

**LAW DEPARTMENT****100 CHURCH STREET
NEW YORK, N.Y. 10007****JEFFREY D. FRIEDLANDER
Acting Corporation Counsel****MEMORANDUM**

TO: JEFF KONDRAT
DCAS Assistant Commissioner

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

RE: 7 WTC Draft Lease #4
Mayor's Office of Emergency Planning

DATE: December 26, 1997

Some problems with draft #4 are as follows:

1. **Termination Date** - Art. 1, page 3: Did we agree to January 31, 2018? Is not this less than 20 years?
2. **Termination payment to Landlord** Art 3 (Option to terminate), page 6: We should not have to pay until, or just prior to, the expiration date we have to give in our notice to Landlord given 18 months before the termination date.
3. **Tenant Initial Work** (Art. 6, pages 21-30): It would be helpful for Richy Ramos to look at this language again I "enclose my hand-written comments. In particular, we should specifically exclude Landlord's attorney fees and expenses, particularly since under certain circumstances under the License, we were liable for said expenses.
Preliminary Plan approval: Art. (A) at bottom of page 21 states that the Preliminary Plans have been approved by Tenant. Will this be correct by the time we execute the Lease?
We should also have some language dealing with time frames for completion of the non-general office space. Do we intend to occupy all the space at once?
Paragraph (K) must be revised.
4. **PASNY Electricity** Art. 10 pg 38 -44: It would be helpful for DCAS to look at this closely. In particular, note that Tenant has only a one time, non-recurring option on the first anniversary of the Commencement Date for PASNY power (see paragraph (H) 1.(a)). Also Tenant must pay for removal and restoration upon termination or expiration of the Lease.

5. Silverstein Management Fee Disclosure: Art 25 (Significant Related Party Transactions), bottom of page 74 states "This Article excludes management fees included in Operating Expenses." We need to omit that language. I Can't we get a side letter from Landlord declaring the identity and amount of said fee by Silverstein. I assume if it is reasonable we would have no problem and then Landlord could be assured and we could keep our standard language.

6. Repairs to (a) Tenant Initial Work and the (b) Demised Premises (Art 13, pg 46 (bot) - 48: The lease provides that Tenant is responsible except that Landlord will make all "interior, exterior and structural repairs." Is this the deal? Is not there a certain amount of Tenant Initial Work that Landlord has the continuing obligation to repair, aside from those due to defects of materials and workmanship for the first year. How are all the repairs being paid? Is it part of Operating Expenses.

If not do we want Landlord to do whatever repairs are necessary (to both (a) and (b)) and we reimburse them?

In any event we cannot keep the language in the middle of page 48 that gives the Tenant a choice on who does the repairs ("Tenant shall make such ordinary and nonstructural repairs as necessary for its occupancy *or request Landlord, at Tenant's expense to perform such repairs.*" I believe Dan Muller would conclude that this violates the City's Procurement Policy Board Rules.

I will be away on vacation next week, but we can discuss the lease in general when I return.

Enc.
JC