

June 26, 1997

Ms. Catherine T. Giliberti
 Senior Vice President
 Silverstein Properties
 120 Broadway
 New York, NY 10271

**Re: 7 World Trade Center
 Mayor's Office of Emergency Management**

Dear ,

Pursuant to our conversation, the City of New York is interested in leasing space in the above referenced property for use by the Mayor's Office of Emergency Management, or for such other use as the Commissioner of the Department of General Services may determine, upon the following terms and conditions:

PREMISES:	7 World Trade Center Entire 23rd Floor
SIZE:	Rentable square feet to be defined using the Division of Real Estate Services (DRES) measurement criteria.
TERM:	Twenty (20) years
LEASE of COMMENCEMENT:	Delete whichever does not apply 2001 or upon the Date Occupancy or Upon Substantial Completion of alterations and improvements, as certified by the Division of Real Estate Services.
RENT:	\$ per square foot per annum/ First years \$ per square foot per annum/ Next years Rent shall be payable at the end of the month.
RENTAL ABATEMENT:	Delete whichever does not apply

Ms. Catherine T. Giliberti
June 26, 1997
Page 2

~~months. Or Tenant shall receive months of free rent per year for the first years of the lease term. The rent concession shall commence upon lease commencement.~~

REAL ESTATE TAXES: The Tenant shall pay its proportionate share (to be determined) of increases in real estate taxes above the Base Tax Year. The Base Tax Year shall be fiscal 1998/99 provided the Tenant has taken occupancy prior to December 31, 1998. If the Tenant takes occupancy after December 31, 1998, then the Base Tax Year shall be fiscal 1999/00.

OPERATING EXPENSES: The Tenant shall pay its proportionate share (percent to be determined) of increases in direct operating expenses using the CPI escalation formula as defined in the lease, above the Base Operating Year. The Base Operating Year shall be (I) the calendar year in which occupancy occurs, if the Tenant takes occupancy between January 1st and April 30th, (II) the last half of the calendar year and the first half of the following calendar year, if the Tenant takes occupancy between May 1st and August 30th, or (III) the following calendar year, if the Tenant takes occupancy between September 1st and December 31st.

ALTERATIONS AND IMPROVEMENTS: The Landlord shall, prior to the commencement of the lease term, prepare final architectural plans and engineering plans and make alterations and improvements in accordance with preliminary architectural plans and specifications prepared by the Division of Real Estate Services.

The Landlord shall contribute \$ per rentable square foot toward the cost of final architectural plans, engineering plans and alterations and improvements. If the cost of the final architectural plans, engineering plans, and alterations and improvements exceed the Landlord's allowance, any balance up to an authorized maximum will be paid by the Tenant. Any unused allowance will be credited to Tenant in the form of a rent abatement at the beginning of the lease.

Ms. Catherine T. Giliberti
June 26, 1997
Page 3

The Tenant shall reimburse the Landlord for Tenant's share of the costs for the final architectural plans, engineering plans and alterations and improvements, as additional rents, to be disbursed.

Landlord shall be responsible for all base building and Tenant space improvements as required to conform to and maintain compliance with all applicable laws, codes, etc., including ADA.

LANDLORD SERVICES:

Landlord shall, at its sole cost and expense, provide heat, air-conditioning, hot and cold water and elevator service during normal business hours 8:00 a.m. to 6:00 p.m. on Monday through Friday inclusive and from 8:00 a.m. to 1:00 p.m. on Saturday, holidays excepted, and access twenty-four (24) hours per day, seven (7) days per week.

REPAIRS:

Landlord to make any ongoing interior, exterior and structural repairs, including but not limited to repairs to the roof, sidewalks, windows, elevators, electrical, plumbing, heating, ventilation, and air condition systems.

CLEANING:

~~Delete all but one of the following paragraphs.~~

Landlord, at its sole cost and expense, shall provide cleaning and rubbish removal services in accordance with the cleaning schedule which shall be made part of the Lease.

~~Tenant shall provide its own cleaning and rubbish removal services~~

**PROCURING
COMMISSION:**

CB Commercial Real Estate Group, Inc., as sole and exclusive representative for The City of New York, shall be paid a full commission per the enclosed schedule upon execution of the lease. Please execute and return with your proposal.

**ASSIGNMENT
OR SUBLETTING:**

The City reserves the right to assign the lease or sublet the space to other agencies of the City, without approval of the

Ms. Catherine T. Giliberti
June 26, 1997
Page 4

landlord. Written request will be provided for assignment or sublet to all non-affiliated entities of The City. Such requests shall not be unreasonably denied.

SECURITY DEPOSIT: Tenant shall not be required to pay a security deposit.

HAZARDOUS MATERIALS: Tenant requires that the Landlord represent and warrant 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 problems, etc.

COMPLIANCE WITH LAWS/ADA: Tenant requires that the property comply with all present future laws, ordinances, requirements, and regulations of federal, state and city government, including ADA and OSHA, and that if modifications to the property are required to achieve compliance, Landlord will complete the work in Landlord's sole cost.

NON-DISTURBANCE: Landlord shall provide Tenant with a fully executed Non-Disturbance agreement for any present land and building mortgages and guarantee non-disturbance agreements from all future mortgages to which Tenant is required to subordinate its interest

ELECTRICITY: Tenant shall pay for its electricity direct to the public utility company. The Landlord shall, at its sole cost and expense, provide the meter and any necessary wiring.

SELF HELP: Tenant has right of self-help, i.e. if Landlord should fail to provide agreed upon services or repairs, as specified in the lease, Tenant (I) may, as agent for Landlord, do any of said services or

Ms. Catherine T. Giliberti

June 26, 1997

Page 5

repairs and deduct the cost thereof from any rent due or that may become due and payable under lease or (ii) may terminate the lease or (iii) may withhold all rent due and owing to Landlord until Landlord performs such services or repairs to the responsible satisfaction of Tenant.

**ASBESTOS REPORT
GUIDELINES:**

See attached.

**LANDLORD
DISCLOSURE FORM:**

See attached.

LEASE FORM:

Tenant requires use of the standard City of New York lease, a sample of which is attached.

Please be advised that this offer may be revised or withdrawn at any time and is subject to approval by the Office of Management and Budget, the Commissioner of the Department of Citywide Administrative Services, and the Corporation Counsel of the City of New York, and negotiation and execution of a mutually acceptable lease document.

If you have any questions or require any additional information or clarification of points raised in this proposal, please call us.

Sincerely,

Kevin J. Danehy

cc:

