

From: lbs4@columbia.edu
Sent: Monday, August 27, 2012 6:51 PM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree
Subject: Freedom of Information Online Request Form

Information:

First Name: Lynne
Last Name: Sagalyn
Company: Columbia Business School
Mailing Address 1: 3022 Broadway
Mailing Address 2: 816 Uris
City: New York
State: NY
Zip Code: 10027
Email Address: lbs4@columbia.edu
Phone: 917-699-8130
Required copies of the records: Yes

List of specific record(s):

On or about April 11, 2002, agreement between the PA, Silverstein Lessees, Westfield America and their mortgagees regarding the allocation of insurance proceeds being held in escrow.

THE PORT AUTHORITY OF NY & NJ

Daniel D. Duffy
FOI Administrator

September 12, 2012

Ms. Lynne Sagalyn
Columbia Business School
3022 Broadway, 816 Uris
New York, NY 10027

Re: Freedom of Information Reference No. 13446

Dear Ms. Sagalyn:

This is a response to your August 27, 2012 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for a copy of the agreement between the Port Authority, Silverstein Lessees, Westfield America and their mortgages on or about April 11, 2002 regarding the allocation of insurance proceeds being held in escrow.

Material responsive to your request and available under the Code can be found on the Port Authority's website at <http://www.panynj.gov/corporate-information/foi/13446-O.pdf>. Paper copies of the available records are available upon request.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,



Daniel D. Duffy
FOI Administrator

1 World Trade Center LLC, 2 World Trade Center LLC,
4 World Trade Center LLC and 5 World Trade Center LLC
c/o Silverstein Properties, Inc.
521 Fifth Avenue
New York, New York 10175

and

Westfield WTC Holding LLC
c/o Westfield America, Inc.
11601 Wilshire Boulevard, 12th Floor
Los Angeles, California 90025

April 11, 2002

The Port Authority of New York and New Jersey
225 Park Avenue South - 19th Floor
New York, New York 10003
Attention: Cherrie Nanninga, Director, Real Estate Department

Re: The Agreements Described on Schedule 1 Hereto

Ladies and Gentlemen:

Capitalized terms used and not otherwise defined herein have the respective meanings ascribed thereto in the REOA and the Leases (as such terms are defined on Schedule 1 attached hereto, which Schedule 1 is made a part hereof by this reference).

The undersigned Net Lessees request the acknowledgment of the Port Authority of a clarification to the provisions of Article VIII of the REOA regarding the distribution of proceeds of insurance maintained pursuant to Section 14 of the Leases and Article VIII of the REOA relating to the destruction of the World Trade Center on September 11, 2001, namely that in the event that Section 15.1.5 of the Leases, and Section 8.3(f) of the REOA are applicable, such insurance proceeds, including the proceeds of Excess Insurance but excluding all insurance proceeds which the Lessees and the Port Authority, with the consent of the Mortgagees, have agreed or hereafter agree to allocate to business interruption losses, will be disbursed in the following order of priority:

The Port Authority of New York and New Jersey

April 11, 2002

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1. first, to the Port Authority, until the Port Authority has received an aggregate amount equal to the product of (a) \$1,500,000,000, and (b) a quotient, the numerator of which is the amount of all insurance proceeds collected under the applicable insurance policies, regardless of allocation, and the denominator of which is 3,546,000,000; but in no event less than \$1,500,000,000;
2. second, to the Mortgagees to pay all accrued and unpaid interest, outstanding principal and other payment obligations owed to the Mortgagees by the Net Lessees under their respective Mortgages and the other loan documents executed in connection therewith, in accordance with their respective terms (and without regard to the limitation on disbursements described in paragraph 3 below) (the amounts described in this paragraph 2 excluding the amount of outstanding principal being, in the aggregate, the "Non-Principal Amount");
3. third, to the Net Lessees to reimburse the Net Lessees for all payments previously made in reduction of the principal indebtedness secured by such Mortgages; provided that the aggregate amount of disbursements made pursuant to this paragraph 3, when combined with the aggregate amount of disbursements made pursuant to paragraph 2 foregoing, shall in no event exceed the lesser of (a) the sum of \$663,000,000 and the Non-Principal Amount and (b) \$863,000,000; and
4. fourth, the remainder, if any to the Net Lessees, provided that the distribution pursuant to this item 4 shall not, and shall not be deemed to, constitute a waiver by the Port Authority or any Net Lessee of its respective rights or obligations under the Net Leases or the REOA.

The foregoing is intended as a clarification of the REOA and the Leases, and the Net Lessees and the Port Authority, by their execution of this letter, agree that the Leases and the REOA, and the terms and provisions thereof, are otherwise ratified and affirmed in all respects.

We are simultaneously requesting the consent and acknowledgment to the foregoing of Wells Fargo Bank Minnesota, National Association, as trustee for

The Port Authority of New York and New Jersey
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the registered certificateholders of GMAC Commercial Mortgage Securities, Inc. Mortgage Pass-Through Certificates, Series 2001-WTC, under a Trust and Servicing Agreement dated as of August 21, 2001, for the securitization of the mortgage financing of Building 1, Building 2, Building 4 and Building 5, and of UBS Warburg Real Estate Investments Inc., which is the lender of the mortgage financing for the Retail Component, to be indicated by counterpart countersignature in the spaces provided below.

Please sign this letter agreement to indicate your acknowledgment that the provisions of Section 15.1.5 of the Leases, and Section 8.3(f) of the REOA, provide for the disbursement of the above described insurance proceeds as set forth herein above, and return a fully executed copy of this letter agreement to the undersigned.

Very truly yours,

1 WORLD TRADE CENTER LLC

By: 
Name: Michael Lash
Title: Vice President

[remainder of signatures appear on the next page]

The Port Authority of New York and New Jersey
April 11, 2002
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2 WORLD TRADE CENTER LLC

By: 
Name: Michael Levy
Title: Vice President

4 WORLD TRADE CENTER LLC

By: 
Name: Michael Levy
Title: Vice President

5 WORLD TRADE CENTER LLC

By: 
Name: Michael Levy
Title: Vice President

WESTFIELD WTC HOLDING LLC

By: Westfield America Limited Partnership

By: Westfield America Inc.

By: _____
Name:
Title:

[acknowledgment of the Port Authority appears on the next page]

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April 11, 2002
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2 WORLD TRADE CENTER LLC

By: _____
Name:
Title:

4 WORLD TRADE CENTER LLC

By: _____
Name:
Title:

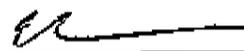
5 WORLD TRADE CENTER LLC

By: _____
Name:
Title:

WESTFIELD WTC HOLDING LLC

By: Westfield America Limited Partnership

By: Westfield America Inc.

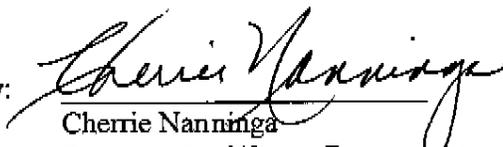
By: 
Name: Elizabeth F. Westman
Title: Secretary

[acknowledgment of the Port Authority appears on the next page]

The Port Authority of New York and New Jersey
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Acknowledged and agreed:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: 
Cherrie Nanninga
Director, Real Estate Department

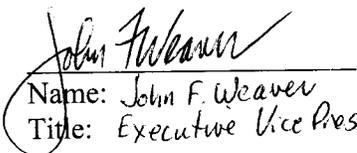
[consent and acknowledgments appear on next page]

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Consented to and acknowledged by:

Wells Fargo Bank Minnesota, National Association, as trustee for the registered certificateholders of GMAC Commercial Mortgage Securities, Inc. Mortgage Pass-Through Certificates, Series 2001-WTC, under a Trust and Servicing Agreement dated as of August 21, 2001 (the "TSA")

By: GMAC Commercial Mortgage Corporation,
Servicer under the TSA

By: 
Name: John F. Weaver
Title: Executive Vice President

UBS Warburg Real Estate Investments Inc.,
as Mortgagee

By: _____
Name:
Title:

By: _____
Name:
Title:

The Port Authority of New York and New Jersey
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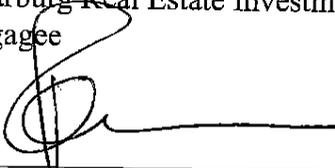
Consented to and acknowledged by:

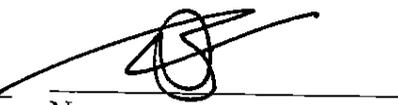
Wells Fargo Bank Minnesota, National Association, as trustee for the registered certificateholders of GMAC Commercial Mortgage Securities, Inc. Mortgage Pass-Through Certificates, Series 2001-WTC, under a Trust and Servicing Agreement dated as of August 21, 2001 (the "TSA")

By: GMAC Commercial Mortgage Corporation,
Servicer under the TSA

By: _____
Name:
Title:

UBS Warburg Real Estate Investments Inc.,
as Mortgagee

By:  _____
Name:
Title:

By:  _____
Name:
Title:

Schedule 1

Agreement of Lease, dated as of July 16, 2001, by and between The Port Authority of New York and New Jersey (the "Port Authority"), as landlord, and 1 World Trade Center LLC, as tenant, as amended by the First Amendment to Agreement of Lease, dated as of July 24, 2001;

Agreement of Lease, dated as of July 16, 2001, by and between the Port Authority, as landlord, and 2 World Trade Center LLC, as tenant, as amended by the First Amendment to Agreement of Lease, dated as of July 24, 2001;

Agreement of Lease, dated as of July 16, 2001, by and between the Port Authority, as landlord, and 4 World Trade Center LLC, as tenant, as amended by the First Amendment to Agreement of Lease, dated as of July 24, 2001;

Agreement of Lease, dated as of July 16, 2001, by and between the Port Authority, as landlord, and 5 World Trade Center LLC, as tenant, as amended by the First Amendment to Agreement of Lease, dated as of July 24, 2001;

Agreement of Lease, dated as of July 16, 2001, by and between the Port Authority, as landlord, and Westfield WTC Holding LLC, as tenant, as amended by the First Amendment to Agreement of Lease, dated as of July 24, 2001 (all of the foregoing Agreements of Lease, as amended, the "Leases", and each, a "Lease"); and

First Amended and Restated Reciprocal Easement and Operating Agreement of Portions of the World Trade Center, dated as of July 24, 2001 (the "REOA"), by and among, 1 World Trade Center LLC, 2 World Trade Center LLC, 4 World Trade Center LLC, 5 World Trade Center LLC, Westfield WTC Holding LLC (collectively, the "Net Lessees") and the Port Authority.