Mtg 7/16/97
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Leasing Proposal

For
Mayor's Office of
Emergency Management

Prepared for:	Prepared by:
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July 14, 1997

Though the enclosed constitutes our proposal, it must be understood that it is subject to the final approval of the owner and related parties, and our arriving at a mutually agreeable Lease and Broker's Agreement, and unless and until these documents have been fully and unconditionally executed and delivered, none of the parties shall be bound in any way.

1. **Initial Premises**: The building is pleased to offer the entire 23rd floor for the Mayor's Office of Emergency Management's initial requirement. The floor measures 45,815 rentable square feet. We are awaiting Tenant's architect's measurements.

2. **Lease Term:** Twenty (20) years.

3. **Occupancy Date:** The space is currently vacant and available for immediate commencement of construction. Target occupancy date is on or about January 1, 1998.

4. **Use:** Executive, administrative and general offices.

5. **Base Rent:**
$28.00 per rentable square foot; years 1-5 — $1,282,820.00
$35.00 per rentable square foot; years 6-10 — $1603,525.00
$37.00 per rentable square foot; years 11-15 — $
$42.00 per rentable square foot; years 16-20

6. **Rental Concessions:** Landlord will provide a rent abatement of fourteen (14) months including Tenant's construction time for a normal office installation. Tenant will pay for electricity, escalations (if any) and any other miscellaneous expenses it incurs during free rent period.

7. **Escalations:** Tenant shall pay its proportionate share of the increase in direct operating expenses over a base year ending December 31, 199~~7~~8. Operating expenses would be calculated based on a stabilized ~~95%~~ 100 occupancy.

Tenant shall pay its proportionate share of the increase in P.I.L.O.T. payments over a fiscal 1997/1998 base year. Landlord will endeavor to obtain a waiver of P.I.L.O.T. payments from the Port Authority for this tenant. If obtained, the base rent will be reduced by the amounts so waived.

Exhibit A contains an itemized detail of the past three years of operating expenses and P.I.L.O.T. payments.

8. Option to Cancel: Tenant shall have the right to cancel on the tenth (10) anniversary of rent commencement upon eighteen (18) months prior written notice.

9. Tenant Improvements: Landlord will contribute $45.00 per rentable square foot towards tenant improvements.

10. Security Deposit: No security deposit will be required.

11. Alterations: Subject to approval by the Port Authority and additional appropriate regulatory authorities, Landlord not to unreasonably withhold consent to alterations.

12. Landlord Review Fees: Landlord will not impose a fee for its review or approval of the plans for Tenant alterations other than actual out-of-pocket costs.

13. Contractors: Landlord will use its designated contractor to perform the work. Said contractor will obtain three (3) subcontractor bids for each item of construction.

14. Non-Disturbance: Landlord will obtain a non-disturbance agreement from the existing mortgagee, and will use best efforts to obtain same from future mortgagee.

15. Heating, Ventilating and Air Conditioning (HVAC): The Building supplies air-conditioning via a condenser water system with a water side economizer. The proposed floor is equipped with two 45 ton Trane units. Additional capacity can be made available. The building suggests a meeting with The City's representatives to learn more about its cooling requirements. Standard building hours are 8:00 AM - 6:00 PM, Monday through Friday.

The cost for overtime air-conditioning is currently $16.00 per hour.

16. Asbestos Containing or Other Hazardous Materials (ACM): 7 World Trade Center endeavors to meet all applicable codes. Asbestos was not used in constructing the base building.

17. Electricity: The Building buys high tension electricity directly from Con Edison and passes the savings along to the tenants. The Building has extensive capacity. Landlord shall provide up to six (6) watts per rentable square foot to Tenant at no additional cost.

Tenant's electric will be submetered.

18. Repairs: Landlord to make any exterior and structural repairs, including but not limited to repairs to the roof, sidewalks, windows, elevators, electrical, plumbing and heating systems except as may be installed within Tenant's demised premises. Landlord will make interior repairs to the demised premises at Tenant's request and at Tenant's cost.

19. Cleaning: Landlord, at its sole cost and expense, shall provide building standard cleaning and rubbish removal services in accordance with the cleaning schedule which shall be made part of the Lease. In the event Tenant obtains its own cleaning contractor, Landlord will provide Tenant with a cleaning credit as may be obtained from Landlord's cleaning contract.

20. Hazardous Materials: Landlord represents and warrants that to its knowledge, there are no hazardous substances/toxic contaminants located in, on, or under the building, the property, or the premises and there has been no violation thereon of any law governing hazardous materials. If hazardous materials are discovered at some later date throughout the lease term on or about the building or premises, which were not caused by Tenant, the Landlord will be liable for all costs and expenses associated with regulatory requirements to eliminate such conditions.

21. Self Help: If Landlord should fail to provide agreed upon services or repairs, as specified in the lease after appropriate notice by Tenant and expiration of a thirty (30) day period following such notice, after which Tenant will give Landlord ten (10) days notice before performing such services and/or repairs, as may be essential to the use and occupancy of the space, Tenant may perform said services or repairs in a professional, competent manner and deduct the industry standard cost thereof from any rent due or that may become due and payable under lease.

22. Assignment and Subletting: Tenant shall have the right to sublet the space to other City agencies to be specifically agreed upon, in accordance with the class and character of the building for executive office use. Tenant shall have the right to sublease to other entities subject to Landlord's consent.

23. Compliance With Law: The building endeavors to comply with all Federal, State and local Laws, including the American's with Disabilities Act (ADA). Tenant shall be responsible for compliance within Tenant's premises and to comply with all future laws applicable to the Tenant's particular manner of use of the premises.

24. Brokerage: Landlord agrees to pay CB Commercial Real Estate Group one single full commission (payable to a New York licensed firm) based upon full execution of a satisfactory lease and brokerage agreement.

Please be advised that this proposal is subject to rights of existing tenants and approval by appropriate entities. Neither party shall be bound in any way unless and until a lease is fully executed and unconditionally delivered.

EXHIBIT A

Building P.I.L.O.T. (payment in lieu of taxes) and Operating Expenses

P.I.L.O.T.

Base Year:	1993/1994	1994/1995	1995/1996	1996/1997
Per RSF:	$4.06	$3.76	$3.41	$3.69

Operating Expenses

Base Year:	1993	1994	1995	1996
Total:	$9,541,100.00	$10,228,600.00	$10,090,600.00	$9,695,753
Per RSF:	$4.93	$5.28	$5.21	$5.01

g. Public Corridor Demising Partition: Not required if The City occupies the entire 23rd floor as proposed.

h. Slab Leveling: Not required, 7 World Trade Center is a new building.