

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 _____
SENT TO LANDLORD _____	Date _____

**FILE NO. 4219.1016
~~JULY 24~~ NOVEMBER 10, 1997
DRAFT #2 3**

A:\7WTLIC3.WPD

NO. 731 P003

11/10/97 15:58 CARB LUR19 LLP

INDEX

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

A:\7WTLIC3.WPD

ARTICLE	21	LICENSOR'S REPRESENTATIONS	PAGE
ARTICLE	22	NO WAIVER	PAGE

INDEX CONTINUED

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

A:\7WTLIC3.WPD

**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 November 1997, between 7 World Trade 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, Silverstein-7 World Trade Company, Inc. as General Partner of Licensor

A: \?WTLIC3.WPD

has the authority to execute this License on behalf of Licensors.

NOW, THEREFORE, Licensors hereby licenses to Licensee and Licensee hereby licenses from Licensors, consistent with the following terms and conditions, the following described premises (hereinafter referred to as "Licensed Premises"): the entire rentable area of the 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, in connection with certain services described in Article 5 hereof for Final Plans (as defined in said Article 5) required by Licensee for a lease of the Licensed Premises for use by OEM, 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 Licensors, 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, Licensors shall deem it necessary for any reason to commence summary dispossess proceedings against Licensee, if the only relief requested by Licensors 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 Licenser, (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 Licenser and Licensee (the "Commencement Date") and will continue until terminated by Licenser or Licensee as hereinafter provided. During the term of this License, Licenser agrees 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 Licenser or Licensee may terminate this License on thirty (30) days written notice to the other at any time and for any reason (the "Expiration Date").

In the event Licensee terminates this License, subject to the last sentence of this Article, then within sixty (60) days after the Expiration Date, Licensee shall pay to Licenser an amount (the "Licenser Work Cost") equal to a portion ("Licensee's Share") of the cost approved and authorized by Licensee pursuant to Article 5 hereof for the following (collectively the "Licenser's Work Cost"): (a) architect's fees and/or, engineering fees and related consultant fees; (b) expeditor's fees and filing and permit fees for the submission of same

to the appropriate governmental authorities, including, without limitation, the Port Authority of New York and New Jersey (the "Port Authority") for approval, all in connection with Landlord's preparation of the Final Plans as defined and described in Article 5 below. In addition to the Licensor Licensee's Share of Licensor's Work Cost shall be an amount equal to (x) fifty percent (50%) of the first \$400,000.00 of Licensor's Work Cost plus (y) one hundred percent (100%) of Licensor's Work Cost in excess of said \$400,000.00, it being agreed that Licensor's share of Licensor's Work Cost shall not exceed the sum of \$200,000.00 and that Licensee shall be responsible for all of Licensor's Work Cost's in excess of said \$200,000.00 assumed by Licensor.

In addition to the Licensee's Share of Licensor's Work Cost, Licensee shall concurrently therewith pay to Licensor (i) the attorneys fees and expenses incurred by Licensor in connection with this License and the proposed lease by Licensee, as tenant, of the Licensed Premises, plus (ii) interest calculated at an annual rate of ten percent (10%) from dates of payment by Licensor of Licensor's Work Cost and said attorneys fees and expenses, to date of payment by Licensee. ND

Licensor 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 Licensor's breach of the terms of this License and Licensee cannot thereby enter into a lease of the

i.e., "Guide for Design Consultant"), (iv) coordinated and based on the information referred to in Licensee's approval letter of Licensor's Architect to Licensor (copy annexed hereto) as Exhibit "A" in order to create a complete set of construction documents and (v) approved by DRES, which approval shall not be unreasonably withheld, conditioned or delayed within five (5) days after receipt by DRES of the Final Plans and shall specify in reasonable detail the reasons for any disapproval. The Final Plans must be filed by Licensor with all governmental authorities having jurisdiction.

~~Upon DRES' written approval (said approval by DRES to be made no later than five (5) days following receipt of bids therefor) of Licensor's Architect, Licensor shall cause said~~
LICENSOR shall cause the Architect to arrange for preparation of initial the Final Plans and delivery of same to DRES and the Port Authority and other regulatory agencies (if any) which require said submission in the timeframes set forth in the Request for Proposals ("RFP") Exhibit "A" annexed hereto.

~~Within~~ Within ten (10) business days after DRES's approval of the Final Plans and the execution and delivery of an unconditional lease by Licensor and Licensee for the Licensed Premises, Licensor shall submit to DRES Port Authority administrative approvals with respect to Final Plans as well as a copy of the work permit (or alternative document issued by the Port Authority).

Licensor hereby warrants and represents that it has the financial capability and/or adequate financing to complete cause the preparation of the Final Plans in the time frames set forth herein in said Exhibit "A". The parties hereto acknowledge and agree that the "target date" for completion of the Final Plans is on or prior to December 31, 1997. 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 Licenser fails to commence and/or fails to meet any applicable time frames, provided that Licensee is not responsible for Licenser's failure to comply with such time frames, then Licensee shall give Licenser written notice (hereinafter referred to as "Delay Notice") advising Licenser of its failure to so commence and/or perform. If Licenser fails to commence or perform its obligations above within five (5) days from the date of said Delay Notice, subject to force majeure, 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 Licenser without liability for the repayment of the Licenser Work Cost as defined in Article 1, subject to Licenser's right to dispute the Delay Notice.

ARTICLE 6

INTENTIONALLY OMITTED

ARTICLE 7

EXCULPATORY

Licensee agrees that the liability of Licenser under this License and all matters pertaining to or arising out of the Licensed Premises, shall be limited to Licenser's interest in the Building and in no event shall Licensee make any claim against or seek to impose any personal liability upon any general or limited partner of Licenser, or any principal of any firm or corporation that may hereafter be or become the Licenser.

ARTICLE 8**SUBORDINATION**

This License is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such leases or the real property of which the Licensed Premises are a part and to all renewals, modifications, consolidation, replacements and extensions of any such underlying leases and mortgages. This clause shall be self-operative and no further instrument of subordination shall be required by any ground or underlying lessor or by any mortgagee. In confirmation of such subordination, Licensee shall execute promptly any certificate that Licensor may request.

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

INTENTIONALLY OMITTED

ARTICLE 13

INTENTIONALLY OMITTED

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

Licenser and Licensee 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.

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 leases the premises are as follows: As to Silverstein-7 World Trade Company, Inc., General Partner, Larry A. Silverstein is President, Joseph P. Ritorto, is Senior Executive Vice President and Howard Shapiro is Secretary-Treasurer. The limited partners of ~~Licensee~~ Licensor are Silverstein Development Corporation and Klara Silverstein.

ARTICLE 22**NO WAIVER**

The failure by ~~Licensee~~ of either party hereto to insist, in one or more instances upon the full performance of ~~any Licensor's~~ the others 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 or Licensor to or of any act by ~~Licensor~~ the other party requiring ~~Licensee's~~ such consent or approval shall not be construed to waive or render unnecessary Licensee's or Licensor'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: the party against whom enforcement of the waiver is sought.

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

Licensor:
7 WORLD TRADE COMPANY L.P.,
By: **Silverstein-7 World Trade Company, Inc.,**
General Partner

By _____
Name:
Title:

Licensee
THE CITY OF NEW YORK,

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 NEW YORK)SS:)

On this _____ day of 1997 November, before me personally came _____
 to me known, and who being by me duly sworn, did depose and say that
 he resides at _____, New York, that he is the
 of _____, a corporation having its principal place of
 business at 521 Fifth Avenue, New York, New York; that said corporation is General
 partner of 7 World Trade Company, L.P., a Delaware limited partnership, 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 that said instrument was executed by said corporation for and in
 behalf of said firm, as qualified partner thereof partnership.

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

On this _____ day of November, 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.