

**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: Silverstein-7 World Trade Company, Inc. as General Partner of Licensor has the authority to execute this License on behalf of Licensor.~~

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 rentable area of the 23rd floor of the building 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

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* in connection with certain services described in Article 5 herein for Final Plans required by Licensee for a ~~temporary~~ lease of the Licensed Premises for use by The Mayor's Office of Emergency Management.

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 "Execution 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").

Without having executed and delivered a lease with Licensee of the Licensed Premises

In the event Licensee terminates this License, then within sixty (60) days after the

effective date of Licensee's termination notice Expiration Date, Licensee shall pay to Licenser ~~a portion of the cost of the work~~ *a portion of the cost of the work* ~~(the "Licenser Work Cost")~~ *(the "Licenser 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, including *(including related consultant fees)* ~~and (c)~~ *as provided in Article 5 herein*

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 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.

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, Lic	LL	\$50. ✓	ason of
Licensor's breach of the terms of this License	T	\$50.	a lease of the
Licensed Premises because of uncompleted L	LL	\$50. ✓	ereof, no
Licensor Work Cost shall be payable. If, pri	T	\$50.	l terminate
this License, except if due to a breach of the	LL	\$50. ✓	icensor Work
Cost shall be payable from Licensee to Licen	T	\$50.	under This License
be waived in its entirety if Licensor and Licer	LL	\$50. ✓	nt shall also
Premises during the term of this License pursuant to Article 5 of this License, <u>subject to the provisions of said lease.</u>	T	\$150. ✓	Licensed

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"Licensee's ~~Share~~ Share" of Licensor's Work Cost shall be those costs Licensor incurs over \$200,000 for Licensor Work, but in no event shall Licensee's Share exceed \$300,000.

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 Licensors 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 Licensors 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, Licensors shall have no obligation to execute a lease with Licensee unless all the terms, covenants and conditions of the proposed lease are satisfactory to Licensors in Licensors' sole, uncontrolled discretion.

ARTICLE 4

LICENSOR'S INTEREST IN PREMISES

Licensor warrants and represents that it is the leasehold 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, ~~including necessary consultant services and other fees or charges~~, Licensor shall cause its Architect to prepare architectural and engineering plans and specifications (the "Final Plans") ^{for leasing of the Licensed Premises to Licensee.} The Final Plans must be (i) engineering and architecturally complete; and (ii) ~~coordinated~~ ^{coordinated} with existing building conditions and facilities; and (iii) conform to all NYC applicable 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 ^{of Licensor's Architect} to Licensor ~~(copy annexed hereto)~~ 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 (v) approved by DRES.} The Final Plans must be filed by Licensor with the Building and Fire Departments and all other 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 Architect to arrange for preparation of the Final Plans and delivery of same to DRES and~~

~~which approval shall be made no later than five (5) days following receipt of bids therefor. Licensee has not been provided with the Final Plans and delivery of same to DRES and~~

Jeff:

the Buildings, Fire Department Port Authority and other regulatory agencies (if any) 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 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 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, provided that Licensee is not responsible for Licensor's failure to comply with such

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, subject to force majeure, Licensee, in addition to any other remedy it may have, may, at

it's 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, subject to

Licensor's right to dispute

the Delay Notice.

ARTICLE 6

INTENTIONALLY OMITTED

ARTICLE 7

REAL ESTATE TAXES, ASSESSMENTS, WATER RATES, EXCULPATORY 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 Licensee agrees that the liability of Licensor under this License and all matters pertaining to or arising out of the Licensed Premises is located or that may be liens thereon, shall be limited to Licensor'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 Licensor, or any principal of any firm or corporation that may hereafter be or become the Licensor.

ARTICLE 8 ARTICLE 8

INTENTIONALLY OMITTED 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****CONDEMNATION INTENTIONALLY OMITTED**

~~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

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. 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**

Licensor 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, ~~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 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 Licensor are Silverstein

Development Corporation and Klara Silverstein.**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.

Licensor:

7 WORLD TRADE COMPANY, L.P.,

By: Silverstein-7 World Trade Company, Inc., Licensor

By General Partner

By _____

Licensee:

THE CITY OF NEW YORK,

Licensee

APPROVED AS TO FORM BY _____

Acting Corporate Counsel

RAMON J. MASTRO
Deputy Mayor for Operations

Add Acknowledgment page for Licensor and Licensee