From: Jeff Kondrat
To: EONG
Date: 1/15/98 5:12pm
Subject: 7 WTC -Reply

No, these items are not negotiated yet. I'll try to get the landlord to change these (except for #3, which is to our benefit). Thanks for your comments.

>>> Edward Ong 01/15/98 10:15am >>>
I note the following variances from the boilerplate:

1. The inclusion of capital improvements which are associated with cost-saving measures. The language provides latitude as far as what expenditures can qualify.

2. Capital expenditures are no longer excluded from operating expenses.

3. The calculation of base year expenses is based on 95% rather than 100% occupancy. This change favors the City in that grossing up to 100% should produce a higher base year number.

4. The real estate tax escalation clause does not provide for credits in the event of assessments that are less than the base year amount.

Were these items negotiated?