

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM**

TO: JEFF KONDRAT
DCAS Assistant Commissioner

FROM: JASON CUTLER *Jason Cutler*
Assistant Corporation Counsel (Tel. 788-0733)

RE: 7 WTC Draft Lease #4 for Mayor's Office of Emergency Planning
Fixed Rent Commencement Date of January 1, 1999

DATE: December 18, 1997

Current draft lease #4 (page 5, top) has a fixed rent commencement date of January 1, 1999, no matter when substantial completion of the necessary alterations take place. Is this still acceptable to us?

How much of the originally negotiated rent credit are we willing to give up? It appears that we are going to lose a significant amount of this credit. Based on the current situation when do we anticipate substantial completion of the office space and the tech space to take place? If we have to live with a fixed rent commencement date, should we try to negotiate that it is contingent on Landlord having a fixed date for Substantial Completion and that any delay beyond that fixed date would extend our rent commencement date?

Also assuming the normal office space (approximately half the demised premises, I believe) is completed and occupied by OEM 2 months prior to the completion of the tech space, as contemplated by the attached time line diagram dated 7-21-97 (ID 45 and 50), are we entitled to a deferred rent credit for the tech space for the period of time between the completion of the office space and the later completion of the tech space? How long do we have to pay rent for the current space occupied by OEM? Should we have something in the lease requiring Landlord to first complete the office space? Is this practical?

Time required for Plan preparation: The attached time line diagram (ID 29-32) (ID 29-32) assumes about 2 months for preparation of the preliminary plans and another 2 and 1/2 months (ID 34-37) for final plans sign-off. How much, if any, of the architect's services been done so far? Have we lost the benefit of these 4 and 1/2 months? If so, how does this affect the date which we commence to pay rent i.e. the amount of our rent credit? Note: only one month of the construction bid process is contemplated in the time line drawing.

When can we determine the maximum amount of the cost for the alterations? We, of course, have to specify that amount in the lease and be comfortable that it is sufficient.

JC
Encl.