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THE PORT AUTHORITY OF NY & NJ

FOI Administrator

April 1, 2013

Mr. Derek Fanciullo
Jersey City Department of Law
280 Grove Street
Jersey City, NJ 07302

Re: Freedom of Information Reference No. 13732

Dear Mr. Fanciullo:

This is a response to your January 29, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for copies of all payment in lieu of tax agreement between the Port Authority and any municipality or other governmental entity wherein the Port Authority has acquired property.

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/13732-LPA.pdf. Paper copies of the available records are available upon request.

Certain material responsive to your request is exempt from disclosure pursuant to exemptions (1) and (4) of the Code.

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

Very truly yours,

Daniel D. Duffy
FOI Administrator

225 Park Avenue South
New York, , NY 10003
T: 212 435 3642 F: 212 435 7555

AGREEMENT made this 17th day of June 1976 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States, hereinafter called the "Port Authority", party of the first part; the BOROUGH OF TETERBORO, a municipal corporation of the State of New Jersey, hereinafter called the "Borough", party of the second part; and the COUNTY OF BERGEN, a body corporate and politic of the State of New Jersey acting by its Board of Chosen Freeholders, hereinafter called the "County", party of the third part;

W I T N E S S E T H:

WHEREAS, by Agreement between the aforesaid parties dated March 3, 1950, as amended by subsequent agreements, (hereinafter collectively referred to as the "Agreement"), the Port Authority agreed to pay to the Borough and the County and the Borough and the County agreed to accept as annual payment in lieu of any and all taxes and assessments for the year 1950 and succeeding years a sum equivalent to the annual tax last paid to the Borough on each tax lot in the Borough prior to the time of the acquisition of said tax lot by the Port Authority for Airport purposes; and

WHEREAS, the Agreement requires that each of the parties thereto notify the others annually of its desire to renew the Agreement for the succeeding calendar year; and

WHEREAS, the Agreement has been since renewed annually in accordance with the aforesaid requirements; and

WHEREAS, the parties are desirous of further amending the Agreement to eliminate said annual notice requirement and to provide for the making of the aforesaid payments so long as the Port Authority shall own and operate Teterboro Airport; and

WHEREAS, the Port Authority by resolution adopted by its Committee on Operations on March 2, 1961 authorized the Executive Director to renew the Agreement on the aforesaid terms for the year 1960 and each successive tax year thereafter.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and the mutual covenants of the parties hereto embodied in the Agreement, the terms covenants and provisions of said Agreement are hereby further modified and amended as follows:

1. Paragraph 2 of the Agreement dated March 3, 1950 shall be and is hereby deleted in its entirety.

2. (a) The Port Authority will pay to the Borough and the County for the year 1975, and each successive year thereafter so long as the Port Authority shall own and operate Teterboro Airport, and the Borough and County hereby agree to accept as an annual payment, pursuant to Chapter 43, Laws of New Jersey, 1947 as amended, and Chapter 802, Laws of New York, 1947 as amended, in lieu of any and all taxes and assessments for the tax year January 1, 1975 to December 31, 1975 and for succeeding tax years, the total sum of Nineteen Thousand Six Hundred Seventy-seven and 30/100ths Dollars ($19,677.30), being a sum equivalent to the annual tax last paid on all tax lots located in the Borough and within the Airport's site prior to the time of the acquisition of said lots by the Port Authority, same being listed on Schedule "A", annexed hereto and made a part hereof. Such sum shall be paid as follows: Thirteen Thousand Eight Hundred Fifty-eight and 60/100ths Dollars ($13,858.60) to the Borough and Five Thousand Eight Hundred Eighteen and 70/100ths Dollars ($5,818.70) to the County.

(b) As to each lot, the annual payment for each tax year shall be made on or after December 1st of said year.

The Borough and the County will mark each lot exempt on the tax records with a notation that each entry is made pursuant to this Agreement and the Statutes aforesaid.

(c) If additional property is acquired by the Port Authority in the Borough for airport purposes before October 1st of any year after 1975, the payment for the succeeding year shall be increased by the amount of taxes last paid to and retained by the Borough on such additional property acquired. However, if all or part of said lands listed in Schedule A, annexed hereto, or as hereafter amended, shall in any manner cease to be owned and held by the Port Authority for airport purposes, this agreement shall cease to be applicable to said lands no longer owned and held by the Port Authority and the annual payments thereafter to be made hereunder shall be reduced by the amount applicable to the said lands which are specified as the sum or sums last paid thereon in said Schedule A. In the event that additional property is acquired before the time hereinbefore specified or disposed of as hereinbefore indicated, the Collector of Taxes for the Borough shall serve upon the Port Authority, before August 1st of the tax year covered, a new exhibit substantially in the form of Schedule A annexed hereto specifying those lots within the Borough which the Port Authority then owns and holds for airport purposes together with the sum last paid as taxes prior to the acquisition thereof by the Port Authority, together with the division of payment of said sum last paid between the Borough and the County.

3. Neither the Commissioners of the Port Authority nor any individual, officer or official of the Port Authority, Borough or the County, nor any agent or employee of any of the parties hereto shall be charged personally by any of the others with any liability nor be held liable to any of the parties hereto under any term or provision of this Agreement or because of its execution

or attempted execution or because of any breach hereof.

5. Except as herein modified or amended, said Agreement of March 3, 1950, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their respective corporate seals to be affixed hereto and duly attested and these presents executed by their duly authorized officers, as of the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By:

ATTEST

MUNICIPAL CLERK

BOROUGH OF TETERBORO

By:

MUNICIPAL MANAGER

ATTEST:

Loretta Weinberg, Clerk
Board of Chosen Freeholders

COUNTY OF BERGEN

Jeremiah F. O'Connor, Director
Board of Chosen Freeholders

STATE OF NEW JERSEY }
COUNTY OF BERGEN } ss.:

On this 18th day of June, 1976, before me, the subscriber, personally appeared Jeremiah F. O Connor, Director of, the Board of Chosen Freeholders of the County of Bergen, who I am satisfied is the person who has signed the within instrument, and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the seal of said County, and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of the County of Bergen, made by virtue of the authority of its Board of Chosen Freeholders.

Elaine S. Hochner
Notary Public of New Jersey
ELAINE S. HOCHNER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 3, 1979

STATE OF NEW JERSEY }
COUNTY OF BERGEN } ss.:

On this 20TH day of April, 1976, before me, the subscriber, personally appeared FRANK A. BARTEL, the Municipal Manager of the BOROUGH OF TETERBORO, who I am satisfied is the person who has signed the within instrument, and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the seal of said Boro and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of the BOROUGH OF TETERBORO, made by virtue of the authority of its governing body.

Otto J. Flaig
OTTO J. FLAIG
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 25, 1979

SCHEDULE A

Tax Lot Designations on the Tax Assessment Map of the Borough of Teterboro of all Property Constituting Teterboro Airport.

Block	Valuation Land-Improvement	Lot	Tax
2	$ 28,000.00	1	$ 795.20
2	2,700.00	1-B	76.68
2	10,950.00	1-C	310.98
2.	1,780.00	1-D	50.55
2	4,480.00	1-E	127.23
2	118,996.00	2	3,379.49
2	11,500.00	2-C	326.60
2	216,860.00	3	5,158.83
2	16,250.00	3-A	461.50
7	62,462.00	4	1,773.92
7	400.00	6	11.36
7	3,384.00	6-A	96.16
7	5,737.00	12	162.93
7	5,400.00	8	153.36
7	3,990.00	9	113.31
	Improvement		
Brewster 2	30,000.00	2-C	852.00
Rausch 2	4,000.00	2-C	113.60
Willis 2	3,500.00	2-C	99.40
Mallard 2	7,800.00	3-A	221.52
White Star 2	4,200.00	3-A	119.28
Brewster 2	90,000.00	3-A	2,556.00
Atlantic Aviation Corporation Hangar 2	--	1 --	1,538.21
Air Court Inc. Buildings 7	5,973.00	6	179.19
			$13,677.30

$ 5,818.70 - County
$13,858.60 - Borough

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

On this 14th day of September, 197, before me, the subscriber, personally appeared [illegible], the [illegible] of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, who I am satisfied is the person who has signed the within instrument, and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal, and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, made by virtue of the authority of its Board of Commissioners.

[illegible]
Counsel to the Port of New York

2005 FEB 10 PM 2:50

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

AND

THE CITY OF ELIZABETH

REGARDING CONSTRUCTION OF A FREIGHT RAIL LINK and CONSTRUCTION OF AN EMERGENCY RESPONSE FACILITY

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND
THE CITY OF ELIZABETH
REGARDING
1) CONSTRUCTION OF A FREIGHT RAIL LINK and 2) CONSTRUCTION OF AN EMERGENCY RESPONSE FACILITY

This Agreement, made September 9, 2003, between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY,** a body corporate and politic, established by Compact between the States of New York and New Jersey, with the consent of the Congress of the United States and having its principal office at 225 Park Avenue South, New York, NY 10003 (the "**Port Authority**"), and the **CITY OF ELIZABETH,** a municipality of the State of New Jersey and having its principal office at 50 Winfield Scott Plaza, Elizabeth, NJ 07201 ("the **City**"),

WITNESSETH THAT:

WHEREAS, the Port Authority and the City desire to establish principles of agreement for 1) the construction of a new freight rail connection ("**North Connector**") by the Port Authority or its subsidiary, the New York and New Jersey Railroad Corporation ("**NY&NJRC**"), between Staten Island and the Chemical Coast Line in Elizabeth, New Jersey, and 2) provisions for the design and construction of a stand-by emergency response and maintenance facility in Elizabeth, New Jersey, which will be capable of providing additional emergency response services at the Elizabeth-Port Authority Marine Terminal and Newark Liberty International Airport; and

WHEREAS, on February 20, 2003, the Port Authority authorized the commitment of: "[(i)] $15 million towards the design and construction of a stand-by emergency response facility in the City, including land acquisitions, to provide for both fire and hazardous materials or substances emergencies, and upon completion of the construction of this facility, any remaining funds of the $15

million shall be used as a one-time supplemental lump sum payment to the Community Development Fund (as hereinafter defined) to address particular needs related to this project, so that the total aggregate amount paid by the Port Authority in connection with the emergency response facility does not exceed $15 million, and [(ii)] $35 million towards the property and transportation infrastructure improvements in the County related to Port Authority facilities (up to $6 million of which might be used for a supplemental payment to the Community Development Fund (as hereinafter defined) or for the property)"; and

WHEREAS, on December 13, 1984, the City and the Port Authority entered into an agreement providing for a community development program (the "**Community Development Fund**"), whereby the Port Authority would allow the City, only after it has consulted with and obtained the agreement of the Port Authority, to identify work projects for the initial construction of, or the repair, replacement or rehabilitation of existing municipal infrastructure systems throughout the City, directly or indirectly relating to Port Authority facilities, to be performed in the City, all or a portion of the costs of which would be paid by the Port Authority pursuant to and in accordance with agreed terms; and

WHEREAS, the parties agree on the public benefit of constructing the North Connector to improve the shipment of goods in the region and to enable the Port Authority to plan for future growth and expansion at its facilities; and of constructing an emergency response facility which will be capable of providing emergency response services at the Elizabeth-Port Authority Marine Terminal and Newark Liberty International Airport; and

WHEREAS, the parties wish to meet the following goals of the Port Authority and the City: the construction, operation and maintenance of the North Connector, as well as, the rehabilitation of the existing Staten Island Railroad; the design and construction of a stand-by emergency response

facility in the City; the mitigation of the loss of taxes and assessments on an approximately 3-acre site, located at Block 4, Lot 67-A in the City, purchased by the Port Authority from the County of Union on September 23, 2002; and the mutual cooperation and support for the City's Borne Chemical Redevelopment Plan;

NOW THEREFORE, the Port Authority and the City, for themselves, their successors and assigns, in consideration of the matters and things hereinafter set forth, mutually covenant and agree as follows:

1. CONSTRUCTION, OPERATION & MAINTENANCE OF A FREIGHT RAIL LINK

The Port Authority has been authorized to construct the North Connector between the Staten Island Railroad and the CSX and Norfolk Southern Chemical Coast Line in Elizabeth, New Jersey. The City's City Council shall provide all necessary authorizations and shall take all necessary actions to enable the rehabilitation of the existing Staten Island Railroad, the construction of the North Connector and the construction, operation and maintenance of the freight rail system. Such actions, authorizations and approvals shall include, but not be limited to easements, rights of entry, the relocation of Bayway Avenue, necessary construction, related street closings and the relocations of utilities, as requested by the Port Authority. The Mayor will execute the agreement attached hereto hereby made a part hereof and marked **"Exhibit A"** providing for the realignment of relocated Bayway Avenue, for relocation of utilities and for construction of the North Connector (the **"Construction Agreement"**), simultaneously with the execution of this Agreement. The City Council shall pass all ordinances as necessary to effectuate the Port Authority's construction and operation of the freight rail system described in this Paragraph 1.

2. REIMBURSEMENT OF DESIGN AND CONSTRUCTION OF AN EMERGENCY RESPONSE FACILITY

a. The City will design and construct a stand-by emergency response facility in the City, including land acquisitions, demolition and other costs related to the facility (the "**Emergency Response Facility**"), to provide for both fire and hazardous materials or substances emergencies and to provide for the maintenance of fire vehicles (hereinafter collectively called the "**Work**"). The Work shall consist of the design of the facility (the "**Design**"), the development of contract drawings and specifications (the "**Contract**"), and the construction and completion of the emergency response facility (the "**Construction**").

b. The City shall deliver to the Port Authority Manager designated in paragraph 5(c) entitled, "Notices", a proposal (the "**Proposal**") setting forth the scope of work comprising the Work, to include but not be limited to provisions for: site acquisition alternatives; due diligence for site acquisition; establishment of a critical path for the Work; environmental review assessment; engineering analysis and financial analysis; establishment of design criteria; production of contract documents; procedures for selection of contractors and consultants for the Work; and, shall include estimated costs for all tasks and activities comprising the Work. The Proposal shall provide for several formal submissions by the City to the Port Authority during the Design, the Contract and the Construction phases of the Work (all collectively referred to as the "**Submissions**"), for Port Authority review and comments. The Port Authority will provide all such comments within twenty-one (21) calendar days of receipt. The Proposal will require the City to provide the Port Authority with conceptual design drawings and 100% final contract drawings signed and sealed by the architect or engineer hired by the City, and shall allow the Port Authority to make inspections of the construction work while the work is in progress upon reasonable notice, and to identify any

observable defects in a timely manner so as to allow such defect(s) to be addressed by the City in its reasonable discretion. The City shall be responsible for securing any and all regulatory approvals, leases, licenses, franchises, easements or other agreements or interests necessary to undertake the Work. The City shall require its contractors to work in full compliance with all applicable laws, codes, rules, regulations and ordinances. The Port Authority will review the Proposal and make comments; comments will be made within twenty-one (21) calendar days or the Port Authority will be deemed to not have any comments.

c. Upon completion of a final Proposal mutually agreeable to both parties, the Port Authority shall reimburse the City the actual costs incurred by the City for the Work performed, but in no event to exceed the sum of Fifteen Million Dollars and No Cents ($15,000,000.00) ("**Reimbursement Amount**"). In the event the actual costs incurred by the City for the Work performed does not exceed the $15 million, the City shall include a report, attached to the City's final invoice, identifying the needs of the City and the accompanying estimated costs for additional projects, which additional projects otherwise qualify under the Community Development Fund guidelines and relate to the Emergency Response Facility project, for the remaining portion of the $15 million; then within 30 days following the Port Authority's concurrence with the report and the schedule of costs, the Port Authority shall make a one-time supplemental lump sum payment to the City's Community Development Fund in an amount equivalent to the difference between the actual costs incurred by the City for the Work and $15 million, which payment shall be used by the City to address related needs identified in the report.

d. Payment shall be made in accordance with the following:

(i) The City shall use its best efforts to complete the Work within a time frame as mutually agreeable to the Port Authority and the City.

(ii) The Port Authority shall make payment to the City of the lesser of the actual costs of the Work or $15,000,000.00, subject to the conditions set forth herein. Upon the Port Authority's and the City's agreement to an acceptable final Proposal, the Port Authority shall make payments in accordance with the schedule attached hereto hereby made a part hereof and marked **"Schedule A"**.

e. It is expressly understood and agreed that the funding and review of the Work and Port Authority comments thereon, shall not constitute nor be construed as a representation or warranty on the part of the Port Authority as to the adequacy or propriety of such Work, including any such plans and specifications or any Submissions or Proposals, nor shall the Port Authority be deemed to have assumed any liability to the City, its contractors or consultants or to any third party by reason of such comments on approval of or by virtue of the directions of representatives of the Port Authority on the Work.

f. The City shall maintain accurate, readily auditable records and accounts with supporting documentation, in accordance with sound accounting principles as prescribed by the Division of Local Government Services of the State of New Jersey Department of Community Affairs, of all financial accounts, transactions, receipts and expenditures in connection with the funding or the Work; such records to be maintained for a period of six (6) years unless the City is notified of a claim or pending claim in which case the applicable records will be maintained until final resolution of such claim; such records to be available for inspection and audit at the City's place of business at reasonable times and upon reasonable notice.

g. The Port Authority shall not be liable for any matter arising out of or in connection with the design and construction of the emergency response facility. The City, and its contractors or consultants, shall indemnify and hold harmless the Port Authority, its Commissioners, directors, officers, agents, employees, and each of them, from and against any and all claims, suits, losses,

judgments or awards, or demands of third persons, arising out of or in connection with, the performance of any work covered by this Agreement or of the Work including its use of or reliance thereon. The City shall incorporate and/or require to be incorporated a clause similar to this paragraph 2(g) herein, in its agreements and contracts with its consultant(s) and contractor(s) for the Work.

h. The City shall, if so requested by the Port Authority, at no cost or expense to the Port Authority, defend against such claims, in which event the City shall not, without obtaining express written permission in advance from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, immunity of the Port Authority, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

i. During the term of the Work, the City shall take out and maintain or cause its contractor to take out and maintain in its own name and at its own cost and expense insurance coverages as requested by the Port Authority and generally as provided in the schedule attached hereto hereby made a part hereof and marked "**Schedule B**". Furthermore, the City shall require its contractors to carry and maintain insurance protecting the City and the Port Authority against all insurable claims resulting from the design and construction of the facility.

j. The City shall maintain and operate the Emergency Response Facility for the term of thirty years ("**Useful Life**"). If the City determines to close the Emergency Response Facility prior to the end of its Useful Life, the City agrees to provide the Port Authority with 90 day's prior notice of such closure and the Port Authority shall have the option to acquire the Emergency Response Facility from the City for the purchase price of One Dollar ($1.00) and the City agrees to sell the Emergency Response Facility to the Port Authority for the consideration of One Dollar ($1.00) in the event the

Port Authority determines to exercise such option. The Port Authority shall exercise such option by giving the City notice thereof within 60 days after receipt of the notice from the City of its determination to close the Emergency Response Facility. The closing of the sale shall take place on the date that the Emergency Response Facility is closed by the City. Upon the transfer of the Emergency Response Facility to the Port Authority, the Port Authority and the City will negotiate annual payments in lieu of taxes on said property of the Emergency Response Facility, to the extent such payments are applicable to the Port Authority's use of said property. This paragraph shall not be construed as subjecting any property owned or controlled by the Port Authority to taxation.

3. PAYMENTS IN LIEU OF TAXES

a. To the end that the City may not suffer undue loss of taxes and assessments by reason of the Port Authority's purchase of the property located at Block 4, Lot 67-A in the City and formerly used as a bus depot by Olympia Trails (the "**Olympia Property**"), from the County of Union on September 23, 2002, the Port Authority will pay an amount annually in lieu of taxes on such property not to exceed $39,503.39 (the "**PILOT Amount**"), which is the total amount last paid annually on the Olympia Property by the County of Union for the calendar year 2002 prior to the time of its acquisition by the Port Authority, and which PILOT Amount is the maximum payment allowable to the City by the Port Authority for the Olympia Property as provided for in applicable statutes. The Port Authority agrees to pay the PILOT Amount for the calendar year commencing 2003 and for each tax year thereafter, for so long as the Port Authority shall own the Olympia Property, in lieu of any and all taxes and assessments with respect to the Olympia Property, and the City hereby agrees to accept such PILOT Amount as the maximum annual payment allowable to the City by the Port Authority for the Olympia Property.

b. Payment to be made to the City for the calendar year 2003 will be made by the Port Authority to the City within 60 days after the execution of this Agreement. Thereafter all PILOT Amounts required to be made shall be made annually on or before the first day of January in each year for which such PILOT Amount is due. Each PILOT Amount shall be sent to the Tax Collector of the City of Elizabeth and checks shall be made payable to the City of Elizabeth. Said PILOT Amount shall be devoted by the City solely to purposes to which taxes may be applied, unless and until otherwise directed by law of the State of New Jersey.

c. For each year that the Olympia Property is owned or controlled by the Port Authority, the City will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the Olympia Property and for each such year the City will mark the Olympia Property exempt on its tax records with a notation that such entry is made pursuant to this Agreement.

d. It is understood and agreed that the PILOT Amount to be paid to the City by the Port Authority in lieu of taxes as provided for herein represents the total amount to be paid by the Port Authority to any taxing authority for taxes, in lieu of taxes or assessments with respect to the Olympia Property and said PILOT Amount will be held by the City for its benefit. The City hereby agrees to indemnify and hold harmless the Port Authority against any claims for taxes, payments in lieu of taxes or assessments which may be made against the Port Authority or the Olympia Property while owned or controlled by the Port Authority in any action or proceeding brought by any person or taxing authority attempting to impose or collect taxes, payments in lieu of taxes or assessments other than as provided in this Agreement.

e. The PILOT Amount to be paid by the Port Authority pursuant to this Agreement shall be reduced by any amount paid or due to the City as real or personal property taxes, in lieu of tax payments by any owner, developer, vendor, tenant, occupant or other user of any part of the Olympia

Property except for those payments otherwise being made pursuant to this Agreement. This paragraph shall not be construed however as subjecting any property owned or controlled by the Port Authority to taxation.

4. BORNE PROPERTY

The Port Authority will support the City's Borne Chemical Redevelopment Plan by providing and /or assisting the City in obtaining access rights through the rail right-of-way under the Staten Island Railroad trestle. The Port Authority will provide or assist the City on this issue to the extent that it does not interfere with the Port Authority's construction, operation and maintenance of the Staten Island Railroad and new freight rail service. The City will assist and cooperate with the Port Authority's efforts to obtain the use of portions of the Borne property for temporary construction easements to construct the North Connector project. The NY&NJRC shall not be responsible for any pre-existing conditions of the property or for the cost of any remediation required by the MOA. If the New Jersey Department of Environmental Protection (the "**NJDEP**") requires additional remediation of the property as a condition for the use of the property by NY&NJRC for temporary construction purposes, the NY&NJRC shall comply with all such additional NJDEP requirements at its cost. The parties acknowledge the existence of a Directive and Memorandum of Agreement (the "**MOA**"), dated October 18, 1994, from NJDEP to the Borne Chemical Company and identified Respondents regarding liability for the remediation, including cleanup and removal costs, for the property.

5. MISCELLANEOUS

a. ASSIGNMENT. The Port Authority may assign all or any portion of this Agreement to

its subsidiary, the New York and New Jersey Railroad Corporation.

b. NO THIRD PARTY RIGHTS. Nothing herein contained shall be understood or construed to create or grant any third party benefits, rights or property interests unless the person claiming such rights is identified herein and the rights claimed are expressly set forth herein.

c. NOTICES. All notices hereunder shall be given in writing and delivered in person or by certified mail with return receipt requested or by a reputable commercial prepaid overnight courier or by facsimile transmission. Any such notice shall be deemed given when so delivered personally, or if sent by U.S. mails, overnight courier or facsimile transmission, when received at the following addresses: if to the Port Authority by addressing same to: The Port Authority of New York & New Jersey, 225 Park Avenue South, New York, New York, 10003, Attention: Assistant Director of Government and Community Affairs, 18th Floor, and The Port Authority of New York and New Jersey, 225 Park Avenue South, New York, New York, 10003, Attention: General Counsel, 15th Floor and if to the City: The Mayor and the City Engineer, 50 Winfield Scott Plaza, Elizabeth, New Jersey 07201.

d. BINDING AGREEMENT. Simultaneously with the execution of this Agreement, the parties will also execute the Construction Agreement, as provided in Section 1 of this Agreement. This Agreement, which incorporates the Construction Agreement, is the entire agreement between the parties with regard to the subject matter thereof, is contained herein and no modification hereof shall be effective unless in writing, signed by the party to be charged therewith. This Agreement shall commence as of the date of the execution and unconditional delivery hereof by all parties.

e. NO PERSONAL LIABILITY. Neither the Directors of NY&NJRC nor the Commissioners of the Port Authority nor the Mayor of the City of Elizabeth nor the City Council of the City of Elizabeth, nor any of them, nor any officer, agent or employee of each of them thereof

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.

IN WITNESS WHEREOF, the parties hereto have caused their respective seals to be affixed hereto and presents to be executed by their duly authorized officers this instrument as of the date first written above.

CITY OF ELIZABETH
APPROVED AS TO FORM
WRH
PHYSICAL CONDITIONS
TERMS & CONDITIONS
WRH
DESCRIPTION

THE CITY OF ELIZABETH

ATTEST:

By: _____
Anthony R. Pillo
City Clerk

By: _____
Name: J. Christian Bollwage
Title: Mayor

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

ATTEST:

By: _____
Secretary

By: _____
Name: Joseph J. Seymour
Title: Executive Director

APPROVED
TERMS FORM
500

Approved as to Terms and Form as authorized by The Board of Commissioners by Resolutions of September 19, 2002 and February 20, 2003.

_____
Law Department

STATE OF NEW JERSEY)
ss:
COUNTY OF UNION)

I CERTIFY that on this 9th day of September 2003, before me, the subscriber, a Notary Public of New Jersey, personally came J. Christian Bollwage, the Mayor of the City of Elizabeth, who I am satisfied is the person who has signed the within instrument, and I, having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal, and delivered the same as such officer aforesaid; that the within instrument is the voluntary act and deed of the City of Elizabeth, made by virtue of the authority of its City Council.

Mary C. Murphy
Notary Public
[illegible] C. Mc Daly
A [illegible] New Jersey
My Commission Expires April 17, 2004

STATE OF NEW YORK)
COUNTY OF New York) ss:

I CERTIFY that on this 16th day of September 2003, before me, the subscriber, a Notary Public of New York, personally came ~~Joseph J. Seymour~~ Ernesto L. Butcher Chief Operating Officer, the ~~Executive Director~~ of the Port Authority of New York and New Jersey, who I am satisfied is the person who signed the within instrument, and I, having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal, and delivered the same as such officer aforesaid; that the within instrument is the voluntary act and deed of the Port Authority of New York and New Jersey, made by virtue of the authority of its Board of Commissioners.

Linda C Handel
Notary Public

LINDA C HANDEL
My Commission Expires
January 3 2006
No. 01HA6035589

SCHEDULE A
Reimbursement Procedures

The Reimbursement Amount will be paid to the City as follows:

1. On or before the tenth day of the first calendar month following the commencement of the Work and the parties' mutual acceptance of the final Proposal, and on or before the tenth day of each successive month thereafter occurring during the period of the performance of the Work, the City shall certify to the Port Authority by written certification subscribed by a responsible officer of the City:

(i) the amount of the work performed by the City in the preceding month showing separately each item of the work performed, the cost of each item of work described in the certificate, the amount of such cost incurred by the City, or by its contractors and vendors on behalf of the City, during such month, and the amount paid by the City, or by its contractors and vendors on behalf of the City, on account of such cost, if any;

(ii) except in the case of the first such certificate delivered to the Port Authority, the cumulative amount of all costs incurred by the City, or by its contractors and vendors on behalf of the City, on account of each item of work described in the certificate from the date of the commencement of the work to the date of the certificate, and the cumulative amounts actually paid by the City on account of the cost of each such item of work from the date of the commencement of the work to the date of the certificate;

(iii) that except for the amount, if any, stated in such certificate to be due for services and materials, there is no outstanding indebtedness known to the persons signing such certificate, after due inquiry, then due on account of the purchase of any equipment or fixtures described in the certificate or for labor, wages, materials, supplies or services in connection with any work described therein which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialmen statutory or similar lien or alleged lien upon said work, or any part thereof, or upon the City's property interest therein, nor are any of the equipment, or fixtures described in such certificate secured by any liens, mortgages, security interests or other encumbrances (the statement described in this subdivision being hereinafter referred to as the "**Lien Statement**"). Nothing contained herein shall be deemed or construed as a submission by the Port Authority to the application to itself of any such lien; and

(iv) that the work for which the amount set forth in the certificate is due has been performed strictly in accordance with the final Proposal and the final plans and specifications for the work approved by the Port Authority, in accordance with the provisions of this Agreement, and in compliance with all applicable governmental

laws, ordinances, enactments, resolutions, rules, regulations and orders, (the statement described in this subdivision (iv) being hereinafter referred to as the "**Compliance Statement**"). Such certificate shall also contain a certification by the architect or engineer who sealed the City's plans certifying that the Compliance Statement applies to all of the work described in the certificate.

2. Except in the case of the first such certificate to be delivered to the Port Authority, simultaneously with its delivery to the Port Authority of each such certificate, the City shall deliver to the Port Authority copies of bank statement documentation in support of canceled checks drawn by the City, or its contractors and vendors, or invoices marked paid, or other evidence reasonably satisfactory to the Port Authority, of all payments made on account of each item of work described in the certificate from the date of the commencement of the work to the date of the certificate.

3. Within thirty (30) days of its receipt of the certificate from the City, the Port Authority shall remit to the City, an amount equal to the cost of performing the portion of the work described in the certificate less ten percent (10%) of the cost thereof, and also less the amount of any claims made against the Port Authority by subcontractors, materialmen or workmen, if any, in connection with any of the work described in the certificate.

4. Upon final completion of all of the Work to be performed by the City as set forth in the final Proposal and the final plans and specifications approved by Port Authority, and the delivery to the Port Authority by the City of a certificate of completion with respect to the work, the City shall submit to the Port Authority a final certification signed by a responsible officer of the City that all of the City's work has been completed, which certificate shall fully itemize the final cost of all of the City's work, showing separately the final cost of each item of the work, the cumulative payments made by the City, or its contractors and vendors on behalf of the City, on account of such costs, and shall also make the Lien Statement and the Compliance Statement with respect to all of the work. In addition, the architect or engineer who seals the City's plans shall certify that the Compliance Statement applies to all of the work.

5. After receipt of the final certificate from the City and its architect or engineer, and the final certification of cost, the Port Authority shall examine such certificate and statement, and such supporting documents and records as the Port Authority shall deem necessary to substantiate the certificate and the statement. After such examination and upon approval thereof, the Port Authority shall pay to the City, on account of the cost of the work the difference between the sum obtained by adding together all prior payments made by the Port Authority to the City on account of the cost of the work and the applicable Port Authority share of the cost thereof as set forth in this agreement. If the sum of all of the previous payments made by the Port Authority to the City on account of the cost of the City's work exceeds the applicable Port Authority funding of the cost thereof as set forth in this agreement, the City shall pay to the Port Authority the amount of such excess on demand. No payment made by the Port Authority to the City pursuant to the provisions of this paragraph, including, without limitation, any payment made to the City following the Port Authority's receipt of the City's final certification and itemization of cost, shall be deemed final until the actual cost of the work has been finally determined by the Port Authority. No payment made to the City following the Port Authority's receipt of the City's final certification and itemization of cost, shall be deemed a

final determination of the actual cost of the work. Such final determination shall occur only after the Port Authority has examined and approved the City's final certificate and itemization of cost with respect to such work and such records and other documentation as the Port Authority, acting in a non-arbitrary and non-capricious manner, shall deem necessary to substantiate such certification and itemization of cost.

6. Prior to a final determination of the actual cost of the work, the City shall permit the Port Authority by its agents, employees and representatives at all reasonable times during normal business hours, and upon reasonable advance notice, to examine and audit the records and other documentation of the City which pertain to and will substantiate such cost. In no event whatsoever shall the cost of the work as finally determined and computed in accordance with the provisions of this Schedule include any expenses, outlays or charges whatsoever by or for the account of the City for or in connection with any improvements, equipment or fixtures or the performance of any work unless such are actually and completely performed, and the construction work shall include only work actually and completely installed in and or made to the premises nor shall cost include the costs of any equipment, fixture or improvements which are secured by liens, mortgages, other encumbrances or conditional bills of sale.

SCHEDULE B
Insurance Requirements

1. During the term of the Work, the City shall take out and maintain or cause its contractor(s) to take out and maintain in its own name and at its own cost and expense, a Commercial General Liability Insurance policy including, but not limited to Premises-Operations, Products-Completed Operations, coverage for explosion, collapse and underground property damage, Broad Form Property Damage, coverage for work within 50 feet of a railroad, if applicable, and Independent Contractor coverage's in limits of not less than Ten Million Dollars ($10,000,000) Combined Single Limit per occurrence for Bodily Injury and Property Damage Liability. In addition, the policy shall include a Contractual Liability covering the risks and indemnities the City has assumed under this Agreement.

2. The City shall take out and maintain or cause its contractor(s) to take out and maintain in its own name and at its own cost and expense Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles, as applicable, with limits of not less than Two Million Dollars ($2,000,000) Combined Single Limit per occurrence for bodily injury and property damage.

3. If applicable, the City shall take out and maintain or cause its contactor to take out and maintain in force an Environmental Insurance Policy covering its pollution legal liability, including clean up, with limits not less than $5 million per occurrence for bodily injury and property damage tailored to the specific exposure as they relate to the Work of this Agreement to be performed. The policy will be in effect prior to commencement of the Work.

4. The aforementioned policies shall name the Port Authority as an additional insured and shall contain a provision that the policies may not be cancelled, terminated or modified without thirty (30) days written advance notice to the General Manager, Risk Management/Treasury, The Port Authority of New York and New Jersey, Treasury Department, 225 Park Avenue South, 12th Floor, New York, NY 10003. Moreover, such policies shall not contain any provisions for exclusions from liability not forming part of the standard, basic unamended and unendorsed Liability Insurance policy. Furthermore, such policies shall be specifically endorsed to provide that the insurance carrier shall not in the defense of any claims thereunder, without obtaining express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, immunity of the Port Authority, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

5. The City shall take out and secure or cause its contractor to take out and secure in its own name and at its own cost and expense Workers' Compensation Insurance and Employer's Liability Insurance in compliance with the laws of the State of New Jersey. The City's insurance policy shall contain Amendments to Coverage B, Federal Employers Liability Act,

in limits of not less than One Million Dollars ($1,000,000) per occurrence.

6. If the City maintains a liability self-insurance program, the City may elect, upon written notice to the Port Authority, that its self-insurance program shall provide primary insurance coverage for the risks herein assumed upon the above terms and conditions, as if such coverage were afforded by a policy of property damage, bodily injury, or death liability insurance. If the City's self-insurance coverage is lower than these requirements, then the City shall maintain the policy of insurance called for above to provide the required coverages in excess of the limits of its self-insurance program.

7. Prior to the commencement of Work, the City shall deliver a certificate of insurance from an insurer authorized to do business and who is in good standing in the State where work is to be performed evidencing policies of the above insurance coverage to the General Manager, Risk Management/Treasury (at the above address). Said certificate shall adequately identify this agreement, and contain a separate express statement of compliance with each and every requirement set forth above. Upon request of the General Manager, Risk Management/Treasury, Licensee shall furnish him a certified copy of each policy and proof that it is in full force and effect, including evidence that premiums have been paid. The liability policy(ies) and certificate of insurance shall include a cross-liability endorsement providing severability of interests so that coverage will respond as if separate policies were in force for each insured.

8. All insurance coverages, limits and policies required under this Agreement may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time hereafter. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the scheduled insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the City shall promptly comply therewith.

9. The certificate(s) of insurance must be approved by the General Manager, Risk Management/Treasury, before the commencement of Work by the City. To expedite the review of the certificate(s) of insurance, they may be faxed to the General Manager, Risk Management/Treasury at (212) 435-5862. However, original certificates of insurance must be submitted in accordance with the aforementioned paragraph.

EXHIBIT A

CONSTRUCTION AGREEMENT

AGREEMENT
FOR THE REALIGNMENT OF RELOCATED BAYWAY AVENUE FOR UTILITY RELOCATIONS AND FOR CONSTRUCTION OF A FREIGHT RAIL CONNECTION
BETWEEN
THE NEW YORK AND NEW JERSEY RAILROAD CORPORATION
AND
THE CITY OF ELIZABETH

THIS AGREEMENT FOR THE REALIGNMENT OF RELOCATED BAYWAY AVENUE AND FOR UTILITY RELOCATIONS (hereinafter referred to as "Agreement"), made as of this 9th day of September 2003, by and between **THE NEW YORK AND NEW JERSEY RAILROAD CORPORATION**, (hereinafter referred to as "NY&NJRC") a wholly owned subsidiary of the Port Authority of New York and New Jersey (hereinafter referred to as the "Port Authority"), a body corporate and politic created by Compact between the States of New York and New Jersey, having its principal office located at 225 Park Avenue South, New York, New York 10003 and **THE CITY OF ELIZABETH**, a municipality of the State of New Jersey, having its principal office at 50 Winfield Scott Plaza, Elizabeth, New Jersey 07201 (hereinafter referred to as the "City").

WITNESSETH, THAT:

WHEREAS, NY&NJRC has been authorized to construct a new freight rail connection ("North Connector)" between Staten Island and Elizabeth, New Jersey, which new freight rail link will benefit transportation and business development in the region; and

WHEREAS, NY&NJRC, in connection with its North Connector project needs to realign a portion of Relocated Bayway Avenue and to relocate the existing utilities located in a portion of the existing Relocated Bayway Avenue; to relocate other existing utilities that impact the construction of the North Connector project; and to allow for the construction of the North Connector project (the "Work"); and

WHEREAS, the City and NY&NJRC desire to enter into an agreement providing for the realignment of Relocated Bayway Avenue, including the relocation of utilities located in the existing Relocated Bayway Avenue, the relocation of utilities in accordance with NY&NJRC's North Connector project, and the City would allow for the construction, maintenance and operation of the new North Connector project freight rail connection and the City would vacate a portion of the existing Relocated Bayway Avenue;

NOW, THEREFORE in consideration of the covenants and mutual agreements of the parties hereto, NY&NJRC and the City hereby covenant and agree as follows:

I. OBLIGATIONS OF NY&NJRC

1. NY&NJRC has acquired a portion of the necessary property interests for the realignment of Relocated Bayway Avenue from the Joint Meeting of Essex and Union Counties.

2. NY&NJRC shall perform or cause to be performed the Work as shown on the contract drawings as provided by NY&NJRC to the City and as more fully described in the contract documents titled, *"New York and New Jersey Railroad Corporation, Staten Island Railroad, North Connection To Chemical Coast Line,"* dated March 10, 2003, which 100% complete drawings have been submitted to the City Engineer and are incorporated by reference hereto.

   (a) The Work is anticipated to begin in the Spring of 2003 with completion by the end of September 2005. The realignment of Relocated Bayway Avenue is anticipated to be completed in advance of the completion of the North Connector project.

   (b) Certain utility companies, approximately six, shall undertake relocation of their utility lines in accordance with the standard procedures of utility company relocations in the City.

   (c) Certain utility companies, approximately two, the water and sewer utility work, shall have their utility lines relocated by NY&NJRC's contractor. NY&NJRC's contractor shall utilize the Liberty Water Company and the Elizabethtown Services, LLC's specifications, and shall coordinate the Work with the City, Liberty Water Company and Elizabethtown Services, LLC (1-800-272-1325) and Public Service Electric and Gas Company.

   (d) Relocated Bayway Avenue shall be realigned as shown and described on the map attached hereto, hereby made a part hereof and marked "Exhibit A."

   (e) Upon completion of the Work, the metes and bounds shall be filed with the Union County Clerk and shall be submitted to the City Engineer by NY&NJRC or its contractor, in accordance with the map filing laws of the State of New Jersey.

   (f) NY&NJRC shall provide a survey of the vacation map with metes and bounds to the City, including identification of the owners of the vacated portions.

   (g) NY&NJRC shall remove the existing pavement and curbs on the vacated portions of Relocated Bayway Avenue and shall topsoil and seed the disturbed areas where the pavement and curbs are removed by NY&NJRC.

   (h) NY&NJRC shall install temporary sheeting, drive piles and construct pile caps, including excavation, for the support of the freight rail structure along

the City streets of South Front Street and South First Street/Amboy Avenue, and shall construct the superstructure of the North Connector project over and above the City streets of South Front Street and South First Street/Amboy Avenue. These pile caps will extend into the City streets upon the completion of construction, but in no event will such structures obstruct pedestrian or vehicular traffic.

3. The City Engineer and the Director of Public Works will be invited to the pre-construction meeting and the periodic construction meetings between NY&NJRC and NY&NJRC's contractor.

4. NY&NJRC will provide a traffic plan to the City, subject to the approval of the City Police as represented by Lt. Edward Baginski, which approval shall not be unreasonably withheld or delayed. NY&NJRC's contractor will close off portions of the streets as required to allow the Work, and NY&NJRC will coordinate the closing off of portions of the streets with the City Police through Lt. Edward Baginski (908) 558-2065.

5. The realignment of Relocated Bayway Avenue shall be constructed in three phases: in Phase 1, realignment of Bayway between the existing Bayway Avenue and Amboy Avenue; in Phase 2, NY&NJRC will close existing traffic on the existing Bayway Avenue and will shift traffic onto the realigned Bayway Avenue and partial construction of a bridge over the North Connector tracks will commence; and in Phase 3, the bridge over the North Connector tracks will be completed.

   (a) NY&NJRC will notify the City upon completion of the realigned Relocated Bayway Avenue segment, that the street can be opened for traffic. Approximately 12 months after the start of construction by NY&NJRC's contractor, the existing Relocated Bayway Avenue will be closed to traffic, and traffic will be re-routed onto the realigned Relocated Bayway Avenue. NY&NJRC will coordinate the closing of the existing Relocated Bayway Avenue and the shifting of traffic with the City. Construction will continue on a portion of Relocated Bayway Avenue for the Bridge over the North Connector.

   (b) Upon completion of the realigned Relocated Bayway Avenue, which will include a three-foot concrete strip of land on the northern edge of the realigned Relocated Bayway Avenue and will extend on the southern edge to include the guardrail, NY&NJRC will turn over the road, including maintenance thereto, to the City. The property abutting the realigned Relocated Bayway Avenue will be maintained by the abutting property owners. The NY&NJRC property shall comply with the standards of the NJDEP as applicable for such use as a City street, and in the event the property does not comply with said standards, the City shall not be required to pay the costs of remediation necessary to meet those standards.

(c) If the public street should fail, because of its faulty construction, within two years after its completion by NY&NJRC's contractor, NY&NJRC shall make the appropriate repairs, except NY&NJRC shall not be responsible for the condition of roadway striping after the acceptance of the public street by the City.

6. NY&NJRC shall make its best efforts to prosecute the Work and the construction of the North Connector project in a manner so as not to interfere with or interrupt the City's property and operations and traffic.

7. At least seventy-two (72) hours prior to initiating the Work, or introducing any equipment onto any City street, authorized representatives of NY&NJRC or its contractor shall notify the City Engineer and the Director of Public Works or their authorized representatives.

8. NY&NJRC hereby assumes the sole cost and responsibility for performance and construction of the Work, and NY&NJRC and/or its contractors or other designees shall diligently, expeditiously and continuously perform all Work.

9. NY&NJRC shall provide, or shall cause its contractor to provide, insurance coverages as contained in the schedule attached hereto, hereby made a part hereof and marked "Schedule A".

II. OBLIGATIONS OF THE CITY

1. The City Council of the City shall take all appropriate action to permit the realignment of Relocated Bayway Avenue, and has authorized the Mayor to execute this Agreement to accomplish the Work as set forth herein, for the relocation and realignment of Relocated Bayway Avenue, and the relocation of utilities within the realigned Relocated Bayway Avenue.

   a. NY&NJRC anticipates entering into an agreement with the New Jersey Department of Transportation (NJDOT) and in such agreement, NY&NJRC shall require NJDOT to enter into a separate agreement with the City to permit the use by the City of portions of the realigned Relocated Bayway Avenue that are situated upon the property of NJDOT. The City shall not be required to expend any funds for the use of NJDOT's property as a City street, and said NJDOT property shall comply with the standards of the New Jersey Department of Environmental Protection (NJDEP) as applicable for such use as a City street, and in the event the property does not comply with said standards, the City shall not be required to pay the costs of remediation necessary to meet those standards.

   b. In a timely manner, before the opening of the realigned Relocated Bayway Avenue to traffic, the City shall introduce to the City Council an ordinance for the dedication of the realigned portion of the Relocated Bayway Avenue and for the

vacation of the existing portion of Relocated Bayway Avenue, which now becomes a dead end, all as shown on Exhibit A. The City will accept the public street by ordinance after final inspection and approval of the City Engineer and the Director of Public Works, which acceptance may occur in segments, as necessary for NY&NJRC and its contractor to properly construct the realigned Relocated Bayway Avenue. Said ordinance shall provide for the construction and encroachment of the piles on, and the construction of the superstructure of the North Connector project over, on South Front Street and South First Street/Amboy Avenue, as provided in paragraph I.2.(h) above, and shall include the maintenance, repair and reconstruction of such structures by NY&NJRC, provided that such structures do not interfere with the use of the public streets.

c. The City shall cooperate with NY&NJRC in NY&NJRC's efforts to obtain whatever subdivision or other land use approvals that are necessary to effectuate the land transfers that are contemplated and necessary for the completion of the Work contemplated herein and the construction of the North Connector project.

2. The City Police shall work in concert with NY&NJRC and its contractor and shall assist in the movement of traffic. The City Police shall provide police protection, as requested by NY&NJRC, during the construction of the realigned Relocated Bayway Avenue and in other City streets, as required for the construction and the maintenance of the North Connector project, and NY&NJRC shall reimburse the City for such reasonable costs, in accordance with the applicable payment schedules as provided in Ordinance #3505, enacted March 26, 2003, attached hereto, hereby made a part hereof and marked "Exhibit B".

3. The City does hereby grant to NY&NJRC and to its respective employees, agents, servants and contractors, non-exclusive permission to enter upon Relocated Bayway Avenue, realigned Relocated Bayway Avenue, South Front Street and South First Street/Amboy Avenue for the purpose of performing the Work and construction of the North Connector project. Upon completion of the Work and the North Connector project or any relevant portions thereof, the City will grant NY&NJRC the right of entry for NY&NJRC and its employees, agents, servants and contractors to operate, maintain, repair and reconstruct the North Connector freight rail, including its underground structures in the City's streets.

4. The City shall make its best efforts to allow the Work and the construction of the North Connector project to be prosecuted in as an efficient a manner as possible.

5. Unless specifically provided for herein, upon the acceptance by the City and the dedication of the realigned Relocated Bayway Avenue by the City, NY&NJRC shall have no further responsibility or liability therefore until such time as this portion of the Relocated Bayway Avenue is vacated as a City street.

III. REIMBURSEMENT PROCEDURES

NY&NJRC shall have the right to examine the City's payment receipts and records and such further records and books of account relating to the cost of the City's services to NY&NJRC and its contractor and such further records and book of accounts as reasonably necessary for verification by NY&NJRC of such costs.

IV. INDEMNIFICATION

NY&NJRC hereby assumes any and all risk of loss or damage to property or injury to or death (including wrongful death) of persons caused by arising out of or in connection with the performance of any Work, to the extent caused by or resulting from or arising out of the acts or omissions of NY&NJRC. NY&NJRC shall defend, indemnify and save harmless the City, from and against any and all claims, suits and demands of third persons, including but not limited to those for death, personal injuries, or property damages, arising from the Work, to the extent caused by the negligent acts of NY&NJRC, its agents, contractors and employees.

V. ASSIGNMENT. NY&NJRC may assign this Agreement to the Port Authority.

VI. NO THIRD PARTY RIGHTS. Nothing herein contained shall be understood or construed to create or grant any third party benefits, rights or property interests unless the person claiming such rights is identified herein and the rights claimed are expressly set forth herein.

VII. NOTICES. All notices hereunder shall be given in writing and delivered in person or by certified mail with return receipt requested to NY&NJRC by addressing same to: The Port Authority of New York & New Jersey, Program Manager, New York Redevelopment, Port Commerce Department, General Office Building, 1210 Corbin Street, Elizabeth, New Jersey, 07201, and to the City: The Mayor and the City Engineer, 50 Winfield Scott Plaza, Elizabeth, New Jersey 07201.

VIII. BINDING AGREEMENT. The entire agreement between NY&NJRC and the City is contained herein and no modification hereof shall be effective unless in writing, signed by the party to be charged therewith.

IX. NO PERSONAL LIABILITY. Neither the Directors of NY&NJRC nor the Commissioners of the Port Authority nor the Mayor of the City of Elizabeth nor the City Council of the City of Elizabeth, nor any of them, nor any officer, agent or employee of each of them thereof 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.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

CITY OF ELIZABETH
APPROVED AS TO FORM
WRH
PHYSICAL CONDITIONS
TERMS & CONDITIONS
WRH
DESCRIPTION

THE CITY OF ELIZABETH

ATTEST:

By: Anthony R. Pillo
City Clerk

By: Name: J. Christian Bollwage
Title: Mayor

THE NEW YORK AND NEW JERSEY RAILROAD CORPORATION

ATTEST:

By: Karen Glastman
ASSISTANT SECRETARY

By: Name: Joseph J. Seymour
Title: President

Approved as to Terms and Form as authorized by The Board of Commissioners by Resolutions of September 19, 2002 and February 20, 2003.

Law Department

APPROVED
TERMS FORM
SDD

STATE OF NEW JERSEY)
ss:
COUNTY OF UNION)

I CERTIFY that on this 9th day of September, 2003, before me, the subscriber, a Notary Public of New Jersey, personally came J. Christian Bollwage, Mayor, of The City of Elizabeth, who I am satisfied is the person who has signed the within instrument, and I, having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal, and delivered the same as such officer aforesaid; that the within instrument is the voluntary act and deed of The City of Elizabeth, made by virtue of the authority of its City Council.

Mary C. Murphy
Notary Public
MARY C. MURPHY
A Notary Public of New Jersey
My Commission Expires April 17, 2004

STATE OF NEW YORK)
ss:
COUNTY OF New York)

I CERTIFY that on this 16th day of September, 2003, before me, the subscriber, a Notary Public of New York, personally came ~~Joseph J. Seymour~~ Ernesto L. Butler Chief Operating Officer, ~~President,~~ of The ~~New York and New Jersey Railroad Corporation,~~ Port Authority of New York + New Jersey, who I am satisfied is the person who signed the within instrument, and I, having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal, and delivered the same as such officer aforesaid; that the within instrument is the voluntary act and deed of The New York and New Jersey Railroad Corporation, made by virtue of the authority of its Board of Directors.

Linda C Handel
Notary Public

LINDA C HANDEL
My Commission Expires
January 3 2006
No. 01HA6035589

Exhibit A

Map of realigned Relocated Bayway Avenue

Exhibit B

Ordinance #3505

Enacted by the City of Elizabeth on March 26, 2003

Office of the City Clerk

ELIZABETH, N.J.

Certificate

I, Yolanda M. Roberts, Deputy City Clerk of the City of Elizabeth, New Jersey do hereby certify that the attached ~~resolution~~/ordinance is a true and correct copy taken from and compared with the original in my office, which was adopted by the City Council, City of Elizabeth, New Jersey at its meeting held March 25, 2003

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the City of Elizabeth, N.J. this 21st day of May, 2003

Yolanda M. Roberts

YOLANDA M. ROBERTS
Deputy Municipal Clerk

City of Elizabeth

Ordinance No. 3505

AN ORDINANCE TO AMEND ARTICLE 1 CHAPTER 20 OF THE CODE OF THE CITY OF ELIZABETH, ENTITLED ESTABLISHMENT, ADMINISTRATION AND PERSONNEL FOR THE PURPOSE OF ADOPTING A POLICY RELATED TO THE OUTSIDE EMPLOYMENT OF OFF-DUTY POLICE OFFICERS OF THE CITY OF ELIZABETH THAT INCLUDES THE CITY'S AUTHORITY TO REGULATE THE OUTSIDE EMPLOYMENT OF OFF-DUTY POLICE OFFICERS AND TO SET HOURLY RATES IN ACCORDANCE WITH APPLICABLE STATE AND FEDERAL REGULATIONS AND LAWS

BY CITY COUNCIL AS A WHOLE:

WHEREAS, the City Council of the City of Elizabeth desires to establish a policy regarding the outside employment of off-duty police officers of the City of Elizabeth;

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Elizabeth, in the County of Union, State of New Jersey, that Article 1 Chapter 20, of the Code of the City of Elizabeth , be amended for the purpose of providing a new section, which shall be Section 20-3, entitled Contracted Off-Duty Employment, to read as follows:

SECTION 1 - Chapter 20-3 Contracted Off-Duty Employment

A. Purpose. To authorize the outside employment of police officers of the City of Elizabeth and to establish a policy regarding the use of said police officers including the setting of hourly rates in accordance with applicable state and federal regulations and laws.

(1) The Police Department is hereby permitted to accept police related employment for other persons, public entities, or private entities only during off-duty hours and at such times that will not interfere with the efficient operations of the Police Department.

(2) Any person, public entity, or private entity wishing to employ City of Elizabeth police officers shall obtain the approval of the Police Department providing such employment would not interfere with the efficient operations of the Police Department.

MAR 26 2003

B. Rates of Compensation; Administrative Fee; and Payment for Services.

(1) Rates of compensation for contracting the services of off-duty police officers shall be established from time to time by City Council.

The minimum rate of compensation per hour for contracting the services of off-duty police officers is as follows:

Rates Per Hour

$27.50 per hour (general off-duty)

$40.00 per hour (traffic or construction 6:00 A.M. - 6:00 P.M.)

$50.00 per hour (traffic or construction 6:00 P.M. - 6:00 A.M.)

The rates of compensation per hour for police sergeants, lieutenants, and captains acting in a supervisory capacity includes an amount in addition to the above schedule as follows:

Rank	Additional Rates Per Hour
Police Sergeants	$2.00 per hour
Police Lieutenants	$4.00 per hour
Police Captains	$6.00 per hour

(2) Administrative costs for contracting the services of off-duty police officers shall be established from time to time by City Council to cover the costs incurred by the City of Elizabeth for administration, overhead, payroll costs, and out-of-pocket expenses.

The administrative rate per hour for contracting the services of off-duty law enforcement officers is as follows:

Additional Rate Per Hour

$3.00 per hour

Therefore, the total hourly rate due from any persons, public entities, or private entities that contracted for off-duty police officers includes the administrative rate per hour added to the rate of compensation and to the supervisory rate if applicable. For example, if a police officer worked 12 hours for a traffic or construction assignment between the hours of 6:00 A.M. to 6:00 P.M. his or her pay would be $480 (12 hours x $40 per hour). The amount to be collected by the City would be $516 (12 hours x $43 per hour ($40 per hour + $3 administrative rate per hour)).

(3) Payment for services to off-duty police officers for outside employment shall be made through the City of Elizabeth's payroll system. Therefore, persons, public entities, or private entities must contact directly with, and remit payment directly to, the City of Elizabeth for the services of police officers during their off-duty hours. Circumventing this regulation could jeopardize the police officers' pension and health and accidental death benefits.

C. Requests for Services. All requests by any person, public, or private entity for the services of off-duty police officers of the City of Elizabeth shall be made to the Police Department of the City of Elizabeth.

D. Payments from Persons or Entities Employing Off-Duty Police Officers. Payments from any person, public entity, or private entity for the services of off-duty police officers of the City of Elizabeth shall be made to the City of Elizabeth Accounts and Control Department prior to the payment of the off-duty police officers through the City of Elizabeth payroll system. Effectively, police officers of the City of Elizabeth will not be paid through the City of Elizabeth until monies are received from persons, public entities, or private entities contracting such off-duty services. The Division of Local Government Services recommends that advance payments where possible be made by the person, public entity, or private entity contracting off-duty police officer services in order to ensure timely payments to the police officers.

SECTION 2. All ordinances or parts of ordinances inconsistent with the provisions of this ordinance be and the same are hereby repealed.

SECTION 3. If any portion or clause of this ordinance is declared invalid for any reason whatsoever, same shall not affect the validity or constitutionality of any other part or portion of this ordinance.

SECTION 4. The effective date of this ordinance shall be twenty (20) days after its final passage by City Council and approval by the Mayor at the time and in the manner provided by law.

PASSED: 3-25-03

CARLA A. MAZZA
President of City Council

APPROVED: 3/26/03

J. CHRISTIAN BOLLWAGE
Mayor

ATTEST:

ANTHONY R. PILLO, R.M.C.
City Clerk

SCHEDULE A
Insurance Requirements

1. During the term of the Work, the NY&NJRC shall take out and maintain or cause its contractor(s) to take out and maintain in its own name and at its own cost and expense, a Commercial General Liability Insurance policy including, but not limited to Premises-Operations, Products-Completed Operations, coverage for explosion, collapse and underground property damage, Broad Form Property Damage, coverage for work within 50 feet of a railroad, if applicable, and Independent Contractor coverage's in limits of not less than Ten Million Dollars ($10,000,000) Combined Single Limit per occurrence for Bodily Injury and Property Damage Liability. In addition, the policy shall include a Contractual Liability covering the risks and indemnities the NY&NJRC has assumed under this Agreement.

2. The NY&NJRC shall take out and maintain or cause its contractor(s) to take out and maintain in its own name and at its own cost and expense Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles, as applicable, with limits of not less than Two Million Dollars ($2,000,000) Combined Single Limit per occurrence for bodily injury and property damage.

3. If applicable, the NY&NJRC shall take out and maintain or cause its contactor to take out and maintain in force an Environmental Insurance Policy covering its pollution legal liability, including clean up, with limits not less than $5 million per occurrence for bodily injury and property damage tailored to the specific exposure as they relate to the Work of this Agreement to be performed. The policy will be in effect prior to commencement of the Work.

4. The aforementioned policies shall name the City as an additional insured and shall contain a provision that the policies may not be cancelled, terminated or modified without thirty (30) days written advance notice to the City. Moreover, such policies shall not contain any provisions for exclusions from liability not forming part of the standard, basic unamended and unendorsed Liability Insurance policy.

5. The NY&NJRC shall take out and secure or cause its contractor to take out and secure in its own name and at its own cost and expense Workers' Compensation Insurance and Employer's Liability Insurance in compliance with the laws of the State of New Jersey. The NY&NJRC's insurance policy shall contain Amendments to Coverage B, Federal Employers Liability Act, in limits of not less than One Million Dollars ($1,000,000) per occurrence.

6. If the NY&NJRC maintains a liability self-insurance program, the NY&NJRC may elect, upon written notice to the City, that its self-insurance program shall provide primary insurance coverage for the risks herein assumed upon the above terms and conditions, as if such coverage were afforded by a policy of property damage, bodily injury, or death liability insurance. If the NY&NJRC's self-insurance coverage is lower than these

requirements, then the NY&NJRC shall maintain the policy of insurance called for above to provide the required coverages in excess of the limits of its self-insurance program.

7. Prior to the commencement of Work, the NY&NJRC shall deliver a certificate of insurance from an insurer authorized to do business and who is in good standing in the State where work is to be performed evidencing policies of the above insurance coverage to the City (at the above address on the first page of this Agreement). Said certificate shall adequately identify this agreement, and contain a separate express statement of compliance with each and every requirement set forth above. The liability policy(ies) and certificate of insurance shall include a cross-liability endorsement providing severability of interests so that coverage will respond as if separate policies were in force for each insured.

8. All insurance coverages, limits and policies required under this Agreement may be reviewed by the City for adequacy of terms, conditions and limits of coverage at any time and from time to time hereafter. The City may, at any such time, require additions, deletions, amendments or modifications to the scheduled insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the City may deem required and the NY&NJRC shall promptly comply therewith.

9. The certificate(s) of insurance must be approved by the City, before the commencement of Work by the NY&NJRC's contractor. To expedite the review of the certificate(s) of insurance, they may be faxed to the City. However, original certificates of insurance must be submitted in accordance with the aforementioned paragraph.

A G R E E M E N T

2009 FEB 10 PM 2:50

BETWEEN

THE PORT OF NEW YORK
AUTHORITY

-AND-

THE CITY OF ELIZABETH,
et al.

RE: PAYMENTS IN LIEU
OF TAXES

Dated: July 21st, 1954.

THIS AGREEMENT made this 21st day of July 1954, by and between THE PORT OF NEW YORK AUTHORITY, a body corporate and politic, created by Compact between the States of New York and New Jersey, with the consent of the Congress of the United States, hereinafter called the "Port Authority", Party of the First Part; THE CITY OF ELIZABETH, a municipal corporation of the State of New Jersey, hereinafter called the "City", Party of the Second Part; and THE COUNTY OF UNION, a body corporate and politic of the State of New Jersey, hereinafter called the "County", Party of the Third Part;

W I T N E S S E T H :

WHEREAS, by resolution of its Board of Commissioners, adopted on the 12th day of January, 1950 (which appears at pages 18 to 21, inclusive, of its Official Minutes of that date and a certified copy of which is annexed hereto as Exhibit "A" and made a part hereof), the Port Authority found and determined that it would be in the public interest for The Port of New York Authority to acquire certain real property in the City of Elizabeth, in the County of Union, State of New Jersey, described in said resolution for the improvement and extension of New Airport, which said air terminal is now operated and maintained by the Port Authority, and

WHEREAS, pursuant to the aforesaid resolution of January 12, 1950, the Port Authority acquired on March 17, 1950 the aforesaid real property within the City of Elizabeth and County of Union for an extension of said Newark Airport, and

WHEREAS, said real property in the City of Elizabeth and County of Union is shown on "The Port of New

York Authority - Newark Airport Acquisition Map - Map of Real Property Being Acquired for an Extension of Newark Airport in the City of Elizabeth, County of Union, State of New Jersey, Map No. NA-P3 dated January 19, 1950, Revised March 7, 1950", a copy of which is annexed hereto as Exhibit "B" and made a part hereof, containing the markings hereinafter referred to, and contains and includes within said real property acquired for the extension of Newark Airport all of the tax lots shown in the schedule attached to said map, which schedule is divided between a schedule of tax lots wholly within the area of taking and tax lots partially outside the area of taking, and

WHEREAS, the route of the New Jersey Turnpike traverses the area of taking within that portion thereof shown in vertical cross-hatching on Exhibit "B" and the Port Authority has transferred title thereto to the New Jersey Turnpike Authority subject only to the reservation of certain air rights, and

WHEREAS, by deed of dedication from the Port Authority, Central Railroad Company of New Jersey and others to the City of Elizabeth dated June 28, 1950, and pursuant to ordinance adopted by the Board of Public Works of the City of Elizabeth on the 27th day of July, 1950, a portion of the area of taking shown on Exhibit "B", annexed hereto, in horizontal cross-hatching, was dedicated and accepted for the public use for an extension of North Avenue in the City of Elizabeth, and

WHEREAS, subsequent to the acquisition of title of said property by the Port Authority, ascertainment of the route of the New Jersey Turnpike, and the dedication of a portion of said area for the extension of North Avenue, apportionment has been made by the Tax Assessor of the City of Elizabeth with respect to the proportion of the assessed value of the tax lots lying partially outside the area retained by the Port Authority so as to assign an assessed value and an amount of tax to the portion of each of said lots as lies wholly within the area retained by the Port Authority, and the Tax Assessor of the City of Elizabeth has prepared a schedule marked Exhibit "C" annexed hereto and made a part hereof listing the assessed value and the tax last paid prior to the time of acquisition by the Port Authority on each of the tax lots including therein an apportioned assessment and apportioned tax with respect to those lots partially outside the area retained by the Port Authority, and

WHEREAS, the Port Authority desires to enter into a voluntary agreement with the City and County pursuant to the power and authority conferred upon it by Chapter 43 of the Laws of New Jersey 1947, as amended by Chapter 214, Laws of New Jersey 1948, and Chapter 802, Laws of New York 1947, as amended by Chapter 785, Laws of New York 1948, and by legislation heretofore adopted by the two States whereby the Port Authority will pay or (in the event specified in paragraph 3 of this Agreement) direct its tenant to pay to the City and County annually, in lieu of any taxes and assessments, an amount equal to the sum last paid as annual taxes on the assessed valuations of all of the tax lots included within the area retained by the Port Authority prior to the

time of the acquisition of each of said tax lots by the Port Authority, subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns, mutually undertake, covenant and agree as follows:

1. The Port Authority will pay or direct the payment to the City and to the County for the year 1951 and for each successive year thereafter so long as the Port Authority shall own and operate the site, and the City and the County hereby agree to accept as an annual payment pursuant to the aforesaid acts, in lieu of any and all taxes and assessments for the preceding twelve (12) month period the total sum of $15,115.71, being a sum equivalent to the annual tax last paid prior to the time of the acquisition thereof by the Port Authority on each tax lot or portion thereof included within the area within the boundaries of the City of Elizabeth and the County of Union acquired by the Port Authority or used for airport purposes. The paymentsfor the year 1951, 1952 and 1953 amounting to the aggregate sum of $45,347.13 will be made simultaneously with the execution and delivery of this agreement. Payment for the year 1954 and each succeeding year will be made on the first day of December in that year. Said sums shall be paid in the first instance by the Port Authority to the City which shall, however, receive as agent for the County out of each annual payment $2,076.42 thereof, being the amount of said payment which is equal to the amount of said taxes last paid which was collected by the City as agent for and remitted by the City to the County.

2. Said payment shall be made to the Treasurer of the City of Elizabeth and if payments are made by check they shall be made payable to his order, who shall in turn remit to the County Treasurer of the County the amount

thereof collected by the City as agent for the County. Said payments shall be devoted by the City and the County, respectively, solely to purposes to which taxes may be applied, unless and until otherwise directed by the law of the State of New Jersey.

3. In the event that the Port Authority shall hereafter, pursuant to the provisions of paragraph 46 of the Agreement with respect to the Newark Marine and Air Terminals between the City of Newark and The Port of New York Authority, dated October 22, 1947, or any agreement supplemental thereto or in amendment thereof, lease the area acquired for the extension of Newark Airport within the City of Elizabeth and the County of Union to which this Agreement pertains to said City of Newark, the Port Authority will direct the City of Newark to assume and perform the obligations voluntarily assumed by the Port Authority under this contract to make payments to the City of Elizabeth in lieu of taxes and in such event and during the effective period of any such lease of the area to which this Agreement pertain, the sole obligation for payment of the sums to be paid under this Agreement shall rest upon the said City of Newark and the Port Authority shall be released of any obligation for the payment of said sums. In the event that any part of the area shall in any other manner cease to be owned and held by the Port Authority for airport purposes, this agreement shall cease to be applicable to said part of the area and the annual payments thereafter to be made hereunder shall be reduced by the amount applicable to the original tax lot or lots within said part of the area which is specified as the sum last paid as taxes in Exhibit "C". In all other respects,

this Agreement shall, however, be binding upon the parties hereto and the respective successors and assigns and this Agreement shall inure to the benefit of all the parties hereto and their respective successors and assigns.

4. Neither the Commissioners of the Port Authority nor any individual officer or official of the Port Authority, City, or the County, nor any agent or employee of any of the parties hereto shall be charged personally by any of the others with any liability nor held liable to any of the parties hereto under any term or provision of this Agreement or because of its execution or attempted execution or because of any breach hereof.

IN WITNESS WHEREOF, the parties hereto have caused their respective corporate seals to be affixed and duly attested and these presents to be executed by their duly authorized officers the day and year first above written.

ATTEST:

Assistant Secretary

THE PORT OF NEW YORK AUTHORITY

By _____
First Assistant to Executive Director

ATTEST:

Thomas P. Luchis
City Clerk

THE CITY OF ELIZABETH

By _____
Mayor

ATTEST:

Michael F. Kealy.
Clerk of the Board

THE COUNTY OF UNION

By _____
Director Pro Tem

2095

A G R E E M E N T

BETWEEN THE PORT OF NEW YORK AUTHORITY a body corporate and politic, etc.,

AND

THE CITY OF ELIZABETH, a municipal corporation of the State of New Jersey.

DATED: AUGUST 6, 1959

THIS AGREEMENT made this 6th day of August, 1959, by and between THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New Jersey and New York, with the consent of the Congress of the United States, hereinafter called the "Port Authority" and THE CITY OF ELIZABETH a municipal corporation of the State of New Jersey, hereinafter called the "City".

W I T N E S S E T H.

WHEREAS:

1. By the Treaty of April 30, 1921, creating The Port of New York Authority, the States of New York and New Jersey granted to the Port Authority full power and authority to purchase, construct, lease and operate marine terminals within the Port of New York District, and by Chapters Forty-four and Six Hundred and Thirty-one, respectively, of the Laws of New Jersey and the Laws of New York of 1947, said two States have authorized and empowered cities and other municipalities in the Port of New York District to co-operate with the Port Authority in the development of marine terminals, and

WHEREAS, by resolutions of its Board of Commissioners adopted on the 12th day of January, 1956 (which appears at pages 7 to 10 inclusive of its Official Minutes of that date), and on the 9th day of May, 1957 (which appears at pages 195 to 198 inclusive of its Official Minutes of that date), the Port Authority found and determined that acquisition by the Port Authority of the real property in the City of Elizabeth, County of Union, and State of New Jersey, as more particularly described in the said resolutions, copies of which are annexed hereto marked Exhibits "A" and "B" and made a part hereof, is necessary for public use for marine terminal purposes and more particularly for the construction and establishment of the Elizabeth-Port Authority Piers, and

WHEREAS, the City and the Port Authority are agreed that the development of the said real property as a marine terminal and the construction of the necessary access roads, sewers, water mains and other utilities will be to the mutual advantage of the City and the Port Authority and,

WHEREAS, by Chapter 553, Laws of New York, 1931 and Chapter 69, Laws of New Jersey, 1931, the Port Authority is authorized and empowered to enter into a voluntary agreement with the City to pay a fair and reasonable sum annually in connection with marine terminal property owned by the Port Authority, not in excess of the sum last paid as taxes upon such property prior to the time of its acquisition by the Port Authority, to the end that the City may not suffer undue loss of taxes and assessments by reason of the acquisition and ownership of such property by the Port Authority, and the City is authorized and empowered to enter into an agreement with the Port Authority to accept such annual payments; and

WHEREAS, the Port Authority is willing to enter into a voluntary agreement with the City to make appropriate payments with respect to property acquired and utilized for the Elizabeth-Port Authority Piers and the City desires to accept the payments which the Port Authority is willing to make; and

WHEREAS, the City and the Port Authority further desire to enter into an agreement indicating the responsibilities each will assume and the items of the work each will complete in furtherance of the development of the marine terminal and contiguous area.

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree as follows:

A.

Within the limits of the premises described in the attached Exhibits "A" and "B" the Port Authority will provide, construct and maintain the marine terminal to be known as the "Elizabeth-Port Authority Piers" and all public ways, sewers, water mains and other utilities of whatsoever kind or description which it, in its sole discretion, may deem necessary. As between the City and the Port Authority, the City shall not be obligated to provide, within the limits of said area, street cleaning, snow removal or garbage and refuse collection services, it being understood that services of this character, to the extent deemed necessary or desirable by the Port Authority, will be provided by persons other than the City.

B.

1. The Port Authority agrees to pay to the City for the year 1959 and for each calendar year thereafter for so long as the Port Authority shall own the premises described in Exhibits "A" and "B" attached hereto and the City hereby agrees to accept as an annual payment pursuant to the aforesaid statutes, in lieu of any and all City ~~taxes and assessments~~ on the premises, the sum of $ 21,101.36

2. All such payments shall be made annually on or before the first day of December in each year. Each said payment shall be made to the Treasurer of the City of Elizabeth. Checks shall be made payable to his order. Said payments shall be devoted by the City solely to purposes to which taxes may be applied, unless and until otherwise directed by the law of the State of New Jersey.

3. If the payments provided for herein are not made by the date provided and remain unpaid for a period of 30 days thereafter, the Port Authority will pay to the City interest thereon at the rate of 6 per cent per annum from the dates on which the said amounts were payable.

4. For each year, from the date of acquisition by the Port Authority, and thereafter for so long as the Port Authority shall own the premises described in Exhibits "A" and "B" attached hereto, the City will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the property comprising the aforesaid premises and for each such year the City will mark the said property exempt on its tax records with a notation that such entry is made pursuant to this Agreement.

5. The payments provided for in paragraph 1 of this Article "B" are for the sole benefit of the City. The Port Authority may provide for payments to the County of Union in lieu of taxes and assessments by separate agreement with the County of Union.

6. The term "assessments" as used herein from which the Port Authority is to be exempt includes all those assessments which are levied on a city-wide basis and which are made a part of the annual real estate tax. The Port Authority in accordance with Article "F" hereof, will pay all special assessments for local improvements which are lawfully determined to be of benefit to the property acquired by it for marine terminal purposes.

C.

The Port Authority will provide such police as it deems necessary for patrolling, for guarding and for traffic control within the marine terminal. The City agrees, however, that its Police Department will respond to calls for assistance from the Port Authority in the event of the commission of crime, riots, disasters or other emergencies within the marine terminal and that its Fire Department will respond to calls to put out structural fires within the marine terminal and to handle emergency fires which might spread and cause a catastrophe. To this end the Port Authority is hereby authorized to connect a fire alarm system installed by the Port Authority within the marine terminal with the City fire alarm system.

D.

1. To provide access to the marine terminal premises, the City will, as promptly as possible after the acquisition by the Port Authority of title to the upland premises described in Exhibits "A" and "B", fill, grade and pave North Avenue from its present easterly terminus to the intersection thereof with McLester Street as the same is laid out on the official City maps and, further, will fill, grade and pave McLester Street from North Avenue north to the intersection thereof with Bay Avenue as the same is shown on the official maps of the City. The City will maintain North Avenue and McLester Street.

2. Upon request from the Port Authority, the City will close any and all streets, including that portion of Bay Avenue as it now appears upon the official maps of the

City, east of the intersection of Bay Avenue with McLester Street, which are within the limits of the area acquired by the Port Authority for marine terminal purposes.

E.

1. The City will install such water mains and sewers in North Avenue and McLester Street, or in other City streets, or elsewhere outside the marine terminal premises, as may be necessary to provide adequate water supply and sewer service to the marine terminal and the structures therein, and will provide through such mains and sewers, water supply and sewer services adequate for the marine terminal and all improvements placed thereon by the Port Authority. The water mains and sewers constructed by the City shall extend to the intersection of McLester Street and Bay Avenue as the same appears on the official maps of the City.

2. The Port Authority, at its own expense, will make and maintain all necessary connections between the said water mains and sewers and the installations within the Marine Terminal. The Port Authority will pay water charges for water consumed by it or its tenants upon the same basis as other users throughout the City.

3. The City agrees that if, in the opinion of the Port Authority, it shall be necessary or desirable to obtain additional utility services from other sources, including the City of Newark, the City will cooperate with the Port Authority in its efforts to obtain such services and will execute such agreements or documents as may be necessary to evidence its consent to the supplying of such services by such other suppliers provided, however, that all cost or expenses incurred in connection with the provision of such services and all charges imposed for the services when rendered shall be paid by persons other than the City.

F.

If the City shall determine to make provision for the cost of installing the utilities referred to in Article "E" hereof, or for the cost of the construction of streets referred to in Article "D" hereof, in whole or in part by assessments for benefits, then and in that event the Port Authority shall pay, as or in lieu of such assessment, the amount which it would be required to pay if it were a private corporation.

G.

1. The City agrees to do all things necessary, proper, convenient and desirable by way of cooperation in connection with the effecting of development and operation by the Port Authority of the marine terminal known as the "Elizabeth-Port Authority Piers." Wherever the consent of

the City, any other municipality, the State of New Jersey, or the United States Government or any of their agencies, is necessary, proper, convenient or desirable in the opinion of the Port Authority, the City agrees to use its best efforts to obtain such consent.

2. The City agrees to cooperate with the Port Authority, if so requested by the Port Authority, in making any necessary application for and in securing any and all Federal Aid which may be obtainable in connection with the demised premises under any applicable Federal laws.

3. The Port Authority agrees that properly designated fire and health officers of the City may from time to time inspect the demised premises and make reports and recommendations on any condition which would constitute a violation of City health and fire ordinances in force at the time. The Port Authority will give due consideration to such reports and recommendations and will, as a matter of policy conform to the ordinances of the City in regard to health and fire protection which would be applicable if the Port Authority were a private corporation, to the extent that the Port Authority finds it practicable so to do, without interfering with, impairing or affecting the efficiency and economy of its marine terminal operations, or its ability to operate the marine terminal upon a self-supporting basis, or its obligations, duties and responsibility to the States of New Jersey and New York, its bondholders and the general public, but the decision of the Port Authority as to whether it is practicable so to do shall be controlling.

H.

It is understood and agreed that the marine terminal project, as presently contemplated by the Port Authority is and will be limited to the area (approximately 640 acres) described in Exhibits "A" and "B" attached hereto. The Port Authority represents and this Agreement is made by the City on the understanding that the Port Authority has no present intention to acquire any additional upland in the City of Elizabeth for use in connection with this marine terminal project and that it has no present plans for any such acquisition in the future.

I.

Nothing contained herein is intended to nor shall be construed to create any rights of any kind whatsoever in third persons not parties to this agreement.

J.

Neither the Commissioners of the Port Authority nor any individual officer or official of the Port Authority or the City, nor any agent or employee of either of the

parties hereto shall be charged personally by any of the others with any liability nor held liable to either of the parties hereto under any term, provision or Article of this Agreement or because of its execution or attempted execution or because of any breach hereof.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

ATTEST: THE CITY OF ELIZABETH

By _____
Mayor

ATTEST: THE PORT OF NEW YORK AUTHORITY

By _____
Executive Director

2686.

A G R E E M E N T

Between

PORT OF NEW YORK AUTHORITY

And

City of Elizabeth

Payment in lieu of taxes
for properties acquired
in 1967

DATED: MAY 3, 1971

THIS AGREEMENT, made as of this 3rd day of May 1971, by and between THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New Jersey and New York, hereinafter called the "Port Authority" and THE CITY OF ELIZABETH, a municipal corporation of the State of New Jersey, hereinafter called the "City".

W I T N E S S E T H

WHEREAS, by the Treaty of April 30, 1921, creating The Port of New York Authority, the States of New York and New Jersey granted to the Port Authority full power and authority to purchase, construct, lease and operate marine terminals within the Port of New York District, and by Chapters 44 and 631, respectively, of the Laws of New Jersey and the Laws of New York of 1947, said two States have authorized and empowered cities and other municipalities in the Port of New York District to co-operate with the Port Authority in the development of marine terminals, and

WHEREAS, by resolution of its Board of Commissioners adopted on the 14th day of July 1966 (which appears at pages 168 to 170 inclusive of its Official Minutes of that date), the Port Authority found and determined that acquisition by the Port Authority of the real property in the City of Elizabeth, County of Union, and State of New Jersey, as more particularly described in said resolution, copy of which is annexed hereto marked Exhibit "A" and made a part hereof, is necessary for public use for marine terminal purposes and more particularly for such use as a part of the Elizabeth-Port Authority Marine Terminal, and the said Port Authority implemented its resolution by instituting condemnation proceedings in the Superior Court of New Jersey in which it acquired title to the real property described in Exhibit "A" by order of said Court on February 10, 1967, said title being subject to the rights of the State of New Jersey in and to the real property, and

WHEREAS, by Chapter 553, Laws of New York, 1931 and Chapter 69, Laws of New Jersey, 1931, the Port Authority is authorized and empowered to enter into a voluntary agreement with the City to pay a fair and reasonable sum annually in connection with marine terminal property owned by the Port Authority, not in excess of the sum last paid as taxes upon such property prior to the time of its acquisition by the Port Authority, to the end that the City may not suffer undue loss of taxes and assessments by reason of the acquisition and ownership of such property by the Port Authority, and the City is authorized and empowered to enter into an agreement with the Port Authority to accept such annual payments; and

WHEREAS, the Port Authority, subject to the terms and conditions hereinafter set forth, is willing to enter into a voluntary agreement with the City to make appropriate payments with respect to the property described on Exhibit "A" and the City desires to accept the payments which the Port Authority is willing to make;

NOW THEREFORE, the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree as follows:

A.

Subject to the undertaking by the City set forth in Article B below, the Port Authority hereby agrees

1. (a) To pay to the City for the year 1967, and the City hereby agrees to accept, the sum of $26,974.53 being the real estate taxes assessed by the City for that year for the period February 10, 1967 to December 31, 1967 on the premises described in Exhibit "A" attached hereto, title to which was vested in the Port Authority on February 10, 1967 by Order of the Superior Court of New Jersey, Law Division, Union County in a condemnation proceeding presently pending in said Court under Docket No. L-13934-66, known as The Port of New York Authority vs. Alfred J. Lippman, et als.

(b) To pay to the City for each of the years 1968 and 1969 the sum of $30,539.47 said sum being the total of $27,025.15 (the amount to which the City would have been entitled in lieu of taxes for each of said years had this agreement been executed prior to 1968) and $3,514.32 (the amount to which the County of Union would have been entitled in lieu of taxes under similar circumstances which said sum has heretofore been paid to the County by the City for each of said years), and the City agrees to accept said payments, pursuant to the statutes hereinabove mentioned, in lieu of any and all real estate taxes and assessments on the premises for said years 1968 and 1969.

(c) To pay to the City, for the year 1970 and for each calendar year thereafter for so long as the Port Authority shall own the premises, and the City hereby agrees to accept, as an annual payment pursuant to the aforementioned statutes, in ~~lieu of all~~ City taxes and assessments on the premises the sum of $27,025.15.

(d) To make the payments for the years 1967, 1968, 1969 and 1970 upon final execution of this Agreement by the parties.

(e) The payment for the year 1971 and for succeeding years shall be made on or before the first day of December in each year. All payments shall be made to the Treasurer of the City of Elizabeth by check payable to his order. Said payments shall be devoted by the City solely to purposes to which taxes may be applied, unless and until otherwise directed by the law of the State of New Jersey.

2. The City agrees that for each year, from the date of acquisition by the Port Authority, and thereafter for so long as the Port Authority shall own the premises described in Exhibit "A" attached hereto, the City will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the property comprising the aforesaid premises and for each such year the City will mark the said property exempt on its tax records.

3. The payments provided for in this Article "A" are for the sole benefit of the City. The Port Authority will provide for payments to the County of Union in lieu of taxes and assessments by separate agreement with the County of Union.

4. The term "assessments" as used herein from which the Port Authority is to be exempt includes all those assessments which are levied on a city-wide basis and which are made a part of the annual real estate tax. The Port Authority will pay all special assessments for local improvements which are lawfully determined to be of benefit to the property acquired by it for marine terminal purposes.

B.

The City hereby acknowledges that it is aware that the State of New Jersey, in its ANSWER, CROSS-CLAIM AND COUNTER-CLAIM in the aforesaid condemnation proceeding known as THE PORT OF NEW YORK AUTHORITY vs. ALFRED J. LIPPMAN, et als., Superior

Court of New Jersey, Law Division, Union County, Docket No. L-13934-66, avers that the State is and has been the sole owner of the premises described in Exhibit "A" attached hereto; that the Port Authority obtained no title thereto or interest therein by virtue of the aforesaid Order of the Superior Court purporting to vest title to the premises in the Port Authority on February 10, 1967 and seeks a judicial determination that it is and has been the sole owner of the premises. The City, therefore, agrees that if the State obtains a final judgment in the aforesaid proceeding or in any other proceeding, that it was the owner of said premises on and prior to February 10, 1967, then and in that event, the City will repay to the Port Authority all payments made to the City by the Port Authority under this Agreement.

C.

Nothing contained herein is intended to, nor shall it be construed to, create any rights of any kind whatsoever in third persons not parties to this Agreement.

D.

Neither the Commissioners of the Port Authority nor any individual officer or official of the Port Authority or the City, nor any agent or employee of either of the parties hereto shall be charged personally by any of the others with any liability nor held liable to either of the parties hereto under any term, provision or Article of this Agreement or because of its execution or attempted execution or because of any breach hereof.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

ATTEST:

(Seal)

THE CITY OF ELIZABETH

By

Mayor

ATTEST:

Secretary

(Seal)

THE PORT OF NEW YORK AUTHORITY

By

Executive Director

Approved as to form and legality

City Attorney

AGREEMENT

This Agreement made this 7th day of Oct., 1991 by and between the Port Authority Trans-Hudson Corporation (hereinafter referred to as "PATH"), a wholly-owned subsidiary of the Port Authority of New York and New Jersey, a body corporate and politic created by Compact between the States of New Jersey and New York,(hereinafter referred to as the "Port Authority"), having its principal office at One World Trade Center, City of New York and State of New York and the Town of Harrison, a municipal corporation of the State of New Jersey, (hereinafter referred to as the "Town"), having its principal office at 318 Harrison Avenue, Town of Harrison and State of New Jersey.

WITNESSETH

WHEREAS, by the Treaty of April 30, 1921, creating the Port Authority, as authorized by Chapter 151 of the Laws of New Jersey of 1921 (N.J.S.A. 32:1-1 et seq.) and Chapter 154 of the Laws of New York of 1921 (McK. Unconsol. Section 6401 et seq.) and approved by Public Resolution No. 17 of the 67th Congress of the United States, the States of New Jersey and New York granted to the Port Authority full power and authority to purchase, construct, lease, operate and develop transportation and terminal facilities and other facilities of commerce within the Port of New York District; and

WHEREAS, pursuant to Section 11 of Chapter 8 of the Laws of New Jersey of 1962 (N.J.S.A. 32:1-35.61) and Section 11 of Chapter 209 of the Laws of New York of 1962 (McK. Unconsol. Section 6612), the Port Authority is authorized and empowered and may, in its discretion, enter into a voluntary agreement or agreements with any municipality for the purpose of establishing a fair and reasonable sum or sums annually in lieu of taxes in connection with any real property acquired and owned by the Port Authority for any of the purposes of the Compact; and

WHEREAS, pursuant to Section 12 of Chapter 8 of the Laws of New Jersey of 1962 (N.J.S.A. 32:1-35.61) and Section 12 of Chapter 209 of the Laws of New York of 1962 (McK. Unconsol. Section 6612), PATH was created as a wholly-owned subsidiary of the Port Authority; and

WHEREAS, pursuant to Section 12 of Chapter 8 of the Laws of New Jersey of 1962 (N.J.S.A. 32:1-35.61) and Section 12 of Chapter 209 of New York of 1962 (McK. Unconsol. Section 6612), PATH, with respect to the effectuation of the "Hudson Tubes" and "Hudson Tubes Extensions" has all the pertinent powers vested in the Port Authority itself including, but not limited to, the power to acquire, grant, convey, lease or otherwise transfer property and to enter into agreements with any State, municipality, commission, agency, officer, department, board or division for the purposes enumerated in the Compact; and

WHEREAS, PATH is willing to enter into a voluntary agreement with the Town to make appropriate payments with respect to property acquired and utilized for the Car Shop & Yard, and the Town desires to

accept the payments which PATH is willing to make; and

WHEREAS, the Town and PATH further desire to enter into an agreement indicating the responsibilities each will assume in furtherance of the development and operation of the Car Shop & Yard and related areas;

NOW, THEREFORE, in consideration of the foregoing premises and the covenants, terms and conditions hereinafter set forth the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree, subject to the conditions hereof, as follows:

ARTICLE I - PATH CAR SHOP & YARD

Section 1.01

PATH has undertaken a project for the development of a PATH maintenance facility within an area more particularly described in Exhibit A attached hereto to be located partially within the Town of Harrison, which property and the facilities to be constructed thereon being referred to hereinafter as the "Car Shop & Yard".

Section 1.02

All details of the effectuation of the Car Shop & Yard Project and operation of said Facility including, but not limited to, details of financing, design, construction, and operations shall be within the sole discretion of PATH. And as provided by law, PATH's decision in connection with any and all matters concerning the Facility shall be

controlling and conclusive.

Section 1.03

PATH will provide security personnel as it deems necessary for patrolling and security within the Car Shop & Yard. The Town agrees, that its Police Department and Fire Department will answer calls for assistance and provide services, pursuant to its statutory obligations.

Section 1.04

PATH at its own expense, will make and maintain all connections it deems necessary between the Town water mains and sewers and installations within the Car Shop & Yard and the Town shall grant permission for such connections. PATH will pay water charges and all appropriate and reasonable fees imposed in order to establish the water connection which shall not exceed $500; and Path will pay for water consumed by it in the event water is supplied by the Town upon the same basis as similar classes of users throughout the Town.

Section 1.05

It is understood and agreed that as provided by N.J.S.A. 32:1-35.61 and its concurrent New York legislation no local law, enactment, ordinance, rule or regulation shall apply to the Car Shop & Yard or any part thereof, constructed or operated by or on behalf of PATH or its tenants.

Section 1.06

The Town agrees to cooperate in connection with the development of and operation by PATH of the Car Shop & Yard. Whenever the consent of the

Town, another municipality, the State of New Jersey or the United States Government or any of their agencies, is necessary, proper, convenient or desirable, the Town agrees to use reasonable efforts to provide or obtain such consent. Nothing herein contained shall require the Town to expend monies to effectuate its obligation hereunder.

ARTICLE II - PAYMENTS IN LIEU OF TAXES AND ASSESSMENTS

Section 2.01

For as long as fee title of the Car Shop and Yard or any portions thereof is owned or used by PATH or the Port Authority as a Car Shop and Yard or for purposes permitted by statute applying to PATH or the Port Authority, it will be exempt from the payment of real estate taxes and assessments; however, to the end that the Town shall not suffer undue loss of taxes and assessments by reason of the acquisition and ownership of property by PATH, and in accordance with and subject to the authorization set forth in Section 11 of Chapter 8 of the Laws of New Jersey of 1962 (N.J.S.A. 32:1-35:60) and Section 11 of Chapter 209 of the Laws of New York of 1962 (McK. Unconsol. Section 6612), PATH will voluntarily undertake to pay to the Town annually, an amount in lieu of taxes which shall not exceed the last taxes paid to the Town on the subject property prior to its acquisition by PATH. Accordingly, PATH agrees to pay to the Town the sum of $675,136 in lieu of any and all municipal taxes and assessments on the PATH Car Shop and Yard property for the years 1988 through 1995. Such sum shall be payable within 30 days of the effective date of the Agreement provided that the Town has formally approved proceeding with the waterline installation and

represented that it has acquired permission from the owners of the property to begin construction.

Section 2.02

Beginning in 1996, PATH will continue to pay the Town an annual sum of $84,392.00 (the amount the Town has represented as being the sum of the last taxes paid on the subject property) for so long as the property is owned or controlled by PATH or the Port Authority subject to any credits due PATH against future payments as provided for in the Agreement. Any such payments required to be made shall be made annually on or before the first day of July in each year for which such payment is due. Each said payment shall be forwarded to the Tax Collector of the Town of Harrison and checks shall be made payable to the "Town of Harrison". These payments which shall begin in 1996 shall be devoted by the Town solely to purposes of which taxes may be applied, as directed by the laws of the State of New Jersey.

Section 2.03

For each year that the subject property is owned or used by PATH, the Town will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the Car Shop & Yard; and for each year the Town will mark the property comprising the Car Shop & Yard exempt on its tax records with a notation that such entry is made pursuant to this Agreement.

Section 2.04

It is understood and agreed that the sum to be paid to the Town by PATH

in lieu of the taxes and assessments as provided for herein represents the total amount to be paid by PATH to any taxing authority for taxes, in lieu of taxes or assessments, with respect to that portion of the Car Shop & Yard located in the Town, for as long as the property is owned or controlled by the Port Authority or PATH.

ARTICLE III - INFRASTRUCTURE IMPROVEMENTS

Section 3.01

The Town and PATH agree that the construction and installation of a second water line will directly benefit the Car Shop & Yard and surrounding area and that it is in their mutual interest to cooperate in the expeditious completion of this necessary improvement.

Section 3.02

(a) PATH at its initial cost and expense agrees to install a water main as shown on Exhibit B in accordance with the approved plans and specifications. It is understood and agreed that in undertaking the work described in this section, PATH, if requested by the Town, will confer with the appropriate Town officials in the planning of the water line and will not proceed with it until the Town has formally approved the plans and specifications in writing, said approval not to be unreasonably withheld or delayed. Upon completion of construction and installation of the water main, the Town shall incorporate the water main as an integrated part of its water system and assume all responsibility for operation and maintenance.

(b) The Town agrees to acquire permanent property interests necessary for the installation of the proposed water line to service the PATH Car Shop and Yard facility and surrounding area. The Town further agrees to acquire or initiate proceedings to acquire the necessary property interests no later than 90 days after the effective date of the Agreement.

(c) The Town will pay all costs associated with the acquisition of the permanent property interests for the waterline. If requested by the Town, PATH will reimburse the Town for the fair market value of the acquired property interest from Amtrak as determined by the cost of acquisition, Condemnation Commissioners or a Court of competent jurisdiction. The Town will assume all legal and appraisal fees and other costs associated with the acquisition. Should the Amtrak property interests be acquired by voluntary acquisition, the City and PATH will agree on the consideration for the property interest acquired.

(d) PATH will be entitled to a dollar-for-dollar credit for any amount reimbursed to Harrison under this Agreement for acquisition of the permanent property interest from Amtrak, which amount shall be credited towards in lieu of tax payments owed to the Town from 1996 forward.

(e) The Town will obtain a temporary License from Amtrak to allow the commencement of construction of the water line within 30 days of the effective date of the Agreement.

Section 3.03

It is understood by the parties that the financial participation by PATH in improvements as provided herein represents the entire PATH payment, either directly or indirectly, for such work to be undertaken at the Car Shop & Yard site as presently constituted.

Section 3.04

PATH shall have the right to audit and inspect the books, records and other data of the Town relating to the expenditure of funds provided by PATH for Infrastructure Improvements pursuant to this Article, and the Town shall maintain and submit when requested, all documentation in support of such expenditures as may be required by PATH.

ARTICLE IV - LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 4.01

PATH shall not be liable for any claims arising or resulting from acts or omissions of the Town, its contractors or parties participating in the work required to be undertaken pursuant to this Agreement; provided that such limitation shall not extend to any claim arising or resulting from acts or omissions of PATH, its officials, employees, agents or contractors or arising or resulting from the exercise of any rights or obligations which PATH has reserved or assumed.

Section 4.02

The Town shall not be liable for any claims arising or resulting from acts or

omissions of PATH, its contractors or parties participating in the work required to be undertaken pursuant to this Agreement; provided that such limitation shall not extend to any claims arising or resulting from acts or omissions of the Town, its officials, employees, agents or contractors or arising or resulting from the exercise of any rights or obligations which the Town has reserved or assumed.

Section 4.03

Neither the Board of Directors of PATH, nor any officer, agent or employee thereof, nor the Mayor, any Councilman, or any officer, agent or employee of the Town shall be charged personally with any liability, or held liable under the terms of provisions of this Agreement, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

Section 4.04

Nothing contained within this Agreement is intended to nor shall it be construed to create any rights of any kind whatsoever in persons not parties to this Agreement.

ARTICLE V - DEFAULT AND REMEDIES

Section 5.01

If any of the parties hereto shall materially breach any of the representations, warranties, or covenants set forth in this Agreement, and such breach shall be recurring or continue for a period of thirty (30) days, such party shall be deemed to be in default of this Agreement. The

non-defaulting party may serve written notice of such default upon the defaulting party and if, within thirty (30) days after such notice is served, the breach is not remedied or substantial action commenced to remedy such breach, such breach shall then constitute an Event of Default.

Section 5.02

Upon the occurrence of an Event of Default, the non-defaulting party may sue for damages or seek relief in a Court of competent jurisdiction pursuant to the applicable statutes relating to suits against either party.

ARTICLE VI - NOTICE

Section 6.01

Any notice required under this Agreement to be sent by any party to other shall be sent by certified mail, return receipt requested, and addressed as follows:

(a) When sent to PATH it shall be addressed to: Director, Interstate Transportation Department, The Port Authority of New York and New Jersey, 62 West, One World Trade Center, New York, New York 10048, unless prior to giving said notice PATH shall have notified the parties hereto otherwise.

(b) When sent to the Town, it shall be addressed to: Municipal Clerk, Town of Harrison, 318 Harrison Avenue, Harrison, New Jersey 07029-1796, and a copy of said notice shall be sent to Gregory J. Castano, Esq. at Waters, McPherson, McNeill, P.A., 300 Lighting Way, Secaucus, New Jersey 07096, unless prior to giving said notice the

Town shall have notified the parties otherwise.

ARTICLE VII - MISCELLANEOUS

Section 7.01

This Agreement shall be construed in accordance with and the rights of the parties hereto shall be determined by the laws of the State of New Jersey.

Section 7.02

Neither this Agreement nor any thing contained herein is intended, nor shall it be construed as a consent, either expressed or implied by PATH that it or any of its facilities including the Car Shop & Yard or the Port Authority are subject to State legislation, directives, regulations or rules.

Section 7.03

This Agreement, including the Exhibits attached hereto, sets forth the entire agreement between the parties concerning the subject matter hereof and shall not be modified or amended except by an instrument in writing signed by the parties. It is understood that this Agreement revokes all prior and contemporaneous, oral or written proposals, oral or written agreements, understandings, representations, conditions, warranties, covenants and all other circumstances between the parties relating to the subject matter of this Agreement.

Section 7.04

None of the parties shall assign, or attempt to assign, its respective

obligations under this Agreement without the prior written consent of each of the other parties.

Section 7.05

This Agreement shall become effective on the date of its execution or on the date of approval by the parties as provided in Section 7.06 hereof, whichever is later.

Section 7.06

(a) The parties agree that this Agreement shall not become effective until approved by the Town Council of the Town of Harrison and PATH's Board of Directors. Accordingly, the Town shall deliver to PATH an executed copy of the Agreement as well as a certified copy of an ordinance or resolution of the Town Council, approved as to form by its Corporation Counsel, authorizing the execution of this Agreement and the consummation of the transactions contemplated hereunder, within ten (10) days after its effective date or the execution of this Agreement, whichever is later.

(b) The parties further agree that this Agreement shall not become effective until approved by the Board of Directors of PATH and until the appropriate authorizations and certifications are made by the Board of Directors of PATH, including those which are required in fulfillment of covenants with bondholders and applicable law prior to the issuance of Port Authority Consolidated Bonds. Accordingly, PATH shall deliver to the Town a certified copy of any such resolution of the Board of Directors of PATH, authorizing the execution of this

Agreement and the consummation of transactions contemplated hereunder, within ten (10) days after the effective date of such resolution or the execution of this Agreement, whichever is later.

Section 7.07

The Town and PATH hereby reserve any and all rights granted by statute or any applicable law.

Section 7.08

This Agreement shall be binding upon the parties and their legal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have caused their duly authorized representatives to execute this Agreement as of the date first above written.

Attest:

Josephine M. Colombo
City Clerk

TOWN OF HARRISON

By: Frank E. Rodgers
Frank E. Rodgers
Mayor

Attest:

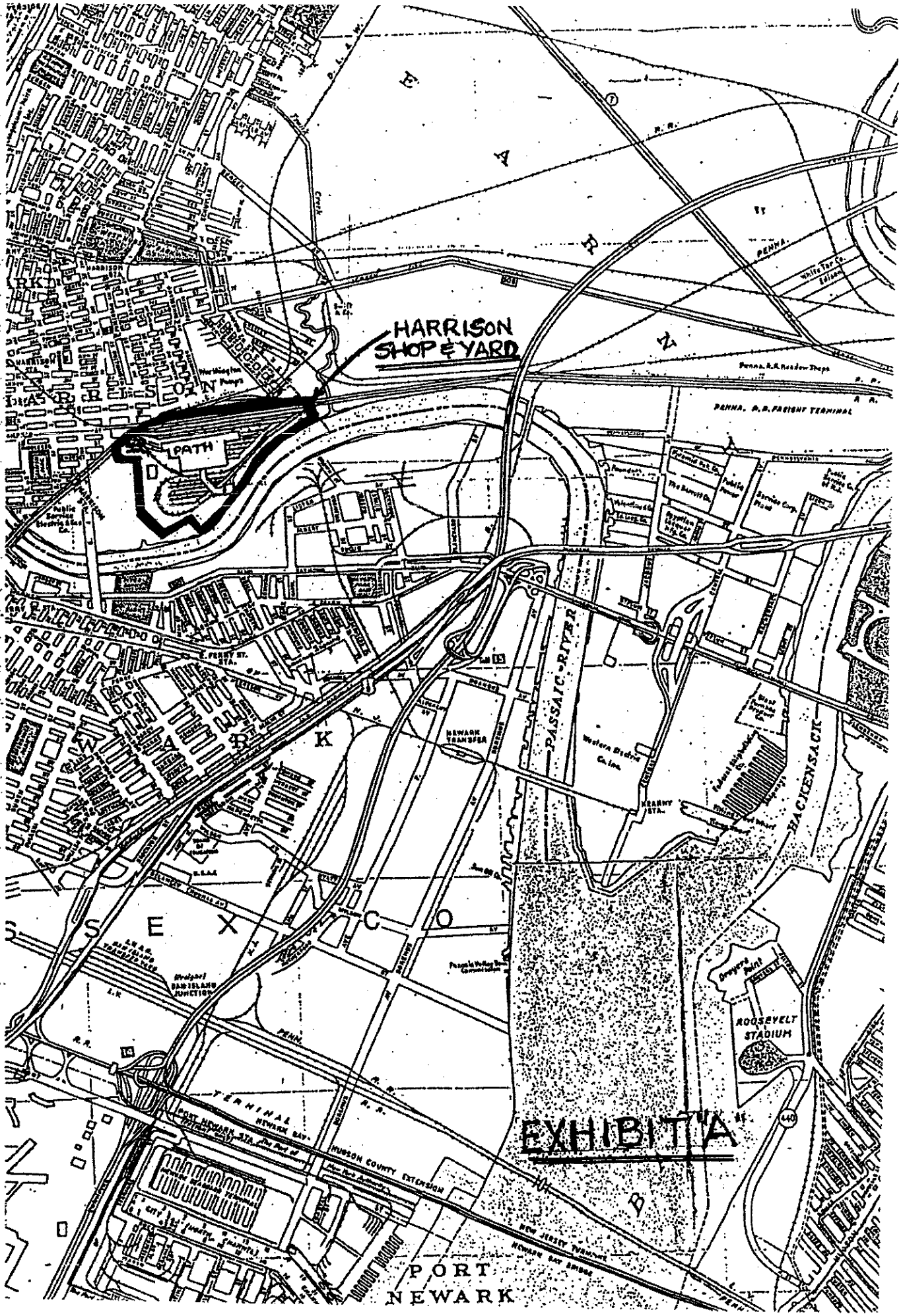
Lawrence S. Hofrichter
ASSISTANT SECRETARY

PORT AUTHORITY TRANS-HUDSON CORPORATION

By: Stanley Brezenoff
Stanley Brezenoff
President

APPROVED:

Form	Terms
	10/1/91


HARRISON
SHOP & YARD
PATH
PASSAIC RIVER
HACKENSACK
ROOSEVELT STADIUM
PORT NEWARK
EXHIBIT A

(EX. 4)

DRAWINGS OF SECURE AREAS

THIS AGREEMENT made this 15th day of April, 1964, by and between THE MAYOR AND COUNCIL OF THE CITY OF HOBOKEN, a municipal corporation of the State of New Jersey, hereinafter called the "City", and the PORT AUTHORITY TRANS-HUDSON CORPORATION, hereinafter called "PATH", a wholly-owned subsidiary of The Port of New York Authority;

W I T N E S S E T H :

WHEREAS, by resolution of its Board of Directors, adopted June 14, 1962 [which appears at pp. 27 et seq. of its Official Minutes of that date], PATH was authorized to and did on September 1, 1962 acquire for Hudson tubes purposes and for purposes incidental thereto, the real property described in Schedule A attached hereto and made a part hereof; and

WHEREAS, PATH desires to enter into a voluntary agreement with the City pursuant to the power and authority conferred upon it by Chapter 8, Laws of New Jersey, 1962 and Chapter 209, Laws of New York, 1962, whereby PATH will, subject to the terms and conditions hereinafter set forth, undertake to pay to the City, annually, in lieu of any taxes and assessments on said real property, an amount equal to the sum last paid to said City as annual taxes upon said real property prior to the time of its acquisition by PATH,

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns, mutually undertake, covenant and agree as follows:

1. PATH will pay to the City for the year 1963 and for each successive year thereafter so long as PATH shall own the aforesaid real property for Hudson tubes purposes, and the City

hereby agrees to accept as an annual payment pursuant to the aforesaid acts in lieu of any and all taxes and assessments for the twelve (12) month period, the total sum of Seven Thousand Six Hundred Thirty-Eight and Eighty-Four One Hundredths Dollars ($7,638.84), being a sum equivalent to the sum last paid annually to the City as real estate taxes on the said real property prior to the time of its acquisition by PATH.

2. Payment for the year 1963 shall be made within thirty days from the date of the execution of this agreement. Payment for each calendar year thereafter while this agreement remains in effect shall be made annually on or before the first day of December of the current calendar year. For each of said years, the City shall mark the aforesaid real property exempt on its tax records, with a notation that such entry is made pursuant to this agreement and the acts aforesaid.

3. The said payments shall be made to the City Comptroller of the City of Hoboken [and if payments are made by check, they shall be made payable to the said official]. Said payments shall be devoted by the City solely to the purposes to which taxes may be applied, unless and until otherwise directed by law.

4. The term "assessments" as used herein from which the real property is to be exempt includes any and all assessments against said real property which are made a part of the annual real estate tax. PATH will, however, pay all special assessments for local improvements which may be levied upon any parcel of the

real property listed in Schedule A annexed hereto when and to the extent said real property is determined to be benefitted by any such local improvement.

ATTEST:

THE MAYOR AND COUNCIL OF THE CITY OF HOBOKEN

City Clerk

By

Mayor

PORT AUTHORITY TRANS-HUDSON CORPORATION

Vice President-General Manager

By

~~PRESIDENT~~
Senior Vice President

SCHEDULE A - CLASS II - RAILROAD PROPERTY IN HOBOKEN
AS ASSESSED FOR THE TAX YEAR 1962

	Assessed Valuation
Terminal Station, Hoboken (portion outside main stem)	$ 78,007
TOTAL	$ 78,007

1962 tax rate, $115.03 per thousand of valuation.
Hoboken share, 85.13%

Hudson Tube
Hudson

This document is a copy of the first three pages for the County of Hudson PILOT agreement [1964], and is for the purpose of clarity. (the original was difficult to read when scanned)

THIS AGREEMENT made this 27th day of February 1964, by and between the COUNTY OF HUDSON, a body politic and corporate of the State of New Jersey, acting by its Board of Chosen Free-holders, hereinafter called the "County", and the PORT AUTHORITY TRANS-HUDSON CORPORATION, hereinafter called "PATH", a wholly-owned subsidiary of The Port of New York Authority;

WITNESSETH:
WHEREAS, by resolution of its Board of Directors, adopted June 14, 1962 [which appears at pp. 27 et seq. of its Official Minutes of that date], PATH was authorized to and did on September 1, 1962 acquire for Hudson tubes purposes and for purposes incidental thereto, the real property described in Schedules A, B and C attached hereto and made a part hereof; and

WHEREAS, PATH desires to enter into a voluntary agreement with the County pursuant to the power and authority conferred upon it by Chapter 8, Laws of New Jersey, 1962 and Chapter 209, Laws of New York, 1962, whereby PATH will, subject to the terms and conditions hereinafter set forth, undertake to pay to the County, annually, in lieu of any taxes and assessments on said real property, an amount equal to the sum last paid annually to said County as taxes upon said real property prior to the time of its acquisition by PATH,

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns, mutually undertake, covenant and agree as follows:

1. PATH will pay to the County for the year 1963 and for each successive year thereafter so long as PATH shall own the aforesaid real property for Hudson tubes purposes, and the County hereby agrees to accept as an annual payment pursuant to the aforesaid acts in lieu of any and all taxes and assessments for the twelve (12) month period, the total sum of Nineteen Thousand Eight Hundred Ninety-Seven and Thirty-Five One Hundredths Dollars ($19,897.35), being a sum equivalent to the sum last paid annually to the said County as real estate taxes on the said real property prior to the time of its acquisition by PATH.

2. Payment for the year 1963 shall be made within thirty days from the date of the execution of this agreement. Payment for each calendar year thereafter while this agreement remains in effect shall be made annually on or before the first day of December of the current calendar year. For each of said years, the County shall mark the aforesaid real property exempt on its tax records, with a notation that

such entry is made pursuant to this agreement and the acts aforesaid.

3. The said payments shall be made to the County Treasurer of the County of Hudson [and if payments are made by check, they shall be made payable to the said official]. Said payments shall be devoted by the County solely to the purposes to which taxes may be applied, unless and until otherwise directed by law.

4. The term "assessments" as used herein from which the real property is to be exempt includes any and all assessments against said real property which are made a part of the annual real estate tax. PATH will, however, pay all special assessments for local improvements which may be levied upon any parcel of the real property listed in Schedules A, B, C annexed hereto when and to the extent said real property is determined to be benefited by any such local improvement.

THIS AGREEMENT made this 27th day of February 1968, by and between the COUNTY OF BERGEN, a body politic and corporate of the State of New Jersey, acting by its Board of Chosen Freeholders, hereinafter called the "County", and the PORT AUTHORITY TRANS-HUDSON CORPORATION, hereinafter called "PATH", a wholly-owned subsidiary of The Port of New York Authority;

W I T N E S S E T H :

WHEREAS, by resolution of its Board of Directors, adopted June 14, 1962 [which appears at pp. 97 et seq. of its Official Minutes of that date], PATH was authorized to and did on September 1, 1962 acquire for Bergen tolls purposes and for property development purposes the real property described in Schedules A, B and C attached hereto and made a part hereof; and

WHEREAS, PATH desires to enter into a reciprocal agreement with the County pursuant to the power and authority conferred upon it by Chapter 6, Laws of New Jersey, 1962 and Chapter 209, Laws of New York, 1962, whereby PATH will, subject to the terms and conditions hereinafter set forth, undertake to pay to the County, annually, in lieu of any taxes and assessments on said real property, an amount equal to the sum last paid annually to said County as taxes upon said real property prior to the time of its acquisition by PATH.

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns, mutually undertake, covenant and agree as follows:

1. PATH will pay to the County for the year 1963 and for each successive year thereafter so long as PATH shall own the

aforesaid real property for Hudson tubes purposes, and the County hereby agrees to accept as an annual payment pursuant to the aforesaid acts in lieu of any and all taxes and assessments for the twelve (12) month period, the total sum of Nineteen Thousand Eight Hundred Ninety-Seven and Thirty-Five One Hundredths Dollars ($19,897.35), being a sum equivalent to the sum last paid annually to the said County as real estate taxes on the said real property prior to the time of its acquisition by PATH.

2. Payment for the year 1962 shall be made within thirty days from the date of the execution of this agreement. Payment for each calendar year thereafter while this agreement remains in effect shall be made annually on or before the first day of December of the current calendar year. For each of said years, the County shall mark the aforesaid real property exempt on the tax records, when it assessors have money to make payment pursuant to this agreement and the acts aforesaid.

3. The said payments shall be made to the County Treasurer of the County of Hudson [and if payments are made by check, they shall be made payable to the said official]. Said payments shall be devoted by the County solely to the purposes to which taxes may be applied, unless and until otherwise directed by law.

4. The term "assessments" as used herein from which the real property is to be exempt includes any and all assessments against said real property which are made a part of the annual real estate tax. PATH will, however, pay all special assessments

for local improvements which may be levied upon any parcel of the real property listed in Schedules A, B and C annexed hereto when and to the extent said real property is determined to be benefitted by any such local improvement.

ATTEST:

Clerk, Board of Chosen Freeholders

THE COUNTY OF HUDSON

By John L. Lewis
Director
Board of Chosen Freeholders

Vice President-General Manager

PORT AUTHORITY TRANS-HUDSON CORPORATION

By President

SCHEDULE A - CLASS II - RAILROAD PROPERTY
IN HUDSON COUNTY, [illegible] ASSESSED
FOR THE YEAR [illegible]

Main Line		Assessed Valuation
Land outside main stem, power house site, Block 76	0.979 Ac.	$ 63,968
Fence at power house		[illegible]
Power house and fixed machinery (complete)		125,000
Storehouse and garage at power house, C.I., 53' x 13[illegible]'		4,130
Water tunnel		25,000
Erie station and passageway facilities		135,3[illegible]
Exchange Place Station		55,000
TOTAL		$ 408,860

Newark Branch		
Land outside main stem, car shop site, Block 138, bounded on the north by Steuben St., on the south by Railroad Avenue, on the west by Henderson St., on the east by Warren St.	2.[illegible] Ac.	$ 208,910
Sidings outside main stem (in ballast) at car repair shop, Henderson St.	[illegible] Ft.	[illegible]
Car repair shop, Henderson St.		199,555
Board fence at car repair yard, Henderson St.		99
Wire fence at car repair yard, Henderson St.		13
Concrete fence, Henderson St.		1,[illegible]
Third rail in car repair yard, Henderson St.,	7,[illegible]00 ft.	1,[illegible]
Tunnel connection, underground, Henderson St.,		34,000
Grove St. station		50,140
TOTAL		$ 511,730
GRAND TOTAL		$ 920,590

1962 tax rate, $113.88 per thousand of valuation.
Hudson County share, 17.63%

SCHEDULE A - PROPERTY IN [illegible] CITY, [illegible] COUNTY, [illegible]

Block	Lot	Address	Assessments
137	32	[illegible] Avenue	$ [illegible]
		TOTAL	$ [illegible]

1962 tax rate, $113.88 per thousand of valuation.
Hudson County share, 17.6%

[redacted]

	Assessed Valuation
Terminal Station, Hoboken (problem outside main area)	$ 78,007
TOTAL	$ 78,007

1968 tax rate, $115.03 per thousand of valuation.
Hudson County share, 14.0%

No.- 67 Presented by Committee on Finance.

WHEREAS, in response to public advertisement for bids, the following bid was received at the meeting of this Board held February 13, 1964 for the purchase of county property located in Secaucus, New Jersey, and being part of Plot 5, Block 5:

The Hudson Realty Company
115 Observer Highway
Hoboken, New Jersey .....Five Hundred ($500.00) Dollars

and an agreement to convey to the County of Hudson, by Deed, a certain piece of land situate in the Town of Secaucus under terms and conditions more fully described in the aforesaid advertisement.

RESOLVED, that:

1. The bid proposal of the Hudson Realty Company for the purchase of county property located in the Town of Secaucus, New Jersey, and being part of Plot 5, Block 5 on the Town Assessment Map, for Five Hundred ($500.00) Dollars, subject to all the conditions contained in the advertising for bids for sale of this property and the further conditions contained in the advertisement of sale whereby, in addition to the sum of Five Hundred ($500.00) Dollars, the purchaser agrees to convey to the County of Hudson a certain strip of land situate in the Town of Secaucus, Hudson County, New Jersey, which on the Town Assessment Map of Secaucus, New Jersey is designated as a part of Plot 5, being the sole bidder therefor, be accepted and approved subject to the conditions and requirements as set forth in the aforesaid resolution and advertisement.

2. The County Law Department is authorized and directed to prepare a Deed in accordance with the terms of this resolution for the said lands for the sum of Five Hundred ($500.00) Dollars, the said Deed to contain all the conditions and requirements contained in the resolution passed by this Board authorizing the advertising for bids for the sale of said land on December 26, 1963.

3. The County Law Department is hereby authorized and directed to deliver the said Deed to the Hudson Realty Company upon the receipt from the Hudson Realty Company of Five Hundred ($500.00) Dollars to the County of Hudson and a Deed Conveyance from the Hudson Realty Company to the County of Hudson of the lands owned by them more fully described above.

4. The Director of this Board and the Clerk are authorized to execute and deliver said Deed on behalf of the County of Hudson.

No. 68 Presented by Committee on Finance.

RESOLVED, that:

1. This Board hereby ratifies and approves the Agreement between the PORT AUTHORITY TRANS-HUDSON CORPORATION (commonly known as PATH) and the COUNTY OF HUDSON, whereby PATH desires to enter into a voluntary agreement with the County of Hudson, pursuant to the pertinent Statutes, to pay the County annually in lieu of any taxes and assessments on said real estate of PATH within the County of Hudson an amount equal to the sum last paid annually to the County as taxes upon the said real estate prior to the time of its acquisition by PATH. The said sum is hereby fixed at Nineteen Thousand Eight Hundred Ninety-Seven and Thirty-Five One Hundredths Dollars ($19,897.35).

2. The Director of this Board is hereby authorized and directed to sign the said Agreement on behalf of the County of Hudson and the Clerk shall attest the same.

3. This resolution shall take effect immediately.

ransfers
1963
ccounts

No. 69 Presented by Committee on Finance.

BE IT RESOLVED: that pursuant to N.J. 40A:4-59 the Coun Treasurer is hereby authorized and directed to make the following transfers of 1963 appropriations:

FROM	TO	AMOUNT
546 b2	145 b2	$ 325.00
546 b2	433	25.00
546 b2	522	2,000.00
546 b2	525	35.00
546 b2	555b	75.00
546 b2	137 b	140.00

ifying
nt
S

No. 70 Presented by Committee on Finance.

RESOLVED:

1. That the County Treasurer and/or the Deputy County Treasurer be and they are hereby designated Certifying Agent for t Public Employees' Retirement System with the responsibility of processing, at the local level, all documents pertaining to the Public Employees' Retirement System, particularly enrollments, transfer members' accounts, retirements, withdrawl and insurance claims.

2. This resolution shall take effect immediately.

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No. 71 Presented by Committee on Finance.

WHEREAS, Comparetto & Kenny, Architects and Engineers for the Hudson County Public Health & Safety Building, have submitted to this Board certificate of payment certifying that the contractor named therein is entitled to the following payment:

Certificate No. 5 - Payment No. 5
Contract No. 6 Electrical Work
in the amount of.....$4,230.00
BADARACCO BROTHERS ..... 6 G

RESOLVED, that

1. Based on the certification by the Architects and conditioned upon the approval of Frank J. Farley, County Treasurer, the aforesaid payment so certified as due to the contractor is appro and ordered paid.

2. The County Treasurer is authorized and directed to make such payment.

No. 72 Presented by Committee on Finance.

RESOLVED, that this Board hereby agrees to pay as it share of the cost of aid for crippled children the amounts set forth below all, as recommended by the Director of Crippled Children Program

Linda Weite,
112 - 60th. St. West New York $720.00 - 60 days hospital

Felipe Perez,
554 Avenue C. Bayonne, N. J. 9.60- 2 days addit. care

THIS AGREEMENT made this 20 day of December, 1967 by and between the CITY OF JERSEY CITY, a municipal corporation of the State of New Jersey (hereinafter called the City) and PORT AUTHORITY TRANS-HUDSON CORPORATION, a body corporate and politic, and the joint agency of the States of New Jersey and New York (hereinafter called PATH)

WITNESSETH

WHEREAS, by virtue of the provisions of Chapter 8, Laws of New Jersey, 1962 and of Chapter 209, Laws of New York, 1962 and of the provisions of the Treaty between the said States dated April 30, 1921, PATH is fully authorized and empowered to operate the rail lines formerly known as the "Hudson Tubes" and to construct and operate terminal and transfer facilities in the "Journal Square terminal area" as defined in said statutes and in other terminal areas of said "Hudson Tubes", and

WHEREAS, by virtue of the provisions of Section 8 of the aforesaid statutes of New Jersey and New York, the City is authorized and empowered to cooperate with PATH and to enter into an agreement or agreements with it for the improvement of the "Journal Square terminal area" and of other terminal areas of said "Hudson Tubes" located in said City upon such reasonable terms and conditions as may be determined by the City and PATH and authorized and approved by a resolution passed by a majority vote of the City's governing body, and

CITY OF JERSEY CITY

2009 FEB 27 PM 3:06

WHEREAS, the City believes that the construction and operation by PATH of a modern Transportation Center in the "Journal Square terminal area", consisting of a new railroad station for the passengers using the rail facilities provided by PATH, new and improved facilities for the accommodation of omnibuses and their passengers and for the interchange of passengers between the bus lines and between the rail lines and the bus lines, new facilities for consumer services and for the parking of motor vehicles and, in addition thereto, new office facilities for PATH and other public agencies and for related railroad property purposes and the construction and operation by PATH of new station entrances for PATH passengers at Grove Street will be of great advantage to the City and its residents, and result in, among other things, rehabilitation, renewal and improvement of the Journal Square area and the relief of street congestion therein and improved traffic conditions in the Grove Street area, and

WHEREAS, representatives of the City and of PATH have, for several years past, joined and cooperated in the planning for such a Transportation Center and for changes in station entrances at PATH's Grove Street station and removal of the present station entrance, and

WHEREAS, PATH has advised the City that the railroad, bus, parking and related railroad property facilities of a Transportation Center of the type desired and of a design and scope satisfactory to the City, generally as shown on Exhibit "A" annexed hereto, can be constructed in the "Journal Square terminal area" and the required station entrance improvements at Grove Street can

be provided at a total presently estimated project cost of $34,300,000., and has further advised the City that if a grant of funds from the United States under the Urban Mass Transportation Act of 1964 satisfactory to it can be obtained and satisfactory agreements can be reached between it and the City and between it and the Board of Chosen Freeholders of the County of Hudson regarding various matters relating to the project, it will, notwithstanding the fact that economic analyses of the financial results of the said facilities demonstrate that they will, at best, be economically marginal, undertake the construction and operation of the aforesaid facilities of the Transportation Center and of the new Grove Street station entrances, and

WHEREAS, PATH has submitted the necessary application for the grant of Federal funds to the Urban Transportation Administration of the United States Department of Housing and Urban Development and contemplates that the requested funds will be granted to it, and

WHEREAS, the City and PATH now desire to enter into this Agreement setting forth the understandings between them, the City being aware that PATH will, upon the conditions aforesaid, proceed with the construction and operation of the Transportation Center and the Grove Street station entrance improvements in reliance on the assurances made to it by the City hereinafter, said assurances having been made to induce PATH to proceed with the construction and operation of the said facilities,

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree as follows:

A. To provide relief from traffic congestion in the area, to facilitate construction of the Transportation Center, t permit easy passenger and vehicle access to and from said Center and to insure an appropriate traffic pattern to and from and in the vicinity of said Center,

1. PATH will, upon receipt by it of a grant of funds satisfactory to it from the Urban Transportatio Administration of the United States Department of Housing and Urban Development, of the approval of thi Agreement by the City and of the enactment by the Cit of the resolutions referred to in paragraphs 2.(a),(b), 3 below and by the Board of Chosen Freeholders of the resolution referred to in paragraph 7 below, undertak the construction, in the aforesaid "Journal Square terminal area", of a Transportation Center generally as shown on Exhibit "A" attached hereto.

2. In order to secure to the City the benefits o consolidating commuter and other bus loading and unloading within the single location of the Transportat Center;

(a) the City will, concurrently with, or as soon as practicable after its approval of this Agreement, enact a resolution, in the form annexe hereto as Exhibit "B", to become effective upon t opening to the public of the new facilities of th Transportation Center for the accommodation of om buses and their passengers, prohibiting the pick- or discharge by buses of passengers at the bus st

on City streets listed in said resolution. The City agrees that so long as the said facilities for the accommodation of omnibuses and their passengers continue in existence for said purposes, it will not permit the pick-up or discharge by buses of passengers at any point on streets which are now or hereafter may come under the jurisdiction or control of the said City within the area enclosed in red lines on Exhibit "C" attached hereto;

(b) the City will, by appropriate amendment to its zoning ordinances and other enactments relating thereto, prohibit the expansion of existing off street bus terminals or the construction of new bus terminals at any point in the area of the City within 1400 feet of the outer limits of the "Journal Square terminal area" as defined in the aforesaid statutes.

3. Upon acquisition by PATH of title to the real property on both sides thereof, the City will, by appropriate legislative action, close Bacot Street in its entirety and that portion of Magnolia Avenue designated by PATH for use in or in connection with the Transportation Center.

4. Upon the opening to the public of the new facilities in the Transportation Center for the accommodation of omnibuses and their passengers the City will when requested so to do, by PATH, by appropriate

legislative action, prohibit vehicle parking on thos portions of Pavonia, Magnolia, Sip and Summit (betwe Sip and Pavonia) Avenues designated by PATH as neces sary or desirable to permit efficient use of the Cen by vehicles making use thereof, and make appropriate provision for a taxicab stand and vehicle loading ar at or adjacent to the Magnolia Street entrance to th Center.

5. PATH will, upon completion by it of the wide ing of Pavonia Avenue from Kennedy Boulevard easterl to the easterly side of the Transportation Center, de liver to the City a deed dedicating the widened port of said Pavonia Avenue for street purposes and the Ci will accept the same.

6. PATH will, as soon as practicable, make application to the Board of Freeholders of the County c Hudson for its approval of the reduction in width of John F. Kennedy Boulevard which is reasonably require to permit construction of the Transportation Center, for the grant of the necessary rights to use and alte as required, the bridge which carries said Boulevard over the railroad tracks at the westerly side of said Center and the appurtenant structures, including the existing pedestrian passageway and for the grant to i of such property rights, if any, in the existing Boul vard and bridge as may be necessary to permit construction and operation of the Center.

7. PATH will also make application to the said Board of Freeholders for the immediate adoption by it

of a resolution, to become effective on the opening to the public of the new facilities of the Transportation Center for the accommodation of omnibuses and their passengers, prohibiting, so long as the said facilities continue in operation for said purposes, the parking or standing of buses or the pick-up or discharge by buses of passengers at any point on the streets or roads, enclosed within red lines on Exhibit "C" attached hereto, which now or hereafter may come under the jurisdiction or control of said Board and for legislative action to ban all vehicle parking (except the standing of taxicabs at a taxi stand, the location and size of which shall be agreed upon by PATH and said Board) on the east side of that portion of John F. Kennedy Boulevard which is adjacent to the Transportation Center.

8. The City will join with PATH in the aforesaid applications to the said Board of Freeholders and will in connection therewith, take such actions, legislative or otherwise, as may be required to give evidence of its consent to said actions by the said Board and to the grant to PATH of such rights by the said Board.

9. PATH will join with the City in the application by the City to the said Board of Freeholders for such widening and straightening of said John F. Kennedy Boulevard north of Favonia Avenue as is, in the opinion of the City, necessary in connection with the development by the City of its proposed Civic Center on the west side of said Boulevard north of the existing railroad tracks.

10. Upon the enactment thereof by it, the City will promptly forward to the New Jersey Division of Motor Vehicles all ordinances or resolutions adopted by it in the performance of its obligations under this Agreement which may require the approval of that Division and will take all steps necessary to obtain the required approvals as promptly as possible.

11. It is understood and agreed that if, notwithstanding occurrence of each of the aforesaid events, PATH's undertaking or completing the construction of the Transportation Center should, in the opinion of PATH, become impracticable in whole or in part, it shall be under no obligation to do so under this Agreement, nor shall it incur hereunder any liability of any kind to the City by reason of its failure to do so.

12. The City will, upon commencement of the construction of the Transportation Center, consult with PATH as to the new or changed traffic signals and signs, street lighting and other similar installations which will be required in City streets in the immediate vicinity of the Transportation Center to properly regulate the changed patterns of traffic and increased vehicular movement and will, at its expense, complete all necessary installations and changes so that the

signals, lights, etc. may be made operative upon the opening to the public of the new facilities in the Transportation Center for the accommodation of omnibuses.

13. The City will, at its expense, provide, on City streets adjacent to and in the vicinity of the Transportation Center, policing, traffic control, snow removal and similar services as necessary to permit smooth ingress and egress of buses, other vehicles and pedestrians to and from the Center.

B. To facilitate the elimination from reconstructed Railroad Avenue of the existing PATH Grove Street station entrance thereby improving traffic conditions in the area and to permit the construction and operation of new PATH station entrances for the benefit of the residents of the area and visitors thereto,

1. The City will take appropriate legislative action to authorize the grant to PATH of permanent rights to construct and maintain, in the triangular park bounded by Railroad Avenue, Newark Avenue and Grove Street, a new entrance to its Grove Street station and the grant to PATH of permanent rights to construct and maintain a kiosk entrance to said station at a point, on the south side of Railroad Avenue, east of Grove Street and within 110 feet from the southeast corner of the intersection of said Grove Street and Railroad Avenue. All necessary deeds or other instruments shall be executed and delivered to PATH.

2. Upon the grant to it of the property rights referred to in B.1 above and the delivery to and acceptance by it of the necessary deeds and other instruments, PATH will immediately undertake the constructi of the new station entrances.

3. At or prior to completion of the construction of the new station entrance in the aforesaid triangul park, PATH will, at no expense to the City, rehabilit said park, in accordance with plans to be agreed on b the City and PATH. PATH will thereafter maintain, in first-class condition, its station entrance and the City will maintain, in first-class condition, the rehabilitated park.

4. Upon application to it by PATH, the City will close that portion of old Railroad Avenue lying between the northerly line of new Railroad Avenue and the southerly line of lands of PATH on which is now located PATH's car shop.

C. Nothing herein contained is intended to nor shall it be construed to oblige PATH to make any payments "in lieu" of taxes to the City on the real property in the "Journal Square terminal area" acquired by it in reliance on this Agreement for the construction of the facilities referred to herein or on said facilities, or on the Grove Street station improvements constructed by it, it being understood and agreed that the construction of the said facilities by PATH will improve the trade and commerce of the City and facilitate the development of the Journa Square area by improving transportation from numerous points to said City and will be in other respects for the benefit of the City and its residents.

D. Nothing contained herein is intended to nor shall be construed to create any rights of any kind whatsoever in this persons not a party to this Agreement.

E. Neither the Directors of PATH nor any individual officer or official of PATH or of the City, nor any agent or employee of either of them, shall be charged personally by any of the others with any liability nor held liable to either of the parties hereto under any term or provision of this Agreement or because of its execution or attempted execution or because of any breach hereof.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

THE CITY OF JERSEY CITY

By _____
Mayor

ATTEST:

_____
City Clerk

[Seal]

PORT AUTHORITY TRANS-HUDSON CORPORATION

By _____
President

ATTEST:

_____
Vice President & General Manager

[Seal]

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

BE IT REMEMBERED, that on the 23rd day of July, One Thousand Nine Hundred and Sixty-~~seven~~ eight, before me, an Attorne at-Law of New Jersey, personally appeared AUSTIN J. TOBIN, President of Port Authority Trans-Hudson Corporation, a body corporate and politic, to me personally known to be the individu described in and who executed the preceding instrument, and who duly acknowledged to me the execution of same, and being by me duly sworn, for himself, does depose and say that he is the said President of Port Authority Trans-Hudson Corporation aforesaid, that the seal affixed to the preceding instrument is the seal of said Port Authority Trans-Hudson Corporation and that the said seal and his signature as such President is duly affixed and subscribed to said instrument by authority and direction of the Board of Directors of said Port Authority Trans-Hudson Corporati

Austin J. Tobin
President

Sworn and subscribed to before me this 23rd day of July, 1968.

Francis A. Mulhern

An Attorney-at-Law of New Jersey

STATE OF NEW JERSEY :
ss.
COUNTY OF HUDSON :

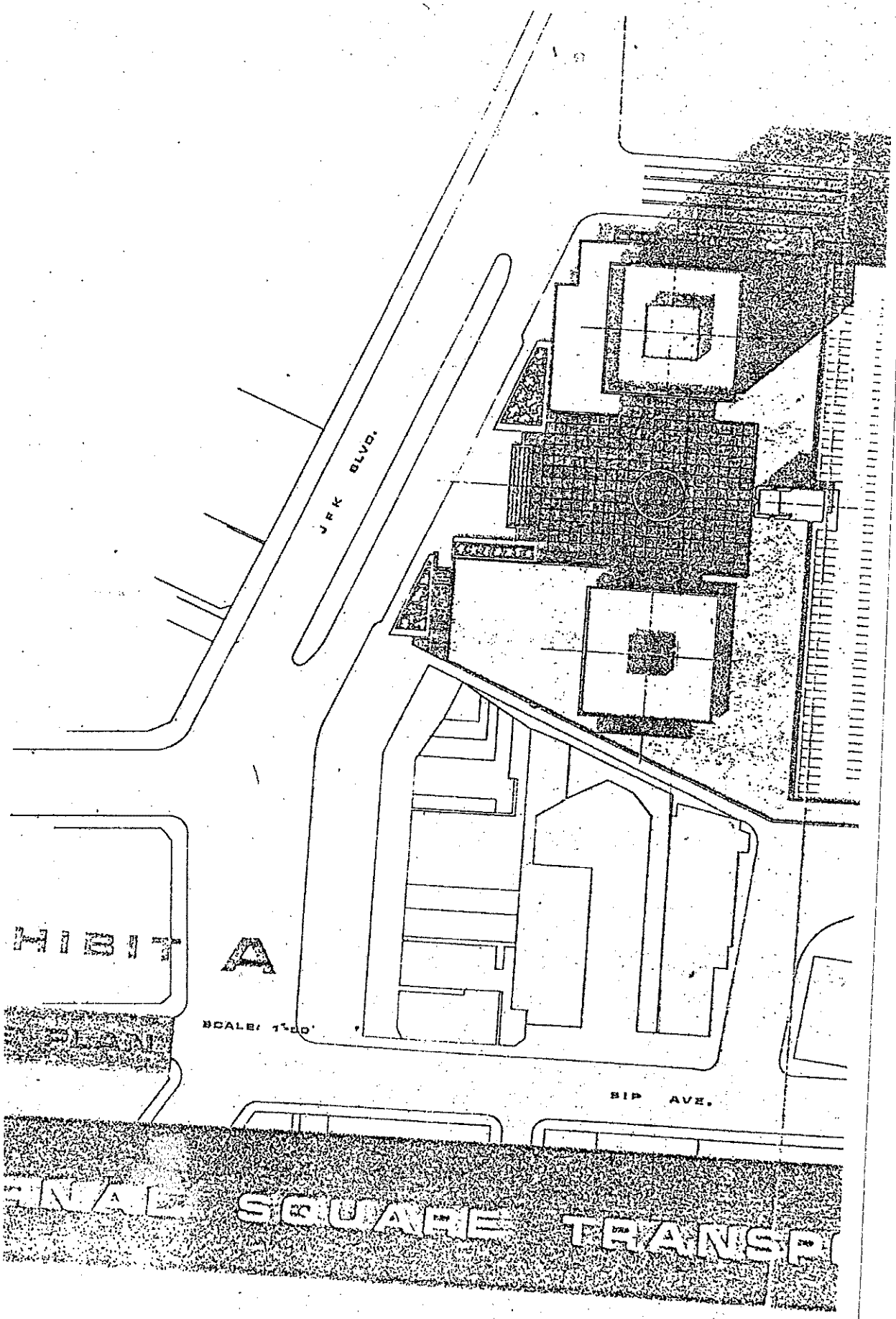
BE IT REMEMBERED that on this 20th day of December, 1967, before me the subscriber, a Notary Public of New Jersey, personally appeared WILLIAM P. BLACK, who, being by me duly sworn on his oath, doth depose and make proof to my satisfaction, that he is the City Clerk of the City of Jersey City, one of the parties named in the within instrument; that THOMAS J. WHELAN is the Mayor of the City of Jersey City; that the execution, as well as the making of this instrument has been duly authorized by a proper resolution of the Municipal Council of the City of Jersey City; that deponent well knows the corporate seal of said corporation; and the seal affixed to said instrument is such corporate seal and was thereto affixed and said instrument signed and delivered by said Mayor, as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in the presence of deponent, who thereupon subscribed his name thereto as witness.

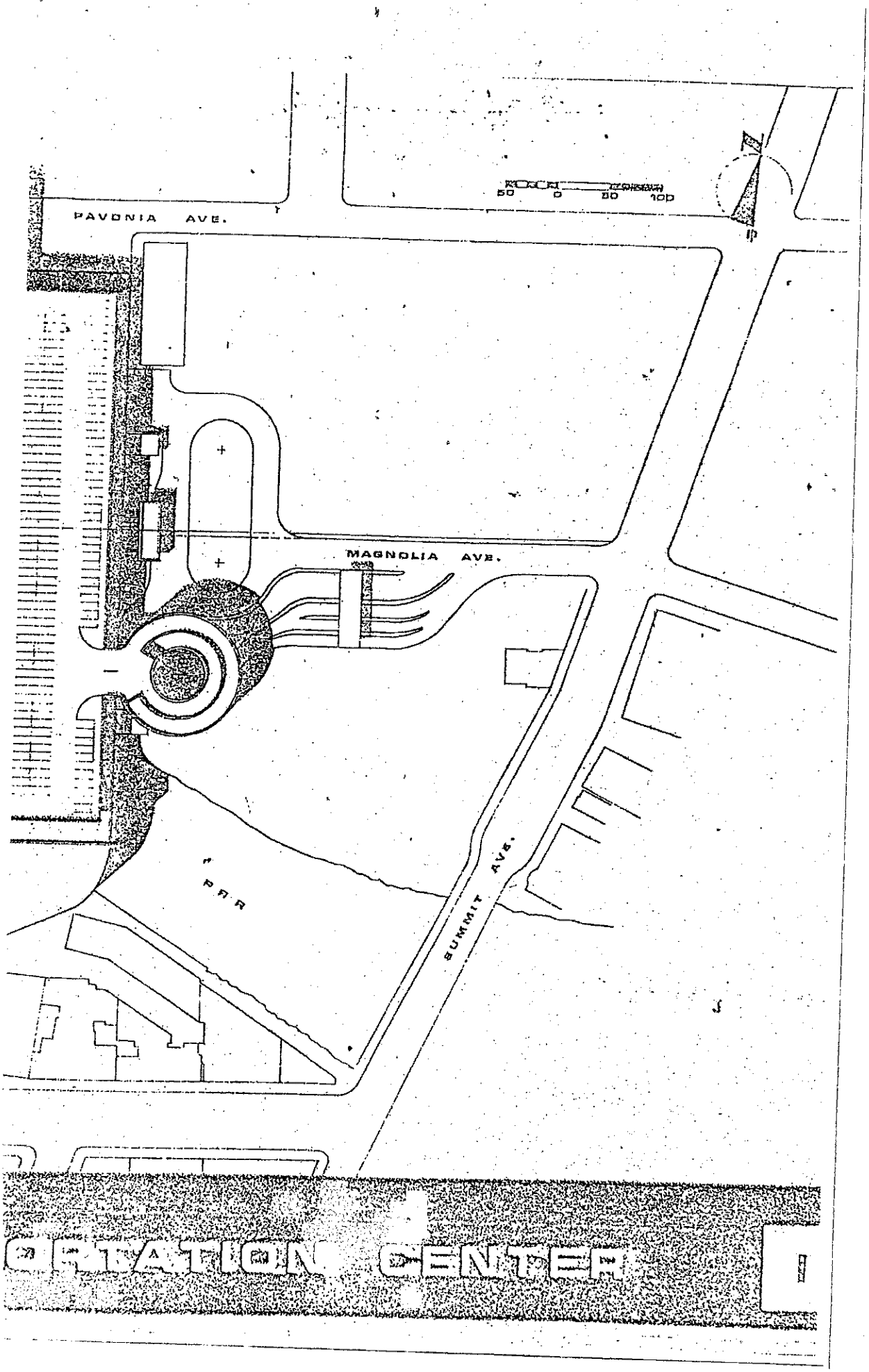
William P. Black

Subscribed and sworn to
before me at Jersey City,
the date aforesaid.

Mildred A. Preston
Notary Public of New Jersey

MILDRED A. PRESTON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 10, 1970


JFK BLVD.
SCALE: 1"=20'
BIP AVE.
HIBIT A
PLAN
SQUARE TRANSP


PAVONIA AVE.
50 0 50 100
MAGNOLIA AVE.
SUMMIT AVE.
P.R.R.
CENTER

RESOLUTION ABOLISHING CERTAIN BUS STOPS HERETOFORE ESTABLISHED ALONG CERTAIN STREETS IN THE CITY OF JERSEY CITY

Councilman offered and moved adoption of the following Resolution:

BE IT RESOLVED by the Municipal Council of the City of Jersey City that, effective as of the date hereinafter specified, the schedule of bus stops for the various bus lines operating over the streets of Jersey City heretofore adopted by this Council by Resolution on July 6, 1965 be and the same is hereby amended by deleting from said schedule the stops numbered and lettered as follows:

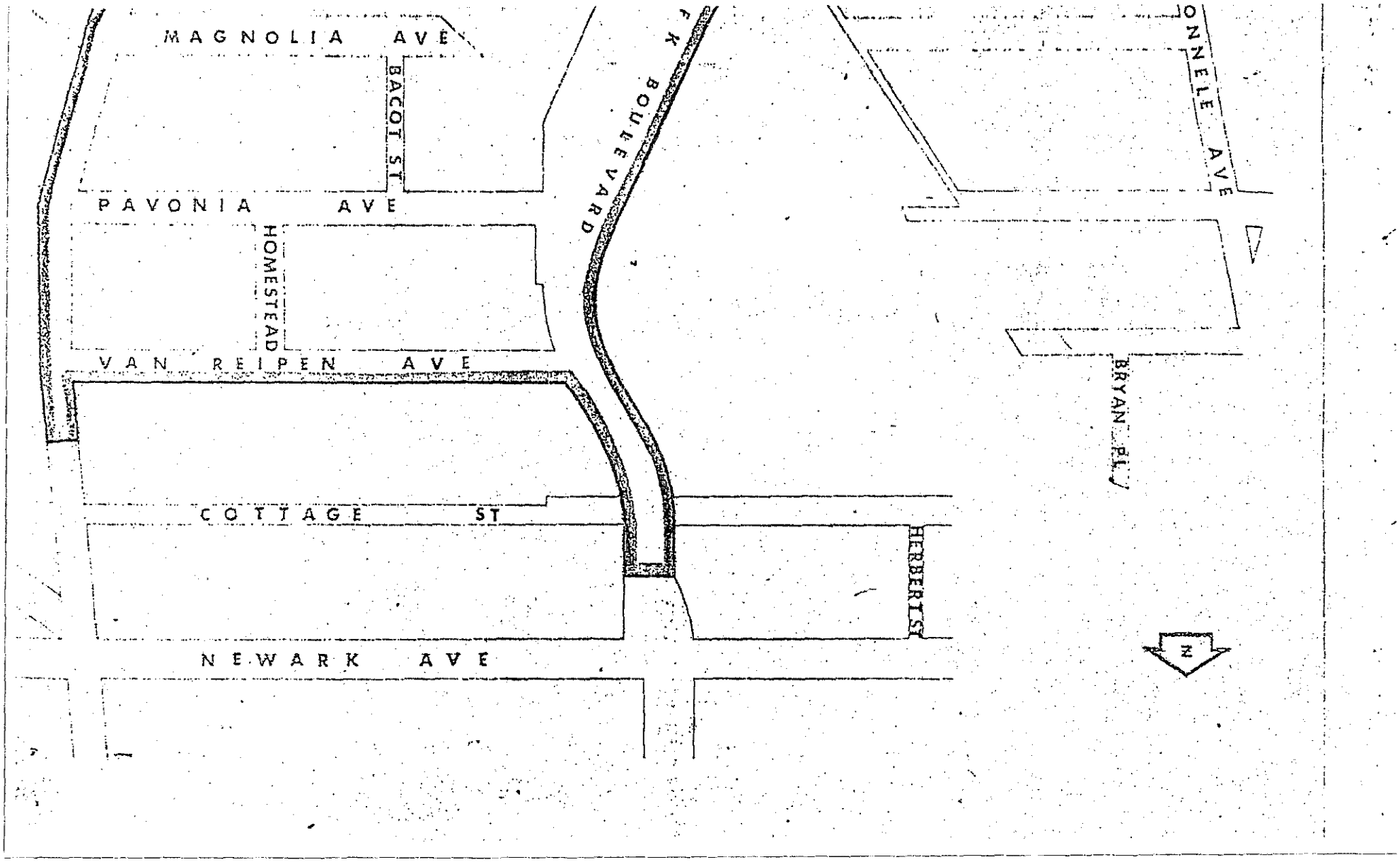
9, h-1	95, c
10, a	95, d
93, d	96, z
93, e	96, a-1
93, f	96, b-1

This Resolution shall become effective on the date on which Port Authority Trans-Hudson Corporation opens to the public the new facilities for the accommodation of omnibuses and their passengers in the Transportation Center in the Journal Square area on the site of the existing PATH Journal Square railroad station.

Exhibit "B"

BE IT FURTHER RESOLVED that a copy of this Resolution be sent by the City Clerk to the New Jersey Division of Motor Vehicles of the State of New Jersey for approval, and that a copy be made available to the bus lines operating in and through the City of Jersey City.

Exhibit "B"


MAGNOLIA AVE
BACOT ST
PAVONIA AVE
HOMESTEAD
VAN REIPEN AVE
COTTAGE ST
NEWARK AVE
PARK BOULEVARD
ONNELE AVE
BRYAN PL
HERBERT ST
N

This Agreement entered into this 19th day of August, 1988 among the City of Jersey City, a municipal corporation of the State of New Jersey (hereinafter referred to as "City"), having its offices at City Hall, City of Jersey City, New Jersey and The Port Authority of New York and New Jersey, a body corporate and politic and the joint agency of the States of New Jersey and New York (hereinafter referred to as "Port Authority"), having its principal office at One World Trade Center, City of New York and State of New York and the Jersey City Economic Development Corporation, a non profit corporation of the State of New Jersey (hereinafter referred to as JCEDC), having its principal office at 601 Pavonia Avenue, Jersey City, New Jersey.

WITNESSETH

WHEREAS, by the Treaty of April 30, 1921, creating the Port Authority, the States of New Jersey and New York granted to the Port Authority full power and authority to purchase, construct, lease and operate marine terminals within the Port of New York District, and by Chapters Forty-four and Six Hundred and Thirty- one, respectively, of the Laws of New Jersey and Laws of New York of 1947, said two States have authorized and empowered cities and other municipalities in the Port of New York District to cooperate with the Port Authority in the development of marine terminals, and

WHEREAS, by resolutions of its Board of Commissioners adopted on September 10, 1981, January 14, 1982 and February 11, 1982, the Port Authority found and determined that the acquisition by the Port Authority of certain real property a portion of which is in the City of Jersey City is necessary for public use for marine terminal purposes, and

WHEREAS, the Port Authority believes that the development of portions of said real property as a marine terminal will be to the mutual advantage of the City and the Port Authority and will be to the benefit of the people of the States of New Jersey and New York, and

WHEREAS, the City and JCEDC believe that the development for industrial purposes of portions of certain property presently owned by the Port Authority is in the best interests of the City of Jersey City and the public interest and will promote and encourage economically sound industry in the City, will generate jobs, reduce the hazards of unemployment and otherwise be for the economic benefit of the City, and

WHEREAS, the Parties mutually agree that their cooperation in the development of both the Marine Terminal and an Industrial Development Project will be to the benefit of the region, and

WHEREAS, by virtue of the provisions of the "Industrial Development Projects and Facilities Act" Chapter 110, Laws of New Jersey 1978 and Chapter 651, Laws of New York 1978 and the provisions of the Compact between the States of New Jersey and New York dated April 30, 1921, the Port Authority is authorized and empowered, Inter alia, to establish, acquire, construct, effectuate, develop, own, lease, maintain, operate, improve, rehabilitate, sell, transfer and mortgage projects or facilities referred to as "port district industrial development projects or facilities" as defined in said statutes, and

WHEREAS, by virtue of the provisions of Section 8 of the aforesaid statutes, the City is authorized and empowered to cooperate with the Port Authority and to enter into an agreement or agreements with it for and in connection with or relating to the effectuation of industrial development projects, and

WHEREAS, JCEDC by virtue of the provisions of its Charter is authorized and empowered to cooperate with the Port Authority and to enter into an agreement or agreements with it for and in connection with or relating to the effectuation of industrial development projects and to effectuate such projects

WHEREAS, the City hereby agrees and requests that the JCEDC be the entity to purchase from the Port Authority those properties outlined in Article III and to effectuate the development of said properties into an industrial park.

NOW, THEREFORE in consideration of the foregoing premises and the covenants, terms and conditions hereinafter set forth, the parties hereto agree as follows:

Definitions

As used in this Agreement, the following terms shall have the meanings set forth below and the definitions of such terms are equally applicable both to the singular and the plural terms thereof.

"Gross Operating Revenues" shall mean the aggregate amount of all monies and income determined in accordance with Generally Accepted Accounting Principles received by the JCEDC from or with respect to the ownership or operation of the Industrial Develop-

ment Project in any calendar year other than: (1) hazard insurance proceeds, and other proceeds on account of physical damage sustained to any building structure or improvement on the premises or equipment contained therein, to the extent such proceeds are used to repair, replace, or improve said buildings or improvements, (2) lump sum rent or other lump sum payments by tenants to the JCEDC to the extent such proceeds are applicable as Gross Operating Revenue in any succeeding calendar year, (3) proceeds, recoupment or refinancing of bonds or notes or other capital funds (including interest on such funds), (4) proceeds from governmental grants (5) proceeds from the sale or disposition of portions of the Project or an interest therein, except that such proceeds shall be counted as revenues as if JCEDC had received an equal proportioned share of the proceeds over a twenty (20) year period, (6) amounts received by the JCEDC which represent repayments of financing for any purpose whatsoever, including but not limited to equipment and building finishes, whether called rent by the JCEDC in any agreement with its tenant(s) or not, (7) any additional rent charge for taxes or for in lieu of taxes payments, collectible from the building's tenant(s) or (8) any assessments, such as water or sewer taxes collected by or on behalf of the City or a City agency.

"Net Operating Revenue" shall mean Gross Operating Revenues minus Deductions.

"Deductions" shall mean the sum of the following:

(1) Operation and Maintenance Expenses"

All expenses of the JCEDC which in accordance with Generally Accepted Accounting Principles are directly attributable to the operation and maintenance of the Project in each calendar year including but not limited to (a) the annual payments in lieu of taxes paid to the City by the JCEDC and not excluded from Gross Operating Revenues; (b) any costs or expenses incurred by the JCEDC from facilities and activities conducted outside the Project Site but directly related to or required in connection with the operation of the Project, and; (c) any costs or expenses for staff directly engaged in the administration or operation of the Project;

(2) "General and Administrative Expenses"

An amount equal to twelve and one half percent (12.5%) of the Operation and Maintenance expenses described in paragraph (1) above;

"Debt Service on JCEDC Infrastructure Investment" shall mean an amount equal to the actual repayment of interest and principle paid to lenders by the JCEDC with respect to the Infrastructure Investment.

"Debt Service on Port Authority Infrastructure Investment" shall mean, to the extent available after Debt Service on JCEDC Infrastructure Investment, an amount equal to interest and principle repayments by the JCEDC to the Port Authority according to the following formula:

(1) payments of simple interest on the Port Authority Outstanding Unamortized Principle Balance as of December 31 of any year calculated at eight and three quarters percent (8.75%), plus;

(2) payments of up to one twenty-fifth (1/25) of the Port Authority Outstanding Unamortized Principle Balance.

"Port Authority Outstanding Unamortized Principle Balance" shall mean the amount requested and received by the JCEDC under Section 4.04 of this agreement plus any unpaid interest from previous years, minus repaid principle amounts.

"Infrastructure" shall mean public facilities which are directly related to the Project including site preparation, highways and streets, water supply and distribution systems, utilities, waste water collection systems and storm drainage systems.

"Infrastructure Investment" shall be any cost incurred by the JCEDC in repairing, rehabilitating or constructing the infrastructure, including but not limited to the sum of the following:

(1) all costs associated with the acquisition for the Project Site and required easements and other interests in surrounding parcels, including but not limited to title search and insurance, survey, appraisal cost, and other costs of closing, net of $3.0 million as provided in Section 3.02;

(2) all costs or expenses associated with Infrastructure planning and implementation;

(3) all costs and expenses associated with the design, construction and supervision of construction of the Infrastructure improvements; and

(4) the cost of financing, insurance and surety bonds during construction of Infrastructure improvements.

"Non-Infrastructure Investment" shall be any capital cost incurred by the JCEDC in construction of non-infrastructure improvements on the Project Site.

"Port Authority Infrastructure Investment" shall mean that amount up to $3.0 million, made available to JCEDC by the Port Authority for infrastructure improvements pursuant to this agreement.

ARTICLE I

MARINE TERMINAL

Section 1.01 The Port Authority has undertaken a project for the development of a marine terminal facility to be located partially within the City of Jersey City within an area more particularly described in Exhibit A hereto, which property and the facilities to be constructed thereon being referred to hereinafter as the "Marine Terminal". The Port Authority shall be responsible for the design, construction, financing and marketing of the facility and for the maintenance of roadways within the Marine Terminal.

Section 1.02 All details of the effectuation of the Marine Terminal project including, but not limited to, details of financing, construction, leasing, rentals, fees and other charges, rates, contracts, services and operations shall be within the sole discretion of the Port Authority and its decision in connection with any and all matters concerning the Marine Terminal shall be controlling and conclusive.

Section 1.03 Within the geographical limits of the Marine Terminal the Port Authority will have a right to utilize and will provide, construct and maintain within the marine terminal facilities all public ways, sewers, water mains and other utilities of whatsoever kind or description which it, in its sole discretion, may deem necessary. The Port Authority shall however be obliged to the best of its ability to provide access for subsurface storm drainage to be constructed by JCEDC As between the City and the Port Authority, the City shall not be obligated to provide, within the Marine Terminal, street cleaning, snow removal, garbage or refuse collection services, it being understood that services of this character, to the extent deemed necessary or desirable by the Port Authority, will be provided by persons other than the City at the Port Authority's cost and expense.

Section 1.04 The Port Authority will provide such police or security personnel as it deems necessary for patrolling, security and traffic control within the Marine Terminal. The City agrees, however, that its Police Department will respond to calls for assistance from the Port Authority in the event of the commission of a crime, riots, disasters or other emergencies which may occur within the Marine Terminal and that its Fire Department will respond to calls to put out fires within the Marine Terminal. To this end, the Port Authority is hereby

authorized to connect a fire alarm system to be installed by the Port Authority within the Marine Terminal to the City's fire alarm system.

Section 1.05 The Port Authority, at its own expense, will make and maintain all connections, it deems necessary between the City water mains and sewers and installations within the Marine Terminal. The City shall, subject to applicable State law, grant permission for such connections. The Port Authority will pay water charges for water consumed by it or its tenants upon the same basis as other users throughout the City.

Section 1.06 Except as required by State and Federal law or regulation, no local law, enactment, ordinance, rule or regulation shall apply to the Marine Terminal or any part thereof constructed or operated by or on behalf of the Port Authority or its tenants. The Port Authority, however, plans as a matter of policy, to conform to the existing laws, enactments, ordinances, rules or regulations of the City concerning health and fire protection so long as the Port Authority finds it practicable so to do without interfering with, impairing or otherwise adversely affecting the efficiency and economy of the development or operation of the Marine Terminal or the Port Authority's ability to operate the Marine Terminal upon a self supporting basis, or its obligations, duties and responsibilities to the States of New Jersey and New York, its bondholders and the general public, but the decision of the Port Authority as to whether it is practicable so to do shall be controlling.

Section 1.07 The City agrees to do all things necessary, proper, convenient and desirable by way of cooperation in connection with the development of and operation by the Port Authority of the Marine Terminal. Whenever the consent of the City, another municipality, the State of New Jersey or the United States Government or any of their agencies, is necessary, proper, convenient or desirable in the opinion of the Port Authority, the City agrees to use its best efforts to provide or obtain such a consent.

Section 1.08 The City agrees to cooperate with the Port Authority, if so requested by the Port Authority, in making any necessary application for and in securing any and all Federal aid which may be obtainable under any applicable Federal laws for the development or operation of the Marine Terminal. Provided however that such cooperation shall not be in conflict or competing for funds with other projects the City designates as having a higher priority.

ARTICLE II

TAXES, IN LIEU OF TAXES AND ASSESSMENTS

Section 2.01 The Port Authority agrees to pay to the City for the year 1988 and for each calendar year thereafter for so long as the Port Authority shall own the premises described in Exhibit A and Exhibit B attached hereto in lieu of any and all taxes and assessments with respect to real property located within the City of Jersey City, the sum of $866,000, and the City hereby agrees to accept such sum as an annual payment as provided for in applicable statutes. The Port Authority represents that under the existing Marine Terminal Legislation governing the payment of in lieu of taxes, the figures in Section 2.01 and Section 2.03 of this agreement represents the taxes last paid prior to acquisition by the Port Authority, and therefore the maximum payment allowable for the premises.

Section 2.02 Payments to be made to the City pursuant to Section 2.01 above for the years 1988 and 1989 will be made by the Port Authority to the City within 30 days of the effective date of this agreement, said date being defined in Section 12.05 of Article XII of this agreement (herein referred to as the "Effective Date"). Thereafter all such payments required to be made shall be made annually on or before the first day of July in each year for which such payment is due. Each said payment shall be to the Treasurer of the City of Jersey City and checks shall be made payable to his order. Said payments shall be devoted by the City solely to purposes to which taxes may be applied, unless and until otherwise directed by law of the State of New Jersey.

Section 2.03 Upon the conveyance to the JCEDC of the property described in Exhibit B attached hereto payments to be made to the City pursuant to this Section shall be reduced to $762,000, for years subsequent to the year of conveyance and the payment in lieu of taxes provided for the year in which such conveyance occurs shall be adjusted pro rata.

Section 2.04 For each year that the subject property is owned or controlled by the Port Authority, the City will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the Marine Terminal and for each such year the City will mark the property comprising the Marine Terminal exempt on its tax records with a notation that such entry is made pursuant to this agreement.

Section 2.05 (a) It is understood and agreed that the sum to be paid to the City by the Port Authority in lieu of taxes as provided for herein represents the total amount to be paid by the

Port Authority to any taxing authority for taxes, in lieu of taxes or assessments with respect to the Marine Terminal and said payment will be held by the City for its benefit. The City hereby agrees to indemnify and hold harmless the Port Authority against any claims for taxes, payments in lieu of taxes or assessments which may be made against the Port Authority or the subject property while owned or controlled by the Port Authority in any action or proceeding brought by any person or taxing authority attempting to impose or collect taxes, payments in lieu of taxes or assessments other than as provided in this Agreement.

(b) The payment in lieu of taxes to be paid by the Port Authority pursuant to this Article shall be reduced by any amount paid or due to the City as real or personal property taxes, in lieu of tax payments or payments for municipal services by any owner, developer, vender, tenant, occupant or other user of any part of the property described in Exhibit A hereof except for those payments made pursuant to Section 1.05 (a) hereof. This paragraph shall not be construed however as subjecting any property owned or controlled by the Port Authority to taxation.

ARTICLE III

REAL ESTATE

Section 3.01 The JCEDC, subject to the conditions set forth in this Agreement shall undertake development, either directly or indirectly of what may be generally described as an Urban Industrial Development Project to be known as the Greenville Industrial Park (hereinafter referred to as "Project") and which is to be located on the property described in Exhibit B hereto (hereinafter referred to as the "Project Site").

Section 3.02 In consideration for the mutual promises and obligations of the parties pursuant to this agreement, the Port Authority shall, subject to the provisions of Section 4.05, as soon as practicable after the Effective Date, convey to the JCEDC, fee simple title to the Project Site, which site the parties agree to have a value of $3 million, subject to easements, covenants and restrictions of record and to such state of facts as an accurate survey may show. It is understood and agreed that the Port Authority shall be repaid $3 million, the value of the land conveyed, in a manner provided for in Section 5.01 hereof.

Section 3.03 Neither the Port Authority nor its Commissioners, officers, employees or agents shall be deemed to have made any representation, warranty or statement as to the condition of the property to be conveyed or the suitability thereof for the development thereon contemplated by the JCEDC. The Port Authority shall convey title to and deliver the

premises in its presently existing "as is" condition. The JCEDC agrees to and shall accept the premises in its "as is" condition and the Port Authority shall have no obligation for furnishing work to or preparation of any portion of the premises other than as may be specifically provided for herein.

Section 3.04 If requested by the JCEDC, or if the Port Authority so elects, the Port Authority agrees to use its best effort to obtain a letter of non-applicability from the New Jersey Department of Environmental Protection (NJDEP) confirming that compliance with the New Jersey Environmental Cleanup Responsibility Act, N.J.S.A. 13:K-6 et seq (ECRA) is not required for the transaction contemplated. If said letter of non- applicability is not obtained, the Port Authority shall, upon the request of the JCEDC, submit a negative declaration to the NJDEP for approval, provided however, that all costs of preparing and obtaining the negative declaration and its approval, including the cost of any soil testing which NJDEP shall require, shall be paid by the JCEDC.

Section 3.05 The JCEDC, may at its own cost and expense, promptly arrange for an inspection by its own staff or by a consultant to be selected by it into the composition of the Project Site in order to determine the presence in or on the premises of hazardous or toxic substances. The JCEDC shall promptly transmit to the Port Authority copies of the reports prepared pursuant thereto as they are received. In the event such investigation reveals the presence of any hazardous or toxic substances which will result in present or future hazard or prevent development, then in that event the JCEDC may, at any time prior to conveyance of title, but not later than December 30, 1988, elect not to accept conveyance of the Project Site.

Section 3.06 Should the JCEDC fail to award bona fide design and construction contracts for the development of the contemplated Project totalling at least One Million Dollars ($1,000,000) within two years after the Effective Date, title to the Project Site shall revert to the Port Authority. In such an event, it shall be the obligation of the JCEDC to deliver possession of, and to reconvey title to the property to the Port Authority promptly in at least the same condition as at the time of conveyance of the property to the JCEDC by the Port Authority, title to be subject to only those encumbrances which existed at the time of conveyance to the JCEDC. Upon reconveyance to the Port Authority, the provisions of Article 1 shall apply to the property reconveyed. The aforesaid power of termination shall be incorporated in the Port Authority's deed to the JCEDC. A copy of the form of deed is attached as Exhibit D.

Section 3.07 The Port Authority agrees to make available to the City and to the JCEDC copies of the results of any environmental tests conducted on the Project Site that it has in its possession and, if so requested by the JCEDC, to cooperate with and assist the JCEDC in making any applications which may be required under applicable environmental laws and regulations as a prerequisite to the effectuation of the Project by the JCEDC.

Section 3.08 The JCEDC hereby guarantees and warrants that the Project Site will be used only for the development and operation of an Industrial Park and that neither the City nor JCEDC will permit said property to be used for any purpose or in any manner that will be inconsistent or incompatible with or will in any way interfere with or hinder the operation of the Marine Terminal, a restriction to such effect to be set forth in the Port Authority's deed to the JCEDC.

ARTICLE IV

PROJECT DEVELOPMENT AND OPERATION

Section 4.01 The JCEDC shall prepare and design the Project Site to accommodate a minimum of 100,000 square feet of industrial building space, and shall be solely responsible for the initial financing as described in this Article, the marketing of Project improvements and the provision of a Project-related on-site employment office.

Section 4.02 Unless otherwise provided for herein, all details of the effectuation of the Project including, but not limited to, details of design, construction, marketing, maintenance, financing, leasing and rentals, and the cost thereof, shall be within the sole discretion and responsibility of the JCEDC. It is understood that the JCEDC may, in its discretion, utilize private real estate interests and developers in carrying out any aspect of the development of the Park. The JCEDC shall not sell or lease substantially all of the Project Site to a single proposed purchaser or lessee without the prior written approval of the Port Authority. Such approvals shall not be unreasonably withheld or delayed.

Section 4.03 The JCEDC shall commence preparation of the Project Site for construction within nine (9) months after conveyance by the Port Authority to the JCEDC of the Project Site, and will arrange through its own efforts, private developers or others for completion of construction of all buildings to be located within the Project Site.

Section 4.04 (a) Subject to the terms and conditions of this agreement, the Port Authority will make available to the JCEDC, an amount up to $3 million to be used by the JCEDC in

the undertaking to provide certain Infrastructure Investment to the Project Site and surrounding area, including any environmental testing of the Project Site, the total cost of which the JCEDC has represented will be approximately $9 million. The Port Authority will provide said funds upon written request from the JCEDC, which request must specify the purpose, amount and anticipated date of the expenditure by the JCEDC to others. The funds provided by the Port Authority will be provided pari passu with those provided by the City or JCEDC for said improvements (ie. The Port Authority will provide money towards JCEDC Infrastructure Investment, at a ratio of one dollar to every two dollars of costs to be incurred, until the $3 million dollar Port Authority commitment is exhausted). The Port Authority will have the right to review and approve the plans and specifications, such review shall not be unreasonably withheld or delayed, but shall not have the obligation to do so. The funds to be provided by the Port Authority will be used by the City solely for the purposes provided for in this agreement.

(b) The Port Authority shall have the right to audit and inspect the books, records and other data of the City and JCEDC relating to the JCEDC's expenditure of funds advanced by the Port Authority for Infrastructure Investments and the JCEDC shall maintain and submit, when requested, all documentation in support of such expenditures as may be reasonably required by the Port Authority.

(c) It is understood and agreed that the Port Authority shall be repaid the monies provided pursuant to this Section in the manner provided for in Section 5 hereof.

Section 4.05(a) The City agrees that, as part of the infrastructure improvements provided for in Section 4.04 hereof, it shall, prior to October 1, 1988, at its own cost and expense, acquire and make available any property rights necessary to extend Colony Road northerly from its present northerly terminus to property presently owned by the Port Authority, so as to provide vehicular and utility access to the property owned by the Port Authority, which road extension shall include a grade crossing over the tracks currently owned or operated by the Port Jersey Railroad. The City shall, upon request of the Port Authority, take such action as may be required to dedicate such extension to public use as a public street.

(b) The Port Authority, upon acquisition and provision by the City of the necessary property interests, will, at its own cost and expense, construct the extension of Colony Road and grade crossing on behalf of the City.

(c) If for any reason the improvements to Colony Road contemplated by this Section are not completed and the extension of the road not dedicated by the date the JCEDC requests the conveyance of the Project Site as provided for in Section 3.02 hereof, then in that case the conveyance by the Port Authority of the Project Site shall be subject to a reservation by the Port Authority of an easement over the Project Site for access from Industrial Drive to the Greenville Yard Section of the Marine Terminal. Such easement shall be for use in connection with the Marine Terminal until such time as the improvements to Colony Road are completed and the road extension dedicated as a public thoroughfare providing access to the Marine Terminal, but in no event shall such easement extend later than one (1) year after conditions in Section 4.05(a) are met.

Section 4.06 The City and JCEDC shall, in planning, developing and maintaining the necessary improvements to the infrastructure including, but not limited to, roads, water and sewerage systems serving the Project and the general area, insure the reasonable proximity of and a capacity in each said improvement sufficient to meet the future needs of the Marine Terminal. It is currently anticipated that at full development the Marine Terminal will require not less than 0.10 million gallons of water per day at a pressure of 50 P.S.I. with a peak hour requirement of 550 G.P.M. and that the Marine Terminal will produce not less than 0.02 million gallons of sewerage effluent per day with a peak discharge 150 G.P.M.

Section 4.07 It is desirable for the successful effectuation of both the Project and the Marine Terminal that utility companies providing gas, telephone and electricity services, install, at their own cost and expense, facilities to serve the Project and the Marine Terminal. Toward that end, the parties agree to cooperate in obtaining such installations.

ARTICLE V

PROJECT REVENUES

Section 5.01 All revenues received by the City and the JCEDC as Net Operating Revenues from the Project shall be held by JCEDC and distributed in the following priority order:

a) Payment to JCEDC to cover its costs for Debt Service on JCEDC Infrastructure Investment.

b) Payment to the Port Authority to cover its costs for Debt Service on Port Authority Infrastructure Investment.

c) Payment to the JCEDC to cover its costs for Debt Service on Non-Infrastructure Investment.

d) Thereafter, in each year in which sufficient funds are available, one half of such remaining funds shall be paid to the Port Authority until such time as the full amount of the $3 million representing the value of the property conveyed pursuant to Section 3.02 hereof has been repaid.

Section 5.02 Should the City or the JCEDC convey title to substantially all of the Project Site to a person or persons not a party to this agreement the balance of the funds to be repaid to the Port Authority pursuant to Section 5.01 which remain unpaid shall become immediately due and owing.

Section 5.03 The City and the JCEDC shall furnish to the Port Authority as soon as practicable after the end of each calendar year, and in any event within ninety (90) days thereafter, financial statements covering the operation of the Project, including the Gross Operating Revenues, Net Operating Revenues and components thereof as well as the distributions to be made pursuant to Section 5.01 hereof, all in reasonable detail, which statements shall be prepared in accordance with generally accepted auditing standards relating to reporting.

Section 5.04 Until such time as full repayment is made to the Port Authority as provided for in this Article, the Port Authority shall have the right by its agents, employees and representatives to audit and inspect all books, records and other data relating to the Project and the cost thereof, and all books, records and other data relating to revenues and income. The Port Authority hereby expressly reserves all rights and remedies available to it in law and in equity in the event any Port Authority audit or inspection shows that any payment or failure to pay the Port Authority any amount due hereunder was not in accordance with the provisions hereof, or was otherwise improper.

ARTICLE VI

MUNICIPAL COOPERATION

Section 6.01 The City and the Port Authority agree that the repair, replacement or rehabilitation of certain municipal infrastructure systems and support systems within the City may directly benefit the Project Site and the Marine Terminal and that it is their mutual interests to cooperate in the rehabilitation and upgrading of certain systems. The City and the Port Authority will confer and jointly identify certain work projects to be undertaken by the City in the nature of repair, replacement or rehabilitation of certain infrastructure systems, including

but not limited to streets, traffic signals and utilities in the City which relate directly to the Marine Terminal and the Project.

Section 6.02 The City shall advise the Port Authority in writing of the proposed work projects to be undertaken as aforesaid, the estimated cost thereof, whether the work project will be performed by the City through its employees or by independent contractors, the estimated date of completion of the work project and the amount of financial support requested of the Port Authority.

Section 6.03 The Port Authority agrees to provide an amount not to exceed $750,000 for use by the City toward the total cost of the work to be undertaken by the City pursuant to this Article. The Port Authority will provide said funds, or a portion thereof, to the City upon written request from the City setting forth the information specified in Section 6.02 hereof. The Port Authority will have the right to approve or reject such requests for funds and to review all bids and contracts for the work covered thereby. Such review or approval shall not be unreasonably withheld or delayed.

Section 6.04 It is understood by the parties that the financial participation by the Port Authority in improvements to be undertaken by the City as provided for herein represents the entire Port Authority payment, either directly or indirectly, for work to be undertaken at sites other than on the Marine Terminal, and that no further requests for funds for such projects will be made by either the City or JCEDC.

ARTICLE VII

ROADS AND TRAFFIC

Section 7.01 (a) The City agrees that upon the request of the Port Authority which may be made from time to time, it shall adopt ordinances or take whatever other legal actions may be necessary and / or required to vacate all or any part of that portion of Port Jersey Boulevard described in Exhibit C attached hereto and to authorize the conveyance to the Port Authority of all of the City's right, title and interest therein. Upon vacation by the City, and in consideration thereof the Port Authority shall continue the payments as provided in Section 7.03(b).

(b) Upon the vacation of all or any part of said street by the City, the Port Authority will assume control of and be responsible for the improvement and maintenance of the former

street area acquired as a Marine Terminal Highway and the City will be relieved of any future responsibility with regard thereto.

Section 7.02 The City agrees, that, upon the request of the Port Authority it will cooperate and endorse any application by the Port Authority to the New Jersey Department of Motor Vehicles or any other State or local department or agency having jurisdiction in the matter for any permission or authority necessary to enable vehicles not yet registered to transit over Port Jersey Boulevard between the eastern terminus of that road and the Greenville Yard portion of the Marine Terminal.

Section 7.03 (a) The City agrees that from time to time it shall adopt such ordinances and take whatever other legal action may be necessary and / or required to grant to the Port Authority, for the duration of the Port Authority's ownership and control of the Marine Terminal, or for such greater or lesser time as the Port Authority may deem necessary, exclusive and sufficient legal rights to portions of Port Jersey Boulevard, more particularly described in Exhibit C attached hereto, for the Port Authority to utilize such property for marine terminal purposes including the construction, operation and maintenance of a private access road.

(b) The Port Authority agrees that, in consideration for the grant by the City to the portions of Port Jersey Boulevard described in Exhibit C as well as other obligations undertaken by the City in this Agreement including those provided for in Section 7.01 hereof, it will pay or cause to be paid to the City the sum of $40,000 per year for a period of twenty-five (25) years. The initial payment shall be made within thirty (30) days of the effective date of the ordinance granting said rights and thereafter on the anniversary of the effective date of said ordinance in each year a payment is due.

(c) The Port Authority shall have the exclusive right to use the property which is subject to the rights to be granted pursuant to this Section and, at its cost and expense, may pave, fence and utilize said property in conjunction with the operation of the Marine Terminal.

(d) The Port Authority agrees to indemnify and hold harmless the City against any and all claims and causes of action arising out of the use by the Port Authority of the portions of Port Jersey Boulevard described in Exhibit C attached hereto while under the operation and control of the Port Authority pursuant to paragraph (a) above.

Section 7.04 The Port Authority agrees that, in planning and constructing the location of rail ramps within the Marine Terminal, it will not construct or install any ramps that will hinder or impede traffic to and from the the Project and will confer with the City and JCEDC with re-

gard to the location of said ramps and will consider recommendations made by the City and JCEDC with regard thereto, it being understood however that the final decision with regard to the location of the ramps shall be solely within the Port Authority's discretion, subject to the above conditions.

Section 7.05 The City and JCEDC agree that, in planning the access and approach roads to the Project it will confer with the Port Authority and consider the possible impact on traffic to and from the Marine Terminal and will take no action or construct or install any roads, traffic systems or devices that will hinder or impede traffic to and from the Marine Terminal. It being understood however that the final decision with regard to the location of access and approach roads shall be solely within the City's and \ or JCEDC's discretion, subject to the above conditions.

ARTICLE VIII

MARKETING AND FOREIGN-TRADE ZONE COOPERATION

Section 8.01 The Port Authority will participate and cooperate with the City and JCEDC in the marketing of the Project and, toward that end, will provide technical services to the City and JCEDC to assist the City in obtaining foreign-trade zone status under the Foreign Trade Zone Act and will incorporate the Project Site in the Port Authority's current application. Toward that end the Port Authority and the JCEDC will seek to enter into a Foreign Trade Zone operating agreement. The Port Authority will also investigate and advise the City and JCEDC as to the feasibility of extending foreign-trade zone status to the City's urban enterprise zone.

Section 8.02 The City and JCEDC agree to endorse and cooperate with the Port Authority in an application to be made by the Port Authority to the Foreign Trade Zones Board for foreign trade zone status for the Marine Terminal and Industrial Park.

Section 8.03 The Port Authority will use its best efforts, to the extent permitted by law, to encourage the lessees, tenants or operators at the Marine Terminal to endeavor to provide employment to local personnel.

Section 8.04 The City and JCEDC will use their best efforts, to the extent permitted by law, to encourage the lessees, tenants, grantees or operators of the Project to utilize marine terminal facilities of the Port of New York and New Jersey for the import or export of water borne cargo used, manufactured, fabricated, stored or distributed at the Project.

ARTICLE IX

LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 9.01 The Port Authority shall not be liable for any claims arising or resulting from acts or omissions of the City, JCEDC, contractors or parties participating in the development of the Project provided that such limitation shall not extend to any claim arising or resulting from acts or omissions of the Port Authority, its officials, employees, agents or contractors or arising or resulting from the exercise of any rights or obligations which the Port Authority has reserved or assumed. The City and JCEDC hereby undertake and agree to indemnify and save the Port Authority harmless from, and at the Port Authority's request defend, any claims, causes of action or judgments, by reason of personal injuries, including death, sustained by any person or persons, and for any claims for damages to property, arising from the construction or operation of the Project except as to any claims arising or resulting from acts or omissions of the Port Authority, its officials, employees, agents or contractors or arising or resulting from the exercise of any rights or obligations which the Port Authority has reserved or assumed.

Section 9.02 The City or JCEDC shall not be liable for any claims arising or resulting from acts or omissions of the Port Authority, contractors or parties participating in the development of the Marine Terminal; provided that such limitation shall not extend to any claims arising or resulting from acts or omissions of the City, its officials, employees, agents or contractors or from acts or omissions of the JCEDC, its officials, employees, agents or contractors or arising or resulting from the exercise of any rights or obligations which the City or JCEDC has reserved or assumed.

Section 9.03 Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, nor the Mayor, any Councilman, or any officer, agent or employee of the City, nor the Executive Director or any Director, officer, agent or employee of the JCEDC shall be charged personally with any liability, or held liable under the terms or provisions of this Agreement, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

Section 9.04 Nothing contained within this Agreement is intended to nor shall it be construed to create any rights of any kind whatsoever in persons not parties to this agreement.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01 If any of the parties hereto shall materially breach any of the representations, warranties, or covenants set forth in this Agreement, and such breach shall be recurring or continue for a period of thirty (30) days, such party shall be deemed to be in default of this Agreement. Either non-defaulting party shall serve written notice of such default upon the defaulting party with a copy to all other parties and if, within thirty (30) days after such notice is served, the breach is not remedied or substantial action commenced to remedy such breach, such breach shall then constitute an Event of Default.

Section 10.02 Upon the occurrence of an Event of Default, either non-defaulting party may sue for damages or seek equitable relief in a Court of competent jurisdiction pursuant to the applicable statutes relating to suits against either party.

ARTICLE XI

NOTICE

Section 11.01 Any notice required under this Agreement to be sent by any party to the other shall be sent by certified mail, return receipt requested, and addressed as follows:

a) When sent to the Port Authority it shall be addressed to: Director, Port Department, The Port Authority of New York and New Jersey, 64 West, One World Trade Center, New York, New York 10048, unless prior to giving said notice the Port Authority shall have notified the parties hereto otherwise.

b) When sent to the City, it shall be addressed to : Mayor, City of Jersey City, City Hall, Grove Street, Jersey City, New Jersey 07302, unless prior to giving said notice the City shall have notified the parties hereto otherwise.

c) When sent to the JCEDC it shall be addressed to: Executive Director, Jersey City Economic Development Corporation, 601 Pavonia Avenue, Jersey City, New Jersey 07306 unless prior to giving said notice the JCEDC shall have notified the parties hereto otherwise.

ARTICLE XII

MISCELLANEOUS

Section 12.01 This agreement shall be construed in accordance with and the rights of the parties hereto shall be determined by the laws of the State of New Jersey.

Section 12.02 Neither this agreement nor any thing contained herein is intended, nor shall be construed as a consent, either expressed or implied by the Port Authority that it or the Marine Terminal be subject to state legislation or regulations, which would, in the absence of this agreement , otherwise not be applicable to it.

Section 12.03 This agreement, including the Exhibits attached hereto, sets forth the entire agreement among the parties concerning the subject matter hereof and shall not be modified or amended except by an instrument in writing signed by the parties. It is understood that this agreement revokes all prior and contemporaneous oral or written proposals, oral or written agreements, understandings, representations, conditions, warranties, covenants and all other circumstances between the parties relating to the subject matter of this Agreement.

Section 12.04 None of the parties shall assign, or attempt to assign, its respective obligations under this Agreement without the prior written consent of each of the other parties.

Section 12.05 This agreement shall become effective on the date of its execution or on the date of approval by the parties as provided in Section 12.06 hereof, whichever is later.

Section 12.06 (a) The parties agree that this Agreement shall not become effective until approved by the City Council of the City of Jersey City. Accordingly, the City shall deliver to the Port Authority and JCEDC a certified copy of any ordinance or resolution of the City Council, approved as to form by its Corporation Counsel, authorizing the execution of this Agreement and the consummation of the transactions contemplated hereunder, within ten (10) days after its effective date or the execution of this Agreement, whichever is later.

(b) The parties further agree that this Agreement shall not become effective until approved by the Board of Commissioners of the Port Authority and until the appropriate authorizations and certifications are made by the Board of Commissioners of the Port Authority, including those which are required in fulfillment of covenants with bondholders and applicable law prior to the issuance of Port Authority Consolidated Bonds. Accordingly, the

Port Authority shall deliver to the City and JCEDC a certified copy of any such resolution of the Board of Commissioners of the Port Authority, authorizing the execution of this Agreement and the consummation of transactions contemplated hereunder, within ten (10) days after the effective date of such resolution or the execution of this Agreement, whichever is later.

(c) The parties further agree that this Agreement shall not become effective until approved by the Board of Directors of the JCEDC. Accordingly, the JCEDC shall deliver to the Port Authority and the City a certified copy of the resolution of its Board of Directors approving this Agreement and authorizing its execution and the consummation of transactions contemplated hereunder, which resolution shall be delivered within ten (10) days after the effective date thereof or the execution of this Agreement, whichever is later.

Section 12.07 This agreement shall be binding upon the parties and their legal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have caused their duly authorized representatives to execute this Agreement as of the date first above written.

Attest:

City Clerk

City of Jersey City

Anthony R. Cucci, Mayor

Attest:

Secretary

The Port Authority of New York and New Jersey

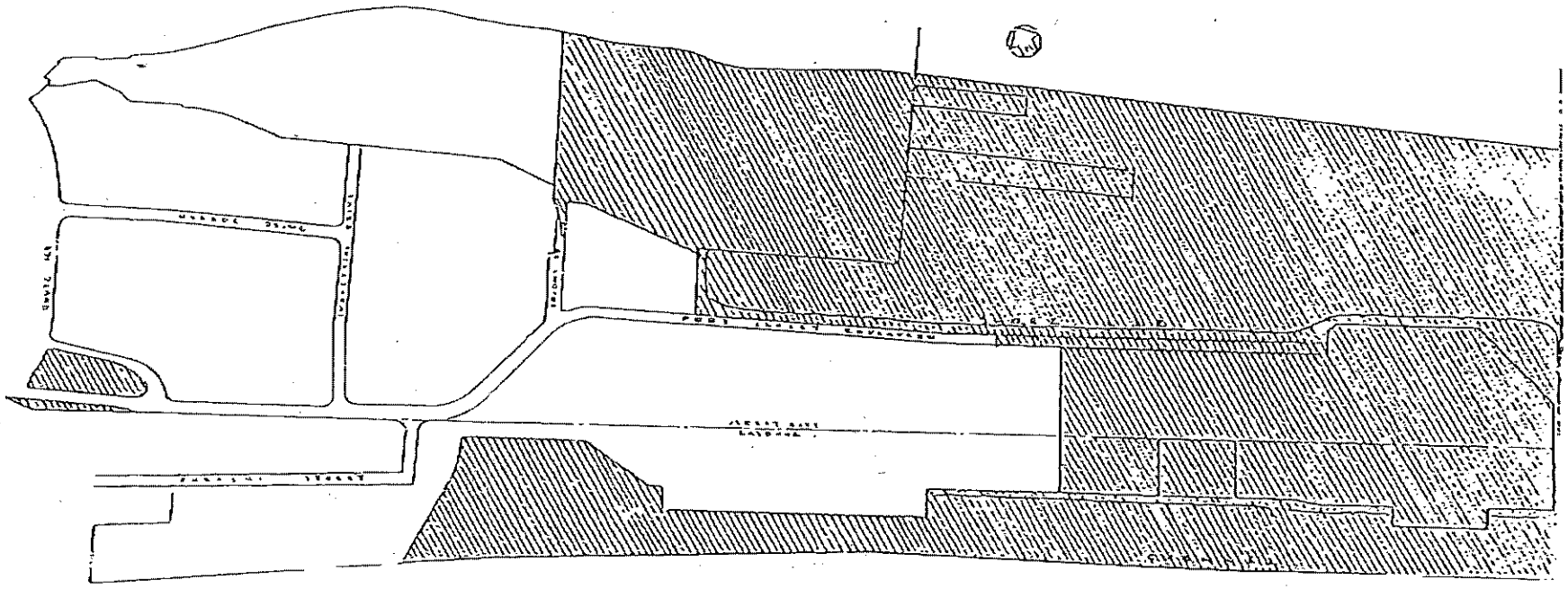
Stephen Berger
Executive Director

Attest:

Secretary

Jersey City Economic Development Corporation

Thomas D. Ahern
Executive Director



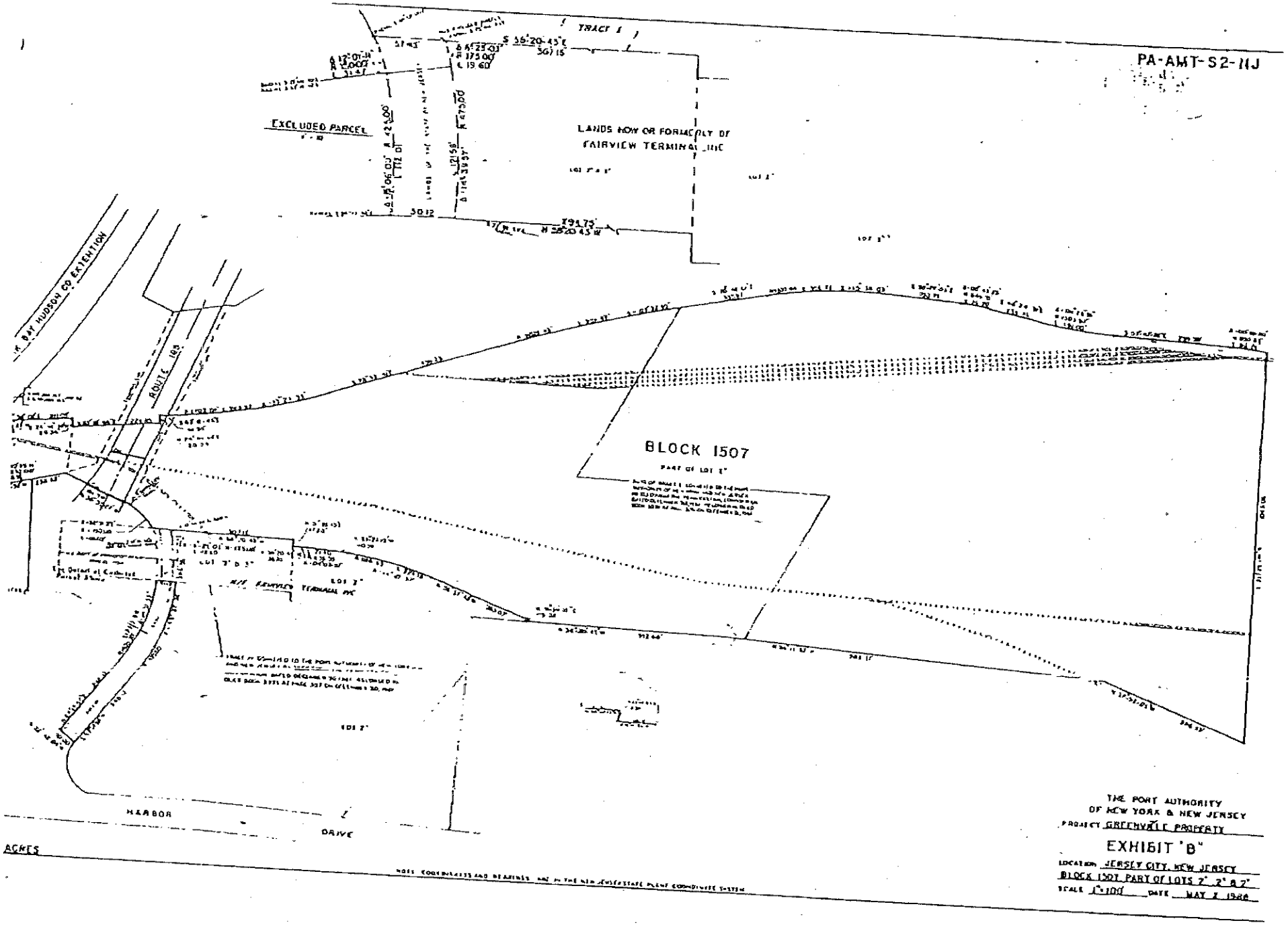
EXHIBIT

A

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

PORT AUTHORITY MARINE TERMINAL

DATE


PA-AMT-S2-11J
TRACT I
EXCLUDED PARCEL
LANDS NOW OR FORMERLY OF
FAIRVIEW TERMINAL INC
BLOCK 1507
PART OF LOT 2
ROUTE 185
HARBOR
DRIVE
ACRES
THE PORT AUTHORITY
OF NEW YORK & NEW JERSEY
PROJECT GREENVILLE PROPERTY
EXHIBIT "B"
LOCATION JERSEY CITY, NEW JERSEY
BLOCK 1507 PART OF LOTS 2, 2 & 2
SCALE 1"=100' DATE MAY 2 1988

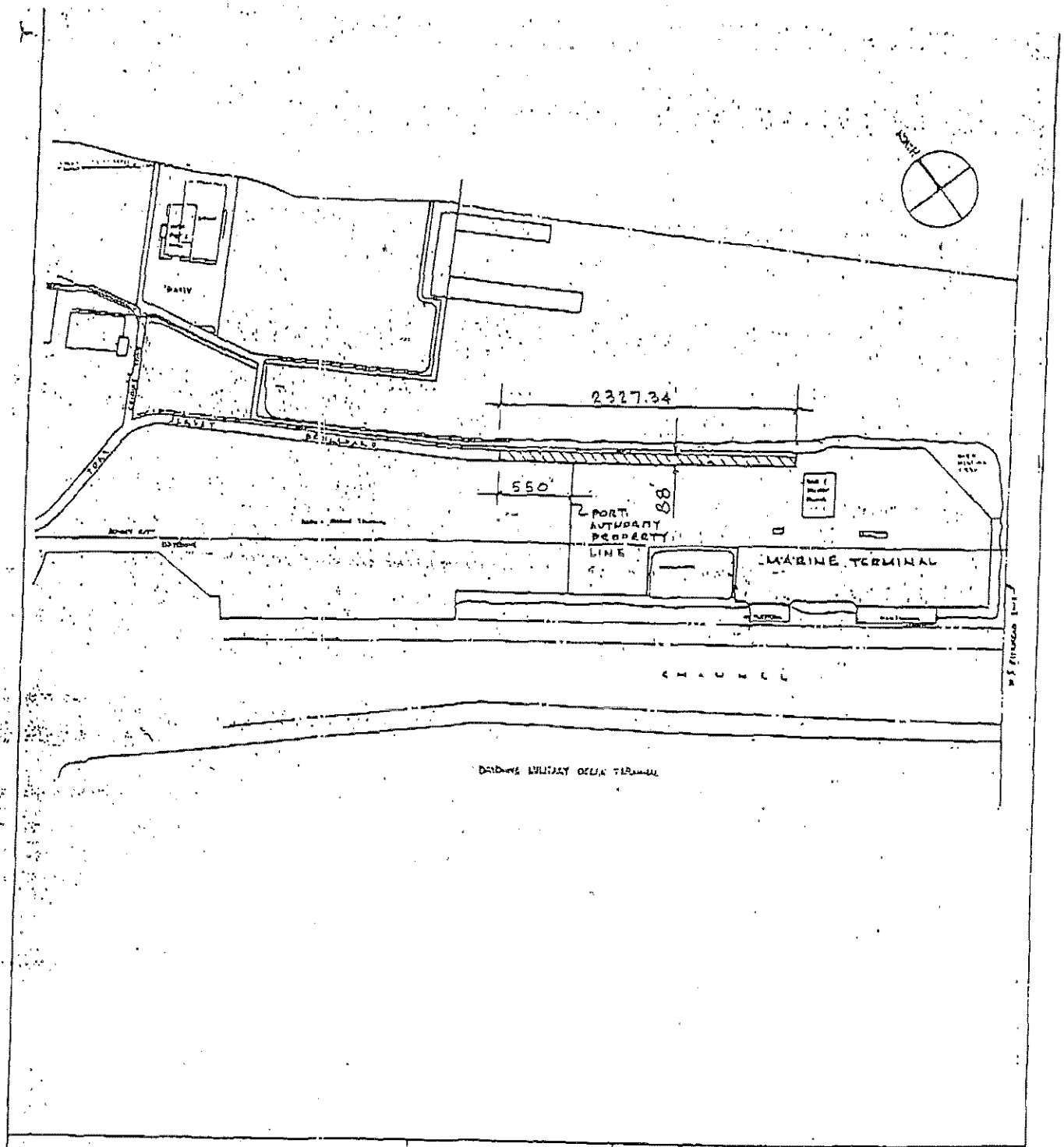


	EXHIBIT C	THE PORT AUTHORITY OF NEW YORK & NEW JERSEY PORT AUTHORITY MARINE TERMINAL DATE: -

AGREEMENT FOR THE VOLUNTARY PAYMENT IN LIEU OF TAXES (PILOT) BETWEEN THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND THE CITY OF JERSEY CITY

THIS AGREEMENT is made as of _____ ___, 2012, between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY,** a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having its principal executive office at 225 Park Avenue South, in the City, County and State of New York (hereinafter referred to as the "Port Authority") and **THE CITY OF JERSEY CITY**, a municipal corporation in the County of Hudson, State of New Jersey and organized under and existing by virtue of, the laws of the State of New Jersey, having its principal office located at 280 Grove Street, Jersey City, New Jersey (hereinafter referred to as the "City"). Collectively, throughout this agreement, the Port Authority and the City shall be referred to as the "Parties."

WITNESSETH

NOW THEREFORE, the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree as follows:

I. GENERAL

1.01 Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey and shall be governed by the provisions of (a) N.J.S.A., 32:1-35.52, (b) N.J.S.A. 32:1-35.60, N.J.S.A. 32:1-144, et seq, and (c) Ordinance No.11-122 pursuant to which the Municipal Council approved the Payments in Lieu of Taxes, and authorized the execution of this Agreement.

1.02 General Definitions

Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall mean:

a. Payments in Lieu of Taxes or PILOT – The amount the Port Authority has agreed to pay the City hereof which sum is in lieu of any taxes on the Improvements and the Land, including but not limited to any special assessments, added and or omitted assessments or property taxes of whatsoever kind which amount, if applicable, shall be pro-rated in the year in which the Payments in Lieu of Taxes terminate.

b. Payments in Lieu of Taxes Commencement Date – The Payments in Lieu of Taxes Commencement Date shall be January 1, 2011

c. City – The City of Jersey City.

d. Default – Shall be a breach of or the failure of the Port Authority to perform any obligation imposed upon the Entity by the terms of this Agreement beyond any applicable grace or cure periods after written notice of such failure.

e. Improvements – Any building, structure, improvements, or fixture permanently affixed to the Land for which property taxes are routinely assessed.

f. Land - The subject property more particularly described as Block 1514.C, Lots 301 and 302, Block 1514.D Lots 401 and 402, Block 1514.C Lot 302.DUP consisting of an area of 56.99 acres and the portion of Port Jersey Boulevard vacated by Ordinance 11-123 consisting of approximately 13.06 acres.

g. Law – Law shall refer to N.J.S.A. 32:1-35.52, N.J.S.A. 32:1-35.60, N.J.S.A. 32:1-144, et seq., and Ordinance No. 11-122 which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and/or regulations.

h. Ordinance – Ordinance No. 11-122 adopted by the Municipal Council of the City on October 12, 2011, attached hereto as Exhibit A, authorizing and accepting this PILOT Agreement pursuant to the authority set forth in N.J.S.A. 32:1-145.

i. Project – The Land and Improvements thereon which are the subject of this Agreement.

j. Termination – Any action or omission which by operation of the terms of this PILOT Agreement shall cause this PILOT Agreement to be terminated.

1.03 Exhibits Incorporated

All exhibits referred to in this PILOT Agreement and attached hereto are incorporated herein and made part hereof.

II. DURATION OF AGREEMENT

2.01 Term

It is understood and agreed by the parties that this Agreement, including the obligation to pay Payments in Lieu of Taxes and the tax exemption granted hereof, shall remain in effect during the period of usefulness of the Project and unless modified in accordance with section 3.06 below, shall continue in force only while fee title to the Project is owned by the Port Authority or any other agent, corporation, association or other entity formed by or contracting with the Port Authority.

2.02 Implementation of exemption & Filing with NJ DLGS

The City Clerk shall deliver to the City Tax Assessor a certified copy of the Ordinance No.11-122 adopted by the Municipal Council implementing the PILOT described herein however, the parties acknowledge and agree that the basis of the tax exemption is statutory and not dependent upon the adoption of the Ordinance. The Tax Assessor shall implement the exemption and continue to enforce that exemption without further documentation until the expiration of the entitlement to exemption by the terms of this PILOT Agreement.

Further, upon the adoption of this PILOT Agreement, a certified copy of Ordinance No. 11-122 adopted by the Municipal Council approving the tax exemption described herein and this PILOT Agreement shall forthwith be transmitted to the Director of the Division of Local Government Services by the City Clerk.

III. PAYMENTS IN LIEU OF TAXES (PILOT)

3.01 Commencement of PILOT

In consideration of the tax exemption, the Port Authority shall make payment of the PILOT commencing on the PILOT Commencement Date. In the event that the Port Authority fails to timely pay any installment due, the amount past due shall bear interest permitted under applicable New Jersey law then being assessed by the City against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid.

3.02 Payment of PILOT

The Port Authority shall pay to the City the PILOT (as calculated in Section 3.03 of this Article), within ten (10) days of their due dates. The PILOT shall be paid to the City on a semi-annual basis, with the first half payment due on January 1 and the second half payment due on July 1 of each year the PILOT payments are due. The PILOT shall be prorated in the year in which it terminates.

Each said payment shall be made to the Treasurer of the City of Jersey City. Checks shall be made payable to his/her order. Said payments shall be devoted by the City solely to purposes to which taxes may be applied, unless and until otherwise directed by the law of the State of New Jersey. The City shall forward to the County and School Board that amount which represents those entities' portion of the PILOT payments.

3.03 Calculation of the PILOT

The Parties agree, acknowledge and stipulate that the PILOT sums payable pursuant to this Agreement are fair and reasonable.[1]

The Port Authority agrees to pay to the City for the year 2011 and for each calendar year thereafter for so long as the Port Authority shall own the premises described in Exhibit "A" attached hereto and the City agrees to accept as an annual payment pursuant to the aforesaid statutes, in lieu of any and all City taxes and assessments on the premises, the sum of **$1,360,030.10**[2] per year which includes the land area of 56.99 acres of land and improvements **$1,106,468.50** and 13.06 acres of Port Jersey Boulevard **$253,561.65** which is to be vacated by the City. This amount shall be reduced in the first year by any tax payments the Port Authority has made to the City for 2011. Attached as Exhibit B is a list of tax payments made by the Port Authority to the City for which the Port Authority shall receive a credit towards the PILOT payments for 2011.

The PILOT amount shall be determined using the 2010 property tax year throughout the term of the PILOT without any increases or augmentation of any kind.

3.04 Exemption

For each year, from the date of acquisition by the Port Authority, and thereafter for as long as the Port Authority shall own the Land, the City will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the property comprising the aforesaid premises and for each such year the City will mark the said property exempt on its tax records with a notation that such entry is made in accordance with this Agreement. For purposes of this PILOT, taxable amounts shall be frozen as of 2010.

3.05 Semi-annual Installments PILOT

The PILOT shall be paid to the City on a semi-annual basis, with the first half payment due on January 1 and the second half payment due on July 1 of each year PILOT payments are due.

3.06 Reservation of Rights to Renegotiate PILOT agreement

The Port Authority reserves the right to renegotiate this PILOT agreement in the event the Legislature modifies and/or amends in any manner, including but not

[1] The calculations under this pilot are for the year 2010 and includes the Local Jersey City Tax, County of Hudson Tax, Jersey City School District Tax and School Debt Service tax.

[2] $253,561.65 of the $1,360,030.10 in the first year shall be pro-rated to the date when Port Jersey Boulevard is officially and fully vacated and title has reverted to the Port Authority.

limited to the calculation, methodology or source of funding for any service for which the Local, County and or School taxes are based which results in a diminishment in taxes otherwise conventionally chargeable from 2010 amounts. The Port Authority shall first give written notice to the City of its intention to renegotiate this PILOT Agreement. In the event of such renegotiation, the new PILOT amount shall be pro-rated from date of notice from the Port Authority.

IV. REMEDIES

4.01 Remedies for Non-Payment by the Entity

In the event of a Default on the part of the Port Authority to pay any installment of the PILOT Amount required by this agreement, the City's sole recourse is and shall be to seek specific performance of the terms of this agreement. No other action by the City is or shall be permitted in the event of Default on the part of the Port Authority and no tort or contract claim for any other element or quantum of damages shall be asserted against the Port Authority and the City hereby waives any such causes of action against the Port Authority, its commissioners, directors, representatives, employees and agents.

V. PROPERTY INTERESTS

5.01. Leasehold Transfers,

Notwithstanding anything to the contrary contained in this Agreement, the City acknowledges that any assignment, conveyance, mortgage or other transfer of Port Authority's interest in the subject property, Lease and any sublease or other use and/or occupancy agreement with respect to any portion of the Land and/or Improvements entered into by Port Authority shall not be deemed or construed to violate this Agreement or result in a Termination.

5.02 Subordination of Fee Title

It is expressly understood and agreed that the Port Authority has the right to encumber and/or assign the fee title to the Land and/or Improvements for the sole purpose of obtaining financing for use in the Project, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

VI. WAIVER

6.01 No Waiver

Nothing contained in this PILOT Agreement or otherwise shall constitute a waiver or relinquishment by the City or the Port Authority of any non-tax rights and remedies provided by the law except as expressly set forth in this Agreement.

VII. NOTICE

7.01 Notice

Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

When sent to the Port Authority, it shall be sent to the following address (or to such other address as Port Authority or its successor in interest under the Lease may specify from time to time):

Port Authority of New York & New Jersey
225 Park Avenue South, 14th Floor
New York, New York 10003
Attn: General Counsel

When sent to the City, it shall be addressed to:

Jersey City, City Hall,
280 Grove Street,
Jersey City, New Jersey 07302,
Attn: City Clerk

With copies sent to the **Business Administrator** and **Corporation Counsel** of the City unless prior to the giving of notice the City shall have notified the Port Authority otherwise. The notice to the City shall identify the subject with the tax account numbers of the tax parcels comprising the Land.

VIII. DEFAULT

8.01 Default

Default shall be the failure of the Port Authority to conform to the terms of this Agreement beyond any applicable notice, cure or grace period.

IX. TERMINATION

9.01 Conventional Taxes

Upon Termination or expiration of this Agreement, the Parties hereto may agree to enter a new PILOT Agreement to replace this Agreement.

X. MISCELLANEOUS

All of the following provisions shall continue from the date of execution and survive the term of this agreement or any termination thereof.

10.01 Conflict

The parties agree that in the event of a conflict between any other terms or conditions of any document or other agreement and this PILOT Agreement, the language in this PILOT Agreement shall govern and prevail as to the specific matters covered herein.

10.02 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this PILOT Agreement. This PILOT Agreement is entire agreement between the parties and there shall be no modifications thereto other than by a written instrument executed by the parties hereto and delivered to each of them.

10.03 Entire Document

All conditions in the Ordinance of the City Council approving this Agreement, annexed hereto as Exhibit A are incorporated in this Agreement and made a part hereof

10.04 Good Faith

In their dealings with each other, the parties agree that they have and shall act in good faith throughout the negotiation of this agreement.

10.06 Municipal Services

The Port Authority shall make payments for any municipal services not within the scope of property taxes, including water and sewer charges if applicable and any services that create a lien on parity with or superior to the lien for the Annual Service Charges, as required by law. Nothing herein is intended to release Port Authority from its obligation to make such payments.

10.07 Counterparts

This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

10.08 Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto.

10.09 No Third Party Rights:

Nothing contained herein is intended, nor shall be construed, to create any rights of any kind whatsoever in third persons not parties to this Agreement.

10.10 No Individual Liability:

Neither the Commissioners of the Port Authority nor any individual officer or official of the Port Authority or the City, nor any agent or employee of either of the Parties hereto shall be charged personally by any of the others with any liability nor held liable to either of the Parties hereto under any term, provision or paragraph of this Agreement or because of its execution or attempted execution or because of any breach hereof.

10.11 Captions Not Binding:

The captions in this agreement are inserted for reference only and in no way define, describe or limit the scope or intent of this Agreement or of any of the provisions hereof

10.12 Severability.

If any term or provision of this agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this agreement shall be valid and enforced to the fullest extent permitted by Law.

10.13 Procedural defects

If any defect in any procedural or public notice requirements or any other defect in the process required for the approval of this transaction is brought to the attention of either party, both parties agree to take any and all steps necessary to immediately correct the procedural deficiency to appropriately authorize the transaction contemplated hereby and effectuate the transaction.

10.14 Construction

The parties have participated jointly in the negotiation and drafting of this agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring and disfavoring any party by virtue of the authorship of any provision of this agreement. When the context requires the gender of all words used herein includes the masculine, feminine and neuter, and the number of all words includes the singular and plural. The terms "hereto," "herein," or "hereunder" refer to this agreement as a whole and not to any particular Article or Section hereof unless otherwise specified, all references to specific Articles, Sections, Schedules or Exhibits are deemed references to the corresponding Articles, Sections, Schedules and Exhibits in, to and of this agreement.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed on its behalf on the date and year first above written.

WITNESS:

ROBERT BYRNE, RMC

THE CITY OF JERSEY CITY

JOHN KELLY, BUSINESS ADMINISTRATOR

WITNESS:

PORT AUTHORITY OF NEW YORK & NEW JERSEY

EXECUTIVE DIRECTOR

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:

(Port Authority Acknowledgment)

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

On the 15th day of MAY, 2012 before me, the undersigned, a Notary Public in and for said state, personally appeared PATRICK J. FOYE personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as EXECUTIVE DIRECTOR for the Port Authority of New York and New Jersey, and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

(Signature of Notary Public)

DARRELL BUCHBINDER
Notary Public, State of New York
No. 60-0475475
Qualified in Westchester County
Commission Expires on April 30, 2015

(City of Jersey City Acknowledgment)

STATE OF)
)ss.:
COUNTY OF HUDSON)

On the 28th day of MARCH, 2012 before me, the undersigned, a Notary Public in and for said state, personally appeared Robert Byrne/John Kelly personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as a City Clerk/Business Admin of the City of Jersey City and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

SEAN J. GALLAGHER
NOTARY PUBLIC OF NEW JERSEY
I.D. # 2212707
Commission Expires 4/30/2013

Sean J. Gallagher
(Signature of Notary Public)

EXHIBIT A

(Ordinance No. 11-122 adopted by the Municipal Council of the City on October 12, 2011)

City Clerk File No. Ord. 11-122

Agenda No. 3.G 1st Reading

Agenda No. 4.F 2nd Reading & Final Passage

ORDINANCE
OF
JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CERTIFIED to be a true copy of ORDINANCE adopted by the Municipal Council of the city of Jersey City at its meeting of OCT 26 2011
CITY CLERK

CITY ORDINANCE 11-122

TITLE: ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY PERTAINING TO A MARINE TERMINAL ON THE PORT JERSEY BOULEVARD, PURSUANT TO ~~N.J.S.A. 32:1-35.31 AND~~ N.J.S.A. 32:1-144

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, the Port Authority of New York and New Jersey is undertaking the construction of a Marine Terminal in the Port Jersey area of the City of Jersey City, more particularly described on a map attached hereto; and

~~WHEREAS, pursuant to N.J.S.A. 32:1-35.31 the Port Authority of New York and New Jersey may not use or acquire any municipally owned real property interest, including property already devoted to a public use, for Marine Terminal purposes without the consent of the municipality; and~~

WHEREAS, the Port Authority of New York and New Jersey has acquired certain real property in Jersey City, more particularly described as Block 1514.C, Lots 301 and 302; and Block 1514.D, Lots 401 and 402, *Block 1514.C, Lot 302DUP*, which property was traversed by a dedicated public right of way or street, known as a portion of Port Jersey Boulevard and more particularly described in a street vacation ordinance adopted on even date; and

WHEREAS, the Port Authority of New York and New Jersey has determined that the property, including a portion of Port Jersey Boulevard, is necessary, convenient or desirable for Marine terminal purposes; and

~~WHEREAS, pursuant to N.J.S.A. 32:1-35.31 in order to obtain the City's consent for the acquisition of its property, a portion of Port Jersey Boulevard, through the adoption of a street vacation the Port Authority of New York and New Jersey has agreed to pay the City an annual fee; and~~

WHEREAS, pursuant to N.J.S.A. 32:1-144, to insure that the City does not suffer undue loss of taxes or assessments, due to the acquisition of non City owned Marine Terminal property, the Port Authority of New York and New Jersey has agreed to pay the City a fair and reasonable annual payment; and

WHEREAS, the City of Jersey City is willing to enter into an agreement whereby, the Port Authority of New York and New Jersey will pay the City total sum of $1,360,030.

NOW, THEREFORE, BE IT ORDAINED, by the Municipal Council of the City of Jersey City that:

1. the Mayor or Business Administrator is authorized to execute an agreement whereby the Port Authority of New York and New Jersey will pay the City the annual sum of $1,360,030 in consideration of the City's consent to the acquisition of a portion of Port Jersey Boulevard and an amount attributable to the loss of taxes and assessments arising from the acquisition

ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY PERTAINING TO A MARINE TERMINAL ON THE PORT JERSEY BOULEVARD, PURSUANT TO ~~N.J.S.A. 32:1-35.31 AND~~ N.J.S.A. 32:1-144

of the above described non municipal property for use as a Marine Terminal, all in accordance with ~~N.J.S.A. 32:1-35.31 and~~ N.J.S.A. 32:1-144 and any other documents appropriate or necessary to effectuate the purposes of the within ordinance.

2. The agreement shall be in substantially the form attached, subject to such minor modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.

A. All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.

B. This Ordinance shall be a part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.

C. This Ordinance shall take effect at the time and in the manner as provided by law but in no event prior to the adoption of the Ordinance approving the Morris Canal Redevelopment Plan.

D. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this Ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore, underlining has been omitted.
For purposes of advertising only, new matter is indicated by **bold face** and repealed matter by *italic*.

JM/he
9/21/11

APPROVED AS TO LEGAL FORM

Corporation Counsel

APPROVED:

APPROVED:

Business Administrator

Certification Required ☐
Not Required ☐

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord 11-122

3.G. SEP 27 2011 4.F. OCT 12 2011

TITLE:

Ordinance authorizing the execution of an agreement with the Port Authority of New York and New Jersey pertaining to a marine terminal on the Port Jersey Boulevard, pursuant to ~~N.J.S.A.32:1-35.31 and~~ N.J.S.A 32:1-144.

RECORD OF COUNCIL VOTE ON INTRODUCTION SEP 27 2011 9-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING OCT 12 2011 9-0											
Councilperson SOTTOLANO moved, seconded by Councilperson BRENNAN to close P.H.											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote YVONNE BALCER ESTHER WINTNER N.V.-Not Voting (Abstain)

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY OCT 12 2011											
Councilperson FULOP moved to amend* Ordinance, seconded by Councilperson SOTTOLANO & adopted 9-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

RECORD OF FINAL COUNCIL VOTE OCT 12 2011 9-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on SEP 27 2011

Adopted on second and final reading after hearing on OCT 12 2011

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on OCT 12 2011

Robert Byrne, City Clerk

APPROVED:

Peter M. Brennan, Council President

Date: OCT 12 2011

APPROVED:

Jerramiah T. Healy, Mayor

Date OCT 17 2011

Date to Mayor OCT 13 2011

*Amendment(s): PAGE 1. 3rd Wheras, add Block 1514, LOT 302DUP (in italics) REMOVE 2nd and 5th WHEREAS REMOVE NJSA 32:1-35.31 and From Now, THEREFORE, BE IT ORDAINED SECTION 1. and title.

EXHIBIT B

Amounts paid by or on behalf of the Port Authority of New York & New Jersey - $394,613.18

B O R O U G H O F M O O N A C H I E
C O U N T Y O F B E R G E N
STATE OF NEW JERSEY

RESOLUTION #88-31

WHEREAS, the Port Authority of New York and New Jersey purchased from the Borough of Moonachie a parcel of land now commonly known as the Teterboro Airport in 1951 for $67,000, and

WHEREAS, municipal tax on the parcel in 1951 was $16,335.58 and the Port Authority, while not required to pay tax as an exempt entity established by the legislatures of New York and New Jersey, has paid $16,335.58 in-lieu-of taxes annually since 1952, and

WHEREAS, the value of the payment at the end of 1987, as measured by the New York/Northern New Jersey Consumer Price Index, is now $3,380.11, and

WHEREAS, the cost of services provided has risen by at least a similar 4.4 fold, and

WHEREAS, the 1985 revaluation evaluated the parcel in excess of $84,000,000 and with an 82% factor, true value of the parcel is in excess of $102,000,000, and

WHEREAS, current tax on the land alone would amount to $1,188,635.67 if the property were not tax exempt, and

WHEREAS, many buildings and appurtenances have been added to the property over the years without assessment or evaluation due to lack of permitted access, and

WHEREAS, the will and intent of the original legislation was substantially subverted many years ago when the airport was leased by the Port Authority to a private, profit-making company which has in turn leased space to other private, profit-making companies for aircraft storage, contact points, et cetera, on tax-exempt property, and

WHEREAS, the cost of maintaining services and the trauma of the noise and nuisance of an airport falls unfairly on the residents of the Borough of Moonachie

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Moonachie, County of Bergen, State of New Jersey that we do hereby petition the Legislature of the State of New Jersey to support Assembly Joint Resolution AJR-13 establishing a commission to study the formulae employed in ascertaining the amounts paid in lieu of taxes by the Port Authority of New York and New Jersey to certain municipalities.

FREDERICK J. DRESSEL
M A Y O R

ATTEST: Jean Finch
JEAN FINCH
BOROUGH CLERK

DATED January 28, 1988

AGREEMENT made this 2ND day of OCTOBER 1951, by and between BOROUGH OF MOONACHIE, a municipal corporation of the State of New Jersey (hereinafter called the "Borough") and THE PORT OF NEW YORK AUTHORITY, a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of the Congress of the United States (hereinafter called the "Port Authority");

W I T N E S S E T H :

WHEREAS, by resolution of its Board of Commissioners, adopted on the 8th day of June, 1950, appearing at pages 134 to 137 of its official minutes of that date, the Port Authority found and determined that the acquisition of certain lands and premises in the Borough and in adjoining boroughs outlined on the map of property to be acquired by the Port Authority, hereto annexed and marked Schedule A, is necessary for an extension of Teterboro Airport and authorized the acquisition of said additional lands and premises, and

WHEREAS, portions of said lands and premises hereinafter described or designated are owned by the Borough and in addition thereto the Borough owns and holds tax sale titles and other interests in other portions of said lands and premises hereinafter more specifically described within said area which the Port Authority has requested the Borough to sell and convey to the Port Authority for the considerations specified in this Agreement, and

WHEREAS, said area is traversed by certain streets and other public rights-of-way which are to be discontinued and vacated in connection with the expansion of Teterboro Airport, and

WHEREAS, the acquisition of said lands and premises and closing of said streets necessitates the relocation of the Borough offices which relocation both the Borough and Port Authority desire to accomplish in such manner as to serve best the requirements not only of the present residents of the Borough but also of the expanded Airport within the boundaries of the Borough, and

WHEREAS, the Borough by resolution duly adopted by the Commissioners of the Borough on the 2ND day of OCTOBER, 1951, has authorized the execution and delivery of this Agreement,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained the parties hereto covenant and agree with each other as follows:

1. The Borough for and in consideration of the sum of SIXTY SEVEN THOUSAND ($67,000.00) Dollars to be paid by the Port Authority and satisfied as hereinafter mentioned and in consideration of the covenants and agreements of the Port Authority hereinafter set forth does agree to and with the Port Authority that the Borough will well and sufficiently convey or cause to be conveyed to the Port Authority, its successors and assigns by the deeds, and other instruments of transfer and conveyance hereinafter specified free from all encumbrances except as hereinafter specified on the closing date as hereinafter defined the following described lots, tracts or parcels of land and premises and other

properties and rights, to wit:

(A) The lots, tracts or parcels of land described by tax lot designation on Schedule B annexed hereto and made a part hereof, together with the buildings and improvements thereon except those designated as excepted on said Schedule and together with all appurtenances thereto by deed of bargain and sale with covenant against grantor's acts.

(B) The tax sale certificates sold by the Borough on the parcels listed by tax lot designation in Schedule C annexed hereto and made a part hereof, by, with respect to each separate tax sale certificate, an instrument assigning the same and conveying all right, title and interest, if any, in the lands and premises described therein and covered thereby.

(C) All right, title and interest to the Borough in and to all lands or premises or interests or estate in lands or premises acquired by any grant or conveyance to the Borough or any predecessor municipality of the Borough affecting any of the real property within the area inside the territorial limits of the Borough outlined on the map hereto annexed and designated Schedule A which is not included in the interests heretofore described under (A) or (B) of this Paragraph 1 of this Agreement, by bargain and sale deed without covenant. It being understood that with respect to any real property covered by the conveyance under this subdivision (C) of Paragraph 1 of this Agreement and not covered

by subdivision (A) and subdivision (B) hereof, the same shall be subject to unpaid municipal taxes and assessments, if any, and to tax sale titles owned by the municipality, if any, for the year 1951 or any prior years other than the tax sale titles listed in Schedule D hereto annexed, which the Borough is either to assign to the Port Authority or to cancel of record pursuant to the provisions of Paragraph 4 of this Agreement.

2. The Borough shall close, vacate and discontinue such streets or other public rights-of-way or any portions thereof, whether opened by ordinance or resolution of the Borough or otherwise, now dedicated to the public use, which lie wholly within the area within the territorial limits of the Borough outlined on the map hereto attached and marked Schedule A, as the Borough shall be requested to close, vacate and discontinue by notice from the Port Authority given from time to time, but the Borough will not close, vacate and discontinue any such streets or public rights-of-way within said area without the consent of the Port Authority.

3. As and for consideration for the conveyance of the rights and interests described in this Agreement and for the performance by the Borough of the Borough's covenants under this Agreement, the Port Authority will, on the closing date hereinafter specified, pay to the Borough the sum of

VC Sixty seven thousand dollars ($67,000.00) VC

Said sum shall be applied by the Borough to the construction at its own cost and expense of a new municipal

building to be constructed by the Borough at a location outside the area outlined on the map hereto attached and marked Schedule A. The Port Authority will prepare and furnish to the Borough SUGGESTED detailed plans and specifications for the construction of said new municipal building in accordance with the design heretofore submitted to the Borough by the Chief Engineer of the Port Authority.

The Chief Engineer of the Port Authority or such representatives as he may authorize shall have the right from time to time to inspect the work of construction of the building. If the Borough so requests, the Chief Engineer will render reports to the Borough based upon such inspection as may be made pursuant to the authority granted to the Chief Engineer of the Port Authority under this Agreement, which shall state whether or not the work performed is in accordance with the plans and specifications.

4. At the option of the Port Authority, the Borough will either assign to the Port Authority or cancel of record, as the Port Authority may elect by notice with respect to each separate parcel, the tax sale certificates or unpaid tax charges against the lands listed in Schedule D hereto annexed.

5. The closing date hereunder shall be on the 3RD day of DECEMBER, 1951 or on such date prior thereto as may be specified by the Port Authority by notice to the Borough not less than thirty (30) days prior to the herein specified closing date.

The deeds and other instruments of transfer and conveyance required to be delivered hereunder by the Borough to the Port Authority shall be delivered and received at the office of the General Counsel of the Port Authority, Room 1508, 111 Eighth Avenue, New York, New York, between the hours of 10:00 o'clock in the forenoon and 5:00 o'clock in the afternoon of the closing date.

6. Any notice required or authorized to be given to or by either party to this Agreement shall be in writing signed by an officer of the party authorized to give such notice and shall be either personally delivered to the duly designated officer of the other party or delivered at his office during regular business hours or forwarded to him by registered mail. Until further notice, the duly designated officers upon whom notices shall or may be served are as follows:

For the Borough	Borough Clerk Municipal Building Borough of Moonachie State of New Jersey;
For the Port Authority	Executive Director The Port of New York Authority 111 Eighth Avenue Borough of Manhattan City, County and State of New York.

If mailed, the giving of notice shall be effective at the time of mailing.

7. This Agreement is expressly declared to be for the benefit of each of the parties hereto and those

successors and assigns of the respective parties in whom the real property interests herein granted may hereinafter vest or upon whom the duties herein imposed may devolve and shall not merge in any conveyance to be made hereunder.

8. Neither the Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee of either the Borough or the Port Authority, shall be charged personally with any liability or held liable in any way 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 of any of the terms or conditions hereof.

9. This Agreement is subject to the approval of the Commissioners of the Port Authority.

IN WITNESS WHEREOF, the parties hereto have caused their respective corporate seals to be affixed hereto and duly attested and these presents executed by their duly authorized officers, as of the day and year first above written.

ATTEST: BOROUGH OF MOONACHIE

Barney J. Miracky By William Conti

Barney J. Miracky
Clerk

William Conti
Mayor

ATTEST: THE PORT OF NEW YORK AUTHORITY

/S/ JOSEPH G. CARTY By /S/ AUSTIN TOBIN

Joseph G. Carty
Secretary

Executive Director

APPROVED TERMS FORM

STATE OF NEW JERSEY)
: ss.:
COUNTY OF BERGEN)

BE IT REMEMBERED, that on this 2nd day of October 1951, before me, the subscriber, A master of the Superior Court of New Jersey, personally appeared Barney J. Miracky who being by me duly sworn on his oath, says that he is the Clerk of the Borough of Moonachie, named in the foregoing Instrument; that he well knows the seal of said Borough; that the seal affixed to said Instrument is the seal of said Borough of Moonachie; that the said seal was so affixed and the said Instrument signed and delivered by William Conti who was at the date thereof the Mayor of the Borough of Moonachie, in the presence of this deponent, and said Mayor at the same time acknowledged that he signed, sealed and delivered the same as his voluntary act and deed, and as the voluntary act and deed of said Borough of Moonachie, by virtue of authority from the governing body of said Borough, and that deponent, at the same time, subscribed his name to said Instrument as an attesting witness to the execution thereof.

Sworn and subscribed to before me this 2nd day of October, 1951.

Barney J. Miracky
Barney J. Miracky

Guy W. Calissi
Guy W. Calissi
A Master of the Superior Court of N.J.

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

BE IT REMEMBERED, that on this day of October 1951, before me the subscriber, a Master of the Superior Court of New Jersey, personally appeared JOSEPH G. CARTY and made proof to my satisfaction that he is the Secretary of THE PORT OF NEW YORK AUTHORITY, one of the parties named in the foregoing Instrument; that he well knows the corporate seal of said corporation; that the seal affixed to said Instrument is the corporate seal of said corporation; that the said seal was so affixed and the said Instrument signed and delivered by who was at the date thereof Executive Director of said corporation, in the presence of this deponent, and said Executive Director at the same time acknowledged that he signed, sealed and delivered the same as his voluntary act and deed, and as the voluntary act and deed of said corporation, and that deponent, at the same time, subscribed his name to said Instrument as an attesting witness to the execution thereof.

Sworn and subscribed to before me at New York, N. Y., this day of October, 1951.

S/Joseph G. Carty
Joseph G. Carty

S/William B. Morley
William B. Morley
A Master of the Superior Court of N.J.

SCHEDULE B

Fee Title Parcels

Block	5	- Lot	20	
"	5	- "	21	
"	5	- "	24 to 27	
"	5	- "	29	
"	5	- "	30	
"	6	- "	16	
"	6	- "	20	
"	7	- "	16	
"	7	- "	16A	
"	7	- "	18	
"	7	- "	19	
"	7	- "	15, 17	
"	7	- "	20	
"	7	- "	21	
"	7	- "	22	
"	7	- "	23	
"	8	- "	20	
"	9	- "	13	
"	10	- "	12	
"	11	- "	6	
"	12	- "	11	
"	17	- "	1, 5	
"	17	- "	2, 4	
"	20	- "	2	
"	20	- "	3	
"	25	- "	4	
"	42	- "	11, 12	
"	42	- "	13, 14	
"	45	- "	5 to 7	
"	45	- "	8 to 11	
"	45	- "	32, 33	
"	45	- "	29 to 31	
"	45	- "	34 to 36	
"	71	- "	3	
"	72	- "	1	
"	72	- "	2	
"	85	- "	7, 8	
"	207	- "	1	
"	207	- "	5	

Such buildings and structures on the lands constituting Block 7, Lots 18 and 19 as are owned by the fire company and such buildings and structures on the premises constituting Block 7, Lot 16 as were formerly owned by the State of New Jersey through the Administrator of the Public Housing and Development Authority in the Department of Economic Development of said state, are to be excepted from the conveyance.

SCHEDULE C

Tax Sale Transfer Parcels

Block 27 - Lot 1

" 28 - " 2, 3

SCHEDULE D

Old Tax Sale Assignment or Cancellation

Parcels

Block	5 -	Lot	23
"	29 -	"	5, 6
"	29 -	"	9 to 13
"	30 -	"	1
"	39 -	"	16, 17
"	39 -	"	1 to 15
"	42 -	"	8, 9, 10
"	44 -	"	1, 2
"	45 -	"	49, 50
"	48 -	"	8, 9
"	48 -	"	14
"	48 -	"	17
"	48 -	"	18
"	54 -	"	25, 26
"	55 -	"	28
"	56 -	"	27
"	64 -	"	13
"	65 -	"	22, 23
"	65 -	"	30 to 34
"	65 -	"	36 to 45
"	67 -	"	1, 2
"	57 -	"	25, 26
"	63 -	"	37 to 41
"	65 -	"	27

I hereby certify the above agfeement to be a true copy of the agreement adopted by the Mayor and Council at a meeting held on the 2nd day of October, 1951.

Barney J. Miracky

Barney J. Miracky, Clerk

PILOT
NORTH WING
PART-AIRSPACE

1031/1
1032/29
1
1050/13
1051/29

CITY OF NEW YORK
BOARD OF ESTIMATE
BUREAU OF SECRETARY
RECEIVED SEP 4 1975 REL 350 PG 1069
REFERRED CALENDAR
Reg. No. 0380 Vol. 145

THIS AGREEMENT, made the 15th day of December, 1971, to be effective the 15th day of August, 1975 (hereinafter referred to as "Effective Date") by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic established by Compact between the States of New York and New Jersey with the consent of the Congress of the United States, having its principal office at One World Trade Center, New York, New York, party of the first part, hereinafter sometimes referred to as the Port Authority, and THE CITY OF NEW YORK, a municipal corporation having its principal office at the City Hall, in the Borough of Manhattan, party of the second part, hereinafter sometimes referred to as the City;

WHEREAS, the President of the Borough of Manhattan has presented to the Board of Estimate of The City of New York for consideration a map consisting of two sheets and bearing Acct. No. 29997, Sheet 1 of which map is dated February 3, 1971, and revised to May 18, 1971 and Sheet 2 of which map is dated February 3, 1971, entitled "Map showing a change in the street system by establishing the lines of West 41st Street between Ninth Avenue and Dyer Avenue; by eliminating, discontinuing and closing a portion of West 41st Street between Ninth Avenue and Dyer Avenue; by eliminating, discontinuing and closing volumes of West 41st Street, above and below designated limiting planes, between Eighth Avenue and Ninth Avenue; by eliminating, discontinuing and closing volumes of the west side of Eighth Avenue, above a designated lower limiting plane, between West 40th Street and West 42nd Street; by eliminating, discontinuing and closing volumes of West 40th Street and West 42nd Street, above and below designated limiting planes, in the vicinity of Eighth Avenue and by establishing roadway treatment therefor", in the Borough of Manhattan and has requested the adoption of a resolution approving said map; and

WHEREAS, the Port Authority is the owner of certain lands abutting the streets shown on said map; and

WHEREAS, the Board of Estimate deeming it in the public interest, favors such change in the City's street system, but withholds the adoption of a resolution until the Port Authority submits an agreement in form and sufficiency satisfactory to the Corporation Counsel of The City of New York, waiving all claims for damages by reason of the map changes, or by reason of flooding, assuming to save the City harmless from any and all claims of others for damages by reason of same; and agreeing to:

1) Cede to the City, without charge, land as shown upon the aforesaid map and more fully described hereinafter;
2) Grant to the City a permanent easement as shown on said map and as more fully hereinafter described;
3) Apply to the Board of Estimate for a release of the City's interest in the portions and volumes of the streets to be eliminated, discontinued and closed as shown on said map;
4) Make the improvements as hereinafter provided.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That the Port Authority for itself, its successors and assigns, in consideration of One Dollar ($1.00), the adoption of the resolution relative to the aforesaid map, the acceptance by the City of the deed of cession to the aforementioned portions of West 41st Street, the grant of easement as shown on said map and as more particularly described herein, and upon the conditions hereinafter set forth, does hereby:

(1) Remise, release and forever discharge the said City and its successors of and from any and all claim or claims and cause or causes of actions whatsoever, which it has or may hereafter have; or which it or its successors and assigns may hereafter have against the City by reason of the

widening, the elimination, discontinuance and closing of the streets or any portions or volumes thereof as shown on said map, or by reason of flooding or by reason of any work being done or action taken arising from the map change and requirements of this Agreement and, as between the City and the Port Authority and for their benefit only, the Port Authority agrees to and does hereby save the City harmless from any and all similar claims of other parties.

(2) The Port Authority does hereby agree to and will indemnify and hold the City harmless from any and all claims of any kind which other parties, public utilities and any other persons may have arising by reason of the closing of said streets, and/or the work done, and use and occupancy by the Port Authority of City streets during the construction, operation and maintenance of the Bus Terminal Extension and the tunnel approaches thereto and therefrom, and the Port Authority agrees to reimburse the City for all costs and expenses it may incur in connection therewith.

(3) Agree to pay the City the sum of $5,000.00, as the expense of City personnel for the mapping and processing thereof, a check for which has heretofore been delivered to the office of the President of the Borough of Manhattan.

(4) Apply herewith to the Board of Estimate in accordance with its rules for a release to the Port Authority or its successors and assigns, of the interest of the City in and to the portions and volumes of the streets being eliminated, discontinued and closed as set forth in Exhibit "A" attached hereto and made a part hereof in consideration of the mutual covenants and agreements as herein set forth. Such release or releases shall be delivered upon the determination by the Board of Estimate that such property is no longer required for public use by the City and subject to the following conditions:

(a) That the Port Authority shall at the time of the delivery of the deed be the owner of lands abutting

on one side of the portions and volumes of the former street areas to be conveyed, and should the Port Authority not be the owner of such land as above described on the date of said deed then any deed given by the City for the same shall be null and void.

(b) As a closing adjustment upon delivery of the deed, the Port Authority will assume and pay all taxes, assessments, water charges and sewer rents which become liens against the property so to be conveyed from the date of the adoption of the resolution of the Board authorizing such conveyance; and

(c) That the Port Authority will pay for and furnish any revenue stamps required to be affixed to the deed and shall pay any other conveyance taxes, fees or revenue charges that shall be in force at the time of the delivery of the deed and which shall be applicable to the Port Authority, and in addition thereto shall pay to the Corporation Counsel of The City of New York the sum of One Hundred Dollars ($100.00) for the preparation of the necessary papers in connection with such release.

It is further understood and agreed that such release shall reserve (I) a reverter to the City of the street volumes eliminated, discontinued and closed as shown on the hereinabove mentioned map bearing Acct. No. 29997 in the event said volumes are no longer utilized for bus terminal or Lincoln Tunnel approach purposes and (II) in the event the space between the top of the proposed passageway under 41st Street and the street level is

insufficient for the placement of cables by franchised CATV companies, the Port Authority shall make available to franchised CATV companies, free of charge, a reasonable amount of space within the passageway for the placement of cables.

(5) The Port Authority simultaneously herewith cedes without charge to the City, free and clear of liens and encumbrances, the lands in West 41st Street as shown on the aforesaid map bounded and described as follows:

Parcel A

Beginning at the corner formed by the intersection of the westerly line of Ninth Avenue with the northerly line of West 41st Street, as these streets are now in use;

Running (1) thence westerly along said northerly line of West 41st Street, a distance of 400.00 feet to a corner;

Thence (2) northerly and at right angles with the last mentioned course, a distance of 43.25 feet to a corner;

Thence (3) easterly along a line drawn parallel to said northerly line of West 41st Street, distant 43.25 feet northerly therefrom, a distance of 400.00 feet to said westerly line of Ninth Avenue;

Thence (4) southerly along said westerly line of Ninth Avenue, a distance of 43.25 feet to the point or place of beginning.

Parcel B

Beginning at the corner formed by the intersection of the easterly line of Ninth Avenue with the northerly line of West 41st Street as these streets are now in use;

Running (1) thence northerly along said easterly line of Ninth Avenue, a distance of 20.00 feet to a point;

Thence (2) southeasterly along a line forming an interior angle of 75° 04' 07" with the last mentioned course, a distance of 77.62 feet to the said northerly line of West 41st Street;

Thence (3) westerly along said northerly line of West 41st Street, a distance of 79.30 feet to the point or place of beginning.

The above described parcel has a lower limiting plane of 3.00 feet below curb grade and no upper limiting plane.

(6) The Port Authority simultaneously herewith grants to the City, free and clear of liens and encumbrances, without charge, a permanent and perpetual easement for sidewalk purposes upon the north side of West 41st Street as shown upon said map bounded and described as follows:

> Beginning at a point on the north line of West 41st Street, said point being 83.73 feet west of the westerly line of 8th Avenue as shown on a map dated February 3, 1971 and submitted to the Board of Estimate on February 11, 1971, Calendar 198;
>
> Running thence westerly along said northerly line of West 41st Street, a distance of 264.00 feet to a corner;
>
> Thence northerly and at right angles to the last mentioned course, a distance of 7.92 feet to a corner;
>
> Thence easterly along a line 7.92 feet from and parallel to the northerly line of West 41st Street, a distance of 264.00 feet to a corner;
>
> Thence southerly and at right angles to the last mentioned course, a distance of 7.92 feet to the point or place of beginning.
>
> The above described sidewalk easement has an upper limiting plane 16.00 feet above curb grade and a lower limiting plane at curb grade.

With the right in the City at all times to enter the same with men, material and equipment for the purpose of constructing, reconstructing, maintaining and inspecting the sidewalk on same. No structure or construction of any kind shall be built or erected within the easement area nor shall the same be used for storage purposes. No trees shall be planted thereon and the same shall be kept open and unobstructed for use by the City as above provided for.

(7) In the event that at the time the deed of cession and/or the easement granted herein are submitted for recording there is a failure of title for any reason, then the City shall institute proceedings to acquire the areas proposed to be ceded and/or granted and the Port Authority agrees to pay all awards, interest thereon, mapping charges, cost of City personnel, experts' fees, stenographic minutes and all other costs and expenses the City may incur in connection with such proceedings. As to the property interests

above described as Parcels A and B and the sidewalk easement, which are all to be conveyed simultaneously herewith, the Port Authority hereby agrees to waive any award to which it might be entitled in any proceedings instituted by the City to perfect its title to those property interests and will not interpose any defense to, or otherwise interfere with, such proceedings.

(8) Unless otherwise indicated herein, the Port Authority hereby agrees to perform at its sole cost and expense under the supervision of the City Departments having jurisdiction the following work in accordance with plans and specifications to be approved by such City Departments:

A. Department of Highways

1. West 41st Street: - Dyer Avenue to 9th Avenue:

   a) Grade the street to its fully mapped width of 53 feet;

   b) Install new steel faced concrete curbs 11 feet south of the north building line, and 2 feet north of the south building line, and new full width concrete sidewalks;

   c) Pave the full 40 feet width of roadway with a 3 inch asphaltic concrete pavement on a 6 inch concrete base.

2. West 41st Street: - 9th Avenue to 8th Avenue:

   a) Fill and grade the street to its fully mapped width of 58.5 feet, including the widened mapped width on the north side of the street east of 9th Avenue, and the widened portion on the north side of the street including the sidewalk easement area west of 8th Avenue;

   b) Install new steel faced concrete curbs 11 feet south of the north building line, and 11 feet south of the northerly edge of the sidewalk easement line; and 9.5 feet north of the south building line, and new full width concrete sidewalks;

   c) Pave the full widths of roadway with a 3 inch asphaltic concrete pavement on a 6 inch concrete base.

3. South side of West 42nd Street and north side of West 40th Street from 8th to 9th Avenues; west side of 8th Avenue from West 40th to West 42nd Streets, and intersection of West 41st Street at 9th Avenue and at Dyer Avenue:

   a) Repair or install sidewalks, curbs and pavements where necessary with like materials and adjust to meet existing conditions.

4. Relocate and/or construct seepage basins, drainage basins, inlets and connections where required.

5. Construct steel faced concrete curbs throughout and at all corners.

6. Backfill to be placed in street areas where required.

7. All street work is to be constructed to the present established legal filed grades unless a variance is given by the Commissioner of Highways.

8. The Port Authority shall secure all permits required by the Department of Highways in connection with the above street improvements.

B. <u>Bureau of Water Pollution Control</u>

1. The Port Authority shall submit to the Department of Water Resources for approval a drainage scheme (including hydraulic computations) showing the existing sewers to be abandoned and the location, size and slope of new sewers to be constructed. The drainage scheme must be prepared in accordance with the Department's latest design criteria for the preparation of drainage plans and will show the following presently contemplated work which is subject to modification, with the approval of the Department of Water Resources, due to field conditions or design changes:

   a) the abandonment of an existing sewer on the west side of Eighth Avenue from its northerly terminus to a point approximately 20 feet north of the north building line of West 41st Street;

   b) the reconstruction of the existing sewer on the west side of Eighth Avenue from a point approximately 20 feet north of the north building line of West 41st Street to a point approximately 10 feet south of the south building line of West 41st Street;

c) the abandonment of the existing sewer in West 41st Street from its easterly terminus to its outlet sewer in Ninth Avenue;

d) construction of new sewers in the south side of West 41st Street from a point approximately 165 feet west of the west building line of Eighth Avenue to the east building line of Ninth Avenue;

e) construction of a new sewer on the north side of West 41st Street from a point approximately 375 feet west of the west building line of Eighth Avenue to the east building line of Ninth Avenue;

f) the construction of any sewers necessary to connect the new sewers in West 41st Street between Eighth and Ninth Avenues to the existing sewer in Ninth Avenue at a point north of the Port Authority tunnel construction in Ninth Avenue;

g) the abandonment of the existing sewer in Ninth Avenue from a point just north of the Port Authority tunnel construction in Ninth Avenue to a point approximately 85 feet north of the northerly building line of West 40th Street;

h) the reversal of the direction of flow in the existing sewer in Ninth Avenue from a point approximately 85 feet north of the northerly building line of West 40th Street to a new junction chamber in the intersection of Ninth Avenue and West 40th Street;

i) a new junction chamber in the intersection of Ninth Avenue and West 40th Street to channel the flow from all sewers flowing to the intersection to an existing sewer in West 40th Street west of Ninth Avenue;

j) the abandonment of the existing sewer in the former bed of West 41st Street between Ninth Avenue and Dyer Avenue;

k) the construction of a new sewer in the bed of West 41st Street (as relocated) from a point approximately 90 feet west of the west building line of Ninth Avenue to the westerly terminus of the existing sewer which is to be abandoned in the former bed of West 41st Street;

l) the location of all catch basins required by the Department of Highways for the Port Authority project.

2. The Port Authority shall submit to the Department of Water Resources, for approval, prior to commencement of work, sewer construction plans and specifications which must be prepared in accordance with the aforesaid approved drainage scheme and the City's construction standards and specifications.

3. The Port Authority shall at its cost and expense (a) perform all sewer work shown on said approved drainage plan in the manner shown on the approved construction plans and specifications and (b) provide that permits, where applicable, be secured from the Department of Highways and the Department of Water Resources before the commencement of any sewer work, including connection of house sewers.

4. All sewers to be constructed under this Agreement shall be located in those portions of the street remaining in City ownership except for the sewer for which the Port Authority shall grant the City a permanent easement as described in Clause 7 of this Section B at the northeast corner of West 41st Street and Ninth Avenue.

5. The Port Authority shall at its sole cost and expense maintain flow, including repair and reconstruction if necessary, in all existing sewers located within those portions of the streets discontinued and closed until such time that the construction of the

Bus Terminal extension and tunnel approaches thereto and therefrom and the new sewers mentioned above has progressed far enough to allow for their abandonment. The Port Authority shall install and maintain, in a manner satisfactory to the Department of Water Resources, temporary sewers and connections as required during the construction of the project.

6. The Port Authority agrees to perform the construction of all sewers and appurtenances thereto, contemplated in connection with this Agreement, under the supervision of the Department of Water Resources and further agrees to reimburse the City its reasonable costs incurred in the field inspection of such construction.

7. The Port Authority agrees to grant the City a permanent and perpetual easement for a portion of a public sewer to traverse Port Authority property below the triangular parcel to be conveyed to the City pursuant to this Agreement at the northeast corner of Ninth Avenue and West 41st Street on condition that the Port Authority be responsible for extraordinary maintenance of said portion of the sewer such as structural repairs and reconstruction, if necessary, and the City be responsible for ordinary maintenance of the sewer including maintenance of free flow, cleaning and internal obstruction removal.

8. The Port Authority does hereby relinquish in perpetuity for itself, its heirs, successors and assigns any sewer connection rights into sewers to be abandoned along property having frontage on the west side of Eighth Avenue between West 42nd and West 41st Streets; the north side of West 41st Street between Eighth Avenue and a point 375 feet westerly from westerly

building line of Eighth Avenue; the east and west sides of Ninth Avenue between the southerly building line of existing West 41st Street and a point 120 feet southerly from said existing southerly building line of West 41st Street; and the south side of West 41st Street from the westerly building line of Eighth Avenue to a point 160 feet westerly therefrom. The sewer connection rights being relinquished are for Port Authority property which now fronts on existing sewers which are to be abandoned in conjunction with the Bus Terminal Extension and in replacement of which new sewers will not be constructed by the Port Authority under this Agreement.

9. The Port Authority agrees to provide ordinary and extraordinary maintenance including free flow and repair and reconstruction, if necessary, for the following sewers to be constructed under this Agreement:

(a) the sewer on the southerly side of West 41st Street between the westerly building line of Eighth Avenue and the easterly building line of Ninth Avenue;

(b) the sewer, located 3 feet westerly from the easterly building line of Ninth Avenue, crossing the roof of the new tunnel to be constructed under West 41st Street, necessary to connect the sewers on the south side of West 41st Street with the sewers on the north side of West 41st Street.

Extraordinary repairs are subject to the approval of the Department of Water Resources.

C. Bureau of Water Supply

The Port Authority shall, at its own cost and expense:

1. Submit plans and specifications for the relocation and reconstruction of existing water mains, hydrants, services, etc. and obtain approval before construction can commence. All City water facilities must be relocated to lie in City owned streets unless otherwise approved.

2. Supply, relocate and reconstruct new water mains, hydrants, etc. as specified on submitted and approved plans and specifications. Also install and maintain temporary water mains, connections, services, fire protection, etc., as required during the construction of the project.

3. Repair or reconstruct existing water mains and appurtenances in the project area which may be damaged by construction operations or construction equipment used for the project or related to the construction of project or as a result of any acts of the Port Authority, its contractors or subcontractors.

4. Maintain all relocated water mains and appurtenances for a period of two (2) years from the date of completion of all accepted and approved water work.

5. Deliver to the Bureau of Water Supply's Storage Yard all hydrants, valve boxes complete, and other water main materials, as designated by this bureau, which are not reinstalled in the work.

6. Pay all charges for work performed by the City such as inspections, shutoffs and similar activities.

D. Bureau of Gas and Electricity

1. Remove the existing street lights and foundations as required. In the final construction, base, poles and luminaires will be furnished by the City and installed by the City.

2. Furnish and install fluorescent fixtures for the lighting of the ceiling beneath the Bus Terminal overpass above West 41st Street. Provide and install service wire and conduit and other required appurtenances, including a control panel box with time switch, relays and fuses, as may be necessary to achieve the required illumination.

3. Remove existing luminaires from traffic signal poles as required by the City. The City shall furnish and install new standard luminaires.

4. Lampposts, bases, luminaires and other appurtenances removed and not to be reinstalled shall be delivered to a designated City storage yard.

5. Furnish, install and maintain temporary lighting at locations where required, with equipment furnished on loan by the City.

6. The cost of operation and maintenance of all permanent lighting on the City circuits will be borne by the City.

E. Fire Department

1. Fire Communications - The duct system between West 40th Street and West 42nd Street, including the Empire City Manhole at West 41st Street, on 9th Avenue, shall be altered to coincide with the remapping and grade changes in the area. The fire alarm signal stations located at West 40th Street and West 42nd Street, on 9th Avenue, shall be relocated if necessary. All work involved and the entire cost of providing the necessary cable and

appurtenances needed to relocate Fire Department facilities shall be provided by the Port Authority. The existing system shall remain in service until the new fire alarm facilities are placed in service by the Fire Department.

Changes in the Empire City Subway Co. duct lines due to the subject project will necessitate the installation of a 40-wire cable and a 4-pair cable. As the contractor for the Port Authority cannot purchase the 40-wire cable, the Fire Department will supply same upon receiving a comparable amount in value of 10-pair cable Spec. No. 12-6-9:68. The amount of 10-pair cable will be based on the price of the 40-wire cable. The contractor can readily purchase the 4-pair cable.

2. Hydrants and Mains - The two (2) hydrants on West 41st Street between Dyer Avenue and 9th Avenue will be required to be moved closer to property line.

3. Access must be maintained for emergency vehicles at all times. The preferred access would be two way but a minimum of a 12' lane will be acceptable if two way cannot be provided.

4. One half of all intersections should be open at all times via docking or limitation of trench construction.

5. Hydrants should be retained in service and accessible to the fullest extent feasible.

6. The Fire Department must be notified forthwith when water mains and/or hydrants are placed out of service and in service.

7. If alarm boxes or alarm facilities are affected, the Bureau of Fire Communications must be notified forthwith. Contact Joseph Hemmelberger (643-5964).

8. The Fire Department must be consulted if any streets are to be closed or any extensive detours are to be set up.

9. If the main that supplies sprinklered buildings is shut down, those buildings should be temporarily supplied.

10. All work is to be done under the supervision of a Fire Department representative.

11. The furnishing, delivery and installation of the aforementioned cable and all appurtenances, such as duct work, restoration, conduits, etc., necessary to restore the existing fire alarm system to its original functional manner shall be the responsibility of the Port Authority.

F. Department of Traffic

1. The Traffic Department will remove all traffic signal equipment where necessary. The cost for such removal shall be borne by the Port Authority.

2. The Port Authority, at its cost, will install all conduit and foundations for all new or relocated traffic signals as directed by the Traffic Commissioner.

3. The Department of Traffic will install any new traffic signal poles, signal lenses, control equipment, cable and connections. The cost of the installation of all such traffic signal equipment or modifications to existing equipment will be borne by the Port Authority. The traffic signal equipment for these installations will be supplied by the Department of Traffic.

4. All temporary traffic signal systems which may become necessary during the course of construction shall be installed by the Department of Traffic as required in cooperation with the Port Authority. All such costs will be borne by the Port Authority.

All of said work which shall be performed, in accordance with plans and specifications to be approved by the City Departments having jurisdiction, and under their supervision shall be commenced no later than three (3) years from the Effective Date of this Agreement and be completed within eight (8) years from said date.

The obligations to improve said streets as provided in this Agreement shall, however, survive the acquisition by the City of said streets, whether same be acquired by cession, deed or condemnation proceeding.

The Port Authority shall have the right to enter any and all areas with men, material and equipment for the purpose of effecting any of the improvements required by this Agreement, and this provision shall survive delivery of the deed of cession and the easement grant provided for in Sections (5) and (6) hereof.

(9) The Port Authority has negotiated an Agreement with the New York City Transit Authority with respect to pedestrian connections between the Eighth Avenue Independent Subway Mezzanine and the Port Authority Bus Terminal Extension. It may be desirable to further improve such connections, and the Port Authority agrees to work with the Mayor's Office of Midtown Planning & Development of the City and the Transit Authority to determine whether such further improvements are viable and should therefore be effectuated.

It is further agreed by the Port Authority that: (i) in the event the City requires, by appropriate legislation, that capital contributions to the widening and improvement of the 42nd Street IND Station and the existing subway underpass connecting the Times Square Station of the IRT Division of the New York City Transit Authority with the 42nd Street Station of the IND Division thereof, (a) shall be made by all of the property owners affected by such widening and improvement, and (b) that such contributions shall be predicated upon a front foot formula for allocating

the actual costs then the Port Authority shall make a voluntary contribution to the City measured by applying a front foot formula to the Bus Terminal Extension properties as if the Port Authority were subject to the said l.. slation. Said front foot formula shall apply to the property "affected by" which shall be deemed to be the frontage of the parcels along both sides of 8th Avenue between West 40th and West 42nd Streets and along both sides of West 41st Street between 7th and 8th Avenues. In the further event that such legislation shall provide for reimbursement of capital contributions if the widening and improvement shall not be commenced or completed by the City within stated time limits, then any Port Authority contribution shall be made subject to such contingent reimbursement; (ii) the Port Authority will work with the New York City Taxi & Limousine Commission and representatives of the appropriate local Community Board toward providing the most effective taxi handling facilities and procedures which may be practicable with suitable measures dependent upon the experience observed as the new Bus Terminal Extension is put in operation. Liaison will be continued on an on-going basis; (iii) the Port Authority will provide policing for the Bus Terminal Extension just as it has for the existing Bus Terminal. It will also work with the New York City Police Department Traffic Division in regard to controlling vehicular traffic in and around the Bus Terminal and its Extension. The above will result in the assignment of additional Port Authority police to the Bus Terminal complex; (iv) the Port Authority will monitor emissions from the ventilating systems at the existing Bus Terminal and the Bus Terminal Extension and continue its close cooperation with the City and State Environmental agencies both in regard to air and noise conditions; and (v) the Port Authority will construct the Bus Terminal Extension so that in the event development of the frontage on the east side of Eighth Avenue between 41st and 42nd Streets includes a pedestrian overpass across Eighth Avenue, it will be structurally possible to make the necessary alterations

to connect the overpass to the Bus Terminal Extension's upper concourse level. The parties hereto, recognizing that there may be architectural and functional problems in integrating the pedestrian overpass with the Bus Terminal Extension's upper concourse level, agree to endeavor in good faith to resolve the problems involved in such integration. In the event the pedestrian overpass is realized, the Port Authority further agrees to grant the City the necessary property interests to enable the pedestrian bridge to connect with the Bus Terminal Extension's upper concourse level which interests the City agrees not to assign without prior written approval of the Port Authority.

(10) It is further understood and agreed by and between the parties hereto that the Port Authority, its successors and assigns, shall indemnify and hold harmless the City from all loss, damage, expense, claims and actions which it may suffer or sustain or be held liable for, arising by reason of loss of life or damage or injuries to persons whomsoever, or to property whatsoever, or to whomsoever belonging, occurring, during or in connection with the above work.

(11) The parties hereto agree that the aforementioned sewer construction will be accomplished without recourse against other property owners in the area drained and the Port Authority waives its rights, if any, to an apportionment proceeding pursuant to the Administrative Code of The City of New York. It is further agreed that upon the completion of said sewers, same shall be maintained by the Port Authority until acceptance of said sewers by the City which acceptance shall take place two (2) years after the Port Authority's Chief Engineer certifies to the Commissioner of Water Resources that work in the streets under this Agreement has been completed. Acceptance shall be preceded by an inspection of the sewer work by the Department of Water Resources to ensure that said construction conforms to

the approved plans and specifications referred to in Section 8B herein. Said inspection and acceptance shall not be unreasonably delayed or withheld. Upon completion and before acceptance, the Port Authority shall supply the Department of Water Resources with "as-built" record drawings, in a form satisfactory to the Department, for all sewer work done in conjunction with the project. After completion and acceptance of the sewers, same shall be deemed the property of The City of New York without further action on the part of the parties hereto.

(12) To secure the City that the work above provided for will be done in the time and manner therein set forth, the Port Authority agrees that if such improvements are not commenced within three (3) years from the Effective Date of this Agreement nor completed within eight (8) years after said date, then in such event the City may make said improvements and collect such costs and expenses as it may incur in the performance of such work from the Port Authority.

To further secure the City that the improvements provided for in this Agreement have been done in good workmanlike condition and of good material, the Port Authority agrees to protect the City against any claim, loss or expense (including attorneys' fees) to which the City may be subject by reason of any latent or patent defect or faulty construction in said improvements for a period of two (2) years after the completion and acceptance of same. The Port Authority also agrees that if it does not immediately make any and all necessary repairs whenever requested to do so by the City, then the City may make said repairs and collect any and all costs and expenses it may incur by reason of same from the Port Authority.

(13) It is the intention of the Port Authority to lease the air rights above the proposed Bus Terminal Extension to a private developer

for the purpose of erecting thereon a superstructure (Office Tower) which is to be subject to real estate taxes and other appropriate fees and charges to the extent permitted by law.

Accordingly, it is understood and agreed by the Port Authority:

a) That the Port Authority, in constructing the Bus Terminal Extension, shall include as part of such construction all the necessary structural features to insure that said Extension has adequate strength to support physically the superstructure (Office Tower) contemplated to be erected on top thereof by the private developer and is architecturally compatible for such use.

b) That in the event the construction of the said superstructure (Office Tower) above the Bus Terminal Extension is not commenced within three (3) years from the Effective Date of this Agreement, the Port Authority shall convey to the City, free of charge and free of liens and encumbrances, the parcel of property in the Borough of Manhattan owned by the Port Authority, within Block 1051, located along the north side of relocated West 41st Street between Ninth Avenue and Dyer Avenue, together with air rights, if any, over said relocated West 41st Street, more particularly bounded and described as follows:

> BEGINNING at a point in the northerly line of relocated West 41st Street, distant 100.00 feet westerly thereon from the corner formed by the intersection of said northerly line of relocated West 41st Street with the westerly line of Ninth Avenue and running thence (1) Westerly, along said northerly line of said relocated West 41st Street, a distance of 225.00 feet to a point in the easterly face of the parapet wall adjoining Dyer Avenue, said point lying in the westerly line of lands acquired by The Port of New York Authority by Order Vesting Title on February 20, 1969 in a proceeding entitled, "IN THE MATTER OF THE APPLICATION OF THE PORT OF NEW YORK AUTHORITY TO ACQUIRE TITLE TO CERTAIN REAL PROPERTY IN THE COUNTY, CITY AND STATE OF NEW YORK, FOR ADDITIONAL APPROACHES AND IMPROVEMENTS TO THE LINCOLN TUNNEL," in the Supreme Court of the State of New York, County of New York, Index No. 20128/1968; thence (2) Northerly, along said easterly face of said parapet wall, parallel with said westerly line of Ninth Avenue and along the westerly line of lands acquired as aforesaid, a distance of 35.50 feet to the center

line of the Block; thence (3) Easterly along said center line of the Block and along the northerly line of lands acquired aforesaid, a distance of 225.00 feet; thence (4) Southerly, parallel to said westerly line of Ninth Avenue and along an easterly line of lands acquired as aforesaid, a distance of 55.50 feet to the point and place of beginning.

Any reference herein to "Dyer Avenue" is inserted purely for purposes of identification and is not intended to constitute dedication of said area known as Dyer Avenue for street purposes or for any other right of passage.

c) That the Port Authority shall pay to the City the sum of $35,000.00 per annum for the right to the use of all the air space over West 41st Street, extending 388'± westerly from the west side of Eighth Avenue above elevation 16 feet measured from curb grade until such time as construction of the superstructure (Office Tower) is commenced and the said construction becomes subject to taxation. The initial payment shall be made within forty-five (45) days from the Effective Date of this Agreement and shall cover the period from December 15, 1971 to December 15, 1975. Thereafter annual payments shall be made in advance for each successive year on or before December 15th. Any such payment for said yearly period in which the superstructure (Office Tower) is first subject to taxation shall be prorated and the City after the due date for the first quarter taxes shall refund to the Port Authority the prepaid prorated portion of such payment to cover the period from the due date of the first quarter taxes until the end of the payment year ending December 15th. No payments shall be due thereafter from the Port Authority under this Paragraph (c).

(14) The Port Authority shall deliver to the City certificates of the issuance of public liability insurance policies, with current premiums marked paid, insuring the Port Authority and the City at all times against any claims, suits, demands, causes of action or judgments by reason of personal injuries (including death) sustained by any person or persons, and for any claim or damage to property occurring on or in the premises, or arising out of or as a result of the work being done under this Agreement by the Port Authority, in the aggregate amount of Forty Million ($40,000,000) Dollars,

with the option in favor of the Port Authority to be a self-insurer to the extent of the first Five Hundred Thousand ($500,000) Dollars of loss. Two signed copies of said certificates bearing the endorsement "includes contractual liability to The City of New York" shall be delivered to the City and such certificates shall contain an agreement by the insurance company issuing a policy that such policy shall not be cancelled without thirty (30) days' prior notice to the City. At least thirty (30) days prior to the expiration of any policy or any renewal thereof, two copies of a new certificate of the renewal of the insurance policy insuring the Port Authority and the City shall be delivered to the Corporation Counsel and the Comptroller's Office of the City. The policy or policies or renewals thereof shall remain in full force and effect until the work is completed and accepted, and a two (2) year maintenance period thereafter is terminated.

(15) The Port Authority agrees, upon submission of the deed of cession and the grant of easement hereinabove referred to, to deliver to the City a certificate from a title company doing business in The City of New York and approved by the Corporation Counsel that fee title to the street areas ceded and easement granted are free from liens and encumbrances and can be so granted, ceded and conveyed to the City by the Port Authority. The certificate shall be in a form approved by the Corporation Counsel.

(16) In any conveyance made by the Port Authority of lands or any portions thereof presently owned by it and to be conveyed to the Port Authority by the City hereunder, the Port Authority shall, by appropriate provision in such deed obligate the grantee to assume and comply with all of the terms and conditions of this Agreement as though such grantee were a party hereto, without in any manner releasing the Port Authority from its obligations hereunder.

(17) The Port Authority hereby covenants and agrees to submit and file with the Department of Buildings a copy of this Agreement prior to the improvement of the premises owned by the Port Authority.

(18) All the covenants and conditions contained in this Agreement shall be binding on the Port Authority, its successors and assigns, and shall be a covenant running with the land presently owned by the Port Authority as well as the land to be conveyed to the Port Authority by the City pursuant to this Agreement.

(19) Notwithstanding anything contained herein, the party of the first part covenants and agrees to comply with all federal, state and municipal laws, ordinances and regulations that are now in effect or that may be enacted hereafter affecting the terms and conditions of this Agreement applicable to the Port Authority.

IN WITNESS WHEREOF, the Port Authority has caused these presents to be signed by its duly authorized officer and its corporate seal to be hereunto affixed the day and year first above written.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: A. Scott Hulbert
Executive Director

ATTEST:

Pauline A. Zygarowicz
Assistant Secretary

Approved as to form for Port Authority

Francis A. Milhorn
Deputy General Counsel

Approved as to form for City

Nicholas W. Goss
Acting Corporation Counsel

PARCEL 1

TECHNICAL DESCRIPTION OF WEST 41ST STREET BETWEEN NINTH AVENUE AND DYER AVENUE TO BE DISCONTINUED, CLOSED AND RELEASED TO THE PORT AUTHORITY

Beginning at the corner formed by the intersection of the westerly line of Ninth Avenue with the southerly line of West 41st Street, as these streets are now in use;

Running thence (1) westerly along said southerly line of West 41st Street, a distance of 325.00 feet to a corner;

Thence (2) northerly and at right angles to the last mentioned course, a distance of 50.25 feet to a corner;

Thence (3) easterly and at right angles to the last mentioned course, a distance of 325.00 feet to the said westerly line of Ninth Avenue;

Thence (4) southerly along the said westerly line of Ninth Avenue, a distance of 50.25 feet to the point or place of beginning.

Subject to the continuing right of the City to operate, maintain repair, rebuild and replace City owned utilities presently within, or to be constructed by the Port Authority on behalf of the City pursuant to the Agreement dated as of December 15, 1971 between The Port Authority of New York and New Jersey and The City of New York within the above volume to be eliminated, discontinued, closed and released to the Port Authority, together with all necessary rights of access thereto.

Subject to a right of reverter in favor of the City in the event the above parcel is no longer utilized for Bus Terminal purposes or Lincoln Tunnel approach purposes.

PARCEL 1A

TECHNICAL DESCRIPTION OF WEST 41ST STREET BETWEEN NINTH AVENUE AND DYER AVENUE TO BE DISCONTINUED, CLOSED AND RELEASED TO THE PORT AUTHORITY BELOW AN UPPER LIMITING PLANE

Beginning at a point in the westerly line of Ninth Avenue distant 50.25 feet northerly thereon from the corner formed by the intersection of the westerly line of Ninth Avenue with the southerly line of West 41st Street as these streets are now in use;

Running thence (1) westerly along a line drawn parallel to said southerly line of West 41st Street, distant 50.25 feet northerly therefrom, a distance of 325.00 feet to a corner;

thence (2) northerly and at right angles to the last mentioned course, a distance of 2.00 feet;

thence (3) easterly and at right angles to the last mentioned course, a distance of 325.00 feet to said westerly line of Ninth Avenue;

thence (4) southerly along said westerly line of Ninth Avenue, a distance of 2.00 feet to the point and place of beginning.

The above described parcel has an upper limiting plane of 1.00 foot below curb grade and no lower limiting plane.

Subject to the continuing right of the City to operate, maintain repair, rebuild and replace City owned utilities presently within, or to be constructed by the Port Authority on behalf of the City pursuant to the Agreement dated as of December 15, 1971 between The Port Authority of New York and New Jersey and The City of New York within, the above volume to be eliminated, discontinued, closed and released to the Port Authority, together with all necessary rights of access thereto.

Subject to a right of reverter in favor of the City in the event the above parcel is no longer utilized for Bus Terminal purposes or Lincoln Tunnel approach purposes.

PARCEL 2

TECHNICAL DESCRIPTION OF A VOLUME OF WEST 41ST STREET BETWEEN EIGHTH AVENUE AND NINTH AVENUE TO BE DISCONTINUED, CLOSED AND RELEASED TO THE PORT AUTHORITY BELOW AN UPPER LIMITING PLANE

Beginning at the corner formed by the intersection of the westerly line of Ninth Avenue with the southerly line of West 41st Street as these streets are now in use;

Running thence (1) northerly, along said westerly line of Ninth Avenue, a distance of 60.00 feet to an angle point;

Thence (2) easterly and at right angle to the last mentioned course, a distance of 175.00 feet to a corner;

Thence (3) southerly and at right angle to the last mentioned course, a distance of 3.00 feet to a corner;

Thence (4) easterly and at right angle to the last mentioned course, a distance of 20.00 feet to a corner;

Thence (5) southerly and at right angle to the last mentioned course, a distance of 2.35 feet to a corner;

Thence (6) easterly and at right angle to the last mentioned course, a distance of 38.65 feet to an angle point;

Thence (7) easterly, forming an interior angle of 177°-40'-06" with the last mentioned course, a distance of 195.41 feet to an angle point;

Thence (8) easterly forming an interior angle 182°-19'-54" with the last mentioned course, a distance of 93.77 feet to a corner;

Thence (9) northerly and at right angle to the last mentioned course, a distance of 12.30 feet to a corner;

Thence (10) easterly and at right angle to the last mentioned course, a distance of 27.43 feet to a corner;

Thence (11) northerly and at right angle to the last mentioned course, a distance of 1.00 foot to the existing northerly line of West 41st Street;

Thence (12) easterly and along the said northerly line of West 41st Street, at right angle to the last mentioned course, a distance of 349.90 feet to the existing exterior wall of the 8th Avenue Subway;

Thence (13) southerly along the existing exterior wall of the 8th Avenue Subway to the existing southerly line of West 41st Street;

Thence (14) westerly, along said southerly line of West 41st Street, a distance of 377.33 feet to a corner;

Thence (15) northerly and at right angle to the last mentioned course, a distance of 6.30 feet to a corner;

Thence (16) westerly, and at right angles to the last mentioned course, a distance of 94.62 feet to an angle point;

Thence (17) westerly, forming an interior angle of 177°-37'-28" with the last mentioned course, a distance of 195.42 feet to an angle point;

Thence (18) westerly, forming an interior angle of 182°-22'-32" with the last mentioned course, a distance of 57.80 feet to an angle point;

Thence (19) westerly, forming an interior angle of 185°-11'-29" with the last mentioned course, a distance of 175.72 feet to the point or place of beginning.

The above described parcel has an upper limiting plane as shown in the section and profile on Map Acc. No. 29997, Sheet 2 of 2, dated February 3, 1971 and submitted to the Board of Estimate on February 11, 1971, Calendar No. 198. It has no lower limiting plane.

Subject to a right of reverter in favor of the City in the event the above parcel is no longer utilized for Bus Terminal purposes or Lincoln Tunnel approach purposes.

Subject to the continuing right of the City to operate, maintain repair, rebuild and replace City owned utilities presently within, or to be constructed by the Port Authority on behalf of the City pursuant to the Agreement dated as of December 15, 1971 between The Port Authority of New York and New Jersey and The City of New York within, the above volume to be eliminated, discontinued, closed and released to the Port Authority, together with all necessary rights of access thereto.

Reserving unto the City the right to require the Port Authority to make available to franchised CATV companies, free of charge, a reasonable amount of space within the proposed passageway under West 41st Street for the placement of cables in the event the space between the top of the proposed passageway under West 41st Street and the street level is insufficient for the placement of cables by franchised CATV companies.

PARCEL 3

TECHNICAL DESCRIPTION OF A VOLUME OF WEST 41ST STREET WEST OF EIGHTH AVENUE TO BE DISCONTINUED, CLOSED AND RELEASED TO THE PORT AUTHORITY ABOVE A LOWER LIMITING PLANE

Beginning at the corner formed by the intersection of the northerly line of West 41st Street as now in use with a line drawn parallel to the westerly line of Eighth Avenue and 1.50 feet easterly therefrom;

Running thence southerly, along said parallel line, a distance of 58.50 feet to a point on the southerly line of West 41st Street as now in use;

Thence westerly along said southerly line of West 41st Street, a distance of 388.05 feet to an angle point;

Thence northeasterly, forming an interior angle of 57°-55'-59" with the last mentioned course, a distance of 69.03 feet to a point on the said northerly line of West 41st Street;

Thence easterly along said northerly line of West 41st Street, forming an interior angle of 122°-04'-01" with the last mentioned course, a distance of 351.40 feet to the point or place of beginning;

The above described parcel has a lower limiting plane 16 feet above curb grade and no upper limiting plane.

Subject to a right of reverter in favor of the City in the event the above parcel is no longer utilized for Bus Terminal purposes or Lincoln Tunnel approach purposes.

PARCEL 4

TECHNICAL DESCRIPTION OF A PORTION OF WEST 42ND STREET BETWEEN EIGHTH AVENUE AND NINTH AVENUE TO BE DISCONTINUED, CLOSED AND RELEASED TO THE PORT AUTHORITY BELOW AN UPPER LIMITING PLANE

Beginning at the corner formed by the intersection of the westerly line of Eighth Avenue with the southerly line of West 42nd Street as these streets are now in use;

Thence (1) Westerly along said southerly line of West 42nd Street, a distance of 373.10 feet;

Thence (2) Northerly at right angles to the previous course, a distance of 20.00 feet;

Thence (3) Easterly and at right angles to the previous course, a distance of 373.10 feet to a point in said westerly line of Eighth Avenue;

Thence (4) Southerly along said westerly line of Eighth Avenue 20.00 feet to the point and place of beginning.

The above described parcel has an upper limiting plane as shown in the sections and profile on Map Acc. No. 29997, Sheet 2 of 2, dated February 3, 1971 and submitted to the Board of Estimate on February 11, 1971, Calendar No. 198. It has no lower limiting plane.

Subject to a right of reverter in favor of the City in the event the above parcel is no longer utilized for Bus Terminal purposes or Lincoln Tunnel approach purposes.

PARCEL 4A

TECHNICAL DESCRIPTION OF A PORTION OF WEST 42ND STREET BETWEEN EIGHTH AVENUE AND NINTH AVENUE TO BE DISCONTINUED, CLOSED AND RELEASED TO THE PORT AUTHORITY ABOVE SIDEWALK GRADE

Beginning at the corner formed by the intersection of the westerly line of Eighth Avenue, with the southerly line of West 42nd Street as said streets are now in use;

Thence (1) Westerly along said southerly line of West 42nd Street, 373.10 feet;

Thence (2) Northerly at right angles to the previous course 1.50 feet;

Thence (3) Easterly and at right angles to the previous course, a distance of 373.10 feet to a point in said westerly line of Eighth Avenue.

Thence (4) Southerly along said westerly line of Eighth Avenue 1.50 feet to the point and place of beginning.

The above described parcel has a lower limiting plane, said lower limiting plane being sidewalk grade; there being no upper limiting plane.

Subject to a right of reverter in favor of the City in the event the above parcel is no longer utilized for Bus Terminal purposes or Lincoln Tunnel approach purposes.

PARCEL 5

TECHNICAL DESCRIPTION OF A PORTION OF EIGHTH AVENUE BETWEEN WEST 41ST STREET AND WEST 42ND STREET TO BE DISCONTINUED, CLOSED AND RELEASED TO THE PORT AUTHORITY ABOVE A LOWER LIMITING PLANE

Beginning at the corner formed by the intersection of the westerly line of Eighth Avenue with the northerly line of West 41st Street as these streets are now in use;

Thence (1) Northerly along said westerly line of Eighth Avenue, a distance of 199.00 feet;

Thence (2) Easterly and at right angles to the previous course, a distance of 1.50 feet;

Thence (3) Southerly and at right angles to the previous course, a distance of 199.00 feet;

Thence (4) Westerly and at right angles to the previous course, a distance of 1.50 feet to the point and place of beginning.

The above described parcel has a lower limiting plane 3.00 feet below curb grade and no upper limiting plane.

Subject to a right of reverter in favor of the City in the event the above parcel is no longer utilized for Bus Terminal purposes or Lincoln Tunnel approach purposes.

PARCEL 6

TECHNICAL DESCRIPTION OF A PORTION OF EIGHTH AVENUE BETWEEN WEST 40TH STREET AND WEST 41ST STREET TO BE DISCONTINUED, CLOSED AND RELEASED TO THE PORT AUTHORITY ABOVE A LOWER LIMITING PLANE

Beginning at the corner formed by the intersection of the westerly line of Eighth Avenue with the northerly line of West 40th Street as these streets are now in use;

Thence (1) Northerly along said westerly line of Eighth Avenue, a distance of 200.50 feet, to the northerly line of West 41st Street;

Thence (2) Easterly and at right angles to the previous course, a distance of 1.50 feet;

Thence (3) Southerly and at right angles to the previous course, a distance of 200.50 feet;

Thence (4) Westerly and at right angles to the previous course, a distance of 1.50 feet to the point and place of beginning.

The above described parcel has a lower limiting plane 3.00 feet below curb grade and no upper limiting plane.

Subject to a right of reverter in favor of the City in the event the above parcel is no longer utilized for Bus Terminal purposes or Lincoln Tunnel approach purposes.

PARCEL 7

TECHNICAL DESCRIPTION OF A PORTION OF WEST 40TH STREET BETWEEN EIGHTH AVENUE AND NINTH AVENUE TO BE DISCONTINUED, CLOSED AND RELEASED TO THE PORT AUTHORITY BELOW AN UPPER LIMITING PLANE

Beginning at a point in the westerly line of Eighth Avenue distant 1.50 feet south of the corner formed by the intersection of said westerly line of Eighth Avenue with the northerly line of West 40th Street as these streets are now in use;

Thence (1) Southerly along said westerly line of Eighth Avenue, a distance of 1.00 foot to a corner;

Thence (2) Westerly and at right angles to the last mentioned course, a distance of 34.50 feet to a corner;

Thence (3) Northerly and at right angles to the last mentioned course, a distance of 1.00 foot to a corner;

Thence (4) Easterly and at right angles to the last mentioned course, a distance of 34.50 feet to the point and place of beginning;

The above described parcel has an upper limiting plane 11.00 feet below curb grade and no lower limiting plane.

Subject to a right of reverter in favor of the City in the event the above parcel is no longer utilized for Bus Terminal purposes or Lincoln Tunnel approach purposes.

TECHNICAL DESCRIPTION OF A PORTION OF WEST 40TH STREET BETWEEN EIGHTH AVENUE AND NINTH AVENUE TO BE DISCONTINUED, CLOSED AND RELEASED TO THE PORT AUTHORITY BELOW AN UPPER LIMITING PLANE

Beginning at a point in the northerly line of West 40th Street, distant 65.50 feet west of the corner formed by the intersection of the westerly line of Eighth Avenue with said northerly line of West 40th Street as these streets are now in use;

Thence (1) Easterly along said northerly line of West 40th Street, a distance of 31.00 feet to a corner;

Thence (2) Southerly and at right angles to last mentioned course, a distance of 2.50 feet to a corner;

Thence (3) Westerly and at right angles to the last mentioned course, a distance of 31.00 feet to a corner;

Thence (4) Northerly and at right angles to the last mentioned course, a distance of 2.50 feet to the point and place of beginning.

The above described parcel has an upper limiting plane as shown in the section and profile on Map Acc. No. 29997, Sheet 2 of 2, dated February 3, 1971 and submitted to the Board of Estimate on February 11, 1971, Calendar No. 198.. It has no lower limiting plane.

Subject to a right of reverter in favor of the City in the event the above parcel is no longer utilized for Bus Terminal purposes or Lincoln Tunnel approach purposes.

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

On the 29th day of August, 1975, before me personally came A. GERDES KUHBACH, to me known, who, being by me duly sworn, did depose and say that he resides at (Ex. 1) in the (

; that he is the Executive Director of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of said corporation, and that he signed his name thereto by like order.

Harry Kyle Barr, III

HARRY KYLE BARR, III
NOTARY PUBLIC, STATE OF NEW YORK
No. 31-0169835
Qualified in New York County
Commission Expires March 30, 1977

MIL 350 PG 1109

The land affected by the within instrument lies in the Borough of Manhattan, City, County and State of New York, Section 4: Block 1031, Lot 1; Block 1032, Lot 29, Block 1032, Lot 1; Block 1050, Lot 13; Block 1051, Lot 29; and in the eliminated, discontinued and closed portions of West 40th Street between Ninth and Eighth Avenues, of West 41st Street between Dyer Ave. (Pvt.) and Eighth Avenue, West 42nd Street between Ninth and Eighth Avenues, and the west side of Eighth Avenue between West 40th and West 42nd Streets.

B NO CHARGE

AGREEMENT

BETWEEN

THE CITY OF NEW YORK

AND

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Record and return to:

W. BERNARD RICHLAND
Corporation Counsel

Att: Jason Cutler, Esq.
City of New York
Corporation Counsel
Municipal Building - Rm. 1731
New York, N.Y. 10007
Tel. 566-2301

DOC NOT VER.

2-10K-701109(71)

SEP-10-75 49914 B — 0.00

RECORDED IN NEW YORK COUNTY
BLOCK ____ LOT ____
INTERNAL NO. 08243
1975 SEP 10 AM 9:43

8340

8424

THIS AGREEMENT, made this [illegible] day of [illegible] 1954, by and between THE CITY OF NEW YORK (herein called "the City"), a municipal corporation acting by its Board of Estimate, and THE PORT OF NEW YORK AUTHORITY (herein called "the Port Authority"), a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of the Congress of the United States,

W I T N E S S E T H,

WHEREAS, the Port Authority has financed and constructed and is now operating an inland union motor bus terminal (herein called the "Bus Terminal") on the entire block in the Borough of Manhattan, City and State of New York, bounded on the north by the south side of 41st Street, on the east by the west side of Eighth Avenue, on the south by the north side of 40th Street and on the west by the east side of Ninth Avenue, said block being designated on the land map of the County of New York as Block 1031; and

WHEREAS, by Chapter 553, Laws of New York, 1931, and Chapter 69, Laws of New Jersey, 1931, the Port Authority is authorized to undertake to pay fair and reasonable sums annually in connection with any inland terminal property owned by it not in excess of the annual sum last paid as taxes upon such property prior to the time of its acquisition by the Port Authority, to the end that the municipality in which said property is situated may not suffer undue loss of taxes; and

WHEREAS, the Port Authority is willing to enter into a voluntary agreement with the City to make appropriate payments with respect to the Bus Terminal and the City desires to accept the payments which the Port Authority is willing to make; and

Bus Terminal

66

WHEREAS, the sum last paid as taxes upon the Bus Terminal property prior to the time of its acquisition by the Port Authority was $141,010.88.

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree as follows:

1. For the fiscal year commencing July 1, 1952 and each ensuing fiscal year so long as the Port Authority shall own and operate the Bus Terminal for bus terminal purposes, the Port Authority will pay to the City the sum of $141,010.88 at the time or times, in the manner and subject to the terms, conditions and limitations hereinafter set forth.

2. (a) The $141,010.88 payment for the fiscal year commencing July 1, 1952 and ending June 30, 1953 shall be made within thirty days after the date of execution of this agreement. Thereafter the said payments shall be made annually on or before the 31st day of July for the preceding fiscal year.

(b) If the payments provided for in subparagraph (a) hereof are not made by the time provided and remain unpaid for a period of thirty days thereafter, the Port Authority will pay to the City interest thereon at the rate of six per cent per annum from the dates on which the said amounts were payable.

(c) The said payments shall be paid to the City Collector of the City of New York and if payments are made by check, they shall be made payable to his order, said payments to be devoted to purposes to which taxes may be applied.

3. For each year from the time when they were acquired by the Port Authority and thereafter during the term of this agreement, the City will cancel upon its tax

records all items entered thereon for taxes, assessments and interest against the several tax lots comprising the aforesaid Bus Terminal property block, and for each such year the City will mark the said property exempt on its tax records with a notation that such entry is made pursuant to this agreement. The term "assessments" as used herein and which are to be cancelled and from which the Bus Terminal property is exempt, contemplates all those assessments which are levied on a borough-wide or city-wide basis and which are made a part of the annual real estate tax; the Port Authority will pay all assessments upon its Bus Terminal property for assessable local improvements by which said properties are duly deemed benefited.

IN WITNESS WHEREOF, the parties hereto have caused their respective seals to be hereunto affixed and duly attested and this agreement to be executed by their duly authorized officers the day and year first above written.

ATTEST:

CITY CLERK

THE CITY OF NEW YORK

By

Mayor

ATTEST:

Joseph G. Carty
Secretary

THE PORT OF NEW YORK AUTHORITY

By

Austin J. Tobin
Executive Director

Approved as to form

Acting Corporation Counsel

Approved as to form

Sidney Goldstein
General Counsel

DEC 23 1958

68

CITY OF NEW YORK
BOARD OF ESTIMATE
BUREAU OF SECRETARY
RECEIVED MAR 27 1972

RECEIVED FEB 2 1972
REFERRED CALENDAR
Reg. No. 1616 Vol. 143

THIS FIRST SUPPLEMENTAL AGREEMENT, made this day of , 1972, by and between THE CITY OF NEW YORK (herein called "the City"), a municipal corporation acting by its Board of Estimate, and THE PORT OF NEW YORK AUTHORITY (herein called "the Port Authority"), a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of the Congress of the United States;

W I T N E S S E T H :

WHEREAS, the City and the Port Authority under date of January 22, 1954, entered into an Agreement whereby the Port Authority voluntarily agreed to make annual payments to the City of the sum of $141,010.88, which amount was the sum last paid as taxes upon its Bus Terminal properties designated on the land map of the County of New York as Block 1031, prior to the time of acquisition thereof by the Port Authority, the execution of which agreement by the City was authorized by resolution duly adopted by its Board of Estimate on the 19th day of November, 1953 (Calendar No. 52) and the execution of which by the Port Authority was authorized by resolution duly adopted by its Board of Commissioners on the 17th day of December, 1953; and

B. M.C. Cal. #2055 MAR 9 - 1972

WHEREAS, the Port Authority, subsequent to January 22, 1954, has acquired fee title to the following properties located in the Borough of Manhattan, County of New York, City and State of New York, for inland union motor bus terminal purposes on the dates indicated (hereinafter for purposes of identification referred to as "additional properties"):

Block	Former Lot Number	Date of Acquisition	Assessed Valuation
1032	29	2/16/65	$410,000.00
1032	30	2/16/65	150,000.00
1032	31	2/16/65	170,000.00
1032	32	2/16/65	180,000.00
1032	33	2/16/65	105,000.00
1032	36	2/16/65	750,000.00
1032	37	2/16/65	550,000.00
1032	48 (part)	11/1/67	950,000.00 (apportioned)
1032	23	11/1/67	120,000.00
1032	25	12/15/67	185,000.00
1032	41	12/15/67	135,000.00

WHEREAS, the parties hereto wish to include said additional Bus Terminal properties within the provisions of said Agreement of January 22, 1954,

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree, that the said Agreement between the City and the Port Authority dated January 22, 1954, shall be and is hereby supplemented and amended as follows:

1. The WHEREAS clause on page 2 of said Agreement is hereby amended to read as follows:

> "WHEREAS, the sum last paid as taxes upon the Bus Terminal properties prior to the time of their acquisition by the Port Authority was $316,677.88."

2. Paragraph 1, contained on page 2 of said Agreement is hereby amended to read as follows:

> "1. For the fiscal year commencing July 1, 1971, and each ensuing fiscal year so long as the Port Authority shall own and operate the Bus Terminal for bus terminal purposes, the Port Authority shall pay to the City the sum of $316,677.88 at the time or times, in the manner and subject to the terms, conditions and limitations hereinafter set forth.
>
> "In addition the Port Authority will within thirty days from the date of execution of this Agreement pay to the City all liens for taxes, assessments and other charges, if any, which may be found open and unpaid with respect to the aforesaid additional properties as of the dates of their acquisitions, together with any interest or penalties thereon, apportioning, however, the taxes for the tax year in which the acquisition of all such properties took place; and from the dates of such acquisitions to June 30, 1971, the Port Authority will pay to the City and the City hereby agrees to accept in lieu of the balance of the tax uncollected on said additional properties for said period, the sum of $876,429.50 together with interest thereon from the due dates thereof to the date of payment at the rate of six per centum (6%) per annum."

3. Paragraph 2.(a) contained on page 2 of said Agreement is hereby amended to read as follows:

"2.(a) The $316,677.88 payment for the fiscal year commencing July 1, 1971, and ending June 30, 1972, shall be made on or before the 1st day of January, 1972 and annually thereafter on said day for the then current tax year."

4. Paragraph 3 contained on pages 2 and 3 of said Agreement is hereby amended to read as follows:

"3. For each year from the time when they were acquired by the Port Authority and thereafter during the term of this agreement, the City will cancel upon its tax records the items entered thereon for taxes, assessments and interest against the several tax lots comprising the aforesaid Bus Terminal properties, and for each such year the City will mark the said properties exempt on its tax records, with a notation that such entry is made pursuant to this agreement.

"The City and the Port Authority agree, however, that nothing herein contained is intended or shall be construed to intend to prevent the City from levying and collecting real estate taxes against, from and out of, to the extent permitted by law, any improvements made and owned by private persons for use for private purposes in the volume of space over said additional properties the lower limit of which is a horizontal plane at elevation 461.0 together with any improvements below said horizontal plane made and owned by said private persons and used exclusively for and in connection with said improvements made and owned in said volume of space (hereinafter for purposes of identification referred to as 'private construction'). Datum elevation 300.0 is mean high water at the Battery, New York which is 2.653 feet above mean sea level at Sandy Hook, New Jersey as established by the United States Coast and Geodetic Survey.

"In the event of such private construction, the City will as of any January 25 following the year in which such private construction is ready for occupancy, separately fix the assessed valuation of said private construction and enter it, indicated by its own identification number, in the tax record of the City in the name of the owner of such private construction."

5. Except as hereinbefore supplemented and amended, the terms and provisions contained in said Agreement between the City and the Port Authority dated January 22, 1954, shall remain unchanged and in full force and effect.

ATTEST:

By _____

Title _____

THE CITY OF NEW YORK

By Edward F. Hand

Title DEPUTY MAYOR

ATTEST:

By Doris E. Lasche

Title SECRETARY

THE PORT OF NEW YORK AUTHORITY

By Martin E. Sweeney

Title Acting Executive Director

Approved as to form (for NYC)

By John R. Thompson

Title Acting Corporation Counsel

Approved as to form (for P

By Patrick J. Foley

Title Assistant General Counsel

CITY OF NEW YORK
BOARD OF ESTIMATE
BUREAU OF SECRETARY
RECEIVED MAR 27 1972
REFERRED CALENDAR
Reg. No. 6915 Vol. 143

RECEIVED JUL 24 1956
Referred CALENDAR
Referred CALENDAR
Vol. 13

THIS AGREEMENT, made this 17th day of July 1956, by and between THE CITY OF NEW YORK (herein called "the City"), a municipal corporation acting by its Board of Estimate, and THE PORT OF NEW YORK AUTHORITY (herein called "the Port Authority"), a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of the Congress of the United States,

W I T N E S S E T H,

WHEREAS, by resolution of its Board of Commissioners adopted on the 29th day of June, 1955 (which appears at pages 216 and 217 of its Official Minutes of that date), the Port Authority found and determined that acquisition by the Port Authority of certain waterfront properties in the Borough of Brooklyn, City of New York, with a view to replacement of the obsolete pier and terminal facilities of this prime segment of the Port of New York with modern and efficient marine terminal facilities would serve to fulfill the mandate of the Port Compact of 1921 between the States of New York and New Jersey and to effectuate the Comprehensive Plan heretofore adopted by the two States for the development of terminal and transportation facilities in the Port of New York District and would be in all respects for the benefit of the people of the States of New York and New Jersey and for the increase of their commerce and prosperity; and

WHEREAS, pursuant to the aforesaid resolution of June 29, 1955 and a further resolution of its Board of Commissioners adopted on the 26th day of October, 1955 (which appears at pages 318 et seq. of its Official Minutes of that date), the Port Authority acquired on March 1, 1956 the properties in the Borough of Brooklyn, City and State of New York, hereinafter called "the Brooklyn-Port Authority Piers"; and

WHEREAS, the Brooklyn-Port Authority Piers properties, as shown on the tax map of the Borough of Brooklyn, contain

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and include all of certain tax lots more particularly set forth in the schedule marked Schedule "A", annexed hereto and made a part hereof; and

WHEREAS, by Chapter 553, Laws of New York, 1931, and Chapter 69, Laws of New Jersey, 1931, the Port Authority is authorized and empowered to enter into a voluntary agreement with the City to pay a fair and reasonable sum annually in connection with marine terminal property owned by the Port Authority, not in excess of the sum last paid as taxes upon such property prior to the time of its acquisition by the Port Authority, to the end that the City may not suffer undue loss of taxes and assessments by reason of the acquisition and ownership of such property by the Port Authority, and the City is authorized and empowered to enter into an agreement with the Port Authority to accept such annual payments; and

WHEREAS, the Port Authority is willing to enter into a voluntary agreement with the City to make appropriate payments with respect to the Brooklyn-Port Authority Piers and the City desires to accept the payments which the Port Authority is willing to make; and

WHEREAS, the sum last paid as taxes upon the Brooklyn-Port Authority Piers property prior to the time of its acquisition by the Port Authority was $607,656;

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree as follows:

1. For the fiscal year commencing July 1, 1956 and for each succeeding fiscal year so long as the Port Authority shall own and operate the Brooklyn-Port Authority Piers, the Port Authority will pay to the City the sum of $607,656, at the times, in the manner and subject to the terms and conditions hereinafter set forth.

2. All payments shall be made annually on or before the first day of January for the then current fiscal year. Said payments shall be paid to the City Collector of the City and if payments are made by check, they shall be made payable to his order.

3. The Port Authority will within thirty days from the date of execution of this agreement pay to the City all enforceable liens for taxes, assessments and other charges, if any, which may be found open and unpaid with respect to the several tax lots contained and included within the site of said Brooklyn-Port Authority Piers, together with any interest or penalties thereon, apportioning, however, the taxes for the tax year commencing July 1, 1955, being the year in which such acquisition took place, and for the period from the date of such acquisition to the end of the said year the Port Authority will pay to the City and the City hereby agrees to accept in lieu of the balance of the apportioned part of the tax so unpaid for said tax period, a sum equal to such balance

4. If the payments provided for herein are not made by the time provided and remain unpaid for a period of thirty days thereafter, the Port Authority will pay to the City interest thereon at the rate of six per cent per annum from the dates on which the said amounts were payable.

5. For each year from the time of their acquisition by the Port Authority and thereafter during the term of this agreement, the City will cancel upon its tax records all items entered thereon for taxes, assessments and interest against the property comprising the aforesaid Brooklyn-Port Authority Piers and for each such year the City will mark the said property exempt on its tax records with a notation that such entry is made pursuant to this agreement. The term "assessments" as used herein and which are to be cancelled and from which the

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Brooklyn-Port Authority Piers are exempt, includes all those assessments which are levied on a borough-wide or city-wide basis and which are made a part of the annual real estate tax; the Port Authority will pay all assessments upon the Brooklyn-Port Authority Piers properties for assessable local improvements by which said properties are duly deemed benefited.

IN WITNESS WHEREOF, the parties hereto have caused their respective seals to be hereunto affixed and duly attested and this agreement to be executed by their duly authorized officers the day and year first above written.

ATTEST:

Acting City Clerk

THE CITY OF NEW YORK

By

Mayor

ATTEST:

Joseph G. Carty
Secretary

THE PORT OF NEW YORK AUTHORITY

By

Austin J. Tobin
Executive Director

Approved as to form

MORRIS HANDEL
ACTING CORPORATION COUNSEL

Approved as to form

for Sidney Goldstein
General Counsel

SCHEDULE A

Block	Lot	Block	Lot
199	3	499	5
199	75	499	6
199	115	499	7
245	15	499	8
257	1	499	9
281	1	515	61
287	1	515	141
287	68	515	145
293	2	515	147
298	29	515	149
303	100	515	150
313	1	515	155
317	14	515	159
317	1	515	192
317	7	515	200
317	69	515	201
317	70	515	205
499	1	515	207
499	3	553	50

(CONTINUED) CALENDAR
REG. No. 22221 Vol. 135

THIS SECOND SUPPLEMENTAL AGREEMENT, made this 20th day of September, 1961, by and between THE CITY OF NEW YORK (herein called "the City"), a municipal corporation acting by its Board of Estimate, and THE PORT OF NEW YORK AUTHORITY (herein called the "Port Authority"), a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of the Congress of the United States.

W I T N E S S E T H,

WHEREAS, the Port Authority by Agreement with the City dated July 17, 1956, supplemented by Agreement dated January 28, 1957, agreed to make annual payments to the City of the sum of $620,397, which amount was the sum last paid as taxes upon the Brooklyn-Port Authority Piers properties listed in Schedule A attached to said Agreement, as supplemented, prior to the time of acquisition thereof by the Port Authority, the execution of the July 17, 1956 Agreement and the January 28, 1957 Supplemental Agreement being authorized by resolutions duly adopted by the Board of Estimate on June 28, 1956 (Cal. No. 436) and on January 10, 1957 (Cal. No. 89) respectively, and the execution of said Agreements being authorized by resolutions of the Board of Commissioners of the Port Authority duly adopted on June 14, 1956 and January 10, 1957, respectively; and

WHEREAS, the Port Authority subsequent to January 28, 1957 has acquired fee title to additional property located in the Borough of Brooklyn, County of Kings, City and State of New York, for marine terminal purposes in connection with the Brooklyn-Port Authority Piers, and the parties hereto wish to include said additional property within the provisions of the aforesaid Agreement of July 17, 1956, as supplemented; and

WHEREAS, the Port Authority has determined that title to certain property included within the provisions of the aforesaid Agreement of July 17, 1956, as supplemented, specifically, six

Brooklyn Marine Terminal Piers

buildings located on Lot 3 in Block 199 and one building located on Lot 2 in Block 293, never vested in the Port Authority but rather remains vested in private owners so as to be taxable to them, and the parties hereto therefore wish to exclude said property from the provisions of said Agreement of July 17, 1956, as supplemented, without in any way affecting the legal finality of payments already made with respect thereto:

NOW, THEREFORE, the parties hereto for themselves, their successors and assigns mutually undertake, covenant and agree that the said Agreement between the City and the Port Authority dated July 17, 1956, as supplemented by said Agreement dated January 28, 1957, shall be and is hereby further supplemented and amended as follows:

1. Paragraph 1 contained on Page 2 of said Agreement is hereby amended to read as follows:

"1. For the fiscal year commencing July 1, 1958 the Port Authority will pay the City the sum of $643,934.10. For the fiscal year commencing July 1, 1959 and for each succeeding fiscal year so long as the Port Authority shall own and operate the Brooklyn-Port Authority Piers, the Port Authority will pay to the City the sum of $635,268.14, at the times, in the manner and subject to the terms and conditions hereinafter set forth."

2. "Schedule A" annexed hereto and made a part hereof shall be and is hereby substituted for "Schedule 'A'" annexed to said Agreement of July 17, 1956, as supplemented by Agreement of January 28, 1957.

3. In the event that it is finally judicially determined that title to the aforesaid six buildings or one or more of them located on Lot 3 in Block 199 and/or title to the building located on Lot 2 in Block 293 is not so vested in private owners

as to be taxable to them, then the amount of the annual payment by the Port Authority to the City hereunder shall, commencing with the payment for the fiscal year beginning July 1, 1959, be increased by the sum of $13,390.50 or such part thereof attributable to the aforesaid six buildings or appropriate number thereof located in Block 199 and/or by the sum of $158 attributable to the aforesaid building in Block 293.

4. Except as hereinbefore supplemented and amended the terms and provisions contained in said Agreement between the City and the Port Authority dated July 17, 1956, shall remain unchanged and in full force and effect.

ATTEST:

[illegible]

ATTEST:

Joseph J. Carty
Secretary

Approved as to form

Gustav Hamdel

THE CITY OF NEW YORK

By [illegible]
Mayor

THE PORT OF NEW YORK AUTHORITY

By [illegible]
Chairman of the Commission

Approved as to form

For Sidney Goldstein
General Counsel

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Brooklyn Marine Terminal
Brooklyn Piers

REFERRED CALENDAR
8950

THIS THIRD SUPPLEMENTAL AGREEMENT, made this 24 day of May, 1962, by and between THE CITY OF NEW YORK (herein called "the City"), a municipal corporation acting by its Board of Estimate, and THE PORT OF NEW YORK AUTHORITY (herein called the "Port Authority"), a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of the Congress of the United States.

W I T N E S S E T H,

WHEREAS, the Port Authority by Agreement with the City dated July 17, 1956, supplemented by Agreement dated January 28, 1957, and Second Supplemental Agreement dated September 20, 1960 agreed to make annual payments to the City of the sum of $635,268.14, which amount was the sum last paid as taxes, upon the Brooklyn-Port Authority Piers properties listed in Schedule A attached to said Agreement as supplemented, prior to the time of acquisition thereof by the Port Authority; the execution of the July 17, 1956 Agreement, the January 28, 1957 Supplemental Agreement and the September 20, 1960 Second Supplemental Agreement being authorized by resolutions duly adopted by the Board of Estimate on June 28, 1956 (Cal. No. 436), on January 10, 1957 (Cal. No. 89) and August 25, 1960 (Cal. No. 310-B) respectively, and the execution of said Agreements being authorized by resolutions of the Board of Commissioners of the Port Authority duly adopted on June 14, 1956, January 10, 1957, and July 14, 1960 respectively; and

WHEREAS, the Port Authority has acquired fee title to additional property located in the Borough of Brooklyn, County of Kings, City and State of New York, for marine terminal purposes in connection with the Brooklyn-Port Authority Piers, and the parties hereto wish to include said additional property within the provisions of the aforesaid Agreement of July 17, 1956, as

supplemented; and

NOW, THEREFORE, the parties hereto for themselves their successors and assigns mutually undertake, covenant and agree that the said Agreement between the City and the Port Authority dated July 17, 1956, as supplemented by Agreement dated January 28, 1957, and Second Supplemental Agreement dated September 20, 1960 shall be and is hereby further supplemented and amended as follows:

1. Paragraph 1 contained on Page 2 of said Agreement is hereby amended to read as follows:

> "1. For the fiscal year commencing July 1, 1960 the Port Authority will pay the City the sum of $664,868.28. For the fiscal year commencing July 1, 1961 and for each succeeding fiscal year so long as the Port Authority shall own and operate the Brooklyn-Port Authority Piers, the Port Authority will pay to the City the sum of $665,325.74, at the times, in the manner and subject to the terms and conditions hereinafter set forth."

2. "Schedule A" annexed hereto and made a part hereof shall be and is hereby substituted for "Schedule 'A'" annexed to said Agreement of July 17, 1956, as supplemented by the Agreement of January 28, 1957 and the Second Supplemental Agreement of September 20, 1960.

3. The Port Authority will within 30 days from the date of execution of this Agreement pay to the City all enforceable liens for taxes, assessments and other charges if any, which may be found open and unpaid with respect to the several tax lots contained and included within the site of said Brooklyn-Port Authority Piers, together with any interest or penalties thereon, apportioning, however, the taxes for the tax year commencing July 1, 1959, and for the period from February 4, 1960 (the date

of acquisition during this tax year) to the end of said tax year the Port Authority will pay to the City and the City hereby agrees to accept in lieu of the balance of the apportioned part of the tax so unpaid for said tax period, a sum equal to such balance.

4. Except as hereinbefore supplemented and amended the terms and provisions contained in said Agreement between the City and the Port Authority dated July 17, 1956, shall remain unchanged and in full force and effect.

ATTEST:

City Clerk

THE CITY OF NEW YORK

By

Mayor

ATTEST:

Joseph G. Carty
Secretary

THE PORT OF NEW YORK AUTHORITY

By

Austin J. Tobin
Executive Director

Approved as to form for
the City of New York

Approved as to form for
The Port of New York Authority

SCHEDULE A

Block	Lot	Block	Lot
199	3	298	59
199	75	303	100
199	115	303	150
245	15	313	1
257	1	317	14
281	1	317	1
281	60	317	7
281	61	317	69
281	62	317	70
281	65	328	34
281	66	328	35
281	67	499	1
281	70	499	3
287	1	499	5
287	68	499	6
293	1	499	7
293	2	499	8
298	1	499	9
298	2	515	61
298	3	515	41
298	4	515	45
298	5	515	47
298	29	515	49
298	45	515	50
298	46	515	55
298	47	515	59
298	48	515	70
298	50	515	72
298	51	515	92
298	52	515	99
298	53	515	100
298	54	515	101
298	55	515	102
298	56	515	105
298	57	515	107
298	58	553	50

BOARD OF ESTIMATE
CITY OF NEW YORK

(Cal. No. 14-B)

Resolved, By the Board of Estimate, that it hereby approves of an agreement between The City of New York and The Port of New York Authority, which provides for a third agreement supplementing and amending an agreement between the said parties dated July 17, 1956, the execution of which agreement by the City was authorized by resolution duly adopted by the Board on June 28, 1956 (Cal. No. 436) and which agreement was amended by a first supplemental agreement between the parties authorized by resolution duly adopted by the Board on January 10, 1957 (Cal. No. 89) and thereafter by a second supplemental agreement between the parties authorized by resolution duly adopted by the Board on August 25, 1960 (Cal. No. 310-B), by now further amending Paragraph 1 of the said agreement to provide for the payment by the Port Authority to the City of $664,868.28 for the fiscal year commencing July 1, 1960, and $665,325.74 for the fiscal year commencing July 1, 1961 and for each succeeding fiscal year so long as the Port Authority shall own and operate the Brooklyn-Port Authority piers; and by now further amending Schedule A annexed to said agreement dated July 17, 1956, to include such additional property, located in the Borough of Brooklyn, County of Kings, City and State of New York, to which the Port Authority acquired fee title on February 4, 1960, for marine terminal purposes in connection with the Brooklyn-Port Authority piers; and providing that, in all other respects said agreement dated July 17, 1956, as amended by the supplemental agreements duly adopted by the Board on January 10, 1957 and August 25, 1960, shall remain unchanged and in full force and effect; and that the Mayor is hereby authorized to execute the said agreement on behalf of The City of New York.

A true copy of resolution adopted by the Board of Estimate on MAY 10, 1962.

Ruth W. Schaley

Secretary

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THIS FOURTH SUPPLEMENTAL AGREEMENT, made this 10th day of October, 1978, by and between THE CITY OF NEW YORK (herein called the "City"), a municipal corporation acting by its Board of Estimate, and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (herein called the "Port Authority"), a body corporate and politic, created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States.

W I T N E S S E T H:

WHEREAS, the Port Authority by Agreement with the City dated July 17, 1956, supplemented by Agreement dated January 28, 1957, Second Supplemental Agreement dated September 20, 1960 and Third Supplemental Agreement dated May 28, 1962 agreed to make annual payments to the City of the sum of $665,325.74, which amount was the sum last paid as taxes, upon the Brooklyn-Port Authority Marine Terminal properties listed in Schedule A attached to said Agreement as supplemented, prior to the time of acquisition thereof by the Port Authority; the execution of the July 17, 1956 Agreement, the January 28, 1957 Supplemental Agreement, the September 20, 1960 Second Supplemental Agreement and the May 28, 1962 Third Supplemental Agreement being authorized by resolutions duly adopted by the Board of Estimate on June 28, 1956 (Cal. No. 436), on January 10, 1957 (Cal. No. 89), August 25, 1960 (Cal. No. 310-B), and May 10, 1962 (Cal. No. 14-B), respectively, and the execution of said Agreements being authorized by resolutions of the Board of Commissioners of the Port Authority duly adopted on June 14, 1956, January 10, 1957 and July 14, 1960 respectively; and

WHEREAS, the Port Authority has acquired fee title to additional property located in the Borough of Brooklyn, County of Kings, City and State of New York, for marine terminal purposes in connection with the Brooklyn-Port Authority Marine Terminal, and the parties hereto wish to include said additional property within the provisions of the aforesaid Agreement of July 17, 1956, as supplemented;

NOW, THEREFORE, the parties hereto for themselves, their successor and assigns mutually undertake, covenant and agree that the said Agreement

between the City and the Port Authority dated July 17, 1956, as supplemented by Agreement dated January 28, 1957, Second Supplemental Agreement dated September 20, 1960 and Third Supplemental Agreement dated May 28, 1962 shall be and is hereby further supplemented and amended as follows:

1. Paragraph 1 contained on Page 2 of said Agreement is hereby further amended to read as follows:

> "1. For the fiscal year commencing July 1, 1962 and for each succeeding fiscal year so long as the Port Authority shall own and operate the Brooklyn-Port Authority Piers, the Port Authority will pay to the City the sum of $734,861.21 at the times, in the manner and subject to the terms and conditions hereinafter set forth".

2. "Schedule A" annexed hereto and made a part hereof shall be and is hereby substituted for "Schedule 'A'" annexed to said Agreement of July 17, 1956, as supplemented by the Agreement of January 28, 1957, the Second Supplemental Agreement of September 20, 1960 and the Third Supplemental Agreement of May 28, 1962.

3. Port Authority will within thirty (30) days from the date of execution of this Agreement pay to the City (i) all enforceable liens and taxes, assessments and other charges, if any, which may be found open and unpaid at the time of their acquisition with respect to the several tax lots contained and included within the site of the said Brooklyn-Port Authority Piers, together with interest or penalties thereon, apportioning, however, the taxes for the tax year commencing July 1, 1961 being the tax year in which such additional acquisitions took place; and (ii) the sums equal to the balance of the apportioned part of the taxes so unpaid for the period from the dates of such acquisition to the end of the tax years indicated in (i) above which sums the City agrees to accept in lieu of the balance of such unpaid taxes; and (iii) the sums due under Paragraph 1 above.

4. Except as hereinbefore supplemented and amended the terms and provisions contained in said Agreement between the City and the Port Authority dated July 17, 1956 shall remain unchanged and in full force and effect.

ATTEST:

CITY CLERK

THE CITY OF NEW YORK

By:

MAYOR

ATTEST:

Doris E. Landre
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By:

Peter C. Goldmark, Jr.

Approved as to form for the City of New York

Corporation Counsel

Approved as to form for The Port Authority of New York and New Jersey

between the City and the Port Authority dated July 17, 1956, as supplemen by Agreement dated January 28, 1957, Second Supplemental Agreement dated September 20, 1960 and Third Supplemental Agreement dated May 28, 1962 sl be and is hereby further supplemented and amended as follows:

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2. "Schedule A" annexed hereto and made a part hereof shall be and is hereby substituted for "Schedule 'A'" annexed to said Agreement of July 17, 1956, as supplemented by the Agreement of January 28, 1957, the Second Supplemental Agreement of September 20, 1960 and the Third Supplemental Agreement of May 28, 1962.

3. Port Authority will within thirty (30) days from the date of execution of this Agreement pay to the City (i) all enforceable liens and taxes, assessments and other charges, if any, which may be found open and unpaid at the time of their acquisition with respect to the several tax lots contained and included within the site of the said Brooklyn-Port Authority Piers, together with interest or penalties thereon, apportionin however, the taxes for the tax year commencing July 1, 1961 being the tax year in which such additional acquisitions took place; and (ii) the sums to the balance of the apportioned part of the taxes so unpaid for the per from the dates of such acquisition to the end of the tax years indicated in (i) above which sums the City agrees to accept in lieu of the balance of such unpaid taxes; and (iii) the sums due under Paragraph 1 above.

SCHEDULE A

Block	Lot	Block	Lot
199	3	328	11
199	75	328	12
199	115	328	24
245	15	328	26
257	1	328	27
281	1	328	28
281	60	328	30
281	61	328	32
281	62	328	33
281	65	328	34
281	66	328	35
281	67	328	36
281	70	328	37
287	1	328	51
287	68	328	56
293	1	499	1
293	2	499	3
298	1	499	5
298	2	499	6
298	3	499	7
298	4	499	8
298	5	499	9
298	29	515	61
298	45	515	85
298	46	515	141
298	47	515	145
298	48	515	147
298	50	515	149
298	51	515	150
298	52	515	155
298	53	515	159
298	54	515	170
298	55	515	172
298	56	515	192
298	57	515	199
298	58	515	200
298	59	515	201
303	1	515	202
303	100	515	205
303	150	515	207
308	1	515	301
308	50	553	1
313	1	553	30
317	14	553	34
317	1	553	50
317	7	563	21
317	69	563	30
317	70	563	34
328	1		
328	2		
328	3		
328	4		
328	5		
328	6		
328	7		
328	8		
328	9		
328	10		

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;

W I T N E S S E T H, 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 Leibskind 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. <u>MINIMUM ANNUAL PILOT PAYMENT</u>:

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. <u>INCREASED ANNUAL PILOT PAYMENT:</u>

(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
Retail	$9,000,000
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:

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

Calculation:

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

(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

(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

AMENDED FINANCIAL AGREEMENT
AND SETTLEMENT AGREEMENT
FOR PAYMENTS IN LIEU OF TAXES

This **AMENDED FINANCIAL AGREEMENT AND SETTLEMENT AGREEMENT FOR PAYMENTS IN LIEU OF TAXES** (hereinafter "Agreement" or "PILOT Agreement"), made this ____ day of _____, 2010, by and between **PORT AUTHORITY OF NEW YORK AND NEW JERSEY** ("Port Authority"), a body corporate and politic created by a compact between the States of New York and New Jersey and **NEWARK LEGAL AND COMMUNICATIONS CENTER URBAN RENEWAL CORPORATION** ("Corporation"), a wholly-owned subsidiary of the Port Authority, qualified to act and conduct its affairs under Chapter 8, Laws of New Jersey, 1962, N.J.S.A. 32:1-35.50, et seq. and Chapter 209, Laws of New York, 1962 (the Port Development project Acts) N.Y.L. 1962, c. 209, McK Unconsol. Law Sections 6601-6618, with offices at Newark, NJ 07102 (the Corporation and the Port Authority hereinafter may be collectively referred to as the "Entity", as hereinafter defined) and the **CITY OF NEWARK**, a municipal corporation in the County of Essex and the State of New Jersey ("City", as hereinafter defined). The Entity and the City may at times be collectively referred to as the "Parties."

WITNESSETH:

WHEREAS, the City and Port Authority entered into an Agreement on October 22, 1947 to provide for the improvement, development, operation and mantenance of the Air and Marine Terminals in the City of Newark for the lease of said Terminals with Newark as Lessor and Port Authority as Lessee, and said Lease agreements being duly authorized by Resolutions adopted by

the Municipal Council of the City of Newark and the Board of Commissioners of the Port Authority; and

WHEREAS, there had been Nineteen Supplements to the Lease from March 11, 1948 through January 1, 2002; and

WHEREAS, on September 4, 1985, the Port Authority entered into a Financial Agreement with the City concerning the construction of the Newark Legal and Communications Center, which was constructed pursuant to the mandate set forth in the Port Development Project Act of 1962, N.J.S.A. 32:1-35.60, and consists of a seventeen-story office building and a pedestrian connection to Newark's Pennsylvania station and the PATH terminus in Newark identified on the Official Tax Map of the City of Newark as Block 136, Lot 63.03; more commonly known and identified by the street address of 1037-1059 Raymond Boulevard, Newark, New Jersey; and

WHEREAS, pursuant to the Port Development Project Act, the Port Authority formed the Corporation, a wholly owned subsidiary, whose purpose was to facilitate commerce through the development, and construction of the Project (as hereinafter defined); and

WHEREAS, the Corporation was granted a tax abatement in accordance with the agreements entered into between The Port Authority of New York and New Jersey, the City of Newark and Newark Economic Development Corporation ("NEDC") on June 15, 1984 and September 4, 1985, which agreements are incorporated in the financial agreements authorized by Resolution No. 7RBZ 032090 and 7RCU (A.S.) 021793, for a commercial project identified on the Official Tax Map of the City of Newark as Block 136, Lot 63.03 and more commonly known as 1037-1059 Raymond Boulevard, Newark, New Jersey; and

WHEREAS, the Corporation challenged the City's added/omitted assessments and tax bills sent to the Corporation and the Entity, which were the subject of actions filed in the Tax Court and Chancery Division of New Jersey, to wit: **Newark Legal and Communications Center Urban Renewal Corporation v. City of Newark**, Dockets Nos. 00718-03; 003046-03; 001525-04; and A-00672-04T1, and **City of Newark v. Block 136, Lot 63.03, 1037-1059 Raymond Boulevard**, Docket F-26185-07; and

WHEREAS, on April 22, 2005, the Tax Court preliminarily ruled that the Corporation was entitled to a statutory tax exemption under the Port Authority's bi-state legislation, so long as the property remained dedicated to "public use"; and

WHEREAS, on June 15, 2005, the Tax court rendered a final decision that the Project was developed for a valid public purpose and thereby exempt from local property taxes but that such exemption was lost as a result of the Corporation's leasing arrangement with Matrix (as hereinafter defined) with regard to the Project; and

WHEREAS, the Corporation appealed the Tax Court decision; and

WHEREAS, litigation arose between the City and the Port Authority over the terms of the Lease, which the Municipal Council authorized settlement of all claims by way of Resolution 7RDX adopted June 15, 2005, which resulted in a Twentieth Supplemental Agreement to the original agreement dated January 1, 2006, entitled **ARBITRATION/LITIGATION SETTLEMENT AGREEMENT** (**Exhibit 1**); and

WHEREAS, the parties entered into an agreement entitled **TAX LAWSUIT SETTLEMENT AGREEMENT** (**Exhibit 2**) dated January 1, 2006, in an attempt to resolve pending legal disputes;

WHEREAS, as part of the 2006 **TAX LAWSUIT SETTLEMENT AGREEMENT**, the parties agreed that the classification of the Project as tax exempt as currently operated would not be contested or disputed; and

WHEREAS, as part of the 2006 **TAX LAWSUIT SETTLEMENT AGREEMENT**, the parties agreed that if the Tax Court approved the **TAX LAWSUIT SETTLEMENT AGREEMENT** that the Corporation would pay an annual service charge in an amount equal to the amount of municipal taxes that would be payable if the Project were not exempt; and

WHEREAS, the Tax Court entered an Order dated April 21, 2006 that ordered as resolved Docket Nos. 00718-03, 0003046-03, and 0001525-04 under Docket No. A-6272-0471, and that permitted the parties to voluntarily enter into a written Settlement Agreement that recognizes the exemption status of the Project and to resolve any and all disputes (**Exhibit 3**); and **WHEREAS**, the Parties desire to enter into such a written Settlement Agreement pursuant to N.J.S.A. 32:1-144; and

WHEREAS, the Parties herein further supplement any and all prior agreements related to the Project.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the Parties hereby agree as follows:

I. GENERAL PROVISIONS

1.01 Governing Law

This Agreement shall be governed by the provisions of (a) N.J.S.A. 32:1-35.52, (b) N.J.S.A. 32:1-35.60, N.J.S.A. 32:1-144, et seq., and (c) Resolution No. 7R7-c 061710 pursuant to which the Municipal Council approved the Payments in Lieu of Taxes, and authorized the execution of this Agreement. It is expressly understood and agreed that the City expressly relies upon the facts, data, and representations made by the Entity in granting this tax exemption.

1.02 General Definitions

Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall mean:

Payments in Lieu of Taxes or PILOT - The amount the Entity has agreed to pay the City pursuant to Article IV hereof for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements and the Land, which amount, if applicable, shall be pro-rated in the year in which the Payments in Lieu of Taxes begin and the year in which the Payments in Lieu of Taxes terminate.

Payments in Lieu of Taxes Start Date – the Payments in Lieu of Taxes Start Date shall be the earlier of i) July 1, 2010; or ii) the date on which this Agreement has been executed and delivered by the Parties and is fully effective.

Annual Service Charges – The PILOT amount and administrative fee due for a given year.

City - The City of Newark.

Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement beyond any applicable grace or cure periods after written notice of such failure.

Entity - The term Entity within this Agreement shall mean **Newark Legal and Communications Center Urban Renewal Corporation**, or the **Port Authority of New York and New Jersey** or both.

Improvements - Any building, structure, improvements, or fixture permanently affixed to the Land; provided, however, the garage and other improvements (including portions thereof which are located on the Land) which are owned by the NEDC Riverfront Corporation or its successor are not included in "Improvements" hereunder.

In Rem Tax Foreclosure - A summary proceeding by which the City may enforce the lien for Payments in Lieu of Taxes or taxes due and owing by a tax sale. Said foreclosure is governed by N.J.S.A. 54:5-1 et seq.

Land - The land, but not the Improvements, known as Block 136, Lot 63.03, more commonly known by the street address of 1037-1059 Raymond Boulevard, Newark, New Jersey and more particularly described by the metes and bounds description for the property.

Land Taxes - The amount of taxes assessed on the value of Land on which the Project is located.

Law - Law shall refer to N.J.S.A. 32:1-35.52, N.J.S.A. 32:1-35.60, N.J.S.A. 32:1-144, et seq., and Resolution No. 7R7-c 061710 which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and/or regulations.

Material Conditions – As defined in Section 4.07 hereof.

Resolution- Resolution No. 7R7-c 061710 adopted by the Municipal Council of the City on June 17, 2010, attached hereto as **Exhibit 4**, authorizing this PILOT Agreement.

Project – The Land and Improvements thereon which are the subject of this Agreement.

Pronouns - He or it shall mean the masculine, feminine or neutral gender, the singular, as well as the plural, as context requires.

Tax Sale Law – N.J.S.A. 54:5-1 et seq.

Termination - Any action or omission which by operation of the terms of this PILOT Agreement shall cause this PILOT Agreement to be terminated.

1.03 Exhibits Incorporated

All exhibits referred to in this PILOT Agreement and attached hereto are incorporated herein and made part hereof.

II. APPROVAL

2.01 Approval of Tax Exemption

The City will not contest or dispute the Entity's claim that the Project as currently operated should qualify for a tax exemption for all the Improvements and Land, subject to and in accordance with the terms and conditions of this Agreement and prior Agreements entered into between the Parties.

This Agreement is applicable only to this specific property and shall not apply to any other property owned, operated or maintained by the Port Authority in the City, nor establish a practice with respect to any other property, nor shall it be utilized in order to obtain a tax exemption for any other property owned, operated or maintained by the Port Authority in the City.

2.02 Approval of Entity

Entity represents that its Certificate of Formation contains all the requisite provisions of law and has been filed with, as appropriate, the Department of Treasury.

2.03 Ownership, Management and Control

The Entity represents that it is the fee title owner of the Land and Improvements of the Project. The Entity further represents that the Entity will remain the fee title owner of the Project for the term of this Agreement subject to section 8.01 contained herein.

2.04 Affirmative Action Plan and Local Hiring

The Entity is subject to the terms and conditions of the Newark Affirmative Action Plan for Construction and to the Revised Ordinance 2:2-28 et seq., as amended and supplemented, concerning affirmative action requirements. The Entity is also subject to the monetary penalties and punishments and other terms set forth in the Newark Affirmative Action Plan for Construction and the Ordinances of the City of Newark concerning affirmative action.

III. DURATION OF AGREEMENT

3.01 Term

The term of this Agreement shall commence on the Payments in Lieu of Taxes Start Date and shall end on December 31, 2030 or on any earlier date that fee title to the Project is conveyed by the Corporation to any person or entity other than the Port Authority or any other agent, corporation, association or other entity formed by or contracting with either the Corporation or the Port Authority. It is understood and agreed by the parties that this Agreement, including the ability to pay Payments in Lieu of Taxes required under Article IV hereof and the tax exemption granted and referred to in Section 2.01 hereof, shall remain in effect during the term of this Agreement. Upon Termination, the City's agreement not to contest or dispute the tax exempt status of the Project shall expire and the Improvements and Land shall thereafter be subject to the City's assertion that they should be assessed and taxed according to the general law applicable to other non-exempt property in the City, or the Parties hereto may agree to enter a new PILOT Agreement to replace this Agreement. After expiration of the term hereof or termination of this Agreement, all restrictions and limitations upon the Entity shall terminate.

3.02 Date of Termination

Upon any Termination of the tax exemption described in Section 2.01 hereof, the date of such Termination shall be deemed to be the end of the fiscal year of the Entity.

IV. PAYMENTS IN LIEU OF TAXES (PILOT)

4.01 Commencement of PILOT

In consideration of the tax exemption, the Entity shall make payment of the PILOT commencing on the PILOT Start Date, which shall be the effective date of this Agreement. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under applicable New Jersey law then being assessed by the City against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid.

4.02 Payment of PILOT

The Entity shall pay to the City the PILOT (as calculated in Section 3 of this Article), within ten (10) days of their due dates, plus the administrative fee (discussed in Section 6 of this Article). The PILOT and administrative fee shall be due and payable in quarterly installments. The first payment for each year shall be due on February 1. The remaining payments shall be due on the first day of the first month of each quarter when real estate taxes are due: April 1, July 1, and October 1. The PILOT and administrative fee will be prorated in 2010 and in the year in which it terminates, to reflect the actual number of days in the applicable year that are within the term of this Agreement. For example purposes only, assuming that the Payments in Lieu of Taxes Start Date is July 1, 2010, then for 2010 the Entity would only be obligated to pay 50% of the PILOT and administrative fee, provided that the Entity has paid the required amounts for the preceding time period in 2010.

4.03 PILOT Amount

The Parties agree that the PILOT sum payable pursuant to this Agreement is fair and reasonable. The Parties further acknowledge that the Project resulted in significant improvements to the Land. Accordingly, the PILOT shall not be limited in any manner by the sum last paid as Land Taxes without taking into consideration the value of the Improvements.

i. Property Assessed Value

The Parties agree that for the purposes of this Agreement that the Project shall be subject to the City wide assessment process based upon properties of this type within the City. The assessed value ("Assessed Value") of the Project shall be determined as if the Land and Improvements were not subject to this Agreement. Each of the Parties shall have the right to appeal the Assessed Value pursuant to N.J.S.A 54:3-21, *et seq.* or other then applicable law.

ii. Calculation of the PILOT

The PILOT amount shall be determined annually as the amount equivalent to the municipal portion of the property tax rate ("Municipal Tax Rate") for the relevant tax year applied to the Assessed Value of the Land and Improvements. For the first 7 (seven) years of the Agreement, the amount of the PILOT shall equal 80% of the Municipal Tax Rate. The amount of the PILOT for the remaining years of the Agreement shall be at

100% of the Municipal Tax Rate. For illustrative purposes only, assuming the Municipal Tax Rate equals 1.14% and the Assessed Value equals $33,160,500, the PILOT Amount would be calculated as follows:

$33,160,500 (2009 Assessed Value) x 1.14% (2009 Municipal Tax Rate) = **$378,029.70; or**
$378,029.70 x 80% = $302,423.76, for the first seven years.

For the avoidance of doubt, the Municipal Tax Rate shall include only the municipal tax portion of the real property tax rate, and shall not include any other portions of the real property tax rate such as non-municipal taxes, county taxes, school taxes, open space taxes, fire district taxes, special improvement district taxes, or any other taxes included in the calculation of the overall real property tax rate. A copy of the 2009 real property tax bill for the Project is attached hereto as **Exhibit 5**, and has been marked to clarify that portion of the overall property tax rate that shall be considered the Municipal Tax Rate.

The PILOT Amount in subsequent years shall be recalculated yearly based upon any increase/decrease in the Municipal Tax Rate portion of the tax rate and any change in the Assessed Value subject to the Minimum PILOT Payment set forth herein at Section 4.03 iii.

iii. Minimum Pilot Payment

Notwithstanding the outcome of any appeal of the Assessed Value or any decrease in the Municipal Tax Rate portion of the tax rate or any change in the Assessed Value, the minimum PILOT Amount payable under this Agreement shall be $302,423.76 annually for the first seven years, and $350,000.00 annually for the balance of the term of this Agreement, which for such year shall serve in lieu of the municipal portion of the property tax rate ("Municipal Tax Rate") for the relevant tax year applied to the Assessed Value of the Land and Improvements.

iv. Special Improvement District Fees

The Project is located within an area of the City identified as a Special Improvement District. In consideration of the upfront payment described in Article XV hereof, the City shall forego collection of all Special Improvement District Fees for the Project for 20 (twenty) years and six (6) months, commencing as of July 1, 2010 and ending on December 31, 2030. Additionally, the City shall waive claims to any Special Improvement District Fees relating to any period prior to July 1, 2010.

4.04 Project Taxes

The Land and Improvements will be identified on the Office of Assessment's Tax List as "Exempt." Neither the Entity nor any other party will be required to pay property taxes with respect to the Land or the Improvements while this Agreement is in effect.

4.05 Quarterly Installments PILOT

The PILOT shall be paid to the City on a quarterly basis, with payments due on February 1, April 1, July 1, and October 1. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the rate of interest permitted under applicable New Jersey law then being assessed by the City against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid. In the event that the Entity fails to pay the PILOT Amount, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

4.06 Administrative Fee

Subject to Section 14.07, the Entity agrees that the Entity shall pay to the City an annual administrative fee of two percent (2%) of the PILOT for the term of this Agreement. The City shall include a calculation of this administrative fee with its annual statement of the PILOT Amount referred to in Section 1 of this Article. The Entity shall pay a corresponding fraction of the administrative fee with each quarterly installment of the PILOT Amount. For purposes of enforcement of collections, such payments shall be considered to be an additional part of the PILOT.

4.07 Material Conditions and Severability

It is expressly agreed and understood that all payments of PILOT Amounts and any interest payments, penalties or costs of collection due thereon and water and sewer charges, are Material Conditions of this Agreement. If any other term, covenant or condition of this Agreement, as to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

4.08 Payments

Neither the Entity nor the City may alter the amounts or dates as established in this Article IV, other than as set forth herein.

4.09 PILOT Amounts as Municipal Lien

The PILOT Amount shall be a continuous, municipal lien on the Land and Improvements.

V. REMEDIES

5.01 Remedies for Non-Payment by the Entity

In the event of a Default on the part of the Entity to pay any installment of the PILOT Amount required by Article IV above or any other financial obligation required by this Agreement, the City in addition to its other remedies, reserves the right to proceed against the Entity's land and premises, in the manner provided by law, including the Tax Sale Law, and any act supplementary or amendatory thereof. Whenever the word "Taxes" appears, or is applied, directly or implied, to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as it is pertinent to this Agreement, as if the PILOT Amount were taxes or municipal liens on land.

VI. INTENTIONALLY OMITTED

VII. REPORTS AND AUDITS

7.01 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

7.02 Annual Audit

Within ninety (90) days after the close of each fiscal or calendar year that this Agreement shall continue in effect, depending on the Entity's accounting basis, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year. The Entity assumes all costs associated with preparation of the annual audit.

7.01 Disclosure Statement

On each anniversary date of the execution of this Agreement, if there has been a change in fee title ownership or interest from the prior year's filing, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to the advised, a Disclosure Statement listing the persons having an ownership interest in the fee title to the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

7.04 Inspection

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, by representatives duly authorized by the City and NJ Division of Local Government Services in the Department

of Community Affairs. Such examination shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity. To the extent reasonably possible, the inspection will not materially interfere with construction or operation of the Project.

VIII. ASSIGNMENT AND/OR ASSUMPTION

8.00. Leasehold Transfers.

Notwithstanding anything to the contrary contained in this Agreement (including, without limitation, in Sections 8.01, 8.02, 8.03 and 8.04), the City acknowledges that pursuant to Agreement of Lease dated December, 2001 between Matrix One Riverfront Plaza, LLC ("Matrix") and the Corporation (said Agreement of Lease, as now or hereafter amended, being called the "Lease") the Corporation leased to Matrix the Improvements. The City acknowledges further that any assignment, conveyance, mortgage or other transfer of Matrix's interest in the Lease and any sublease or other occupancy agreement with respect to any portion of the Improvements entered into by Matrix shall not be deemed or construed to violate this Agreement or result in a Termination. For the purposes of this Agreement, the term "Matrix" shall include Matrix One Riverfront Plaza, LLC and any successor in interest under the Lease.

8.01 Approval

As permitted by Law, it is understood and agreed that the City, on written application by the Entity, will consent to a transfer of this Agreement provided: 1) the transferee entity does not own any other Project subject to long term tax exemption at the time of transfer; 2) the transferee entity is formed and eligible to operate under the applicable Law; 3) the Entity is not then in Default of this Agreement or the Law; 4) the Entity's obligations under this Agreement are fully assumed by the transferee entity; and 5) the transferee entity agrees to abide by all terms and conditions of this Agreement, including any other terms and conditions of the City in regard to the Project.

8.02 Prohibition Against Severing of Improvements From Land

It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the Municipal Council by Ordinance, convey, mortgage or transfer, all or part of the Project so as to sever, disconnect, or divide the Improvements from the Lands which are basic to, embraced in, or underlying the exempted Improvements.

8.03 Subordination of Fee Title

It is expressly understood and agreed that the Entity has the right, subordinate to the lien of the PILOT Amounts, and to the rights of the City hereunder to encumber and/or assign the fee title to the Land and/or Improvements for the sole purpose of obtaining financing

for use in the Project, and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

8.04 Deed Restriction

Upon execution of this Agreement, the Entity shall file a deed restriction on the Project with the Essex County Clerk reflecting that any transfer of the fee title interest in the Project not made to another duly approved entity shall be void *ab initio.*

IX. WAIVER

9.01 No Waiver

Nothing contained in this PILOT Agreement or otherwise shall constitute a waiver or relinquishment by the City or the Entity of any rights and remedies provided by the law except as expressly set forth in this Agreement.

X. NOTICE

10.01 Notice

Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

When sent to the Entity it shall be addressed as follows:

Real Estate Director
Newark, NJ 07102

When sent to the Entity, a copy of the notice shall also be sent to Matrix at the following address (or to such other address as Matrix or its successor in interest under the Lease may specify from time to time):

Matrix One Riverfront Plaza, LLC
c/o Matrix Realty, Inc.
CN 4000
Cranbury, New Jersey 08512
Attention: Donald M. Epstein

When sent to the City, it shall be addressed to the City Clerk, City Hall, 920 Broad Street, Newark, New Jersey 07102, with copies sent to the Business Administrator, Corporation Counsel of the City and to the Director of the Department of Economic and Housing Development, 920 Broad Street, Newark, NJ 07102 unless prior to the giving of notice

the City shall have notified the Entity otherwise. The notice to the City shall identify the subject with the tax account numbers of the tax parcels comprising the Land.

XI. INTENTIALLY OMITTED

XII. INDEMNIFICATION

12.01 Indemnification

It is understood and agreed that in the event the City shall be named as party in any action brought against the City or Entity by allegation of any breach, Default or a violation of any of the provisions of this Agreement and/or any applicable law, the Entity shall indemnify and hold the City harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction of the Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement and/or any other applicable law except for any misconduct by the City or any of its officers, officials, employees or agents or a breach by the City of this Agreement, and the Entity shall defend the suit at its own expense. In the event there is a challenge to this Agreement by the County, the Board of Education or other third party, then the Port Authority shall be responsible to pay any amounts determined to be payable to the County and/or the Board of Education or other third party and shall indemnify and hold the City harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from said challenge. The City maintains the right to intervene as a party in any action, to which intervention the Entity hereby consents, the expense thereof to be borne by the Entity.

XIII. DEFAULT

13.01 Default

Default shall be any failure of the Entity to conform to the terms of this Agreement, beyond any applicable notice, cure or grace period.

13.02 Default for Other than Non-Payment

Should the Entity be in Default of any obligation under this Agreement other than its obligations to make payment to the City of Annual Service Charges or any other financial obligation required by this Agreement, the City shall notify the Entity and Matrix and any mortgagee of the Entity in writing of said Default ("Default Notice"). Said Default Notice shall set forth with particularity the basis of said Default. Except as otherwise limited by law, the Entity shall have sixty (60) days to cure any Default (other than a Default in payment of any installment of the Annual Service Charge) from the date of its receipt of

the Default Notice. In the event of any uncured Default, the City shall have the right to proceed against the Project pursuant to applicable provisions of the law.

13.03 Default for Non-Payment

If the Entity fails to make timely payment of any portion of the Annual Service Charge or any other financial obligation required by this Agreement, the Entity shall be in Default without any requirement for the City to give notice of such Default to the Entity. Upon any such Default, the City shall have the right to proceed to In Rem Tax Foreclosure consistent with the provisions and procedures of the In Rem Tax Foreclosure law, and any in other manner permitted by law.

13.04 Remedies Upon Default Cumulative; No Waiver

Subject to the other terms and conditions of this Agreement, all of the remedies provided in this Agreement to the City, and all rights and remedies granted to them by law and equity shall be cumulative and concurrent and no determination of the invalidity of any provision of this Agreement shall deprive the City of any of their remedies or actions against the Entity because of Entity's failure to pay Land Taxes, the Annual Service Charge and/or or any other financial obligation to the City. This right shall only apply to arrearages that are due and owing at the time, and the bringing of any action for Land Taxes, Annual Service Charges or other charges, or for breach of covenant or the resort of any other remedy herein provided for the recovery of Land Taxes, Annual Service Charges or other charges shall not be construed as a waiver of the right to proceed with an In Rem Tax Foreclosure action consistent with the terms and provisions of this Agreement.

13.05 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period, if any, provided to cure, the City may terminate this Agreement upon thirty (30) calendar days written notice to the Entity (Notice of Termination). If the Default is cured within that 30 day period, the Agreement shall continue in force and effect.

13.06 Conventional Taxes

Upon Termination or expiration of this Agreement, the City's agreement herein not to contest the tax exempt status of the Project shall expire. The Parties hereto may agree to enter a new PILOT Agreement to replace this Agreement.

XIV. MISCELLANEOUS

14.01 Conflict

The parties agree that in the event of a conflict between any other terms or conditions of any document or other agreement and this PILOT Agreement, the language in this PILOT Agreement shall govern and prevail as to the specific matters covered herein.

14.02 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this PILOT Agreement. This PILOT Agreement is entire agreement between the parties and there shall be no modifications thereto other than by a written instrument executed by the parties hereto and delivered to each of them.

14.03 Entire Document

All conditions in the Resolution of the City Council approving this Agreement are incorporated in this Agreement and made a part hereof. A copy said Resolution is annexed hereto as **Exhibit 4**.

14.04 Good Faith

In their dealings with each other, the parties agree that they shall act in good faith.

14.05 Recording

This entire Agreement will be filed and recorded with the Essex County Clerk by the Entity at the Entity's expense.

14.06 Municipal Services

The Entity shall make payments for municipal services, including but not limited to water and sewer charges, and any services that create a lien on parity with or superior to the lien for the PILOT/Annual Service Charges, as required by law. Nothing herein is intended to release Entity from its obligation to make such payments.

14.07 Payments Due to Third Parties

In the event there is a successful challenge to this Agreement by the County, the Board of Education or other third party, then the Port Authority shall be responsible to pay any amounts determined to be payable to the County and/or the Board of Education or other third party and shall fully indemnify the City as set out in Section 12.01. In the event of any such successful challenge, however, the Entity's obligation to pay the administrative fee pursuant to Section 4.06 of this Agreement shall be null and void and of no further force or effect. Additionally, the City must cooperate with the Port Authority in good faith in the defense of any action to challenge or alter in any way, nullify, void or otherwise terminate this Agreement.

14.08 Waste and Refuse Disposal

This section intentionally deleted.

14.09 Financing Matters

This section intentionally deleted.

14.10 Counterparts

This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

14.11 Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto.

14.12 Certification

The delivery by the City Clerk to the City Tax Assessor of a certified copy of Resolution No. 7R7-c 061710 adopted by the Municipal Council approving the tax exemption described herein and this PILOT Agreement shall constitute the required certification pursuant to Law. Upon certification as required hereunder, the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the Clerk until the expiration of the entitlement to exemption by the terms or other termination of this PILOT Agreement.

Further, upon the adoption of this PILOT Agreement, a certified copy of Resolution No. 7R7-c 061710 adopted by the Municipal Council approving the tax exemption described herein and this PILOT Agreement shall forthwith be transmitted to the Director of the Division of Local Government Services by the City Clerk.

14.13 Other Agreements

The terms of the ARBITRATION/LITIGATION SETTLEMENT AGREEMENT and the TAX LAWSUIT SETTLEMENT AGREEMENT are hereby incorporated herein by reference to the extent that said terms do not conflict with the provisions of this Agreement, in which case the terms of this Agreement shall supersede.

XV. UPFRONT PAYMENT

In consideration of the abatement of taxes and fees pursuant to this Agreement (including Special Improvement District Fees), the Entity shall pay to the City, within sixty (60) days of the execution hereof, an upfront, lump-sum payment of $1,400,000.00 (One

Million Four Hundred Thousand Dollars). $750,000 (Seven Hundred Fifty thousand Dollars) shall be paid by Port Authority and $650,000 (Six Hundred Fifty Thousand Dollars) shall be paid by Matrix.

By agreeing to this payment, the Entity does not thereby make any admissions as to or concede the taxability of the Project.

Upon receipt of the upfront payment, the City shall cancel Certificate No. 06-11076 and any other existing tax liens or certificates with respect to the Project or any portion thereof, and shall dismiss any pending action(s) to foreclose on said Certificate or other such other certificates or liens. The City will also forego any taxes or fees with respect to the Project due prior to the date of this Agreement. The City shall also forego collection of Special Improvement District Fees as set forth in Article IV hereof, and shall forfeit any existing liens, receivables, or other pending actions for Special Improvement District Fees from the Project.

APPROVED AS TO FORM AND LEGALITY

Corporation Counsel

IN WITNESS WHEREOF, the parties have caused these presents to be executed as of the day and year first above written.

For the Entity

By: _____
Executive Director

ATTEST:

_____
Secretary

APPROVED AS TO FORM AND LEGALITY

_____
General Counsel

APPROVED
TERMS FORM

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 200__, by **NEWARK LEGAL AND COMMUNICATIONS CENTER URBAN RENEWAL CORPORATION,** LLC, a _____ limited liability company, by _____, its _____, on behalf of the company.

_____
Notary Public

Commission Expiration: _____

THE CITY OF NEWARK

By: _____
Mayor

ATTEST:

_____
City Clerk

IN WITNESS WHEREOF, the parties have caused these presents to be executed as of the day and year first above written.

For the Entity

By: _____
Executive Director

ATTEST:

_____
Secretary

APPROVED AS TO FORM AND LEGALITY

_____
General Counsel

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 200__, by **NEWARK LEGAL AND COMMUNICATIONS CENTER URBAN RENEWAL CORPORATION, LLC,** a _____ limited liability company, by _____, its _____, on behalf of the company.

_____
Notary Public

Commission Expiration: _____

THE CITY OF NEWARK

By: _____
Mayor

ATTEST:

_____
City Clerk