

ASSIGNMENT AND ASSUMPTION OF LEASE BY TENANT AND INDEMNITY

THIS AGREEMENT, made this 23rd day of December, 2002, by and between AMBAC ASSURANCE CORPORATION (f/k/a AMBAC Indemnity Corporation), a Wisconsin corporation ("Assignor"), and AMBAC FINANCIAL GROUP, INC., a Delaware corporation ("Assignee").

W I T N E S S E T H

WHEREAS, Assignor is the holder of the tenant's interest under that certain Agreement of Lease dated January 1, 1992, between South Ferry Building Company, as landlord ("Landlord"), as assigned to One State Street, LLC by assignment dated June 13, 2000, and Assignor, as tenant, as amended by that certain Agreement dated August 1, 1997, between South Ferry Building Company, as Landlord, and Assignor, as tenant (as so amended, the "Lease");

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Assignor hereby assigns, sets over and transfers unto Assignee to have and to hold from and after the date hereof, all of the right, title and interest of Assignor in, to and under the Lease, including without limitation any security deposit thereunder, and Assignee hereby accepts the within assignment and assumes and agrees with Assignor, to perform and comply with and to be bound by all of the terms, covenants, agreements, provisions and conditions of the Lease on the part of the tenant thereunder to be performed in the same manner and with the same force and effect as if Assignee had originally executed the Lease as tenant.
2. Assignor agrees to indemnify and hold harmless Assignee from and against any and all Claims (as defined in Paragraph 4 hereof) accruing or arising under the Lease on or before the date hereof.
3. Assignee agrees to indemnify and hold harmless Assignor from and against any and all Claims accruing or arising under the Lease after the date hereof.
4. For the purposes of this Agreement, the term "Claims" means all costs, claims, obligations, damages, penalties, causes of action, losses, injuries, liabilities and expenses (including, without limitation, reasonable legal fees and expenses).
5. This Agreement (i) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, (ii) shall be governed by the law of the State of New York and (iii) may not be modified orally, but only by a writing signed by both parties hereto.

6. Notwithstanding any of the foregoing, the effectiveness of this Agreement is expressly conditioned upon the consent of the Mortgagee under that certain Subordination, Non-Disturbance and Attornment Agreement dated May 19, 2000, by and among New York State Teachers' Retirement System ("Mortgagee"), AMBAC Assurance Corporation, and South Ferry Building Company, L.P.

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

AMBAC ASSURANCE CORPORATION

By: [Signature]  
Name:  
Title:

AMBAC FINANCIAL GROUP, INC.

By: [Signature]  
Name:  
Title:

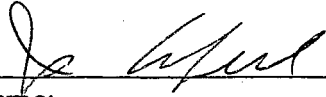
Consent to this Agreement is hereby granted by One State Street, LLC. Notwithstanding One State Street, LLC's consent to this Agreement, any future assignment or subletting will be subject to Article 7 of the Lease.

ONE STATE STREET, LLC  
By: SOUTH FERRY BUILDING COMPANY, L.P.

By: [Signature]  
Name: ABRAHAM WOLFSON  
Title: GENERAL PARTNER

The undersigned Mortgagee hereby consents to the attached Agreement.

NEW YORK STATE TEACHERS'  
RETIREMENT SYSTEM

By:   
Name: James D. Campbell  
Title: Real Estate Investment Officer

State of New York )  
County of New York )

On December 27, 2002 before me, DANIELLE BRACKETT, Notary Public, personally appeared Gregg Bierstork, the Managing Director of Ambac Assurance Corporation 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/she/they 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.

*Danielle T. Brackett*

DANIELLE T. BRACKETT  
Notary Public, State of New York  
No. 31-4916660  
Qualified in New York County  
Commission Expires Dec. 28, 2005

State of New York )  
County of New York )

On December 27, 2002 before me, DANIELLE BRACKETT, Notary Public, personally appeared Gregg Bierstork, the Managing Director of Ambac Financial Group, Inc., 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/she/they 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.

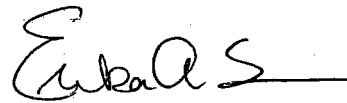
*Danielle T. Brackett*

DANIELLE T. BRACKETT  
Notary Public, State of New York  
No. 31-4916660  
Qualified in New York County  
Commission Expires Dec. 28, 2005

State of New York )  
 )  
County of Kings )

On December 31, 2002 before me, Erika Sullivan, Notary Public, personally appeared Abraham Wolfson, the General Partner of One State Street, LLC, 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/she/they 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.



ERIKA A. SULLIVAN  
Notary Public, State of New York  
No. 01SU6066976  
Qualified in Kings County  
Commission Expires Nov. 26, 2005

