



LAW DEPARTMENT

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MEMORANDUM

FROM: JASON CUTLER *J Cutler*
Assistant Corporation Counsel

TO: JEFF KONDRAT
DCAS Assistant Commissioner

RE: 7 World Trade Center License (Draft #3) for Architectural and
Consultant Services: Mayor's Office of Emergency Management

Date: November 17, 1997

I enclose my hand-written comments on pages 4, 6 and 7 of draft #3 of the referenced license.

The new Silverstein comments referred to in Len Carter's transmittal fax of November 13, 1997 are in underlined dark type in your copy of draft #3 plus the following items which Len gave me today by phone: (a) the time period for the term (Article 1) of the license and our option to lease (Article 3) expires on January 15, 1997; (b) For the last paragraph of Article 5 on page 8 the five (5) day period for Licensor to comply from the date of our Delay Notice is to be extended if said 5 days is too short a time period. Comment (b) is all right with me.

For comment (a) if Silverstein insists on a termination date, we should try to extend it. As a practical matter when are the Charter Section 1602 hearings scheduled for the beginning months of 1998? I assume Silverstein is just trying to pressure us to expedite execution of the lease, but it really seems counterproductive for both sides. As you well know the time frame is not within our sole control. We accommodated them by changing 12-31-97 to only a target date for Licensor's completion of the final plans; they may not be completed until after 1-15-97. If there is a termination date in the license effecting our option to lease, we should add a provision that there is no intent to limit Licensor's liability for Licensor's Share of preparation of the Final Plans, whether such Plans are completed or not completed, pursuant to Article 5 of the License

Aside from the time considerations for negotiating the lease (which depends on cooperation and accommodation of both sides), we have to get OMB approval of the costs of the alterations (based in part I assume on a review on the Final Plans) and allow for public

inspection of the lease signed by Landlord. Also Landlord is protected by the language at the end of Article 3 (Option to Lease) of the draft License which states that Licensor is not obligated to execute a lease unless "all the terms ... of the proposed lease are satisfactory to Licensor in Licensor's sole, uncontrolled discretion." If Licensor wants to set a time limit on negotiations they can do it by letter to DCAS. This would also avoid legal problems and additional time required for a formal amendment of the license if Licensor wants to extend the 1-15-98 termination date.

Exhibit A: Does Exh. "A" (see page 7 of the License) exist? I have not received it yet from Joseph Dominguez. It approves Licensor's Architect and is supposed to include time frames and "information" for the services to be provided. Should we specify the nature of the "information"? Does Exh. "A" include any agreed upon costs or fees for the services to be provided? I assume we need this exhibit before we execute the license.

ARC Approval: The next meeting is November 24th. Is the license going to be on the calendar as an added item? Has an ARC report been drafted? December 15, 1997 is the day of the following ARC meeting.

Lease Draft #3 (8-27-97) DCAS Comments: Once the license is in final form I need to receive DCAS comments for lease the most recent draft of the proposed lease (lease draft #3 dated August 27, 1997) and include them with my comments which I have already sent to you.

Encl.
JC