

Torres Rojas, Genara

From: dfries@rosenbergestis.com
Sent: Tuesday, December 16, 2014 1:49 PM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree
Subject: Freedom of Information Online Request Form

Information:

First Name: David
Last Name: Fries
Company: Rosenberg & Estis
Mailing Address 1: 733 Third Avenue
Mailing Address 2: 12th Floor
City: New York
State: NY
Zip Code: 10017
Email Address: dfries@rosenbergestis.com
Phone: 2125511282
Required copies of the records: No

List of specific record(s):

With respect to a previous request, Reference No. 15508, I would like to clarify that I am seeking the 2006 PILOT Agreements referenced in the lease for 3WTC, which include i a letter agreement entered into between the Port Authority and the City of New York relating to a credit under the City Agreement in connection with certain matters with respect to the development of Cortlandt Way and ii a letter agreement between PA and the City of New York relating to certain terms applicable to leases regarding space within the WTC to be occupied by the City of NY, both letters dated November 16, 2006. Thank you.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

October 2, 2015

Mr. David Fries
Rosenberg & Estis
733 Third Avenue, 12th Floor
New York, NY 10017

Re: Freedom of Information Reference No. 15508

Dear Mr. Fries:

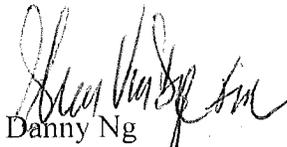
This is in response to your November 20, 2014 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code", copy enclosed) for copies of the following records: "the Second Amended and Restated Agreement of Lease for each of Two, Three and Four World Trade Center. Please also provide the Second Amended and Restated Memorandum of Lease between the PA and each of Two, Three and Four World Trade Center LLC. Please also provide the Restated and Amended PILOT Agreement."

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/15508-WTC.pdf>. Paper copies of the available records are available upon request.

Pursuant to the Code, certain portions of the material responsive to your request are exempt from disclosure as, among other classifications, security.

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

Very truly yours,



Danny Ng
FOI Administrator

Enclosure

*4 World Trade Center, 18th Floor
150 Greenwich Street
New York, NY 10007
T: 212 435 7348 F: 212 435 7555*



THE PORT AUTHORITY OF NY & NJ

Michael B. Francois
Chief

November 16, 2006

The City of New York
City Hall
New York, New York 10007

Re: City Occupied Space
World Trade Center Site PILOT

Sirs:

In connection with the proposed redevelopment of the World Trade Center site (the "Site"), the City of New York (the "City") is negotiating possible occupancy of certain space at the Site pursuant to a lease with Silverstein Properties, Inc. or an affiliate of Silverstein Properties, Inc. (individually and collectively, together with their respective successors, if any, "SPI"). The City and the Port Authority of New York and New Jersey (the "Port Authority") would like to clarify certain issues relating to payments in lieu of taxes, payments in respect of real estate taxes, and/or escalations with respect to same (individually and collectively "PILOT") payable (i) by the Port Authority to the City pursuant to the Restated and Amended Agreement dated November 24, 2004 between the City and the Port Authority (the "PILOT Agreement"), (ii) by SPI at the Site, and/or (iii) with respect to such currently anticipated City occupied space, or any space leased by the City in the future.

The City and Port Authority hereby agree as follows:

1. The Port Authority will provide in any lease with SPI relating to buildings at the Site that SPI will not include a requirement for payment of PILOT by the City or any affiliate of the City in SPI's lease with the City or any affiliate of the City of any space to be occupied by the City or its affiliates and will not require SPI to make PILOT payments with respect to such space;
2. Such provisions relating to PILOT will not alter any amounts of PILOT payable by the Port Authority to the City pursuant to the PILOT Agreement; and
3. The PILOT Agreement is amended to insert the following sentence after the first sentence in Section 1. "The total amount of payments on account of taxes or payment in lieu thereof made by the Net Lessees to the Port Authority shall be paid over to the City."

*Real Estate & Development
225 Park Avenue South, 19th Fl.
New York, NY 10003
T: 212-435-6482 F: 212-435-5146
Email: mfrancois@panynj.gov*

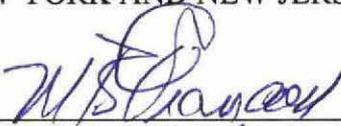
Neither the Commissioners of the Port Authority, nor any official, officer or employee of either the Port Authority or the City shall be charged personally with any liability or held liable under any term or provision of this Letter Agreement or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

The Port Authority and the City each represent to the other that each is empowered and authorized to enter into this letter agreement and the transaction contemplated hereunder.

If the foregoing is acceptable to you, please so indicate by signing this letter agreement below and return the same to the Port Authority for contemporaneous execution by the Port Authority.

Very truly yours,

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: 
Michael B. Francois
Chief of Real Estate and Development

Approved as to form


General Counsel

THE CITY OF NEW YORK

By: _____
Deputy Mayor for Economic
Development and Rebuilding

Approved as to form

Acting Corporation Counsel

Neither the Commissioners of the Port Authority, nor any official, officer or employee of either the Port Authority or the City shall be charged personally with any liability or held liable under any term or provision of this Letter Agreement or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

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THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

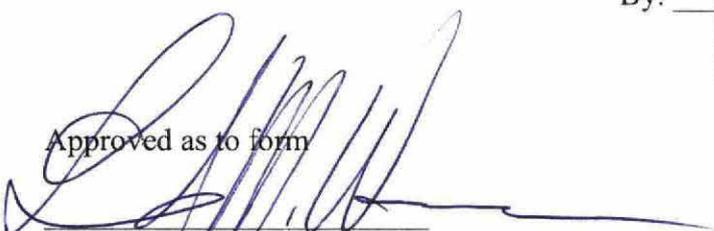
By: 
Michael B. Francois,
Chief of Real Estate and Development
The Port Authority of New York and New Jersey

Approved as to form

General Counsel

THE CITY OF NEW YORK

By: 
Deputy Mayor for Economic
Development and Rebuilding

Approved as to form


Corporation Counsel



THE PORT AUTHORITY OF NY & NJ

November 16, 2006

The City of New York
City Hall
New York, New York 10007

Re: World Trade Center Site

Ladies and Gentlemen:

In connection with the proposed redevelopment of the World Trade Center site (the "WTC Site"), The City of New York (the "City") and the Port Authority of New York and New Jersey (the "Port Authority") entered into a World Trade Center Redevelopment Agreement dated November 24, 2004 (as may be amended from time to time, the "Redevelopment Agreement") (a) which, among other things, incorporated the Design and Site Plan Agreement (as defined in the Redevelopment Agreement), set forth the desired real property ownership positions within the WTC Site (other than the portion thereof covered by the North Greenwich Street Agreement, as hereafter defined), and recognized that the preferred structure for achieving the ownership positions shown in the Dimensioned Site Plan (as defined in the Redevelopment Agreement) would be through the acquisition and disposition of the real estate parcels in question by and to the respective parties and (b) wherein the City and Port Authority agreed to fully cooperate with each other and with the Lower Manhattan Development Corporation (the "LMDC") and/or the Empire State Development Corporation, if necessary, in the consummation of all required transactions, including providing consents to condemnations and acquisitions in lieu of condemnations, and by accepting deeds, easements and other recordable interests, to and from each other.

In furtherance of the proposed redevelopment of the WTC Site, the City and the Port Authority are as of the date hereof executing, among other documents, (a) a Request Letter addressed to the LMDC which identifies properties affected by the redevelopment of the WTC Site and requests that LMDC commence the steps necessary to effectuate the acquisition and disposition of such properties (the "Request Letter"), (b) a No Action Agreement whereby the City is providing certain assurances to allow the Port Authority to lease certain property to subsidiaries of Silverstein Properties, Inc. ("SPI") and WTC Retail LLC (the "No Action Agreement"), and (c) an agreement among the City, the Port Authority and 7 World Trade Center, LLC with respect to former mapped Greenwich St. between Barclay and Vesey Streets and certain adjacent properties (the "North Greenwich Street Agreement").

In connection with the execution of the Request Letter and the No Action Agreement and to further the redevelopment of the WTC Site the City and the Port Authority wish to set forth their understanding of certain issues. Accordingly:



1. Fee Ownership of Cortlandt Street and Dey Street

Article 2(h) of the Redevelopment Agreement sets forth that the future status of Cortlandt Street and Dey Street is to be determined through mutual agreement of the parties after execution of the Redevelopment Agreement. In accordance with Article 2(h), the parties agree, subject to all applicable reviews, processes and approvals, that the Port Authority will own in fee the portions of Cortlandt Street and Dey Street described in Exhibit A hereof (the "Two Streets"), the City will own the remainder and the Port Authority hereby agrees to certain restrictions on the use of the Two Streets as set forth on Exhibit A attached hereto (the "Use Restrictions"). Simultaneously with any transfer of any fee interest in the Two Streets the Port Authority will file and record against the transferred properties in the Office of the City Register of the City of New York, New York County an instrument, in form and substance satisfactory to the City, which instrument shall bind the Port Authority and its successors to the Use Restrictions and provide adequate City remedies for non-compliance (the "Recordable Use Instrument").

Notwithstanding anything to the contrary contained herein or elsewhere, the City shall not be obligated to convey, permit or accept conveyance of any property located south of the southern right of way line of Liberty Street in the WTC Site, until (i) 130 Liberty Street is deconstructed, and (ii) all other transfers provided for or described in the Redevelopment Agreement or the Request Letter shall have occurred, other than (if a Required Master Trustee's consent has not been obtained) for those properties covered by the North Greenwich Street Agreement. Subject to applicable law and approvals, the City and the Port Authority shall use their best efforts to enter into all Licenses necessary and or required for construction purposes in connection with the WTC Site (for purposes of this paragraph the WTC Site is defined as in the November 24, 2004 World Trade Center Redevelopment Agreement), with appropriate insurance requirements for the Port Authority and indemnities by the Port Authority of the City.

2. PILOT Credit

The City has requested, among other things, that the Port Authority eliminate from its plans for the WTC Site a proposed galleria covering Cortlandt Street between Towers 3 and 4 ("Galleria") and the Port Authority has agreed that such proposed plans for a galleria will be eliminated and it will not be constructed. The Port Authority has advised the City that elimination of the Galleria will result in a reduction of financial returns to the Port Authority at the WTC Site. In consideration of the Port Authority's agreements with respect to the Galleria, the parties agree that for purposes of determining the amount of payments in lieu of taxes ("PILOT") payable by the Port Authority to the City pursuant to the Restated and Amended Agreement dated November 24, 2004 between the City and the Port Authority (the "PILOT Agreement"), with respect to each PILOT Year (as defined in the PILOT Agreement) commencing January 1, 2007, the amount of the PILOT payable on or before January 1 and July 1 commencing July 1, 2007 for each of the next succeeding 20 PILOT Years, the Port Authority shall be entitled to apply the semi-annual credit listed on Exhibit B (the "Semi-Annual Credit") attached hereto against the semi-annual PILOT payment due on or before such date. PILOT shall continue to be calculated in accordance with the formula set out in the PILOT Agreement for each of the affected PILOT Years and shall be payable semi-annually in the amount so



calculated on or before January 1 and July 1 of each such PILOT Year less the Semi-Annual Credit.

In any month in which the City pays rent as tenant under any occupancy lease at the WTC Site (a "City Lease") then (i) for any semi-annual PILOT period in respect of which the Semi-Annual Credit is available in accordance with the terms set forth in the first sub-paragraph of this paragraph 2, the Semi-Annual Credit for such period shall be reduced by the aggregate amount for each month set forth on Exhibit D attached hereto (such amount, the "Rent Excess")(month 1 on Exhibit D deemed the first month of a City Lease in which the City pays rent) attributable to the six month period ending on the date on which the applicable semi-annual PILOT payment is due; and (ii) for any semi-annual PILOT period when the Semi-Annual Credit is not available in accordance with the terms set forth in the first sub-paragraph of this paragraph 2, the Port Authority shall pay to the City as additional PILOT, on the date that each semi-annual PILOT payment is due, the aggregate amount of Rent Excess attributable to the six month period ending on the date on which the applicable semi-annual PILOT payment is due.

In the event that the Port Authority has not filed the Recordable Use Instrument against all of the Two Streets as set forth in paragraph 1 above by June 30, 2008, or the Port Authority constructs an enclosed Galleria between Tower 2 and Tower 3, or it violates any provisions of the Use Restrictions relating to the third, fourth or fifth bullet points for Cortlandt Street as set forth in Exhibit A hereto, in addition to any other remedies at law or equity available to the City, the Port Authority (i) shall no longer be entitled to the Semi-Annual Credit, and (ii) shall repay to the City at the same time and in the same manner as its next semi-annual PILOT payment the amount of all Semi Annual Credits received with interest calculated at the City's cost of borrowing in its most recent bond issue to the date of the scheduled payment.

3. Master Development Agreement

The Port Authority agrees that it shall not, without the prior consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed, amend (or do anything that has the effect of amending) that certain Master Development Agreement for Towers 2/3/4 of the World Trade Center (the "Master Development Agreement"), by and among the Port Authority, WTC Retail LLC, The Port Authority Trans-Hudson Corporation, 2 World Trade Center LLC, 3 World Trade Center LLC and 4 World Trade Center LLC, prior to a Completion Event of Default (as defined in the Master Development Agreement) (i) to extend the SP Expected Completion Dates (as defined in the Master Development Agreement) for Towers 2/3/4, as may be extended by operation of the provisions of the Master Development Agreement, including for Unavoidable Delay, or (ii) to amend or modify the existing rights or remedies set forth in the Master Development Agreement (including those existing rights or remedies set forth in the Security Documents, as defined in the Master Development Agreement) applicable to a Completion Event of Default (as defined in the Master Development Agreement); *provided, however,* upon the occurrence and continuance of a Completion Event of Default all matters pertaining to the exercise of, or determination not to exercise, any of such remedies shall be in the *sole and absolute* discretion of the Port Authority.



4. Above Ground Retail Space

For so long as the Port Authority does not build more than two floors of above-ground retail space in either of Towers 3 or 4, the City consents pursuant to Article 3(b)(3) of the Redevelopment Agreement to the above-ground retail square footage at the fully rebuilt WTC Site ("Above-ground WTC Retail Footage") (for purposes of this paragraph the WTC Site is defined as in the November 24, 2004 World Trade Center Redevelopment Agreement), constituting no less than 47.5% of the total retail square footage at the fully rebuilt WTC Site ("Total WTC Retail Footage"). If more than two above-ground levels of retail are built in either of Towers 3 or 4, the Above-ground WTC Retail Footage shall be no less than 50% of the Total WTC Retail Footage. Notwithstanding anything to the contrary contained in the Redevelopment Agreement or this Agreement, in the event that security requirements established for the World Trade Center Site by the New York City Police Department ("NYPD WTC Security Requirements") restrict the use of curtain wall glass to the above-ground podium areas, or in the event the Port Authority reasonably reduces the amount of Above-ground WTC Retail Footage as a result of other NYPD WTC Security Requirements, the percentage of Total WTC Retail Footage required to be Above-ground WTC Retail Footage shall be reduced to an amount that is a reasonable response to such NYPD WTC Security Requirements, and such reduced amount with appropriate backup and explanatory materials, shall be provided to the City for its prior written approval. The City shall have 30 calendar days in which to review and respond. Should the City fail to respond within 30 calendar day period, the Port Authority may assume concurrence with the reduced amount. If the City has an objection and the Parties cannot resolve the matter within 15 calendar days the matter will be submitted to arbitration, in accordance with the rules of the American Arbitration Association.

5. WTC Hub Encroachments

Subject to all applicable reviews, processes and approvals, the parties intend that the Port Authority will be given easements permitting a portion of the WTC Transportation HUB project to encroach in the manner set forth and depicted in the drawings and the accompanying Narrative attached hereto as Exhibit C (the "Transit Hall Oculus Encroachment") on terms to be agreed to by the parties and it is the intent of the parties that any such easements shall contain terms to be mutually agreed to by the parties. Without limiting the necessity for said terms to be agreed to, the parties acknowledge, however, that due to public safety considerations, (a) the New York City Police Department ("NYPD") and the Fire Department of The City of New York ("FDNY") will need to evaluate and assess the Transit Hall structure during the design of the Transit Hall Oculus Encroachment and from time to time may require necessary modifications to the same and as such the Port Authority agrees that it will make good faith efforts to make such necessary modifications in a timely manner, (b) the Port Authority agrees to provide written notice to the New York City Department of Transportation ("NYCDOT") such that it is received by NYCDOT 48 hours before any opening of the Transit Hall Oculus Encroachment, (c) the Port Authority must provide written notice to NYPD such that it is received by NYPD 48 hours before any opening of the Transit Hall Oculus Encroachment, and (d) in accordance with and in addition to the existing Memorandum of Understanding between the FDNY and the Port Authority the FDNY incident commander will be given the authority and the necessary mechanical support from maintenance personnel to control the position of the roof of the Transit Hall structure.



6. Tower 5

The City shall, subject to all applicable reviews, processes and approvals, cooperate to allow the amount of developable space in Tower 5 to be 1.3 million square feet plus an additional 45,000 square feet of retail, for the highest and best use in the determination of the Port Authority. In the event that the (i) Port Authority has not filed the Recordable Use Instrument against all of the Two Streets as set forth in paragraph 2 above by June 30, 2008, or (ii) the Port Authority constructs an enclosed Galleria between Tower 3 and Tower 4, or (iii) it violates any provisions of the Use Restrictions relating to the third, fourth or fifth bullet point for Cortlandt Street as set forth in Exhibit A hereto, then (x) the City's obligations described in the preceding sentence shall terminate and (y) notwithstanding any other agreement or document to the contrary, the maximum developable space built in Tower 5 for all uses combined shall be no more than 1.2 million square feet, provided, however, that if any of such events occur after Tower 5 is built, the said extra space shall not be required to be taken down.

7. Indemnity

The Port Authority hereby undertakes to defend, indemnify and hold the City harmless from and against any and all claims, causes of action or judgments and demands of third persons individually, a ("Claim"), including but not limited to those for death, for personal injuries, or property damages, out of the use or occupancy of those portions of the World Trade Center site over which the City does not exercise exclusive control, provided, however, that this indemnity does not apply to the gross negligence or willful misconduct of the City. The Port Authority shall have the right to select counsel at its cost and expense (which counsel shall be reasonably acceptable to the City), in connection with the defense of any Claim. The City shall have the right to participate at its own cost and expense, with respect to the defense of any Claim(s) or with respect to such indemnified matter. The Port Authority shall be permitted to settle any Claim or consent to the entry of any judgment with respect thereto without the consent of the City, provided that such settlement or judgment (a) shall result in a full and complete written release of the City from all liability in respect of such Claim and a dismissal with prejudice of such Claim; and (b) shall not otherwise adversely affect the City or obligate the City to pay any sum or perform any obligation. This paragraph shall survive any expiration or termination of this Letter Agreement and is in addition to any other indemnity by the Port Authority with respect to the World Trade Center site or any portion thereof. The City reserves the right to release the Port Authority of the obligations hereunder for any particular Claim(s) by written notice to the Port Authority.

8. Notice

Notices and any communications under this Letter Agreement shall be in writing and sent certified mail, return receipt requested, and shall be directed to the individuals indicated below or their designees, or to such other address as the party receiving such notice shall have previously specified by notice to the party sending such notice:



THE PORT AUTHORITY OF NY & NJ

To City: The City of New York City Hall New York, New York 10007 Attn: Deputy Mayor for Economic Development and Rebuilding	With a copy to: New York City Law Department Office of the Corporation Counsel 100 Church Street New York, New York 10007-2601 Attn: Chief, Economic Development Division
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To Port Authority: Port Authority of New York and New Jersey 225 Park Avenue New York, New York 10003 Attn: Executive Director	With a copy to: Port Authority of New York and New Jersey 225 Park Avenue New York, New York 10003 Attn: General Counsel
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9. No Personal Liability

Neither the Commissioners of the Port Authority, nor any official, officer or employee of the Port Authority or the City shall be charged personally with any liability or held liable under any term or provision of this Letter Agreement or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

10. New York Law

The provisions of this Agreement shall be governed and interpreted in accordance with the laws of the State of New York applicable to agreements made and to be performed in that state.

This Agreement may be executed in any number of identical counterparts and by facsimile, each of which when so executed and delivered shall be an original, but all of which taken together shall constitute one and the same instrument.

If the foregoing is acceptable to you, please so indicate by signing this letter below and return the same to the Port Authority.

Very truly yours,

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By:



Michael B. Francois
Chief Real Estate and Development

Approved as to form



General Counsel

ACCEPTED AND AGREED:

THE CITY OF NEW YORK

By:

Daniel L. Doctoroff
Deputy Mayor for Economic
Development and Rebuilding

Approved as to form

Acting Corporation Counsel

This Agreement may be executed in any number of identical counterparts and by facsimile, each of which when so executed and delivered shall be an original, but all of which taken together shall constitute one and the same instrument.

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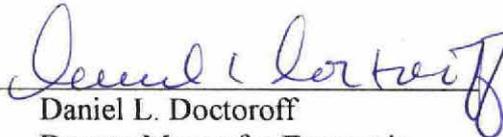
By: _____
Michael B. Francois
Chief Real Estate and Development

Approved as to form

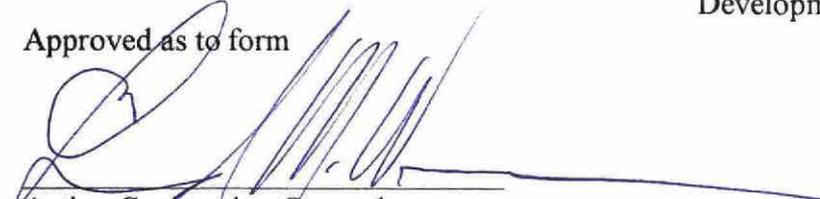
General Counsel

ACCEPTED AND AGREED:

THE CITY OF NEW YORK

By: 
Daniel L. Doctoroff
Deputy Mayor for Economic
Development and Rebuilding

Approved as to form



Acting Corporation Counsel

EXHIBIT A
METES AND BOUNDS FOR PORT AUTHORITY OWNERSHIP AND
CORTLANDT/DEY STREET USE RESTRICTIONS

DESCRIPTION – CORTLANDT STREET

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, having a lower limiting plane lying 1.35 feet below top of legal curb grade as defined on the City of New York President of the Borough of Manhattan Topographical Bureau Sectional Map Nos. 3 and 5 as it existed on November 16, 2006 being more particularly bounded and described as follows:

Commencing at the corner formed by the intersection of the southerly side of Cortlandt Street with the easterly side of Church Street as the streets are laid out on the Borough President of Manhattan Final Sectional Maps Nos. 3 and 5, said corner having the Borough President of Manhattan coordinates of North 4478.63 West 9237.51;

Running thence North 85 degrees 23 minutes 32 seconds West a distance of 93.38 feet to the Place and Point of Beginning, said point having the coordinates of North 4486.13 West 9330.58;

1. Running thence North 88 degrees 57 minutes 10 seconds West a distance of 280.10 feet to a point;
2. Running thence North 13 degrees 22 minutes 32 seconds West a distance of 48.53 feet to a point;
3. Running thence South 88 degrees 57 minutes 10 seconds East a distance of 289.57 feet to a point;
4. Running thence South 02 degrees 08 minutes 04 seconds East a distance of 47.07 feet to the Place and Point of Beginning.

The coordinates and bearings set forth in the above description refer to the 10th Avenue Meridian as established by the Borough of Manhattan Topographical Bureau with Grid north being 28 degrees 59 minutes 13.5 seconds east of true north.

DESCRIPTION – DEY STREET

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, having a lower limiting plane lying 1.35 feet below top of legal curb grade as defined on the City of New York President of the Borough of Manhattan Topographical Bureau Sectional Map Nos. 3 and 5 as it existed on November 16, 2006 being more particularly bounded and described as follows:

Commencing at the corner formed by the southerly side of Fulton Street with the easterly side of Church Street as the streets are laid out on the Borough President of Manhattan Final Sectional Maps Nos. 3 and 5, said corner having the Borough President of Manhattan coordinates of North 4947.01 West 9255.71;

Running thence South 80 degrees 00 minutes 13 seconds West a distance of 92.86 feet to a point;

Running thence South 02 degrees 08 minutes 04 seconds East a distance of 146.53 feet to the Place and Point of Beginning, said point having the Borough President of Manhattan coordinates of North 4784.46 West 9341.70;

1. Running thence South 02 degrees 08 minutes 04 seconds East a distance of 35.05 feet to a point;
2. Running thence South 84 degrees 48 minutes 10 seconds West a distance of 325.95 feet to a point;
3. Running thence North 13 degrees 22 minutes 32 seconds West a distance of 35.36 feet to a point;
4. Running thence North 84 degrees 48 minutes 10 seconds East a distance of 332.85 feet to the Place and Point of Beginning.

The coordinates and bearings set forth in the above description refer to the 10th Avenue Meridian as established by the Borough of Manhattan Topographical Bureau with Grid north being 28 degrees 59 minutes 13.5 seconds east of true north.

EXHIBIT A
USE RESTRICTIONS

USE RESTRICTIONS FOR CORTLANDT STREET RIGHT OF WAY

- Cortlandt Street Right of Way shall be a minimum of 47' wide from parcel line to parcel line in accordance with the November 24, 2004 dimensioned site plan. This minimum 47' width shall be required along the entire length of Cortlandt Street Right of Way.
- Any area of the adjacent parcels (Parcels 3 and 4) not occupied by the building or site improvements associated with Towers 3 or 4 shall be considered part of Cortlandt Street Right of Way only for the purposes of establishing consistent paving and other design treatment, but shall not otherwise be subject to these restrictions.
- Cortlandt Street Right of Way shall be fully open to the sky for its entire length and width. There shall be no bridges, sky bridges, elevated platforms or other physical connections between Tower 3 and Tower 4, and no gallerias or roof structures. Canopies, or other coverings or enclosures of any kind shall not be permitted, except as agreed to by the New York City Department of City Planning ("City Planning") and any agency succeeding to the jurisdiction thereof.
- No escalators, stairs, elevators or other means of vertical circulation shall be located within Cortlandt Street Right of Way. Sky lights or similar elements which provide light (but not visibility) to the below grade concourse may be located within portions of Cortlandt Street Right of Way, provided such elements: a. are flush with the ground level; b. are made of a skid and slip resistant material c. do not impede emergency vehicle access if required by law enforcement or emergency services, or pedestrian circulation; d. are as agreed to by City Planning.
- The grade of Cortlandt Street Right of Way shall slope from el. 323.2' at Church Street to el. 313.2' at Greenwich Street and shall be continuous and uninterrupted by steps, stairs or similar features. Slopes may be modified immediately adjacent to the façades of Towers 3 and 4 as necessary to accommodate entrances to buildings.
- No booths, stands, kiosks, pavilions or other open or enclosed structures of any kind may be located within Cortlandt Street Right of Way, except as part of a "Special Event" as hereinafter described.
- Street vendors shall be prohibited within Cortlandt Street Right of Way.

- Street furniture within Cortlandt Street Right of Way shall be limited to lighting, fixed benches, bollards, security elements, trash receptacles, temporary and moveable tables and chairs, and other furniture as mutually agreed upon by City Planning and the Port Authority.
- The design of any and all street furniture, paving, or any other urban element shall be of a high quality consistent with these use restrictions and shall be presented for review by City Planning and subject to its approval; such approval shall not be unreasonably withheld.
- No signage of any kind may be located within and cannot encroach upon Cortlandt Street Right of Way except in accordance with and as necessary to effectuate the site wide Security Plan.
- To ensure unimpeded pedestrian access and emergency vehicle access throughout the length of Cortlandt Street Right of Way, there shall be clear, unobstructed pathway running from the west curblineline of Church Street to the east curblineline of Greenwich Street and consisting at a minimum of a 17' wide area running down the center of Cortlandt Street Right of Way. Any street furniture shall be located outside this pathway. The location of the pathway and of permitted locations for street furniture shall be set forth in a Street Amenity Plan proposed by the Port Authority and subject to City Planning approval, and subject to any security agreements reached between the Port Authority and the City.
- Security elements within Cortlandt Street Right of Way will be designed in accordance with the site wide Security Plan.
- Cortlandt Street Right of Way shall remain open and accessible to the public at all times, with the following exceptions: i) Partial or full closure as necessary to make repairs; ii) As provided in accordance with the site wide Security Plan or other security agreements reached between the Port Authority and the City; and iii) During "Special Events", which shall be limited to no more than 12 times per year. Such "Special Events" shall consist of arts, cultural or similar events held on weekends only and open to the general public, but may also include weekday or weekend commemorations or other events of public significance with respect to the World Trade Center site. A "Special Event" may continue for no more than a twenty-four (24) hour period which will include pre-set-up and post-cleanup activity. The Port Authority or Net Lessee will inform City Planning at least two (2) weeks prior to any such an event and shall provide City Planning with a list and description of all such events held during each calendar year by January 31st of the succeeding calendar year.
- In accordance with the 2004 Redevelopment Agreement, Cortlandt Street Right of Way shall be constructed to standards that meet CDOT requirements, including the ability of the roadway to carry emergency vehicles, if required by law enforcement and/or emergency services, and the plans and drawings for Cortlandt

Street Right of Way shall be subject to CDOT review and approval. Law Enforcement and emergency service agencies shall also review and approve plans if emergency vehicle access is required.

- Cortlandt Street Right of Way shall be closed to vehicular traffic. Notwithstanding the foregoing emergency vehicular traffic may be permitted if required by law enforcement or emergency services.

USE RESTRICTIONS FOR DEY STREET RIGHT OF WAY

- Dey Street Right of Way shall be maintained as an open pedestrian way, although it shall be incorporated into and designed as part of the adjacent WTC Hub Plaza.
- Except with respect to the roof of the adjacent WTC Hub Terminal in both its closed and open positions, Dey Street Right of Way shall be fully open to the sky for its entire length and width. There shall be no bridges, sky bridges, elevated platforms or other physical obstructions above Dey Street Right of Way.
- No escalators, stairs, elevators or other means of vertical circulation shall be located within Dey Street Right of Way.
- Street vendors shall be prohibited within Dey Street Right of Way.
- The grade of Dey Street Right of Way shall slope from el. 324.5' at Church Street to el. 315.4' at Greenwich Street and shall be generally continuous and gently sloping; changes of grade, steps, or terracing are permitted provided they are consistent with the adjacent WTC Hub plaza design and do not impede emergency vehicle access. CDOT and FDNY shall review plans to ensure emergency vehicle usability and access.
- Security elements within Dey Street Right of Way will be designed in accordance with the site wide Security Plan.
- Dey Street Right of Way shall remain open and accessible to the public at all times, with the following exceptions: i) Partial or full closure as necessary to make repairs; ii) As provided in accordance with the site wide Security Plan or other security agreements reached between the Port Authority and the City and iii) During "Special Events", which shall be limited to no more than 12 times per year. Such "Special Events" shall consist of arts, cultural or similar events held on weekends only and open to the general public, but may also include weekday or weekend commemorations or other events of public significance with respect to the World Trade Center site. A "Special Event" may continue for no more than a twenty-four (24) hour period which will include pre-set-up and post-cleanup activity. The Port Authority or Net Lessee will inform City Planning at least two (2) weeks prior to such an event and shall provide City Planning with a list and description of all such events held during each calendar year by January 31st of the succeeding calendar year.
- Signage, whether of a temporary or permanent nature, shall be of a high quality consistent with these use restrictions, and shall be presented for review by City Planning and subject to its approval; such approval shall not be unreasonably withheld.

- The design of any and all street furniture (including but not limited to lighting, benches, bollards, trash receptacles, tables, chairs and security elements), paving, or any other urban element shall be of a high quality consistent with these use restrictions and shall be presented for review by City Planning and subject to its approval; such approval shall not be unreasonably withheld.
- Dey Street Right of Way shall be closed to vehicular traffic. Notwithstanding the foregoing emergency vehicular traffic may be permitted if required by law enforcement or emergency services.

EXHIBIT B
SEMI-ANNUAL CREDIT

EXHIBIT B
SEMI-ANNUAL CREDIT

<u>DATE</u>	<u>Discount Amount</u>
July, 2007	\$750,000
January, 2008	763,012
July, 2008	776,250
January, 2009	789,718
July, 2009	803,419
January, 2010	817,358
July, 2010	831,538
January, 2011	1,164,154
July, 2011	1,184,351
January, 2012	1,204,899
July, 2012	1,225,804
January, 2013	1,247,071
July, 2013	1,268,707
January, 2014	1,290,718
July, 2014	1,313,111
January, 2015	1,335,893
July, 2015	1,359,070
January, 2016	1,902,698
July, 2016	1,935,709
January, 2017	1,969,293
July, 2017	2,003,459
January, 2018	2,038,218
July, 2018	2,073,580
January, 2019	2,109,556
July, 2019	2,146,155
January, 2020	2,183,390
July, 2020	2,221,271
January, 2021	2,259,809
July, 2021	2,299,015
January, 2022	2,338,902
July, 2022	2,379,481
January, 2023	2,420,764
July, 2023	2,462,763
January, 2024	2,505,490
July, 2024	2,548,959

January, 2025	2,593,183
July, 2025	2,638,173
January, 2026	2,683,944
July, 2026	2,730,509

EXHIBIT C
HUB ENCROACHMENT

Transit Hall Oculus Encroachment Narrative

Please note that all references to streets refer to the reconstructed and reconstituted design as reflected in Exhibit A and memorialized in the 11/24/04 Redevelopment Agreement between the City and the Port Authority. All DIMENSIONS AND DESCRIPTIONS ARE APPROXIMATE AND SUBJECT TO FURTHER CONFIRMATION.

It is currently contemplated that the Transit Hall Oculus Encroachment of the WTC Transportation Hub incorporates a structure and mechanisms that will enable the roof to partially open during moderate weather conditions that consider temperature, humidity, as well as other operational factors. The roof could also be opened on commemorative occasions, such as 9/11. Overall, it is anticipated that there will be opportunities for the roof to be opened on 10%-15% of the time over the course of a year. It is presently expected that it would take approximately [REDACTED] to open the Transit Hall Oculus Structure and [REDACTED] to close the Transit Hall Oculus Structure.

Northern Encroachment (Fulton Street):

In the Closed position, the Transit Hall Oculus Encroachment will extend outward above the bed of Fulton Street, between the eastern ROW of Greenwich Street and the western ROW of Church Street, approximately [REDACTED] at the most narrow point and approximately [REDACTED] at the most wide point. At the lowest point, the Transit Hall Oculus Encroachment will exist approximately [REDACTED] above grade at the property line.

In the Open position, the Transit Hall Oculus Encroachment will extend outward above the bed of Fulton Street, between the eastern ROW of Greenwich Street and the western ROW of Church Street, approximately [REDACTED] at the most narrow point and approximately [REDACTED] at the most wide point. At the lowest point, the Transit Hall Oculus Encroachment will exist approximately [REDACTED] above grade at the property line.

Eastern Encroachment (Church Street):

In the Closed position, the Transit Hall Oculus Encroachment will extend outward above the bed of Church Street, between the southern ROW of Fulton Street and the northern ROW of Dey, [REDACTED] at the most narrow point and approximately [REDACTED] at the most wide point. At the lowest point, the Transit Hall Oculus Encroachment will exist approximately [REDACTED] above grade at the property line.

In the Open position, the Transit Hall Oculus Encroachment will extend outward above the bed of Church Street, between the southern ROW of Fulton Street and the northern ROW of Dey, [REDACTED] at the most narrow point and approximately [REDACTED] at the most wide point. At the lowest point, the Transit Hall Oculus Encroachment will exist approximately [REDACTED] above grade at the property line.

Southern Encroachment (Dey ROW):

In the Closed position, the Transit Hall Oculus Encroachment will extend outward above the bed of the Dey ROW, between the eastern ROW of Greenwich Street and the western ROW of Church Street, approximately [REDACTED]. At the lowest point, the Transit Hall Oculus Encroachment will exist approximately [REDACTED] above grade at the property line.

In the Open position, the Transit Hall Oculus Encroachment will extend outward above the bed of the Dey ROW, between the eastern ROW of Greenwich Street and the western ROW of Church Street, approximately [REDACTED] at the most narrow point and approximately [REDACTED] at the most wide point. At the lowest point, the Transit Hall Oculus Encroachment will exist approximately [REDACTED] above grade at the property line.

Western Encroachment (Greenwich Street):

In the Closed position, the Transit Hall Oculus Encroachment will extend outward above the bed of Greenwich Street, between the southern ROW of Fulton Street and the southern ROW of Dey, [REDACTED] at the most narrow point and approximately [REDACTED] at the most wide point. At the lowest point, the Transit Hall Oculus Encroachment will exist approximately [REDACTED] above grade at the property line.

In the Open position, the Transit Hall Oculus Encroachment will extend outward above the bed of Greenwich Street, between the southern ROW of Fulton Street and the southern ROW of Dey, [REDACTED] at the most narrow point and approximately [REDACTED] at the most wide point. At the lowest point, the Transit Hall Oculus Encroachment will exist approximately [REDACTED] above grade at the property line.

EXHIBIT D
RENT EXCESS

City PILOT Credit

<u>Est. Yr. (a)</u>	<u>Rent Payment Month Under Lease</u>	<u>PILOT Credit Amount</u>
2014	1	\$ 48,470
	2	\$ 48,470
	3	\$ 48,470
	4	\$ 48,470
	5	\$ 48,470
	6	\$ 48,470
	7	\$ 48,470
	8	\$ 48,470
	9	\$ 48,470
	10	\$ 48,470
2015	11	\$ 48,470
	12	\$ 48,470
	13	\$ 48,470
	14	\$ 48,470
	15	\$ 48,470
	16	\$ 48,470
	17	\$ 48,470
	18	\$ 48,470
	19	\$ 48,470
	20	\$ 48,470
2016	21	\$ 48,470
	22	\$ 48,470
	23	\$ 48,470
	24	\$ 48,470
	25	\$ 48,470
	26	\$ 48,470
	27	\$ 48,470
	28	\$ 48,470
	29	\$ 48,470
	30	\$ 48,470
2017	31	\$ 48,470
	32	\$ 48,470
	33	\$ 48,470
	34	\$ 48,470
	35	\$ 48,470
	36	\$ 48,470
	37	\$ 48,470
	38	\$ 48,470
	39	\$ 48,470
	40	\$ 48,470
41	\$ 48,470	
42	\$ 48,470	
43	\$ 48,470	
44	\$ 48,470	

	45	\$	48,470
	46	\$	48,470
	47	\$	48,470
	48	\$	48,470
2018	49	\$	48,470
	50	\$	48,470
	51	\$	48,470
	52	\$	48,470
	53	\$	48,470
	54	\$	48,470
	55	\$	48,470
	56	\$	48,470
	57	\$	48,470
	58	\$	48,470
	59	\$	48,470
	60	\$	48,470
2019	61	\$	147,834
	62	\$	147,834
	63	\$	147,834
	64	\$	147,834
	65	\$	147,834
	66	\$	147,834
	67	\$	147,834
	68	\$	147,834
	69	\$	147,834
	70	\$	147,834
	71	\$	147,834
	72	\$	147,834
2020	73	\$	147,834
	74	\$	147,834
	75	\$	147,834
	76	\$	147,834
	77	\$	147,834
	78	\$	147,834
	79	\$	147,834
	80	\$	147,834
	81	\$	147,834
	82	\$	147,834
	83	\$	147,834
	84	\$	147,834
2021	85	\$	147,834
	86	\$	147,834
	87	\$	147,834
	88	\$	147,834
	89	\$	147,834
	90	\$	147,834
	91	\$	147,834
	92	\$	147,834
	93	\$	147,834
	94	\$	147,834
	95	\$	147,834

	96	\$	147,834
2022	97	\$	147,834
	98	\$	147,834
	99	\$	147,834
	100	\$	147,834
	101	\$	147,834
	102	\$	147,834
	103	\$	147,834
	104	\$	147,834
	105	\$	147,834
	106	\$	147,834
	107	\$	147,834
	108	\$	147,834
2023	109	\$	147,834
	110	\$	147,834
	111	\$	147,834
	112	\$	147,834
	113	\$	147,834
	114	\$	147,834
	115	\$	147,834
	116	\$	147,834
	117	\$	147,834
	118	\$	147,834
	119	\$	147,834
	120	\$	147,834
2024	121	\$	162,860
	122	\$	162,860
	123	\$	162,860
	124	\$	162,860
	125	\$	162,860
	126	\$	162,860
	127	\$	162,860
	128	\$	162,860
	129	\$	162,860
	130	\$	162,860
	131	\$	162,860
	132	\$	162,860
2025	133	\$	162,860
	134	\$	162,860
	135	\$	162,860
	136	\$	162,860
	137	\$	162,860
	138	\$	162,860
	139	\$	162,860
	140	\$	162,860
	141	\$	162,860
	142	\$	162,860
	143	\$	162,860
	144	\$	162,860
2026	145	\$	162,860
	146	\$	162,860

	147	\$	162,860
	148	\$	162,860
	149	\$	162,860
	150	\$	162,860
	151	\$	162,860
	152	\$	162,860
	153	\$	162,860
	154	\$	162,860
	155	\$	162,860
2027	156	\$	162,860
	157	\$	162,860
	158	\$	162,860
	159	\$	162,860
	160	\$	162,860
	161	\$	162,860
	162	\$	162,860
	163	\$	162,860
	164	\$	162,860
	165	\$	162,860
	166	\$	162,860
	167	\$	162,860
2028	168	\$	162,860
	169	\$	162,860
	170	\$	162,860
	171	\$	162,860
	172	\$	162,860
	173	\$	162,860
	174	\$	162,860
	175	\$	162,860
	176	\$	162,860
	177	\$	162,860
	178	\$	162,860
	179	\$	162,860
	180	\$	162,860

(a) Rental payments projected to commence on 1/1/14 (assumes completion of build-out on 12/31/12, with 1 year free rent thereafter);
All figures discounted to 1/1/14

RESTATED AND AMENDED AGREEMENT

THIS RESTATED AND AMENDED AGREEMENT, made as of November 24, 2004 by and between **THE CITY OF NEW YORK**, a New York municipal corporation, (hereinafter called the "City") and **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (formerly known as The Port of New York Authority and hereinafter called "the Port Authority"), a body corporate and politic established by Compact between the states of New Jersey and New York with the consent of the Congress of the United States of America;

WITNESSETH, That:

WHEREAS, pursuant to concurrent legislation of the State of New York and the State of New Jersey set forth at Chapter 209 of the Laws of New York of 1962, as amended by Chapter 1003 of the Laws of New York of 1972, by Chapter 318 of the Laws of New York of 1973 and by Chapter 993 of the Laws of New York of 1974 (McKinney's Unconsolidated Laws §§6601-6618) and Chapter 8 of the Laws of New Jersey of 1962, as amended by Chapter 208 of the Laws of New Jersey of 1972 and by Chapter 25 of the Laws of New Jersey of 1974 (N.J.S.A.32:1-35.50 to 35.68) (the "World Trade Center Legislation"), the Port Authority was authorized to establish, develop and operate the World Trade Center and, for such purposes acquired and improved certain lands in the Borough of Manhattan, City, County, and State of New York as more particularly described in the schedule annexed to this Agreement, hereby made a part hereof, and marked "Schedule"; and

WHEREAS, pursuant to the World Trade Center Legislation the Port Authority is authorized to make an annual payment to the City in lieu of taxes in an amount equivalent to the sum last paid as taxes upon any real property acquired by the Port Authority prior to the time of acquisition, and to make additional payments with respect to buildings, structures, or improvements located on certain portions of the World Trade Center and pursuant to the World Trade Center Legislation, the City and the Port Authority may add the Additional World Trade Center Properties to the Hudson Tubes-World Trade Center area as defined in the World Trade Center Legislation, and make payments in lieu of taxes upon any such Additional World Trade Center Properties and make additional payments with respect to building, structures, or improvements located thereon (which annual payments are hereinafter collectively referred to as "PILOT Payments"); and

WHEREAS, Port Authority Trans-Hudson Corporation (hereinafter called "PATH") a wholly owned subsidiary of the Port Authority, will continue to provide a portion of its passenger service through a permanent terminal to be located at the World Trade Center (the "PATH World Trade Center Terminal"); and

WHEREAS, PATH and the City heretofore entered into a certain agreement dated October 1, 1964 (which agreement is hereinafter referred to as the "PATH PILOT Agreement") providing for PILOT Payments with respect to the portions of the World Trade Center occupied by PATH; and

WHEREAS, the Port Authority and the City heretofore entered into a certain Agreement dated June 6, 1967 (which Agreement is hereinafter referred to as the "Street Closing Agreement") wherein, in order to accommodate the construction and development of the World Trade Center, the City and the Port Authority agreed to certain changes in the City's street

system and to the transfer of title to certain parcels of land adjacent to and within the World Trade Center site; and

WHEREAS, the Port Authority and the City heretofore entered into a certain undated agreement as amended by an agreement between the Port Authority and the City dated August 23, 1967 (the undated agreement and the August 23, 1967 amendment being hereinafter referred to as "1967 Agreement"), as further amended by a letter agreement between Joseph Lhota, the Finance Commissioner of the City and Barry Weintrob, the Chief Financial Officer of the Port Authority, dated October 30, 1995, together with a reply letter from Barry Weintrob, the Chief Financial Officer of the Port Authority to Joseph Lhota, the Finance Commissioner of the City of New York, dated November 9, 1995 (the letter agreement dated October 30, 1995 together with the reply letter dated November 9, 1995 being hereinafter referred to as the "Lhota Letter" and the 1967 Agreement together with the Lhota Letter, being hereinafter collectively referred to as the "WTC PILOT Agreement") providing for PILOT Payments in lieu of taxes with respect to certain portions of the World Trade Center; and

WHEREAS, Port Authority and the City heretofore entered into a letter agreement between the Deputy Mayor for Operations of the City and the Deputy Director, Finance Department of the Port Authority dated August 14, 1997 (which letter Agreement is hereinafter referred to as the "Exco Letter") and by a letter agreement between the Deputy Mayor for Economic Development and Planning of the City and the Director, Real Estate Department of the Port Authority dated March 31, 2000 (which letter Agreement is hereinafter referred to as the "NYBOT Letter") providing for certain credits to be taken by the Port Authority against the PILOT Payments due to the City from the Port Authority pursuant to the WTC PILOT Agreement (which credits are hereinafter collectively defined as the "Exco-NYBOT Credit Amount"); and

WHEREAS, the Port Authority entered into a lease agreement dated December 31, 1980 with 7 World Trade Company (the "7 WTC Lessee") for the construction of a first class office tower building at the World Trade Center (which tower building is hereinafter referred to as "the 7 WTC Building") all as more particularly described in such Lease (which lease is hereinafter referred to as the "7 WTC Lease"); and

WHEREAS, the Port Authority entered into a lease agreement dated December 21, 1995 with HMH WTC, INC. (the "Hotel Lessee") for the design, construction, equipping, and operation of a hotel at the World Trade Center (which hotel is hereinafter referred to as "the WTC Hotel") all as more particularly described in such lease agreement as evidenced by a memorandum of lease filed in connection therewith, and as amended by the Waiver and Consent Agreement between the Port Authority and the Hotel Lessee dated as of October 1998, an agreement among the Port Authority, the Hotel Lessee and CCMH World Trade Ctr. LLC (the "Hotel Operating Tenant") dated January 1, 2001, a Supplemental Agreement dated as of May 9, 2001 between the Port Authority and the Hotel Lessee, and a Privilege Permit granted by the Port Authority to the Hotel Lessee dated as of January 1, 1998 (which lease agreement and ancillary documents are hereinafter collectively referred to as the "WTC Hotel Lease"); and

WHEREAS, the Port Authority entered into the following lease agreements dated as of July 16, 2001, pertaining to certain components of the World Trade Center: (i) an Agreement of Lease, between the Port Authority, as lessor, and 1 WORLD TRADE CENTER LLC, as lessee (the "One World Trade Center Lessee"), encumbering the property commonly known as One World Trade Center, as more particularly described therein, as amended by the First Amendment to Agreement of Lease, dated as of July 24, 2001 (such lease as amended and as it may hereafter be further amended being hereinafter referred to as the "One World Trade Center Lease") (ii) an Agreement of Lease, between the Port Authority, as lessor, and 2 WORLD

TRADE CENTER LLC, as lessee (the "Two World Trade Center Lessee"), encumbering the property commonly known as Two World Trade Center, as more particularly described therein, as amended by the First Amendment to Agreement of Lease, dated as of July 24, 2001 (such lease as amended and as it may hereafter be further amended being hereinafter referred to as the "Two World Trade Center Lease"); (iii) an Agreement of Lease, between the Port Authority, as lessor, and 4 WORLD TRADE CENTER LLC, as lessee (the "Four World Trade Center Lessee"), encumbering the property commonly known as Four World Trade Center as more particularly described therein, as amended by the First Amendment to Agreement of Lease, dated as of July 24, 2001 (such lease as amended and as it may hereafter be further amended being hereinafter referred to as the "Four World Trade Center Lease"); (iv) an Agreement of Lease, between the Port Authority, as lessor, and 5 WORLD TRADE CENTER LLC, as lessee (the "Five World Trade Center Lessee"), encumbering the property commonly known as Five World Trade Center, as more particularly described therein, as amended by the First Amendment to Agreement of Lease, dated as of July 24, 2001 (such lease as amended and as it may hereafter be further amended being hereinafter referred to as the "Five World Trade Center Lease"); and (v) an Agreement of Lease, between the Port Authority, as lessor, and WTC RETAIL LLC, formerly known as Westfield WTC LLC, as lessee (the "Retail Lessee") encumbering the property commonly known as the Mall at the World Trade Center, as more particularly described therein as amended by the First Amendment to Agreement of Lease, dated as of July 24, 2001 (such lease as amended and as it may hereafter be further amended being hereinafter referred to as the "Retail Lease"), One World Trade Center Lessee, Two World Trade Center Lessee, Four World Trade Center Lessee, Five World Trade Center Lessee and Retail Lessee being hereinafter collectively referred to as the "Net Lessees", and the One World Trade Center Lease, Two World

Trade Center Lease, the Four World Trade Center Lease, the Five World Trade Center Lease and the Retail Lease are hereinafter collectively referred to as the "Net Leases";

WHEREAS, as a result of the terrorist attacks of September 11, 2001 all of the buildings, structures, and improvements constituting the World Trade Center were destroyed and in order to resolve fully and finally all matters arising out of or in connection with the WTC Hotel Lease, the Hotel Lessee and the Port Authority entered into an agreement dated November 25, 2003 covering the surrender and termination of the WTC Hotel Lease, reserving unto the Port Authority the right to undertake the development of a hotel within the World Trade Center site in the future through the granting of a leasehold interest therein, (any future lessee of space within the World Trade Center site used for the development of a hotel being hereinafter referred to as a "Future WTC Hotel Lessee"); and

WHEREAS, the Port Authority is participating in a coordinated effort with New York State Urban Development Corporation ("UDC") d/b/a Empire State Development Corporation ("ESDC"), Lower Manhattan Development Corporation, a subsidiary of the ESDC ("LMDC"), and the City of New York (the "City") to facilitate the redevelopment of the World Trade Center; and

WHEREAS, a master plan for the development of the World Trade Center site (the "Master Plan") is being developed by Studio Daniel Libeskind which includes the potential development of buildings and improvements on the World Trade Center site as well as the development of certain properties located south of Liberty Street (which properties are hereinafter collectively referred to as the "Additional WTC Properties"), being respectively identified as a parcel of land and a building at 130 Liberty Street, owned by Deutsche Bank Trust Company Americas (the "Deutsche Bank Site"), a parcel of land owned by the Hellenic

Orthodox Church (the "St. Nicholas Church site"), and a parcel of land owned by 140 Liberty Street Associates (the "Milstein Site"); and

WHEREAS, The City and the Port Authority desire to restate and amend the PATH PILOT Agreement and the WTC PILOT Agreement to set forth the understanding of the parties regarding PILOT Payments during the period of and following the reconstruction of the PATH World Trade Center Terminal and the other buildings, structures, and improvements comprising the World Trade Center, to provide an annual payment to the City by the Port Authority in lieu of the payments collectively being made by PATH to the City under the PATH PILOT Agreement and the payments being made by the Port Authority to the City under the WTC PILOT Agreement, and to add by agreement the Additional World Trade Center Properties to the Hudson Tubes-World Trade Center Area and provide for annual payments in lieu of taxes with respect to such properties;

NOW, THEREFORE, in consideration of the covenants and mutual agreements hereinafter contained, the Port Authority and the City, each for itself, and its successors and assigns, mutually agree as follows:

1. **MINIMUM ANNUAL PILOT PAYMENT:**

During each PILOT Year, as hereinafter defined, commencing January 1, 2004 the Port Authority shall pay to the City an annual payment ("Minimum Annual PILOT Payment") in lieu of taxes in connection with the properties being occupied by the Port Authority and PATH at the World Trade Center a sum equal to twelve percent (12%) of all Net Lessee Rent, as defined in paragraph 2 hereof, arising during each such PILOT Year. In the event that the total amount of payments on account of taxes or payments in lieu thereof made by the Net Lessees to the Port Authority and paid over to the City during any PILOT Year exceed the Minimum Annual PILOT Payment payable pursuant to this paragraph, the amount of such

excess shall be applied against the Port Authority's Increased Annual PILOT Payment obligations, as set forth in paragraph 2 of this Agreement for such PILOT Year, and if there be no such Increased Annual PILOT Payment obligations then to the Port Authority's PILOT obligations for the succeeding PILOT year or years as the case may be. Except as set forth in this Agreement to the contrary, the computation of Minimum Annual PILOT Payment for each PILOT Year, or a portion of a PILOT Year, as hereinafter provided, shall be individual to such PILOT Year, or such portion of a PILOT Year, and without relation to any other PILOT Year, or any other portion of any PILOT Year. The time for making payment of the Minimum Annual PILOT Payment and the method calculation thereof shall be as set forth in paragraph 3 of this Agreement.

2. **INCREASED ANNUAL PILOT PAYMENT:**

(a) For the purposes of this paragraph and for all other purposes under this Agreement the following terms shall have the respective meanings provided below:

(1) "Net Lessee Rent" shall mean the total of all rent payments or payments in lieu of rent received by the Port Authority from the Net Lessees pursuant to the Net Leases, including proceeds of business interruption or rent insurance from policies procured and maintained by the Net Lessees, which proceeds are paid over to the Port Authority on account of the Net Lessees' rental obligations under the Net Leases *provided, however*, that there shall be excluded from Net Lessee Rent: (i) any payments on account of taxes or payments in lieu thereof made by the Net Lessees to the Port Authority which are paid by the Net Lessees to the Port Authority and paid over by the Port Authority to the City, (ii) pass through reimbursements such as BID payments paid by the Net Lessees to the Port Authority, (iii) payments on account of services or utilities furnished by the Port Authority to the Net Lessees or to any space leased to tenants of the

Net Lessees pursuant to the Net Leases, including, without limitation, common area charges, and (iv) inspection, permit plan review and other application fees paid by the Net Lessees to the Port Authority.

(2) "PILOT Year" shall mean the calendar year 2004 and each calendar year, or portion thereof, thereafter during which the Port Authority shall continue to have title to the World Trade Center pursuant to the World Trade Center Legislation.

(3) "Semi-Annual Period" shall mean, as the context requires, the six-month period commencing January 1, 2004 (which period is hereinafter referred to as "the first semi-annual period") and each of the six-month periods thereafter occurring during each PILOT Year.

(4) "Gross Square Feet" shall mean the area, measured in square feet, contained within the space between the inside finished surface of a building's exterior wall, including elevator shafts, stairs, fire-towers, vents, pipe-shafts, meter-closets, flues, stacks and vertical shafts; no deduction shall be made for columns, partitions, pilasters or projections necessary to the building. For the purposes hereof, the floor area of a building shall not include floor space used for mechanical equipment.

(5) "Actual Space Available" shall mean the number of Gross Square Feet of office, retail and hotel space (including basement and subgrade space) in the buildings and improvements constructed at the World Trade Center pursuant to the Master Plan (the "World Trade Center buildings"), including the 7 WTC Building and any hotel developed within the World Trade Center site in the future through the granting of a leasehold interest therein, which (i) are occupied, whether by private parties or by government agencies including the federal government and the Port Authority, (ii) which

are under lease to any such party, or (iii) which have been constructed and which, by installation of tenant improvements, may be made ready for occupancy.

(6) "Full Build-Out" shall mean 11, 400,000 square feet, being the total number of Gross Square Feet of office, retail and hotel space proposed for the World Trade Center sites in the master plan for the development of the World Trade Center, which the parties agree is 9.7 million square feet, plus the total number of Gross Square Feet of space proposed for the 7 WTC Building in the plans and specifications for such building approved by the Port Authority, which the parties agree is 1.7 million square feet.

(7) "Base Amount" shall mean the sum of Fifty-five Million Dollars and No Cents (\$55,000,000.00).

(8) "Base Year" shall mean the New York City tax year commencing July 1, 2002

(9) "Escalator" shall mean for each Semi-Annual Period occurring in each PILOT Year a factor, expressed as a percentage, derived by dividing (w) the assessed value of the "Agreed Upon Basket of Buildings"(as determined in accordance with this paragraph) for the New York City tax year in which such Semi-Annual period occurs by (x) the assessed value for the Agreed Upon Basket of Buildings for the Base Year and multiplying the result by the quotient obtained by dividing (y) the real estate tax rate for commercial properties (currently classified as Class 4 Properties) for New York City tax year in which such Semi-Annual Period occurs (z) by the real estate tax rate for commercial properties in the Base year. The Agreed Upon Basket of Buildings shall be ten (10) buildings, consisting of (x) the six (6) buildings with the highest assessed values

as of the date of the certified final role from a list of thirty (30) Class A Buildings, to be agreed upon by the Port Authority and the City, all of which are south of Chambers Street in Manhattan, but not including the World Trade Center properties and (y) the four (4) buildings with the highest assessed values as of the date of the certified final role from a list of twenty (20) Class A Buildings, to be agreed upon by December 31, 2004, by the Port Authority and the City, all of which are in Manhattan between the north side of 59th Street on the north and the north side of 14th Street on the south. In the event that the parties fail to reach agreement on the 'basket' of Class A Manhattan commercial office properties to be used to calculate the Escalator, then the 'basket' shall be determined in accordance with the provisions of the Lhota Letter.

(b) During each Pilot Year commencing January 1, 2004 the Port Authority shall pay to the City an annual payment ("Increased Annual PILOT Payment") in addition to the Minimum Annual PILOT Payment equal to the excess over the Minimum Annual PILOT Payment of the amount obtained by applying the following formula:

$$\text{Base Amount} \times \text{Escalator} \times \frac{\text{Actual Space Available}}{\text{Full Build Out}}$$

(c) Except as set forth in this Agreement to the contrary, the computation of Increased Annual PILOT Payments for each PILOT Year, or a portion of a PILOT Year as hereinafter provided, shall be individual to such PILOT Year, or such portion of a PILOT Year, and without relation to any other PILOT Year, or any other portion of any annual PILOT Year, provided, however, that if a proceeding is instituted to review the assessed valuation of any of the buildings comprising the agreed upon 'basket' of Class A Manhattan commercial office properties used to calculate the Escalator for any tax year which results in a final determination

or settlement reducing the assessed valuation thereof for such tax year so that there is an excess of Increased Annual PILOT Payments as to which has been paid, such excess amount shall be deducted from Minimum Annual PILOT Payments, and, if necessary, from the Increased Annual PILOT Payments which shall be payable to the City for the next succeeding PILOT Years. The time for making payment of the Increased Annual PILOT Payment and the method calculation thereof shall be as set forth in paragraph 3 of this Agreement.

(d) (i) During the PILOT Year commencing January 1, 2004 the Port Authority shall be entitled to a credit in the amount of Eight Hundred Fifty-four Thousand Three Hundred Twelve Dollars and Two Cents (\$ 854, 312.02) against payments due the City for such PILOT Year under this amended and restated agreement representing payments made to the City on or about December 31, 2003 for the period from January 1, 2004 through June 30, 2004, both dates inclusive pursuant to the PATH PILOT Agreement and the WTC PILOT Agreement.

(ii) The Port Authority shall be entitled to an annual credit in the amount of Four Hundred Forty-eight Thousand Seven Hundred Eight Dollars and No Cents (\$448,708.00) (the "Exco Credit Amount") to be applied against the total of the Minimum Annual PILOT Payments and the Increased Annual PILOT Payments due under this Agreement during the period from the July 1, 2004 through June 30, 2013, both dates inclusive, representing the annual credit due the Port Authority in accordance with a certain agreement (the Exco premises agreement) entered into by and between the Port Authority and the City dated August 14, 1997 and the Port Authority shall be entitled to an annual credit in the amount of Two Million Seventeen Thousand Five Hundred Eighty-one Dollars and No Cents (\$2,017,581.00) (the "NYBOT Credit Amount") to be applied against the total of the Minimum Annual PILOT Payments and the Increased Annual PILOT Payments due under this Agreement during the period from the July 1, 2004 through June 30, 2015, both dates inclusive, representing the annual credit due the Port Authority

in accordance with a certain agreement (the NYBOT premises agreement) entered into by and between the Port Authority and the City dated March 31, 2000 which credits shall be applied against the total of the Minimum Annual PILOT Payments and the Increased Annual PILOT Payments due for each such PILOT Year, or portion thereof, in accordance with the provisions of the Exco Letter and the NYBOT Letter, respectively. In the event that the sum of the Exco Credit Amount and the NYBOT Credit Amount for any PILOT Year exceeds the sum of the Minimum Annual PILOT Payment and the Increased Annual PILOT Payment payable pursuant to this Agreement for such PILOT Year, the amount of such excess shall be applied against the sum of the Port Authority's Minimum Annual PILOT Payment and Increased Annual PILOT Payment obligations for the succeeding PILOT year or years as the case may be. In addition, during the PILOT Year commencing January 1, 2004 the Port Authority shall be entitled to a credit in the amount of Four Million Nine Hundred Thirty-two Thousand Five Hundred Seventy-eight Dollars and No Cents (\$4,932,578.00) against payments due the City for such PILOT Year under this amended and restated agreement representing the sum of the Exco Credit Amounts and NYBOT Credit Amounts due the Port Authority for the period from July 1, 2002 through June 30, 2004 which were due the Port Authority against payments made to the City for such period pursuant to the WTC PILOT Agreement, but which were not reflected in such payments.

(e) The Minimum Annual PILOT Payments and the Increased Annual PILOT Payments are made in lieu of the payments collectively being made by PATH to the City under the PATH PILOT Agreement and the payments being made by the Port Authority to the City under the WTC PILOT Agreement.

3. **TIME OF PAYMENT OF RENTALS, COMPUTATIONS OF AMOUNTS AND ACCOUNTING:**

(a) The Port Authority shall pay the Minimum Annual PILOT Payments and any Increased Annual PILOT Payments as follows: Within fifteen (15) days following the 1st day of January and the 1st day of July occurring during each PILOT Year, except for the 1st day of January, 2004, the Port Authority shall certify to the City the amount of Net Lessee Rent received by the Port Authority during the preceding Semi-Annual Period the total payments on account of taxes or payments in lieu thereof made by the Net Lessees to the Port Authority and paid over by the Port Authority to the City, and the amount of Actual Available Space as of the first day of the preceding Semi-Annual Period; at the time of rendering such statement the Port Authority shall pay a semi-annual installment of Minimum Annual PILOT Payment in an amount equal to the percentage set forth in paragraph 1 of this Agreement applied to the amount of Net Lessee Rent received by the Port Authority during the Semi-Annual Period for which the report is rendered, less fifty percent of the Exco-NYBOT Credit Amount and less the total amount of payments on account of taxes or payments in lieu thereof made by the Net Lessees to the Port Authority and paid over by the Port Authority to the City during such Semi-Annual Period; in addition, whenever any such statement shall show that the Increased Annual PILOT Payment for the Semi-Annual Period for which the report is rendered based upon the amount of Actual Available Space as of the first day of the preceding Semi-Annual Period is in excess of the Minimum Annual Payment established for that Semi-Annual Period (without regard to the Exco-NYBOT Credit Amount), the Port Authority shall pay to the City at the time of rendering the statement an amount equal to such excess.

(b) By way of illustration (for PILOT Payment due on January 1, 2010):

A. Minimum Annual PILOT Payment:

Assumption: Semi-Annual Period July, 2009-December, 2009 and Net Lessees are paying rent for one office tower and retail space:

BUILDING	NET LESSEE RENT RECEIVED IN PRECEDING SEMI-ANNUAL PERIOD
Freedom Tower	\$18,000,000
<u>Retail</u>	<u>\$9,000,000</u>
TOTAL	\$27,000,000

Calculation:

\$27M x 12%=\$3,240,000

less 50% of EXCO-NYBOT Credit Amount (\$1,233,144.50) = \$2,006,855.50 less the total amount of payments on account of taxes or payments in lieu thereof made by the Net Lessees to the Port Authority and paid over by the Port Authority to the City during the preceding Semi-Annual Period

B. Increased Annual PILOT Payment

Assumption: Semi Annual Period July, 2009-December 2009 and Actual Space Available consists of 4,900,000 sf in two commercial buildings and retail space:

<u>BUILDING</u>	<u>SQ. FT</u>
7WTC	1,700,000 sf
Freedom Tower	2,600,000 sf
<u>Retail</u>	<u>600,000 sf</u>
TOTAL	4,900,000 sf

Calculation:

$$\begin{array}{r}
 \$55M \text{ X } \frac{\$789,000,000(w)}{\$744,118,577 (x)} \text{ X } \frac{\$10.946(y)}{\$10.682(z)} \text{ X } \frac{4,900,000 \text{ sf}}{11,400,000 \text{ sf (full build-out)}} = \$25,685,714
 \end{array}$$

(w) the assessed value for an agreed upon 'basket' of Class A Manhattan commercial office properties for the NYC Tax Year 2009-2110

(x) the assessed value for the same agreed upon 'basket' of Class A Manhattan commercial office properties for the Base Year

(y) the real estate tax rate for commercial properties for the NYC tax year 2009-2110

(z) the real estate tax rate for commercial properties for the Base year.

50% of Increased Annual PILOT Payment per above calculation	\$12,842,857
Plus/Less: Adjustments for revised assessments for prior tax years as appropriate	_____

Increased Annual PILOT Payment for Semi-Annual Period July, 2009-December, 2009	\$12,842,857
less the total of the Minimum Annual Payment established for that Semi-Annual Period (without regard to Exco-NYBOT Credit Amount) and less the amount of any excess payments on account of taxes or payments in lieu thereof made by the Net Lessees to the Port Authority and paid over by the Port Authority to the City	(\$3,240,000.00)

Net Increased Annual PILOT Payment For Semi-Annual Period July, 2009-December, 2009	\$9,602,857.00
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(b) The Port Authority shall maintain records and books of account recording all Net Lessee Rents received by the Port Authority for six years following the expiration of each PILOT Year, to the extent relevant to the calculation of the Minimum Annual PILOT Payments due the City during each PILOT Year occurring during such six year period. Upon the request of the City, the Port Authority shall make all such information available to the City as well as information requested with respect to the amount of Actual Space Available, the status of construction completion, leasing activity and occupancy during such period, to the extent relevant to the calculation of the Increased Annual PILOT Payments due the City during each PILOT Year occurring during such period. From time to time during the six year period subsequent to the expiration of each PILOT Year, the City shall have the right during normal business hours to examine and audit the books and records of the Port Authority relating to Net Lessee Rents received by the Port Authority during such PILOT Year as well as relating to the amount of Actual Space Available, the status of construction completion, leasing activity and occupancy during such period, for the purpose of verifying the Port Authority's compliance with the provisions of this Agreement relating to the payment of Minimum Annual PILOT Payments and

Increased Annual PILOT Payments during each PILOT Year occurring during such six years period.

4. **THE ADDITIONAL WORLD TRADE CENTER PROPERTIES:**

(a) The Port Authority and the City hereby agree that any and all Additional World Trade Center Properties to which the Port Authority acquires title shall become part of the Hudson Tubes-World Trade Center area as defined in the World Trade Center Legislation and the City consents to the inclusion in the Hudson Tubes-World Trade Center area as defined in the World Trade Center Legislation of all such Additional World Trade Center Properties to which the Port Authority acquires title. During each PILOT year commencing with the PILOT Year during which the Port Authority acquires title to any of the Additional World Trade Center Properties the Port Authority shall pay to the City an annual payment in lieu of taxes in connection with each site that it has acquired title to a sum equal to the full amount of real estate taxes that would have been assessed on the land comprising such site if the land were not owned by the Port Authority. Such payment shall be made at the same time and in the same manner as the payment of the Minimum Annual PILOT Payments and Increased Annual PILOT Payments is made. During the fifteen year period from the date the Port Authority certifies to the City that construction of the improvements to be constructed on any of the sites comprising the Additional World Trade Center Properties pursuant to the approved Master Plan has begun, or from the date the City so certifies to the Port Authority, if the Port Authority fails to promptly certify after such construction has begun, the Port Authority will pay to the City, in addition to the payment provide for in the second sentence of this paragraph, an annual PILOT Payment in connection with each site as to which there is gross square footage of office, retail, or hotel space which are available for use for the purposes intended, and which (1) are occupied, whether by private parties or by government agencies including the federal government and the Port Authority, (ii)

which are under lease to any such party, or (iii) which have been constructed and which, by installation of tenant improvements, may be made ready for occupancy, (such space being hereinafter referred to as “Actual Additional World Trade Center Properties Space Available”) an amount equal to the product obtained by multiplying Nine Dollars and No Cents (\$9.00) by the number of Actual Additional World Trade Center Properties Space Available for use for the purposes intended, *provided, that* such amount shall be adjusted each PILOT Year by application of the Escalator established for such PILOT Year to such amount. Commencing with the sixteenth PILOT Year following the date the Port Authority certifies to the City that the improvements to be constructed on any of the sites comprising the Additional World Trade Center Properties pursuant to the approved Master Plan has begun, or from the date the City so certifies to the Port Authority, if the Port Authority fails to promptly certify after construction has begun, the Port Authority will pay to the City an annual PILOT Payment in connection with the improvements located on such site an amount equal to the full amount of real estate taxes that would have been assessed on the improvements if such improvements were not owned by the Port Authority. Gross square footage shall be computed in accordance with the definition set forth in paragraph 2 (a) (4) of this Agreement. The Port Authority or any net lessee of the Port Authority, shall have the right, at its own expense, to the extent allowed by law to contest any assessment or tax calculation relating to their premises by appropriate proceedings as a private owner in a tax certiorari proceeding, and in the event as a result of such proceedings the payment in lieu of taxes on either such site paid by the Port Authority is reduced, the City shall refund to the Port Authority, or its net lessee, as the case may be, the amount of such payment that would not have been originally paid had the amount of real estate tax on the site equaled the amount determined to be correct under such proceeding.

(b) Notwithstanding anything to the contrary set forth in this paragraph to the extent any site comprising part of the Additional World Trade Center Properties is devoted to public park purposes or is established as a public open space, the Port Authority shall not be obligated to make any PILOT Payment with respect thereto, and the City shall not seek to collect any amounts attributable to real estate taxes with respect to such site.

(c) The obligation to keep books and records and to provide information to the City, and the rights of audit described in subparagraph (b) of paragraph 3 of this Agreement shall apply with respect to the Additional World Trade Center Properties as if set forth herein in *haec verba*.

5. **LATE PAYMENTS:**

If the payments provided for herein are not made by the time provided for and remain unpaid for a period of thirty (30) days thereafter, the Port Authority will pay to the City interest at the City's cost of borrowing in its most recent Bond issue to the date of the scheduled payment, plus 300 basis points.

6. **ASSIGNMENT OF PAYMENTS BY THE CITY**

(a) The City shall have the right at any time to assign all or any portion of its right, title, and interest in the payments to be made by the Port Authority, or its net Lessees if paid directly to the City, under this Agreement and to direct such payments or designated portions of such payments to be made to such public authority or authorities, or such other entities, including a trustee whose duties may include the receipt of such payments (such authorities or entities executing such assignment as assignee and any authority or entity to whom such assignee is permitted to assign its right under such assignment being hereinafter collectively referred to in this Agreement as "permitted assignees") as the Mayor of the City may designate by written notice directed to the Executive Director of the Port Authority.

(b) The obligations of the Port Authority to make the payments required under this Agreement shall be absolute and unconditional, without any right of setoff or counterclaim. Without limiting the generality of the foregoing, payments to be made by the Port Authority pursuant to this Agreement are to be payable in the same manner and out of the same revenues as operating expenses of the Port Authority.

(c) In the event the City makes the assignment provided for in this paragraph for the purpose of providing a source of payment in connection with the issuance of any obligations by the assignee of such assignment, such assignment shall be in writing and contain a provision binding on the assignee as follows: "Nothing in this agreement of assignment or any further assignment permitted under this agreement shall be deemed to create any right in any person not a party hereto, other than a further permitted assignee pursuant to any further assignment permitted hereunder, and this agreement shall not be construed in any respect to be a contract in whole or part for the benefit of any third person or persons (other than any other such further permitted assignee). Assignee under this agreement (and any further permitted assignee) shall review with the Port Authority any description of the transaction entered into between the Port Authority and the City pursuant to this Restated and Amended Agreement to be contained in any offering materials (including any official statement) or other documents prepared by or on behalf of the assignee in connection with the issuance and sale of its obligations prior to including such description in such materials.

(d) Nothing in this paragraph or any assignment permitted under this paragraph shall be deemed to create any right in any person not a party hereto (except a permitted assignee) and this Agreement shall not be construed in any respect to be a contract in whole or part for the benefit of any third person or persons (except a permitted assignee).

7. **REAL ESTATE TAXES:**

For each year during the period when the Port Authority continues to hold title to the World Trade Center pursuant to the World Trade Center Legislation, the City will cancel or otherwise satisfy and discharge of record all items entered thereon for taxes, assessments and interest against the properties currently constituting part of the World Trade Center site, including the 7 WTC Building, properties occupied by PATH, and all improvements to be constructed on the site and for each such year the City will mark said properties exempt on its tax records. Notwithstanding the foregoing, the Port Authority or any tenant of the Port Authority shall have the right, at its own expense, to contest in whole or in part, any assessment or tax calculation by the City which, if the World Trade Center was subject to real estate taxes, would pertain to the World Trade Center or any portion thereof by appropriate proceedings as a private owner in a tax certiorari proceeding.

8. **PENDING DISPUTES:**

(a) Upon the execution of this Agreement the action entitled City of New York against Port Authority of New York and New Jersey, bearing Index Number 406428/01, the action entitled "In the Matter of the Application of The Port Authority of New York And New Jersey, 1 World Trade Center LLC, 2 World Trade Center LLC, 4 World Trade Center LLC, 5 World Trade Center LLC, Westfield WTC LLC and 7 World Trade Company, L.P. against The City of New York, The City of New York Department of Finance, The Commissioner of Finance For The City of New York, and The Tax Commission of The City of New York" bearing Index Number 605599/01, the action entitled "In the Matter of the Application of The Port Authority of New York and New Jersey against The Tax Commission of the City of New York and The Commissioner of Finance of the City of New York" bearing Index Number 213263/02, and the action entitled "In the Matter of the Application of The Port

Authority of New York and New Jersey against The Tax Commission of the City of New York and The Commissioner of Finance of the City of New York” bearing Index Number 205980/03 each of which are pending in the Supreme Court of The State of New York, County of New York and all other pending arbitrations and litigation concerning the WTC PILOT Agreement, shall be, and the same are hereby discontinued with prejudice, without disbursements or costs to either party as against the other. Upon the request of either the Port Authority or the City, both parties shall execute a stipulation of discontinuance with prejudice in each such action confirming the provisions of this paragraph with respect to each such action.

(b) The City has remised, released, and forever discharged, and by these presents does for itself and its and its successors assigns, remise release and forever discharge The Port Authority of New York and New Jersey, and its and successors and assigns, of and from all and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever in law or in equity which against The Port Authority the City ever had, now has, and which the City or its successors or assigns hereafter can, shall or may have for, upon or by reason of, on account of, or in any way growing out of, resulting from or to result from amounts due the City under or pursuant to the WTC PILOT Agreement from the date of execution thereof to the date of execution of this Agreement, both dates inclusive. As of the date of execution of this Agreement by the City and the Port Authority the terms of the WTC PILOT Agreement shall be deemed null and void and of no further force and effect unless incorporated in this Agreement.

9. **PROPERTY ISSUES**

Simultaneously with the execution and delivery of of this Agreement, the City and the Port Authority shall enter into an agreement amending the Street Closing Agreement resolving all property issues related to present or former streets within and adjacent to the World Trade Center site so as to enable the redevelopment of the World Trade Center pursuant to Master Plan.

10. **REPRESENTATIONS:**

All prior understandings and agreements between the Port Authority and the City are merged in this Agreement. This Agreement completely expresses the full agreement between the Port Authority and the City.

11. **NO INDIVIDUAL LIABILITY:**

Neither the Commissioners of the Port Authority nor of the City, nor any officer or employee of either the Port Authority or the City shall be charged personally with any liability or held liable under any term or provision of this Agreement or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

12. **NOTICES:**

All notices to Seller and Purchaser hereto shall be in writing and given by hand delivery, prepaid certified mail with return receipt, or United Parcel Service, or Federal Express overnight express delivery, to the parties addressed as set forth at the head of this Agreement.

Port Authority: Attention: Chief Financial Officer
The Port Authority of New York and New Jersey
225 Park Avenue South, 15th Floor
New York, NY 10003

with copy to: Attention: General Counsel
The Port Authority of New York and New Jersey
225 Park Avenue South 15th Floor
New York, NY 10003

City of New York: Attention: Commissioner, Department of Finance
City of New York
One Centre Street-Suite 500
New York, NY 10007

with copy to: Attention: Corporation Counsel
City of New York
100 Church Street
New York, NY 10007

All notices shall be deemed effective upon receipt.

13. **COUNTERPARTS:**

This Agreement may be executed in counterparts by faxed signatures to be followed by original signature pages. Each such fully executed counterpart shall be fully binding upon the parties and shall be equally admissible as evidence should a dispute ever arise between the parties.

14. **NO ASSIGNMENT:**

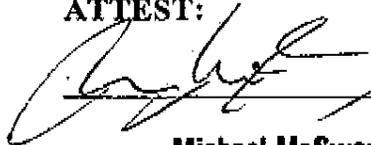
Except as provided in paragraph 6 hereof, the rights and obligations under this Agreement may not be assigned by any party to this Agreement without the prior written consent of the other party hereto.

15. **ENTIRE AGREEMENT:**

This Agreement constitutes the entire understanding of the parties on the subject matter hereof and may not be changed, modified or discharged except by written instrument duly executed by all of the parties hereto. The parties agree that no representations or warranties shall be binding upon any party unless expressed in writing herein.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals or have caused their corporate seals to be hereunto affixed and these presents to be signed and attested by their proper officers thereunto duly authorized, the day and year first above written.

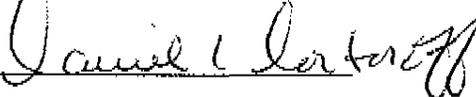
ATTEST:



Michael McSweeney
1st Deputy & Acting City Clerk

ATTEST:

THE CITY OF NEW YORK

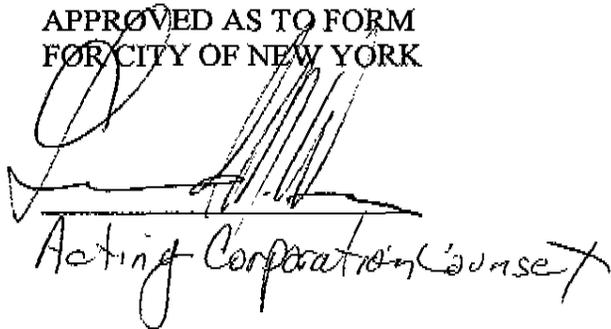
By 

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By _____

Kenneth J. Ringler, Jr.
Executive Director

APPROVED AS TO FORM
FOR CITY OF NEW YORK



Acting Corporation Counsel

APPROVED AS TO FORM
FOR PORT AUTHORITY OF NEW
YORK AND NEW JERSEY

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals or have caused their corporate seals to be hereunto affixed and these presents to be signed and attested by their proper officers thereunto duly authorized, the day and year first above written.

ATTEST:

THE CITY OF NEW YORK

By _____

ATTEST:



THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By 
Kenneth J. Ringler, Jr.
Executive Director

APPROVED AS TO FORM
FOR CITY OF NEW YORK

APPROVED AS TO FORM
FOR PORT AUTHORITY OF NEW
YORK AND NEW JERSEY

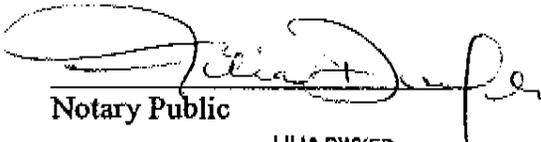


Darrell Buchbinder
General Counsel



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

On the 24 day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael McSwaney, City Clerk of THE CITY OF NEW YORK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



Notary Public
LILIA DWYER
Commissioner of Deeds
City of New York No. 3-7093
Certificate Filed in New York County
Commission Expires Feb. 01, 2006