRESS AFTER TRANSFER
6903 Rockledge Drive, Suite 1500

CITY AND STATE
Bethesda, MD

ZIP CODE
20817

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE

ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE

ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE

ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

GRANTOR'S ATTORNEY

Name of Attorney: Sidney D. Lipstein, The Port Authority of NY&NJ
Telephone Number: 212 435-3412
Address (number and street): 225 Park Avenue South, 14th Fl.
City and State: New York, NY
Zip Code: 10003
EMPLOYER IDENTIFICATION NUMBER: - OR SOCIAL SECURITY NUMBER: - -

GRANTEE'S ATTORNEY

Name of Attorney: Davis Polk & Wardwell, Attention: Thomas Patrick Dore, Jr., Esq.
Telephone Number: (212) 450-4136
Address (number and street): 450 Lexington Avenue
City and State: New York, NY
Zip Code: 10017
EMPLOYER IDENTIFICATION NUMBER: - OR SOCIAL SECURITY NUMBER: - -

CERTIFICATION

I swear or affirm that this return, including any accompanying schedules, affidavits and attachments, has been examined by me and is, to the best of my knowledge, a true and complete return made in good faith, pursuant to Title 11, Chapter 21 of the Administrative Code and the regulations issued thereunder.

GRANTOR

Sworn to and subscribed to before me on this 25th day of December, 2003.

EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER

The Port Authority of New York and New Jersey
Name of Grantor

By
Signature of Grantor

Signature of Notary

LINDA C HANDEL
My Commission Expires
January 3 2006
No. 01HA6035589

GRANTEE

Sworn to and subscribed to before me on this 25th day of December, 2003.

EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER

Host Marriott, L.P. by Host Marriott Corporation, its general partner
Name of Grantee

By
Signature of Grantee
Name: James F. Risolo
Title: Executive Vice President

Signature of Notary

Notary's stamp or seal

BERNADETTE M. SULLIVAN
Notary Public, State of New York
No. 01SU4813940
Qualified in New York County
Commission Expires June 30, 2006

APPROVED
TERMS | FORM

GRANTEE: To ensure that your property and water/sewer tax bills are sent to the proper address you must complete the Registration forms included in this packet. Owner's Registration Cards can also be obtained by calling the Department of Finance at (718) 935-9500

MUNICIPAL DATA SERVICES, INC.
30 BAY STREET STATEN ISLAND, NY 10301
PHONE (718) 815-0707 FAX (718) 815-9101

MANHATTAN

TITLE NO. FI-256 300823413

The unpaid taxes, water rates, assessments and other matters relating to taxes which are liens at the date of this certificate are set forth below. TAX MAP ATTACHED

PARCEL ONE OF FOUR

		2003/2004
BUILDING CLASS Z9	TRANSITIONAL LAND	$367,200,000
TAX CLASS - 4	TRANSITIONAL TOTAL	$375,840,000
TAX RATE - 11.58	EXEMPT LAND	$30,240,022
	EXEMPT TOTAL	$30,951,552
SEC 1 VOL 2	ACTUAL LAND	$209,250,000
BLOCK : 58	ACTUAL TOTAL	$218,250,000
LOT : 1	ACTUAL EXEMPT LAND	$17,232,365
	ACTUAL EXEMPT TOTAL	$17,973,542

REASONS FOR EXEMPTIONS PORT OF NY AUTHORITY

A.O. PORT AUTHORITY NY/NJ
LOT# 1 - 1 / 6 WORLD TRADE CENTER

DISPOSITION

TAXES 2003/2004:
1st HALF DUE 7/1 $11,596,006.92 - OPEN
2nd HALF DUE 1/1 $11,596,006.92 - OPEN

TAXES 2002/2003:
1st HALF DUE 7/1 $9,725,424.80 - OPEN
2nd HALF DUE 1/1 $11,660,095.35 - OPEN

EXEMPT PROPERTY RESTORED:
TAXES 2001/2002:
1st HALF $14,545,329.60 - BALANCE OPEN
2nd HALF $42,947,143.07 - OPEN

D.E.P. ACCOUNT #

WATER 2003/2004 NONE
SEWER RENT 2003/2004 NONE

Continued on next page..

Responsibility limited to those items and installments that are liens as of the date of this report and reflected on the public records. Recent payments reflected may be subject to collection.
Tax Search does not cover any part of the streets on which the premises to be insured abut; nor does it cover Vault Charges and additional charges due to building purpose charges for unfixed frontag
Accurate water meter reading required for those reported as minimum, average or estimated readings to avoid additional charges.
exemptions noted above may be restored on the date of conveyance or upon death of the record owner.
se request the seller or borrower to have receipted bills available at the closing.

2401820 6698454

MUNICIPAL DATA SERVICES, INC.
30 BAY STREET STATEN ISLAND, NY 10301
PHONE (718) 815-0707 FAX (718) 815-9101

Continued

TITLE NO. FI-256 300823413

The unpaid taxes, water rates, assessments and other matters relating to taxes which are liens at the date of this certificate are set forth below.

DISPOSITION

METER# 80
FROM 09/01/2001 TO 12/06/2002 ENTERED 12/11/2002
AMOUNT BILLED $285796.84 CANCELLED 01/30/2003
ESTIMATE

NOTE: LOT SUBJECT TO WATER AND OR METER AND SEWER RENT CHARGES.

TOTAL AMOUNT DUE D.E.P. ON ACCOUNT $166.02

D.E.P. ACCOUNT #

METER# 8276 CHARGES PENDING.

METER# 8337 CHARGES PENDING.

TOTAL AMOUNT DUE D.E.P. ON ACCOUNT $4.98

D.E.P. ACCOUNT #

METER# 1276
FROM 06/01/2001 TO 07/02/2001 $6998.67 ENTERED 07/19/2001
OPEN
SEWER RENT NONE
ESTIMATE

Continued on next page..

Responsibility limited to those items and installments that are liens as of the date of this report and reflected on the public records. Recent payments reflected may be subject to collection.
Tax Search does not cover any part of the streets on which the premises to be insured abut; nor does it cover Vault Charges and additional charges due to building purpose charges for unfixed frontag
Accurate water meter reading required for those reported as minimum, average or estimated readings to avoid additional charges.
exemptions noted above may be restored on the date of conveyance or upon death of the record owner.
se request the seller or borrower to have receipted bills available at the closing.

2401820 6698454

MUNICIPAL DATA SERVICES, INC.
30 BAY STREET STATEN ISLAND, NY 10301
PHONE (718) 815-0707 FAX (718) 815-9101

Continued

TITLE NO. FI-256 300823413

The unpaid taxes, water rates, assessments and other matters relating to taxes which are liens at the date of this certificate are set forth below.

DISPOSITION

METER# 4185
FROM 06/01/2001 TO 07/02/2001 ENTERED 07/19/2001
AMOUNT BILLED $659.51 OPEN
ESTIMATE

METER# 2774
FROM 06/01/2001 TO 07/02/2001 ENTERED 07/19/2001
AMOUNT BILLED $48002.03 OPEN
ESTIMATE

METER# 2824
FROM 06/01/2001 TO 07/02/2001 ENTERED 07/19/2001
AMOUNT BILLED $39979.03 OPEN
ESTIMATE

NOTE: LOT SUBJECT TO WATER AND OR METER AND SEWER RENT CHARGES.

TOTAL AMOUNT DUE D.E.P. ON ACCOUNT $90302.27

D.E.P. ACCOUNT #

METER# 1743
FROM 06/28/2001 TO 09/11/2001
SEWER RENT ONLY $1411.62 ENTERED 10/13/2001
OPEN
ACTUAL

TOTAL AMOUNT DUE D.E.P. ON ACCOUNT $16647.16

D.E.P. ACCOUNT #

Continued on next page..

Responsibility limited to those items and installments that are liens as of the date of this report and reflected on the public records. Recent payments reflected may be subject to collection.
Tax Search does not cover any part of the streets on which the premises to be insured abut; nor does it cover Vault Charges and additional charges due to building purpose charges for unfixed frontag
Accurate water meter reading required for those reported as minimum, average or estimated readings to avoid additional charges.
exemptions noted above may be restored on the date of conveyance or upon death of the record owner.
se request the seller or borrower to have receipted bills available at the closing.

2401820 6698454

MUNICIPAL DATA SERVICES, INC.
30 BAY STREET STATEN ISLAND, NY 10301
PHONE (718) 816-0707 FAX (718) 816-9101

Continued

TITLE NO. FI-256 300823413

The unpaid taxes, water rates, assessments and other matters relating to taxes which are liens at the date of this certificate are set forth below.

DISPOSITION

METER# 1901 CHARGES PENDING.

METER# 1904 CHARGES PENDING.

METER# 8839 CHARGES PENDING.

NOTE: LOT SUBJECT TO WATER AND OR METER AND SEWER RENT CHARGES.

D.E.P. ACCOUNT #

METER# 88
FROM 06/12/2001 TO 09/11/2001
SEWER RENT ONLY $6332.24 ENTERED 10/13/2001
OPEN
ACTUAL

TOTAL AMOUNT DUE D.E.P. ON ACCOUNT $36619.45

D.E.P. ACCOUNT #

METER# 87
FROM 06/12/2001 TO 09/11/2001
SEWER RENT ONLY $152.96 ENTERED 10/13/2001
OPEN
ACTUAL

TOTAL AMOUNT DUE D.E.P. ON ACCOUNT $12808.72

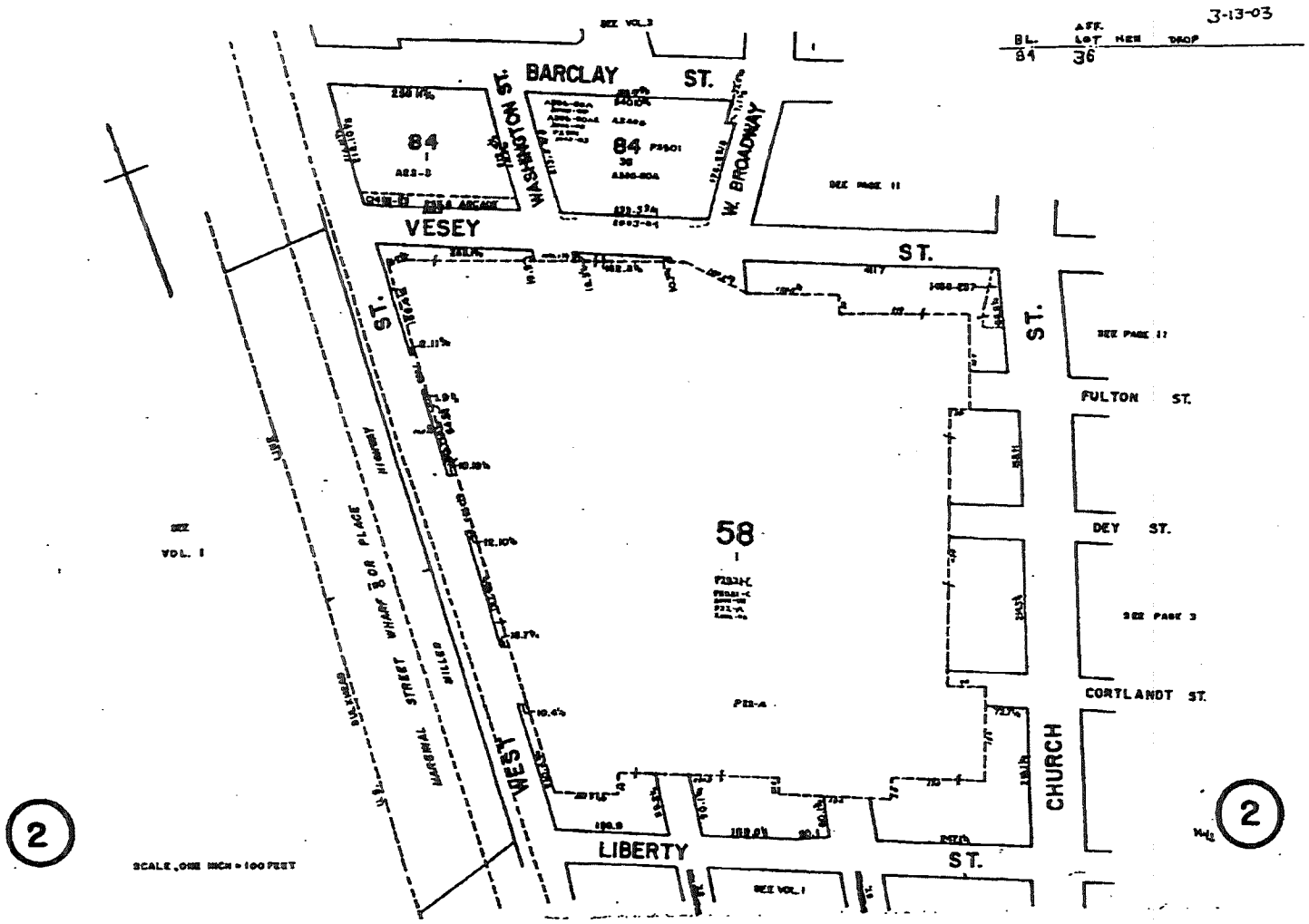
D.E.P. requires all properties to pay for a final meter reading and/or a frontage reading prior to closing.
SUBJECT TO CONTINUATION PRIOR TO CLOSING
NOTHING ELSE FOUND 11/18/2003
All payments made within the last ninety days are subject to collection.
Lot may be subject to Rent Stabilization fees not yet billed.

Municipal Data Services, Inc. shall bear no liability for erroneous or inaccurate information provided by the Department of Finance or D.E.P., including but not limited to errors due to loading, key entry, processing, data communication, hardware and software problems or the backdating of any information.

Responsibility limited to those liens and installments that are liens as of the date of this report and reflected on the public records. Recent payments reflected may be subject to collection.
Tax Search does not cover any part of the streets on which the premises to be insured abut; nor does it cover Vault Charges and additional charges due to building purpose charges for unfixed frontag
Accurate water meter reading required for those reported as minimum, average or estimated readings to avoid additional charges.
exemptions noted above may be restored on the date of conveyance or upon death of the record owner.
is request the seller or borrower to have receipted bills available at the closing.

2401820 6698454

MUNICIPAL DATA SERVICES, INC.


3-13-03
BL. 84
AFF. LOT 36
NEW
DROP
BARCLAY ST.
VESEY ST.
WASHINGTON ST.
W. BROADWAY
WEST ST.
HIGHWAY
WHARF OR PLACE
STREET
MARSHAL
LIBERTY ST.
CHURCH ST.
CORTLANDT ST.
DEY ST.
FULTON ST.
84
84
58
SEE VOL. 3
SEE PAGE 11
SEE PAGE 12
SEE PAGE 3
SEE VOL. 1
SCALE, ONE INCH = 100 FEET
2
2

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
David L. Buckley, Esq.

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Host Marriott Corporation
6903 Rockledge Drive
Suite 1500
Bethesda, Maryland 20817

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 255255, filed December 22, 1995

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☒ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.

☐ DELETE name: Give record name to be deleted in item 6a or 6b.

☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME
HMH WTC LLC, f/k/a HMH WTC, Inc.

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

7d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA

Instructions for National UCC Financing Statement AMENDMENT (Form UCC3)

Please type or laser-print this form. Be sure it is completely legible. Read all instructions, especially instruction 1a; correct file number of initial financing statement is crucial. Follow instructions completely.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. Filing office cannot give legal advice.

Do not insert anything in the open space in the upper portion of this form; it is reserved for filing office use.

An Amendment may relate to only one financing statement. Do not enter more than one file number in item 1a.

When properly completed, send Filing Office Copy, with required fee, to filing office. If you want an acknowledgment, complete item B and, if filing in a filing office that returns an acknowledgment copy furnished by filer, you may also send Acknowledgment Copy, otherwise detach. Always detach Debtor and Secured Party Copies.

If you need to use attachments, use 8-1/2 X 11 inch sheets and put at the top of each sheet: "AMENDMENT" and the file number of the initial financing statement to which this Amendment relates; you are encouraged to use Amendment Addendum (Form UCC3Ad).

Always complete items 1a and 9.

A. To assist filing offices that might wish to communicate with filer, filer may provide information in item A. This item is optional.

B. Complete item B if you want an acknowledgment sent to you. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form a carbon or other copy of this form for use as an acknowledgment copy.

1a. **File number:** Enter file number of initial financing statement to which this Amendment relates. Enter only one file number. In some states, the file number is not unique; in those states, also enter in item 1a, after the file number, the date that the initial financing statement was filed.

1b. Only if this Amendment is to be filed or recorded in the real estate records, check box 1b and also, in item 13 of Amendment Addendum, enter Debtor's name, in proper format exactly identical to the format of item 1 of financing statement, and name of record owner if Debtor does not have a record interest.

Note: Show purpose of this Amendment by checking box 2, 3, 4, 5 (in item 5 you must check two boxes) or 8; also complete items 6, 7 and/or 8 as appropriate. Filer may use this Amendment form to simultaneously accomplish both data changes (items 4, 5, and/or 8) and a Continuation (item 3), although in some states filer may have to pay a separate fee for each purpose.

2. To terminate the effectiveness of the identified financing statement with respect to security interest(s) of authorizing Secured Party, check box 2. See instruction 9 below.

3. To continue the effectiveness of the identified financing statement with respect to security interest(s) of authorizing Secured Party, check box 3. See instruction 9 below.

4. To assign (i) all of assignor's interest under the identified financing statement, or (ii) a partial interest in the security interest covered by the identified financing statement, or (iii) assignor's full interest in some (but not all) of the collateral covered by the identified financing statement: Check box in item 4 and enter name of assignee in item 7a if assignee is an organization, or in item 7b, formatted as indicated, if assignee is an individual. Complete 7a or 7b, but not both. Also enter assignee's address in item 7c. Also enter name of assignor in item 9. If partial Assignment affects only some (but not all) of the collateral covered by the identified financing statement, filer may check appropriate box in item 8 and indicate affected collateral in item 8.

5,6,7. To change the name and/or address of a party: Check box in item 5 to indicate whether this Amendment amends information relating to a Debtor or a Secured Party; also check box in item 5 to indicate that this is a name and/or address change; also enter name of affected party (current record name, in case of name change) in items 6a or 6b as appropriate; and also give new name (7a or 7b) and/or new address (7c) in item 7.

5,6. To delete a party: Check box in item 5 to indicate whether deleting a Debtor or a Secured Party; also check box in item 5 to indicate that this is a deletion of a party; and also enter name (6a or 6b) of deleted party in item 6.

5,7. To add a party: Check box in item 5 to indicate whether adding a Debtor or Secured Party; also check box in item 5 to indicate that this is an addition of a party; also enter all required information in item 7: name (7a or 7b) and address (7c); also, if adding a Debtor, tax ID # (7d) in those states where required, and additional organization Debtor information (7e-g) if added Debtor is an organization. Note: The preferred method for filing against a new Debtor (an individual or organization not previously of record as a Debtor under this file number) is to file a new Financing Statement (UCC1) and not an Amendment (UCC3).

8. Collateral change. To change the collateral covered by the identified financing statement, describe the change in item 8. This may be accomplished either by describing the collateral to be added or deleted, or by setting forth in full the collateral description as it is to be effective after the filing of this Amendment, indicating clearly the method chosen (check the appropriate box). If the space in item 8 is insufficient, use item 13 of Amendment Addendum (Form UCC3Ad). A partial release of collateral is a deletion. If, due to a full release of all collateral, filer no longer claims a security interest under the identified financing statement, check box 2 (Termination) and not box 8 (Collateral Change). If a partial assignment consists of the assignment of some (but not all) of the collateral covered by the identified financing statement, filer may indicate the assigned collateral in item 8, check the appropriate box in item 8, and also comply with instruction 4 above.

9. Always enter name of party of record authorizing this Amendment; in most cases, this will be a Secured Party of record. If more than one authorizing Secured Party, give additional name(s), properly formatted, in item 13 of Amendment Addendum (Form UCC3Ad). If the indicated financing statement refers to the parties as lessee and lessor, or consignee and consignor, or seller and buyer, instead of Debtor and Secured Party, references in this Amendment shall be deemed likewise so to refer to the parties. If this is an assignment, enter assignor's name. If this is an Amendment authorized by a Debtor that adds collateral or adds a Debtor, or if this is a Termination authorized by a Debtor, check the box in item 9 and enter the name, properly formatted, of the Debtor authorizing this Amendment, and, if this Amendment or Termination is to be filed or recorded in the real estate records, also enter, in item 13 of Amendment Addendum, name of Secured Party of record.

10. This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 10 any identifying information (e.g., Secured Party's loan number, law firm file number, Debtor's name or other identification, state in which form is being filed, etc.) that filer may find useful.

Uniform Commercial Code — Financing Statement

1. Debtor(s) Last Name First and Address(es):
HMH NYC, Inc.
c/o Host Marriott Corporation
10400 Fernwood Road
Bethesda, Maryland 20817-1109

2. Secured Party and Address(es):
The Port Authority of New York and New Jersey
One World Trade Center
New York, New York 10048

3. ☐ The Debtor is a transmitting utility

4. For Filing Officer: Date, Time, No. Filing Office
DEC 22 88 255255
9:00 AM D.O.S.

5. This Financing Statement covers the following types (or items) of property:
See Schedule A attached hereto and made a part hereof

6. Assignee(s) of Secured Party and Address(es)

7. ☐ The described crops are growing or to be grown on:*
☒ The described goods are or are to be affixed to:*
☐ The lumber to be cut or minerals or the like (including oil and gas) ☐ etc.
*(Describe Real Estate Below)

☐ Products of the Collateral are also covered.

8. Describe Real Estate Here: ☒ This statement is to be indexed in the Real Estate Records:
See Schedule B attached hereto and made a part hereof

9. Name of a Record Owner

No. & Street: Town or City: N.Y. County: N.Y. Section: 1 Block: 58 Lot: 1

10. This statement is filed without the debtor's signature to perfect a security interest in collateral (check appropriate box)
☐ as to a security agreement signed by debtor authorizing secured party to file this statement, or
☐ which is proceeds of the original collateral described above in which a security interest was perfected, or
☐ acquired after a change of name, identity or corporate structure of the debtor, or ☐ as to which the filing has lapsed, or
☐ already subject to a security interest in another jurisdiction:
☐ when collateral was brought into the state, or ☐ when the debtor's location was changed to this state.

HMH NYC, INC.
PO BOX 905
WESTFIELD AVENUE
PITTSBURGH, PA 15230
INC. SYS. INFORMATION SYSTEMS

By: Signature(s) of Debtor(s) — Signature(s) of Secured Party(ies)

(2) Filing Officer Copy-Acknowledgement

(5/82) STANDARD FORM - FORM UCC-1 — Approved by Secretary of State of New York

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
David L. Buckley, Esq.

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Host Marriott Corporation
6903 Rockledge Drive
Suite 1500
Bethesda, Maryland 20817

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 95PN55221, filed December 22, 1995

1b. This FINANCING STATEMENT AMENDMENT is [X] to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. [X] TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. [ ] CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. [ ] ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects [ ] Debtor or [ ] Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

[ ] CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.

[ ] DELETE name: Give record name to be deleted in item 6a or 6b.

[ ] ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME
HMH WTC LLC, f/k/a HMH WTC, Inc.

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

7d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
				[ ] NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral [ ] deleted or [ ] added, or give entire [ ] restated collateral description, or describe collateral [ ] assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here [ ] and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA

Instructions for National UCC Financing Statement AMENDMENT (Form UCC3)

Please type or laser-print this form. Be sure it is completely legible. Read all Instructions, especially Instruction 1a; correct file number of initial financing statement is crucial. Follow Instructions completely.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. Filing office cannot give legal advice.

Do not insert anything in the open space in the upper portion of this form; it is reserved for filing office use.

An Amendment may relate to only one financing statement. Do not enter more than one file number in item 1a.

When properly completed, send Filing Office Copy, with required fee, to filing office. If you want an acknowledgment, complete item B and, if filing in a filing office that returns an acknowledgment copy furnished by filer, you may also send Acknowledgment Copy, otherwise detach. Always detach Debtor and Secured Party Copies.

If you need to use attachments, use 8-1/2 X 11 inch sheets and put at the top of each sheet: "AMENDMENT" and the file number of the initial financing statement to which this Amendment relates; you are encouraged to use Amendment Addendum (Form UCC3Ad).

Always complete items 1a and 9.

A. To assist filing offices that might wish to communicate with filer, filer may provide information in item A. This item is optional.

B. Complete item B if you want an acknowledgment sent to you. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form a carbon or other copy of this form for use as an acknowledgment copy.

1a. **File number:** Enter file number of initial financing statement to which this Amendment relates. Enter only one file number. In some states, the file number is not unique; in those states, also enter in item 1a, after the file number, the date that the initial financing statement was filed.

1b. Only if this Amendment is to be filed or recorded in the real estate records, check box 1b and also, in item 13 of Amendment Addendum, enter Debtor's name, in proper format exactly identical to the format of item 1 of financing statement, and name of record owner if Debtor does not have a record interest.

Note: Show purpose of this Amendment by checking box 2, 3, 4, 5 (in item 5 you must check two boxes) or 8; also complete items 6, 7 and/or 8 as appropriate. Filer may use this Amendment form to simultaneously accomplish both data changes (items 4, 5, and/or 8) and a Continuation (item 3), although in some states filer may have to pay a separate fee for each purpose.

2. To terminate the effectiveness of the identified financing statement with respect to security interest(s) of authorizing Secured Party, check box 2. See Instruction 9 below.

3. To continue the effectiveness of the identified financing statement with respect to security interest(s) of authorizing Secured Party, check box 3. See Instruction 9 below.

4. To assign (i) all of assignor's interest under the identified financing statement, or (ii) a partial interest in the security interest covered by the identified financing statement, or (iii) assignor's full interest in some (but not all) of the collateral covered by the identified financing statement: Check box in item 4 and enter name of assignee in item 7a if assignee is an organization, or in item 7b, formatted as indicated, if assignee is an individual. Complete 7a or 7b, but not both. Also enter assignee's address in item 7c. Also enter name of assignor in item 9. If partial Assignment affects only some (but not all) of the collateral covered by the identified financing statement, filer may check appropriate box in item 8 and indicate affected collateral in item 8.

5,6,7. To change the name and/or address of a party: Check box in item 5 to indicate whether this Amendment amends information relating to a Debtor or a Secured Party; also check box in item 5 to indicate that this is a name and/or address change; also enter name of affected party (current record name, in case of name change) in items 6a or 6b as appropriate; and also give new name (7a or 7b) and/or new address (7c) in item 7.

5,6. To delete a party: Check box in item 5 to indicate whether deleting a Debtor or a Secured Party; also check box in item 5 to indicate that this is a deletion of a party; and also enter name (6a or 6b) of deleted party in item 6.

5,7. To add a party: Check box in item 5 to indicate whether adding a Debtor, or Secured Party; also check box in item 5 to indicate that this is an addition of a party; also enter all required information in item 7: name (7a or 7b) and address (7c); also, if adding a Debtor, tax ID # (7d) in those states where required, and additional organization Debtor information (7e-g) if added Debtor is an organization. Note: The preferred method for filing against a new Debtor (an individual or organization not previously of record as a Debtor under this file number) is to file a new Financing Statement (UCC1) and not an Amendment (UCC3).

8. Collateral change. To change the collateral covered by the identified financing statement, describe the change in item 8. This may be accomplished either by describing the collateral to be added or deleted, or by setting forth in full the collateral description as it is to be effective after the filing of this Amendment, indicating clearly the method chosen (check the appropriate box). If the space in item 8 is insufficient, use item 13 of Amendment Addendum (Form UCC3Ad). A partial release of collateral is a deletion. If, due to a full release of all collateral, filer no longer claims a security interest under the identified financing statement, check box 2 (Termination) and not box 8 (Collateral Change). If a partial assignment consists of the assignment of some (but not all) of the collateral covered by the identified financing statement, filer may indicate the assigned collateral in item 8, check the appropriate box in item 8, and also comply with instruction 4 above.

9. Always enter name of party of record authorizing this Amendment; in most cases, this will be a Secured Party of record. If more than one authorizing Secured Party, give additional name(s), properly formatted, in item 13 of Amendment Addendum (Form UCC3Ad). If the indicated financing statement refers to the parties as lessee and lessor, or consignee and consignor, or seller and buyer, instead of Debtor and Secured Party, references in this Amendment shall be deemed likewise so to refer to the parties. If this is an assignment, enter assignor's name. If this is an Amendment authorized by a Debtor that adds collateral or adds a Debtor, or if this is a Termination authorized by a Debtor, check the box in item 9 and enter the name, properly formatted, of the Debtor authorizing this Amendment, and, if this Amendment or Termination is to be filed or recorded in the real estate records, also enter, in item 13 of Amendment Addendum, name of Secured Party of record.

10. This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 10 any identifying information (e.g., Secured Party's loan number, law firm file number, Debtor's name or other identification, state in which form is being filed, etc.) that filer may find useful.