

LEASE NO. _____

LICENSE AGREEMENT BETWEEN

**THE CITY OF NEW YORK
DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES
ONE CENTRE STREET, 20TH FLOOR NORTH
NEW YORK, NEW YORK 10007**

&

**7 WORLD TRADE COMPANY, L.P.
521 FIFTH AVENUE
NEW YORK, NEW YORK 10175**

Premises: 7 World Trade Center (Block 84, Lot 36),
Borough of Manhattan
Entire 23rd floor
to be used by Mayor's Office of Emergency Management

Date Prepared	_____	Date	_____
Review by: Attorney	_____	Date	_____
Architect	_____	Date	_____
Negotiator	_____	Date	_____

DRAFT
JULY 16, 1997
7 WTC License

INDEX

ARTICLE	1	COMMENCEMENT, TERM, TERMINATION	PAGE	3
ARTICLE	2	LICENSE FEE	PAGE	4
ARTICLE	3	OPTION TO LEASE	PAGE	5
ARTICLE	4	LICENSE INTEREST IN PREMISES	PAGE	5
ARTICLE	5	ALTERATIONS & IMPROVEMENTS	PAGE	5
ARTICLE	6	INTENTIONALLY OMITTED	PAGE	7
ARTICLE	7	REAL ESTATE TAXES, ASSESSMENTS, WATER RATES, SEWER RENTS, ARREARS	PAGE	8
ARTICLE	8	INTENTIONALLY OMITTED	PAGE	8
ARTICLE	9	ACCESS	PAGE	8
ARTICLE	10	INTENTIONALLY OMITTED	PAGE	9
ARTICLE	11	INTENTIONALLY OMITTED	PAGE	9
ARTICLE	12	CONDEMNATION	PAGE	9
ARTICLE	13	DESTRUCTION BY FIRE OR OTHER CASUALTY	PAGE	9
ARTICLE	14	NO EMPLOYEE OF CITY HAS ANY INTEREST IN LICENSE	PAGE	10
ARTICLE	15	NOTICES	PAGE	10
ARTICLE	16	FORCE MAJEURE	PAGE	11
ARTICLE	17	SAVE HARMLESS	PAGE	11
ARTICLE	18	INVESTIGATIONS	PAGE	12
ARTICLE	19	INTENTIONALLY OMITTED	PAGE	16
ARTICLE	20	SEPARABILITY	PAGE	16
ARTICLE	21	LICENSOR’S REPRESENTATIONS	PAGE	16
ARTICLE	22	NO WAIVER	PAGE	17

INDEX CONTINUED

ARTICLE	23	INTENTIONALLY OMITTED	PAGE	17
ARTICLE	24	BROKERAGE	PAGE	17
ARTICLE	25	APPLICABLE LAW	PAGE	18
ARTICLE	26	LICENSE ENTIRE AGREEMENT	PAGE	18

**THE CITY OF NEW YORK
DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES
DIVISION OF REAL ESTATE SERVICES
ONE CENTRE STREET, 20TH FLOOR NORTH
NEW YORK, NEW YORK 10007**

LICENSE AGREEMENT (hereinafter referred to as "License") made as of this ____ day of July 1997, between 7 World Trade Center Company, L.P. whose address is 521 Fifth Avenue, New York, New York 10175, hereinafter designated as Licensor, and THE CITY OF NEW YORK, a municipal corporation, acting through the Department of Citywide Administrative Services ("DCAS"), with an address at 1 Centre Street, 20th Floor North, Suite 2000, New York, New York 10007, hereinafter designated as Licensee.

WITNESSETH:

WHEREAS, the parties hereto desire to enter into a License of office space pursuant to the terms and conditions set forth herein and for the specific purposes outlined in Article 5 hereof; and

WHEREAS, the City of New York, as authorized by the Mayor, may enter into a License for the "Licensed Premises," as defined herein to be executed on behalf of the City by the Deputy Mayor of the City of New York, after approval as to form by the Corporation Counsel; and

WHEREAS, the members of Licensor by resolution adopted on _____, authorized the execution of this License by the undersigned member.

NOW, THEREFORE, Licensor hereby licenses to Licensee and Licensee hereby licenses from Licensor, consistent with the following terms and conditions, the following described premises (hereinafter referred to as "Licensed Premises"): the entire 23rd floor of the building located at 7 World Trade Center (Block 84, Lot 36), Borough of Manhattan (hereinafter referred to as "Building") to be used by the Mayor's Office of Emergency Management ("OEM") for the limited purposes set forth herein, upon the terms and conditions hereinafter set forth.

Notwithstanding anything in the immediately preceding paragraph to the contrary or elsewhere in this License, this License is a license only to inspect the Licensed Premises, not to occupy or use or possess the Licensed Premises (or to have access to the Licensed Premises, except for inspection purposes as provided herein), it being understood and agreed that Licensor, or its designee or authorized agent, shall retain the exclusive right to use and occupy and possess the Licensed Premises (and to have access to the Licensed Premises at any time, without notice to Licensee). If, however, upon the termination of this License, Licensor shall deem it necessary for any reason to commence summary dispossession proceedings against Licensee, if the only relief requested by Licensor in such proceedings is to recover possession of the Licensed Premises Licensee hereby agrees (1) to consent to such proceedings, (2) not to oppose or object to the jurisdiction of the court or to seek to bring the proceedings before any other tribunal, (3) not to oppose or object to the manner of service of the notice of petition or petition if given to Licensee in the same manner as notices are permitted to be given to Licensee under this License, (4) not to interpose any answer, defense, objection or counterclaim therein, (5) not to make any motion therein, (6) to consent to entry of final judgement of possession in favor of Licensor, (7) to comply fully with said judgement and vacate the Licensed Premises and not to appeal from or

oppose the same, and (8) to consent to the issuance of a warrant of eviction against Licensee, to comply fully therewith and not to appeal from or oppose the same.

ARTICLE 1

COMMENCEMENT; TERM; TERMINATION

This License shall commence as of the date this License is fully executed by Licensors and Licensee (the "Execution Date") and will continue until terminated by Licensors or Licensee as hereinafter provided. During the term of this License, Licensors agree not to execute a lease of the Licensed Premises with any party other than Licensee.

Subject to the provisions of this License to the contrary, either Licensors or Licensee may terminate this License on thirty (30) days written notice to the other at any time and for any reason.

In the event Licensee terminates this License, then within sixty (60) days after the effective date of Licensee's termination notice Licensee shall pay to Licensors an amount (the "Licensors Work Cost") equal to the cost approved and authorized by Licensee for the following: (a) architect's fees and/or engineering fees; (b) expeditor's fees and filing and permit fees for the submission of same to the appropriate governmental authorities for approval, all in connection with Landlord's preparation of the Final Plans as defined and described in Article 5 below.

Licensors shall provide Licensee with a statement of all such costs together with reasonably detailed back-up documentation within fifteen (15) business days after Licensee's giving of a termination notice, or if applicable, the expiration of the License. Such costs shall be subject to audit by DCAS and/or its authorized representative and post-audit by the Comptroller

for the City of New York.

If, prior to the Expiration Date, Licensee shall terminate this License by reason of Licensors breach of the terms of this License and Licensee cannot thereby enter into a lease of the Licensed Premises because of uncompleted Licensors Work pursuant to Article 5 hereof, no Licensors Work Cost shall be payable. If, prior to the Expiration Date, Licensors shall terminate this License, except if due to a breach of the terms of this License by Licensee, no Licensors Work Cost shall be payable from Licensee to Licensors. The Licensors Work Cost payment shall also be waived in its entirety if Licensors and Licensee execute and deliver a lease of the Licensed Premises during the term of this License pursuant to Article 3 of this License.

ARTICLE 2

LICENSE FEE

Subject to the following provisions of this Article and performance of Licensors obligations under Article 5, Licensee shall pay a license fee of one dollar (\$1.00) upon the Expiration Date. The license fee shall be payable at Licensors address hereinbefore set forth or at such other address as may be designated by Licensors from time to time, by notice in the manner provided herein.

ARTICLE 3

OPTION TO LEASE

In consideration for entering into this License and agreeing to obey the covenants herein, including payment of the license fee, Licensee is hereby granted, during the term of this

License, the irrevocable option of entering into a lease for the Licensed Premises on terms mutually satisfactory to the parties herein. This option shall be exercisable only by execution and delivery of a Lease of the Licensed Premises between Licensor and Licensee during the term of this License, and upon the termination or expiration of this License, this option, if such a lease of the License Premises between Licensor and Licensee shall not have theretofore been executed and delivered, shall also terminate simultaneously with the termination or expiration of this License. Even if Licensee shall desire to lease the Licensed Premises, however, Licensor shall have no obligation to execute a lease with Licensee unless all the terms, covenants and conditions of the proposed lease are satisfactory to Licensor in Licensor's sole, uncontrolled discretion.

ARTICLE 4

LICENSOR'S INTEREST IN PREMISES

Licensor warrants and represents that it is the owner in fee of the Licensed Premises and is empowered and authorized to license said Licensed Premises.

ARTICLE 5

ALTERATIONS AND IMPROVEMENTS

Provided Licensee through its Division of Real Estate Services of DCAS ("DRES") has approved Licensor's architect (the "Architect") and the proposed cost of its services hereunder, Licensor shall cause its Architect to prepare architectural and engineering plans and specifications (the "Final Plans"). The Final Plans must be (i) engineering and architecturally complete; and (ii) coordinated with existing building conditions and facilities; and (iii) conform to all NYC codes

and all other applicable requirements (including but not limited to terms and conditions in the professional services requirement document prepared by DRES, i.e., "Guide for Design Consultant"), (iv) coordinated and based on the information referred to in Licensee's approval letter to Licensor in order to create a complete set of construction documents. The Final Plans must be filed by Licensor with the Building and Fire Departments and all other governmental authorities having jurisdiction.

Upon DRES' written approval of Licensor's Architect, Licensor shall cause said Architect to arrange for preparation of initial Final Plans and delivery of same to DRES and the Buildings, Fire Department and other regulatory agencies which require said submission in the timeframes set forth in the Request for Proposals ("RFP")

Within ten (10) business days after DRES's approval of the Final Plans, Licensor shall submit to DRES Building Department administrative approvals with respect to Final Plans as well as a copy of the work permit.

Licensor hereby warrants and represents that it has the financial capability and/or adequate financing to complete the Final Plans in the time frames set forth herein. Licensor's misrepresentation with regard to its ability to provide or obtain adequate financing shall constitute a basis for termination of this License on five (5) days written notice.

In the event Licensor fails to commence and/or fails to meet any applicable time frames, then Licensee shall give Licensor written notice (hereinafter referred to as "Delay Notice") advising Licensor of its failure to so commence and/or perform. If Licensor fails to commence or perform its obligations above within five (5) days from the date of said Delay Notice, Licensee, in addition to any other remedy it may have, may, at its option terminate this

License on ten (10) business days written notice to Licensor without liability for the repayment of the Licensor Work Cost as defined in Article 1.

ARTICLE 6

INTENTIONALLY OMITTED

ARTICLE 7

REAL ESTATE TAXES, ASSESSMENTS, WATER RATES,

SEWER RENTS, ARREARS

Licensor shall pay all real estate taxes, assessments, water rates, sewer rents and arrears levied against said Building and Land for the tax lot where the Licensed Premises is located or that may be liens thereon.

ARTICLE 8

INTENTIONALLY OMITTED

ARTICLE 9

ACCESS

Licensor agrees to provide DCA and DRES with access to the Licensed Premises during normal business hours on weekdays, but not on Saturdays, Sundays and holidays, upon reasonable prior notice, if accompanied by building personnel. In the event Licensor willfully fails to comply with any of the provisions of this Article within five (5) business days after written

notice thereof is given by Licensee to Licensor, Licensee, in addition to any other remedy it may have, may terminate this License on five (5) business days written notice without being liable for the Licensor Work Cost, provided that Licensee is not responsible for Licensor's failure to comply with the provisions of this Article.

ARTICLE 10

INTENTIONALLY OMITTED

ARTICLE 11

INTENTIONALLY OMITTED

ARTICLE 12

CONDEMNATION

If any portion of the Licensed Premises (which is not de minimis and which affects the proper operation and functioning of occupying agency in the Licensed Premises) shall be taken in condemnation, this License shall terminate upon the vesting of title in the condemnor and all license fees and other charges paid or payable by Licensee shall be apportioned as of the date of vesting of title in such condemnation proceeding. If less than the entire Licensed Premises is taken the license fee shall be proportionately adjusted.

ARTICLE 13

DESTRUCTION BY FIRE OR OTHER CASUALTY

If any portion of the Licensed Premises is totally destroyed or damaged by fire or other casualty, or partially destroyed or damaged to such an extent that it is unsuitable for the purpose which they are licensed, this License shall immediately terminate and all license fees and other charges paid or payable by Licensee shall be apportioned as of the date of termination. In the event that premises can still be used for the purpose for which they are licensed, Licensor, at its sole cost and expense, shall promptly commence, and diligently proceed to perform all repair, replacement, and rebuilding work necessary to restore the Licensed Premises to their prior condition.

ARTICLE 14

NO EMPLOYEE OF CITY HAS ANY INTEREST IN LICENSE

Licensor warrants and represents that no officer, agent, employee or representative of The City of New York has received any payment or other consideration for the making of this License and that no officer, agent, employee or representative of The City of New York has any interest, directly or indirectly, in this License or the proceeds thereof.

ARTICLE 15

NOTICES

A. Any notice required to be given shall be in writing and shall be sent by express or certified mail, return receipt requested and addressed or delivered personally to Licensor at the

address set forth above, or to Licensee addressed at the following address:

ASSISTANT COMMISSIONER OF LEASING AND SPACE DESIGN
Department of Citywide Administrative Services
Division of Real Estate Services
One Centre Street, 20th Floor, Room 2000N
New York, N.Y. 10007

Either party may change its address as set forth herein by notice to the other in the manner provided for herein. Notice shall be deemed given as of the date of mailing or date of personal delivery.

B. Notwithstanding the foregoing, service of process to commence a summary proceeding pursuant to Article 7 of the Real Property Actions and Proceeding Law ("RPAPL") relating to an occupancy by the City of New York or its agencies or officers of the Licensed Premises which at its commencement was authorized under this License shall be served in manner required by CPLR Section 311.

ARTICLE 16

FORCE MAJEURE

Licensor or Licensee shall not be deemed in default if it is delayed in the performance of any act, matter or thing which it is obligated to perform hereunder, if such delay is an "unavoidable delay." An "unavoidable delay" shall mean (i) strikes, lockouts, or labor disputes; (ii) acts of God, governmental restrictions, regulations or controls, enemy or hostile governmental actions, civil commotion, insurrection, revolution, sabotage or fire or other casualty or other conditions similar to those enumerated in this Article. In the event of any unavoidable

delay, all dates for performance shall automatically be extended by a period equal to the aggregate period of all such delays.

ARTICLE 17

SAVE HARMLESS

Licensors and Licensees shall each indemnify and hold harmless the other party from and against any and all liability, fines, suits, claims, demands, expenses and actions of any kind or nature arising by reason of injury to person or property occurring on or about the Licensed premises, the Building, or the real property of which they form a part, occasioned in whole or in part by its acts or omissions or the acts or omissions of any person present by its License and/or permission, express or implied, or by reason of Licensor performing preventive maintenance pursuant to a maintenance contract.

ARTICLE 18

INVESTIGATIONS

1.1 The parties to this agreement agree to cooperate fully and faithfully with any investigation, audit or inquiry conducted by a State of New York (State) or City of New York (City) governmental agency or authority that is empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of a governmental agency that is a party in interest to the transaction, submitted bid, submitted proposal, contract, License, permit, or license that is the subject of the investigation, audit or inquiry.

1.2(a) If any person who has been advised that his or her statement, and any information from such statement, will not be used against him or her in any subsequent criminal proceeding refuses to testify before a grand jury or other governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath concerning the award of or performance under any transaction, agreement, License, permit, contract, or license entered into with the City, the State, or any political subdivision or public authority thereof, or the Port Authority of New York and New Jersey, or any local development corporation within the City, or any public benefit corporation organized under the laws of the State of New York, or;

1.2(b) If any person refuses to testify for a reason other than the assertion of his or her privilege against self incrimination in an investigation, audit or inquiry conducted by a City or State governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to take testimony under oath, or by the Inspector General of the governmental agency that is a party in interest in, and is seeking testimony concerning the award of, or performance under, any transaction, agreement, License, permit, contract, or license entered into with the City, the State, or any political subdivision thereof or any local development corporation within the City, then;

1.3(a) The commissioner or agency head whose agency is a party in interest to the transaction, submitted bid, submitted proposal, contract, License, permit, or license shall convene a hearing, upon not less than five (5) days' written notice to the parties involved to determine if any penalties should attach for the failure of a person to testify.

1.3(b) If any nongovernmental party to the hearing requests an adjournment, the

commissioner or agency head who convened the hearing may, upon granting the adjournment, suspend any contract, License, permit, or license pending the final determination pursuant to paragraph 1.5 below without the City incurring any penalty or damages for delay or otherwise.

1.4 The penalties which may attach after a final determination by the commissioner or agency head may include but shall not exceed:

- (a) The disqualification for a period not to exceed five (5) years from the date of an adverse determination for any person, or any entity of which such person was a member at the time the testimony was sought, from submitting bids for, or transacting business with, or entering into or obtaining any contract, License, permit or license with or from the City; and/or
- (b) The cancellation or termination of any and all such existing City contracts, Licenses, permits or licenses that the refusal to testify concerns and that have not been assigned as permitted under this agreement, nor the proceeds of which pledged, to an unaffiliated and unrelated institutional lender for fair value prior to the issuance of the notice scheduling the hearing, without the City incurring any penalty or damages on account of such cancellation or termination; monies lawfully due for goods delivered, work done, rentals, or fees accrued prior to the cancellation or termination shall be paid by the City.

1.5 The commissioner or agency head shall consider and address in reaching his or her determination and in assessing an appropriate penalty the factors in paragraphs (a) and (b) below. He or she may also consider, if relevant and appropriate, the criteria established in paragraphs (c) and (d) below in addition to any other information which may be relevant and appropriate:

- (a) The party's good faith endeavors or lack thereof to cooperate fully and faithfully with any governmental investigation or audit, including but not limited to the discipline, discharge, or disassociation of any person failing to testify, the production of accurate and complete books and records,

and the forthcoming testimony of all other members, agents, assignees or fiduciaries whose testimony is sought.

- (b) The relationship of the person who refused to testify to any entity that is a party to the hearing, including, but not limited to, whether the person whose testimony is sought has an ownership interest in the entity and/or the degree of authority and responsibility the person has within the entity.
- (c) The nexus of the testimony sought to the subject entity and its contracts, Licenses, permits or licenses with the City.
- (d) The effect a penalty may have on an unaffiliated and unrelated party or entity that has a significant interest in an entity subject to penalties under 1.4 above, provided that the party or entity has given actual notice to the commissioner or agency head upon the acquisition of the interest, or at the hearing called for in 1.3(a) above gives notice and proves that such interest was previously acquired. Under either circumstance the party or entity must present evidence at the hearing demonstrating the potential adverse impact a penalty will have on such person or entity.

1.6(a) The term "license" or "permit" as used herein shall be defined as a license, permit, franchise or concession not granted as a matter of right.

1.6(b) The term "person" as used herein shall be defined as any natural person doing business alone or associated with another person or entity as a partner, director, officer, principal or employee.

1.6(c) The term "entity" as used herein shall be defined as any firm, partnership, corporation, association, or person that receives monies, benefits, licenses, Licenses, or permits from or through the City or otherwise transacts business with the City.

1.6(d) The term "member" as used herein shall be defined as any person associated with another person or entity as a partner, director, officer, principal or employee.

1.7 In addition to and notwithstanding any other provision of this agreement, the

Commissioner or agency head may in his or her sole discretion terminate this agreement upon not less than three (3) days written notice in the event contractor fails to promptly report in writing to the Commissioner of Investigation of the City of New York any solicitation of money, goods, requests for future employment of other benefit or thing of value, by or on behalf of any employee of the City or other person, firm, corporation or entity for any purpose which may be related to the procurement or obtaining of this agreement by the contractor, or affecting the performance of this contract.

ARTICLE 19

INTENTIONALLY OMITTED

ARTICLE 20

SEPARABILITY

If any term, covenant, condition or provision of this License or the application thereof to any circumstance or to any person, firm or corporation shall be invalid or unenforceable to any extent, the remaining terms, covenants, conditions and provisions of this License or the application thereof to any circumstances or to any person, firm or corporation other than those as to which any term, covenant, condition or provision is held invalid or unenforceable, shall not be affected thereby and each remaining term, covenant, condition and provision of this License shall be valid and shall be enforceable to the fullest extent permitted by law.

ARTICLE 21

LICENSOR'S REPRESENTATIONS

Licensor hereby warrants that, to the best of its knowledge, it is not in default of any obligation to the City of New York, nor is Licensor, its officers, principals or stockholders a defendant in any action instituted by the City.

Any misrepresentation by Licensor with regard to this warranty shall constitute a basis for termination of this License.

The partners or, if a corporate entity, officers and shareholders of the corporation or members of the limited liability which owns the premises are as follows: _____.

ARTICLE 22

NO WAIVER

The failure by Licensee to insist, in one or more instances upon the full performance of any Licensor's covenants, conditions or obligations hereunder shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition, and the consent or approval by Licensee to or of any act by Licensor requiring Licensee's consent or approval shall not be construed to waive or render unnecessary Licensee's consent or approval to or of any subsequent similar act by Licensor. No provision of this License shall be deemed to have been waived by Licensee unless such waiver be in writing signed by Licensee.

ARTICLE 23

INTENTIONALLY OMITTED

ARTICLE 24

BROKERAGE

Licensee and Licensor agree that there was no broker involved with the negotiation and execution of this License.

ARTICLE 25

APPLICABLE LAW

This License shall be governed by and construed in accordance with the internal laws of the State of New York.

ARTICLE 26

LICENSE ENTIRE AGREEMENT

This License sets forth the entire agreement between the parties, superseding all prior agreements and understandings, written or oral, and may not be altered or modified except by a writing signed by both parties.

This License shall be binding upon the parties hereto, their successors, legal representatives and assigns.

IN WITNESS WHEREOF, the said parties have caused this License Agreement to be executed the day and year first above written.

**7 WORLD TRADE COMPANY L.P.,
Licensor**

By_____

**THE CITY OF NEW YORK,
Licensee**

By_____
**Randy M. Mastro
Deputy Mayor for Operations
The City of New York**

Approved as to Form:

Acting Corporation Counsel

STATE OF NEW YORK)
 SS.:
COUNTY OF)

On this day of , 1997, before me personally came

to me known and known to me to be a member of the firm of 7 WORLD TRADE COMPANY L.P., the firm described in and which executed the foregoing instrument and acknowledged that (s)he executed the foregoing instrument for and in behalf of said firm, as qualified partner thereof.

STATE OF NEW YORK)
 SS.:
COUNTY OF NEW YORK)

On this day of , 1997, before me personally came Randy M. Mastro to me known to be the Deputy Mayor for Operations of the City of New York, the person described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.
