

GARY TEICHER
99 TULIP AVENUE, SUITE 109
FLORAL PARK, NEW YORK 11001
(516) 865-5000
FAX (516) 865-5005

FOIL# 14731

February 25, 2016

Port Authority New York & New Jersey
150 Greenwich Street
4 World Trade Center – 18th Floor
New York, NY 10007
Attn: William Shalewitz

03-02-16 A10:36 IN

Re: Juana Pena
Date of Loss 9/19/15
Our File # 13278

Dear Mr. Shalewitz::

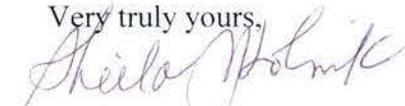
Allow this to serve as a FOIL request.

We are investigating a trip and fall accident that occurred on 9/19/15, involving Juana Pena. Ms. Pena tripped and fell on a floor mat at the doorway of Terminal 5 at JFK Airport Air Train parking garage level 3, which is also a Jet Blue Terminal.

Please furnish to us the ownership of the aforementioned area as well as the name(s) of the entities that maintain the area, including the maintenance of the rubber carpets, mats, flooring, etc. Is this area maintained by Jet Blue Airline, Port Authority of NY & NJ or an outside vendor? We need to know if this area is owned by the Port Authority of NY & NJ or Jet Blue Airlines. If your agency is not the correct agency to for us to send this FOIL request, please provide us with the name, address and telephone number of the correct agency.

Should you have any questions, please call the undersigned at the above listed number

Very truly yours,


Sheila Skolnik

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

March 29, 2016

Ms. Sheila Skolnik
Gary Teicher
99 Tulip Avenue, Suite 109
Floral Park, NY 11001

Re: Freedom of Information Reference No. 16731

Dear Ms. Skolnik:

This is in response to your February 25, 2016 request, which has been processed under the Port Authority's Freedom of Information Code, copy enclosed, for copies of records related to the ownership of Terminal 5 at JFK Airport Air Train parking garage level 3, which is also a JetBlue Terminal as well as the names (s) of the entities that maintain the area, including the maintenance of the rubber carpets, mats, and flooring.

Material responsive to your request can be found on the Port Authority's website at <http://corpinfo.panynj.gov/documents/16731-C/>. Paper copies of the available records are available upon request.

Certain portions of the material responsive to your request are exempt from disclosure as, among other classifications, personal privacy and security.

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

Very truly yours,



Danny Ng
FOI Administrator

Enclosure

*4 World Trade Center, 18th Floor
150 Greenwich Street
New York, NY 10007
T: 212 435 3642 F: 212 435 7555*

THE PORT AUTHORITY OF NY & NJ

Lillian D. Valenti
Chief Procurement Officer

August 21, 2014

VIA REGULAR MAIL AND FAX (201) 883-1212

Cristi Cleaning Service Corp.
77 Trinity Place
Hackensack, NJ 07601
ATTN: Ricardo Lopez – Vice President

**RE: GENERAL CLEANING, MACHINE SWEEPING AND LIMITED SNOW
REMOVAL SERVICES AT JOHN F. KENNEDY INTERNATIONAL AIRPORT
PARKING LOTS, GARAGES AND ASSOCIATED AREAS
BID #37707 - CONTRACT #4600010058/PO #4500065293**

Dear Mr. Lopez:

Your bid, including addenda 1 through 4, addressing the subject Contract has been accepted. The term of this Contract shall be for three (3) years effective October 1, 2014 through September 30, 2017, subject to earlier termination or extension as provided for in the Contract.

In accordance with the insurance provisions of the above referenced Contract, and prior to the commencement of work, you shall submit an original Certificate of Insurance to the attention of Ken Pietrowski, JFK, Port Authority Administration Bldg. 14, Jamaica, NY 11430. Additionally, please mail a copy of the Certificate of Insurance to the Port Authority of NY & NJ, General Manager, Risk Management, 225 Park Avenue South, 12th floor, New York, NY 10003. This Certificate must be annotated with Contract #4600010058 and CITS tracking #4463N.

Your facility contact is Ken Pietrowski who can be reached at (718)244-3597. If you have any questions concerning the award of this Contract, please contact Selene Ortega at (201)395-3407.

For invoicing and correspondence purposes, Purchase Order #4500065293 has been assigned to this Contract.

Sincerely,



Lillian Valenti
Chief Procurement Officer
Procurement Department

2 Montgomery Street, 3rd Floor
Jersey City, NJ 07302
T: 201 395 7477

THE PORT AUTHORITY OF NY & NJ
PROCUREMENT DEPARTMENT
2 MONTGOMERY STREET, 3RD FL.
JERSEY CITY, NJ 07302

INVITATION FOR BID/PUBLIC BID OPENING

BID INFORMATION

ISSUED DATE: November 8, 2013

TITLE: GENERAL CLEANING, MACHINE SWEEPING AND LIMITED
SNOW REMOVAL SERVICES AT JOHN F. KENNEDY
INTERNATIONAL AIRPORT, PARKING LOTS, GARAGES AND
ASSOCIATED AREAS

BID NO.: 37707

SUBMIT SEALED BIDS BEFORE THE DUE DATE AND TIME TO THE ABOVE ADDRESS
WHERE THEY WILL BE PUBLICLY OPENED AND READ

BID DUE DATE: May 20, 2014

TIME: 11:00 AM

BUYER NAME: SELENE ORTEGA

PHONE NO.: (201) 395-3407

FAX NO.: (201) 395-3425

EMAIL: sortega@panynj.gov

BIDDER INFORMATION

(TO BE COMPLETED BY THE BIDDER)

(PLEASE PRINT)

Cristi Cleaning Service Corp.
(NAME OF BIDDING ENTITY)

77 Trinity Place
(ADDRESS)

Hackensack, N.J. 07601
(CITY, STATE AND ZIP CODE)

Ricardo Lopez, Vice President 201-883-1717
(REPRESENTATIVE TO CONTACT-NAME & TITLE) (TELEPHONE)

201-883-1212
(FEDERAL TAX I.D. NO.) (FAX NO.)

BUSINESS CORPORATION PARTNERSHIP INDIVIDUAL

OTHER (SPECIFY):

05-22-14A477:04 RCVD

THE PORT AUTHORITY OF NY & NJ

**PROCUREMENT DEPARTMENT
2 MONTGOMERY STREET, 3RD FL.
JERSEY CITY, NJ 07302**

5/2/2014

ADDENDUM # 1

To prospective Bidder(s) on Bid #37707 for General Cleaning, Machine Sweeping and Limited Snow Removal Services at John F. Kennedy International Airport, Parking Lots, Garages and Associated Areas

Due back on 5/20/2014, no later than 11:00AM

I. BIDDER'S QUESTIONS AND ANSWERS

The following information is available in response to questions submitted by prospective Bidders. The responses should not be deemed to answer all questions, which have been submitted by Bidders to the Port Authority. It addresses only those questions, which the Port Authority has deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Bidders does not mean or imply, nor should it be deemed to mean or imply, any meaning, construction, or implication with respect to the terms.

The Port Authority makes no representations, warranties or guarantees that the information contained herein is accurate, complete or timely or that such information accurately represents the conditions that would be encountered during the performance of the Contract. The furnishing of such information by the Port Authority shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each Bidder, by submitting its Bid, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever. Accordingly, nothing contained herein and no representation, statement or promise, of the Port Authority, its Commissioners, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the Bidder required by this Bid or Contract and the Bidder agrees that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever. The Questions and Answers numbering sequence will be continued sequentially in any forthcoming Addenda that may be issued.

<i>Question #1</i>	Can you provide payroll records and seniority list.
<i>Answer #1</i>	See attached.

This communication should be initialed by you and annexed to your Bid upon submission.

In case any Bidder fails to conform to these instructions, its Bid will nevertheless be construed as though this communication had been so physically annexed and initialed.

THE PORT AUTHORITY OF NY & NJ

KATHY LESLIE WHELAN
ASSISTANT DIRECTOR
COMMODITIES AND SERVICES DIVISION

BIDDER'S FIRM NAME: Cristi Cleaning Service

INITIALED: RL

DATE: 5/21/2014

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO SELENE ORTEGA, WHO CAN BE REACHED AT (201) 395-3407 or at sortega@panynj.gov.

05-22-14A11:06 RCVD

THE PORT AUTHORITY OF NY & NJ

**PROCUREMENT DEPARTMENT
2 MONTGOMERY STREET, 3RD FL.
JERSEY CITY, NJ 07302**

5/19/2014

ADDENDUM # 2

To prospective Bidder(s) on Bid #37707 for General Cleaning, Machine Sweeping and Limited Snow Removal Services at John F. Kennedy International Airport, Parking Lots, Garages and Associated Areas

**Due back on 5/22/2014, no later than 11:00AM
(Originally due on 5/20/2014, no later than 11:00AM)**

I. CHANGES/MODIFICATIONS

The following changes/modifications are hereby made to the solicitation documents:

THIS BID IS HEREBY EXTENDED TO MAY 22, 2014, NO LATER THAN 11:00 A.M.

This communication should be initialed by you and annexed to your Bid upon submission.

In case any Bidder fails to conform to these instructions, its Bid will nevertheless be construed as though this communication had been so physically annexed and initialed.

THE PORT AUTHORITY OF NY & NJ

KATHY LESLIE WHELAN
ASSISTANT DIRECTOR
COMMODITIES AND SERVICES DIVISION

BIDDER'S FIRM NAME: Cristi Cleaning Service

INITIALED: RL

DATE: 5/21/2014

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO SELENE ORTEGA, WHO CAN BE REACHED AT (201) 395-3407 or at sortega@panynj.gov.

THE PORT AUTHORITY OF NY & NJ

**PROCUREMENT DEPARTMENT
2 MONTGOMERY STREET, 3RD FL.
JERSEY CITY, NJ 07302**

5/20/2014

ADDENDUM # 3

To prospective Bidder(s) on Bid #37707 for General Cleaning, Machine Sweeping and Limited Snow Removal Services at John F. Kennedy International Airport, Parking Lots, Garages and Associated Areas

Due back on 5/22/2014, no later than 11:00AM
(Originally due on 5/20/2014, no later than 11:00AM)

I. CHANGES/MODIFICATIONS

The following changes/modifications are hereby made to the solicitation documents:

Part V, page 12, include the following before paragraph C:

"The Contractor shall have twenty-four (24) hours to repair or replace any faulty or unsafe equipment."

Part V, page 28, section entitled "Periodic Work to be performed", add the following:

"Periodic Work will be performed Monday thru Friday, as required, between 6:00 a.m. to 2:00 p.m."

On the Staffing Plan, pages 33 and 34, add the following:

"AQUEDUCT RACETRACK (Machine Sweep)	Once per week 4 Hours
AQUEDUCT RACETRACK (Policing)	Once Per week 8 Hours"

On the Staffing Plan, for the Administrative Clerk, delete "Full Time" and replace with "Part Time".

On Attachment A, delete "1 equipment Specialist".

On Attachment A, delete "Cleaners" and replace with "snow staff".

II. BIDDER'S QUESTIONS AND ANSWERS

The following information is available in response to questions submitted by prospective Bidders. The responses should not be deemed to answer all questions, which have been submitted by Bidders to the Port Authority. It addresses only those questions, which the Port Authority has deemed to require additional information and/or clarification. The

fact that information has not been supplied with respect to any questions asked by a Bidders does not mean or imply, nor should it be deemed to mean or imply, any meaning, construction, or implication with respect to the terms.

The Port Authority makes no representations, warranties or guarantees that the information contained herein is accurate, complete or timely or that such information accurately represents the conditions that would be encountered during the performance of the Contract. The furnishing of such information by the Port Authority shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each Bidder, by submitting its Bid, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever. Accordingly, nothing contained herein and no representation, statement or promise, of the Port Authority, its Commissioners, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the Bidder required by this Bid or Contract and the Bidder agrees that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever. The Questions and Answers numbering sequence will be continued sequentially in any forthcoming Addenda that may be issued.

<i>Question #2</i>	Is the Clerk FT or PT?
<i>Answer #2</i>	Part time.
<i>Question #3</i>	For snow emergency, is the Manager rate OT.?
<i>Answer #3</i>	Refer to the Pricing Sheets.
<i>Question #4</i>	It calls for 1 Equipment Specialist for snow only. We don't see this as a requirement on the Staffing Plan (page 33
<i>Answer #4</i>	See above.
<i>Question #5</i>	The Staffing Plan doesn't show the following: Once a week Sweeping at the Aqueduct Racetrack Once a week Policing at the Aqueduct Racetrack
<i>Answer #5</i>	See above.
<i>Question #6</i>	The Air Cub sweeper will be working 24/7, according to the scope of work, for repairs or maintenance shall this sweeper be replaced to cover services?
<i>Answer #6</i>	See above.
<i>Question #7</i>	The current contractor has 2 sweepers as a backup, 1 Elgin Eagle and 1 Air Cub, is this a requirement for this solicitation?
<i>Answer #7</i>	No.
<i>Question #8</i>	Does the staff plan include periodic?

<i>Answer #8</i>	Yes.
<i>Question #9</i>	There are only wages for Cleaners and Supervisors but not for the CDL Sweeper Drivers Managers and Clerk?
<i>Answer #9</i>	Bidders must bid and provide pricing in accordance to the bid document.
<i>Question #10</i>	On B Tour, Periodic Cleaning (March to November) are they 7 or 5 days per week?
<i>Answer #10</i>	See above.

This communication should be initialed by you and annexed to your Bid upon submission.

In case any Bidder fails to conform to these instructions, its Bid will nevertheless be construed as though this communication had been so physically annexed and initialed.

THE PORT AUTHORITY OF NY & NJ

KATHY LESLIE WHELAN
 ASSISTANT DIRECTOR
 COMMODITIES AND SERVICES DIVISION

BIDDER'S FIRM NAME: Cristi Cleaning Service

INITIALED: RL

DATE: 5/21/2014

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO SELENE ORTEGA, WHO CAN BE REACHED AT (201) 395-3407 or at sortega@panynj.gov.

05-22-14A11:06 RCVD

THE PORT AUTHORITY OF NY & NJ

**PROCUREMENT DEPARTMENT
2 MONTGOMERY STREET, 3RD FL.
JERSEY CITY, NJ 07302**

5/21/2014

ADDENDUM # 4

To prospective Bidder(s) on Bid #37707 for General Cleaning, Machine Sweeping and Limited Snow Removal Services at John F. Kennedy International Airport, Parking Lots, Garages and Associated Areas

Due back on 5/22/2014, no later than 11:00AM
(Originally due on 5/20/2014, no later than 11:00AM)

I. BIDDER'S QUESTIONS AND ANSWERS

The following information is available in response to questions submitted by prospective Bidders. The responses should not be deemed to answer all questions, which have been submitted by Bidders to the Port Authority. It addresses only those questions, which the Port Authority has deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Bidders does not mean or imply, nor should it be deemed to mean or imply, any meaning, construction, or implication with respect to the terms.

The Port Authority makes no representations, warranties or guarantees that the information contained herein is accurate, complete or timely or that such information accurately represents the conditions that would be encountered during the performance of the Contract. The furnishing of such information by the Port Authority shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each Bidder, by submitting its Bid, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever. Accordingly, nothing contained herein and no representation, statement or promise, of the Port Authority, its Commissioners, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the Bidder required by this Bid or Contract and the Bidder agrees that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever. The Questions and Answers numbering sequence will be continued sequentially in any forthcoming Addenda that may be issued.

<i>Question #11</i>	What is the current hourly rate for the Resident Manager and the Administrative Clerk?
<i>Answer #11</i>	Resident Manager = \$26.46/hr Administrative Clerk = \$13.86/hr
<i>Question #12</i>	Is there currently a union that claims jurisdiction at the work site?
<i>Answer #12</i>	Currently Local 74 claims jurisdiction at the work site. The Bidder

shall contract the union directly for more information.

This communication should be initialed by you and annexed to your Bid upon submission.

In case any Bidder fails to conform to these instructions, its Bid will nevertheless be construed as though this communication had been so physically annexed and initialed.

THE PORT AUTHORITY OF NY & NJ

KATHY LESLIE WHELAN
ASSISTANT DIRECTOR
COMMODITIES AND SERVICES DIVISION

BIDDER'S FIRM NAME: Cristi Cleaning Service

INITIALED: R.L.

DATE: 5/21/2014

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO SELENE ORTEGA, WHO CAN BE REACHED AT (201) 395-3407 or at sortega@panynj.gov.

05-22-14A11:06 RCVD

Cristi

Cleaning Service

May 19, 2013

The Port Authority of NY & NJ
Procurement Department
2 Montgomery Street, 3rd Fl.
Jersey City, NJ 07302

Re: Bid No. 37707

General Cleaning, machine sweeping and limited snow removal services at John F. Kennedy International Airport, parking lots, garages and associated areas

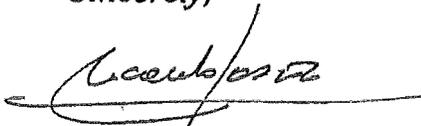
Dear Sir/Madam:

Cristi Cleaning Service Corp. certifies that an employee who performs a similar role at a Facility under the current Port Authority contract would suffer no diminution in wage rate under this Contract.

Cristi Cleaning Service Corp. also certifies that it will provide and is capable of providing Health Benefits for its full time employees, who will be performing the services hereunder in compliance with the Health Benefits requirements set forth in Section V, clause entitled "Health Benefits for Full-Time Employees", with such Health Benefits to be provided within thirty (30) days of award of this contract.

If you have any questions or comments, please call me at the number above.

Sincerely,



Ricardo Lopez
Vice President

"2012 Best Performance Contractor" at JFK & LaGuardia Airports
77 Trinity Place, Hackensack, NJ 07601
Tel: 201-883-1717 Fax: 201-883-1212

INVITATION FOR BID

- COVER PAGE: BID AND BIDDER INFORMATION
- PART I - STANDARD INFORMATION FOR BIDDERS
- PART II - CONTRACT SPECIFIC INFORMATION FOR BIDDERS
- PART III - CONTRACT SPECIFIC TERMS AND CONDITIONS
- PART IV - SIGNATURE SHEET, NAME AND RESIDENCE OF PRINCIPALS AND PRICING SHEET(S)
- PART V - SPECIFICATIONS
- STANDARD CONTRACT TERMS AND CONDITIONS

PART I - STANDARD INFORMATION FOR BIDDERS, TABLE OF CONTENTS

1. General Information: The Port Authority of New York and New Jersey 3
2. Form and Submission of Bid 3
3. Vendor Profile..... 4
4. Acknowledgment of Addenda 4
5. Firm Offer 4
6. Acceptance or Rejection of Bids..... 4
7. Bidder's Questions..... 5
8. Additional Information To and From Bidders..... 5
9. Union Jurisdiction..... 5
10. Assessment of Bid Requirements 5
11. Bidder's Prerequisites 5
12. Qualification Information 6
13. Facility Inspection..... 8
14. Available Documents - General..... 8
15. Pre-award Meeting..... 8
16. Price Preference 8
17. M/WBE Subcontracting Provisions..... 8
18. Certification of Recycled Materials 10
19. City Payroll Tax..... 11
20. Additional Bidder Information 12
ATTACHMENT I A - Certified Environmentally Preferable Products/Practices 13

PART I - STANDARD INFORMATION FOR BIDDERS

1. General Information: The Port Authority of New York and New Jersey

The Port Authority of New York and New Jersey (the "Port Authority" or the "Authority") is an agency of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two States, and thereafter consented to by the Congress of the United States. It is charged with providing transportation, terminal and other facilities of trade and commerce within the Port District. The Port District comprises an area of about 1,500 square miles in both States, centering about New York Harbor. The Port District includes the Cities of New York and Yonkers in New York State, and the cities of Newark, Jersey City, Bayonne, Hoboken and Elizabeth in the State of New Jersey, and over 200 other municipalities, including all or part of seventeen counties, in the two States. The Port Authority manages and/or operates all of the region's major commercial airports (Newark Liberty International, John F. Kennedy International, Teterboro, LaGuardia and Stewart International Airports), marine terminals in both New Jersey and New York (Port Newark and Elizabeth, Howland Hook and Brooklyn Piers); and its interstate tunnels and bridges (the Lincoln and Holland Tunnels; the George Washington, Bayonne, and Goethals Bridges; and the Outerbridge Crossing), which are vital "Gateways to the Nation."

In addition, the Port Authority operates the Port Authority Bus Terminal in Manhattan, the largest facility of its kind in the world, and the George Washington Bridge and Journal Square Transportation Center bus stations. A key link in interstate commuter travel, the Port Authority also operates the Port Authority Trans-Hudson Corporation (PATH), a rapid rail transit system linking Newark, and the Jersey City and Hoboken waterfronts, with midtown and downtown Manhattan. A number of other key properties are managed by the agency including but not limited to a large satellite communications facility (the Teleport) in Staten Island, and a resource recovery co-generation plant in Newark. Prior to September 11, 2001, the Port Authority's headquarters were located in the World Trade Center, and that complex is still owned and being partially redeveloped by the Authority.

2. Form and Submission of Bid

The Bidder shall review carefully every provision of this document, provide all the information required, and sign and return one entire copy to the Port Authority in accordance with the instructions on the Cover Sheet and Part II - Contract Specific Information for Bidders. The Bidder should retain one complete duplicate copy for its own use. The "Signature Sheet" contained herein must be completed and signed by the Bidder. The Pricing Sheet(s) contained herein must also be completed. The bid shall be sealed in the enclosed self-addressed envelope conspicuously marked with the Bidder's name, address, and Vendor Number, if available. In addition, the outside of the package must clearly state the Bid title, the Bid Collective Number and the Bid Due Date. Failure to properly label submissions may cause a delay in identification, misdirection or disqualification of the submissions. In submitting this bid, the Bidder offers to assume the obligations and liabilities imposed upon it herein and expressly makes the representations and warranties required in this document.

All Bids must be received by the bid custodian on or before the due date and time specified on the cover page, at which time they will be publicly opened and read. Bids are only accepted Monday through Friday, excluding Port Authority holidays, between the hours of 8:00 a.m. and 5:00 p.m., via (1) regular mail, (2) express delivery service (e.g. UPS), or (3) hand delivery. If your bid is to be hand-delivered by messenger or you are planning to attend the formal bid opening, please note that only individuals with valid photo identification will be permitted access to the Port Authority's offices. Individuals without valid identification shall be turned away and their packages not accepted. Bids that are not received by the bid custodian by the scheduled bid opening date will be considered late.

3. Vendor Profile

To ensure maximum opportunities, it is vitally important that Bidders keep their vendor profiles up to date with an appropriate e-mail address, as this will enable their firm to receive timely notice of advertisements, reminders, solicitations and addenda. Bidders may update their vendor profile or register as a Port Authority Vendor by accessing the online registration system at <https://panynjprocure.com/VenLogon.asp>.

4. Acknowledgment of Addenda

If any Addenda are posted or sent as part of this Bid, the Bidder shall complete, sign and include with its Bid the addenda form(s). In the event any Bidder fails to conform to these instructions, its Bid will nevertheless be construed as though the Addenda had been acknowledged.

If the Bidder downloaded this solicitation document, it is the responsibility of the Bidder to periodically check the Port Authority website at <http://www.panynj.gov/business-opportunities/bid-proposal-advertisements.html> and download any addenda that might have been issued in connection with this solicitation.

5. Firm Offer

The Bidder offers to provide the Port Authority of New York and New Jersey the services and to perform all Work in connection therewith required under this Contract, all as specified by the terms and conditions of the Contract, based on the Pricing Sheets provided herein.

EXCEPTIONS TAKEN OR CONDITIONS IMPOSED BY A BIDDER TO ANY PORTION OF THE CONTRACT DOCUMENTS WILL RESULT IN REJECTION OF THE BID.

6. Acceptance or Rejection of Bids

The acceptance of a bid will be by a written notice signed by an authorized representative on behalf of the Authority. No other act of the Port Authority, its Commissioners, officers, agents or employees shall constitute acceptance of a bid. The Port Authority reserves the unqualified right, in its sole and absolute discretion, to reject any or all bids or to accept any bid, which in its judgment will best serve the

public interest and to waive defects in any bid. No rights accrue to any Bidder unless and until its bid is accepted.

7. Bidder's Questions

Any questions by prospective Bidders concerning the Work to be performed or the terms and conditions of the Contract may be addressed to the Contracts Specialist listed on the Cover Sheet of this document. The Contracts Specialist is only authorized to direct the attention of prospective Bidders to the portions of the Contract. No employee of the Port Authority is authorized to interpret any portion of the Contract or to give information in addition to that contained in the Contract. When Contract interpretation or additional information as to the Contract requirements is deemed necessary by the Port Authority, it will be communicated to all Bidders by written addenda issued under the name of the Manager, Purchasing Services Division of the Port Authority and may be posted on the Port Authority website. Addenda shall be considered part of the Contract.

8. Additional Information To and From Bidders

Should the Authority require additional information from the Bidder in connection with its bid, such information shall be submitted within the time frame specified by the Port Authority.

If the Bidder is a corporation, a statement of the names and residences of its officers should be submitted on the Name and Residence of Principals Sheet, directly following the Signature Sheet.

9. Union Jurisdiction

All prospective Bidders are advised to ascertain whether any union now represented or not represented at the Facility will claim jurisdiction over any aspect of the operations to be performed hereunder and their attention is directed to the paragraph entitled "Harmony" in the Standard Contract Terms and Conditions.

10. Assessment of Bid Requirements

The Bidder should carefully examine and study the entire contents of these bid documents and shall make its own determinations as to the services and materials to be supplied and all other things required to be done by the Contractor.

11. Bidder's Prerequisites

Only Bidders who can comply with the prerequisites specified in Part II hereof at the time of the submission of its bid should submit bids, as only bids submitted by such Bidders will be considered. By furnishing this document to the Bidder, the Port Authority has not made a determination that the Bidder has met the prerequisites or has otherwise been deemed qualified to perform the services. A determination that a

Bidder has met the prerequisites is no assurance that it will be deemed qualified in connection with other bid requirements included herein.

12. Qualification Information

The Port Authority may give oral or written notice to the Bidder to furnish the Port Authority with information and to meet with designated representatives of the Port Authority relating to the Bidder's qualifications and ability to fulfill the Contractor's obligations hereunder. The requested information shall be submitted no later than three (3) days after said notice unless otherwise indicated. Matters upon which the Port Authority may inquire may include, but may not be limited to, the following:

- a. The Bidder may be required to demonstrate that it is financially capable of performing this Contract, and the determination of the Bidder's financial qualifications will be made by the Port Authority in its sole discretion. The Bidder shall submit such financial and other relevant information as may be required by the Port Authority from time to time including, but not limited to, the following:
 1. (i) Certified financial statements, including applicable notes, reflecting the Bidder's assets, liabilities, net worth, revenues, expenses, profit or loss and cash flow for the most recent calendar year or the Bidder's most recent fiscal year.

(ii) Where the certified financial statements set forth in (i) above are not available, then either reviewed or compiled statements from an independent accountant setting forth the aforementioned information shall be provided.

(iii) Where neither certified financial statements nor financial statements from an independent accountant are available, as set forth in (i) and (ii) above, then financial statements containing such information prepared directly by the Bidder may be submitted; such financial statements, however, must be accompanied by a signed copy of the Bidder's most recent Federal income tax return and a statement in writing from the Bidder, signed by an executive officer or their authorized designee, that such statements accurately reflect the present financial condition of the Bidder.

Where the statements submitted pursuant to subparagraphs (i), (ii) or (iii) are dated prior to forty-five (45) days before the bid opening, then the Bidder shall submit a statement in writing, signed by an executive officer of the Bidder or their designee, that the present financial condition of the Bidder is at least as good as that shown on the statements submitted.
2. Bidder's statement of work on hand, including any work on which a bid has been submitted, and containing a description of the work, the annual dollar value, the location by city and state, the current percentage of completion, the expected date for completion, and the name of an individual most familiar with the Bidder's work on these jobs.

3. The name and address of the Bidder's banking institution, chief banking representative handling the Bidder's account, the Bidder's Federal Employer Identification Number (i.e., the number assigned to firms by the Federal Government for tax purposes), the Bidder's Dun and Bradstreet number, if any, the name of any other credit service to which the Bidder has furnished information, and the number, if any, assigned by such service to the Bidder's account.
- b. Information relating to the Bidder's Prerequisites, if any, as set forth in this document.
 - c. If the Bidder is a corporation: (1) a copy of its Certificate of Incorporation and, if applicable, all Amendments thereto with a written declaration signed by the Secretary of the Corporation with the corporate seal affixed thereto, stating that the copy furnished is a true copy of the Certificate of Incorporation and any such Amendments as of the date of the opening of the bid and (2) if the Bidder is not incorporated under the laws of the state in which the service is to be performed, a certificate from the Secretary of State of said state evidencing the Bidder's legal qualification to do business in that state.
 - d. A statement setting forth the names of those personnel to be in overall charge of the service and those who would be exclusively assigned to supervise the service and their specific roles therein, setting forth as to each the number of years of experience and in which functions and capacities each would serve.
 - e. Information to supplement any statement submitted in accordance with the Standard Contract Terms and Conditions entitled "Contractor's Integrity Provisions."
 - f. In the event that the Bidder's performance on a current or past Port Authority or Port Authority Trans-Hudson Corporation (PATH) contract or contracts has been rated less than satisfactory, the Manager, Purchasing Services Division, may give oral or written notice to the Bidder to furnish information demonstrating to the satisfaction of such Manager that, notwithstanding such rating, such performance was in fact satisfactory or that the circumstances which gave rise to such unsatisfactory rating have changed or will not apply to performance of this Contract, and that such performance will be satisfactory.
 - g. The Bidder recognizes that it may be required to demonstrate to the satisfaction of the Port Authority that it in fact can perform the services as called for in this Contract and that it may be required to substantiate the warranties and representations set forth herein and the statements and assurances it may be required to give.

Neither the giving of any of the aforesaid notices to a Bidder, the submission of materials by a Bidder, any meeting which the Bidder may have with the Port Authority, nor anything stated by the Port Authority in any such meeting shall be construed or alleged to be construed as an acceptance of said Bidder's bid. Nothing stated in any such meeting shall be deemed to release any Bidder from its offer as contained in the bid.

13. Facility Inspection

Details regarding the Facility inspection for all parties interested in submitting a bid are stipulated in Part II hereof. All Bidders must present company identification and photo identification for access to the Facility.

14. Available Documents - General

Certain documents, listed in Part II hereof, will be made available for reference and examination by Bidders either at the Facility Inspection, or during regular business hours. Arrangements to review these documents at a time other than the Facility Inspection may be made by contacting the person listed in Part II as the contact for the Facility Inspection.

These documents were not prepared for the purpose of providing information for Bidders upon this Contract but they were prepared for other purposes, such as for other contracts or for design purposes for this or other contracts, and they do not form a part of this Contract. The Port Authority makes no representation or guarantee as to, and shall not be responsible for, their accuracy, completeness or pertinence, and, in addition, shall not be responsible for the inferences or conclusions to be drawn there from.

15. Pre-award Meeting

The lowest qualified Bidder may be called for a pre-award meeting prior to award of the Contract.

16. Price Preference

A price preference may be available for Minority/Women Business Enterprises (M/WBEs) or Small Business Enterprises (SBEs) as set forth in the Standard Contract Terms and Conditions.

17. M/WBE Subcontracting Provisions

The Port Authority has a long-standing practice of making its business opportunities available to Minority Business Enterprises (MBEs) and Women-Owned Businesses (WBEs) and has taken affirmative steps to encourage such firms to seek business opportunities with the Port Authority. The successful Bidder will use good faith efforts to provide for meaningful participation by the Port Authority certified M/WBEs as defined in this document, in the purchasing and subcontracting opportunities associated with this contract, including purchase of equipment, supplies and labor services.

Minority Business Enterprise (MBE) - shall mean a business entity which is at least 51% owned and controlled by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more minority groups, and whose management and daily business

operations are controlled by one or more such individuals who are citizens or permanent resident aliens.

"Minority Group" means any of the following racial or ethnic groups:

- (a) Black persons having origins in any of the Black African racial groups not of Hispanic origin;
- (b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;
- (c) Asian and Pacific Islander persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands;
- (d) Native American or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

Women-Owned Business Enterprise (WBE) - shall mean a business enterprise which is at least 51% owned by one or more women, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more women and whose management and daily business operations are controlled by one or more women who are citizens or permanent or resident aliens.

Good faith efforts to include participation by M/WBEs shall include, but not be limited to the following:

- 1) Dividing the services and materials to be procured into small portions where feasible;
- 2) Giving reasonable advance notice of specific subcontracting and purchasing opportunities to such firms as may be appropriate;
- 3) Soliciting services and materials from M/WBEs, which are certified by the Port Authority;
- 4) Ensuring that provision is made for timely progress payments to the M/WBEs and;
- 5) Observance of reasonable commercial standards of fair dealing in the respective trade or business.

Bidders are directed to use form PA3749B as the recording mechanism for the M/WBE participation Plan, which may be downloaded at <http://www.panynj.gov/business-opportunities/become-vendor.html>

The M/WBE Plan submitted by the Contractor to the Port Authority shall contain, at a minimum, the following:

- Identification of M/WBE's: Provide the names and addresses of all M/WBEs included in the Plan. If none are identified, describe the process for selecting participant firms in order to achieve the good faith goals under this Contract.
- Level of Participation: Indicate the percentage of M/WBE participation expected to be achieved with the arrangement described in the Plan.
- Scope of Work: Describe the specific scope of work the M/WBE's will perform.
- Previous M/WBE Participation: Describe any previous or current M/WBE participation, which the Bidder has utilized in the performance of its contracts.

All M/WBE subcontractors listed on the M/WBE Participation Plan must be certified by the Port Authority in order for the Contractor to receive credit toward the M/WBE goals set forth in this Contract. Please go to www.panynj.gov/supplierdiversity to search for M/WBEs by a particular commodity or service. The Port Authority makes no representation as to the financial responsibility of such firms or their ability to perform Work under this Contract.

Bidders shall include their M/WBE Participation Plan with their Bids, to be reviewed and approved by the Authority's Office of Business Diversity and Civil Rights (OBDCR).

If the Contractor wishes to subcontract a portion of the Work through a firm not listed in the Directory, but which the Contractor believes should be eligible because it is (1) an M/WBE, as defined above and (2) competent to perform portions of the Work, the Contractor shall submit an M/WBE Uniform Certification Application to the Port Authority of New York and New Jersey, Office of Business Diversity and Civil Rights (OBDCR), 233 Park Avenue South, 4th Floor, New York, NY 10003. The application is available online at www.panynj.gov/supplierdiversity. In addition, to update your certification file and to advise OBDCR of changes to any information, please email these changes to certhelp@panynj.gov. Credit toward applicable goals will be granted only to Port Authority certified vendors. For more information about M/WBE Programs, call (212) 435-7819.

18. Certification of Recycled Materials

Bidders are requested to submit, with their bid, a written certification entitled "Certified Environmentally Preferable Products / Practices" attached hereto as "Attachment I-A", attesting that the products or items offered by the Bidder contain the minimum percentage of post-consumer recovered material in accordance with the most recent guidelines issued by the United States Environmental Protection Agency (EPA), or, for commodities not so covered, the minimum percentage of post-consumer recovered materials established by other applicable regulatory agencies. The data submitted by the Bidder in Attachment I-A is being solicited for informational purposes only.

Recycling Definitions:

For purposes of this solicitation, the following definitions shall apply:

- a. "Recovered Material" shall be defined as any waste material or by-product that has been recovered or diverted from solid waste, excluding those materials and by-products generated from, and commonly reused within, an original manufacturing process.
- b. "Post-consumer Material" shall be defined as any material or finished product that has served its intended use and has been discarded for disposal or recovery having completed its life as a consumer item. "Post-consumer material" is included in the broader category of "Recovered Material".
- c. "Pre-consumer Material" shall be defined as any material or by-product generated after the manufacture of a product but before the product reaches the consumer, such as damaged or obsolete products. Pre-consumer Material does not include mill and manufacturing trim, scrap, or broken material that is generated at a manufacturing site and commonly reused on-site in the same or another manufacturing process.
- d. "Recycled Product" shall be defined as a product that contains the highest amount of post-consumer material practicable, or when post-consumer material is impracticable for a specific type of product, contains substantial amounts of Pre-consumer Material.
- e. "Recyclable Product" shall be defined as the ability of a product and its packaging to be reused, reconditioned for use, or recycled through existing recycling collection programs.
- f. "Waste Reducing Product" shall be defined as any product that will result in less waste generated due to its use rather than another product designed to serve the same function with an greater waste generation rate. This shall include, but not be limited to, those products that can be reused, refilled or have a longer life expectancy and contain a lesser amount of toxic constituents.

19. City Payroll Tax

Bidders should be aware of the payroll tax imposed by the:

- a) City of Newark, New Jersey for services performed in Newark, New Jersey;
- b) City of New York, New York for services performed in New York, New York;
and
- c) City of Yonkers, New York for services performed in Yonkers, New York.

These taxes, if applicable, are the sole responsibility of the Contractor. Bidders should consult their tax advisors as to the effect, if any, of these taxes. The Port Authority provides this notice for informational purposes only and is not responsible for either the imposition or administration of such taxes. The Port Authority exemption set forth in the Paragraph headed "Sales or Compensating Use Taxes", in the Standard Contract Terms and Conditions included herein, does not apply to these taxes.

20. Additional Bidder Information

Prospective Bidders are advised that additional vendor information, including but not limited to, forms, documents and other information, including protest procedures, may be found on the Port Authority website at: <http://www.panynj.gov/business-opportunities/become-vendor.html>

ATTACHMENT I A - Certified Environmentally Preferable Products/Practices

Bidder Name: Cristi Cleaning Service Date: 5/19/14

In line with the Port Authority's efforts to promote products and practices which reduce our impact on the environment and human health, Bidders are encouraged to provide information regarding their environmentally preferable/sustainable business practices as they relate to this contract wherever possible. Bidders are requested to complete this form and submit it with their response, if appropriate. Bidders are requested to submit appropriate documentation to support the items for which the Bidder indicates a "Yes" and present this documentation, in the proper sequence of this Attachment.

1. Packaging

Has the Bidder implemented any of the following environmental initiatives? (A checkmark indicates "Yes")

- Use of corrugated materials that exceed the required minimum EPA recommended post-consumer recycled content
- Use of other packaging materials that contain recycled content and are recyclable in most local programs
- Promotes waste prevention and source reduction by reducing the extent of the packaging and/or offering packaging take-back services, or shipping carton return
- Reduces or eliminates materials which have been bleached with chlorine or chlorine derivatives
- Eliminates any packaging that may contain polyvinyl chloride (PVC), or polystyrene or heavy metals.

If yes, a description of the practices being followed should be include with the submission.

2. Business Practices / Operations / Manufacturing

Does the Bidder engage in practices that serve to reduce or minimize an impact to the environment, including, but not necessarily limited to, the following items? (A checkmark indicates "Yes")

- Recycles materials in the warehouse or other operations
- Use of alternative fuel vehicles or vehicles equipped with diesel emission control devices for delivery or transportation purposes
- Use of energy efficient office equipment or signage or the incorporation of green building design elements
- Use of recycled paper (that meets federal specifications) in their marketing and/or resource materials
- Other sustainable initiative

If yes, a description of the practices being followed should be included with the submission.

3. Training and Education

Does the Bidder conduct/offer a program to train or inform customers and employees of the environmental benefits of the products to be offered under this contract, and/or does the Bidder conduct environmental training of its own staff?

- Yes No If yes, Bidder shall attach a description of the training offered and the specific criteria targeted by the training.

4. Certifications

Has the Bidder or any of its manufacturers and/or subcontractors obtained any of the following product / industry certifications? (A checkmark indicates "Yes")

- ISO 14000 or adopted some other equivalent environmental management system
- Other industry environmental standards (where applicable), such as the CERES principles, LEED Certification, C2C Protocol, Responsible Care Codes of Practice or other similar standards
- Third Party product certifications such as Green Seal, Scientific Certification Systems, Smartwood, etc.

If yes, Bidders should attach copies of the certificates obtained.

I hereby certify under penalty of law, the above statements are true and correct.

[Signature] Name 5/19/14 Date

05-22-14 ATT:05 RCVD

**PART II – CONTRACT SPECIFIC INFORMATION FOR BIDDERS,
TABLE OF CONTENTS**

1. Service(s) Required.....	2
2. Location(s) Services Required.....	2
3. Expected Date of Commencement of Contract	2
4. Contract Type.....	2
5. Duration of Contract	2
6. Option Period(s).....	2
7. Price Adjustment during Option Period(s) (Index Based).....	2
8. Extension Period.....	2
9. Facility Inspection.....	2
10. Specific Bidder's Prerequisites.....	2
11. Bidder's Additional Submittal Requirements.....	3
12. Available Documents.....	3
13. Contractor Staff Background Screening	3
14. Attached Documents.....	4
15. Aid to Bidders.....	4

PART II - CONTRACT SPECIFIC INFORMATION FOR BIDDERS

The following information may be referred to in other parts hereof, or further detailed in other parts hereof, if applicable.

1. Service(s) Required

General cleaning, machine sweeping and limited snow removal services.

2. Location(s) Services Required

John F. Kennedy International Airport, parking lots, garages and associated areas as more fully described in the definition of "Facility" in the Specifications.

3. Expected Date of Commencement of Contract -

On or about October 1, 2014.

4. Contract Type

Monthly Lump Sum and Unit Price Services Contract.

5. Duration of Contract

Three (3) years, expiring on or about September 30, 2017.

6. Option Period(s)

There shall be up to one (1) three (3) year Option period.

7. Price Adjustment during Option Period(s) (Index Based)

Price adjustment during the Option Period(s) shall be pursuant to the clause entitled "Price Adjustment" in Part III hereof.

8. Extension Period

120 Day Extension Applicable.

9. Facility Inspection

The Port Authority will conduct a facility inspection for all parties interested in submitting bids on this Contract, which will commence at 10:00 a.m. on May 13, 2014. All interested parties should meet at JFK, Port Authority Administration Bldg. 14, South Service Road, Main Lobby. Contact Dean Poveromo via email at dpoveromo@panynj.gov or (718)244-3622 to confirm your attendance and/or receive travel directions. *Photo ID is required to attend the facility inspection.*

10. Specific Bidder's Prerequisites

The Bidder shall be certified by the Port Authority as a NY or NJ Small Business Enterprise (SBE), as defined in the Standard Contract Terms and Conditions in the Janitorial Maintenance Program by the day before the Bid opening date. Further, the Bidder must have been pre-qualified by the Port Authority to bid on Janitorial Maintenance contracts over \$2,000,000 estimated annual Contract value.

Proof that the above prerequisites are met should be submitted with the bid.

11. Bidder's Additional Submittal Requirements

Bidders are strongly encouraged to retain current employees for this Contract and to provide for a stable workforce. Bidders are requested to submit additional documentation as follows:

- a. A statement that an employee who performed a similar role at a Facility under the current Port Authority contract would suffer no diminution in wage rate under this Contract;
- b. Supporting documentation that Bidder provides or is capable of providing Health Benefits for its full time employees who will be performing the services hereunder in compliance with the Health Benefit requirements set forth in the Section V clause entitled "Health Benefits for Full-Time Employees," with such Health Benefits to be provided within thirty (30) days of award of this Contract;
- c. The "Calculation of Hourly Rate" forms included in Part IV detailing Bidder's allowance for holiday, vacation and sick days, health, retirement and other supplemental benefits implemented and administered by the Bidder.

In preparing the "Calculation of Hourly Rate Form" for this Contract, the Bidder shall take into consideration the costs of all required benefits hereunder, including but not limited to: holiday, vacation, sick, health and retirement. **Please note that all calculations should be based on 2,080 annual hours.**

12. Available Documents

The following documents will be made available for reference and examination:
A conformed copy of Contract #4600007000 with Cristi Cleaning Services.

13. Contractor Staff Background Screening

The Contractor awarded this contract may be required to have its staff, and any subcontractor's staff working under this Contract, authorize the Authority or its designee to perform background checks. Such authorization shall be in a form acceptable to the Authority. The Contractor (and subcontractor) may also be required to use an organization designated by the Authority to perform the background checks. The cost for said background checks for staff that pass and are granted a credential shall be reimbursable to the Contractor (and its subcontractors) as an out-of-pocket expense. The cost for said background checks for staff that are rejected for a credential for any reason are not reimbursable.

As of January 29, 2007, the Secure Worker Access Consortium (S.W.A.C.) is the only Port Authority approved provider to be used to conduct background screening, except as otherwise required by federal law and/or regulation. Information about S.W.A.C., instructions, corporate enrollment, online applications, and location of

processing centers can be found at <http://www.secureworker.com>, or S.W.A.C. may be contacted directly at (877)522-7922.

14. Attached Documents

The attached documents are provided for informational purposes only:
Current payroll records of employees assigned to the current contract.

Please note that the wages provided herein have been furnished by the incumbent Contractor and have not been audited by the Port Authority.

The Port Authority makes no representation, guarantee or warranty that these wages will be the same at the commencement of the new Contract and shall not be responsible for any conclusions drawn therefrom.

If awarded the Contract, the Contractor shall be required to pay its employees at least the same hourly wage rates said employees were paid under contract #4600007000 or the minimum hourly wages detailed in the "Wages and Supplemental Benefits Clause" included in Part V, whichever is greater, even if those rates are higher than the rates on the attached payroll records.

15. Aid to Bidders

As an aid to Bidders in determining the appropriate amount of materials required in the performance of this Contract, the Port Authority provides the following historical data on approximate annual materials usage. The Port Authority makes no representation, guarantee or warranty that the estimated amounts of materials or numbers provided herein are accurate or complete, or that they will constitute the amounts of materials required to be furnished under this Contract and shall not be responsible for any conclusions drawn therefrom.

ITEM	CASES PER YEAR	COUNT PER CASE
Plastic Trash Bags Small	300	250
Plastic Trash Bags Large	900	150
Seat Covers	350	20 Pack
Hand Soap	500	10-1 Liter
Toilet Tissue	225	12
Paper Towels	1000	12

**PART III – CONTRACT SPECIFIC TERMS AND CONDITIONS,
TABLE OF CONTENTS**

1. General Agreement.....	2
2. Duration	2
3. Payment.....	3
4. Price Adjustment.....	5
5. Liquidated Damages	6
6. Insurance Procured by the Contractor.....	8
7. Increase and Decrease in Areas or Frequencies.....	10
8. Extra Work.....	11

PART III – CONTRACT SPECIFIC TERMS AND CONDITIONS

1. General Agreement

Subject to all of the terms and conditions of this Contract, the undersigned (“Contractor”) hereby offers and agrees to provide all the necessary supervision, personnel, equipment, materials and all other things necessary to perform the Work required by this Contract as enumerated in Part II, and as specified in Part V “Specifications” at the location(s) listed in Part II and fully set forth in Part V “Specifications,” and to do all other things necessary or proper therefor or incidental thereto, all in strict accordance with the provisions of the Contract Documents and any future changes therein; and the Contractor further agrees to assume and perform all other duties and obligations imposed upon it by this Contract.

In addition, all things not expressly mentioned in the Specifications but involved in the carrying out of their intent and in the complete and proper execution of the matters referred to in and required by this Contract are required by the Specifications, and the Contractor shall perform the same as though they were specifically delineated, described and mentioned therein.

2. Duration

- a) The initial term of this Contract (“Base Term”) shall commence on or about the date specified in Part II hereof, on the specific date set forth in the Port Authority’s written notice of bid acceptance (“Commencement Date”) and, unless otherwise terminated, revoked or extended in accordance with the provisions hereof, shall expire as specified in Part II hereof (“Expiration Date”).
- b) If specified as applicable to this Contract and set forth in Part II hereof, the Port Authority shall have the right to extend the term of this Contract for additional period(s) (“Option Period(s)”) following the Expiration Date, upon the same terms and conditions subject only to adjustments of charges, if applicable to this Contract, as may be hereinafter provided in the paragraph entitled “Price Adjustments”. If the Port Authority shall elect to exercise the Option(s) to extend the term of this Contract, then, no later than thirty (30) days prior to the Expiration Date, the Port Authority shall send a notice that it is extending the Base Term of this Contract, and the term of this Contract shall thereupon be extended for the applicable Option Period. If the Contract provides for more than one Option Period, the same procedure shall apply with regard to extending the term of this Contract for succeeding Option Periods.
- c) Unless specified as not applicable to this Contract in Part II hereof, the Port Authority shall have the absolute right to extend the Base Term for an additional period of up to one hundred and twenty (120) days subsequent to the Expiration Date of the Base Term, or to the Expiration Date of the final exercised Option Period (“Extension Period”), subject to the same terms and conditions as the previous contract period. The prices quoted by the Contractor for the previous contract period shall remain in effect during this Extension Period without adjustment. If it so elects to extend the term of this Contract, the Port Authority

will advise the Contractor, in writing, that the term is so extended, and will stipulate the length of the extended term, at least thirty (30) days prior to the expiration date of the previous contract period.

3. Payment

Subject to the provisions of this Contract, the Port Authority agrees to pay to the Contractor and the Contractor agrees to accept from the Port Authority as full and complete consideration for the performance of all its obligations under this Contract and as sole compensation for the Work performed by the Contractor hereunder, a compensation calculated from the actual quantities of services performed and the respective prices inserted by the Contractor in the Pricing Sheet(s), forming a part of this Contract, exclusive of compensation under the clause hereof entitled "Extra Work". The manner of submission of all bills for payment to the Contractor by the Port Authority for Services rendered under this Contract shall be subject to the approval of the Manager in all respects, including, but not limited to, format, breakdown of items presented and verifying records. All computations made by the Contractor and all billing and billing procedures shall be done in conformance with the following procedures:

- a) For each month in which Routine and Periodic Cleaning Services required by this Contract are performed by the Contractor, the Monthly Lump Sum Price for said services quoted by the Bidder in the Pricing Sheet (for the applicable Contract year) as such amount may be adjusted pursuant to the provisions of this Contract.
- b) For each month in which Snow Removal Services required by this Contract are performed by the Contractor hereunder, the applicable unit price per hour quoted by the Bidder in the Pricing Sheet (for the applicable Contract year) as such amount may be adjusted pursuant to the provisions of this Contract, times the number of hours expended in the month for Snow Removal Services.
- c) For each month in which Extraordinary Cleaning Services required by this Contract are performed by the Contractor, the unit price per square foot or unit price per hour, as applicable, for such services quoted by the Bidder in the Pricing Sheet (for the applicable Contract year) may be adjusted pursuant to the provisions of this Contract to reflect the actual number of square feet and/or number of fixtures cleaned.

Payment will be made monthly in accordance with the following:

- i. On or after the tenth day of each month of this Contract starting with the second month and including the month following the month in which this Contract expires or is terminated, the Contractor shall submit to the Manager an invoice setting forth the amount due to the Contractor for the preceding calendar month as described above, accompanied by such information as may be required by the

Manager for verification and including a separate calculation of monies due for Extra Work.

- ii. Within fifteen (15) calendar days of its receipt of the Contractor's invoice, the Authority will pay to the Contractor an initial payment equal to eighty-five percent (85%) of the face value of such invoice. Payment to the Contractor of any amounts due in excess of the aforesaid initial payment will be made by the Authority within thirty (30) calendar days following its receipt of the invoice.
- iii. Payments made hereunder are subject to such adjustments as may be necessitated following Authority verification of the accuracy of amounts billed. Such payments are further subject to deductions for any liquidated damages to which the Port Authority may be entitled pursuant to the clause hereof entitled "Liquidated Damages."
- iv. The compensation indicated above shall constitute full compensation for all Work whatsoever required by this Contract, excluding compensation for Extra Work assigned pursuant to the clause entitled "Extra Work," compensation for which shall be in accordance with the provisions of said clause.

No certificate, payment, acceptance of any Work or any other act or omission of any representative of the Port Authority shall operate to release the Contractor from any obligation under or upon this Contract, or to stop the Port Authority from showing at any time that such certificate, payment, acceptance, act or omission was incorrect or to preclude the Port Authority from recovering any monies paid in excess of those lawfully due and any damage sustained by the Port Authority.

In the event an audit of received invoices should indicate that the correct sum due to the Contractor for the relevant billing period is less than the amount actually paid by the Port Authority, the Contractor shall pay to the Port Authority the difference promptly upon receipt of the Port Authority's statement thereof. The Port Authority may, however, in its discretion elect to deduct said sum or sums from any subsequent monthly payments payable to the Contractor hereunder.

"Final Payment", as the term is used throughout this Contract, shall mean the final payment made for services rendered in the last month of the Base Term or any extended term. However, should this Contract be terminated for any reason prior to the last month of the Base Term or any extended term, then Final Payment shall be the payment made for services rendered in the month during which such termination becomes effective. The Contractor's acceptance of Final Payment shall act as a full and complete release to the Port Authority of all claims of and of all liability to the Contractor for all things done or furnished in connection with this Contract and for every act and neglect of the Port Authority and others relating to or arising out of this Contract, including claims arising out of breach of contract and claims based on claims of third persons. No payment, however, final or otherwise shall operate to release the Contractor from any obligations in connection with this Contract.

4. Price Adjustment

All Contract prices submitted by the Contractor and agreed to by the Port Authority, shall be applicable to the three (3) years of the Base Term. For the Option Period(s) that are applicable to this Contract and are exercised hereunder, (excluding the 120 day Extension Period as described in the paragraph entitled "Duration/Escalation" or "Duration" in Part III, Section 2, hereof), the Port Authority shall adjust the compensation due to the Contractor utilizing the Consumer Price Index for all Urban Consumers; Series Id: CUURA101SA0L2; Not Seasonally Adjusted; New York-Northern New Jersey-Long Island, NY-NJ-CT-PA area; all items less shelter; 1982-1984=100, published by the Bureau of Labor Statistics of the United States Department of Labor (hereinafter called the "Price Index").

For the first year of the Option Period of the Contract, the Price Index shall be determined for the months of April 2016 and April 2017. The amounts payable to the Contractor in the final year of the Base Term shall be multiplied by a fraction the numerator of which is the Price Index for April 2017 and the denominator of which is the Price Index for April 2016. The resulting product shall be the amounts payable to the Contractor in the first year of the Option Period.

For the second year of the Option Period of the Contract, the Price Index shall be determined for the months of April 2017 and April 2018. The amounts payable to the Contractor in the first Option Period shall be multiplied by a fraction the numerator of which is the Price Index for April 2018 and the denominator of which is the Price Index for April 2017. The resulting product shall be the amounts payable to the Contractor in the second year of the Option Period.

For the third year of the Option Period of the Contract, the Price Index shall be determined for the months of April 2018 and April 2019. The amounts payable to the Contractor in the second Option Period shall be multiplied by a fraction the numerator of which is the Price Index for April 2019 and the denominator of which is the Price Index for April 2018. The resulting product shall be the amounts payable to the Contractor in the third year of the Option Period.

In the event the amounts payable to the Contractor as set forth on the Contractor's Pricing Sheet(s), as applicable, shall be adjusted hereunder, then, simultaneously with such adjustment, the Average Hourly Direct Wages and the Supplemental Benefits as set forth in the "Calculation of Average Hourly Rate Form" and accepted by the Port Authority (cumulatively the "Employee payments") shall also be adjusted by multiplying said amounts, as the same may have been previously adjusted hereunder, by the same fraction set forth in the applicable paragraph above, which was used to adjust the amounts payable to the Contractor in the corresponding year in the Base Term or Option Period, as applicable, and thereafter such adjusted Employee payments shall be in effect and payable as though set forth in this Contract. The Contractor shall pay and provide the same to employees hereunder and shall comply with all the terms and provisions of the section of the Contract entitled "Wages, Health and Supplemental Benefits." At the commencement of each Option Period, if any, the Contractor shall submit to the Port

Authority its plan to ensure its compliance with the Employee payments requirement in effect during such coming Option Period. In the event that the Consumer Price Index is not available for any specified month as hereinabove set forth within the time set forth for payment, such Consumer Price Index for the last month then published shall be used to constitute the Consumer Price Index. In the event that adjustment is calculated to be zero or negative, the effective adjustment shall be zero for that period with respect to the Average Hourly Direct Wages and the Supplemental Benefits required herein. Nothing herein shall prevent a contractor from raising wages or increasing benefits at its own discretion.

In the event of a change in the basis for the computation of the said Index or the discontinuance of its publication, such other appropriate index shall be substituted as may be agreed upon by the Authority and the Contractor as properly reflecting changes in the value of the current United States money in a manner similar to that established in the said Price Index. In the event of the failure of the parties to so agree, the Port Authority may select and use such index, as it seems appropriate. Notwithstanding the provisions of this section, in no event shall any adjustment hereunder be greater than three (3%) per annum.

The amounts payable to the Contractor during the 120-day Extension Period shall not be subject to adjustment.

If, after an adjustment referred to in this Section, the Index used for computing such adjustment shall be changed or adjusted, then the amounts payable to the Contractor for that period shall be recomputed. If such recomputation results in a smaller increase in the amount payable for such period, then after notification of the change or adjustment, the recomputed amounts shall be in effect and upon demand by The Port Authority, the Contractor shall refund to The Port Authority excess amounts theretofor paid by The Port Authority for such period.

5. Liquidated Damages

- a. The Contractor's obligations for the performance and completion of the Work within the time or times provided for in this Contract are of the essence of this Contract. In the event that the Contractor fails to satisfactorily perform all or any part of the Work required hereunder in accordance with the requirements set forth in the Specifications (as the same may be modified in accordance with provisions set forth elsewhere herein) then, inasmuch as the damage and loss to the Port Authority for such failure to perform includes items of loss whose amount will be incapable or very difficult of accurate estimation, the damages for such failure to perform shall be liquidated as follows:

- 1) If the Contractor fails to satisfactorily perform any Routine or Periodic Cleaning or any other item of the work set forth in Exhibit A of the Specifications at the frequencies therein stated or fails to perform any Snow Removal or any item of Extraordinary Cleaning Services required herein, then the monthly installment payable hereunder shall be reduced by an amount

equal to two hundred percent (200%) of the Unit Price quoted by the Bidder for the applicable service and year multiplied by the number of hours, square feet, etc., of such services not satisfactorily performed as required during said month. The Manager shall have the right to determine the number of hours required to satisfactorily perform the incomplete or non-performed Work and he/she shall consider generally accepted industry standards where such are available. Where no specific unit price has been quoted for the type of services not performed, liquidated damages will be computed utilizing the hourly rate for cleaner services/policing then in effect multiplied by the number of hours, which, in the opinion of the Manager, are necessary to complete the Work not performed. In making his determination of necessary hours, the Manager shall consider generally accepted industry standards where such are available.

- 2) If the Contractor fails to provide and maintain in proper working order, as determined by the Manager, any cellular phone required to be provided to any Resident Manager and/or Supervisor hereunder, then the monthly installment payable hereunder shall be reduced by fifty dollars (\$50.00) for each day or any part thereof during said month when any such cellular phone is not provided and/or operable.
- 3) If the Resident Manager and/or Supervisor hereunder fails to respond to cellular phone communication related to performance of his/her services hereunder within the required fifteen (15) minute response time, then the monthly installment payable hereunder, shall be reduced by twenty-five dollars (\$25.00) for the initial failure to respond within the required fifteen (15) minute response time and for each hourly period or any part thereof in which the Resident Manager and/or Supervisor fails to respond.
- 4) If the Contractor fails to have a the Resident Manager and/or Supervisor on duty during the specified hours hereunder, then the monthly installment payable hereunder will be reduced by forty dollars (\$40.00) per hour or any part thereof for each hour the Resident Manager and/or Supervisor is not on duty.
- 5) If the Contractor fails to provide to the Manager a written work schedule covering the first three (3) months of the Contract within ten (10) days of the Contract commencement and each subsequent three (3) month schedule within twenty (20) days prior to the commencement of each three (3) month period, then the monthly installment payable hereunder shall be reduced by fifty dollars (\$50.00) for each day or part thereof that the schedule is past due.
- 6) In the event the Contractor fails to provide the information, as required in the Section hereunder entitled, "Wages, Health and Supplemental Benefits," every six (6) months, then the monthly installment payable hereunder shall be reduced by two hundred dollars (\$200.00) for each day or part thereof that the Contractor fails to provide said information.
- 7) If the Contractor fails to provide the Manager with the approved certificates of insurance no less than fifteen (15) days prior to the expiration date of each

policy as required hereunder, then the monthly installment payable hereunder shall be reduced by two hundred dollars (\$200.00) for each day or part thereof that such certificates are past due.

- 8) If the Contractor fails to provide any documentation required by the Contract that is requested by the Manager within two (2) days of such request, then the monthly installment payable hereunder shall be reduced by two hundred fifty dollars (\$250.00) for each day or part thereof that such documentation is past due.
 - 9) If any Employee fails to wear the proper uniform and ID badge after expiration of the five (5) day grace period, then the monthly installment payable hereunder shall be reduced by twenty-five dollars (\$25.00) for each day or part thereof that the Employee did not wear the proper uniform or ID badge.
 - 10) If the Contractor fails to provide or maintain in working order condition any vehicle required under this Contract as set forth herein then the monthly installment payable hereunder shall be reduced by one hundred and fifty dollars (\$150.00) for each day or part thereof and for each vehicle that is not provided or not in working order condition.
 - 11) If the Contractor fails to provide and/or maintain in working order condition any mechanical item or cleaning equipment such as vacuums, triple action machines, ride-on tractor with snow plow, snow blower, etc. required under this Contract, as set forth in "Specific Materials, Supplies and Equipment Requirements," then the monthly installment payable hereunder shall be reduced by one hundred dollars (\$100.00) for each day or part thereof for each item of equipment that is not provided or is not in working order condition.
 - 12) If the Contractor fails to provide the "Contractor's Safety Program" within thirty (30) days after award of Contract, then the monthly installment payable hereunder shall be reduced by \$50.00 for each day or part thereof that the "Contractor's Safety Plan" is not provided.
- b) The Manager shall determine whether the Contractor has performed in a satisfactory manner and his/her determination shall be final, binding and conclusive upon the Contractor.
 - c) Failure of the Manager or the Port Authority to impose liquidated damages shall not be deemed (1) Port Authority acceptance of Contractor's unsatisfactory performance or failure to perform or (2) Port Authority waiver of its remedies hereunder.

6. Insurance Procured by the Contractor

The Contractor shall take out, maintain, and pay the premiums on Commercial General Liability Insurance, including but not limited to premises-operations,

products-completed operations, and independent contractors coverage, with contractual liability language covering the obligations assumed by the Contractor under this Contract and, if vehicles are to be used to carry out the performance of this Contract, then the Contractor shall also take out, maintain, and pay the premiums on Automobile Liability Insurance covering owned, non-owned, and hired autos in the following minimum limits:

Commercial General Liability Insurance - \$5 million combined single limit per occurrence for bodily injury and property damage liability.

Automobile Liability Insurance - \$5 million combined single limit per accident for bodily injury and property damage liability.

In addition, the liability policy (ies) shall name The Port Authority of NY and NJ, its related entities, their commissioners, directors, officers, partners, employees and agents & The City of New York as additional insured, including but not limited to premise-operations, products-completed operations on the Commercial General Liability Policy. Moreover, the Commercial General Liability Policy shall not contain any provisions for exclusions from liability other than provisions for exclusion from liability forming part of the most up to date ISO form or its equivalent unendorsed Commercial General Liability Policy. The liability policy (ies) and certificate of insurance shall contain cross-liability language providing severability of interests so that coverage will respond as if separate policies were in force for each insured. These insurance requirements shall be in effect for the duration of the contract to include any warrantee/guarantee period.

The certificate of insurance and liability policy (ies) must contain the following endorsement for the above liability coverages:

"The insurer(s) shall not, without obtaining the 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, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority."

The Contractor shall also take out, maintain, and pay premiums on Workers' Compensation Insurance in accordance with the requirements of law in the state(s) where work will take place, and Employer's Liability Insurance with limits of not less than \$1 million each accident.

Each policy above shall contain a provision that the policy may not be canceled, terminated, or modified without thirty (30) days' prior written notice to the Port Authority of NY and NJ, Att: Facility Contract Administrator, at the location where the work will take place and to the General Manager, Risk Financing.

The Port Authority may at any time during the term of this agreement change or modify the limits and coverages of insurance. Should the modification or change results in an additional premium, The General Manager, Risk Financing for the Port Authority may consider such cost as an out-of-pocket expense.

Within five (5) days after the award of this agreement or contract and prior to the start of work, the Contractor must submit an original certificate of insurance, to the Port Authority of NY and NJ, Facility Contract Administrator, at the location where the work will take place. This certificate of insurance MUST show evidence of the above insurance policy (ies), stating the agreement/contract number prior to the start of work. The General Manager, Risk Financing must approve the certificate(s) of insurance before any work can begin. Upon request by the Port Authority, the Contractor shall furnish to the General Manager, Risk Financing, a certified copy of each policy, including the premiums.

If at any time the above liability insurance should be canceled, terminated, or modified so that the insurance is not in effect as above required, then, if the Manager shall so direct, the Contractor shall suspend performance of the contract at the premises. If the contract is so suspended, no extension of time shall be due on account thereof. If the contract is not suspended (whether or not because of omission of the Manager to order suspension), then the Authority may, at its option, obtain insurance affording coverage equal to the above required, the cost of such insurance to be payable by the Contractor to the Port Authority.

Renewal certificates of insurance or policies shall be delivered to the Facility Contractor Administrator, Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. The General Manager, Risk Financing must approve the renewal certificate(s) of insurance before work can resume on the facility. If at any time any of the certificates or policies shall become unsatisfactory to the Port Authority, the Contractor shall promptly obtain a new and satisfactory certificate and policy.

The requirements for insurance procured by the Contractor shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Contractor under this contract. The insurance requirements are not a representation by the Authority as to the adequacy of the insurance to protect the Contractor against the obligations imposed on them by law or by this or any other Contract, [CITS #4326N].

7. Increase and Decrease in Areas or Frequencies

The Manager shall have the right, at any time and from time to time in his/her sole discretion, to increase or decrease the frequencies of all parts or any part of the services required hereunder and/or to add areas not described herein in the

Specifications or remove areas or parts of areas which are hereunder so described. In the event the Manager decides to change any frequencies or areas such change shall be by written notice not less than ten (10) days in advance, said changes to be effective upon the date specified in said notice.

In the event of an increase or decrease in areas the monthly lump sum payments to be made hereunder shall be adjusted to reflect such additions or deletions in areas or frequencies utilizing the Unit Prices applicable to the Work added, deleted or rescheduled as same are set forth in the Contractor's Pricing Sheet for "Extraordinary Cleaning Services" (as same may be adjusted pursuant to the provisions of this Contract). If there is no unit price for the service which is increased or decreased, the hourly rate for Extraordinary Cleaning Services will be used, multiplied by the number of additional or fewer hours necessitated. The Manager shall have the right to determine the number of hours required to satisfactorily perform the increased or decreased service and he/she shall consider generally accepted industry standards where such are available.

In the event of a decrease, the Contractor shall not be entitled to compensation for Work not performed.

No such change in areas or frequencies will be implemented which results in a total increase or decrease in compensation that is greater than 50% of the Total Estimated Contract Price for the Base Term or, if changes are to be implemented during an Option Period, 50% for that Option Period.

Any increases in frequencies or areas shall not constitute Extra Work and, as such, shall not be limited by the Extra Work provisions of this Contract.

8. Extra Work

The Contractor is required to provide separate materials, supplies, equipment and personnel for Extra Work when such is deemed necessary by the Manager. "Extra Work" as used herein shall be defined as work which differs from that expressly or impliedly required by the Specifications in their present form. Total Extra Work performed by the Contractor shall not exceed six percent (6%) of the Total Estimated Contract Price of this Contract for the entire Term of this Contract including extensions thereof, or six percent (6%) of the Total Estimated Contract Price of each Section if this Contract is awarded by separate Sections.

An increase in area or frequency does not constitute Extra Work, but shall be compensable based on the prices in the Pricing Sheet(s) and the paragraph herein titled "Increase or Decrease in Areas or Frequencies".

The Contractor is required to perform Extra Work pursuant to a written order of the Manager expressly recognizing such work as Extra Work. If Lump Sum or Unit Price compensation cannot be agreed upon by the parties in writing prior to the start of Work, the Contractor shall perform such Extra Work and the Contractor's compensation shall be increased by the sum of the following amounts and such amounts only: (1) the actual net cost, in money, of the labor, and material, required

for such Extra Work; (2) ten percent (10%) of the amount under (1) above; (3) such rental as the Manager deems reasonable for plant and equipment (other than small tools) required for such Extra Work; (4) if the Extra Work is performed by a subcontractor, an additional five percent (5%) of the sum of the amounts under (1) through (3) above.

As used in this numbered clause (and in this clause only):

“Labor” means laborers, mechanics, and other employees below the rank of supervisor, directly employed at the Site of the Work subject to the Manager or his/her designee’s authority to determine what employees of any category are “required for Extra Work” and as to the portion of their time allotted to Extra Work; and “cost of labor” means the wages actually paid to and received by such employees plus a proper proportion of (a) vacation allowances and union dues and assessments which the employer actually pays pursuant to contractual obligation upon the basis of such wages, and (b) taxes actually paid by the employer pursuant to law upon the basis of such wages and workers’ compensation premiums paid pursuant to law.

“Employees” as used above means only the employees of one employer.

“Net Cost” means the Contractor’s actual cost after deducting all permitted cash and trade discounts, rebates, allowances, credits, sales taxes, commissions, and refunds (whether or not any or all of the same shall have been taken by the Contractor) of all parts and materials purchased by the Contractor solely for the use in performing its obligation hereunder provided, where such purchase has received the prior written approval of the Manager as required herein. The Contractor shall promptly furnish to the Manager such bills of sale and other instruments as the Manager may require, executed, acknowledged and delivered, assuring to the Manager title to such materials, supplies, equipment, parts, and tools free of encumbrances.

“Materials” means temporarily-installed and consumable materials as well as permanently-installed materials; and “cost of materials” means the price (including taxes actually paid by the Contractor pursuant to law upon the basis of such materials) for which such materials are sold for cash by the manufacturers or producers thereof, or by regular dealers therein, whether or not such materials are purchased directly from the manufacturer, producer or dealer (or if the Contractor is the manufacturer or producer thereof, the reasonable cost to the Contractor of the manufacture and production), plus the reasonable cost of delivering such materials to the Site of the Work in the event that the price paid to the manufacturer, producer or dealer does not include delivery and in case of temporarily-installed materials, less their salvage value, if any.

The Manager shall have the authority to decide all questions in connection with the Extra Work. The exercise by the Manager of the powers and authorities vested in him/her by this section shall be binding and final upon the Port Authority and the Contractor.

The Contractor shall submit all reports, records and receipts as are requested by the Manager so as to enable him/her to ascertain the time expended in the performance of

the Extra Work, the quantity of labor and materials used therein and the cost of said labor and materials to the Contractor.

The provisions of this Contract relating generally to Work and its performance shall apply without exception to any Extra Work required and to the performance thereof. Moreover, the provisions of the Specifications relating generally to the Work and its performance shall also apply to any Extra Work required and to the performance thereof, except to the extent that a written order in connection with any particular item of Extra Work may expressly provide otherwise.

If the Contractor deems work to be Extra Work, the Contractor shall give written notice to the Manager within twenty-four (24) hours of performing the work that it so considers as Extra Work, and failure of the Contractor to provide said notice shall be a waiver of any claim to an increase in compensation for such work and a conclusive and binding determination that it is not Extra Work.

The Contractor shall supply the amount of materials, supplies, equipment and personnel required by the Manager within five (5) business days following the receipt of written or verbal notice from the Manager, or in the case of an emergency as determined by the Manager, within twenty-four (24) hours following the receipt by the Contractor of the Manager's written or oral notification. Where oral notification is provided hereunder, the Manager shall thereafter confirm the same in writing.

All Extra Work shall be billed to the Port Authority on a separate invoice on a monthly basis.

**PART IV – SIGNATURE SHEET, NAME AND RESIDENCE OF PRINCIPALS SHEET
AND PRICING SHEET(S), TABLE OF CONTENTS**

1. SIGNATURE SHEET	2
2. NAME AND RESIDENCE OF PRINCIPALS SHEET.....	3
3. PRICING SHEET(S).....	4
4. PRICING SHEETS.....	5
5. CALCULATION OF HOURLY RATE FORM.....	9

PART IV - SIGNATURE SHEET, NAME AND RESIDENCE OF PRINCIPALS SHEET AND PRICING SHEET(S)

1. SIGNATURE SHEET

OFFER: The undersigned offers and agrees to furnish to the Port Authority of New York and New Jersey the services and/or materials in compliance with all terms, conditions, specifications and addenda of the Contract. Signature also certifies understanding and compliance with the certification requirements of the standard terms and conditions as contained in the Standard Contract Terms and Conditions. This offer shall be irrevocable for 120 days after the date on which the Port Authority opens this bid.

ONLY THE COMPANY NAMED AS THE BIDDING ENTITY BELOW WILL RECEIVE PAYMENT. THIS MUST BE THE SAME NAMED COMPANY AS INDICATED ON THE COVER SHEET

Bidding Entity Cristi Cleaning Service Corp
Bidder's Address 77 Trinity Place
City, State, Zip Hackensack, N.J. 07601
Telephone No. 201-883-1717 FAX 201-883-1212
Email Cristi1eoptonline.net EIN# _____

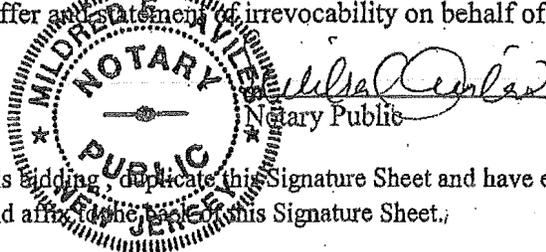
05-22-14A11:05 RCVD

SIGNATURE [Signature] Date 5/19/14
Print Name and Title Ricardo Lopez Vice President

ACKNOWLEDGEMENT:

STATE OF: New Jersey
COUNTY OF: Bergen

On this 19 day of May, 2014, personally came before me, Ricardo Lopez, who duly sworn by me, did depose that (s)he has knowledge of the matters herein stated and they are in all respects true and that (s)he has been authorized to execute the foregoing offer and statement of irrevocability on behalf of said corporation, partnership or firm.



NOTE: If a joint venture is bidding, duplicate this Signature Sheet and have each party to the joint venture sign separately and affix to the top of this Signature Sheet.

Bidder attention is called to the certification requirements contained in the Standard Contract Terms and Conditions, Part III. Indicate below if a signed, explanatory statement in connection with this section is attached hereto.

If certified by the Port Authority as an SBE or (MWBE) 11/21/08 (indicate which one and date).

2. NAME AND RESIDENCE OF PRINCIPALS SHEET

Names and Residence of Principals of Bidder. If general or limited partner, or individual, so indicate.

NAME

TITLE

ADDRESS OF RESIDENCE
(Do not give business address)

Cristina Lopez President

Ricardo Lopez Vice President

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3. PRICING SHEET(S)

Entry of Prices

- a. The prices quoted shall be written in figures, in ink, preferably in black ink where required in the spaces provided on the Pricing Sheet(s) attached hereto and made a part hereof.
- b. All Bidders are asked to ensure that all charges quoted for similar operations in the Contract are consistent.
- c. Prices must be submitted for each Item required on the Pricing Sheet(s). Bidders are advised that the Items on the Pricing Sheet(s) correspond to the required services set forth in the Specifications hereunder.
- d. Bidders must insert all figures as required and verify all computations for accuracy. The Port Authority in its sole judgment reserves the right to: (1) reject Bids without checking them for mathematical errors or omissions, (2) reject Bids that contain or appear to contain errors or omissions, and (3) supply corrections to Bids that contain or appear to contain mathematical errors and omissions, and in this case the Port Authority reserves the right to recompute the Estimated Contract Price based upon the Unit Prices (Prices per Hour) inserted by the Bidder, which amount shall govern in all cases.
- e. In the event that a Bidder quotes an amount in the Estimated Year One Price, Estimated Year Two Price or Estimated Year Three Price column but omits to quote a Unit Price (Price per Hour) for that amount in the space provided, the Port Authority reserves the right to insert the appropriate Unit Price and use it compute the Estimated Annual Contract Price for that year.
- f. The Total Estimated Contract Price is solely for the purpose of facilitating the comparisons of Bids. Compensation shall be in accordance with the section of this Contract entitled "Payment".
- g. The Total Estimated Contract Price shall be obtained by adding the Estimated Year One Price, to the Estimated Year Two and Year Three Prices.

4. PRICING SHEETS

YEAR ONE

MONTHLY ROUTINE & PERIODIC CLEANING	MONTHS	PRICE PER MONTH	ESTIMATED YEAR ONE PRICE
Monthly Lump Sum Price	12 X	\$291,562.48	=\$3,498,752.16

SNOW REMOVAL	ESTIMATED YEAR ONE QUANTITIES	YEAR ONE PRICE	ESTIMATED YEAR ONE PRICE
Snow Removal Staff	5,000 hours X	\$ 19.50	=\$ 97,500.00
Snow Removal Manager	150 hours X	\$ 35.00	=\$ 5,250.00

EXTRAORDINARY CLEANING SERVICES	ESTIMATED YEAR ONE QUANTITIES	YEAR ONE PRICE	ESTIMATED YEAR ONE PRICE
Cleaner Services	500 hours X	\$ 15.00	=\$ 7,500.00
Policing	10,000 sq. ft. X	\$ 0.0010	=\$ 10.00
Re-lamp, wash and rinse (Garages)	500 hours X	\$ 15.00	=\$ 7,500.00
Machine Sweep	10,000 sq. ft. X	\$ 0.010	=\$ 100.00
Glass, wash and rinse	2,000 sq. ft. X	\$ 0.05	=\$ 100.00
Bus shelters, wash, rinse and polish	2,000 sq. ft. X	\$ 0.02	=\$ 40.00
Lavatories, thorough cleaning	2,000 sq. ft. X	\$ 0.02	=\$ 40.00
Stainless steel, wash, rinse and polish	2,000 sq. ft. X	\$ 0.025	=\$ 50.00
Toll booths, guard booths, bus shelters interior thorough cleaning	2,000 sq. ft. X	\$ 0.02	=\$ 40.00
Toll booths, guard booths, bus shelters exterior, wash and rinse	2,000 sq. ft. X	\$ 0.02	=\$ 40.00
Power washing	2,000 sq. ft. X	\$ 0.20	=\$ 400.00
Degreasing	2,000 sq. ft. X	\$ 0.20	=\$ 400.00
Relamping	50 fixtures X	\$ 4.25	=\$ 212.50
Cut grass	2,000 sq. ft. X	\$ 0.01	=\$ 20.00

(A) Estimated Annual Contract Price -- Year One \$3,617,954.66
 (Sum of Monthly Routine & Periodic Cleaning, Snow Removal, and Extraordinary Cleaning Services)

YEAR TWO

MONTHLY ROUTINE & PERIODIC CLEANING	MONTHS	PRICE PER MONTH	ESTIMATED YEAR TWO PRICE
Monthly Lump Sum Price	12 X	\$296,952.08	= \$3,563,424.96

SNOW REMOVAL	ESTIMATED YEAR TWO QUANTITIES	YEAR TWO PRICE	ESTIMATED YEAR TWO PRICE
Snow Removal Staff	5,000 hours X	\$ 19.50	= \$ 97,500.00
Snow Removal Manager	150 hours X	\$ 35.00	= \$ 5,250.00

EXTRAORDINARY CLEANING SERVICES	ESTIMATED YEAR TWO QUANTITIES	YEAR TWO PRICE	ESTIMATED YEAR TWO PRICE
Cleaner Services	500 hours X	\$ 15.25	= \$ 7,625.00
Policing	10,000 sq. ft. X	\$ 0.0010	= \$ 10.00
Re-lamp, wash and rinse (Garages)	500 hours X	\$ 15.25	= \$ 7,625.00
Machine Sweep	10,000 sq. ft. X	\$ 0.010	= \$ 100.00
Glass, wash and rinse	2,000 sq. ft. X	\$ 0.05	= \$ 100.00
Bus shelters, wash, rinse and polish	2,000 sq. ft. X	\$ 0.02	= \$ 40.00
Lavatories, thorough cleaning	2,000 sq. ft. X	\$ 0.02	= \$ 40.00
Stainless steel, wash, rinse and polish	2,000 sq. ft. X	\$ 0.025	= \$ 50.00
Toll booths, guard booths, bus shelters interior thorough cleaning	2,000 sq. ft. X	\$ 0.02	= \$ 40.00
Toll booths, guard booths, bus shelters exterior, wash and rinse	2,000 sq. ft. X	\$ 0.02	= \$ 40.00
Power washing	2,000 sq. ft. X	\$ 0.20	= \$ 400.00
Degreasing	2,000 sq. ft. X	\$ 0.20	= \$ 400.00
Relamping	50 fixtures X	\$ 4.25	= \$ 212.50
Cut grass	2,000 sq. ft. X	\$ 0.01	= \$ 20.00

(B) Estimated Annual Contract Price - Year Two \$ 3,682,877.46
 (Sum of Monthly Routine & Periodic Cleaning, Snow Removal, and Extraordinary Cleaning Services)

YEAR THREE

MONTHLY ROUTINE & PERIODIC CLEANING	MONTHS	PRICE PER MONTH	ESTIMATED YEAR THREE PRICE
Monthly Lump Sum Price	12 X	\$303,583.11	\$3,642,997.32

SNOW REMOVAL	ESTIMATED YEAR THREE QUANTITIES	YEAR THREE PRICE	ESTIMATED YEAR THREE PRICE
Snow Removal Staff	5,000 hours X	\$ 19.50	\$ 97,500.00
Snow Removal Manager	150 hours X	\$ 35.00	\$ 5,250.00

EXTRAORDINARY CLEANING SERVICES	ESTIMATED YEAR THREE QUANTITIES	YEAR THREE PRICE	ESTIMATED YEAR THREE PRICE
Cleaner Services	500 hours X	\$ 15.50	\$ 7,750.00
Policing	10,000 sq. ft. X	\$ 0.0010	\$ 10.00
Re-lamp, wash and rinse (Garages)	500 hours X	\$ 15.50	\$ 7,750.00
Machine Sweep	10,000 sq. ft. X	\$ 0.010	\$ 100.00
Glass, wash and rinse	2,000 sq. ft. X	\$ 0.05	\$ 100.00
Bus shelters, wash, rinse and polish	2,000 sq. ft. X	\$ 0.02	\$ 40.00
Lavatories, thorough cleaning	2,000 sq. ft. X	\$ 0.02	\$ 40.00
Stainless steel, wash, rinse and polish	2,000 sq. ft. X	\$ 0.025	\$ 50.00
Toll booths, guard booths, bus shelters interior thorough cleaning	2,000 sq. ft. X	\$ 0.02	\$ 40.00
Toll booths, guard booths, bus shelters exterior, wash and rinse	2,000 sq. ft. X	\$ 0.02	\$ 40.00
Power washing	2,000 sq. ft. X	\$ 0.20	\$ 400.00
Degreasing	2,000 sq. ft. X	\$ 0.20	\$ 400.00
Relamping	50 fixtures X	\$ 4.25	\$ 212.50
Cut grass	2,000 sq. ft. X	\$ 0.01	\$ 20.00

(C) Estimated Annual Contract Price - Year Three \$3,762,699.82
 (Sum of Monthly Routine & Periodic Cleaning, Snow Removal, and Extraordinary Cleaning Services)

PART IV - 7

PART IV - SIGNATURE SHEET, NAME AND RESIDENCE OF PRINCIPALS SHEET AND PRICING SHEET(S)

Rev. 2/12/10 (PA/PATHE)

PRICE SUMMARY

- A) ESTIMATED ANNUAL CONTRACT PRICE - YEAR ONE \$ 3,617,954.66
- B) ESTIMATED ANNUAL CONTRACT PRICE - YEAR TWO \$ 3,682,877.46
- C) ESTIMATED ANNUAL CONTRACT PRICE - YEAR THREE \$ 3,762,699.82

D) TOTAL ESTIMATED THREE (3) YEAR CONTRACT PRICE:

\$ 11,063,531.94
(Sum of Items A + B + C = D)

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5. CALCULATION OF HOURLY RATE FORM

INSTRUCTIONS FOR CALCULATION OF AVERAGE HOURLY RATE FORM

Attached are the "Calculation of Average Hourly Rate" forms for the enumerated positions under this Contract, for each year of the Base Term. A separate form is required for each employee category. The Bidder shall use these forms in support of the Wages, Health and Supplemental Benefits Clause required under this Contract. When completing this form, please refer to the definitions located in the aforementioned clause.

A Bidder's entries in these forms for Item #1, Item #2 and Item #3 shall become requirements if the bid is accepted by the Port Authority and the Bidder must maintain the averages quoted at all times.

Nothing in the forms shall modify the requirements of the clause entitled, "Wages, Health and Supplemental Benefits" or the terms and conditions of the subject Contract.

NOTE: All calculations should be based on 2,080 annual hours.

BIDDER NAME: Cristi Cleaning Service

BID NUMBER 37707

YEAR ONE

SUPERVISOR

MINIMUM HOURLY WAGE: \$17.23/hr

FULL-TIME EMPLOYEE

ITEM # 1

AVERAGE HOURLY DIRECT WAGES \$ 17.23
NUMBER OF EMPLOYEES 1

ITEM #2

AVERAGE HEALTH BENEFITS
HEALTH \$ 2.00

ITEM #3

AVERAGE SUPPLEMENTAL BENEFITS (ITEMS NOT REQUIRED BY LAW) NUMBER OF
DAYS PROVIDED

HOLIDAY ALLOWANCE	\$ <u>0.166</u>	<u>10</u>
VACATION ALLOWANCE	\$ <u>0.39</u>	<u>6</u>
SICK TIME ALLOWANCE	\$ <u>0.33</u>	<u>5</u>
PENSION	\$ <u>-</u>	
WELFARE	\$ <u>-</u>	
OTHER SUPPLEMENTAL BENEFITS SPECIFY _____	\$ <u>-</u>	

SUB TOTAL (ITEMS # 1, 2 & 3) \$ 20.161 subtotal 1, 2 & 3

ITEM #4

AVERAGE TAXES AND INSURANCE (ITEM REQUIRED BY LAW)

F.I.C.A.	\$ <u>1.31</u>
N.Y.S.U.I./N.J.S.U.I.	\$ <u>0.79</u>
F.U.I.	\$ <u>0.18</u>
WORKERS' COMPENSATION	\$ <u>1.20</u>
GENERAL LIABILITY INSURANCE	\$ <u>1.31</u>
DISABILITY INSURANCE	\$ <u>0.20</u>
OTHER TAXES AND INSURANCE SPECIFY _____	\$ <u>-</u>

ITEM #5

AVERAGE ADDITIONAL COMPONENTS
(IF APPLICABLE)

VEHICLE/MTCE/FUEL	\$ <u>-</u>
UNIFORMS	\$ <u>-</u>
EQUIPMENT	\$ <u>0.15</u>
MATERIALS	\$ <u>-</u>
SUPPLIES	\$ <u>-</u>
RELIEF	\$ <u>-</u>
ROLL CALL	\$ <u>-</u>
OTHER COMPONENTS NOT SPECIFIED ABOVE\$ SPECIFY _____	\$ <u>-</u>

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD
AND PROFIT \$ 1.00

TOTAL (ITEMS # 1, 2, 3, 4 & 5) \$ 26.75

PART IV - SIGNATURE SHEET, NAME AND RESIDENCE OF PRINCIPALS SHEET AND PRICING SHEET(S)

PART IV - 10

BIDDER NAME: Aristi Cleaning Service

BID NUMBER 37707

YEAR TWO

SUPERVISOR

MINIMUM HOURLY WAGE: \$17.51/hr

FULL-TIME EMPLOYEE

ITEM # 1

AVERAGE HOURLY DIRECT WAGES \$ 17.51
NUMBER OF EMPLOYEES 1

ITEM #2

AVERAGE HEALTH BENEFITS HEALTH \$ 2.35

ITEM #3

AVERAGE SUPPLEMENTAL BENEFITS (ITEMS NOT REQUIRED BY LAW)		NUMBER OF DAYS PROVIDED
HOLIDAY ALLOWANCE	\$ <u>0.67</u>	<u>10</u>
VACATION ALLOWANCE	\$ <u>0.39</u>	<u>6</u>
SICK TIME ALLOWANCE	\$ <u>0.33</u>	<u>5</u>
PENSION	\$ <u>—</u>	
WELFARE	\$ <u>—</u>	
OTHER SUPPLEMENTAL BENEFITS SPECIFY _____	\$ <u>—</u>	

SUB TOTAL (ITEMS # 1, 2 & 3) \$ 21.25 subtotal 1, 2 & 3

ITEM #4

AVERAGE TAXES AND INSURANCE (ITEM REQUIRED BY LAW)

F.I.C.A. \$ 1.32
N.Y.S.U.I./N.J.S.U.I. \$ 0.80
F.U.I. \$ 0.20
WORKERS' COMPENSATION \$ 1.22
GENERAL LIABILITY INSURANCE \$ 1.32
DISABILITY INSURANCE \$ 0.21
OTHER TAXES AND INSURANCE \$ —
SPECIFY _____

ITEM #5

AVERAGE ADDITIONAL COMPONENTS (IF APPLICABLE)
VEHICLE/MTCE/FUEL \$ —
UNIFORMS \$ —
EQUIPMENT \$ 0.18
MATERIALS \$ —
SUPPLIES \$ —
RELIEF \$ —
ROLL CALL \$ —
OTHER COMPONENTS NOT SPECIFIED ABOVE\$ _____
SPECIFY _____

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD AND PROFIT \$ 1.00

TOTAL (ITEMS # 1, 2, 3, 4 & 5) \$ 27.50

PART IV - SIGNATURE SHEET, NAME AND RESIDENCE OF PRINCIPALS SHEET AND PRICING SHEET(S)

BIDDER NAME: Cristi Cleaning Service BID NUMBER 37707

YEAR THREE

SUPERVISOR

MINIMUM HOURLY WAGE: \$17.80/hr

FULL-TIME EMPLOYEE

ITEM #1

AVERAGE HOURLY DIRECT WAGES \$ 17.80
NUMBER OF EMPLOYEES 1

ITEM #2

AVERAGE HEALTH BENEFITS
HEALTH \$ 2.50

ITEM #3

AVERAGE SUPPLEMENTAL BENEFITS (ITEMS NOT REQUIRED BY LAW) NUMBER OF
DAYS PROVIDED

HOLIDAY ALLOWANCE \$ 0.69 10
VACATION ALLOWANCE \$ 0.41 6
SICK TIME ALLOWANCE \$ 0.33 5
PENSION \$ —
WELFARE \$ —
OTHER SUPPLEMENTAL BENEFITS \$ —
SPECIFY _____

SUB TOTAL (ITEMS # 1, 2 & 3) \$ 21.73 subtotal 1, 2 & 3

ITEM #4

AVERAGE TAXES AND INSURANCE (ITEM REQUIRED BY LAW)

F.I.C.A. \$ 1.33
N.Y.S.U.I./N.J.S.U.I. \$ 0.81
F.U.I. \$ 0.21
WORKERS' COMPENSATION \$ 1.23
GENERAL LIABILITY INSURANCE \$ 1.32
DISABILITY INSURANCE \$ 0.22
OTHER TAXES AND INSURANCE \$ —
SPECIFY _____

ITEM #5

AVERAGE ADDITIONAL COMPONENTS
(IF APPLICABLE)

VEHICLE/MTCE/FUEL \$ —
UNIFORMS \$ —
EQUIPMENT \$ 0.20
MATERIALS \$ —
SUPPLIES \$ —
RELIEF \$ —
ROLL CALL \$ —
OTHER COMPONENTS NOT SPECIFIED ABOVE \$ _____
SPECIFY _____

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD
AND PROFIT \$ 1.10

TOTAL (ITEMS # 1, 2, 3, 4 & 5) \$ 28.15

PART IV - SIGNATURE SHEET, NAME AND RESIDENCE OF PRINCIPALS SHEET AND PRICING SHEET(S)

PART IV - 12

BIDDER NAME: Cristi Cleaning Service

BID NUMBER 37707

YEAR ONE

CLEANER

MINIMUM HOURLY WAGE: \$14.21/hr
FULL-TIME EMPLOYEE

ITEM #1

AVERAGE HOURLY DIRECT WAGES \$ 14.21
NUMBER OF EMPLOYEES 1

ITEM #2

AVERAGE HEALTH BENEFITS
HEALTH \$ 2.00

ITEM #3

AVERAGE SUPPLEMENTAL BENEFITS (ITEMS NOT REQUIRED BY LAW)	NUMBER OF DAYS PROVIDED
HOLIDAY ALLOWANCE \$ <u>0.54</u>	<u>10</u>
VACATION ALLOWANCE \$ <u>0.32</u>	<u>6</u>
SICK TIME ALLOWANCE \$ <u>0.27</u>	<u>5</u>
PENSION \$ <u>—</u>	
WELFARE \$ <u>—</u>	
OTHER SUPPLEMENTAL BENEFITS SPECIFY <u>—</u>	

SUB TOTAL (ITEMS # 1, 2 & 3) \$ 17.34 subtotal 1, 2 & 3

ITEM #4

AVERAGE TAXES AND INSURANCE (ITEM REQUIRED BY LAW)

F.I.C.A.	\$ <u>1.08</u>
N.Y.S.U.I./N.J.S.U.I.	\$ <u>0.65</u>
F.U.I.	\$ <u>0.16</u>
WORKERS' COMPENSATION	\$ <u>0.71</u>
GENERAL LIABILITY INSURANCE	\$ <u>1.08</u>
DISABILITY INSURANCE	\$ <u>0.11</u>
OTHER TAXES AND INSURANCE SPECIFY <u>MTA</u>	\$ <u>0.04</u>

ITEM #5

AVERAGE ADDITIONAL COMPONENTS (IF APPLICABLE)

VEHICLE/MTCE/FUEL	\$ <u>0.88</u>
UNIFORMS	\$ <u>0.13</u>
EQUIPMENT	\$ <u>0.58</u>
MATERIALS	\$ <u>2.26</u>
SUPPLIES	\$ <u>—</u>
RELIEF	\$ <u>—</u>
ROLL CALL	\$ <u>—</u>
OTHER COMPONENTS NOT SPECIFIED ABOVE SPECIFY <u>Car Ins</u>	\$ <u>0.20</u>

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD AND PROFIT \$ 0.68

TOTAL (ITEMS # 1, 2, 3, 4 & 5) \$ 25.90

PART IV - 13

PART IV - SIGNATURE SHEET, NAME AND RESIDENCE OF PRINCIPALS SHEET AND PRICING SHEET(S)

BIDDER NAME: Cristi Cleaning Service BID NUMBER 37707

YEAR TWO

CLEANER

MINIMUM HOURLY WAGE: \$14.44/hr
FULL-TIME EMPLOYEE

ITEM #1

AVERAGE HOURLY DIRECT WAGES \$ 14.44
NUMBER OF EMPLOYEES 1

ITEM #2

AVERAGE HEALTH BENEFITS \$ 2.35
HEALTH

ITEM #3

AVERAGE SUPPLEMENTAL BENEFITS (ITEMS NOT REQUIRED BY LAW)		NUMBER OF DAYS PROVIDED
HOLIDAY ALLOWANCE	\$ <u>0.56</u>	<u>10</u>
VACATION ALLOWANCE	\$ <u>0.33</u>	<u>6</u>
SICK TIME ALLOWANCE	\$ <u>0.28</u>	<u>5</u>
PENSION	\$ <u>—</u>	
WELFARE	\$ <u>—</u>	
OTHER SUPPLEMENTAL BENEFITS SPECIFY _____	\$ <u>—</u>	

SUB TOTAL (ITEMS # 1, 2 & 3) \$ 17.96 subtotal 1, 2 & 3

ITEM #4

AVERAGE TAXES AND INSURANCE (ITEM REQUIRED BY LAW)

F.I.C.A.	\$ <u>1.10</u>
N.Y.S.U.I./N.J.S.U.I.	\$ <u>0.66</u>
F.U.I.	\$ <u>0.16</u>
WORKERS' COMPENSATION	\$ <u>0.72</u>
GENERAL LIABILITY INSURANCE	\$ <u>1.10</u>
DISABILITY INSURANCE	\$ <u>0.12</u>
OTHER TAXES AND INSURANCE SPECIFY _____	\$ <u>0.05</u>

ITEM #5

AVERAGE ADDITIONAL COMPONENTS (IF APPLICABLE)

VEHICLE/MTCE/FUEL	\$ <u>0.88</u>
UNIFORMS	\$ <u>0.13</u>
EQUIPMENT	\$ <u>0.58</u>
MATERIALS	\$ <u>2.26</u>
SUPPLIES	\$ <u>—</u>
RELIEF	\$ <u>—</u>
ROLL CALL	\$ <u>—</u>
OTHER COMPONENTS NOT SPECIFIED ABOVE SPECIFY <u>Car Fals.</u>	\$ <u>0.22</u>

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD AND PROFIT \$ 0.68

TOTAL (ITEMS # 1, 2, 3, 4 & 5) \$ 26.62

PART IV - SIGNATURE SHEET, NAME AND RESIDENCE OF PRINCIPALS SHEET AND PRICING SHEET(S)

PART IV - 14

PART V – SPECIFICATIONS, TABLE OF CONTENTS

PART V – SPECIFICATIONS, TABLE OF CONTENTS..... 1

1. Specific Definitions 2
2. Work Required by the Specifications 2
3. Wages, Health and Supplemental Benefits 2
4. Routine and Periodic Cleaning 7
5. Personnel Requirements..... 8
6. Materials, Supplies and Equipment 10
7. Approval of Equipment, Materials and Supplies 15
8. Employee Uniforms and Appearance 15
9. Breakdown, Malfunction or Damage..... 16
10. Contractor’s Vehicles – Parking - Licenses 16
11. Site Specific Recycling and Trash Removal..... 17
12. Scheduling of Work 17
13. Space Provided the Contractor..... 18
14. Inclement Weather Requirements – Snow Removal 18
15. Safety Provisions 19
16. Extraordinary Cleaning Services 20
17. EXHIBIT A..... 21

PART V - SPECIFICATIONS

1. Specific Definitions

To avoid undue repetition, the following terms, as used in this Contract, shall be construed as follows:

"Facility" shall mean John F. Kennedy International Airport, Queens New York.

The term "Clean" shall mean the absence of debris, soil, graffiti, litter, stains, dirt, trash, dust, liquids, smears, film, and odors from any and all surfaces to the satisfaction of the Facility Manager.

2. Work Required by the Specifications

These Specifications relate generally to the performance of general cleaning services, machine sweeping and snow removal at John F. Kennedy International Airport Parking Lots and Garages and associated areas describe herein.

These Specifications require the doing of all things necessary or proper for or incidental to the matter referred to in the immediately preceding paragraph. In addition, all things not expressly mentioned in the Specifications but involved in carrying out their intent and in the complete and proper execution of the matter referred to in the immediately preceding paragraph are required by these Specifications and the Contractor shall perform the same as though they were specifically described.

3. Wages, Health and Supplemental Benefits

A. Definitions:

- 1) "Employee" shall mean any person, employed by the Contractor or its subcontractors, to perform any of the Services required under this Contract, excluding those persons holding the positions of administrative personnel performing such duties exclusively.
- 2) "Full Time Employee" (F.T.E.) shall mean any individual or Employee who is paid on a straight time hourly basis, working on such a compensation basis for a minimum of thirty (30) hours during a seven (7) day consecutive period continually (including vacation, sick leave, etc.) throughout each Contract Year. Time for which an employee is paid on an overtime or premium time basis shall not be counted in determining the thirty (30) hours requirement. The Port Authority will not reimburse the Contractor for any overtime without the Port Authority's prior written consent.
- 3) "Straight-time" shall mean the non-overtime hours actually worked by Employees under this Contract and shall include the time an employee spends at roll call, whether or not paid; however, meal periods and relief time shall be excluded, whether or not paid.
- 4) "Direct Wages" shall mean monetary amounts paid by the Contractor or its subcontractor(s) to its employees for straight time (non-overtime) hours worked, including shift differentials, if any. Employee incentive plan payments are not included as Direct Wages.
- 5) "Average Hourly Direct Wages" shall be calculated by dividing the sum of the direct hourly Straight-time wages paid to all Employees in each Employee category by the number of Straight-time hours worked by the Employees in such category.

- 6) "Minimum Hourly Wages" shall mean the levels of fair wages determined by the Port Authority for Employees in each Employee category based on certain benchmarks or other prevailing standards. Employees may not receive Direct Wages lower than the Minimum Hourly Wages stated hereunder.
 - 7) "Health Benefits" shall mean benefits, other than Supplemental Benefits, as hereinafter defined, paid or covered under health insurance plans, to cover the costs of healthcare for Employees and their families.
 - 8) The "Cost of Health Benefits" shall mean the cost to the Contractor (and its subcontractors) of such benefits that meet the requirements of this Contract for providing health coverage for Employees and their families.
 - 9) "Average Health Benefits" shall be calculated by dividing the sum of the Health Benefits paid or provided for Straight-time hours worked by all Employees in each Employee category by the number of Straight-time hours worked by the Employees in such category.
 - 10) "Supplemental Benefits" shall mean benefits, other than Health Benefits, provided to Employees, including, but not limited to: fair and reasonable vacation allowances, sick leave, holiday, jury duty, birthday, welfare, retirement and non-occupational disability benefits, life, accident, or other such types of insurance, but excluding Health Benefits.
 - 11) The "Cost of Supplemental Benefits" shall mean the cost to the Contractor (and its subcontractors) of all remuneration for employment provided to Employees in any medium other than cash, but including payments which are not Wages within the meaning of this numbered clause.
 - 12) "Average Supplemental Benefits" shall be calculated by dividing the sum of the Supplemental Benefits, which shall exclude Health Benefits, paid or provided for Straight-time hours worked by all Employees in each Employee category by the number of Straight-time hours worked by the Employees in such category.
 - 13) "Contract Year", as used in this Agreement shall mean the twelve (12) month period commencing on the Commencement Date of the Contract and each successive twelve (12) month period thereafter or such portion of a twelve (12) month period that the Contract is in effect if the Contract should expire or be terminated on other than the last day of such twelve (12) month period.
- B. Supplemental Benefits including but not limited to holiday, sick time and vacation time that are accrued in one year but not paid until the following year are not allowed to be included in the computation of benefits until they are paid.

For example: Assume an employee begins working for the Contractor on January 1, 2013. Although the employee accrues 10 vacation days, he/she cannot take them until he/she has worked for the Contractor for one year. The employee finally takes his/her vacation in February 2014. The employee's vacation benefits accrued in 2013 but were never paid. Therefore, the Contractor may not include the employee's vacation benefits in the computation of Supplemental Benefits until it is actually paid. At that time, the vacation time will be credited retroactively and applied in the computation of benefits for the year 2013.

- C. The Contractor in the performance of the Services herein, shall pay or provide (and shall cause any subcontractor to pay or provide) not less than the Minimum Hourly Wages for each Employee in each category as set forth below and not less than the Average Direct Hourly Wage, as set forth in the Calculation of Average Hourly Rate Form and accepted by the Port Authority.

Minimum Hourly Wages

	<u>YEAR ONE</u>	<u>YEAR TWO</u>	<u>YEAR THREE</u>
<u>Cleaner</u>	\$14.21 (per hour)	\$14.44 (per hour)	\$14.67 (per hour)
<u>Supervisor</u>	\$17.23 (per hour)	\$17.51 (per hour)	\$17.80 (per hour)

- D. The Contractor, in the performance of the Services herein, shall pay or provide (and shall cause any subcontractor to pay or provide) not less than the Health Benefits established in the Authority's letter of Proposal Acceptance for each Employee in each category, and the Health benefits shall be subject to the requirements as set forth below.
- 1) Health Benefits shall be provided to Employees and their families.
 - 2) Health Benefits shall include a health insurance program addressing the following list of recommended acceptable components:
 - i. up to and including family coverage, as applicable
 - ii. inpatient hospital services
 - iii. outpatient surgical facility
 - iv. emergency room services
 - v. prenatal services
 - vi. well visits/immunizations/routine visits for illness
 - vii. prescription drug benefit
 - 3) The Cost of Health Benefits shall be as set forth in the Authority's letter of Proposal Acceptance at the inception of the Contract, with an exact numerical (dollar) requirement for Health Benefits.
 - 4) The Contractor shall demonstrate to the satisfaction of the Port Authority that Health Benefits are furnished by the Contractor and all subcontractors through one of the following, with no employee contribution to health coverage premiums:
 - i. The Contractor's and subcontractors' Employees and their families are covered under a health benefit plan paid for and provided by the Contractor;
 - ii. The Contractor's and subcontractors' Employees and their families are covered by a union benefit plan authorized under the Taft Hartley Act 29 USCA Section 186 (c);
 - iii. The Contractor's and subcontractors' Employees and their families are covered by a government health benefits program, including, but not limited to, Healthy New York, Child Health Plus and NJ FamilyCare.
 - 5) Health Benefits shall be provided to F.T.E.'s and their families no later than thirty (30) days from the first date of Employee performance under the Contract.
 - 6) The Contractor shall provide each F.T.E. with written information, i.e. documents relating to each Employee's health care coverage.

- 7) The Contractor shall provide continued health benefits to F.T.E.'s and their families of the same quality, or better as those approved by the Authority and initially provided under this Contract, throughout the duration of the Contract term.
- E. The Contractor, in the performance of the Services herein, shall pay or provide (and shall cause any subcontractor to pay or provide) not less than Supplemental benefits established in the Calculation of Average Hourly Rate Form and accepted by the Port Authority for each Employee category, and such Supplemental benefits shall be subject to the requirements as set forth below.
- 1) Without limiting the foregoing, under no circumstances shall the cost of providing uniforms or footwear, cleaning of uniforms, training and transportation to and from posts, or any other items incidental to rendering the Services covered under this Contract, be allowed or included in the Cost of Supplemental Benefits.
 - 2) Any reimbursement to employees for expenses, payroll taxes, employee incentive plans or any other benefit required by law is not includable in the Cost of Supplemental Benefits.
 - 3) The established numerical value for the Supplemental Benefits, other than Health Benefits, shall be as set forth in the Calculation of Average Hourly Rate Form and as accepted by the Port Authority.
- F. In the event that the compensation payable under this Contract is subject to adjustment from time to time as provided in the paragraph entitled "Price Adjustment" in the Contract Specific Terms and Conditions, then the Average Direct Hourly Wages and Supplemental Benefits set forth in the Calculation of Average Hourly Rate Form and accepted by the Port Authority shall be adjusted by multiplying said amounts by the same percentage amount which was used to adjust the compensation payable under this Contract, as the same may have been further adjusted.
- G. Nothing contained herein shall be construed to prevent the Contractor or any subcontractor from paying or providing any individual Employee Hourly Direct Wages, Health and Supplemental Benefits higher than the Minimum Hourly Wages, Health and Supplemental Benefits described in this numbered clause. It is understood that the Contractor's obligation to pay or provide the Minimum Hourly Wages as set forth above, the Health Benefits as set forth in the Authority's letter of Proposal Acceptance and the Supplemental Benefits as set forth in the Calculation of Average Hourly Rate Form and accepted by the Port Authority, allows the Contractor to pay or provide some of its Employees hourly Direct Wages, Health Benefits and other Supplemental Benefits that are higher than the minimum and nothing herein shall be construed to constitute a representation or guarantee by the Port Authority that the Contractor or its subcontractors can obtain employees for the amounts hereinbefore described.
- H. Contractor (and its subcontractors) shall at all times be prepared to be audited with respect to Wages, Health and Supplemental Benefits paid or provided to Employees under this Contract. All Wage and Benefit requirements under this Contract will be strictly enforced. Failure on the part of the Contractor (and/or its subcontractors) to comply with any of the requirements under this Contract, including but not limited to the timely submission of payroll certifications and documents related to Health Benefits and Supplemental Benefits provided to Employees, may be deemed a substantial breach of this Contract giving rise to the rights and remedies enumerated hereafter in the paragraph entitled "Rights and Remedies of the Port Authority" in the Standard

Contract Terms and Conditions, as well as any other rights and remedies the Port Authority would have in the absence of such enumeration; and failure to comply with each of these requirements will be taken into consideration prior to award of future contracts with the Port Authority.

- I. The Contractor and its subcontractors shall maintain records in accordance with the requirements set forth in the paragraph entitled "Records and Reports" in the Standard Contract Terms and Conditions.

For records related to Wages, Health and Supplemental Benefits, the Contractor and its subcontractors shall provide such records and books of account in spreadsheet or other electronic format, when requested by Port Authority.

Upon request by the Port Authority, the Contractor (and its subcontractors) shall have (15) fifteen business days to provide such payroll records and books of account unless the Port Authority indicates, in writing, that such records and books of account may be provided at a later date.

In the event the Contractor or a subcontractor(s) fails to provide the required records, or if the Port Authority determines that the records and books of account provided for audit are incomplete, the Port Authority may, at its sole discretion, estimate wages, health and supplemental benefits and non-overtime hours worked in order to determine whether the Contractor (or its subcontractors) was in compliance with the Wages, Health and Supplemental Benefits provisions of this Contract.

- J. Further, the Contractor shall submit (and shall cause its subcontractors to submit) to the Port Authority on the fifteenth day of the seventh month following the month in which the Commencement Date of this Contract falls and every six months thereafter, and the month following the month in which the termination date of this Contract falls, a certified statement signed by an executive officer of the Contractor (or its subcontractor) based upon the Contractor's (or subcontractor's) payroll records which indicate that the Wage, Health and Supplemental Benefits requirements were met during the six month period ending on the last day of the month preceding the date of submission of the said statement, together with such other detailed information as the Port Authority may request from time to time regarding Wages, Health and Supplemental Benefits paid or provided by the Contractor or its subcontractor to Employees engaged in providing the Contractor's Services under the Contract. Each certified statement shall, at a minimum, contain the level of detail specified in Exhibit I.

- K. In the event that an audit of the Contractor's (or subcontractor's) books and records or the aforesaid monthly statements submitted by the Contractor (or subcontractor) to the Port Authority should disclose that for any Contract Year, either the Contractor or a subcontractor has not paid at least the Minimum Hourly Wages as set forth above, the Average Hourly Direct Wages and the Supplemental Benefits as set forth in the "Calculation of Average Hourly Rate Form" and accepted by the Port Authority, and the Health Benefits as set forth in the Authority's Letter of Proposal Acceptance (the "employee payments"), (including any adjustments, if provided for, reflecting changes in the Consumer Price Index or other indices or instruments as identified by the Port Authority), the Contractor shall pay to the Contractor's Employees who have not been paid the proper employee payments (or to the Port Authority for retention by the Port Authority until such time as the Contractor's Employees are paid), or shall pay to the subcontractor's Employees

similarly affected or shall have the subcontractor so pay, at the option of the Port Authority, an amount (calculated for the Contractor or subcontractor which has not paid or provided the required amounts hereunder) equivalent to the product obtained by multiplying the difference between the employee payments required hereunder and the employee payments actually paid or provided by the number of non-overtime hours worked by the affected Employees of the subject Contractor or subcontractor employed during such Contract year, calculated per Paragraph C position category (hereinafter referred to as the "Underpayment Amount"). The Port Authority may, in its discretion, elect to deduct the Underpayment Amount due from the Contractor in accordance with the provisions of this Section from any subsequent payment payable to the Contractor under this Contract plus an amount equal to any payroll and associated taxes which would have been paid on the Underpayment Amount from any subsequent payment payable to the Contractor under this Contract.

L. In addition to the underpayment payable by the Contractor, the Port Authority may deduct interest on the underpayment amount calculated at 19.2% annual interest from any subsequent payment to the Contractor.

M. If requested by the Port Authority, the Contractor shall submit to the Port Authority for approval, a plan for the Contractor's or subcontractors' return of the underpayment to each affected Employee, including a deadline for compliance. In approving such a plan, the Authority may require the Contractor or a subcontractor to return the underpayment to the affected Employees in cash and the Contractor or the subcontractor is responsible for any additional payroll taxes resulting from this payment.

4. Routine and Periodic Cleaning

Exhibit A, Scope of Work, attached hereto and made a part of these Specifications, enumerates those routines at the Site of the Work which are to be performed hereunder on a routine basis, as well as those cleaning services that are to be provided by the Contractor on a regularly scheduled (periodic) basis. Such areas shall be cleaned in the manner and at the times and frequencies set forth in Exhibit A or other hours designated by the Facility Manager.

Where Exhibit A of these Specifications sets forth any Work which is to be performed at a frequency of less than once per month, the Facility Manager shall have the right to specify the week and month during which such work shall commence. However, failure of the Facility Manager to give such directions shall not relieve the Contractor of his obligations to perform such Work at the frequencies set forth in these Specifications.

Subject to the provisions of the immediately preceding paragraph, with respect to the term "Frequency of Cleaning" as set forth in Exhibit A, the following shall apply:

Items marked "1x yr." shall be cleaned once each year, but the Contractor shall allow at least 10 calendar months (298 days) but no more than twelve (12) calendar months (365 days) to elapse between cleanings.

Items marked "2 x yr." shall be cleaned twice per year between March and November with the contractor allowing at least four (4) months but no more than five (5) months to elapse between cleanings.

Items marked "4 x yr." shall be cleaned four (4) times per year between March and November with the contractor allowing at least two (2) months but no more than three (3) months to elapse between cleanings.

Items marked "6 x yr." shall be cleaned six (6) times per year between March and November with the contractor allowing at least five (5) weeks but no more than seven (7) weeks to elapse between cleanings.

Items marked "9 x yr." shall be cleaned nine (9) times per year between March and November with the contractor allowing at least four (4) weeks but no more than five (5) weeks to elapse between cleanings.

Items marked "12 x yr." shall be cleaned twelve (12) times per year between March and November with the contractor allowing at least three (3) weeks but no more than four (4) weeks to elapse between cleanings.

Items marked "16 x yr." shall be cleaned sixteen (16) times per year between March and November with the contractor allowing at least two (2) weeks but no more than three (3) weeks to elapse between cleanings.

Items marked "36 x yr." shall be cleaned thirty six (36) times per year between March and November with the contractor allowing at least one (1) week but no more than two (2) weeks to elapse between cleanings.

Items marked "52 x yr." shall be cleaned once each week, but the Contractor shall allow at least four (4) calendar days but no more than seven (7) calendar days to elapse between cleanings.

5. Personnel Requirements

In addition to the Personnel Standard requirements set forth in the Standard Contract Terms and Conditions, any employee of the Contractor operating a motor vehicle must have the appropriate valid driver's license.

The Contractor shall train all its personnel in the proper handling of blood and blood products as mandated by Federal OSHA, Bloodborne Pathogen Standard 29 CFR 1910.1030, maintain written documentation of such training, and shall provide copies of training completion certificates to the Facility Manager. The Contractor shall supply materials and equipment and medical waste cleanup kits for blood products at the Facility. Such kits shall, at a minimum, include but not be limited to: red bags, sharps containers, gloves, masks, and a bleach solution. The Port Authority at no charge to the Contractor will dispose of any medical waste generated by the Contractor.

The Contractor shall train all its personnel in the safe use of ladders as mandated by Federal OSHA Standard 29 CFR 1926.1050-1060. Training must enable each employee to recognize hazards related to ladders and use proper procedures to minimize these hazards.

The Contractor and any subcontractor shall furnish sufficiently trained management, supervisory and cleaning personnel to perform the services required of the Contractor under this Contract. If any such personnel is deemed unsatisfactory or does not perform the services to be furnished hereunder in a proper manner and satisfactory to The Port Authority, the Contractor shall immediately take such actions as are necessary to ensure that the Contract is performed in full accordance with the requirement hereof. Further, if in the determination of the Director, any such employee has taken any action which constitutes a conflict of interest or which is inconsistent with the highest level of honesty, ethical conduct or public trust or which the Facility Manager determines is adverse to the interest of the Port Authority, the Contractor shall remove any such personnel within twenty-four (24) hours, upon notice from the Port Authority.

Any employee performing machine sweeping/machine scrubbing must be adequately trained and know how to operate such equipment.

Any employee performing lavatory attendant duties must have the ability to effectively use communication and interpersonal skills in order to resolve customer problems and complaints.

- A. The Contractor shall assign a full time Resident Manager who shall be present at the Site of the Work during the hours of 6:00 a.m. to 2:30 p.m., Monday through Friday, excluding holidays, and at such other times as the Facility Manager may require. However, the Facility Manager reserves the right to change or rotate the work schedule on an as-needed basis to reflect changing job situations.

The Contractor's Resident Manager so assigned shall serve as the Contractor's representative at the Site of the Work and shall have day to day responsibility for ensuring that all Work required hereunder is performed in the manner and at the times specified. Such responsibility shall include, but shall not be limited to, regular inspection of all areas in which Work is being performed hereunder, overall supervision of assigned staff; scheduling of Work in a timely manner; ordering of equipment, material and supplies and training of employees. The Contractor's Resident Manager shall wear a jacket and tie and shall also be available to the Facility Manager at such times as the Facility Manager may require, to discuss any matter pertaining to this Contract, to review and/or inspect Work being performed hereunder and to receive such instructions, directives or information as the Facility Manager may wish to transmit.

The Contractor shall also assign Supervisory staff, for routine cleaning and for periodic cleaning hereunder, at the minimum levels listed below.

The Contractor shall provide one (1) Full Time Supervisor per shift during each of the three (3) shifts, 6:00 a.m. to 2:30 p.m.; 2:30 p.m. to 11:00 p.m. and 10:00 p.m. to 6:30 a.m., seven (7) days per week, inclusive of holidays. The Supervisors shall be authorized by the Contractor to receive and put into effect promptly all orders, directions and instructions from the Facility Manager regarding the performance of the work specified in the Contract and identified during job inspection tours of the premises.

The Supervisors shall devote their entire time to immediate supervision of the personnel performing the cleaning and janitorial work required hereunder including, but not limited to, ensuring such personnel are signed in and ready to work, are properly uniformed and identified, are in their assigned areas and relieved on schedule and have adequate supplies; and the Supervisors shall not be assigned to the performance of administrative tasks.

- B. No Resident Manager or Supervisor assigned hereunder shall directly perform the cleaning and janitorial services required by this Contract.
- C. All Resident Managers and Supervisors assigned hereunder shall possess a valid driver's license and shall be able to speak and write in the English language.
- D. The Facility Manager shall have the right to approve and interview any Resident Manager or Supervisor proposed by the Contractor for assignment hereunder.

All Resident Managers and Supervisors assigned hereunder shall have at least five (5) years prior experience in the performance of functions similar to those to which they are being assigned and the Contractor shall provide the Facility Manager with such proof of prior experience, including references, as the Facility Manager may request. The Contractor shall provide the Facility Manager with copies of any employment applications submitted to the Contractor by those individuals proposed for assignment. The Manager shall have the right to waive any of the aforementioned requirements if, in the sole opinion of the Port Authority, special circumstances warrant such action.

- C. The Contractor's Resident Manager and any Supervisor hereunder shall be supplied by the Contractor with a cell phone type communication device for use under this Contract. All costs associated with these cell phone type devices shall be deemed included costs.
- D. Primary residence telephone number and alternate phone numbers shall be made available to the Facility Manager for the Resident Manager and Supervisor and for on-site management persons on the Contractor's staff for use in emergency notifications and shall be updated as necessary.
- E. The cost for the Resident Manager shall be borne by the Contractor as an included cost and shall not be separately billable hereunder.
- G. The Contractor shall provide an administrative clerk to perform all administrative duties such as payroll, timekeeping, billing, etc. Such services shall be provided four (4) hours per day, Monday through Friday, exclusive of holidays. All costs associated with this position shall be deemed included costs.

6. Materials, Supplies and Equipment

- A. Materials and supplies to be provided by the Contractor hereunder shall include, but shall not be limited to, detergents, degreasers, soaps, sanitizers, deodorizers, paper products, floor finishes, strippers, stripping pads, buffing pads, brushes, brooms, mops, squeegees, buckets, dust cloths, clear plastic trash bags marked with distinctive Contractor identification, polishes, sponges, paper picks, and grease/oil absorbent (speedi-dri), graffiti removal and glue removal products.; The Contractor shall not, however, provide floor mats. For possible medical waste cleanup, the Contractor shall have available for use by his employees the following: red bags, gloves, sharps containers, a bleach solution, and any other items deemed necessary for the cleaning of medical waste. The Port Authority will supply all light bulbs hereunder.

B. Equipment to be provide by the Contractor hereunder shall be include, but shall not be limited to, at minimum, the following:

Cleaning Equipment:

- One (1) portable high temperature/high pressure gas powered power washer (3000 psi min.)
- One (1) Ghatt Model TT473 Tandem Trailer or Port Authority approved equal with 475 gallon tank, 5 gpm at 2,000 psi.
- Aluminum breakdown scaffolding capable of reaching twelve (12) feet with toe boards and safety rails. All scaffolding must be OSHA approved.
- Three hundred (300) feet of high pressure discharge hose.
- One (1) twenty (20) foot extension ladder, one (1) ten (10) foot folding ladder, one (1) six (6) foot folding ladder and one (1) three (3) foot folding ladder. All must be OSHA approved.
- A minimum of twenty four (24) paper pickers.
- A minimum of six (6) street brooms, six (6) spring rakes and six (6) flat shovels.
- Fifteen (15) fifty five (55) gallon trash containers with wheels.
- Six (6) mop buckets, wringers and mop handles.
- Twenty-four (24) Thirty-two (32) ounce mop heads.
- Six (6) buckets.
- Six (6) fifteen (15) foot telescoping poles.
- Six (6) squeegees for glass cleaning.
- Two (2) Billy Goat gas powered walk behind vacuums.
- Assorted cotton rags.
- Ten (10) pick up pans and toy brooms.

Snow Removal Equipment:

- Ten (10) two stage snow blowers.
- Two (2) walk behind Gravely or Port Authority approved equal self propelled pusher plows and 44 inch rotary brush attachments.

- Twelve (12) rubber tire rotary spreaders with deflector shields - 125 pound capacity.
- Fifteen (15) ice choppers.
- Thirty (30) snow shovels.

Grass Cutting Equipment:

- One (1) 36" self propelled mulching lawnmower.
- Two (2) Red Max String Trimmers Model BC -2600 or Port Authority approved equal.
- Two (2) gas powered leaf blowers.

All mechanically operated equipment must be maintained in sound operating condition, as determined by the Facility Manager, and the Contractor shall enter into Agreements for factory authorized maintenance for the ride-on and walk-behind scrubbers hereunder. In addition, all cell phones shall be functional at all times, as determined by the Facility Manager, and will be subject to Port Authority inspection.

- C. Furthermore, the Contractor shall stock and shall refill, as necessary, dispensers or containers for liquid soap, paper towels, toilet tissue, (see paragraph E below), sanitary napkins and tampons, sanitary napkin disposal drop boxes and bags and toilet seat covers and their refills which are located in the lavatories and other areas to be cleaned hereunder. The current standard soap dispenser at the Facility is Kimberly-Clarke-In-Sight Model #92551 (color smoke/gray); the current stainless steel seat cover dispenser is American Specialties, Inc. (ASI) Model #0477-SM; and the current sanitary napkin drop box is American Specialties, Inc. (ASI) Model #0852; and the Contractor shall maintain a minimum of six (6) spare units of each.
- D. Should the Manager determine that any such dispenser or container installed in accordance with Paragraph C above is so damaged or unusable as to require replacement; the Contractor shall provide and install such replacement at no additional cost to the Port Authority.

The Contractor shall obtain the Manager's approval of the type, number and planned location of any replacement unit prior to its installation. The Manager's approval shall also be obtained before any dispenser or container is relocated or removed from the Site of the Work. All replaced dispensers hereunder shall become the property of the Port Authority.

- E. The following specification covers 2-ply toilet tissue in roll form to be provided by the Contractor:
1. Requirements: Toilet tissue shall be white, unglazed, soft, strong and absorbent. It shall be free from slivers, dirt, holes and other objectionable matter or other such defects. The tissue shall be made of clean processed wood fiber. Edges shall be clean-cut and not ragged and shall have no disagreeable odor either wet or dry. The tissue shall conform to EPA

guidelines for recycled fiber of 82% recycled content of which a minimum of 34% shall be post consumer.

2. Physical Requirements of Roll Toilet Tissue:

- a. Basic Weight (minimum) 10.5
- b. Tensile Strength, dry 02./inch machine direction (minimum) 14
- c. Absorbency (maximum) 25 seconds
- d. Brightness (minimum) 78%

3. Workmanship: Toilet tissue shall be in accordance with specifications and shall be uniform in color; trimmed with clear smooth edges (no protrusion of tissue beyond the core ends will be permitted); non-perforated to allow even flow of tissue and shall conform to levels of quality established herein.

4. Packing and Delivery: The rolls of toilet tissue shall be packaged in conformance with the manufacturer's standards for this product. Each roll shall be securely wrapped and each roll shall show manufacturer's name/number. The product wrapper shall remove freely from the tissue roll. Delivery shall be unopened cartons for easy removal from delivery vehicles.

5. Total Roll size: Toilet tissue rolls shall be furnished and delivered in rolls having not less than 2,200 linear feet per roll and must fit properly in toilet tissue dispensers presently in use at the facility. The toilet tissue dispenser currently in use is Kimberly-Clark, JRT Junior Jumbo Roll, stainless steel tissue dispenser model number 9564 (10.625" x 11" x 5.1875").

Toilet Tissue Dimensions: Each roll of tissue shall not be less than 2,200 linear feet and shall have a width of not less than 3-15/16 inches, with a diameter of 9.0 inches around the core. The core shall be approximately 3.0 inches (inside diameter).

F. Roll paper towels shall be made in accordance with reasonable industry practice with respect to holes, tears, wrinkles, cleanliness and foreign materials or dirt. Edges shall be cleanly cut and not ragged. Towels shall dispense properly from the cabinet when loaded according to manufacturer's instructions. Towels shall have no disagreeable odor, either wet or dry. The towels should have a surface such as produced by creping or embossing and shall meet the following range of paper specifications:

	<u>Minimum</u>	<u>Maximum</u>
Roll Width	7-3/4"	8.25"
Linear feet/roll	420	475'
Rolls per case	12/rolls/case	16 rolls/case
Basis Weight	24 lbs.	34 lbs.
Absorbency	--	20 sec.
Brightness	78%	--
Color	white	white
Tensile Strength-Dry	36 oz./inch	
	Average Both Directions	
Tensile Strength-Wet	9 oz./inch	

Recycled Content Average Both Directions
40% Post Consumer Waste

The roll paper towels shall be furnished and delivered in cardboard packing cases. Each packing case shall show the manufacturer's name, brand name or number and production serial numbers

Unless otherwise specified, the Contractor shall perform all inspection requirements as specified herein. The Port Authority reserves the right to perform any of the inspections set forth in the Specification where such inspection as deemed necessary to ensure that supplies and services conform to prescribed requirements.

- G. C-Fold paper towels shall be made in accordance with reasonable industry practice with respect to holes, tears, wrinkles, cleanliness and foreign materials or dirt. Edges shall be cleanly cut and not ragged. Towels shall dispense properly from the cabinet when loaded according to manufacturer's instructions. Towels shall have no disagreeable odor, either wet or dry. The towels should have a surface such as produced by creping or embossing and shall meet the following range of paper specifications:

	<u>Minimum</u>	<u>Maximum</u>
Basis Weight	24 lbs.	34 lbs.
Absorbency	--	20 sec.
Brightness	78%	--
Color	white	white
Tensile Strength-Dry	36 oz./inch	
	Average Both Directions	
Tensile Strength-Wet	9 oz./inch	
	Average Both Directions	
Recycled Content	40% Post Consumer Waste.	

The C-Fold paper towels shall be furnished and delivered in cardboard packing cases. Each packing case shall show the manufacturer's name, brand name or number and production serial numbers

Unless otherwise specified, the Contractor is responsible for the performance of all inspection requirements as specified herein. The Port Authority reserves the right to perform any of the inspections set forth in the Specification where such inspection are deemed necessary to ensure that supplies and services conform to prescribed requirements.

The Contractor shall replace as necessary all cartridges and batteries used in the Automatic Odor Counteracting Dispenser Units located in all lavatories in the Central Terminal Building.

The Contractor's employees engaged in operating any motor vehicle in conjunction with these Specifications must have a valid motor vehicle license.

The Port Authority will furnish to the Contractor sand and/or deicing materials for use as required for inclement weather, icing conditions, etc., at the Site of the Work. Therefore, the Bidder shall not include costs for the aforementioned items in its bid.

Minimum inventory of materials that must be maintained by the Contractor at the Facility at all times shall be at least 10% of the estimated quantities specified in this Section.

7. Approval of Equipment, Materials and Supplies

Only equipment, materials and supplies approved in advance by the Facility Manager shall be used by the Contractor in performing the Work required hereunder. The supplies which are currently approved for use are set forth in the "Port Authority Approved Products List – Environmental Protection Supplies" which is available during regular business hours in the office of the Facility Manager. This list may be revised periodically and the Contractor shall be responsible for obtaining all updated listings from the Facility Manager's office.

The Contractor may propose additional equipment, materials and supplies for the Facility Manager's approval. If so approved, their use shall be subject to such conditions and instructions with respect to use as the Facility Manager may establish in granting his approval.

All equipment, materials and supplies used in the performance of work required hereunder shall be used in accordance with their manufacturer's instructions.

8. Employee Uniforms and Appearance

In addition to the General Uniform Requirements for Contractor's Personnel set forth in the Standard Contract Terms and Conditions, the Contractor shall provide distinctive uniforms to each employee performing the cleaning and janitorial work required hereunder, approved by the Facility Manager prior to the commencement date of this Contract, which shall be worn at all times during which such Work is being performed. Such uniforms shall include the Contractor's identification badge with picture ID bearing the employee's name and an insignia badge, the design of which will be provided to the Contractor by the Port Authority, and procured by the Contractor for its employees performing services under this Contract, all of which shall be subject at all times to the Facility Manager's approval. In addition, the Contractor shall provide its employees with all foul weather gear appropriate for the performance of services hereunder, which shall include, but not be limited to, gloves, waterproof boots, hooded insulated parkas and safety vests.

The Contractor shall ensure that his employees present a neat, clean and orderly appearance at all times. The Contractor shall cause its employees to change to freshly cleaned uniforms at least twice a week and it will supply its employees with sufficient uniforms to comply with said requirements. All uniforms, colors, types and styles shall be subject to the prior approval of the Facility Manager. The Contractor shall also ensure that its employees wear American National Standards Institute (ANSI) approved shoes appropriate for the tasks performed. No sneakers will be permitted. Personal clothing shall not be worn in any manner as will cover any part of the uniform.

The Contractor will be granted a five (5) day grace period at the start of the Contract to ensure that its employees are attired in proper uniform; however, the Contractor shall provide immediately to each employee performing the cleaning and janitorial work required hereunder the following as a minimum: the Contractor's identification badge and vest.

The Facility Manager shall have the right to require removal of any employee who shall fail to wear the proper uniform and shoes and the exercise of this right shall not limit the obligations of the

Contractor to perform the work or to furnish the required number of employees at each location at the premises as specified.

9. Breakdown, Malfunction or Damage

Immediately upon discovery of any damage or signs of disrepair to, mechanical breakdown or malfunction of, or cracks or breaks in any item to be cleaned hereunder, the Contractor shall advise the Facility Manager and shall place such "Out of Order" or warning signs as are appropriate. Such signs will be furnished by the Port Authority and Contractor shall maintain signs in place until necessary repairs are completed.

10. Contractor's Vehicles - Parking - Licenses

The Contractor shall provide the following vehicles:

- The Resident Manager shall have a vehicle dedicated for his/her use.
- The shift Supervisor shall have a vehicle dedicated for his/her use.
- Six (6) six (6) person crew cab pick-up trucks with a rotating beacon and power lift tailgate (1500 pound capacity) with towing capabilities appropriate for the equipment described herein.
- One (1) fifteen (15) passenger van.
- One (1) Elgin Air Cub Vacuum Sweeper or Port Authority approved equal with gutter brooms on both sides, overhead dumping capacity and rear arrow board not to exceed eighty nine (89) inches in height.
- One (1) Tennant 550 or Port Authority approved equal scrubber with trailer for transportation to the various sites and two three hundred gallon trailer mounted water tanks. The scrubber shall be equipped with a solution recycling system.
- One (1) seven (7) passenger minivan.
- Four (4) Tennant Model 810 Sweepers or Port Authority approved equal with gutter brooms on both sides.
- One (1) four (4) wheel drive pickup truck with power lift tailgate (1500 pound capacity) and removable snow plow.
- One (1) Series F Elgin Eagle Rear Broom Machine Sweeper or Port Authority approved equal. Vehicle must be equipped with gutter brooms on both sides, two hundred eighty (280) gallon water tank, front spray bar, arrow board and water tank access port for solution addition to water. All employee(s) operating this sweeper must have a valid CDL license to operate the sweeper and must be properly trained in its safe operation. Any cost pertaining to such training will be the responsibility of the Contractor and will not be reimbursed by the Port Authority.

The Contractor shall comply with such existing rules, regulations and procedures as are now in force and such reasonable future rules, regulations and procedures as may hereafter be adopted by the Port Authority for the safety and convenience of persons who park automotive vehicles in any parking area at the Facility or for the safety and proper identification of such vehicles, and the Contractor shall also comply with any and all directions pertaining to such parking which may be given from time-to-time and at any time by the Facility Manager. The Port Authority shall have no responsibility of any kind whatsoever with respect to such vehicles including without limitation any responsibility for the loss of, theft of, destruction of, or damage to said vehicle or any contents therein, in connection with the permissions granted to the Contractor to park its motor vehicles. No other rights or privileges in connection with parking of motor vehicles at the

Facility are or shall be deemed to be granted to the Contractor under this Contract.

The Port Authority will permit the Contractor during the effective period of this Contract to park these motor vehicles used by it exclusively during its tour of duty and in its operations hereunder on such locations as may from time to time or at any time designated by the Facility Manager. There will be two vehicle spaces available for the parking of the Contractor's vehicles after tour duties.

All vehicles shall be not more than three (3) model years old at the commencement of the Contract and at the start of the Option period, if applicable. All costs for vehicles shall be included in the Monthly Lump Sum on the Pricing Sheets.

11. Site Specific Recycling and Trash Removal

In addition to the Trash Removal Requirements set forth in the Standard Contract Terms and Conditions, the Port Authority has a source separation recycling program in effect. The Contractor will be required to pick up and transport certain designated recyclable materials to various dumpsters throughout the Facility to conform to recycling requirements. The Contractor shall be responsible for breaking down cardboard for disposal in recycling dumpsters.

12. Scheduling of Work

A. The Contractor shall, during the term of this Contract with respect to Work covered by Exhibit A, submit to the Facility Manager a written report setting forth the Contractor's advance scheduling for each three (3) month period of the Contract, which report shall include the Work scheduled by the Contractor to be accomplished during said three (3) month period, the dates and time of day when such Work will be done, the number of workers to be assigned to each shift, and such other information as the Authority may from time to time require, which report shall be subject to the continuing approval of the Facility Manager. This report shall also be submitted on a computer disk using Excel or an Excel compatible spreadsheet program. The first such report covering the first three months of this Contract shall be submitted by the Contractor within ten (10) days of the commencement of this Contract and each subsequent three month report shall be submitted by the Contractor at least twenty days prior to the commencement of each such three (3) month period. The Contractor shall also submit promptly to the Facility Manager a written report of any changes in the aforesaid scheduling it contemplates making during the course of any three (3) month period, but no changes shall be made without the prior approval of the Facility Manager.

All invoices and schedules must clearly indicate the appropriate Contract items.

B. The Contractor shall within twenty-four (24) hours comply with any oral or written request given by the Facility Manager to correct or remedy a condition or situation deemed by the Facility Manager to require action. The Contractor shall submit to the Facility Manager on the first day of each calendar month during the term of this Contract a written report setting forth the actions taken by the Contractor with respect to any matters which the Facility Manager may have, during the preceding month, requested the Contractor to correct or remedy.

Contractor's personnel shall respond immediately to any condition or situation determined by the

Facility Manager to constitute an emergency.

- D. The Contractor hereby further agrees to furnish to the Authority from time to time such other written reports in connection with its operations hereunder as the Port Authority may deem necessary or desirable in connection with the Authority's responsibility as the operator of the facility.

13. Space Provided the Contractor

The Port Authority will furnish the Contractor with nonexclusive locker space and lavatory and rest room facilities for use by the personnel performing the Work required hereunder. The Port Authority will also provide the Contractor with space for the storage of the Contractor's cleaning equipment, materials and supplies. Said facilities and space shall be designated by the Facility Manager and may be changed at any time at his discretion. Janitorial closets are to be kept locked at all times.

The Port Authority, by its officers, employees, and representatives, shall have the right at any time to enter upon the facilities and/or spaces so provided to the Contractor, to inspect the same, to observe the performance by the Contractor of his obligations under this Contract, and to do any act or thing which the Port Authority may be obligated or have the right to do under this Contract or otherwise. Without limiting the generality of the foregoing, the Port Authority shall have the right for its own benefit or for the benefit of others at the Site of the Work, to maintain existing and future utility systems or portions thereof on the facilities and spaces provided to the Contractor hereunder and to enter upon such facilities and spaces at any time to make such repairs, replacements, additions or alterations to such systems as may, in the opinion of the Port Authority, be deemed necessary or advisable.

14. Inclement Weather Requirements – Snow Removal

When and as directed by the Facility Manager, the Contractor shall completely and expeditiously remove any snow, ice, sleet or flooding from such exterior areas of the Site of the Work as the Facility Manager may designate and he shall keep such area free from further accumulations. Exterior areas shall include, but shall not be limited to, sidewalks, building entrances, emergency exits, bus stops, pedestrian crosswalks, and up to ten (10) feet on both side of entrance ticket booths, exit toll booths and adjacent sidewalks in the Parking Lots and Garages. Exterior areas will not include snow removal from actual Roadways.

At the request of the Facility Manager, snow, which is so removed, shall be deposited by the Contractor in such areas at the Site of the Work as the Facility Manager may designate. Deposit shall be in such a manner as to avoid interference with vehicular and pedestrian traffic. The Contractor shall not be responsible for removing such deposited snow away from the Site of the Work.

Within four (4) hours of the Facility Manager's request, the Contractor shall provide such separate personnel as are deemed necessary by the Facility Manager for the performance of services required under this clause see Attachment A for a guideline of staffing. Compensation for each hour expended by such personnel in the performance of such services shall be at the appropriate Price per Hour as same is set forth in the Contractor's Pricing Sheets. All such employees are subject to the approval of the Facility Manager and the Contractor shall maintain and shall submit such records as the Facility

Manager may require documenting the number of hours expended by each such employee in the performance of services required by this numbered clause.

The Contractor shall provide its employees with all foul weather gear appropriate for the performance of services required by this numbered clause including, but not limited to, gloves, waterproof boots and hooded, insulated parkas.

In addition to the materials, supplies and equipment referred to in herein, the Contractor shall further provide all snow blowers, snow shovels, brooms, ice choppers, salt spreaders, cyclone spreaders, and other equipment necessary for the performance of services required by this numbered clause. This equipment may be secured and stored at the Facility at a location provided by the Port Authority. The Contractor must supply any additional vehicles necessary to transport personnel during inclement weather.

Sand and/or deicing materials shall be applied by the Contractor to such exterior of areas as the Facility Manager may direct. Said materials shall be provided by the Port Authority at no charge to the Contractor, but the Contractor shall be responsible for transporting such materials to and from the storage location at the Site of the Work which is designated by the Facility Manager. The Contractor shall also submit weekly usage reports to the Facility Manager detailing all sand/or deicing material utilized by the Contractor for the week covered.

Snow Removal Services shall not be included in the Contractor's Monthly Lump Sum Price, but will be covered by the price for Snow Removal separately quoted by the Contractor under Snow Removal.

Photo-Identification Cards for Contractor's Additional Employees - (snow emergency) - The Contractor shall provide photo-identification cards for any additional employees not normally assigned to the facility but who are assigned to the facility for snow emergencies. Such photo-identification cards must be prominently displayed by the employees and shall not be obscured by clothing.

15. Safety Provisions

- A. Without limitation to any other provision of this Contract, in the performance of the Contract, the Contractor shall exercise every precaution to prevent injury to workers and the public and damage to property.
- B. The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work. The Contractor shall take all necessary precautions to ensure the safety of and to prevent injury to any person including but not limited to all employees on the work, the public and other persons and entities who may be affected thereby; and the Contractor shall provide all necessary and helpful protection to prevent damage to or loss of property.
- C. The Contractor shall obtain and display at the place of work one copy of the Material Safety Data Sheet (MSDS) conforming to the requirements of Federal Regulations 29 CFR 1910.1200(g) for each chemical utilized for work on this Contract.
- D. Within thirty (30) days after award of this Contract, the Contractor shall submit to the Facility Manager, for review and approval, the Contractor's Safety Program, which shall comply with all

applicable Federal, state, municipal and local regulations pertaining to employee safety and Right-to-Know and which shall include, among other things, the designation by the Contractor of a qualified individual who will administer such Safety Programs.

- E. The Contractor shall, at his own expense and as an included cost, be required to train all his personnel in the proper handling of medical and human waste as mandated by Federal OSHA Regulations and to supply materials, equipment and medical waste cleanup kits for medical waste cleanup at the Facility. Such kits shall include at a minimum, but not be limited to, sharps containers, gloves, masks, and a bleach solution.

16. Extraordinary Cleaning Services

At the verbal request of the Facility Manager, followed by a written notice, the Contractor shall perform requested extraordinary cleaning services at the Unit prices inserted by the Bidder in the attached Pricing Sheets for "Extraordinary Cleaning Services." "Extraordinary Cleaning Services" shall not include the repetition of prior work performed by the Contractor and determined by the Manager to be unsatisfactory and requested to be repeated. Extraordinary work shall include services in additional areas. It shall also include work frequencies beyond the minimums set forth herein when the Manager determines that such additional frequencies are required due to special events or other circumstances out of the ordinary. The Manager's request must specifically identify the work as Extraordinary cleaning before such unit prices are payable.

17. EXHIBIT A

SCOPE OF WORK

The following work, in the specified areas, shall be performed by the Contractor under this Contract. Square footages for individual areas listed are approximate:

Routine Cleaning

Policing:

All areas to be maintained in a continually clean condition satisfactory to the Facility Manager. The Contractor's employee is entitled to a one-half hour meal break. The Port Authority will not reimburse the Contractor for the one-half hour meal break. Additional coverage will be necessary during the meal break.

Schedule:

A. The Contractor shall have physically present at the times indicated the allocated staff as per the Staffing Plan attached herein, inclusive of holidays. The shifts are:

1. 6:00 a.m. to 2:30 p.m. – B - Tour
2. 2:30 p.m. to 11:00 p.m. – C - Tour

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Air Train Station	82,513
CNG Station	18,000
Bus Hold Area	68,795
Bldg 83	31,793
Bldg 84	41,863
Bldg. 86	57,970
Bldg.87N	20,157
Bldg 87C	21,952
Bldg 87S	21,528
Bow Tie 1	160,000
Bow Tie 2	174,250
Cell Phone Lot	386,100
Total	<u>1,084,921</u>

B. The Contractor shall have physically present at the times indicated the allocated staff as per the Staffing Plan attached herein, inclusive of holidays. The shifts are:

1. 6:00 a.m. to 2:30 p.m. – B - Tour
2. 2:30 p.m. to 11:00 p.m. – C - Tour

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Long Term Lot #9	2,478,441
Employee Lot	608,135
Total:	3,086,576

B. The Contractor shall have physically present at the times indicated the allocated staff as per The Staffing Plan, inclusive of holidays. The shifts are:

1. 6:00 a.m. to 2:30 p.m. – B - Tour
2. 2:30 p.m. to 11:00 p.m. – C - Tour

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Orange Lot and Upper Level	389,785
Green Lot and Garage	909,261
Red Lot and Garage	816,694
Blue Lot and Garage	1,216,948
Yellow Lot and Garage	583,800
Total	3,916,488

C. The Contractor shall have physically present at the times indicated the allocated staff as per the Staffing Plan attached herein, inclusive of holidays. The shifts are:

1. 6:00 a.m. to 2:30 p.m. – B - Tour
2. 2:30 p.m. to 11:00 p.m. – C - Tour

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Limo Hold Area	69,509
Taxi Hold Area	298,688
Total	368,197

Machine Sweeping

Daytime Machine Sweeping:

The areas listed below shall be machine swept seven (7) days per week inclusive of holidays, utilizing the allocated staff as per the Staffing Plan attached herein. For sweeping the Taxi Hold Area, the "F" Series Elgin shall be used. The shift is:

6:00 a.m. to 2:30 p.m. – B - Tour

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Air Train Station	82,513
Limo Hold Area	66,651
Taxi Hold Area	259,370
CNG Station	18,000
Bus Hold Area	68,795
Bldg 83	31,793
Bldg 84	41,863
Bldg. 86	57,970
Bldg.87N	20,157
Bldg 87C	21,952
Bldg 87S	21,528
Employee Lot 8	608,135
Total	<u>1,298,727</u>

Afternoon Machine Sweeping:

The areas listed below shall be machine swept seven (7) days per week inclusive of holidays, utilizing the allocated staff as per the Staffing Plan attached herein. For sweeping the Taxi Hold Area, the "F" Series Elgin shall be used. The shift is:

2:30 p.m. to 11:00 p.m. – C - Tour

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Air Train Station	82,513
Limo Hold Area	66,651
Taxi Hold Area	259,370
CNG Station	18,000
Bus Hold Area	68,795
Bldg 83	31,793
Bldg 84	41,863
Bldg. 86	57,970
Bldg.87N	20,157
Bldg 87C	21,952
Bldg 87S	21,528
Employee Lot 8	608,135
Total	<u>1,298,727</u>

Night Machine Sweeping:

The areas listed below shall be machine swept seven (7) days per week inclusive of holidays, utilizing the allocated staff as per the Staffing Plan attached herein. The shift is:

10:00 p.m. to 6:30 a.m. – A - Tour

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Orange Lot and Upper Level	389,785
Green Lot and Garage	909,261
Red Lot and Garage	816,694
Blue Lot and Garage	1,216,948
Yellow Lot and Garage	583,800
Long Term Lot # 9	2,424,597
Taxi Hold Lot	259,370
Limo Lot	66,651
Employee Lot	608,135
Rental Car Area	15,700
Cell Phone Lot	386,100
Total	<u>7,677,041</u>

Night Garage Sweeping (Tennant Sweeper):

The Green, Red, Blue and Yellow Parking Garages are to be swept with a Tennant Sweeper as specified herein, at least once per night.

Sweeper operators are to operate the sweepers. Utilizing the allocated staff as per the Staffing Plan attached herein, One (1) operator and sweeper is required for the Blue and Yellow Garages and one (1) sweeper and operator is required for the Red and Green Garages. Each garage must be swept for four (4) hours. Sweeping shall be performed seven (7) days per week inclusive of holidays. The shift is:

10:00 p.m. to 6:30 a.m. – A - Tour

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Green Garage	411,927
Blue Garage	519,015
Red Garage	444,544
Yellow Garage	<u>486,500</u>
Total	1,861,986

Night Litter Patrol:

Litter patrol shall consist of the allocated staff as per the Staffing Plan who shall pick up all debris not collected by the machine sweeping in the areas described below, seven (7) days per week inclusive of holidays. The shift is:

10:00 p.m. to 6:30 a.m. – A - Tour

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Air Train Station	82,513
Limo Hold Area	69,509
CNG Station	18,000
Bus Hold Area	68,795

Bldg 83	31,793
Bldg 84	41,863
Bldg. 86	57,970
Bldg.87N	20,157
Bldg 87C	21,952
Bldg 87S	21,528
Blue Lot and Garage	1,216,948
Yellow Lot and Garage	583,800
Green Lot and Garage	909,261
Red Lot and Garage	816,694
Employee Lot 8	617,737
Long Term Lot #9	2,478,441
Orange Lot and Upper Level	389,785
Total	7,446,746

Thorough Cleaning of Garage and Toll Plaza Areas:

All areas are to be cleaned to the satisfaction of the Facility Manager.

Garage Emergency Stairwells:

The stairwells shall be hand swept once per shift, seven (7) days per week. There are five (5) stairwells in the Blue and Orange lots and four (4) each in the Green, Red and Yellow lots.

Toll Plaza and Taxi Dispatch Lavatories:

All lavatories shall be thoroughly cleaned utilizing the allocated staff as per the Staffing Plan attached herein, seven (7) days per week. The shifts are:

1. 6:00 a.m. to 2:30 p.m. - B - Tour
2. 2:30 p.m. to 11:00 p.m. - C - Tour

The thorough cleaning of lavatories shall consist of the following: refilling all soap, towel, tissue, sanitary napkin, air freshener and toilet seat cover dispensers, removal and disposal of all trash, damp wiping, sanitizing and relining of trash receptacles, dispensers, the washing and sanitizing of all interior and exterior surfaces of showers, commodes, urinals and wash basins, the washing and sanitizing of all shelves, dispensers, table tops, sinks, counter tops, the spot washing and sanitizing of all wall surfaces daily. The cleaning of all mirrors, partitions, doors and wainscoting, and the mopping and rinsing of all floor areas daily. A solution of detergent-sanitizer-odor counter-actant material shall be used for all cleaning and mopping operations. Report any defective lamps and bulbs and spot re-lamp as necessary.

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Yellow Lot	70
Orange Lot	140
Red Lot	70
Green Lot	70
Blue Lot	70
Taxi Hold Dispatchers Bldg.	70
Long Term Lot	70

Total

560

Guard Booths and Toll Booths

All guard booths shall be thoroughly cleaned utilizing the allocated staff as per the Staffing Plan attached herein, seven (7) days per week. The shifts are:

1. 6:00 a.m. to 2:30 p.m. – B - Tour
2. 2:30 p.m. to 11:00 p.m. – C - Tour

The thorough cleaning of the booths shall consist of the sweeping and wet mopping of all floors, the dusting and washing of all interior horizontal and vertical surfaces, washing of all interior and exterior glass, emptying of all trash containers, cleaning of all cash-drawers in the toll booths, cleaning of heating units, washing of rubber mats, scrubbing of door tracks with a metal brush, and spot re-lamping and washing of fixtures as necessary.

Areas to be Policed

<u>Area</u>	<u>Square Feet</u>
Orange Lot (4) @ 30 sq ft.	120
Guard Booths (21) @14 sq ft.	336
Tower Guard Booths (3)@150 sq ft.	450
Yellow Lot (3) @30 sq ft.	90
Red Lot (10)@30 sq ft.	300
Green Lot (7)@30 sq. ft.	210
Blue Lot (9)@30 sq. ft.	270
Taxi Hold (7) @ 27 sq. ft.	189
Cell Phone Lot* (5) @ 60 sq. ft.	300
Taxi Booths (12)@ 9 sq ft	108
Lot 9 (5) @ 169 sq ft.	845
Total	<u>3,227</u>

*Formerly Lot 7&7a lot.

Policing:

All areas to be maintained, seven (7) days per week inclusive of holidays, in a continually clean condition satisfactory to the Facility Manager. The Contractor's employee is entitled to a one-half hour meal break. The Port Authority will not reimburse the Contractor for the one-half hour meal break. Additional coverage will be necessary during the meal break. The shifts are:

1. 6:00 a.m. to 2:30 p.m. – B - Tour
2. 2:30 p.m. to 11:00 p.m. – C - Tour

Lavatory Cleaning:

The thorough cleaning of the lavatory shall consist of the following, to be performed seven (7) days per week inclusive of holidays: refilling all soap, towel, tissue, sanitary napkin, air freshener and toilet seat cover dispensers, removal and disposal of all trash, damp wiping, sanitizing and relining of trash receptacles, dispensers, the washing and sanitizing of all interior and exterior surfaces of showers, commodes, urinals and wash basins, the washing and sanitizing of all shelves, dispensers, table tops, sinks, counter tops, the spot washing and sanitizing of all wall surfaces daily. The cleaning of all mirrors,

partitions, doors and wainscoting, and the mopping and rinsing of all floor areas daily. A solution of detergent-sanitizer-odor counteractant material shall be used for all cleaning and mopping operations. Report any defective lamps and bulbs and spot re-lamp as necessary.

The shifts are:

1. 6:00 a.m. to 2:30 p.m. - B - Tour
2. 2:30 p.m. to 11:00 p.m. - C - Tour

Aqueduct Racetrack Parking Lot:

The Aqueduct Racetrack Parking Lot consists of 959,491 square feet of asphalt pavement. Once a week, on a day to be determined by the Facility Manager, the area shall be machine swept.

Once a week, on a day to be determined by the Facility Manager, the area shall be policed and all trash cans shall be emptied and relined. All trash shall be placed in a roll off designated by the Facility Manager and provided by the Port Authority.

Procedures for Selected Items of Periodic Work:

Water Cooler Cleaning - Procedure:

The Contractor shall be required, when ordered by the Facility Manager, to disinfect the water coolers at the Facility. Compensation for such work shall be as set forth on the Contractor's Pricing Sheets. The following procedure shall be followed for the disinfecting of the coolers. Rubber on latex gloves (dispensable) must be used.

Procedure applies to cold water reservoir only. Hot water tanks are sealed closed and do not require cleaning.

1. Unplug unit.
2. Close shut off valve.
3. Remove cover.
4. Remove float assembly and replace air filter.
5. Disconnect carbon filter.
6. Empty stainless steel reservoir through spigot.
7. Wet wipe and rinse the inside of the stainless steel reservoir with ½ tablespoon of hydrogen peroxide.
8. Fill stainless steel reservoir and drain through spigot, refill, and drain again.
9. Replace float assembly.
10. Remove and clean the inside of the unit and drip tray with liquid soap and warm water. Make sure washed parts are rinsed properly and all soap residues is removed.
11. Vacuum dust from coils.
12. Replace cover.
13. In a clean bucket of water submerge and rinse new carbon filter to remove carbon dust.
14. Install new carbon filter.
15. Plug unit back in.

Graffiti Removal from Concrete Surfaces - Procedure:

Any solution used by the Contractor for graffiti removal shall meet or exceed all EPA, NJDEP, OSHA or NYDEP standards and be on the Port Authority Approved Products List. The solution shall be applied at a minimum of four thousand psi measured at the tip at a minimum rate of 12 gpm. The solution shall be applied at a minimum temperature of 190 degrees to surfaces heated by a diesel fired burner rated at 1,000,000 BTU.

Toll Lane Degreasing:

The Contractor shall prepare a degreasing method for approval by the Facility Manager prior to the commencement of the Contract. Dry degreasing will be considered only if the method will not scarify or abrade the road surface. Wet degreasing will be considered. The Contractor shall supply the name of the chemical to be used, the material Safety Data Sheet, the degreasing method, and a secondary method to be used during sub freezing temperatures. All liquids generated through wet degreasing must be collected and disposed of through the Facility's treatment system. No run off shall be allowed to enter the storm sewer system. When work is performed Port Authority traffic standards shall be adhered to

Periodic Work to be performed:

Periodic Work will be performed utilizing the allocated staff per the Staffing Plan attached herein.

PERIODIC CLEANING

<u>Area</u>	<u>Operation</u>	<u>Surface</u>	<u>Sq. Ft.</u>	<u>Frequency (Times per Year)</u>
<u>Bus Shelters</u>				
Outside Lots	Wash and Rinse	Glass+ Metal	2,430	52
Red Lot Shelters	Wash and Rinse	Glass+ Metal	440	52
Green Lot/Garage Shelters	Wash and Rinse	Glass+ Metal	440	52
Bus shelters Lots 8 and 9	Wash and Rinse	Glass+ Metal	1,540	52
<u>Exterior Lavatory Walls</u>				
Orange Lot.	Wash, rinse, polish	Stainless Steel	712	8
Yellow Lot	Wash, rinse, polish	Stainless Steel	712	8
Red Lot	Wash, rinse, polish	Stainless Steel	712	8
Green Lot	Wash, rinse, polish	Stainless Steel	712	8
Blue Lot (incl.substation)	Wash, rinse, polish	Stainless Steel	2,612	8
All toll booths in parking lots and Central Taxi Hold	Wash, rinse, polish	Stainless Steel	133,00	8
CTA Taxi Dispatch Booth	Wash, rinse, polish	Stainless Steel	1,600	8
Long Term Lot # 9	Wash, rinse, polish	Stainless Steel	1,600	8
<u>Power Washing</u>				
Blue lot, all toll booth islands and sidewalks	High temp+pressure wash	Concrete	1,125	6

Blue Parking Garage

All concrete surfaces and helix sidewalk	High temp+pressure wash	Concrete	90,000	6
Elevator waiting pads	High temp+pressure wash	Concrete	5,000	6
Emergency Stairs	High temp+pressure wash	Concrete	544	4
<u>Yellow Parking Lot</u>				
All toll booth islands, sidewalks, staircases, wheelchair and helix ramps	High temp+pressure wash	Concrete	87,000	6
<u>Green Parking Lot</u>				
All toll booth islands, sidewalks, staircases elevator pads and helix pads	High temp+pressure wash	Concrete	98,000	6
<u>Orange Parking Lot</u>				
All toll booth islands, sidewalks, staircases elevator pads and helix pads	High temp+pressure wash	Concrete	98,000	6
<u>Red Parking Lot</u>				
All toll booth islands and Sidewalks and staircases.	High temp+pressure wash	Concrete	29,359	6
<u>Central Taxi Hold Lot</u>				
All concrete surfaces	High temp+pressure wash	Concrete	100,000	9
<u>Central Taxi Hold Lot</u>				
Lavatories, concrete surfaces	High temp+pressure wash	Concrete	1,000	12
<u>Central Taxi Hold Lot</u>				

Service Build. Exteriors	High temp+pressure wash	Concrete	7000	9
<u>Employee Lot 8</u>				
All Exit and Entrance islands and bus pads	High temp+pressure wash	Concrete	6,100	2
<u>Long Term Lot 9</u>				
All Exit and Entrance islands and bus pads	High temp+pressure wash	Concrete	60,844	6
All Toll Plaza Canopies	High temp+pressure wash	Various	45,200	2
<u>Lot 9 and Train Station</u>				
Station, waiting area and bus stop	High temp+pressure wash	Concrete	2,093	9
Central Taxi Hold Men's Room Dispatchers Bldg. Interior	High temp+pressure wash	Concrete	45	2
Blue, Green, Red, Orange and Yellow Lots, Cell Phone Lot, 9 and Taxi Hold	Hose and Rinse	Concrete	18,000	18
Bus Stop Pads 31 Locations	High temp+pressure wash	Concrete	4,032	4
<u>Degreasing</u>				
Blue Lot	Degrease all toll lanes	Concrete	8,800	6

Yellow Lot	Degrease all toll lanes	Concrete	7,700	6
Red Lot	Degrease all toll lanes	Concrete	7,700	6
Green Lot	Degrease all toll lanes	Concrete	6,790	6
Long Term Lot 9	Degrease all toll lanes	Concrete	5,000	6
Employee Parking Lot 8	Degrease all entrance and exit lanes	Concrete	3,700	6
Cell phone lot	Degrease all toll lanes	Concrete	6,790	6
Orange Lot	Degrease all toll lanes	Concrete	7,700	6

**PERIODIC
CLEANING**

Area	Operation	Surface	QTY	Frequency (Times per Year)
Water Coolers	Clean and disinfect	Various	40	4x yr.

Area	Operation	Surface	Sq. Ft.	Frequency (Times per Year)
Lawn	Mow Grass	Grass	15,000-	16 Twice per month April to Nov.

PERIODIC CLEANING

Area	Operation	Surface	Sq. Ft.	Frequency (Times per Year)
Taxi Hold Lot	Degrease all toll lanes	Concrete	6,600	6
Taxi Hold Lot	Degrease lot	Asphalt	214,000	6
Limo Hold Lot	Degrease lot	Asphalt	666,651	6
Area	Operation	Items		Frequency (Times per Year)
Toll Booth Re-lamping	Re-lamping	100 Fixtures		1
Toll Booth Re-lamping	Wash and Rinse	100 Fixtures		1

STAFFING PLAN

STATIONS - A - TOUR - 10:00 P.M. TO 6:30 A.M.

MACHINE SWEEPER OUTSIDE LOTS	(365 DAYS)	(2) SWEEPER OPERATORS
MACHINE SWEEPER INDOOR GARAGES	(365 DAYS)	(2) SWEEPER OPERATORS
NIGHT LITTER PATROL	(365 DAYS)	(2) FULL TIME CLEANERS
TOUR SUPERVISOR	(365 DAYS)	(1) FULL TIME SUPV.

STATIONS - B - TOUR - 6:00 A.M. TO 2:30 P.M.

EMPLOYEE'S LOT	(365 DAYS)	(1) FULL TIME CLEANER
AREA TO BE POLICED	(365 DAYS)	(1) FULL TIME CLEANER
LONG TERM / HOWARD BEACH	(365 DAYS)	(2) FULL TIME CLEANERS
POLICING STATIONS ORANGE LOT AND UPPER LEVEL	(365 DAYS)	(1) FULL TIME CLEANER
POLICING STATIONS GREEN LOT AND GARAGE	(365 DAYS)	(1) FULL TIME CLEANER
POLICING STATIONS RED LOT AND GARAGE	(365 DAYS)	(1) FULL TIME CLEANER
POLICING STATIONS BLUE LOT AND GARAGE	(365 DAYS)	(1) FULL TIME CLEANER
POLICING STATIONS YELLOW LOT AND GARAGE	(365 DAYS)	(1) FULL TIME CLEANER
TAXI HOLD/LIMO LOT	(365 DAYS)	(2) FULL TIME CLEANERS
MACHINE SWEEPING	(365 DAYS)	(1) SWEEPER OPERATOR
THOROUGH CLEANING OF GARAGES AND TOLL PLAZA	(365 DAYS)	(1) FULL TIME CLEANER
TOLL PLAZAS AND TAXI DISPATCH LAVATORIES	(365 DAYS)	(1) FULL TIME CLEANER
GUARD BOOTHS AND TOLL BOOTHS	(365 DAYS)	(1) FULL TIME CLEANER
LUNCH RELIEF	(365 DAYS)	(2) FULL TIME CLEANERS
PERIODIC CLEANING (March to November)	(*)	(3) FULL TIME CLEANERS

TOUR SUPERVISOR	(365 DAYS)	(1) FULL TIME SUPV.
RESIDENT MANAGER		(1) FULL TIME MANAGER
ADMINISTRATIVE CLERK		(1) FULL TIME ADMIN.

STATIONS - C - TOUR - 2:30 P.M. TO 11:00 P.M.

EMPLOYEE'S LOT	(365 DAYS)	(1) FULL TIME CLEANER
AREA TO BE POLICED	(365 DAYS)	(1) FULL TIME CLEANER
LONG TERM / HOWARD BEACH	(365 DAYS)	(2) FULL TIME CLEANERS
POLICING STATIONS ORANGE LOT AND UPPER LEVEL	(365 DAYS)	(1) FULL TIME CLEANER
POLICING STATIONS GREEN LOT AND GARAGE	(365 DAYS)	(1) FULL TIME CLEANER
POLICING STATIONS RED LOT AND GARAGE	(365 DAYS)	(1) FULL TIME CLEANER
POLICING STATIONS BLUE LOT AND GARAGE	(365 DAYS)	(1) FULL TIME CLEANER
POLICING STATIONS YELLOW LOT AND GARAGE	(365 DAYS)	(1) FULL TIME CLEANER
TAXI HOLD/LIMO LOT	(365 DAYS)	(2) FULL TIME CLEANERS
MACHINE SWEEPING	(365 DAYS)	(1) SWEEPER OPERATOR
THOROUGH CLEANING OF GARAGES AND TOLL PLAZA	(365 DAYS)	(1) FULL TIME CLEANER
TOLL PLAZAS AND TAXI DISPATCH LAVATORIES	(365 DAYS)	(1) FULL TIME CLEANER
GUARD BOOTHS AND TOLL BOOTHS	(365 DAYS)	(1) FULL TIME CLEANER
LUNCH RELIEF	(365 DAYS)	(2) FULL TIME CLEANERS
TOUR SUPERVISOR	(365 DAYS)	(1) FULL TIME SUPV.

ATTACHMENT A

The following information is to be used as a guideline for staffing at JFK Airport during snow emergencies.

Stand-By Call Staffing:	Icing conditions and snow amounts up to 1 inch 1 Supervisor, 6 Cleaners, and 1 equipment Specialist.
Alert #1 Call Staffing:	1-2 inches of snow 1 Manager, 1 Supervisor, 14 Cleaners, 1 equipment Specialist.
Alert #2 Call Staffing:	2-4 inches of snow 1 Manager, 2 Supervisors, 21 Cleaners, 1 equipment Specialist.
Alert #3 Call Staffing:	Over 4 inches of snow 1 Manager, 2 Supervisors, 27 Cleaners, 1 equipment Specialist.

EXHIBIT I

(Sample Statement)

XYZ COMPANY - Contract # _____
WAGE and BENEFITS STATEMENT
 Period Covered: June 1, xxxx to November 30, xxxx

	<u>Job Class 1</u>	<u>Job Class 2</u>	<u>Job Class 3</u>	<u>Job Class 4</u>	<u>Job Class 5</u>
Number of Employees	_____	_____	_____	_____	_____
<u>MINIMUM HOURLY WAGES</u>					
RATES PAID	\$9.50	\$10.50	\$11.50		
CONTRACT REQUIREMENTS	\$10.00	\$10.25	\$11.25		
Difference	(\$0.50)	\$0.25	\$0.25		
<u>Direct Wages</u>					
Straight-Time Direct Wages	\$ 375,000.00	\$ 275,000.00	\$ 110,000.00		
Shift Differential	2,000.00				
Total Wages	\$377,000.00	\$275,000.00	\$110,000.00		
<u>Health Benefits</u>					
Health/Welfare	\$ 75,000.00	\$ 50,000.00	\$ 40,000.00		
Total Health Benefits	75,000.00	50,000.00	40,000.00		
<u>Supplemental Benefits</u>					
Holiday	\$ 9,500.00	\$ 8,000.00	\$ 9,500.00		
Vacation	4,000.00	3,000.00	4,000.00		
Sick	4,000.00	3,000.00	4,000.00		
Personal	1,000.00	1,000.00	1,000.00		
Dental	1,000.00	1,000.00	1,000.00		
Jury Duty / Bereavement	-	500.00	-		
Bonus	13,600.00	10,000.00	13,600.00		
Pension / 401K	12,500.00	12,000.00	12,500.00		
Other (please specify)	-	-	-		
Total Supp. Benefits	\$ 46,600.00	\$ 38,500.00	\$ 46,600.00		
<u>HOURS</u>					
Straight-Time Hours	36,600.00	25,000.00	11,000.00		
Add: Roll Call Time, if applicable	550.00	550.00	550.00		
Less: Relief Time, if applicable	(500.00)	(500.00)	(500.00)		
Less: Meal Time, if applicable	-	-	-		
Hours Worked	36,650.00	25,050.00	11,050.00		
Average Direct Wages Paid	\$ 10.29	\$ 10.98	\$ 9.95		
Contract Requirements	10.25	10.50	10.75		
Difference	\$ 0.04	\$ 0.48	\$ (0.80)		
Average Health Benefits Paid	\$ 2.05	\$ 2.00	\$ 3.62		
Contract Requirements	\$ 2.00	\$ 2.00	\$ 2.00		
Difference	\$ 0.05	(0.00)	\$ 1.62		
Average Supplemental Benefits Paid	\$ 1.24	\$ 1.54	\$ 4.13		
Contract Requirements	\$ 1.50	\$ 1.70	\$ 4.13		
Difference	\$ (0.26)	(0.16)	\$ (0.00)		
<u>MINIMUM SALARIES (if applic.)</u>					
SALARIES PAID				\$33,375	\$42,777
CONTRACT REQUIREMENTS				\$33,375	\$40,600
Difference				\$0	\$2,177

NOTE:
 Details by month
 and by employee
 must be available and
 may be submitted
 with this statement.

Statement Certified by:

Name

Title

Date

WAGE/BENEFIT STATEMENT
 Contract Year June 1, xxxx to May 31, xxxx.

<u>Wage/Benefit Categories</u>	<u>Straight Time / Regular HOURS By Employee Classification</u>				<u>Straight Time / Regular WAGES By Employee Classification</u>			
	<u>Cashier</u>	<u>Clerk</u>	<u>Lot Checker</u>	<u>Supervisor</u>	<u>Cashier</u>	<u>Clerk</u>	<u>Lot Checker</u>	<u>Supervisor</u>
<u>Regular Hours/Wages</u>								
June	20,000	2,000	1,500	7,000	\$ 200,000.00	\$ 25,000.00	\$ 15,000.00	\$ 100,000.00
July								
August								
September								
October								
November								
December								
January								
February								
March								
April								
May								
Total Regular Hours / Wages	20,000	2,000	1,500	7,000	\$ 200,000.00	\$ 25,000.00	\$ 15,000.00	\$ 100,000.00
<u>HOLIDAY/PERSONAL BONUS</u>								
June								
x								
May								
Total								
<u>SICK TIME ALLOWANCE</u>								
June								
x								
May								
Total								
<u>VACATION</u>								
June								
x								
May								
Total								
<u>PENSION</u>								
June								
x								
May								
Total								
<u>HEALTH / WELFARE</u>								
June								
x								
May								
Total								
<u>JURY DUTY/BEREAVEMENT</u>								
June								
x								
May								
Total								
Total Supplemental Benefits								
Total Average Wage / Supplemental Benefits								
Per Contract								
Difference								

STANDARD CONTRACT TERMS AND CONDITIONS

PART I GENERAL DEFINITIONS..... 3

PART II GENERAL PROVISIONS..... 4

1. Facility Rules and Regulations of The Port Authority 4

2. Contractor Not An Agent..... 5

3. Contractor's Warranties 5

4. Personal Non-Liability..... 6

5. Equal Employment Opportunity, Affirmative Action, Non-Discrimination..... 6

6. Rights and Remedies of the Port Authority 6

7. Rights and Remedies of the Contractor 6

8. Submission To Jurisdiction..... 7

9. Harmony 7

10. Claims of Third Persons 8

11. No Third Party Rights..... 8

12. Provisions of Law Deemed Inserted..... 8

13. Costs Assumed By The Contractor..... 8

14. Default, Revocation or Suspension of Contract 8

15. Sales or Compensating Use Taxes..... 11

16. No Estoppel or Waiver 11

17. Records and Reports 12

18. General Obligations 13

19. Assignments and Subcontracting..... 14

20. Indemnification and Risks Assumed By The Contractor 14

21. Approval of Methods 15

22. Safety and Cleanliness 15

23. Accident Reports 16

24. Trash Removal..... 16

25. Lost and Found Property 16

26. Property of the Contractor 16

27. Modification of Contract 16

28. Invalid Clauses..... 17

29. Approval of Materials, Supplies and Equipment..... 17

30. Intellectual Property..... 17

31. Contract Records and Documents – Passwords and Codes..... 18

32. Designated Secure Areas 18

33. Notification of Security Requirements 18

34. Construction In Progress..... 20

35. Permit-Required Confined Space Work 21

36. Signs 21

37. Vending Machines, Food Preparation 21

38. Confidential Information/Non-Publication..... 21

39. Time is of the Essence 22

40. Holidays 22

41. Personnel Standards..... 22

42. General Uniform Requirements for Contractor's Personnel 23

43. Labor, Equipment and Materials Supplied by the Contractor 23

44.	Contractor's Vehicles – Parking - Licenses.....	23
45.	Manager's Authority.....	24
46.	Price Preference	24
47.	M/WBE Good Faith Participation	24

PART III CONTRACTOR'S INTEGRITY PROVISIONS..... 25

1.	Certification of No Investigation (criminal or civil anti-trust), Indictment, Conviction, Debarment, Suspension, Disqualification and Disclosure of Other Information.....	25
2.	Non-Collusive Bidding, and Code of Ethics Certification, Certification of No Solicitation Based On Commission, Percentage, Brokerage, Contingent or Other Fees.....	26
3.	Bidder Eligibility for Award of Contracts - Determination by an Agency of the State of New York or New Jersey Concerning Eligibility to Receive Public Contracts.....	27
4.	Contractor Responsibility, Suspension of Work and Termination.....	28
5.	No Gifts, Gratuities, Offers of Employment, Etc.	28
6.	Conflict of Interest.....	29
7.	Definitions	30

STANDARD CONTRACT TERMS AND CONDITIONS

PART I GENERAL DEFINITIONS

To avoid undue repetition, the following terms, as used in this Agreement, shall be construed as follows:

Authority or Port Authority - shall mean the Port Authority of New York and New Jersey.

Contract, Document or Agreement - shall mean the writings setting forth the scope, terms, conditions and Specifications for the procurement of Goods and/or Services, as defined hereunder and shall include, but not be limited to: Invitation for Bid (IFB), Request for Quotation (RFQ), Request for Proposal (RFP), Purchase Order (PO), Cover Sheet, executed Signature Sheet, AND PRICING SHEETS with Contract prices inserted, "STANDARD CONTRACT TERMS AND CONDITIONS," and, if included, attachments, endorsements, schedules, exhibits, or drawings, the Authority's acceptance and any written addenda issued over the name of the Authority's Manager, Purchasing Services Division.

Days or Calendar Days - shall mean consecutive calendar days, Saturdays, Sundays, and holidays, included.

Week - unless otherwise specified, shall mean seven (7) consecutive calendar days, Saturdays, Sundays, and holidays.

Month - unless otherwise specified, shall mean a calendar month.

Director - shall mean the Director of the Department which operates the facility of the Port Authority at which the services hereunder are to be performed, for the time being, or his/her successor in duties for the purpose of this Contract, acting personally or through one of his/her authorized representatives for the purpose of this Contract.

Manager - shall mean the Manager of the Facility for the time being or his successor in duties for the purpose of this Contract, acting personally or through his duly authorized representative for the purpose of this Contract.

No person shall be deemed a representative of the Director or Manager except to the extent specifically authorized in an express written notice to the Contractor signed by the Director or Manager, as the case may be. Further, no person shall be deemed a successor in duties of the Director unless the Contractor is so notified in writing signed by the Authority's Manager, Purchasing Services Division. No person shall be deemed a successor in duties of the Manager unless the Contractor is so notified in a writing signed by the Director.

Minority Business Enterprise (MBE) - shall mean a business entity which is at least 51% owned and controlled by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more minority groups, and whose management and daily business operations are controlled by one or more such individuals who are citizens or permanent resident aliens.

"Minority Group" means any of the following racial or ethnic groups:

- (a) Black persons having origins in any of the Black African racial groups not of Hispanic origin;
- (b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;
- (c) Asian and Pacific Islander persons having origins in any of the original peoples of the Far East,

Southeast Asia, The Indian Subcontinent, or the Pacific Islands;

- (d) Native American or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

Site of the Work - or words of similar import shall mean the Facility and all buildings and properties associated therewith as described in this Contract.

Small Business Enterprise (SBE) - The criteria for a Small Business Enterprise are:

- o The principal place of business must be located in New York or New Jersey;
- o The firm must have been in business for at least three years with activity;
- o Average gross income limitations by industry as established by the Port Authority.

Subcontractor - shall mean anyone who performs work (other than or in addition to the furnishing of materials, plant or equipment) in connection with the services to be provided hereunder, directly or indirectly for or on behalf of the Contractor (and whether or not in privity of contract with the Contractor), but shall not include any person who furnished merely his own personal labor or his own personal services. "Subcontractor", however, shall exclude the Contractor or any subsidiary or parent of the Contractor or any person, firm or corporation which has a substantial interest in the Contractor or in which the Contractor or the parent or the subsidiary of the Contractor, or an officer or principal of the Contractor or of the parent of the subsidiary of the Contractor has a substantial interest, provided, however, that for the purpose of the clause hereof entitled "Assignments and Subcontracts" the exclusion in this paragraph shall not apply to anyone but the Contractor itself.

Women-Owned Business Enterprise (WBE) - shall mean a business enterprise which is at least 51% owned by one or more women, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more women and whose management and daily business operations are controlled by one or more women who are citizens or permanent or resident aliens.

Work - shall mean all services, equipment and materials (including materials and equipment, if any, furnished by the Authority) and other facilities and all other things necessary or proper for, or incidental to the services to be performed or goods to be furnished in connection with the service to be provided hereunder.

PART II GENERAL PROVISIONS

1. Facility Rules and Regulations of The Port Authority

- a. The Contractor shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the facility Rules and Regulations of the Port Authority now in effect, and such further reasonable Rules and Regulations which may from time to time during the term of this Agreement be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance and efficient operation of the Facility. The Port Authority agrees that, except in case of emergency, it shall give notice to the Contractor of every Rule and Regulation hereafter adopted by it at least five days before the Contractor shall be required to comply therewith.
- b. A copy of the facility Rules and Regulations of the Port Authority shall be available for review by the Contractor at the Office of the Secretary of the Port Authority.

2. Contractor Not An Agent

This Agreement does not constitute the Contractor the agent or representative of the Port Authority for any purpose whatsoever except as may be specifically provided in this Agreement. It is hereby specifically acknowledged and understood that the Contractor, in performing its services hereunder, is and shall be at all times an independent Contractor and the officers, agents and employees of the Contractor shall not be or be deemed to be agents, servants or employees of the Port Authority.

3. Contractor's Warranties

The Contractor represents and warrants:

- a. That it is financially solvent, that it is experienced in and competent to perform the requirements of this Contract, that the facts stated or shown in any papers submitted or referred to in connection with the solicitation are true, and, if the Contractor be a corporation, that it is authorized to perform this Contract;
- b. That it has carefully examined and analyzed the provisions and requirements of this Contract, and that from its own investigations it has satisfied itself as to the nature of all things needed for the performance of this Contract, the general and local conditions and all other matters which in any way affect this Contract or its performance, and that the time available to it for such examination, analysis, inspection and investigation was adequate;
- c. That the Contract is feasible of performance in accordance with all its provisions and requirements and that it can and will perform it in strict accordance with such provisions and requirements;
- d. That no Commissioner, officer, agent or employee of the Port Authority is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;
- e. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Port Authority, its Commissioners, officers, agents, employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability, or completeness of any provisions or requirements of this Contract; (2) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (3) the general or local conditions which may in any way affect this Contract or its performance; (4) the price of the Contract; or (5) any other matters, whether similar to or different from those referred to in (1) through (4) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.

Moreover, the Contractor accepts the conditions at the Site of the Work as they may eventually be found to exist and warrants and represents that it can and will perform the Contract under such conditions and that all materials, equipment, labor and other facilities required because of any unforeseen conditions (physical or otherwise) shall be wholly at its own cost and expense, anything in this Contract to the contrary notwithstanding.

Nothing in the Specifications or any other part of the Contract is intended as or shall constitute a representation by the Port Authority as to the feasibility of performance of this Contract or any part thereof.

The Contractor further represents and warrants that it was given ample opportunity and time and by means of this paragraph was requested by the Port Authority to review thoroughly all documents forming this Contract prior to opening of Bids on this Contract in order that it might request inclusion in this Contract of any statement, representation, promise or provision which it desired or on which it wished to place reliance; that it did so review said documents, that either every such statement, representation, promise or provision has been included in this Contract or else, if omitted, that it expressly relinquishes the benefit of any such omitted statement, representation, promise or provision and is willing to perform this Contract without claiming reliance thereon or making any other claim on account of such omission.

The Contractor further recognizes that the provisions of this numbered clause (though not only such provisions) are essential to the Port Authority's consent to enter into this Contract and that without such provisions, the Authority would not have entered into this Contract.

4. Personal Non-Liability

Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Contractor with any liability, or held personally liable to the Contractor 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.

5. Equal Employment Opportunity, Affirmative Action, Non-Discrimination

- a. The Contractor is advised to ascertain and comply with all applicable federal, State and local statutes, ordinances, rules and regulations and, federal Executive Orders, pertaining to equal employment opportunity, affirmative action, and non-discrimination in employment.
- b. Without limiting the generality of any other term or provision of this Contract, in the event of the Contractor's non-compliance with the equal opportunity and non-discrimination clause of this Contract, or with any of such statutes, ordinances, rules, regulations or Orders, this Contract may be cancelled, terminated or suspended in whole or in part.

6. Rights and Remedies of the Port Authority

The Port Authority shall have the following rights in the event the Contractor is deemed guilty of a breach of any term whatsoever of this Contract:

- a. The right to take over and complete the Work or any part thereof as agent for and at the expense of the Contractor, either directly or through others.
- b. The right to cancel this Contract as to any or all of the Work yet to be performed.
- c. The right to specific performance, an injunction or any appropriate equitable remedy.
- d. The right to money damages.

For the purpose of this Contract, breach shall include but not be limited to the following, whether or not the time has yet arrived for performance of an obligation under this Contract: a statement by the Contractor to any representative of the Port Authority indicating that the Contractor cannot or will not perform any one or more of its obligations under this Contract; any act or omission of the Contractor or any other occurrence which makes it improbable at the time that it will be able to perform any one or more of its obligations under this Contract; any suspension of or failure to proceed with any part of the Work by the Contractor which makes it improbable at the time that it will be able to perform any one or more of its obligations under this Contract.

The enumeration in this numbered clause or elsewhere in this Contract of specific rights and remedies of the Port Authority shall not be deemed to limit any other rights or remedies which the Authority would have in the absence of such enumeration; and no exercise by the Authority of any right or remedy shall operate as a waiver of any other of its rights or remedies not inconsistent therewith or to estop it from exercising such other rights or remedies.

7. Rights and Remedies of the Contractor

Inasmuch as the Contractor can be adequately compensated by money damages for any breach of this Contract which may be committed by the Port Authority, the Contractor expressly agrees that no default, act or omission of the Port Authority shall constitute a material breach of this Contract, entitling the Contractor to cancel or rescind this Contract or to suspend or abandon performance.

8. Submission To Jurisdiction

The Contractor hereby irrevocably submits itself to the jurisdiction of the Courts of the State of New York and New Jersey, in regard to any controversy arising out of, connected with, or in any way concerning this Contract.

The Contractor agrees that the service of process on the Contractor in relation to such jurisdiction may be made, at the option of the Port Authority, either by registered or certified mail addressed to it at the address of the Contractor indicated on the signature sheet, or by actual personal delivery to the Contractor, if the Contractor is an individual, to any partner if the Contractor be a partnership or to any officer, director or managing or general agent if the Contractor be a corporation.

Such service shall be deemed to be sufficient when jurisdiction would not lie because of the lack of basis to serve process in the manner otherwise provided by law. In any case, however, process may be served as stated above whether or not it might otherwise have been served in a different manner.

9. Harmony

- a. The Contractor shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Facility which interfere or are likely to interfere with the operation of the Port Authority or with the operations of lessees, licensees or other users of the Facility or with the operations of the Contractor under this Contract.

The Contractor shall immediately give notice to the Port Authority (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy. If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Contractor at the Facility or against any operations of the Contractor under this Contract, whether or not caused by the employees of the Contractor, and if any of the foregoing, in the opinion of the Port Authority, results or is likely to result in any curtailment or diminution of the services to be performed hereunder or to interfere with or affect the operations of the Port Authority, or to interfere with or affect the operations of lessees, licensees, or other users of the Facility or in the event of any other cessation or stoppage of operations by the Contractor hereunder for any reason whatsoever, the Port Authority shall have the right at any time during the continuance thereof to suspend the operations of the Contractor under this Contract, and during the period of the suspension the Contractor shall not perform its services hereunder and the Port Authority shall have the right during said period to itself or by any third person or persons selected by it to perform said services of the Contractor using the equipment which is used by the Contractor in its operations hereunder as the Port Authority deems necessary and without cost to the Port Authority. During such time of suspension, the Contractor shall not be entitled to any compensation. Any flat fees, including management fees, shall be prorated. Prior to the exercise of such right by the Port Authority, it shall give the Contractor notice thereof, which notice may be oral. No exercise by the Port Authority of the rights granted to it in the above subparagraph shall be or be deemed to be a waiver of any rights of termination or revocation contained in this Contract or a waiver of any rights or remedies which may be available to the Port Authority under this Contract or otherwise.

- b. During the time that the Contractor is performing the Contract, other persons may be engaged in other operations on or about the worksite including Facility operations, pedestrian, bus and vehicular traffic and other Contractors performing at the worksite, all of which shall remain uninterrupted.

The Contractor shall so plan and conduct its operations as to work in harmony with others engaged at

the site and not to delay, endanger or interfere with the operation of others (whether or not specifically mentioned above), all to the best interests of the Port Authority and the public as may be directed by the Port Authority.

10. Claims of Third Persons

The Contractor undertakes to pay all claims lawfully made against it by subcontractors, suppliers and workers, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of this Contract and to cause all subcontractors to pay all such claims lawfully made against them.

11. No Third Party Rights

Nothing contained in this Contract is intended for the benefit of third persons, except to the extent that the Contract specifically provides otherwise by use of the words "benefit" or "direct right of action."

12. Provisions of Law Deemed Inserted

Each and every provision of law and clause required by law to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included therein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Contract shall forthwith be physically amended to make such insertion.

13. Costs Assumed By The Contractor

It is expressly understood and agreed that all costs of the Contractor of whatever kind or nature and whether imposed directly upon the Contractor under the terms and provisions hereof or in any other manner whatsoever because of the requirements of the operation of the service or otherwise under this Agreement shall be borne by the Contractor or without compensation or reimbursement from the Port Authority, except as specifically set forth in this Agreement. The entire and complete cost and expense of the Contractor's services and operations hereunder shall be borne solely by the Contractor and under no circumstances shall the Port Authority be liable to any third party (including the Contractor's employees) for any such costs and expenses incurred by the Contractor and under no circumstances shall the Port Authority be liable to the Contractor for the same, except as specifically set forth in this Section.

14. Default, Revocation or Suspension of Contract

a. If one or more of the following events shall occur:

1. If fire or other cause shall destroy all or a substantial part of the Facility.
2. If any governmental agency shall condemn or take a temporary or permanent interest in all or a substantial part of the Facility, or all of a part of the Port Authority's interest herein;

then upon the occurrence of such event or at any time thereafter during the continuance thereof, the Port Authority shall have the right on twenty-four (24) hours written notice to the Contractor to revoke this Contract, such revocation to be effective upon the date and time specified in such notice.

In such event this Contract shall cease and expire on the effective date of revocation as if said date were the date of the expiration of this Contract. Such revocation shall not, however, relieve the Contractor of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

b. If one or more of the following events shall occur:

1. The Contractor shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or
2. By order or decree of a court the Contractor shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors, or, if the Contractor is a corporation, by any of the stockholders of the Contractor, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or
3. A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Contractor and shall not be dismissed within thirty (30) days after the filing thereof; or
4. The interest of the Contractor under this Contract shall be transferred to, passed to or devolve upon, by operation of law or otherwise, any other person, firm or corporation, or
5. The Contractor, if a corporation, shall, without the prior written approval of the Port Authority, become a surviving or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or
6. If the Contractor is a partnership, and the said partnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or
7. By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Contractor and such possession or control of all or substantially all of the property of the Contractor and shall continue in effect for a period of fifteen (15) days;

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority shall have the right upon five (5) days notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder; termination to be effective upon the date and time specified in such notice as if said date were the date of the expiration of this Contract. Termination shall not relieve the Contractor of any liabilities or obligations hereunder which have accrued on or prior to the effective date of termination.

c. If any of the following shall occur:

1. The Contractor shall cease, abandon any part of the service, desert, stop or discontinue its services in the premises for any reason whatsoever and regardless of the fault of the Contractor; or
2. The Contractor shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Contract on its part to be kept, performed or observed, within five (5) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligations requires activity over a greater period of time, and the Contractor shall have commenced to perform whatever may be required for fulfillment within five (5) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or during the continuance thereof, the Port Authority shall have the right on twenty four (24) hours notice to the Contractor to terminate this Contract and

the rights of the Contractor hereunder, termination to be effective upon the date and time specified in such notice. Termination shall not relieve the Contractor of any liabilities which shall have accrued on or prior to the effective date of termination.

- d. If any of the events enumerated in this Section shall occur prior to commencement date of this Contract the Port Authority upon the occurrence of any such event or any time thereafter during the continuance thereof by twenty-four (24) hours notice may terminate or suspend this Contract and the rights of the Contractor hereunder, such termination or suspension to be effective upon the date specified in such notice.
- e. No payment by the Port Authority of any monies to the Contractor for any period or periods after default of any of the terms, covenants or conditions hereof to be performed, kept and observed by the Contractor and no act or thing done or omitted to be done by the Port Authority shall be deemed to be a waiver of the right of the Port Authority to terminate this Contract or of any other right or remedies to which the Port Authority may be entitled because of any breach thereof. No waiver by the Port Authority of any default on the part of the Contractor in the performance of any of the terms, covenants and conditions hereof to be performed, kept or observed by the Contractor shall be or be construed to be a waiver by the Port Authority of any other subsequent default in the performance of any of the said terms, covenants and conditions.
- f. In addition to all other rights of revocation or termination hereunder and notwithstanding any other provision of this Contract the Port Authority may terminate this Contract and the rights of the Contractor hereunder without cause at any time upon five (5) days written notice to the Contractor and in such event this Contract shall cease and expire on the date set forth in the notice of termination as fully and completely as though such dates were the original expiration date hereof and if such effective date of termination is other than the last day of the month, the amount of the compensation due to the Contractor from the Port Authority shall be prorated when applicable on a daily basis. Such cancellation shall be without prejudice to the rights and obligations of the parties arising out of portions already performed but no allowance shall be made for anticipated profits.
- g. Any right of termination contained in this paragraph, shall be in addition to and not in lieu of any and all rights and remedies that the Port Authority shall have at law or in equity consequent upon the Contractor's breach of this Contract and shall be without prejudice to any and all such other rights and remedies. It is hereby specifically agreed and understood that the exercise by the Port Authority of any right of termination set forth in this paragraph shall not be or be deemed to be an exercise by the Port Authority of an election of remedies so as to preclude the Port Authority from any right to money damages it may have for the period prior to the effective date of termination to the original expiration date of the Contract, and this provision shall be deemed to survive the termination of this Contract as aforesaid.
- h. If (1) the Contractor fails to perform any of its obligations under this Contract or any other agreement between the Port Authority and the Contractor (including its obligation to the Port Authority to pay any claim lawfully made against it by any supplier, subcontractor or worker or other person which arises out of or in connection with the performance of this Contract or any other agreement with the Port Authority) or (2) any claim (just or unjust) which arises out of or in connection with this Contract or any other agreement between the Port Authority and the Contractor is made against the Port Authority or (3) any subcontractor under this Contract or any other agreement between the Port Authority and the Contractor fails to pay any claims lawfully made against it by any supplier, subcontractor, worker or other third person which arises out of or in connection with this Contract or any other agreement between the Port Authority and the Contractor or if in the opinion of the Port Authority any of the aforesaid contingencies is likely to arise, then the Port Authority shall have the right, in its discretion, to withhold out of any payment (final or

otherwise) such sums as the Port Authority may deem ample to protect it against delay or loss or to assure the payment of just claims of third persons, and to apply such sums in such manner as the Port Authority may deem proper to secure such protection or satisfy such claims. All sums so applied shall be deducted from the Contractor's compensation. Omission by the Port Authority to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the Port Authority does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Port Authority to withhold and apply monies nor any exercise or attempted exercise of, or omission to exercise, such rights by the Port Authority shall create any obligation of any kind to such supplier, subcontractors, worker or other third persons. If, however, the payment of any amount due the Contractor shall be improperly delayed, the Port Authority shall pay the Contractor interest thereon at the rate of 6% per annum for the period of the delay, it being agreed that such interest shall be in lieu of and in liquidation of any damages to the Contractor because of such delay.

- i. If the Port Authority has paid any sum or has incurred any obligation or expense which the Contractor has agreed to pay or reimburse the Port Authority, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Contractor to perform or fulfill any one or more of the conditions, covenants, or agreements contained in this Contract, or as a result of an act of omission of the Contractor contrary to the said conditions, covenants and agreements, the Contractor shall pay to the Port Authority the sum or sums so paid or expense so incurred, including all interests, costs and damages, promptly upon the receipt of the Port Authority's statement therefore. The Port Authority may, however, in its discretion, elect to deduct said sum or sums from any payment payable by it to the Contractor.
- j. If the Port Authority pays any installment to the Contractor without reducing said installment as provided in this Contract, it may reduce any succeeding installment by the proper amount, or it may bill the Contractor for the amount by which the installment paid should have been reduced and the Contractor shall pay to the Port Authority any such amount promptly upon receipt of the Port Authority's statement therefore.
- k. The Port Authority shall also have the rights set forth above in the event the Contractor shall become insolvent or bankrupt or if his affairs are placed in the hands of a receiver, trustee or assignee for the benefit of creditors.

15. Sales or Compensating Use Taxes

Purchases of services and tangible personal property by the Port Authority in the States of New York and New Jersey are generally exempt from state and local sales and compensating use taxes, and from most federal excises (Taxes). Therefore, the Port Authority's purchase of the Contractor's services under this Contract is exempt from Taxes. Accordingly, the Contractor must not include Taxes in the price charged to the Port Authority for the Contractor's services under this Contract. The Contractor certifies that there are no such taxes included in the prices for this Contract. The Contractor shall retain a copy of this Contract to substantiate the exempt sale.

The compensation set forth in this Agreement is the complete compensation to the Contractor, and the Port Authority will not separately reimburse the Contractor for any taxes unless specifically set forth in this Agreement.

16. No Estoppel or Waiver

The Port Authority shall not be precluded or estopped by any payment, final or otherwise, issued or made under this Contract, from showing at any time the true amount and character of the services performed, or

from showing that any such payment is incorrect or was improperly issued or made; and the Port Authority shall not be precluded or estopped, notwithstanding any such payment, from recovering from the Contractor any damages which it may sustain by reason of any failure on its part to comply strictly with this Contract, and any moneys which may be paid to it or for its account in excess of those to which it is lawfully entitled.

No cancellation, rescission or annulment hereof, in whole or as to any part of the services to be provided hereunder, or because of any breach hereof, shall be deemed a waiver of any money damages to which the Port Authority may be entitled because of such breach. Moreover, no waiver by the Authority of any breach of this Contract shall be deemed to be a waiver of any other or any subsequent breach.

17. Records and Reports

The Contractor shall set up, keep and maintain (and shall cause its subcontractors to set up, keep and maintain) in accordance with generally accepted accounting practice during the term of this Agreement and any extensions thereof and for three years after the expiration, termination or revocation thereof, records, payroll records and books of account (including, but not limited to, records of original entry and daily forms, payroll runs, cancelled checks, time records, union agreements, contracts with health, pension and other third party benefit providers) recording all transactions of the Contractor (and its subcontractors), at, through or in any way connected with or related to the operations of the Contractor (and its subcontractors) hereunder, including but not limited to all matters relating to the charges payable to the Contractor hereunder, all wages and supplemental benefits paid or provided to or for its employees (and its subcontractors' employees) and such additional information as the Port Authority may from time to time and at any time require, and also including, if appropriate, recording the actual number of hours of service provided under the Contract, and keeping separate records thereof which records and books of account shall be kept at all times within the Port District. The Contractor shall permit (and cause its subcontractors to permit) in ordinary business hours during the term of this Agreement including any extensions thereof and for three years thereafter the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the Contractor, or which owns or controls the Contractor if said company performs services similar to those performed by the Contractor anywhere in the Port District. However, if within the aforesaid three year period the Port Authority has notified the Contractor in writing of a pending claim by the Port Authority under or in connection with this Contract to which any of the aforesaid records and documents of the Contractor or of its subcontractors relate either directly or indirectly, then the period of such right of access shall be extended to the expiration of six years from the date of final payment with respect to the records and documents involved.

Upon request of the Port Authority, the Contractor shall furnish or provide access to the federal Form I-9 (Employment Eligibility Verification) for each individual performing work under this Contract. This includes citizens and noncitizens.

The Contractor (and its subcontractors) shall, at its own expense, install, maintain and use such equipment and devices for recording the labor hours of the service as shall be appropriate to its business and necessary or desirable to keep accurate records of the same and as the general manager or the Facility Manager may from time to time require, and the Contractor (and its subcontractors) shall at all reasonable times allow inspection by the agents and employees of the Port Authority of all such equipment or devices.

- a. The Contractor hereby further agrees to furnish to the Port Authority from time to time such written reports in connection with its operations hereunder as the Port Authority may deem necessary or desirable. The format of all forms, schedules and reports furnished by the Contractor to the Port Authority shall be subject to the continuing approval of the Port Authority.
- b. No provision in this Contract giving the Port Authority a right of access to records and documents is intended to impair or affect any right of access to records and documents which they would have in the absence of such provision. Additional record keeping may be required under other sections of this

Contract.

18. General Obligations

- a. Except where expressly required or permitted herein to be oral, all notices, requests, consents and approvals required to be given to or by either party shall be in writing and all such notices, requests, consents and approvals shall be personally delivered to the other party during regular business hours or forwarded to such party by United States certified mail, return receipt requested, addressed to the other party at its address hereinbefore or hereafter provided. Until further notice the Contractor hereby designates the address shown on the bottom of the Contractors Signature Sheet as their address to which such notices, requests, consents, or approvals may be forwarded. All notices, requests, consents, or approvals of the Contractor shall be forwarded to the Manager at the Facility.
- b. The Contractor shall comply with the provisions of all present and future federal, state and municipal laws, rules, regulations, requirements, ordinances, orders and directions which pertain to its operations under this Contract and which affect the Contract or the performance thereof and those engaged therein as if the said Contract were being performed for a private corporation, except where stricter requirements are contained in the Contract in which case the Contract shall control. The Contractor shall procure for itself all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Contractor's operations hereunder which may be necessary for the Contractor's operations. The Contractor's obligation to comply with governmental requirements are not to be construed as a submission by the Port Authority to the application to itself of such requirements.
- c. The Contractor shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed on its property or operations hereunder or income therefrom, and shall make all applications, reports and returns required in connection therewith.
- d. The Contractor shall, in conducting its operations hereunder, take all necessary precautions to protect the general environment and to prevent environmental pollution, contamination, damage to property and personal injury. In the event the Contractor encounters material reasonably believed to be asbestos, polychlorinated biphenyl (PCB) or any other hazardous material, in conducting its operations hereunder, the Contractor shall immediately stop Work in the area affected and report the condition in writing to the Manager. Work in the affected area shall not thereafter be resumed by the Contractor except upon the issuance of a written order to that effect from the Manager.
- e. The Contractor shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, standard orders and directions of the American Insurance Association, the Insurance Services Office, National Fire Protection Association, and any other body or organization exercising similar functions which may pertain or apply to the Contractor's operations hereunder.

The Contractor shall not do or permit to be done any act which:

1. will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon; or
2. will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon; or
3. in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risk normally attendant upon the operations contemplated by this Contract; or
4. may cause or produce in the premises, or upon the Facility any unusual, noxious or objectionable smoke, gases, vapors, odors; or
5. may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility; or
6. shall constitute a nuisance in or on the Facility or which may result in the creation,

Page 13 of 30

commission or maintenance of a nuisance in or on the Facility.

- f. If by reason of the Contractor's failure to comply with the provisions of this Section and provided the Port Authority has given the Contractor five (5) days written notice of its failure and the Contractor shall not have cured said failure within said five (5) days, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Contractor shall on demand pay the Port Authority that part of all fire insurance, extended coverage or rental insurance premiums paid or payable by the Port Authority which shall have been charged because of such violations by the Contractor.
- g. The Contractor shall conduct its operations hereunder so as not to endanger, unreasonably interfere with, or delay the operations or activities of any tenants or occupants on the premises or the Facility and, moreover, shall use the same degree of care in performance on the premises as would be required by law of the Port Authority and shall conduct operations hereunder in a courteous, efficient and safe manner.
- h. The Contractor shall provide such equipment and medical facilities as may be necessary to supply first aid service in case of accidents to its personnel who may be injured in the furnishing of service hereunder. The Contractor shall maintain standing arrangements for the removal and hospital treatment of any of its personnel who may be injured.

19. Assignments and Subcontracting

- a. The Contractor shall not sell, transfer, mortgage, pledge, subcontract or assign this Contract or any part thereof or any of the rights granted hereunder or any moneys due or to become due to it hereunder or enter into any contract requiring or permitting the doing of anything hereunder by an independent Contractor, without the prior written approval of the Port Authority, and any such sale, transfer, mortgage, pledge, subcontract, assignment or contract without such prior written approval shall be void as to the Port Authority.
- b. All subcontractors who provide permanent personnel to the Contractor for work under this Contract shall be given written notice to comply with all requirements of the Contract. The Contractor shall be responsible and liable for the performance and acts of each subcontractor.
- c. All persons to whom the Contractor sublets services shall be deemed to be its agents and no subletting or approval thereof shall be deemed to release this Contractor from its obligations under this Contract or to impose any obligations on the Port Authority to such subcontractor or to give the subcontractor any rights against the Port Authority.

20. Indemnification and Risks Assumed By The Contractor

To the extent permitted by law, the Contractor shall indemnify and hold harmless the Port Authority, its Commissioners, officers, representatives and employees from and against all claims and demands, just or unjust, of third persons (including Contractor's employees, employees, officers, and agents of the Port Authority) arising out of or in any way connected or alleged to arise out of or alleged to be in any way connected with the Contract and all other services and activities of the Contractor under this Contract and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of the Contractor, the Port Authority, third persons (including Contractor's employees, employees, officers, and agents of the Port Authority), or from the acts of God or the public enemy, or otherwise, including claims and demands of any local jurisdiction against the Port Authority in connection with this Contract.

The Contractor assumes the following risks, whether such risks arise from acts or omissions (negligent or not) of the Contractor, the Port Authority or third persons (including Contractor's employees, employees, officers, and agents of the Port Authority) or from any other cause, excepting only risks occasioned solely by affirmative willful acts of the Port Authority done subsequent to the opening of proposals on this Contract,

and shall to the extent permitted by law indemnify the Port Authority for all loss or damage incurred in connection with such risks:

- a. The risk of any and all loss or damage to Port Authority property, equipment (including but not limited to automotive and/or mobile equipment), materials and possessions, on or off the premises, the loss or damage of which shall arise out of the Contractor's operations hereunder. The Contractor shall if so directed by the Port Authority, repair, replace or rebuild to the satisfaction of the Port Authority, any and all parts of the premises or the Facility which may be damaged or destroyed by the acts or omissions of the Contractor, its officers, agents, or employees and if the Contractor shall fail so to repair, replace, or rebuild with due diligence the Port Authority may, at its option, perform any of the foregoing work and the Contractor shall pay to the Port Authority the cost thereof.
- b. The risk of any and all loss or damage of the Contractor's property, equipment (including but not limited to automotive and/or mobile equipment) materials and possessions on the Facility.
- c. The risk of claim, whether made against the Contractor or the Port Authority, for any and all loss or damages occurring to any property, equipment (including but not limited to automotive and/or mobile equipment), materials and possessions of the Contractor's agents, employees, materialmen and others performing work hereunder.
- d. The risk of claims for injuries, damage or loss of any kind just or unjust of third persons arising or alleged to arise out of the performance of work hereunder, whether such claims are made against the Contractor or the Port Authority.

If so directed, the Contractor shall at its own expense defend any suit based upon any such claim or demand, even if such suit, claim or demand is groundless, false or fraudulent, and in handling such shall not, without obtaining express advance 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, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

Neither the requirements of the Port Authority under this Contract, nor of the Port Authority of the methods of performance hereunder nor the failure of the Port Authority to call attention to improper or inadequate methods or to require a change in the method of performance hereunder nor the failure of the Port Authority to direct the Contractor to take any particular precaution or other action or to refrain from doing any particular thing shall relieve the Contractor of its liability for injuries to persons or damage to property or environmental impairment arising out of its operations.

21. Approval of Methods

Neither the approval of the Port Authority of the methods of furnishing services hereunder nor the failure of the Port Authority to call attention to improper or inadequate methods or to require a change in the method of furnishing services hereunder, nor the failure of the Port Authority to direct the Contractor to take any particular precautions or to refrain from doing any particular thing shall relieve the Contractor of its liability for injuries to persons or damage to property or environmental impairment arising out of its operations.

22. Safety and Cleanliness

- a. The Contractor shall, in the furnishing of services hereunder, exercise every precaution to prevent injury to person or damage to property or environmental impairment and avoid inconvenience to the occupants of or any visitors to the Facility. The Contractor shall, without limiting the generality hereof, place such personnel, erect such barricades and railings, give such warnings, display such lights, signals or signs, place such cones and exercise precautions as may be necessary, proper or desirable.

- b. The Contractor shall in case of unsafe floor conditions due to construction, wetness, spillage, sickness and all other types of hazardous conditions proceed to rope off the unsafe area and place appropriate warnings signs to prevent accidents from occurring. The Contractor shall clean said area to the satisfaction of the Manager.
- c. The Contractor shall at all times maintain in a clean and orderly condition and appearance any and all facilities provided by the Port Authority for the Contractor's operations, and all fixtures, sink closets, equipment, and other personal property of the Port Authority which are located in said facilities.

23. Accident Reports

The Contractor shall promptly report in writing to the Manager of the Facility and to the Deputy Chief, Litigation Management of the Port Authority all accidents whatsoever arising out of or in connection with its operations hereunder and which result in death or injury to persons or damage to property, setting forth such details thereof as the Port Authority may desire. In addition, if death or serious injury or serious damage is caused, such accidents shall be immediately reported by telephone to the aforesaid representatives of the Port Authority.

24. Trash Removal

The Contractor shall remove daily from the Facility by means provided by the Contractor all garbage, debris and other waste material (solid or liquid) arising out of or in connection with its operations hereunder, and any such garbage, debris and other waste material not immediately removed shall be temporarily stored in a clear and sanitary condition, approved by the Facility Manager and shall be kept covered except when filling or emptying them. The Contractor shall exercise care in removing such garbage, debris and other waste materials from the Facility. The manner of such storage and removal shall always be subject in all respects to the continual approval of the Port Authority. No equipment or facilities of the Port Authority shall be used in such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Facility.

25. Lost and Found Property

The Contractor shall instruct its personnel that all items of personal property found by the Contractor's employees at the Site must be turned in to the Port Authority and a receipt will be issued therefor.

26. Property of the Contractor

- a. All property of the Contractor at the Site by virtue of this Contract shall be removed on or before the expiration or sooner termination or revocation of this Contract.
- b. If the Contractor shall fail to remove its property upon the expiration, termination or revocation of this Contract the Port Authority may, at its option, dispose of such property as waste or as agent for the Contractor and at the risk and expense of the Contractor, remove such property to a public warehouse, or may retain the same in its own possession, and in either event after the expiration of thirty (30) days may sell the same in accordance with any method deemed appropriate; the proceeds of any such sale shall be applied first, to the expenses of sale and second, to any sums owed by the Contractor to the Port Authority; any balance remaining shall be paid to the Contractor. Any excess of the total cost of removal, storage and sale and other costs incurred by the Port Authority as a result of such failure of performance by the Contractor over the proceeds of sale shall be paid by the Contractor to the Port Authority upon demand.

27. Modification of Contract

This Contract may not be changed except in writing signed by the Port Authority and the Contractor. The

Contractor agrees that no representation or warranties shall be binding upon the Port Authority unless expressed in writing in this Contract.

28. Invalid Clauses

If any provision of this Contract shall be such as to destroy its mutuality or to render it invalid or illegal, then, if it shall not appear to have been so material that without it the Contract would not have been made by the parties, it shall not be deemed to form part thereof but the balance of the Contract shall remain in full force and effect.

29. Approval of Materials, Supplies and Equipment

Only Port Authority approved materials, supplies, and equipment are to be used by the Contractor in performing the Work hereunder. Inclusion of chemical containing materials or supplies on the Port Authority Approved Products List – Environmental Protection Supplies constitutes approval. The list may be revised from time to time and at any time by the Port Authority and it shall be incumbent upon the Contractor to obtain the most current list from the Manager of the Facility.

At anytime during the Solicitation, pre-performance or performance periods, the Contractor may propose the use of an alternate product or products to those on the Approved Products List – Environmental Protection Supplies, which product(s) shall be subject to review and approval by the Port Authority. Any alternate product so approved by the Port Authority may be used by the Contractor in performing the Services hereunder. Until such approval is given, only products on the Approved Products List – Environmental Protection Supplies may be used.

30. Intellectual Property

The right to use all patented materials, appliances, processes of manufacture or types of construction, trade and service marks, copyrights and trade secrets, collectively hereinafter referred to as "Intellectual Property Rights", in the performance of the work, shall be obtained by the Contractor without separate or additional compensation. Where the services under this Agreement require the Contractor to provide materials, equipment or software for the use of the Port Authority or its employees or agents, the Port Authority shall be provided with the Intellectual Property Rights required for such use without further compensation than is provided for under this Agreement.

The Contractor shall indemnify the Port Authority against and save it harmless from all loss and expense incurred as a result of any claims in the nature of Intellectual Property Rights infringement arising out of the Contractor's or Port Authority's use, in accordance with the above immediately preceding paragraph, of any Intellectual Property. The Contractor, if requested, shall conduct all negotiations with respect to and defend such claims. If the Contractor or the Port Authority, its employees or agents be enjoined either temporarily or permanently from the use of any subject matter as to which the Contractor is to indemnify the Port Authority against infringement, then the Port Authority may, without limiting any other rights it may have, require the Contractor to supply temporary or permanent replacement facilities approved by the Manager, and if the Contractor fails to do so the Contractor shall, at its expense, remove all such enjoined facilities and refund the cost thereof to the Port Authority or take such steps as may be necessary to insure compliance by the Contractor and the Port Authority with said injunction, to the satisfaction of the Port Authority.

In addition, the Contractor shall promptly and fully inform the Director in writing of any intellectual property rights disputes, whether existing or potential, of which it has knowledge,

relating to any idea, design, method, material, equipment or any other matter related to the subject matter of this Agreement or coming to its attention in connection with this Agreement.

31. Contract Records and Documents – Passwords and Codes

When the performance of the contract services requires the Contractor to produce, compile or maintain records, data, drawings, or documents of any kind, regardless of the media utilized, then all such records, drawings, data and documents which are produced, prepared or compiled in connection with this contract, shall become the property of the Port Authority, and the Port Authority shall have the right to use or permit the use of them and any ideas or methods represented by them for any purpose and at any time without other compensation than that specifically provided herein.

When in the performance of the contract services the Contractor utilizes passwords or codes for any purpose, at any time during or after the performance of such services, upon written request by the Authority, the Contractor shall make available to the designated Authority representative all such passwords and codes.

32. Designated Secure Areas

Services under the Contract may be required in designated secure areas, as the same may be designated by the Manager from time to time ("Secure Areas"). The Port Authority shall require the observance of certain security procedures with respect to Secure Areas, which may include the escort to, at, and/or from said high security areas by security personnel designated by the Contractor or any subcontractor's personnel required to work therein. All personnel that require access to designated secure areas who are not under positive escort by an authorized individual will be required to undergo background screening and personal identity verification.

Forty-eight (48) hours prior to the proposed performance of any work in a Secure Area, the Contractor shall notify the Manager. The Contractor shall conform to the procedures as may be established by the Manager from time to time and at any time for access to Secure Areas and the escorting of personnel hereunder. Prior to the start of work, the Contractor shall request a description from the Manager of the Secure Areas which will be in effect on the commencement date. The description of Secure Areas may be changed from time to time and at any time by the Manager during the term of the Contract.

33. Notification of Security Requirements

The Authority has the responsibility of ensuring safe, reliable and secure transportation facilities, systems, and projects to maintain the well-being and economic competitiveness of the region. Therefore, the Authority reserves the right to deny access to certain documents, sensitive security construction sites and facilities (including rental spaces) to any person that declines to abide by Port Authority security procedures and protocols, any person with a criminal record with respect to certain crimes or who may otherwise pose a threat to the construction site or facility security. The Authority reserves the right to impose multiple layers of security requirements on the Contractor, its staff and subcontractors and their staffs depending upon the level of security required, or may make any amendments with respect to such requirements as determined by the Authority.

These security requirements may include but are not limited to the following:

- Contractor/ Subcontractor identity checks and background screening

The Port Authority's designated background screening provider may require inspection of not less than two forms of valid/current government issued identification (at least one having an official photograph) to

verify staff's name and residence; screening federal, state, and/or local criminal justice agency information databases and files; screening of any terrorist identification files; access identification to include some form of biometric security methodology such as fingerprint, facial or iris scanning, or the like.

The Contractor may be required to have its staff, and any subcontractor's staff, material-men, visitors or others over whom the Contractor/subcontractor has control, authorize the Authority or its designee to perform background checks, and a personal identity verification check. Such authorization shall be in a form acceptable to the Authority. The Contractor and subcontractors may also be required to use an organization designated by the Authority to perform the background checks.

As of January 29, 2007, the Secure Worker Access Consortium (S.W.A.C.) is the only Port Authority approved provider to be used to conduct background screening and personal identity verification, except as otherwise required by federal law and/or regulation (such as the Transportation Worker Identification Credential for personnel performing in secure areas at Maritime facilities). Information about S.W.A.C., instructions, corporate enrollment, online applications, and location of processing centers can be found at <http://www.secureworker.com>, or S.W.A.C. may be contacted directly at (877) 522-7922 for more information and the latest pricing. The cost for said background checks for staff that pass and are granted a credential shall be reimbursable to the Contractor (and its subcontractors) as an out-of-pocket expense as provided herein. Staff that are rejected for a credential for any reason are not reimbursable.

• Issuance of Photo Identification Credential

No person will be permitted on or about the Authority construction site or facility (including rental spaces) without a facility-specific photo identification credential approved by the Authority. If the authority requires facility-specific identification credential for the Contractor's and the subcontractor's staff, the Authority will supply such identification at no cost to the Contractor or its subcontractors. Such facility-specific identification credential shall remain the property of the Authority and shall be returned to the Authority at the completion or upon request prior to completion of the individual's assignment at the specific facility. It is the responsibility of the appropriate Contractor or subcontractor to immediately report to the Authority the loss of any staff member's individual facility-specific identification credential. The Contractor or subcontractor shall be billed for the cost of the replacement identification credential. Contractor's and subcontractor's staff shall display Identification badges in a conspicuous and clearly visible manner, when entering, working or leaving an Authority construction site or facility.

Employees may be required to produce not less than two forms of valid/current government issued identification having an official photograph and an original, unlaminated social security card for identify and SSN verification. Where applicable, for sensitive security construction sites or facilities, successful completion of the application, screening and identify verification for all employees of the Contractor and subcontractors shall be completed prior to being provided a S.W.A.C. ID Photo Identification credential.

• Access control, inspection, and monitoring by security guards

The Authority may provide for Authority construction site or facility (including rental spaces) access control, inspection and monitoring by Port Authority Police or Authority retained contractor security guards. However, this provision shall not relieve the Contractor of its responsibility to secure its equipment and work and that of its subconsultant/subcontractor's and service suppliers at the Authority construction site or facility (including rental spaces). In addition, the Contractor, subcontractor or service provider is not permitted to take photographs, digital images, electronic copying and/or electronic transmission or video recordings or make sketches on any other medium at the Authority construction sites or facilities (including rental spaces), except when necessary to perform the Work under this Contract, without prior written permission from the Authority. Upon request, any photograph, digital images, video recording or sketches made of the Authority construction site or facility shall be submitted

to the Authority to determine compliance with this paragraph, which submission shall be conclusive and binding on the submitting entity.

• Compliance with the Port Authority Information Security Handbook

The Contract may require access to Port Authority information considered Confidential Information ("CI") as defined in the Port Authority Information Security Handbook ("Handbook"), dated October, 2008, corrected as of February, 2009, and as may be further amended. The Handbook and its requirements are hereby incorporated into this agreement and will govern the possession, distribution and use of CI if at any point during the lifecycle of the project or solicitation it becomes necessary for the Contractor to have access to CI. Protecting sensitive information requires the application of uniform safeguarding measures to prevent unauthorized disclosure and to control any authorized disclosure of this information within the Port Authority or when released by the Port Authority to outside entities. The following is an outline of some of the procedures, obligations and directives contained in the Handbook:

- (1) require that the Contractor and subcontractors, - when appropriate, sign Non-Disclosure Agreements (NDAs), or an Acknowledgment of an existing NDA, provided by the Authority as a condition of being granted access to Confidential Information categorized and protected as per the Handbook;
- (2) require that individuals needing access to CI be required to undergo a background check, pursuant to the process and requirements noted in § 3.2 of the Information Security Handbook.
- (3) require Contractors and commercial enterprises to attend training to ensure security awareness regarding Port Authority information;
- (4) specific guidelines and requirements for the handling of CI to ensure that the storage and protection of CI;
- (5) restrictions on the transfer, shipping, and mailing of CI information;
- (6) prohibitions on the publication, posting, modifying, copying, reproducing, republishing, uploading, transmitting, or distributing CI on websites or web pages. This may also include restricting persons, who either have not passed a pre-screening background check, or who have not been granted access to CI, from viewing such information;
- (7) require that CI be destroyed using certain methods, measures or technology pursuant to the requirements set forth in the Handbook;
- (8) require the Contractor to mandate that each of its subcontractors maintain the same levels of security required of the Contractor under any Port Authority awarded contract.
- (9) prohibit the publication, exchange or dissemination of CI developed from the project or contained in reports, except between Contractors and subcontractors, without prior approval of the Port Authority;
- (10) require that CI only be reproduced or copied pursuant to the requirements set forth in the Handbook.

• Audits for Compliance with Security Requirements

The Port Authority may conduct random or scheduled examinations of business practices under this section entitled "NOTIFICATION OF SECURITY REQUIREMENTS" and the Handbook in order to assess the extent of compliance with security requirements, Confidential Information procedures, protocols and practices, which may include, but not be limited to, verification of background check status, confirmation of completion of specified training, and/or a site visit to view material storage locations and protocols.

34. Construction In Progress

The Contractor recognizes that construction may be in progress at the Facility and may continue throughout the term of this Contract. Notwithstanding, the Contractor shall at all times during the term hereof maintain the same standards of performance and cleanliness as prevails in non-affected areas as required by the standards hereunder.

35. Permit-Required Confined Space Work

Prior to commencement of any work, the Contractor shall request and obtain from the Port Authority a description of all spaces at the facility which are permit-required confined spaces requiring issuance of an OSHA permit.

Prior to the commencement of any work in a permit-required confined space at a Port Authority facility requiring issuance of an OSHA permit, the Contractor shall contact the Manager to obtain an Authority Contractor Permit-Required Confined Space Notification form. The notification form must be filled out and submitted prior to commencing permit-required confined space work. All confined space work shall be performed in accordance with all applicable OSHA requirements. The Contractor shall provide its employees with a copy of its own company permit and shall furnish the Port Authority with a copy of the permit upon completion of the work. The Contractor must supply all equipment required for working in a confined space.

36. Signs

Except with the prior written approval of the Port Authority, the Contractor shall not erect, maintain or display any signs or posters or any advertising on or about the Facility.

37. Vending Machines, Food Preparation

The Contractor shall not install, maintain or operate on the Facility, or on any other Port Authority property, any vending machines without the prior written approval of the Port Authority. No foods or beverages shall be prepared or consumed at the Facility by any of the Contractor's employees except in areas as may be specifically designated by the Port Authority for such purpose.

38. Confidential Information/Non-Publication

a. As used herein, confidential information shall mean all information disclosed to the Contractor or the personnel provided by the Contractor hereunder which relates to the Authority's and/or PATH's past, present, and future research, development and business activities including, but not limited to, software and documentation licensed to the Authority or proprietary to the Authority and/or PATH and all associated software, source code procedures and documentation. Confidential information shall also mean any other tangible or intangible information or materials including but not limited to computer identification numbers, access codes, passwords, and reports obtained and/or used during the performance of the Contractor's Services under this Contract.

b. Confidential information shall also mean and include collectively, as per *The Port Authority of New York & New Jersey Information Security Handbook (October 15, 2008, corrected as of February, 9 2009)*, Confidential Proprietary Information, Confidential Privileged Information and information that is labeled, marked or otherwise identified by or on behalf of the Authority so as to reasonably connote that such information is confidential, privileged, sensitive or proprietary in nature. Confidential Information shall also include all work product that contains or is derived from any of the foregoing, whether in whole or in part, regardless of whether prepared by the Authority or a third-party or when the Authority receives such information from others and agrees to treat such information as Confidential.

c. The Contractor shall hold all such confidential information in trust and confidence for the Authority, and agrees that the Contractor and the personnel provided by the Contractor hereunder

shall not, during or after the termination or expiration of this Contract, disclose to any person, firm or corporation, nor use for its own business or benefit, any information obtained by it under or in connection with the supplying of services contemplated by this Contract. The Contractor and the personnel provided by the Contractor hereunder shall not violate in any manner any patent, copyright, trade secret or other proprietary right of the Authority or third persons in connection with their services hereunder, either before or after termination or expiration of this Contract. The Contractor and the personnel provided by the Contractor hereunder shall not willfully or otherwise perform any dishonest or fraudulent acts, breach any security procedures, or damage or destroy any hardware, software or documentation, proprietary or otherwise, in connection with their services hereunder. The Contractor shall promptly and fully inform the Director in writing of any patent, copyright, trade secret or other intellectual property rights or disputes, whether existing or potential, of which the Contractor has knowledge, relating to any idea, design, method, material, equipment or other matter related to this Contract or coming to the Contractor's attention in connection with this Contract."

d. The Contractor shall not issue nor permit to be issued any press release, advertisement, or literature of any kind, which refers to the Port Authority or to the fact that goods have been, are being or will be provided to it and/or that services have been, are being or will be performed for it in connection with this Agreement, unless the vendor first obtains the written approval of the Port Authority. Such approval may be withheld if for any reason the Port Authority believes that the publication of such information would be harmful to the public interest or is in any way undesirable.

39. Time is of the Essence

Time is of the essence in the Contractor's performance of this Contract inasmuch as the Work to be performed will affect the operation of public facilities.

40. Holidays

The following holidays will be observed at the Site:

New Year's Day	Labor Day
Martin Luther King Jr. Day	Columbus Day
Presidents Day	Veterans Day
Memorial Day	Thanksgiving Day
Independence Day	Day After Thanksgiving
Christmas Day	

This list is subject to periodic revision and the Contractor shall be responsible for obtaining all updated lists from the office of the Manager. If any such holiday falls on a Sunday then the next day shall be considered the holiday and/or if any such holiday falls on a Saturday then the preceding day shall be considered the holiday.

41. Personnel Standards

In addition to any specific personnel requirements that may be required under the clause entitled "Personnel Requirements" in the Specifications, the Contractor (and any Subcontractor) shall furnish competent and adequately trained personnel to perform the Work hereunder. If, in the opinion of the Manager, any

employee so assigned is performing their functions unsatisfactorily, they shall be replaced by the Contractor within twenty-four (24) hours following the Contractor's receipt of the Manager's request for such replacement.

All Contractor's employees performing Work hereunder shall have the ability to communicate in the English language to the extent necessary to comprehend directions given by either the Contractor's supervisory staff or by the Manager's staff. Any employee operating a motor vehicle must have a valid driver's license.

The Contractor shall verify that employees working under this Contract in the United States are legally present in the United States and authorized to work by means of the federally required I-9 program

42. General Uniform Requirements for Contractor's Personnel

In addition to any specific uniform requirements that may be required by the Specifications, uniforms must be worn at all times during which the Services are being performed hereunder. The Contractor agrees that his/her employees will present a neat, clean and orderly appearance at all times. Uniforms shall include the Contractor's identification badge with picture ID bearing the employee's name. All uniforms, colors, types and styles shall be subject to the prior approval of the Manager. The Contractor will also be responsible for ensuring that its employees are wearing shoes appropriate for the tasks performed. The Manager shall have the right to require removal of any employee who shall fail to wear the proper uniform and shoes, and the exercise of this right shall not limit the obligation of the Contractor to perform the Services or to furnish any required number of employees at a specific location at the Site as specified.

43. Labor, Equipment and Materials Supplied by the Contractor

The Contractor shall, at all times during the performance of this Contract, furnish all necessary labor, supervision, equipment and materials necessary for the prompt and efficient performance of the Work, whether such materials and equipment are actually employed in the furnishing of the Work or whether incidental thereto.

All materials used by the Contractor in furnishing Work hereunder shall be of such quality as to accomplish the purposes of this Contract and the Services to be furnished hereunder in such manner so as not to damage any part of the Site.

The Port Authority by its officers, employees and representatives shall have the right at all times to examine the supplies, materials and equipment used by the Contractor, to observe the operations of the Contractor, its agents, servants and employees and to do any act or thing which the Port Authority may be obligated or have the right to do under this Contract or otherwise.

All equipment, materials and supplies used in the performance of this Contract required hereunder shall be used in accordance with their manufacturer's instructions.

Materials and supplies to be provided by the Contractor hereunder shall comply with OSHA and all applicable regulations.

44. Contractor's Vehicles - Parking - Licenses

At the discretion of the Manager, the Port Authority may permit the Contractor during the effective period of this Contract to park vehicle(s) used by it in its operations hereunder in such location as may from time to time or at any time be designated by the Manager. The Contractor shall comply with such existing rules, regulations and procedures as are now in force and such reasonable future rules, regulations and procedures as may hereafter be adopted by the Port Authority for the safety and convenience of persons who park automotive vehicles in any parking area at the Site or for the safety and proper persons who park automotive vehicles in any parking area at the Site or for the safety and proper identification of such vehicles, and the Contractor shall also comply with any and all directions pertaining to such parking which may be given from time to time and at any time by the Manager. Any vehicle used by the Contractor hereunder shall be

marked or placarded, identifying it as the Contractor's vehicle.

45. Manager's Authority

In the performance of the Work hereunder, the Contractor shall conform to all orders, directions and requirements of the Manager and shall perform the Work hereunder to the satisfaction of the Manager at such times and places, by such methods and in such manner and sequence as he/she may require, and the Contract shall at all stages be subject to his/her inspection. The Manager shall determine the amount, quality, acceptability and fitness of all parts of the Work and shall interpret the Specifications and any orders for Extra Work. The Contractor shall employ no equipment, materials, methods or staff or personnel to which the Manager objects. Upon request, the Manager shall confirm in writing any oral order, direction, requirement or determination.

The Manager shall have the authority to decide all questions in connection with the Services to be performed hereunder. The exercise by the Manager of the powers and authorities vested in him/her by this section shall be binding and final upon the Port Authority and the Contractor.

46. Price Preference

If this solicitation has not been set aside for the purposes of making an award based on bids solicited from Port Authority certified Minority Business, Women Business or Small Business Enterprises as indicated by the bidder pre-requisites in Part II hereof, for awards of contracts, not exceeding \$1,000,000, for:

- (a) Services, a price preference of 5% is available for New York or New Jersey Small Business Enterprises (SBE); or
- (b) Services (excluding Janitorial/Cleaning Services), a price preference of 10% is available for New York or New Jersey Minority or Women Business Enterprises (M/WBE),

certified by the Port Authority by the day before the bid opening.

If the Bidder is a Port Authority certified MBE, WBE or SBE, enter the applicable date(s) certification was obtained in the space provided on the Signature Sheet attached hereto.

47. M/WBE Good Faith Participation

If specified as applicable to this Contract, the Contractor shall use every good-faith effort to provide for participation by certified Minority Business Enterprises (MBEs) and certified Women-owned Business Enterprises (WBEs) as herein defined, in all purchasing and subcontracting opportunities associated with this Contract, including purchase of equipment, supplies and labor services.

Good Faith efforts to include participation by MBEs/WBEs shall include the following:

- a. Dividing the services and materials to be procured into small portions, where feasible.
- b. Giving reasonable advance notice of specific contracting, subcontracting and purchasing opportunities to such MBEs/WBEs as may be appropriate.
- c. Soliciting services and materials from a Port Authority certified MBE/WBE or seeking MBEs/WBEs from other sources. To access the Port Authority's Directory of MBE/WBE Certified Firms go to www.panynj.gov/supplierdiversty
- d. Ensuring that provision is made to provide progress payments to MBEs/WBEs on a timely basis.
- e. Observance of reasonable commercial standards of fair dealing in the respective trade or business.

Subsequent to Contract award, all changes to the M/WBE Participation Plan must be submitted via a modified M/WBE Participation Plan to the Manager for review and approval by the Authority's Office of Business Diversity and Civil Rights. For submittal of modifications to the M/WBE Plan, Contractors are directed to use form PA3749C, which may be downloaded at <http://www.panynj.gov/business-opportunities/become-vendor.html>. The Contractor shall not make changes to its approved M/WBE Participation Plan or substitute M/WBE subcontractors or suppliers for those named in their approved plan without the Manager's prior written approval. Unauthorized changes or substitutions, including performing the work designated for a subcontractor with the Contractor's own forces, shall be a violation of this section. Progress toward attainment of M/WBE participation goals set forth herein will be monitored throughout the duration of this Contract.

The Contractor shall also submit to the Manager, along with invoices, the Statement of Subcontractor Payments as the M/WBE Participation Report, which may be downloaded at <http://www.panynj.gov/business-opportunities/become-vendor.html>. The Statement must include the name and business address of each M/WBE subcontractor and supplier actually involved in the Contract, a description of the work performed and/or product or service supplied by each such subcontractor or supplier, the date and amount of each expenditure, and such other information that may assist the Manager in determining the Contractor's compliance with the foregoing provisions.

If, during the performance of this Contract, the Contractor fails to demonstrate good faith efforts in carrying out its M/WBE Participation Plan and the Contractor has not requested and been granted a full or partial waiver of the M/WBE participation goals set forth in this Contract, the Authority will take into consideration the Contractor's failure to carry out its M/WBE Participation Plan in its evaluation for award of future Authority contracts.

PART III CONTRACTOR'S INTEGRITY PROVISIONS

1. Certification of No Investigation (criminal or civil anti-trust), Indictment, Conviction, Debarment, Suspension, Disqualification and Disclosure of Other Information

By bidding on this Contract, each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, that the Bidder and each parent and/or affiliate of the Bidder has not

- a. been indicted or convicted in any jurisdiction;
- b. been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to the integrity of the Bidder;
- c. had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on an indictment or conviction;
- d. ever used a name, trade name or abbreviated name, or an Employer Identification Number different from those inserted in the Bid;
- e. had any business or professional license suspended or revoked or, within the five years prior to bid opening, had any sanction imposed in excess of fifty thousand dollars (\$50,000) as a result of any judicial or administrative proceeding with respect to any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;
- f. had any sanction imposed as a result of a judicial or administrative proceeding related to fraud,

- extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust regardless of the dollar amount of the sanctions or the date of their imposition; and
- g. been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

2. Non-Collusive Bidding, and Code of Ethics Certification, Certification of No Solicitation Based On Commission, Percentage, Brokerage, Contingent or Other Fees

By bidding on this Contract, each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid, each party thereto certifies as to its own organization, that

- a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;
- b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;
- c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;
- d. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996, (a copy of which is available upon request) nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;
- e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and
- f. the Bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain, or direct business or to secure any other improper advantage in connection with this Contract.
- g. no person or organization has been retained, employed or designated on behalf of the Bidder to impact any Port Authority determination, where the solicitation is a Request for Proposals, with respect to (i) the solicitation, evaluation or award of this Contract, or (ii) the preparation of specifications or request for submissions in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

- * if the Bidder is a corporation, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each parent, affiliate, director, and officer of the Bidder, as well as, to the best of the certifier's knowledge and belief, each stockholder of the Bidder with an ownership interest in excess of 10%;
- * if the Bidder is a partnership, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each partner.

Moreover, the foregoing certifications, if made by a corporate Bidder, shall be deemed to have been authorized by the Board of Directors of the Bidder, and such authorization shall be deemed to include the signing and submission of the bid and the inclusion therein of such certification as the act and deed of the corporation.

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty. With respect to the foregoing certification in paragraph "2g", if the Bidder cannot make the certification, it shall provide, in writing, with the signed bid: (i) a list of the name(s), address(es), telephone number(s), and place(s) of principal employment of each such individual or organization; and (ii) a statement as to whether such individual or organization has a "financial interest" in this Contract, as described in the Procurement Disclosure policy of the Authority (a copy of which is available upon request to the Director of the Procurement Department of the Authority). Such disclosure is to be updated, as necessary, up to the time of award of this Contract. As a result of such disclosure, the Port Authority shall take appropriate action up to and including a finding of non-responsibility.

Failure to make the required disclosures shall lead to administrative actions up to and including a finding of non-responsiveness or non-responsibility.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is submitted, the Bidder shall immediately notify the Authority in writing during the period of irrevocability of bids and the term of the Contract, if Bidder is awarded the Contract, of any change of circumstances which might under this clause make it unable to make the foregoing certifications, might render any portion of the certifications previously made invalid, or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding and continuing this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications, has failed to immediately notify the Port Authority of any change in circumstances which might make it unable to make the foregoing certifications, might render any portion of the certifications previously made invalid, or require disclosure, or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, the Authority may determine that the Bidder is not a responsible Bidder with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Bidders are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see e.g. New York Penal Law, Section 175.30 et seq.). Bidders are also advised that the inability to make such certification will not in and of itself disqualify a Bidder, and that in each instance the Authority will evaluate the reasons therefor provided by the Bidder. Under certain circumstances the Bidder may be required as a condition of Contract award to enter into a Monitoring Agreement under which it will be required to take certain specified actions, including compensating an independent Monitor to be selected by the Port Authority, said Monitor to be charged with, among other things, auditing the actions of the Bidder to determine whether its business practices and relationships indicate a level of integrity sufficient to permit it to continue business with the Port Authority.

3. Bidder Eligibility for Award of Contracts - Determination by an Agency of the State of New York or New Jersey Concerning Eligibility to Receive Public Contracts

Bidders are advised that the Authority has adopted a policy to the effect that in awarding its contracts it will honor any determination by an agency of the State of New York or New Jersey that a Bidder is not eligible to

bid on or be awarded public contracts because the Bidder has been determined to have engaged in illegal or dishonest conduct or to have violated prevailing rate of wage legislation.

The policy permits a Bidder whose ineligibility has been so determined by an agency of the State of New York or New Jersey to submit a bid on a Port Authority contract and then to establish that it is eligible to be awarded a contract on which it has bid because (i) the state agency determination relied upon does not apply to the Bidder, or (ii) the state agency determination relied upon was made without affording the Bidder the notice and hearing to which the Bidder was entitled by the requirements of due process of law, or (iii) the state agency determination was clearly erroneous or (iv) the state determination relied upon was not based on a finding of conduct demonstrating a lack of integrity or violation of a prevailing rate of wage law.

The full text of the resolution adopting the policy may be found in the Minutes of the Authority's Board of Commissioners meeting of September 9, 1993.

4. Contractor Responsibility, Suspension of Work and Termination

During the term of this Contract, the Contractor shall at all times during the Contract term remain responsible. The Contractor agrees, if requested by the Port Authority to present evidence of its continuing legal authority to do business in the States of New Jersey or New York, integrity, experience, ability, prior performance, and organizational and financial capacity.

The Port Authority, in its sole discretion, reserves the right to suspend any or all activities under this Contract, at any time, when it discovers information that calls into question the responsibility of the Contractor. In the event of such suspension, the Contractor will be given written notice outlining the particulars of such suspension. Upon issuance of such notice, the Contractor must comply with the terms of the suspension order. Contract activity may resume at such time as the Port Authority issues a written notice authorizing a resumption of performance under the Contract.

Upon written notice to the Contractor, and an opportunity to be heard with appropriate Port Authority officials or staff, the Contract may be terminated by Port Authority at the Contractor's expense where the Contractor is determined by the Port Authority to be non-responsible. In such event, the Port Authority or its designee may complete the contractual requirements in any manner he or she may deem advisable and pursue available legal or equitable remedies for breach, including recovery of costs from Contractor associated with such termination.

5. No Gifts, Gratuities, Offers of Employment, Etc.

At all times, the Contractor shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Contractor on behalf of the Port Authority, whether or not such duties are related to this Contract or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Contract.

As used herein "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by the Contract or any other Port Authority contract), etc. which might tend to obligate the Port Authority employee to the Contractor, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Contract or any other Port Authority contract. Where used herein, the term "Port Authority" shall be deemed to include all subsidiaries of the Port Authority.

The Contractor shall insure that no gratuities of any kind or nature whatsoever shall be solicited or accepted by it and by its personnel for any reason whatsoever from the passengers, tenants, customers or other persons using the Facility and shall so instruct its personnel.

In the event that the Contractor becomes aware of the occurrence of any conduct that is prohibited by this section entitled "No Gifts, Gratuities, Offers of Employment, Etc.," it shall report such occurrence to the Port Authority's Office of Inspector General within three (3) business days of obtaining such knowledge. (See "<http://www.panynj.gov/inspector-general>" for information about to report information to the Office of Inspector General). Failing to report such conduct shall be grounds for a finding of non-responsibility.

In addition, during the term of this Contract, the Contractor shall not make an offer of employment or use confidential information in a manner proscribed by the Code of Ethics and Financial Disclosure dated April 11, 1996, (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

The Contractor shall include the provisions of this clause in each subcontract entered into under this Contract.

6. Conflict of Interest

During the term of this Contract, the Contractor shall not participate in any way in the preparation, negotiation or award of any contract (other than a contract for its own services to the Authority) to which it is contemplated the Port Authority may become a party, or participate in any way in the review or resolution of a claim in connection with such a contract if the Contractor has a substantial financial interest in the contractor or potential contractor of the Port Authority or if the Contractor has an arrangement for future employment or for any other business relationship with said contractor or potential contractor, nor shall the Contractor at any time take any other action which might be viewed as or give the appearance of conflict of interest on its part. If the possibility of such an arrangement for future employment or for another business arrangement has been or is the subject of a previous or current discussion, or if the Contractor has reason to believe such an arrangement may be the subject of future discussion, or if the Contractor has any financial interest, substantial or not, in a contractor or potential contractor of the Authority, and the Contractor's participation in the preparation, negotiation or award of any contract with such a contractor or the review or resolution of a claim in connection with such a contract is contemplated or if the Contractor has reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest, the Contractor shall immediately inform the Director in writing of such situation giving the full details thereof. Unless the Contractor receives the specific written approval of the Director, the Contractor shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. The Director may require the Contractor to submit a mitigation plan addressing and mitigating any disclosed or undisclosed conflict, which is subject to the approval of the Director and shall become a requirement, as though fully set forth in this Contract. In the event the Director shall determine that the performance by the Contractor of a portion of its Services under this Agreement is precluded by the provisions of this numbered paragraph, or a portion of the Contractor's said Services is determined by the Director to be no longer appropriate because of such preclusion, then the Director shall have full authority on behalf of both parties to order that such portion of the Contractor's Services not be performed by the Contractor, reserving the right, however, to have the Services performed by others and any lump sum compensation payable hereunder which is applicable to the deleted work shall be equitably adjusted by the parties. The Contractor's execution of this document shall constitute a representation by the Contractor that at the time of such execution the Contractor knows of no circumstances, present or anticipated, which come within the provisions of this paragraph or which might otherwise be viewed as or give the appearance of a conflict of interest on the Contractor's part. The Contractor acknowledges that the Authority may preclude it from involvement in certain disposition/privatization initiatives or transactions that result from the findings of its evaluations hereunder or from participation in any contract, which results, directly or indirectly, from the Services provided by the Contractor hereunder. The Port Authority's determination regarding any questions of conflict of interest shall be final.

7. Definitions

As used in this section, the following terms shall mean:

Affiliate - Two or more firms are affiliates if a parent owns more than fifty percent of the voting stock of each of the firms, or a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the firms, or if the firms have a common proprietor or general partner.

Agency or Governmental Agency - Any federal, state, city or other local agency, including departments, offices, public authorities and corporations, boards of education and higher education, public development corporations, local development corporations and others.

Investigation - Any inquiries made by any federal, state or local criminal prosecuting and/or law enforcement agency and any inquiries concerning civil anti-trust investigations made by any federal, state or local governmental agency. Except for inquiries concerning civil anti-trust investigations, the term does not include inquiries made by any civil government agency concerning compliance with any regulation, the nature of which does not carry criminal penalties, nor does it include any background investigations for employment, or Federal, State, and local inquiries into tax returns.

Officer - Any individual who serves as chief executive officer, chief financial officer, or chief operating officer of the Bidder by whatever titles known.

Parent - An individual, partnership, joint venture or corporation which owns more than 50% of the voting stock of the Bidder.

If the solicitation is a Request for Proposal:

Bid - shall mean Proposal;
Bidder - shall mean Proposer;
Bidding - shall mean submitting a Proposal.

In a Contract resulting from the taking of bids:

Bid - shall mean bid;
Bidder - shall mean Bidder; except and until the Contract has been awarded, then it shall mean Contractor.
Bidding - shall mean executing this Contract.

In a Contract resulting from the taking of Proposals:

Bid - shall mean Proposal;
Bidder - shall mean Proposer;
Bidding - shall mean executing this Contract.

AMENDED AND RESTATED
AGREEMENT OF LEASE OF THE
MUNICIPAL AIR TERMINALS

between

THE CITY OF NEW YORK,
as Landlord

and

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY,
as Tenant

Dated as of November 24, 2004

TABLE OF CONTENTS

Section 1.	Definitions.....	1
Section 2.	Lease of Demised Premises, Use and Term.....	9
Section 3.	Old Agreement Amended, Restated and Superseded; Disputes Terminated.....	10
Section 4.	Rent	11
Section 5.	Repairs	19
Section 6.	Representations	20
Section 7.	Assignment and Subletting by the Port Authority	20
Section 8.	Accounts and Records.....	22
Section 9.	Financing the Development of the Municipal Air Terminals	23
Section 10.	Competitive Facilities	24
Section 11.	Garbage Removal, Snow Removal, Police and Fire Protection	24
Section 12.	Sewer and Other Rights Reserved to the City.....	25
Section 13.	Water and Wastewater Service	27
Section 14.	Insurance	28
Section 15.	Airport Board	37
Section 16.	Intentionally Deleted.....	38
Section 17.	Physical Changes	38
Section 18.	Policy in Regard to City Ordinances and Regulations; City Services and Franchises.....	38
Section 19.	Additional Lands and Interests Therein.....	39
Section 20.	The Aqueduct Parcel.....	40
Section 21.	Horizontal Surfaces, Conical Surfaces, Primary Surfaces, Approach Surfaces, Transitional Surfaces and Runway Protection Zones; Avigational Easement Areas; JFK Northern Off-Airport Parcels; Off-Airport Properties-Height and Use Restrictions	43
Section 22.	Inspection	46

Section 23.	Condemnation	46
Section 24.	Covenant of Quiet Enjoyment.....	49
Section 25.	Events of Default; Rights and Remedies	49
Section 26.	The City's Right to Perform Obligation of the Port Authority	54
Section 27.	Notice	55
Section 28.	Operation and Development of the Municipal Air Terminals	56
Section 29.	Entire Agreement	58
Section 30.	No Third Party Beneficiary, No Personal Liability	58
Section 31.	Indemnification by the Port Authority	59
Section 32.	Liens and Impositions	60
Section 33.	Surrender at End of Term.....	61
Section 34.	Assignment of Rents; No Subordination of City's Interest	61
Section 35.	Intentionally Deleted.....	62
Section 36.	Miscellaneous.....	62

Exhibit A – Surveys of Demised Premises
Exhibit B – Description of Demised Premises
Exhibit B-1 Metes and Bounds Description of Aqueduct Parcel
Exhibit B-2 Metes and Bounds Description of Bowery Bay Parcel
Exhibit B-3 Metes and Bounds Description of Existing Horizontal Surface, Conical Surface,
Primary Surface, Approach Surface and Transitional Surface
Exhibit B-4 Metes and Bounds Description of Avigational Easement Areas
Exhibit B-5 Metes and Bounds Description of JFK Northern Off-Airport Parcels
Exhibit B-6 Metes and Bounds Description of Height and Use Restricted Properties
Exhibit B-7 Metes and Bounds Description of LaGuardia Airport Access Bridges and Roadways
Exhibit B-8 Metes and Bounds Description of Ditmars Boulevard Utility Easement
Exhibit C – Light Rail System General Alignment
Exhibit C-1 Quitclaim Deed to Port Authority relating to Light Rail System
Exhibit C-2 Quitclaim Deed to City relating to Light Rail System
Exhibit D – Form of Annual Statement
Exhibit D-1 Form of Itemized Statement
Exhibit D-2 Form of Itemized Estimate
Exhibit D-3 Form of Itemized Summary

Schedule A – Intentionally Deleted
Schedule B – Intentionally Deleted
Schedule C – Schedule of Arbitration
Schedule D – Intentionally Deleted
Schedule E – Schedule of Newark Airport Lease and all Amendments

Appendix A – Airport Board Agreement
Appendix B – Agreement to Fund Queens Projects
Appendix C – Direct Rail Agreement
Appendix D – Stipulation of Settlement

THIS AMENDED AND RESTATED AGREEMENT OF LEASE OF THE MUNICIPAL AIR TERMINALS (together with the Exhibits and Schedules attached hereto, this "Agreement") is made as of the 24th day of November 2004 (the "Execution Date"), by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City of New York (the "City"), and 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 Congress with its office at 225 Park Avenue South, Borough of Manhattan, City of New York (the "Port Authority").

RECITALS

1. The City and the Port Authority have entered into an Agreement dated as of April 17, 1947, whereby, among other things, the City has leased John F. Kennedy International Airport and LaGuardia Airport (as such terms are hereinafter defined) to the Port Authority, which agreement has hitherto been supplemented, amended and extended pursuant to the following Supplemental Agreements: First, dated May 26, 1949; Second, dated November 7, 1952; Third, dated May 28, 1956; Fourth, dated November 6, 1958; Fifth, dated October 3, 1960; Sixth, dated August 24, 1965; Seventh, dated December 21, 1965; Eighth, dated December 12, 1968; Ninth, dated January 1, 1979; Tenth, dated September 30, 1983; Eleventh, dated December 11, 1992; Twelfth, dated June 27, 1994; and Thirteenth, dated February 19, 1998 (as so supplemented, amended and extended, the "Old Agreement").

2. The City and the Port Authority desire to amend and restate the Old Agreement in its entirety, upon the terms, conditions, and provisions contained in this Agreement.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual premises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns, that the Old Agreement is hereby amended, extended and restated in its entirety as follows:

Section 1. Definitions

As used in this Agreement the following words and phrases shall be construed as follows:

"Additional Lump Sum Payment" shall have the meaning provided in Subsection 4.2.2 below.

"Additional Rent" shall mean any amounts, other than Base Rent, the Lump Sum Payment and the Additional Lump Sum Payment, that shall be due and payable by the Port Authority to the City or EDC pursuant to the terms of this Agreement, including, without limitation, amounts that may become due hereunder as for example by virtue of the Port Authority's indemnity obligations.

"Affiliate" shall mean, with respect to any Person, any other Person that is controlled, in whole or in part, by such Person or that controls, in whole or in part, such Person or is under common control with such Person.

"Air Terminal" shall mean an Air Terminal as defined in Section 3 of Chapter Eight hundred two of the Laws of New York, 1947 and Chapter Forty three, Laws of New Jersey, 1947, as amended (McK. Unconsol. Laws § 6633; N.J.S.A. § 32:1-35.3).

"Air Terminal Purposes" shall have the meaning provided in Section 3 of Chapter Eight hundred two of the Laws of New York, 1947 and Chapter Forty three, Laws of New Jersey, 1947, as amended (McK. Unconsol. Laws § 6633; N.J.S.A. § 32:1-35.3).

"Airport Board" shall have the meaning provided in **Subsection 15.1** below.

"Airport Board Agreement" shall have the meaning provided in **Subsection 15.1** below.

"Airport Fees" shall mean all fees, charges and tolls (if any) to the extent actually received by the Port Authority, or by an Affiliate of the Port Authority or for the account of the Port Authority or its Affiliate, which are imposed at or in connection with the Demised Premises, including, without limitation (i) all airport landing fees, take off fees and flight fees, (ii) fuel flowage, fuel storage and other fuel fees, (iii) ramp, airport gate position, loading bridge and gate use charges, (iv) ticket counter charges, (v) passenger terminal rents and user fees, (vi) long-term and short-term aircraft parking fees; (vii) automobile parking fees; (viii) all fares, fees and charges imposed in connection with the Light Rail System; and (ix) all other fees, charges and tolls imposed in connection with or at the Demised Premises including any fees, charges, or tolls imposed on any transportation system or service (including but not limited to taxi, limousine, or bus service) operating at or serving the Demised Premises, whether operated by the Port Authority, any Affiliate of the Port Authority or any other Person including the City and the agencies thereof. Airport Fees shall be calculated without duplication, so that, for example, to the extent any item or sub-item of Airport Fees is included in another item of Airport Fees, the included item or sub-item shall not be counted twice.

"Annual Gross Revenue" shall have the meaning provided in **Subsection 4.1** below.

"Annual Statement" shall have the meaning provided in **Subsection 4.4** below.

"Aqueduct Parcel" shall mean the portion of the Demised Premises identified as the "Aqueduct Parcel" on Sheet JFK-3 of the survey of John F. Kennedy International Airport set forth in **Exhibit A** annexed hereto and more particularly described in **Exhibit B-1** annexed hereto, together with all Improvements located on and all Fixtures attached to such portion of the Demised Premises.

"Aqueduct Easement" shall mean the portion of the Demised Premises identified as the "Aqueduct Easement" on Sheet JFK-3 of the survey of John F. Kennedy International Airport set forth in **Exhibit A** annexed hereto and more particularly described in **Exhibit B-1** annexed hereto, together with all Improvements located on and all Fixtures attached to such portion of the Demised Premises.

"Arbitration" shall have the meaning provided in **Section 3.1** below.

"Base Rent" shall have the meaning provided in **Subsection 4.3** below.

"Bonds" shall mean bonds, notes, securities or other obligations or evidences of indebtedness of the Port Authority (including refunding issues).

"Bowery Bay Parcel" shall mean the parcel of land identified as "Bowery Bay" on Sheet LGA-2 of the survey of LaGuardia Airport set forth in **Exhibit A** annexed hereto and more particularly described in **Exhibit B-2** annexed hereto.

"City" shall have the meaning provided in the Preamble above.

"Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York, N.Y.-Northeastern N.J. Area, All Items (1982-84=100), or any successor index thereto appropriately adjusted.

"Demised Premises" shall mean all of the Land and all Improvements now or hereafter located thereon, but shall not include the Retained Water System Property.

"DEP" shall mean the City Department of Environmental Protection or such successor agency as may be designated by the City.

"EDC" shall mean the New York City Economic Development Corporation, a local development corporation formed pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York, or such successor entity as may be designated by the City.

"Effective Date" shall have the meaning provided in **Subsection 2.3** below.

"Environmental Laws" shall mean all federal, state, and local laws, statutes, ordinances, rules, regulations, judgments, guidance documents, permits, licenses, authorizations, registrations, plans, directives, agreements, consent orders or consent decrees, and other requirements of governmental authorities, whether now existing or hereafter enacted or promulgated, as the same have been or may be amended from time to time, including common law causes of action and all applicable judicial and administrative decisions, orders, and decrees, arising out of, relating to or imposing liability or standards of conduct concerning protection of human health, safety or the environment or Hazardous Materials including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), the National Environmental Policy Act (42 USC § 4321 et seq.), the State Environmental Quality Review Act (SEQRA) (NY ECL § 8-0101 et seq) and any analogous current or future federal, state, municipal, city or local laws.

“Environmental Liabilities” shall mean all claims, actions, judgments, obligations, suits, notices, notices of violation, investigations, proceedings, demands, orders, damages (including punitive and consequential damages), losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs and expenses of investigation, sampling, monitoring, containment, cleanup, removal, restoration, remedial work, or other response action of any kind and defense of any claim, whether or not such is ultimately dismissed, and of any settlement or judgment, in each case of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, any of which are incurred at any time in connection with (i) any actual or alleged violation of any Environmental Law, (ii) any Hazardous Materials or any actual or alleged use, manufacture, possession, storage, holding, presence, existence, location, release, threatened release, discharge, placement, generation, transportation, processing, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any investigation, corrective action or response action with respect to any of the foregoing, or (iii) any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

“Equipment” shall mean machinery, equipment, automobiles, rolling stock, transportation equipment, furniture, furnishings and other items of tangible or intangible personal property (e.g. mainframe, peripheral and personal computers, utility infrastructure, computer software, and telecommunications and all audio-visual surveillance, security, air traffic control, ground traffic control equipment and emergency response equipment) owned or leased by the Port Authority or any Affiliate and which is located or used principally at, or is essential and convenient to the operation of, the Demised Premises, including, without limitation, “rolling stock” and all other property of the Light Rail System and avigational equipment located in the LaGuardia Avigational Easement Areas, the JFK Avigational Easement Areas, or the Public Place Easement Area. Notwithstanding the foregoing, personal property used exclusively by the Port Authority Police shall not constitute “Equipment.”

“Execution Date” shall have the meaning provided in the Preamble above.

“Expiration Date” shall have the meaning provided in Subsection 2.3 below.

“FAA” shall mean the Federal Aviation Administration or such successor agency designated by the Federal government.

“Five-Year Period” shall have the meaning provided in Subsection 4.1 below.

“Fixtures” shall mean all fixtures incorporated into the Demised Premises or to the LaGuardia Avigational Easement Areas, the JFK Avigational Easement Areas, or the Public Place Easement Area, *including* all passenger loading bridges (other than those owned by Subtenants), navigational systems, machinery, trackage, rail ties, heating, ventilation, air conditioning, plumbing, mechanical and lighting equipment, wiring, pipes, conduits, fittings, communications apparatus, elevators, escalators, security systems, antennas, computers and sensors, to the extent that each of the foregoing is installed at the Demised Premises and affixed thereto, except to the extent that any of the foregoing (i) shall be owned by a utility company (that is not wholly or partially owned by the Port Authority or any of its Affiliates), as the same, from time to time, may be repaired, replaced, substituted, upgraded or improved, (ii) is a proprietary operating and

security system belonging exclusively to Federal agencies or (iii) constitutes a portion of the Retained Water System Property.

"GAAP" shall mean "United States of America generally accepted accounting principles."

"Governmental Authority" means any federal, state or local government or any court, tribunal, administrative agency or commission or other governmental or regulatory agency or body.

"Hazardous Materials" shall mean (i) any toxic substance or hazardous waste, substance or related material, or any pollutant or contaminant; (ii) radon gas, asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of federal, state or local safety guidelines, whichever are more stringent; (iii) petroleum and any by-products, fractions, derivatives and constituents thereof, of any kind and in any form, including, but not limited to, oil, petroleum, fuel, fuel oil, sludge, crude oil, gasoline, kerosene, and mixtures of, or waste materials containing, any of the foregoing; and (iv) any other gas, material or chemical which is or may hereafter be defined as or included in the definition of "hazardous substances," "toxic substances," "hazardous materials," "hazardous wastes" or words of similar import under any Environmental Law.

"Height and Use Restricted Properties" shall mean those City-owned properties identified as Height and Use Restricted Properties on Sheets JFK-2 and LGA-2 and more particularly described in **Exhibit B-6** attached hereto.

"Horizontal Surface," "Conical Surface," "Primary Surface," "Approach Surface" and "Transitional Surface" shall mean those imaginary surfaces extending from the terminus of each runway located at the Demised Premises, as such runways may exist from time to time, having dimensions and other characteristics as specified in Title 14 CFR, PART 77.25 relating to FAA Regulations regarding "Objects Affecting Navigational Air Space - Obstruction Standards" which have the functions and standards specified in Runway Protection Zone guidelines in FAA Advisory Circular "Airport Design AC 150/15300-13, Paragraph 212 for the nature and type of runways located at the Demised Premises from time to time, such surfaces existing as of the Execution Date as shown on **Exhibit A** and more particularly described in **Exhibit B-3** annexed hereto.

"Improvements" shall mean all structures, facilities and other improvements and appurtenances of every kind and description located or hereafter erected, constructed or placed upon, and affixed to, the Demised Premises, including all buildings, terminals, hangars, control towers, runways, taxiways, aprons, roads, sidewalks, landscaping and utilities (unless owned by a utility company or the City), and all Fixtures located thereon and affixed thereto as the same, from time to time, may be repaired, replaced, substituted, upgraded or improved.

"Installment" shall have the meaning provided in **Subsection 4.5.2(e)** below.

"Insurance Proceeds" shall have the meaning provided in **Subsection 14.11** below.

"Interest Rate" shall mean the rate determined by reference to the Bond Buyer One-Year Note Index as of the date the corresponding obligation arises.

"JFK Avigational Easement Areas" shall mean those areas benefiting and pertaining to the John F. Kennedy International Airport identified as "JFK International Avigational Easement Areas" on Sheet JFK-2 of Exhibit A annexed hereto and more particularly described in Exhibit B-4 annexed hereto.

"JFK Northern Off-Airport Parcels" mean the parcels of land adjacent to the northern boundary of the John F. Kennedy International Airport identified as "JFK Northern Off - Airport Parcels" on Sheet JFK-2 of Exhibit A annexed hereto and more particularly described in Exhibit B-5 annexed hereto.

"John F. Kennedy International Airport" shall mean the portion of the Demised Premises identified as "JFK International Airport" on Sheet JFK-1 of Exhibit A annexed hereto and more particularly described on Exhibit B annexed hereto and such other property and premises as may be acquired in connection with such portion of the Demised Premises pursuant to Section 19 below, which portion of the Demised Premises includes, without limitation, the Light Rail System and the Aqueduct Parcel.

"LaGuardia Access Bridges and Roadways" shall mean those roadways and bridges providing access to and egress from LaGuardia Airport to the City streets, identified on Sheet LGA-2 of Exhibit A as the "102nd Street Bridge," the "Flyover Bridge," and the "Grand Central Parkway Service Road connection" and more particularly described or shown in Exhibit B-7 annexed hereto.

"LaGuardia Airport" shall mean the portion of the Demised Premises identified as "LaGuardia Airport" on Sheet LGA-1 of Exhibit A annexed hereto and more particularly described in Exhibit B annexed hereto, and such other property and premises as may be acquired in connection with such portion of the Demised Premises pursuant to Section 19 below, which portion of the Demised Premises includes, without limitation, the Bowery Bay Parcel and the LaGuardia Access Bridges and Roadways, provided they are added to LaGuardia Airport in accordance with Sections 19.3 and 19.4 hereof.

"LaGuardia Avigational Easement Areas" shall mean those areas benefiting and pertaining to the LaGuardia Airport identified as "LaGuardia Avigational Easement Areas" on Sheet LGA-3 of Exhibit A annexed hereto and more particularly described in Exhibit B-4 annexed hereto."

"Land" shall mean all of the land identified as the premises demised to the Port Authority as shown on Sheet LGA-1 and JFK-1 of Exhibit A and/or more particularly described in Exhibit B, together with all additional lands and after acquired property as and when the same is purchased, leased, or otherwise acquired pursuant to Section 19 below, including Bowery Bay and the LaGuardia Access Bridges and Roadways, provided they are added to LaGuardia Airport in accordance with Section 19.3 hereof.

"Late Rate" shall mean the rate determined by reference to the Bond Buyer 20-Bond GO Index as of the date the corresponding obligation arises, plus 300 basis points.

"Light Rail System" shall mean the rail system known as the "JFK AirTrain" connecting the Air Terminal at John F. Kennedy International Airport with the Long Island Rail Road station and the New York City Transit Authority Sutphin Boulevard/Archer Avenue Subway Station

Located in Jamaica, Queens, New York, and the New York City Transit Authority subway station located in Howard Beach, Queens, New York (including, without limitation, all Improvements thereon and Equipment used in connection therewith), as such light rail system alignment is generally shown on pages 1 and 2 of the John F. Kennedy International Airport Site Plan dated October 29, 2003, JFK 14156A annexed hereto as **Exhibit C**, together with all additional property interests purchased or acquired by or in the name of the Port Authority, conveyed to the City and leased to the Port Authority pursuant to **Section 19**.

"Lump Sum Payment" shall have the meaning provided in **Subsection 4.2.1** below.

"Minimum Annual Rent" shall have the meaning provided in **Subsection 4.1** below.

"Municipal Air Terminal Purposes" shall mean the effectuation, establishment, construction, rehabilitation, improvement, maintenance or operation of the Municipal Air Terminals, and purposes incidental thereto, including without limiting the generality hereof, the acquisition of land and improvements for use for Air Terminal Purposes, the acquisition of air space for Horizontal Surfaces, Conical Surfaces, Primary Surfaces, Approach Surfaces, Transitional Surfaces, and Runway Protection Zones, and the establishment, maintenance and operation of beacons or other aids to navigation at sites removed from the Municipal Air Terminals.

"Municipal Air Terminals" shall mean John F. Kennedy International Airport and LaGuardia Airport.

"Newark Airport Lease" shall mean the agreement of lease dated as of October 22, 1947 between the City of Newark, as landlord, and the Port Authority, as tenant, with respect to Air Terminal known as Newark Liberty International Airport and the Newark Marine Terminal, as the same has been, and may hereafter be, amended or supplemented from time to time.

"NYRA" shall have the meaning provided in **Subsection 20.1.1** below.

"NYRA License Agreement" shall have the meaning provided in **Subsection 20.1.1** below.

"Old Agreement" shall have the meaning provided in **Recital 1** of this Agreement.

"Passenger Facility Charges" shall mean the charges known as Passenger Facility Charges collected by the Port Authority pursuant to the Federal Safety and Capacity Expansion Act of 1990, as subsequently amended.

"Performance Standards" shall have the meaning provided in **Subsection 15.3** below and are set forth in the Airport Board Agreement attached hereto as **Appendix A**.

"Permitted Assignee" shall have the meaning provided in **Subsection 34.1.2** below.

"Person" shall mean an individual, corporation, partnership, joint venture, estate, trust, unincorporated association, any Federal, State, County or municipal government or any bureau, department or agency thereof, including, without limitation, the Port Authority.

"Port Authority" shall have the meaning provided in the Preamble above.

"Port Authority Water System Property" shall have the meaning provided in Subsection 12.1.2 below.

"Public Place Easement Area" shall mean that parcel of land benefiting and pertaining to John F. Kennedy International Airport described as the "Public Place Easement Area" on Sheet JFK-2 of Exhibit A annexed hereto and more particularly described in Exhibit B-4 annexed hereto.

"Rent" shall mean all Base Rent and Additional Rent.

"Rent Insurance" shall have the meaning provided in Subsection 14.1.4 below.

"Restoration" shall have the meaning provided in Subsection 14.12 below.

"Restore" shall have the meaning provided in Subsection 14.12 below.

"Retained Water System Property" shall have the meaning provided in Subsection 12.1.1 below.

"Side Agreements" shall mean those agreements between the City and the Port Authority, the forms of which are attached hereto as Appendix A through Appendix D, as the same may be modified, amended or supplemented, from time to time.

"Special Project Bonds" shall have the meaning provided in Subsection 4.1 below.

"Statement of Adjustment" shall have meaning provided in Subsection 4.10.1 below.

"Sublease" shall mean any sublease, franchise, license, occupancy permit, concession or other written agreement allowing a Person to enter, use or occupy any portion of the Demised Premises.

"Subtenant" shall mean each and every subtenant, franchisee, licensee, concessionaire or other party having a right to enter, use or occupy any part of the Demised Premises under any Sublease.

"Term" shall have the meaning set forth in Subsection 2.3 below.

"Unavoidable Delays" shall mean any delays in the performance of obligations of a party to this Agreement due to strikes, lockouts, work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions (other than any governmental restrictions which the City or the Port Authority is bound to observe in the normal course of affairs), enemy action, civil commotion, fire, unavoidable casualty or other similar causes beyond the control of such party (but not including such party's insolvency or financial condition) in each case provided the party claiming Unavoidable Delays shall have notified the other party within thirty (30) days of the party becoming aware that any condition or event is likely to result in Unavoidable Delays.

"Water Board" shall mean the New York City Water Board or any successor in function.

"Year" shall mean each calendar year, or portion thereof, as applicable, during the Term.

Section 2. Lease of Demised Premises, Use and Term

2.1 Lease of Demised Premises.

2.1.1 The City hereby demises and leases to the Port Authority, and the Port Authority does hereby take and hire from the City, the Demised Premises, subject to all matters of record or otherwise known or that should be known to the Port Authority, in light of the Port Authority's use, occupancy, and control of the Demised Premises under the Old Agreement including, without limitation, all leases, occupancy agreements, liens, encumbrances, easements, covenants, conditions, restrictions and other similar matters affecting title to the Demised Premises as of the Effective Date, for the Term (as such term is hereinafter defined).

2.1.2 Notwithstanding the provisions of **Subsection 2.1.1** above, the Demised Premises shall not include the portion of the Bowery Bay Parcel occupied by the Rikers Island Bridge or improvements or equipment located thereon, which portion is 80 feet in width measured 40 feet from each side of the center line of that portion of the Rikers Island Bridge approach structure presently constructed within the Demised Premises lying below a limiting plane the elevation of which is 45 feet above the surface elevation of the pavement surfaces of the bridge approach roadways, as shown on Sheet LGA-2 of **Exhibit A** attached hereto; however the Port Authority shall have the right to place fill therein and construct within, over or upon the aforesaid described property and under, in, over or upon said approach structure appropriate means of access to and from other portions of the Demised Premises abutting upon either side of the aforesaid described property for vehicles, pedestrians, pipelines or other utilities; provided, however, that (a) such rights shall be exercised with minimum inconvenience to the City in the use of the bridge approach structure, (b) any Port Authority plans and specifications for placing such fill and providing such access shall be subject to the approval of the Commissioner of the Department of Transportation of the City, which approval shall not be unreasonably withheld, (c) the City shall not erect, install or maintain any additional structure, building, tower, pole, wire or other object, the construction, maintenance or operation of which in the reasonable opinion of the Port Authority would constitute a hazard to avigation and (d) the City shall take all reasonably practicable precautions to prevent its agents, employees, licensees, contractors and invitees from intruding upon, interfering with or damaging any property located on the Rikers Island Bridge that is used in connection with the operation or development of LaGuardia Airport.

2.2 Use. The Port Authority shall use, and shall cause all Subtenants and any other Person to use, the Demised Premises solely for Municipal Air Terminal Purposes and for purposes incidental thereto and for no other purpose. Notwithstanding the foregoing, with respect to any portions of the Demised Premises that, as of the Execution Date, are used for purposes other than Municipal Air Terminal Purposes or purposes incidental thereto, such portions of the Demised Premises may continue to be used for such purposes; provided that (i) no other portion of the Demised Premises may be used for such purposes and (ii) such portions of the Demised Premises may not be used for any other purpose that is not a Municipal Air Terminal Purpose or purposes incidental thereto.

2.3 Term. The term (the "Term") of this Agreement shall commence as of 12:00 a.m. on the first day of January 2002 (the "Effective Date") and shall expire at 11:59 p.m. on the 31st day of December 2050 (the "Expiration Date") unless sooner terminated pursuant to the terms and conditions of this Agreement.

2.4 Acceptance of the Demised Premises. The City and the Port Authority recognize that the Port Authority has been the lessee of the Municipal Air Terminals since 1947. As a result, the Port Authority acknowledges that it is fully familiar with the Demised Premises and the physical condition thereof. The Port Authority hereby accepts the Demised Premises in its existing condition and state of repair. Except as otherwise expressly set forth in this Agreement, (i) no representations, statements, or warranties, express or implied, have been made by or on behalf of the City in respect of the Demised Premises, the status of title thereof, the physical condition thereof, the zoning or other laws, regulations, rules and orders applicable thereto, taxes or assessments, or the use that may be made of the Demised Premises and (ii) the Port Authority acknowledges that the Port Authority has relied on no such representation, statement or warranty in entering into this Agreement, and that the City shall in no event whatsoever be liable for any latent or patent physical defect or other condition in the Demised Premises. In no event shall the existence of any latent or patent physical defect or other condition of the Demised Premises relieve the Port Authority of any of its obligations under this Agreement.

2.5 Net Lease; Nature of Port Authority's Obligations. This Agreement is intended to be, and shall be construed as, a net lease, whereby under all circumstances and conditions (whether now or hereafter existing or whether or not within the contemplation of the parties) the Rent and the Lump Sum Payment and the Additional Lump Sum Payment shall be a completely net return to the City. There shall be no abatement, off-set, diminution or reduction of Rent payable by the Port Authority hereunder or of the Lump Sum Payment or the Additional Lump Sum Payment or the other obligations of the Port Authority hereunder under any circumstance, except as expressly provided in this Agreement. The obligations of the Port Authority to make the payments required hereunder shall be absolute and unconditional and shall be payable in the same manner and out of the same revenues as operating expenses of the Port Authority. Amounts payable by the Port Authority hereunder are general obligations of the Port Authority and are not dependent upon the sufficiency or existence of airport revenues.

2.6 Title to Improvements. Title to all Improvements (including, without limitation, all Fixtures) currently existing or added to the Demised Premises by the Port Authority or any Subtenants and any Fixtures or Equipment now or hereafter located on the LaGuardia Avigational Easement Areas, the JFK Avigational Easement Areas or the Public Place Easement Area shall vest in the City on the Execution Date or immediately upon annexation or construction of such Improvements, as the case may be, except where Subleases or other agreements provide that title thereto shall remain in the Subtenants or other third persons, in which event such title shall vest in the City not later than the expiration or sooner termination of this Agreement.

Section 3. Old Agreement Amended, Restated and Superseded; Disputes Terminated

3.1 In consideration of the parties' entering into this Agreement and the Side Agreements, and the mutual promises contained herein and therein, (x) the Old Agreement is

hereby amended, restated and superseded in its entirety, except as otherwise provided herein, effective as of 12:00 a.m. on the Effective Date, (y) the arbitration between the City and the Port Authority set forth on **Schedule C** attached hereto (the "**Arbitration**") is being terminated pursuant to a Stipulation of Settlement, the form of which is attached hereto as **Appendix D**, which stipulation is to be executed by the parties hereto simultaneously herewith, and (z) provided the City is not required to repay or forfeit any portion of the Lump Sum Payment, all claims or rights of action, of both the City and the Port Authority, with respect to the rents payable under Section 4A. of the Old Agreement are hereby extinguished. All other obligations of the Port Authority under the Old Agreement that arose or accrued during, or with respect to the period prior to the Effective Date shall survive this amendment and restatement of the Old Agreement including, without limitation, charges payable to the Water Board for water and wastewater services.

Section 4. Rent

4.1 Definitions.

"**Annual Gross Revenue**" shall mean, with respect to each and every Year (or prorated portion thereof), any and all income received and monies or revenue derived by or for the account of the Port Authority or any Affiliate of the Port Authority from or arising out of or in connection with the Demised Premises from any source, *including*, without limitation, any and all (i) Airport Fees; (ii) rentals, receipts, and fees received directly or indirectly by or for the account of the Port Authority, or any Affiliate of the Port Authority, from Subtenants in connection with or directly or indirectly arising out of the Demised Premises, any part thereof, any right or interest therein or in respect thereof, or the leasing, use, occupation or operation of the Demised Premises or any part thereof, including, without limitation, amounts received from or in respect of (1) Subleases, such amounts including, without limitation, fixed rental, minimum rental, rental computed on the basis of sales or other criteria, additional rent, escalating rental, Subtenant security deposits (and interest thereon) to the extent applied in the payment of any such rental, license and user fees and all other charges or assessments and (2) the providing of goods or services of any kind to Subtenants; and (3) advertising fees received in connection with the right to advertise at the Demised Premises, regardless of whether the advertiser receives a Sublease in connection with such right or actually advertises at the Demised Premises; and (iii) all proceeds of Rent Insurance or any property or business interruption insurance proceeds, or equivalent recoveries from third parties, received in connection with the Demised Premises, except to the extent that such proceeds or amounts recovered are actually used to rebuild, repurchase or replace any Improvements in accordance with **Section 5** and **Section 14** of this Agreement; but *excluding* from such definition any and all (x) amounts attributable to repayment of principal on Special Project Bonds (it being expressly understood that no exclusion shall apply with respect to any amounts attributable to payment of interest, fees, and charges on Special Project Bonds or any amounts attributable to the payment of principal, interest, fees and charges on any other Bonds), (y) federal grants or monies received as a result of any federal statute, regulation or policy or program, such as Passenger Facility Charges and amounts used for airport security, where such statute or regulation, policy or program restricts the use of such monies to purposes benefiting the Municipal Air Terminals and such monies are in fact used at the Demised Premises and (z) any monies or other assets derived from Port Authority Police Asset Forfeiture activities at the Municipal Air Terminals that are required to be used for security enforcement

and are actually used in connection with security enforcement at the Municipal Air Terminals. Annual Gross Revenue shall be calculated without duplication, so that, for example, to the extent any item or sub-item of Annual Gross Revenue is included in another item of Annual Gross Revenue, the included item or sub-item shall not be counted twice. In any event, Annual Gross Revenue shall not include earnings derived from the Port Authority's general operating and capital funds after any and all income received and monies or revenue derived by or for the account of the Port Authority or any Affiliate of the Port Authority from or arising out of or in connection with the Demised Premises from any source have been accounted for under this Agreement. It is the expectation and intention of the City and the Port Authority that Annual Gross Revenue of the Municipal Air Terminals will increase over time so that Base Rent will escalate over the Term. It is not expected that the Port Authority will significantly change its business practices or methods of financing so as to negatively impact Annual Gross Revenue.

"Five-Year Period" shall mean each of the following periods of Years: 2002-2006, 2007-2011, 2012-2016, 2017-2021, 2022-2026, 2027-2031, 2032-2036, 2037-2041, 2042-2046 and 2047-2050.

"Minimum Annual Rent" shall mean an annual amount equal to:

(a) with respect to the period commencing on the Execution Date through Year 2006, Ninety-Three Million Five Hundred Thousand Dollars and No Cents (\$93,500,000.00);

(b) with respect to the Five-Year Period comprising Years 2007 through 2011, (x) Ninety-Three Million Five Hundred Thousand Dollars and No Cents (\$93,500,000.00) or (y) an amount equal to ten percent (10%) of the average Annual Gross Revenue for the 2002-2006 Five-Year Period, whichever is greater; and

(c) with respect to each Five-Year Period thereafter, (x) the Minimum Annual Rent for the preceding Five-Year Period or (y) an amount equal to ten percent (10%) of the average Annual Gross Revenue for the preceding Five-Year Period, whichever is greater.

"SPB Subtenants" shall mean Subtenants that are not, and are not Affiliates of, and whose direct and indirect owners are not, and are not Affiliates of the Port Authority or any State, local or foreign governmental (or quasi-governmental) entity, or any bureau, department or agency of any of the foregoing; *provided, however* that the term SPB Subtenants shall include airlines and passenger terminal operators that are owned directly or indirectly by foreign governmental or foreign quasi-governmental Persons.

"Special Project Bonds" means, individually and collectively, the series of special limited obligations issued by the Port Authority solely for the purposes of providing air cargo or passenger terminal projects, aircraft maintenance facilities or hotels for SPB Subtenants or for the purpose of refunding all or any part of any prior series of Special Project Bonds issued solely for such purposes or a combination of such purposes, and secured solely by a mortgage by the Port Authority, in favor of the holders of Special Project Bonds, of facility rental as set forth in a Sublease with such SPB Subtenant with respect to air cargo or passenger terminals, aircraft

maintenance facilities or hotels to be provided with the proceeds of Special Project Bonds, by a mortgage by the applicable SPB Subtenant, in favor of the holders of Special Project Bonds, of the SPB Subtenant's leasehold interests under the Sublease with respect to such project and by a security interest granted by the applicable Subtenant to the Port Authority and mortgaged by the Port Authority, in favor of the holders of such Bonds, in certain items of the SPB Subtenant's personalty to be located at such project, and such other security in addition to the foregoing as may be required by the Port Authority from time to time as appropriate to the particular project. Special Project Bonds shall also mean those outstanding bonds of the Port Authority, the proceeds of which were used to finance construction of the KIAC cogeneration facility currently existing at JFK International Airport, including, without limitation, any refunding of such outstanding bonds of the Port Authority. Bonds issued for capital projects other than air cargo or passenger terminals, aircraft maintenance facilities or hotels, e.g. for the purpose of providing general aviation runways, common airport roadways and other common infrastructure improvements, shall not be deemed to be Special Project Bonds for purposes of this Agreement.

4.2 Payments to the City on the Execution Date.

4.2.1 *Lump Sum Payment.* In consideration of the parties' entering into this Agreement, and the mutual promises contained herein and the Stipulation of Settlement set forth in **Appendix D**, in addition to all Base Rent, Additional Rent and the Additional Lump Sum Payment payable by the Port Authority pursuant to this Agreement, upon execution of this Agreement, the Port Authority shall make a lump sum payment (the "**Lump Sum Payment**") to the City in the amount of Five Hundred Million Dollars and No Cents (\$500,000,000.00).

4.2.2 *Additional Lump Sum Payment.* In addition to all Base Rent, Additional Rent and the Lump Sum Payment payable by the Port Authority pursuant to this Agreement, upon execution of this Agreement, the Port Authority shall make a payment ("**Additional Lump Sum Payment**") to the City in the amount of \$280,184,831.00.

4.3 Base Rent. The Port Authority shall pay to the City for the Demised Premises, for each Year of the Term, without notice or demand, annual rent ("**Base Rent**") as follows:

(a) for the period commencing on the Effective Date through and including the date immediately prior to the Execution Date, Base Rent in an amount equal to \$3,500,000 per annum; and

(b) for the period commencing on the Execution Date through and including the Expiration Date in an amount equal to (x) Minimum Annual Rent for such Year or (y) eight percent (8%) of the Annual Gross Revenue for such Year, whichever is greater.

Under no circumstances shall the Minimum Annual Rent payable for any Year during the period described in **Subsection 4.3(b)** above be less than the Minimum Annual Rent payable in any prior Year. All amounts due and payable by the Port Authority to the City pursuant to **Subsection 4.3(a)** have been received by the City on or before the Execution Date.

4.4 Annual Statements.

4.4.1 Intentionally Deleted.

4.4.2 By March 31 immediately following each Year, commencing the March 31 following the Execution Date, Chief Financial Officer of the Port Authority shall deliver, a statement (each, an "Annual Statement") to the Person(s) or agencies designated by the City, from time to time, by written notice to the Port Authority, which Annual Statement shall include the following:

(a) A separate itemized statement, by source, for each of the Municipal Air Terminals setting forth the Annual Gross Revenue attributable to such Municipal Air Terminal for such Year, each of which statements shall be substantially in the form of Exhibit D-1 annexed hereto and shall include, without limitation, a detailed statement setting forth, with particularity, each and every item of income, money or revenue that is described in the definition of Annual Gross Revenue for such Year, together with all items of income, money or revenue derived by or for the account of the Port Authority (or its Affiliates) from or arising out of or in connection with such Municipal Air Terminal that were excluded from Annual Gross Revenue for such Year, accompanied by a brief statement of the reason for exclusion of each such item together with a certification of each of the Chief Financial Officer of the Port Authority and the Port Authority's independent auditor certifying the accuracy of the determination of Annual Gross Revenue within the meaning of Section 4.1 hereof; and

(b) The Port Authority's determination of the Base Rent for such Year, together with a certification from each of the Chief Financial Officer of the Port Authority and the Port Authority's independent auditor that the Port Authority's determination of the Base Rent for such Year complies with the definition of "Base Rent" set forth in Subsection 4.3 of this Agreement and is in compliance with this Agreement.

4.4.3 (a) The Annual Statement to be delivered on the March 31 immediately following the end of each Five-Year Period shall, in addition to the information indicated above, include the following information:

(i) An itemized summary of the Annual Gross Revenue attributable to each of the Municipal Air Terminals with respect to the preceding Five-Year Period, substantially in the form of Exhibit D-3 annexed hereto;

(ii) The Port Authority's determination of the Minimum Annual Rent for the Five-Year Period beginning in the Year in which such Annual Statement is delivered, together with a certification from each of the Chief Financial Officer of the Port Authority and the Port Authority's independent auditor that the Port Authority's determination of the new Minimum Annual Rent complies with the definition of "Minimum Annual Rent" set forth in Subsection 4.1 of this Agreement.

(b) The Port Authority represents that it has heretofore delivered to the City a certified statement for the Year 2002 and Year 2003. The Port Authority hereby

represents that the Annual Gross Revenue with respect to Year 2002 is \$935,731,362.00 and the Annual Gross Revenue with respect to Year 2003 is \$986,045,051.00.

4.4.4 In the preparation of Annual Statements, each item of Annual Gross Revenue shall be computed in accordance with GAAP, consistently applied from Year to Year. The Chief Financial Officer of the Port Authority and the Port Authority's independent auditor shall certify each Annual Statement to the foregoing effect, and also to the effect that such Annual Statement fairly reflects Annual Gross Revenue for the applicable Year (except as described in the corresponding Statement of Management, if applicable). In the event that, in connection with the preparation of any Annual Statement, there is a variation in the manner of computation of any item of Annual Gross Revenue or the application of, or deviation from, GAAP, regardless of whether such variation or change produces an immediately discernable impact on the determination of Annual Gross Revenue, in each case, the Annual Statement shall include a "Statement of Management", which shall (i) identify with specificity each such variation, deviation or change and (ii) describe the reason for each such variation or change.

4.4.5 The form of any of the schedules attached hereto in **Exhibit D** may be revised, from time to time, upon the mutual written agreement of the City and the Port Authority. The Port Authority shall consider in good faith any changes in the form of such schedules that the City may propose.

4.4.6 The Port Authority shall deliver each Annual Statement to the City in both printed and electronic format.

4.4.7 The certifications to be made pursuant to **Subsection 4.4.2(a), 4.4.2(b), 4.4.3 and 4.4.4** above may be made in a single separate document accompanying and referring to the relevant portions of the Annual Statement.

4.4.8 The Port Authority shall, upon finalizing its budget with respect to each Year, provide to the City a separate itemized estimate for each of the Municipal Air Terminals reflecting the estimated Annual Gross Revenue, by source, attributable to such Municipal Air Terminal for such Year. A second, updated estimate, substantially in the form of **Exhibit D-2**, shall be provided by the Port Authority by September 1 of such Year. Together with each updated estimate, the Port Authority shall include a statement, signed by the Chief Financial Officer of the Port Authority, (i) identifying with specificity any material variation between each item of Annual Gross Revenue in the previous Year and the estimate of such item of Annual Gross Revenue delivered to the City in accordance with this **Subsection 4.4.8** and (ii) describing the reason for each such variation. For the purposes of this **Subsection 4.4.8**, a "material variation" shall mean a difference of five percent (5%) or more between two (2) successive Years or a change of ten percent (10%) or more over any period of three Years, but only to the extent such difference exceeds two hundred thousand dollars (\$200,000.00) (the foregoing dollar amount to be increased annually in proportion to the increase, if any, in the Consumer Price Index).

4.5 Payment of Base Rent. For the portion of Year 2004 commencing on the Execution Date and for each Year thereafter, Base Rent shall be paid as follows:

(a) With respect to each Year during such period, the Port Authority shall pay to the City an amount equal to the Minimum Annual Rent for such Year, in twelve (12) equal installments (each an "Installment"), payable monthly in advance on the first (1st) day of January and on the first (1st) day of each succeeding calendar month of such Year. Notwithstanding the foregoing, with respect to the first Year of each Five Year Period commencing with the 2007-2011 Five Year Period, Installments shall be equal to the Installments payable by the Port Authority during the immediately preceding Year until such time that the Port Authority delivers the Annual Statement to the City for the immediately preceding Year. Each Installment due and payable after the date of delivery of such Annual Statement shall be equal to one twelfth (1/12th) of the Minimum Annual Rent for the then current Year (as reflected in such Annual Statement). Simultaneously with the delivery of such Annual Statement, the Port Authority shall also pay to the City the amount, if any, by which (x) the Minimum Annual Rent (as reflected in such Annual Statement) with respect to the portion of the then current Year for which Installments were due and payable pursuant to this subparagraph (a) exceeds (y) the amount actually paid by the Port Authority with respect to the period described in clause (x) above, plus interest on such excess (if any) at the Interest Rate, accruing with respect to each Installment from the first (1st) day of the calendar month to which such Installment applies through and including the date on which the Port Authority delivers such Annual Statement.

(b) In addition to the Installments for each Year payable by the Port Authority pursuant to subparagraph (a) above, the Port Authority shall, simultaneously with the delivery to the City of each Annual Statement (in accordance with Subsection 4.4 above), pay to the City the amount, if any, by which (x) the Base Rent for the Year to which such Annual Statement applies, exceeds (y) the Minimum Annual Rent paid by the Port Authority for such Year, plus interest on such excess (if any) at the Interest Rate, accruing with respect to each Installment from the first (1st) day of the calendar month to which such Installment applies through and including the date of payment.

4.6 Payment of Taxes, etc., Deemed to be Payment of Rent. No breach by the City of any covenant, term or condition in this Agreement shall excuse the Port Authority from the prompt payment of the Rent; provided, however, that in the event the Port Authority, under any law that may hereafter be enacted or applied, shall be or become subject to and liable for payment to the City of any real estate taxes, assessments or governmental levies or imposts (except charges for water and for the use of the sewer system pursuant to Section 12 and Section 13 of this Agreement or other charges for municipal services that are generally applicable to the use of such services) upon or against the Demised Premises or upon any part or parts thereof, then the payment by the Port Authority of the amount of such taxes, assessments, levies or imposts (except those imposed on Subtenants for which the Port Authority, by agreement with such Subtenants, assumes the obligation to pay) shall, as between the City and the Port Authority, be deemed payment pro tanto of the Rent, and the amount of each such payment shall be treated as a credit against Base Rent otherwise payable hereunder.

4.7 Additional Rent. Except as otherwise expressly provided to the contrary herein, the Port Authority shall pay all Additional Rent when due without notice or demand therefor, but in any event within thirty (30) days after demand therefor by the City.

4.8 Late Fee. In the event that any payment of Base Rent, Additional Rent, the Lump Sum Payment or the Additional Lump Sum Payment shall not be paid on the due date thereof, then, in addition to reimbursing the City for any costs and expenses incurred by the City in connection therewith (including, without limitation, reasonable attorneys' fees and disbursements), the Port Authority shall also pay, as Additional Rent, interest on the sums so overdue at the Late Rate and such interest shall accrue from the applicable due date through and including the date of payment or, in the case of unpaid water and sewer charges payable to the Water Board, the Port Authority shall also pay interest according to the Water Board rules and regulations directly to the Water Board. No failure by the City to insist upon the strict performance by the Port Authority of its obligations to pay said interest shall constitute a waiver by the City of its right to enforce the provisions of this Subsection 4.8 in any instance thereafter occurring. The provisions of this Subsection 4.8 shall not be construed in any way to extend the grace periods or notice periods provided for in Section 25 of this Agreement or to otherwise limit the City's rights and remedies under this Agreement or otherwise.

4.9 Covenants with Respect to Contracts; Other Port Authority Amenities.

4.9.1 All negotiations by the Port Authority (or its Affiliates) for contracts or other agreements on the provision of goods or services at or with respect to the Demised Premises (including, without limitation Subleases, service contracts and advertising contracts) shall be at arm's-length with Persons unrelated to the Port Authority or to Affiliates of the Port Authority.

4.9.2 In the event any such contract or other agreement relates in part to the Demised Premises and in part to other facilities or real property owned or operated by the Port Authority, all income or revenues received or derived by or for the account of the Port Authority (or its Affiliates) in connection with such contracts and agreements shall be apportioned between the Demised Premises and such other property or interests on a fair and equitable basis and the portion allocated to the Demised Premises shall be included in Annual Gross Revenue.

4.10 City's Right to Review the Port Authority's Determination of Base Rent.

4.10.1 *Statement of Adjustment.*

(a) The City shall have the right at any time and from time to time to review the Port Authority's determination of Rent and all components thereof, Annual Gross Revenue and all other information set forth in the Annual Statement for any Year. Without limiting the City's rights and remedies under this Agreement or otherwise, if the City disagrees with the Port Authority's determination of Base Rent, Minimum Annual Rent, Annual Gross Revenue or any other information set forth in an Annual Statement, the City may deliver a statement (the "Statement of Adjustment") to the Port Authority indicating with specificity (i) in what manner the City believes that the Port Authority's determination of Base Rent, Annual Gross Revenue, Minimum Annual Rent and/or such

other items indicated in such Statement of Adjustment, as applicable, for the Year(s) in question are incorrect or incomplete or otherwise subject to recalculation, including, without limitation, the basis of the City's belief and (ii) the aggregate amount of additional Base Rent, if any, payable by the Port Authority as a consequence of the City's re-determination thereof.

(b) If the Port Authority agrees with the re-determination(s) reflected in a Statement of Adjustment, the Port Authority shall, within thirty (30) days after its receipt of such Statement of Adjustment, deliver the additional Base Rent payable by the Port Authority pursuant thereto, plus interest thereon at the Late Rate, which such interest shall accrue from the date that each such payment of Base Rent would have been due and payable under this Agreement through the date of payment. If the Port Authority does not agree with such re-determination by the City, the Port Authority shall, within thirty (30) days after its receipt of the Statement of Adjustment, notify the City to such effect, and thereafter the parties shall proceed in good faith to resolve the issues raised in the Statement of Adjustment; provided that, within ten (10) days after a demand by the City, the Port Authority shall pay to the City the additional Base Rent reflected in the Statement of Adjustment in question.

(c) In the event that, based upon the final determination of issues raised in any Statement of Adjustment, it is determined that as a result of any payment made by the Port Authority in response to a demand by the City pursuant to Subsection 4.10.1(b) above, the Port Authority overpaid any portion of Base Rent, the Port Authority shall be entitled to a credit against Base Rent equal to such overpayment, plus interest thereon, accruing at the Late Rate from the date the Port Authority made such payment through the date of such determination. Any credit due to the Port Authority pursuant to this Subsection 4.10.1(c) shall be applied against the installments of Rent next due and payable by the Port Authority until the entire amount of such overpayment has been so credited.

(d) In the event that, it is determined that the Port Authority underpaid any portion of Base Rent, the Port Authority shall, within ten (10) days after the issuance of a final non-appealable judgment by a court of competent jurisdiction of such underpayment, pay to the City the amount of such underpayment plus interest thereon accruing at the Late Rate from the date that each portion of such underpayment of Base Rent was due and payable under this Agreement through the date of payment.

4.10.2 In no event shall the City have the right to object to or challenge the Rent for any Year following the sixth (6th) anniversary of the date upon which the Port Authority delivers to the City the Annual Statement applicable to such Year. Notwithstanding the foregoing, neither the acceptance of Rent from the Port Authority, nor the failure to review or object to any Annual Statement or methodology, interpretation or practice used in calculating Rent, irrespective of how many years the same methodology, interpretation or practice has been followed in the calculation of Rent, shall estop the City from asserting, or be deemed a waiver by the City of, its rights to review, object to and/or challenge the calculation of Rent or any methodology, interpretation or practice used in same, for any Year, including Years prior to the Effective Date; provided, however, that the City hereby waives its right to challenge the

methodology used in calculating the rent payable under the Old Agreement to the extent such methodology was challenged in the City's Amended Demand, dated March 10, 2000, in the Arbitration.

4.10.3 The provisions of this **Section 4.10** shall survive the expiration or sooner termination of this Agreement.

4.11 Preservation of Rights. The Port Authority shall not take, nor shall it permit its Affiliates to take, any actions that would adversely affect the ability under law of the Port Authority to pay, and of the City to receive and retain, any and all amounts of Rent due (or any component thereof) for all or any portion of the Municipal Air Terminals or the Lump Sum Payment or the Additional Lump Sum Payment, and each party shall cooperate with the other party by taking all reasonable actions to preserve such abilities. This provision shall survive the expiration or earlier termination of this Agreement.

4.12 Payments. All payments of Base Rent and all other amounts payable by the Port Authority under this Agreement shall be paid without notice or demand (except when a notice or demand is expressly required hereunder), and without deduction or setoff, in lawful money of the United States of America, by wire transfer to the account designated by notice, from time to time, to the Port Authority from the City's Budget Director (or his successor in function); or, at the City's direction by notice to the Port Authority from the City's Budget Director (or his successor in function), any such amount shall be paid by check drawn on a bank or trust company which is a member of the New York Clearinghouse Association to the City Office of Management and Budget at the address listed in **Section 27** (or to such other City Agency or address as the City's Budget Director (or his successor in function) may designate, from time to time, by notice to the Port Authority). Notwithstanding the foregoing, all amounts payable in connection the consumption and use of water and wastewater services shall be paid directly to the Water Board pursuant to **Subsection 13.2**, except in the event that, pursuant to **Subsection 32.2**, the City shall discharge a lien filed against the Demised Premises as a result of a failure by the Port Authority to timely pay any water or wastewater rents and surcharges when due and owing, in which case, the Port Authority shall pay such amounts directly to the City as Additional Rent in accordance with **Subsection 32.2**.

4.13 No Limitation on Settlement Rights. Nothing contained in **Subsection 4.11** is intended to limit, or shall be deemed to limit, in any way, the Port Authority's right to negotiate settlements of amounts owed by Subtenants.

4.14 Pledge of Revenue. Nothing contained in this Agreement shall prevent the Port Authority from pledging, in whole or in part, the revenues of the Municipal Air Terminals, other than the portion of Annual Gross Revenue that constitutes Rent hereunder, as security for the payment of Bonds or for the fulfillment of any other obligations directly assumed by it, or from making such Bonds a lien or charge upon such revenues, which pledge or lien shall be subject and subordinate to this Agreement and shall expressly so provide.

Section 5. Repairs

5.1 The Port Authority shall for the duration of the Term take good care of the Demised Premises together with all Equipment, whether now existing or hereafter added, and shall make all necessary repairs, inside and outside, structural or otherwise so as to maintain and preserve the Demised Premises and all Equipment in good order and condition, subject to ordinary wear and tear, and keep the Demised Premises and all Equipment operating in accordance with Section 28 and all other terms and conditions of this Agreement.

5.2 Notwithstanding the provision of Subsection 5.1 above, the parties understand and acknowledge that at any given time during the Term, there will be a portion of the Improvements and Equipment that will have become functionally obsolete or will have substantially outlived their useful lives, for which no replacement is necessary or warranted or for which a new use or replacement has not yet been devised or planned, and the foregoing provisions of this Section shall not apply to such Improvements and Equipment; provided that such failure to replace or to obtain such new use or replacement shall not impair the use, operation, maintenance or development of either Municipal Air Terminal in accordance with Section 28 and all other requirements of this Agreement.

5.3 In the event the Demised Premises or any part thereof, or any Equipment, is in a state of disrepair at the end of the Term resulting from the failure of the Port Authority to repair, replace, maintain or paint the Demised Premises, or any part thereof or any Equipment during the Term, then the Port Authority shall be required, at its sole cost and expense, to repair, replace, paint and restore the Demised Premises and any Equipment to the condition that the Demised Premises and Equipment would have been in had the Port Authority complied with its obligations set forth in the foregoing Subsections 5.1 and 5.2.

5.4 The provisions of this Section 5 shall survive the expiration or termination of this Agreement.

Section 6. Representations

6.1 Representations of the Port Authority.

6.1.1 Upon the execution and delivery by the Port Authority of this Agreement and the Side Agreements, each of such documents will be a valid and binding obligation of the Port Authority, enforceable against the Port Authority in accordance with its terms.

6.1.2 Prior to the date hereof, the Port Authority has delivered a true, correct and complete copy of the Newark Airport Lease, together with each of the amendments thereto, as indicated on Schedule E attached hereto.

6.2 Representations of the City. Upon the execution and delivery by the City of this Agreement and the Side Agreements, each of such documents will be a valid and binding obligation of the City, enforceable against the City in accordance with its terms.

Section 7. Assignment and Subletting by the Port Authority

7.1 No Assignment, etc. The Port Authority shall not assign, mortgage, pledge, hypothecate, or encumber this Agreement or any part hereof or sublet the Demised Premises or one or more of the Municipal Air Terminals substantially in its or their entirety. In the event this Agreement is assigned, pledged, mortgaged, hypothecated, or encumbered in any way, or in the event the Demised Premises are sublet in violation of the provisions hereof, the City, in addition to any other remedies it may have, may collect rent from any assignee of the Demised Premises or any undertenant or occupant thereof, and apply the net rent collected to the rent reserved herein; but no such assignment, occupancy, or collection shall be deemed a waiver of this covenant or the acceptance of the assignee or subtenant as a tenant or a release of the Port Authority from the further performance by it of the covenants on its part to be performed.

7.2 Subletting. The Port Authority may sublet or sublease parts of the Demised Premises for the purposes set forth in **Subsection 2.2** hereof and enter into other agreements with Subtenants for such purpose. This consent shall not, however, include the right to sublet to one person or related persons the entire Demised Premises in a single transaction or a series of related transactions or to sublet to one person or related persons a Municipal Air Terminal substantially in its entirety in a single transaction or a series of related transactions. Under no circumstances shall the Port Authority be permitted to assign, delegate or otherwise alienate control or operational responsibility for a Municipal Air Terminal. All Subleases, whether now existing or to be entered into in the future, are hereby expressly subject and subordinate to this Agreement. Notwithstanding the foregoing, the Port Authority shall cause each Sublease entered into by the Port Authority from and after the Execution Date (and, with respect to any existing Sublease that is hereafter extended, other than pursuant to a pre-existing right on the part of the Subtenant to extend its Sublease, such existing Sublease) to provide the following:

- (a) Such Sublease is subject and subordinate to this Agreement and to any interest superior to that of the Port Authority's;
- (b) The Subtenant thereof will not pay rent or other sums under the Sublease for more than one (1) month in advance (excluding security and other deposits required under such Sublease);
- (c) With respect to Subleases, the Subtenant thereof on the termination of this Agreement will, at the City's option, attorn to, or enter into a direct lease on identical terms with, the City;
- (d) An indemnity by the Subtenant thereof for the benefit of the City covering all matters described in **Section 31** of this Agreement;
- (e) A restriction on the Subtenant's use of the premises covered by the Sublease, which shall not provide for any use other than as permitted under this Agreement;
- (f) A requirement that the Subtenant thereof shall use, operate and maintain the premises covered by the Sublease in a manner consistent with the Port Authority's obligations under **Section 28** hereof;

(g) That the failure of the Subtenant thereof to comply with the forgoing provisions shall be an event of default under such Sublease, which, after the giving of reasonable notice, shall provide the Port Authority with the right to terminate such Sublease and exercise any other rights that the Port Authority may have as the sublandlord of such Sublease; and

(h) Each Sublease which requires the Subtenant to carry property or liability insurance shall require that the City be named as an additional insured or loss payee thereunder, as applicable.

Upon request of the City, the Port Authority will deliver to the City, within thirty (30) days of each such request, true and complete copies of each existing or future Sublease.

The Port Authority shall make commercially reasonable efforts to cause the Subtenants to comply with the terms of their Subleases.

7.3 Water and Sewer Rents. Notwithstanding any mortgage, pledge, hypothecation, or encumbrance of any part of this Agreement, or the Sublease of any part of the Demised Premises, the Port Authority hereby agrees and acknowledges that, with respect to any period prior to the Expiration Date or earlier termination of this Agreement, it is wholly responsible for the payment of all water and wastewater rents and surcharges when due and owing in accordance with **Section 13** herein. The provisions of this **Subsection 7.3** shall survive the expiration or sooner termination of this Agreement.

Section 8. Accounts and Records

8.1 Keeping of Accounts and Records. The Port Authority shall, with respect to each Year, keep and maintain complete accounts and records in regard to its operation of the Demised Premises and the Municipal Airports for such Year in both printed and electronic format including, without limit, such accounts and records as may reasonably be required by the City for the purposes of verifying, if it shall so desire, the computation of Rent, Annual Gross Revenue and the accuracy of the Annual Statements and any other information required to be delivered by the Port Authority to the City pursuant to this Agreement or to the Airport Board pursuant to the Airport Board Agreement. The Port Authority shall maintain the accounts and records described in this **Subsection 8.1** for each Year until at least the end of the sixth (6th) anniversary of the date upon which the Annual Statement for such Year has been delivered to the City; provided that, in the event of a dispute between the parties with respect to this Agreement and relating to a particular Year, then the Port Authority shall maintain such accounts and records with respect to such Year or related to the dispute until a final non-appealable determination with respect to such dispute has been issued by a court of competent jurisdiction.

8.2 Availability of Accounts and Records. At any time prior to the sixth (6th) anniversary of the Expiration Date or earlier termination of this Agreement, the Port Authority shall (i) deliver to the City, in electronic format and within fifteen (15) days after each demand therefor, all or any portion of the records and accounts required to be kept by the Port Authority in electronic format pursuant to **Subsection 8.1** above and (ii) allow the City and any duly authorized representative of the City, at all reasonable times, to inspect, audit and copy all of the

accounts and records required to be maintained by the Port Authority pursuant to **Subsection 8.1** above. For the purpose of verifying the Annual Statements, the Port Authority shall make available agreement and lease files, and records reflecting any adjustments to accounts, and audit reports made by the internal auditors of the Port Authority or by outside accountants retained by the Port Authority or by consultants, relating to or verifying the factors of revenue which enter into the computation of Base Rent.

8.3 Subleases and other Agreements. Without limiting any of the other provisions of this Agreement, the Port Authority shall, promptly after each request by the City, deliver to the City (i) a list of all of the Subleases, service contracts, funding agreements and all other agreements entered into by the Port Authority in connection with the Municipal Air Terminal during or with respect to the Years indicated in the applicable request from the City and (ii) true, correct and complete copies of all of such agreements, but only to the extent requested by the City. The City may ask for documents by name, category or by some other designation if it elects to do so.

8.4 Survival. The provisions of this Section 8 shall survive the Expiration Date or earlier termination of this Agreement.

Section 9. Financing the Development of the Municipal Air Terminals

9.1 Port Authority Bonds. The Port Authority shall have the right, in its discretion, to issue Bonds, including Special Project Bonds, and to make expenditures, from time to time, in such amounts as it may deem to be necessary or appropriate to rehabilitate, expand, improve and develop the Municipal Air Terminals.

9.2 No Lien upon Demised Premises. No Bonds, whether issued For Municipal Air Terminal Purposes or otherwise, shall be a lien or charge upon the Demised Premises or on Landlord's interest therein. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

9.3 No Pledge of Revenue Beyond Term. Notwithstanding any other provision of this Agreement, (i) any pledge of revenues of the Municipal Air Terminals to secure Bonds or bonds issued by any Affiliate of the Port Authority or by any Subtenant shall be expressly subject and subordinate to the terms and conditions of this Agreement, (ii) the Port Authority shall not pledge any revenues of the Municipal Air Terminals, or any part thereof, derivable at any time after the end of the Term or sooner termination thereof (other than revenues accruing prior to the end of the Term), as security for the repayment of principal or interest, or of any part thereof, on any Bonds, and (iii) no Bonds or bonds of any Affiliate of the Port Authority or any Subtenant shall affect in any manner whatsoever or grant any right whatsoever to or in the Municipal Air Terminals or their use, operation or maintenance, or revenues for or during, any period after the Expiration Date or sooner termination of the Term. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

9.4 No City Obligation. Bonds shall not be an obligation of the City, and the Port Authority shall have no power to pledge the credit of the City in any way whatsoever. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

9.5 Financing of Projects by the City. During the Term, the City shall not finance any projects at the Demised Premises, except that such restriction on financing shall not apply with respect to (i) projects for which the City has adopted inducement resolutions prior to January 16, 2004, (ii) the refunding of any bond issues by the City or (iii) the maintenance, repair, extension, relocation, upgrading or replacement of any services or utilities provided or to be provided by the City, including, without limitation, all maintenance, repair, restoration, relocation, replacement and extension work that DEP elects to make to the Retained Water System Property pursuant to Section 12 and Section 13 of this Agreement.

Section 10. Competitive Facilities

10.1 By the City. During the Term and subject to Section 10.2, the City shall not, except as hereinafter provided, promote, finance, establish, construct, operate, or maintain within the geographic limits of the City any competitive airplane runways, landing areas, or other facilities for the landing or taking-off of aircraft, without the consent of the Port Authority, and shall not authorize any other person so to do, without such consent. Airplane runways, landing areas or other facilities designed or used for the landing or taking off of aircraft shall be deemed to be competitive with the Municipal Air Terminals if they are designed or used for the accommodation of any aircraft operated by common or contract carriers on scheduled or non-scheduled flights carrying passengers, mail, or cargo who or which are moving between a point within the Port of New York District and a point without the Port of New York District; or if they are designed or used for the accommodation of other aircraft having an allowable gross weight at take-off under existing or future Federal regulations in excess of 10,000 pounds. The prohibition shall not apply, and the Port Authority's consent shall not be required, in connection with, (i) facilities for the landing and taking off of aircraft, existing as of the Effective Date, (ii) any privately owned or operated airplane runways, (iii) helicopter landing areas or (iv) seaplane bases.

10.2 City's Power of Regulation Unaffected. The provisions hereof shall in no way affect the right of the City to have power of regulation over airports, airplane landing sites, and seaplane bases in the Port of New York or in the City, which are privately owned or operated; or the right to regulate such further local facilities, whether or not privately owned or operated, including helicopter landing sites and seaplane bases, as may be required in the public interest.

10.3 By the Port Authority. During the Term the Port Authority shall not promote, finance, establish, construct, operate or maintain within the geographic limits of the City any airplane runways, landing areas, or other facilities for the landing or taking off of aircraft without the express written consent of the City except at the Municipal Air Terminals. Nothing herein contained, however, shall prevent the Port Authority from promoting, financing, establishing, constructing, operating or maintaining airplane runways, landing areas, or other facilities for the landing or taking off of aircraft at any point or points outside of the limits of the City.

Section 11. Garbage Removal, Snow Removal, Police and Fire Protection

11.1 Garbage Removal. The Port Authority shall be responsible, at its sole cost and expense, for the collection and proper disposal of all garbage and refuse from each of the Municipal Air Terminals and the Demised Premises.

11.2 Snow Removal. The Port Authority shall, at its sole cost and expense, be responsible for removal of snow and ice from the Demised Premises. The Port Authority shall not place such snow and ice upon any of the public streets or highways of the City, other than in the immediate vicinity of the Light Rail System. The City shall not place at or on the Demised Premises any snow or ice originating from City-owned property.

11.3 Police and Fire Protection. The Port Authority will provide all necessary police for patrolling, for guarding and for traffic control in the Demised Premises, and equipment and personnel for aircraft crash, fire protection and rescue work. The City will have no responsibility for maintaining fire or police personnel in the Demised Premises. The Police Department of the City shall respond to calls from the Port Authority in the event of the commission of crime, rioting, disasters and other emergencies in the Demised Premises, and the Fire Department of the City shall respond to calls by the Port Authority in the event of a fire or any other emergency.

Section 12. Sewer and Other Rights Reserved to the City

12.1 Water and Wastewater System Property.

12.1.1 The parties recognize that within the Demised Premises there are currently located sewers, water mains, water and wastewater conduits, wastewater treatment facilities, sludge lines, a sludge dock and a sludge tank, power lines, telephone and signal lines, meters and other facilities to which the City retains ownership and control and which are not part of the Demised Premises and not subject to this Agreement (“**Retained Water System Property**”), and acknowledge and agree that the City shall have the right to maintain, repair, restore and replace all portions of the Retained Water System Property, provided, that any such maintenance, repair, restoration or replacement shall not interfere with or affect the safe operation of the Demised Premises. For that purpose, the City and its duly designated officials and employees shall have the right, at all reasonable times and on reasonable notice to the Port Authority (provided that, in the event of an emergency the City and its duly designated officials and employees shall have the right at all times and without prior notice), to enter upon the Demised Premises with personnel, equipment, trucks and vehicles for the purpose of making inspections, repairs, replacements and restorations (including but not limited to any restoration following a casualty) of the Retained Water System Property as shall be necessary in the opinion of the City.

12.1.2 The parties also recognize that within the Demised Premises there are currently located sewers, water mains, water and wastewater conduits and other facilities installed by the Port Authority (the “**Port Authority Water System Property**”). The parties hereby acknowledge that the Port Authority shall, at all times, maintain and operate, at its sole cost and expense, the Port Authority Water System Property and that such maintenance and operation of the Port Authority Water System Property shall comply with, and remain subject to, all applicable laws. By its execution of this Agreement, the City shall not be deemed to have consented to or approved any portion of the Port Authority Water System Property that has been, or may hereafter be, installed in violation of any applicable laws or without the proper consent of DEP and any other applicable Governmental Authority.

12.1.3 The City further reserves the right to use Thurston Basin and Bergen Basin within the Demised Premises, as shown on Sheet JFK-1 of Exhibit A, respectively, as outlets for storm sewers, and the further right, subject to security requirements, to use Bergen Basin as a means of access by tugs, tug-boats, barges and other water craft between Jamaica Bay and the sludge dock and tank located on the west side thereof, or for any other purpose consistent with its responsibilities to provide water and wastewater services for the City; provided that such purpose does not materially impair the operations of the Port Authority or its use of the Demised Premises for purposes permitted hereunder. If the City determines it is necessary for the provision of water and wastewater services, the City shall obtain any required permits and arrange to perform any dredging work at Thurston and Bergen Basins, as it deems necessary. The Port Authority shall have the right to bulkhead the sides of the basins and dredge Thurston and Bergen Basins at its own cost for navigation purposes if it so desires to do, and to use or permit their use for such purposes upon the prior written approval of the DEP, but the City shall have no obligation to dredge or maintain them for those purposes.

12.1.4 The Port Authority shall not construct or demolish or permit the construction or demolition of any building or structure or make or permit the making of any excavation which will interfere with or affect the usefulness of any Retained Water System Property or any other City owned sewer, water main, water or wastewater conduit, or facility related to a wastewater treatment plant owned and operated by the City or any appurtenant facility thereof or similar facility without the prior written approval and supervision of the DEP and any other applicable Governmental Authority.

12.1.5 In the event it is necessary to extend or relocate any portion of the Retained Water System Property as a result of any construction, fill or excavation done or to be done by the Port Authority or its Subtenants at, on or under the Demised Premises or because any Improvement requires additional water and wastewater services, any such extension or relocation shall be done or caused to be done at the sole cost of the Port Authority and upon plans and specifications and timelines approved by, and under the supervision of, DEP or the agency of the City succeeding to DEP's jurisdiction.

12.1.6 In the event it is necessary to extend or relocate any portion of the Port Authority Water System Property as a result of any construction, fill or excavation done or to be done by the Port Authority or its Subtenants at, on or under the Demised Premises or because any Improvement requires additional water and wastewater services, any such extension or relocation, and the operation and maintenance, repair or restoration associated therewith, shall be done or caused to be done at the sole cost of the Port Authority and upon plans and specifications and timelines approved by, and under the supervision of, DEP or the agency of the City succeeding to DEP's jurisdiction.

12.1.7 The parties recognize that, during the Term, the City may find it necessary, not only to maintain the existing Retained Water System Property, but also to relocate and extend the Retained Water System Property and to construct and maintain new sewers within the Demised Premises to serve areas or property outside of the Demised Premises. Accordingly, the City may relocate and extend the Retained Water System Property and may construct new sewers or extend existing sewers within the Demised Premises to the extent necessary, to areas or property outside of the Demised Premises, provided, that any such relocation and extension of

the Retained Water System Property, and construction or extension of new sewers to serve areas or property outside of the Demised Premises, shall not interfere with or affect the safe and efficient operation or future development of the Demised Premises. Upon the relocation or extension of the Retained Water System Property, or the construction or extension of new sewers to serve areas or property outside of the Demised Premises, the same shall become part of the Retained Water System Property. The City shall have the right to enter upon the Demised Premises in order to perform such relocation or extension of the existing Retained Water System Property, or the construction or extension of new sewers to serve areas or property outside of the Demised Premises at its own cost, subject to the prior approval of the Port Authority as to the proposed timing and location and in accordance with plans and specifications approved by the Port Authority. All work performed by the City in connection with the construction or extension of such sewers under this **Section 12.1.7** shall be done in a manner consistent with the safe and efficient operation of the Municipal Air Terminals and, to that end only, the Port Authority shall supervise the work

12.2 Utility Easements. The lease of the Demised Premises is subject to any existing easements or rights of gas, electric and other public utility companies to maintain facilities therein. The Port Authority shall have the right to use and maintain utility facilities heretofore installed in the portion of the bed of Ditmars Boulevard identified on Sheet LGA-2 of **Exhibit A** as the Ditmars Boulevard Utility Easement and more particularly described in **Exhibit B-8** attached hereto, which facilities shall be deemed Equipment for purposes of this Agreement.

Section 13. Water and Wastewater Service

13.1 The City shall provide and maintain water supply lines up to the perimeter of the Demised Premises necessary to serve the Municipal Air Terminals.

13.2 The City shall, at its own expense, install and maintain such meter or meters that DEP determines are best suited for measuring the amount of water and wastewater consumed or used within such Municipal Air Terminals. Upon installation, such meters shall become part of the Retained Water System Property. The Port Authority shall provide DEP and its duly designated officials, employees and contractors with full cooperation and access to complete the installation, and the City and its duly designated officials and contractors shall have the right at all reasonable times and on reasonable notice to enter upon the Demised Premises with personnel, equipment, trucks and vehicles for the purpose of making inspections, repairs, installations and replacements of such meters as shall be necessary in the opinion of the City. The Port Authority shall pay directly to the New York City Water Board, when due and owing, any and all water and wastewater bills issued by the DEP on behalf of the Water Board at rates annually established by the Water Board for any and all water and wastewater services provided to the Demised Premises. Charges payable for water and wastewater services to the Demised Premises shall be Additional Rent hereunder and shall be at rates and under same terms and conditions that would apply to any other customer of the New York City water and wastewater system. The provisions of this **Subsection 13.2** shall survive the expiration or sooner termination of this Agreement.

Section 14. Insurance

14.1 Definitions.

14.1.1 **"City Insureds"** as used in this Section 14 means, for any type of insurance required hereunder, the City, the City's officials and employees (but only if the Port Authority's officials and employees are likewise insured), and EDC.

14.1.2 **"Losses"** as used in this Section 14 means any costs, charges, expenses incurred in the defense, investigation or adjustment of any claims (including without limitation fees and disbursements of consultants, counsel or experts), losses, payments, damages (including without limitation any actual, consequential, or, where allowable by law, punitive or exemplary damages), civil fines or penalties, judgments, and amounts paid in settlement.

14.1.3 **"Maximum Available Limit"** as used in this Section 14 shall mean, for any type of insurance required hereunder, the limit (or sublimit) that is commercially available to the Port Authority at the renewal, termination, or cancellation date of such type of insurance during the Term at any time after the Execution Date. In the event that the Port Authority believes that insurance that is commercially available to it does not provide protection for the risk at issue, the Port Authority may seek the City's consent, which shall not be unreasonably withheld, to an alternative method for it to protect against that risk.

14.1.4 **"Pollution Conditions"** as used in this Section 14 means the discharge, dispersal, migration, release or escape of any Hazardous Materials into or upon land, or any structure on land, subsurface, soils, sediments, the atmosphere or any watercourse or body of water, including groundwater, whether caused by a third party (including without limitation remediation contractors or consultants), an act of war or Terrorism or otherwise, in each case, on, at, under, or migrating to or from, the Municipal Air Terminals.

14.1.5 **"Terrorism"** as used in this Section 14 shall mean any violent act or an act that is dangerous to human life, property or infrastructure and is committed by any individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States by coercion.

14.2 Property Insurance.

14.2.1 The Port Authority shall, at all times throughout the Term, provide and keep in force comprehensive "All Risk" of direct physical loss or damage, insurance covering the Improvements, including, without limitation, coverage for loss or damage by acts of Terrorism, water, flood, subsidence and earthquake (excluding, at the Port Authority's option, from such coverage normal settling only) and, when and to the extent obtainable from the United States government or any agency thereof, war risks for all buildings, structures, equipment and fixtures in or upon the Demised Premises used in connection with the operation of the Municipal Air Terminals at the Maximum Available Limits. Such insurance, which shall cover the interests of both the City Insureds and the Port Authority in such property, shall be valued at full replacement cost, with the replacement value of the Improvements to be determined from time to time, but not less frequently than required by the insurer and in any event at least once every three (3) years, it being agreed that no omission on the part of the City Insureds to request any

such determination shall relieve the Port Authority of its obligation to determine and insure the replacement value thereof (in the absence of such valuation, the FM (Factory Mutual) or MIRI (Industrial Risk Insurers) indices will be applied); and shall include the following types of coverage:

- (a) Automatic Coverage;
- (b) Building Ordinance Coverage;
- (c) Business Income including Extra Expense and Rents (“Rent Insurance”) on an Actual Loss Sustained basis;
- (d) Civil & Military Authority;
- (e) Debris Removal;
- (f) Decontamination Costs;
- (g) Demolition and Increased Cost of Construction;
- (h) Earth Movement;
- (i) Extended Period of Liability;
- (j) Extra Expense;
- (k) Adjustment and Claim Expense;
- (l) Flood;
- (m) Ingress/Egress;
- (n) On Premises Services;
- (o) Property Damage;
- (p) Service Interruption Property Damage;
- (q) Service Interruption Time Element;
- (r) Soft Costs;
- (s) Terrorism;
- (t) Contingent Business Interruption (one year from restoration); and
- (u) Time Element Interdependency.

14.2.2 The Port Authority shall, at all times throughout the Term, provide and keep in force boiler and machinery insurance in an amount as may be reasonably agreed upon with the City every three (3) years (insofar as practicable) covering direct property loss and loss of income and covering all steam, mechanical and electrical equipment, including without limitation, all boilers, unfired pressure vessels, air conditioning equipment, elevators, piping and wiring.

14.2.3 The Port Authority shall, at all times throughout the Term, provide and keep in force sprinkler leakage insurance in amounts as may be reasonably agreed upon with the City (the foregoing to be required only if same is excluded from the insurance required to be provided and kept in force pursuant to **Subsection 14.2.1** above).

14.3 Liability Insurance.

14.3.1 The Port Authority shall, at all times throughout the Term, provide and keep in force (x) Airport Liability Insurance and (y) commercial general liability insurance and/or public liability insurance at the Maximum Available Limits covering the premises operations of the Port Authority for the Demised Premises, including the operation of mobile equipment, against liability for bodily injury, death and property damage, including the Demised Premises and all streets, alleys and sidewalks adjoining or appurtenant to the Demised Premises. The City Insureds shall be listed as an additional named insureds on the Airport Liability Insurance policies and as Additional Insureds (with coverage no narrower than that provided under ISO endorsement CG 20 26 11 85) on the commercial general liability and/or public liability policies. Such insurance shall include the following protection:

- (a) broad form liability, including (A) blanket contractual liability (covering the indemnification provisions assumed by the Port Authority hereunder, including bodily injury to employees or others assumed by the Port Authority under contract, which insurance shall cover all costs, expenses and/or liability (including, without limitation, attorneys' fees and disbursements) arising out of or based upon any and all claims, accidents, injuries and damages mentioned in Section 31 of this Agreement and required to be insured against hereunder), (B) personal injury and advertising injury liability, (C) premises medical payments, (D) host liquor liability, (E) fire legal liability on real property, (F) broad form property damage liability, including completed operations, (G) incidental medical malpractice, (H) non-owned watercraft liability, (I) limited world-wide coverage, (J) additional interests insured, (K) extended bodily injury coverage, and (L) automatic coverage on newly-acquired entities;
- (b) products and completed operations;
- (c) independent contractors;
- (d) blanket automatic contractual liability to include bodily injury to employees of others assumed by the Port Authority; and
- (e) water damage legal liability shall not be excluded;
- (f) endorsement acknowledging aviation facility operations on the Demised Premises;
- (g) Terrorism coverage;
- (h) XCU coverage; and
- (i) no coverage exceptions for properties containing or adjacent to railroad facilities.

Notwithstanding the foregoing, the commercial general liability insurance required by this Subsection 14.3.1 shall not be required to provide one or more of the following protections in the event such protection, at the time of insurance placement, cannot be procured from the issuing insurance company: host liquor liability, incidental medical malpractice and/or XCU coverage and other risks insofar as reasonably agreed to by the City as being not present at the Air Terminals or procured and maintained by a Subtenant (with the City Insureds as additional insureds thereunder).

14.3.2 The Port Authority shall, at all times throughout the Term, provide and keep in force comprehensive automobile liability insurance for all owned, non-owned, leased, rented and/or hired vehicles insuring against liability for bodily injury and death and for property damage in an amount as may from time to time be reasonably determined by the City but not less than \$2,000,000 (Two Million Dollars) per claim.

14.4 Pollution Insurance. The Port Authority shall, at all times throughout the Term, provide and keep in force at the Maximum Available Limit pollution legal liability coverage for the Port Authority as first named insured and the City Insureds as additional named insureds, including coverage of Losses arising from (1) investigation, removal, clean-up costs, remediation, monitoring or response action, to the extent required by Environmental Laws and any repair, replacement or restoration of real or personal property to substantially the same condition it was in prior to any of the forgoing activities; (2) orders, decrees, directives, injunctions or judgments by any Governmental Authority; (3) third party claims for bodily injury (including, without limitation, medical monitoring) and property damage (including, without limitation, natural resource damages); and (4) business interruption; in each case, to the extent such Losses relate to Pollution Conditions resulting from, or exacerbated by, facts, events or conditions first existing on or after the date hereof. Notwithstanding Subsection 14.1.3, such insurance policy (or policies) shall be in force at the Execution Date as well as the renewal, termination, and cancellation dates of such policies throughout the Term.

14.5 Workers' Compensation Insurance. The Port Authority shall, at all times throughout the Term, provide and keep in force workers' compensation coverage providing statutory New York State benefits for all persons employed by the Port Authority at or in connection with the Demised Premises and employer's liability insurance in an amount not less than that required by New York State law.

14.6 Other Insurance. The Port Authority shall provide and keep in force such other insurance in such amounts as may from time to time be reasonably required by the City or mutually agreed upon against such other insurable hazards as at the time are commonly insured against by prudent owners of like Improvements.

14.7 Insurance Policy Requirements.

14.7.1 All insurance provided by the Port Authority as required hereunder shall name the Port Authority as named insured and the City Insureds as additional named insureds, additional insureds, and loss payees to the extent, where applicable, of their respective insurable interests in the Demised Premises and shall be primary with respect to any other coverage which the City Insureds may obtain.

14.7.2 All insurance required by any provision of this Agreement shall be in such form and shall be issued by such responsible companies (i) rated by AM Best as at least A-(VII), (or comparable rating by Standard & Poors or other industry-recognized rating agency) unless the Port Authority obtains the prior written approval of the City with regard to a particular policy or coverage, (ii) authorized to do business in the State of New York and (iii) otherwise reasonably acceptable to the City.

14.7.3 Each policy of insurance required to be obtained by the Port Authority as herein provided shall contain to the extent obtainable and whether or not an additional premium shall be required in connection therewith (i) a provision that no act or omission or negligence of the Port Authority or any other named insured or violation of warranties, declarations or conditions by the Port Authority or any other named insured shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, (ii) an agreement by the insurer that such policy shall not be cancelled or modified without at least thirty (30) days prior written notice to the City Insureds, (iii) an agreement that the coverage afforded by the insurance policy shall not be affected by the performance of any work in or about the Improvements or the occupation or use of the Demised Premises by the Port Authority or any Subtenant for purposes more hazardous than those permitted by the terms of such policy, (iv) a waiver by the insurer of any claim for insurance premiums against the City Insureds or any named insured other than the Port Authority, and (v) a waiver of subrogation by the insurer of any right to recover the amount of any loss resulting from the negligence of the Port Authority, the City Insureds, their agents, employees or licensees.

14.8 Premiums; Evidence of Insurance. All policies referred to in this Agreement shall be procured by the Port Authority at no expense to the City Insureds. Duplicate originals of such policies or, to the extent that such duplicate originals cannot be obtained, certificates of insurance with respect to such policies together with copies of such policies shall be delivered to the City promptly upon receipt from the insurance company or companies, together with proof satisfactory to the City that the then current installment of the premiums thereon have been paid; provided, that the City shall not, by reason of custody of such policies, be deemed to have knowledge of the contents thereof and no claim will be asserted or prosecuted that such custody or access, or action or inaction by the City with knowledge thereof or of information obtained under Subsections 14.9, 14.17 or otherwise, is a waiver of any rights of the City hereunder or a defense to any default or obligation of cooperation. New or renewal binders and policies, or drafts thereof, to provide coverages or replace policies expiring during the Term, or duplicate originals thereof or certificates of insurance with respect thereto, together with copies of such policies (where available), shall be delivered as aforesaid within ten (10) days of the Port Authority's receipt, together with proof satisfactory to the City that the then current installment of the premiums thereon have been paid by the date required by the insurance company. Premiums on policies shall not be financed in any manner whereby the lender, on default or otherwise, shall have the right or privilege of surrendering or canceling the policies or reducing the amount of loss payable thereunder, unless agreed to by the City; provided, however, that premiums may be paid in installments.

14.9 Cooperation. The Port Authority and the City shall cooperate in connection with the placement of insurance coverages required hereunder and in the collection of any insurance moneys that may be due in the event of loss. The Port Authority and the City shall execute and deliver such proofs of loss and other instruments as may be required for the purpose of obtaining the recovery of any such insurance moneys. When submitting a notice to an insurer regarding an occurrence, loss or claim under any policy, the Port Authority shall specify, to the extent necessary under such policy, that such notice is being made on behalf of the City as well as itself, and shall thereafter provide the City, upon demand, with any response or other correspondence received by it from the insurer regarding such notice, occurrence, loss or claim.

14.10 Additional Policies of Personal Liability Insurance. The Port Authority shall not carry separate insurance (other than personal injury liability insurance) concurrent in form or contributing in the event of loss with that required by this Agreement to be furnished by the Port Authority, unless the City Insureds are included therein as additional named insureds. The Port Authority promptly shall notify the City of the carrying of any such separate insurance and shall cause the policies therefor or duplicate originals thereof or certificates of insurance with respect thereto together with copies of such policies to be delivered as required in this Agreement.

14.11 Adjustments for Claims. All property insurance policies as required by this Agreement shall provide in substance that all adjustments for claims with the insurers shall be made with the Port Authority. Notwithstanding the foregoing, the Port Authority (y) shall consult with the City during the process of such adjustment and provide the City with all relevant documentation upon demand and, (z) in the event that the Port Authority also has a pending claim relating to property outside the Demised Premises in excess of Ten Million Dollars (\$10,000,000), shall give the City notice thereof and adjust such claim completely independently of and without prejudice to the adjustment of the claim relating to the Demised Premises.

14.12 Compliance with Requirements of Insurance Carriers. The Port Authority shall not violate or permit to be violated any of the conditions or provisions of any insurance policy required hereunder, and the Port Authority shall so perform and satisfy or cause to be performed and satisfied the requirements of the companies writing such policies so that at all times companies of good standing, reasonably satisfactory to the City, shall be willing to write and continue such insurance.

14.13 Liability Insurance on an "Occurrence" Basis. All liability insurance required to be provided and kept in force by the Port Authority under this Agreement shall be written on an "Occurrence" basis; provided, however, that if (i) a basis other than such "Occurrence" basis shall be adopted throughout the insurance industry and (ii) such other basis shall be accepted by the operators of competitive air terminals, then the Port Authority may provide and keep in force liability insurance written on such other basis reasonably satisfactory to the City.

14.14 Blanket Policy. The insurance required to be obtained by the Port Authority under this Agreement, at the option of the Port Authority, may be effected by blanket or umbrella policies issued to the Port Authority covering the Demised Premises and other properties owned or leased by the Port Authority; provided that the policies otherwise comply with the provisions of this Agreement and specifically allocate to the Demised Premises the coverages required hereby, without possibility of reduction or coinsurance by reason of any other premises named therein, and if the insurance required by this Agreement shall be effected by any such blanket or umbrella policies, the Port Authority shall furnish to the City certified copies or duplicate originals of such policies in place of the originals, with schedules thereto attached showing the amount of insurance afforded by such policies applicable to the Demised Premises, and in addition, within ten (10) days after the Port Authority's receipt thereof, copies of the schedule of all Improvements affected by any such blanket or umbrella policy of insurance.

14.15 Property Insurance Proceeds. All proceeds from Property Insurance ("Insurance Proceeds") shall be applied, in the first instance, to satisfy the Port Authority's obligation to pay Rent under this Agreement (if not otherwise satisfied by the Port Authority) in an amount equal

to not less than three (3) years of current Base Rent, and shall otherwise be applied to Restore the Improvements in accordance with **Subsection 14.22**.

14.16 Failure to Procure or Maintain Required Insurance. If the Port Authority fails or refuses to procure or maintain insurance as required by this Agreement (including, but not limited to, the Maximum Available Limit of such insurance) or fails upon request or refuses to furnish the City Insureds with required proof that the insurance has been procured and is in force and paid for, the City shall have the right, at the City's election and on ten (10) days notice, consistent with **Section 26.1**, to procure and maintain such insurance, and pay premiums thereon, without further notice to the Port Authority. In such event, the rights and obligations of **Section 26.2** shall govern.

14.17 Consultations with the City. Three months in advance of the end of the policy period of any insurance policy procured in accordance with this **Section 14** (or immediately upon receipt of a notice of cancellation of any such policy), the Port Authority shall notify the City of such event and enter into prompt discussions with the City concerning the placement of such insurance. As soon thereafter as feasible, the Port Authority shall inform the City of the availability and price of such type of insurance and, specifically, the Port Authority's opinion of the Maximum Available Limit(s) and the commercial necessity of any material exclusions or limitations of such type of insurance. The Port Authority shall also provide the City with all such information as the City may request concerning the Port Authority's efforts to secure such insurance, including, without limitation, all presentations to the Port Authority by its placing broker(s) and all recommendations and instructions given to such broker(s).

14.18 Self-Insurance. The Port Authority may self-insure a portion of its insurance obligations hereunder, but, in no event, shall the Port Authority self-insure an aggregate amount (not including any amounts exceeding the limits required hereunder) in excess of Fifty Million Dollars (\$50,000,000) for all such lines of coverage combined (plus, in the event the Port Authority self-insures a portion of its insurance obligations pursuant to **Subsection 14.4**, an additional amount applicable to such obligations not to exceed Fifty Million Dollars (\$50,000,000)), unless the Port Authority receives the City's advance written approval of some higher amount. Such self-insurance shall in no way limit or diminish the rights that the City Insureds, would have had under the insurance required hereunder (e.g., as additional named insureds, additional insureds or loss payees), or the rights they have under the insurance provided pursuant hereto. Further, this **Subsection 14.18** shall in no way limit or diminish the waiver of subrogation rights and obligations as required under this Agreement or the rights of the City Insureds' insurance carriers would have had under "other insurance" or similar clauses in the City Insureds' insurance policies if the Port Authority had not satisfied its insurance requirements with said self insurance. By the Port Authority self insuring any part of its insurance obligations pursuant to this **Subsection 14.18**, the Port Authority will defend, indemnify and hold harmless the City Insureds from all claims, suits or actions of every name, kind and description, brought forth, or on account of, injuries to or death of any person or damage to property to the extent, where applicable, of its insurable interest in the Demised Premises and shall be primary with respect to any other coverage which the City Insureds may obtain.

14.19 The City's Rights under Insurance Purchased by Third Parties. In all circumstances relating to improvements or operations at the Demised Premises where a third party (including, without limitation, Subtenants, contractors, or subcontractors of the Port Authority) is obligated to name the Port Authority as additional named insured, additional insured and/or loss payee under any insurance policy, the Port Authority shall, for all such policies, (a) obligate such third person to likewise name the City Insureds as additional named insureds, additional insureds or loss payees, (b) take all reasonable measures to assure that the City Insureds are named accordingly, (c) provide the City upon demand with access to all Certificates of Insurance evidencing such insurance (including the City Insureds' coverage thereunder), (d) when it submits any notice to an insurer regarding an occurrence, loss or claim under such policy, specify, to the extent necessary under such policy, that such notice is being made on behalf of the City as well as the Port Authority, and (e) provide the City, upon demand, with any response or other correspondence received by it from the insurer regarding such notice, occurrence, loss or claim.

14.20 Minimum Levels of Insurance Purchased by Certain Third Parties. The Port Authority shall obligate each of its contractors (and any such contractor's subcontractors) that operate, maintain or service any fuel tanks or fuel distribution systems on the Demised Premises to provide contractor's pollution liability insurance protecting itself, the Port Authority and the City Insureds at the Maximum Available Limit but, in any event, in an amount no lower than One Hundred Million Dollars (\$100,000,000).

14.21 Relationship between Insurance and Indemnification. The obligations of the Port Authority under Section 31 shall not be affected in any way by the absence in any case of covering insurance (whether or not required under this Section 14) or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Demised Premises.

14.22 Use of Insurance Proceeds; Duty to Restore Damaged Improvements and Pay Rent; and Related Issues.

14.22.1 If all or any part of any of the Improvements, the value of which shall exceed \$1,000,000, shall be destroyed or damaged in whole or in part by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, the Port Authority shall give to the City immediate written notice thereof stating the nature of the casualty, what was destroyed or damaged and the estimated loss, and what insurance or self-insurance coverage may be available to cover the loss. Whether or not such damage or destruction shall have been insured, and whether or not insurance proceeds, if any, shall be sufficient for the purpose, the Port Authority shall, with reasonable diligence (subject to Unavoidable Delays), repair, alter, restore, replace and rebuild the same, at least to the extent of the value and as nearly as possible to the condition, quality and class of such Improvements existing immediately prior to such occurrence, with such changes or alterations as the Port Authority shall elect to make, or make other capital improvements to the Municipal Air Terminals (collectively, "Restore"); provided that, such changes, alterations, or other capital improvements comply with the Port Authority's obligation to maintain and operate the Municipal Air Terminals in accordance with Section 28 of this Agreement, and provided further that, in the event the Port Authority wishes to make other

capital improvements to the Municipal Air Terminals, it shall notify the City of its intention to do so notwithstanding the threshold for such notice provided in **Subsection 17.2**, and in any event the Port Authority will, (x) within five (5) years of the casualty in question, obtain such authorization from the Port Authority Board of Commissioners (or other requisite authorization) as may be necessary to reinvest in the Municipal Air Terminals an amount (not counting for this purpose any amounts reflected in the Port Authority's capital budgets adopted prior to the date of the casualty in question) which is not less than the Insurance Proceeds together with interest at the Interest Rate accruing from the date of the casualty, and (y) commence construction of such improvement within two (2) years of the date of such authorization, and if the Port Authority fails to obtain such authorization or commence such construction within such time periods, the Port Authority shall pay to the City an amount equal to the Insurance Proceeds not so reinvested together with interest at the Late Rate accruing from the date of the casualty. In addition, the Port Authority shall, upon request, account to the City for all amounts spent in connection with any Restoration undertaken in connection with destruction or damage exceeding \$1,000,000 and the use of Insurance Proceeds received in connection therewith. The City in no event shall be obligated to Restore the Improvements or any portion thereof or to pay any of the costs or expenses thereof.

14.22.2 In any case where this Agreement shall expire or be terminated for any reason prior to the completion of Restoration, (y) the City may, but shall not be required to, complete such Restoration at the Port Authority's expense, and (z) the Port Authority shall account to the City for all amounts spent in connection with any Restoration which was undertaken and shall pay over to the City, within ten (10) days after demand, the remainder, if any, of the Insurance Proceeds previously received by it or if any portion of Insurance Proceeds were not received, assign to the City the right to receive the same and the City shall be subrogated to the rights of the Port Authority under the insurances maintained pursuant to this Agreement.

14.22.3 In the event Insurance Proceeds received by the Port Authority pursuant to **Subsection 14.15** shall be insufficient to Restore the Improvements pursuant to **Subsection 14.22.1**, then the Port Authority shall Restore such Improvements, at its sole cost and expense. In the event Insurance Proceeds covering the Restoration of any Improvements exceeds the cost of such Restoration, the Port Authority shall use such excess Insurance Proceeds for the purpose of the making of other capital improvements to the Municipal Air Terminals.

14.22.4 This Agreement shall not terminate or be forfeited or be affected in any manner, and there shall be no reduction or abatement of the Base Rent payable hereunder, by reason of damage to or total, substantial or partial destruction of the Improvements or any part thereof or by reason of the untenability of the same or any part thereof, for or due to any reason or cause whatsoever, and the Port Authority, notwithstanding any law or statute present or future, waives any and all rights to quit or surrender the Demised Premises or any part thereof. The Port Authority's obligations hereunder, including, without limitation, the payment of Base Rent, shall continue as though such Improvements had not been so damaged or destroyed and without abatement, suspension, diminution or reduction of any kind. It is the intention of the City and the Port Authority that the foregoing is an "express agreement to the contrary" as provided in Section 227 of the Real Property Law of the State of New York.

14.23 The Port Authority's obligations under **Subsections 14.9, 14.11, 14.15, 14.21, and 14.22** shall survive the expiration or termination of this Agreement.

Section 15. Airport Board

15.1 **Creation of Airport Board.** In accordance with that certain Airport Board Agreement (the "**Airport Board Agreement**") dated of even date herewith between the City and the Port Authority, the form of which is annexed hereto as **Appendix A**, the parties shall create an Airport Board (the "**Airport Board**") to review, on a quarterly basis, the operations and performance of the Municipal Air Terminals. The Airport Board shall consist of an equal number of representatives from the Port Authority and the City. The Port Authority's representatives shall include its Chief Operating Officer and Director of Aviation and the General Managers of the Municipal Air Terminals or their respective successors in duties. The City representatives shall be appointed by the Mayor.

15.2 **Funding.** Commencing with 2002 and each Year during the Term, the Port Authority shall pay directly to EDC (or a City agency to be designated by the City) an amount equal to \$100,000 per Year and increasing by 3% annually for each Year following, for the purpose of funding Municipal Air Terminal liaison functions and, upon receipt of each such payment by EDC, the Port Authority shall receive a credit equal to the amount of each such payment to be applied against the next installment of Base Rent due and payable pursuant to **Section 4** of this Agreement. By December 31, 2004, the Port Authority shall pay to EDC the sum of Three Hundred Nine Thousand and Ninety Dollars (\$309,090) representing amounts due and payable by the Port Authority pursuant to this Section 15.2 for Years 2002, 2003 and 2004, and, accordingly, the Port Authority shall receive a credit equal to the amount of such payment to be applied to the next installment of Base Rent.

15.3 **Performance Standards.** The Airport Board may review Municipal Air Terminal operations against certain financial, operational, and performance standards (the "**Performance Standards**") established by the City and the Port Authority, which Performance Standards are set forth in **Appendix A** and may be updated or revised in writing, from time to time, by the Port Authority and the City.

15.4 **Consultants.** The City and the Port Authority shall have the right to retain independent consultants to review and report on the operations and performance of the Municipal Air Terminals. The Port Authority and the City shall each fund an equal amount of up to \$250,000 annually to pay for such consultants' services; provided, however, that at the City's direction, the City's share of such funding shall be deducted from Base Rent and paid by the Port Authority to the independent consultants or EDC, as applicable.

15.5 **Quarterly Reports.** The Port Authority shall transmit a report quarterly to the Airport Board, for its information, on achievement of the Performance Standards, which quarterly reports shall comply, in all respects, with the requirements prescribed in the Airport Board Agreement.

15.6 Actions not Binding. No action or omission of the Airport Board shall affect the rights or obligations of the City or the Port Authority under this Agreement. This provision shall survive expiration or earlier termination of this Agreement.

Section 16. Intentionally Deleted

Section 17. Physical Changes

17.1 Subject to the terms of this Agreement, the Port Authority shall have the right to alter, change, remove, relocate or demolish any Improvement on the Demised Premises, to place fill upon or excavate the Demised Premises, to erect Improvements thereon or therein, and to make other physical changes thereon or therein, provided, however, that such right shall not limit or modify any rights of the City or obligations of the Port Authority contained in this Agreement, including the Port Authority's obligation to use, operate, maintain and develop the Demised Premises as a "first class" airport and in accordance with the Performance Standards and the other terms and conditions of this Agreement.

17.2 The Port Authority shall notify the City of its or any Subtenant's intention to undertake any capital improvement the cost of which is in excess of \$50,000,000 (which amount shall be increased in proportion to the increase, if any, in the Consumer Price Index for the month in which the Execution Date falls) prior to commencing such Improvements and shall, upon request of the City, deliver to the City (or to the Person or agency designated, from time to time, by the City) true, accurate and complete copies of the "as built" plans for all alterations to existing Improvements and construction of new Improvements on the Demised Premises, in each case, promptly after the completion thereof.

17.3 The Port Authority shall deliver to the City (or to the Person or agency designated in writing, from time to time, by the City), for information purposes only, (i) a true, accurate and complete copy of its Five Year Capital plan within ninety (90) days after the commencement of each fiscal year of the Port Authority and (ii) any capital planning documents pertaining to future capital projects planned for either of the Municipal Air Terminals.

Section 18. Policy in Regard to City Ordinances and Regulations; City Services and Franchises

18.1 In the use, operation, maintenance and future development and expansion of the Municipal Air Terminals, the Port Authority will as a matter of policy, conform to the enactments, ordinances, resolutions and regulations of the City and its various departments, boards and bureaus, in regard to the construction and maintenance of all Improvements, and in regard to life safety, 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 Air Terminal operations, or its ability to operate the Municipal Air Terminals upon a self-supporting basis, or its obligations, duties and responsibility to the two states, 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, subject to its obligation to comply with all of the provisions of this Agreement, including without limitation, **Section 28** hereof. Nothing herein is intended to modify any written agreement or

Memorandum of Understanding with, or building code of, the New York City Department of Buildings or any other City agency.

18.2 The Port Authority shall not prevent, prohibit or inhibit (but may direct or otherwise control) public transportation or taxi services in, to or around the Demised Premises.

Section 19. Additional Lands and Interests Therein

19.1 Upon the Port Authority's, or Affiliate of or party acting on behalf of the Port Authority's, acquisition of any lands and improvements thereon or rights, easements or interests therein for use for Municipal Air Terminal Purposes other than temporary use for construction staging, access or egress during construction or other similar activity, including but not limited to lands or improvements acquired for the purpose of providing additional rail access to the Demised Premises or for use in maintaining airplane beacons, guides or other aids to navigation, the same shall be deemed part of the Demised Premises and subject to this Agreement, subject to compliance with or approval under all applicable laws, rules and regulations which may affect such conveyance and incorporation. The City will use good faith efforts to and the Port Authority will, at the Port Authority's expense, cooperate in expeditiously taking such actions and executing such documents as may be reasonably necessary and appropriate to effectuate the conveyance of the same to the City without consideration and the incorporation of the same into the Demised Premises. The City and the Port Authority acknowledge and agree that New York City Planning Commission Resolution # C 990117 PQQ/C 990118 PPQ adopted May 3, 1999 and City Council Resolution # 864 adopted June 7, 1999 authorize real property dispositions and acquisitions by the City to facilitate the Light Rail System to improve access to John F. Kennedy International Airport and to incorporate the Light Rail System into the Demised Premises.

19.2 The Port Authority hereby represents to the City that, as of the Execution Date, the Port Authority has conveyed to the City all of the property and rights heretofore acquired or used by the Port Authority for Municipal Air Terminal Purposes, including but not limited to the Light Rail System, except for certain improvements and property relating to the Light Rail System within Lots 11 and 17, Block 9989, Borough of Queens and certain easements as identified in "Agreement between the New York State Department of Transportation and the Port Authority of New York and New Jersey Regarding Design, Construction, the Transfer of Easements and Maintenance Responsibilities in Connection with Section "B" Stages II, III and IV of the Nassau Expressway" dated as of the 29th day of June, 1987 and recorded at Reel 2419, Page 0613 et. seq. in the Office of the City Register, County of Queens. The Port Authority shall acquire all of the improvements and property for the Light Rail System and to convey same to the City pursuant to this Section 19 within one hundred and twenty (120) days following the Execution Date. Notwithstanding the foregoing, in the event the Port Authority has been unable to acquire the entirety of the Light Rail System within such one hundred and twenty (120) day period, the Port Authority shall immediately transfer such portions of the Light Rail System as have been acquired by or behalf of the Port Authority to the City upon the City's written demand for such transfer. The transfer of any portion of the Light Right System shall not relieve or be construed as relieving the Port Authority of its obligation to acquire and transfer the remainder of the Light Rail System. Notwithstanding the foregoing, the City hereby acknowledges and agrees that (a) the fee interest acquired by the Port Authority in Block 9989, Lot 60, Borough of Queens, and (b) the portions of Block 9989, Lots 11, 17 and 70, Borough of Queens owned or to

be owned by the Long Island Railroad and/or the Metropolitan Transportation Authority, pursuant to a Memorandum of Understanding between the Metropolitan Transportation Authority, the New York City Transit Authority, the Long Island Rail Road and the Port Authority regarding the JFK Light Rail System, Howard Beach Station and Jamaica Terminal Complex dated as of December 19, 2000, shall not be required to be conveyed to the City and shall not be part of the Demised Premises unless such portions are used for Air Terminal Purposes. All of the Port Authority's remaining interest in Block 9989 Lots 11, 17 and 70, including any development rights associated with such parcel, shall be part of the Demised Premises. The Port Authority shall convey to the City all of its right, title and interest in the easement recorded at Reel 2419, Page 0613 et seq., within thirty (30) days of the Execution Date, which interest shall thereafter be incorporated into the Demised Premises as provided in **Section 19.1** hereof.

19.3 The Port Authority shall at all times maintain, repair, restore and otherwise ensure that the LaGuardia Access Bridges and Roadways remain in a good, safe and proper working condition. Without limiting the Port Authority's obligations set forth in the first sentence of this **Section 19.3**, the City and the Port Authority agree that they will cooperate to determine the ownership of the LaGuardia Access Bridges and Roadways and: (i) in the event it is determined that they are owned by the City, the City, subject to applicable law, will expeditiously commence an application at the City's expense to permit their disposition to the Port Authority as part of the Demised Premises and lease same to the Port Authority as part of the Demised Premises pursuant to the terms of this Agreement; (ii) in the event that it is determined that they are owned by the Port Authority, the Port Authority will, at the Port Authority's expense, expeditiously take such actions and execute such documents as may be reasonably necessary and appropriate to effectuate the conveyance of the same to the City without consideration, and upon such conveyance from the Port Authority the City, subject to applicable law, shall concurrently incorporate the same into the Demised Premises as provided in **Section 19.1** hereof; and (iii) in the event that it is determined that they are owned or under the control of a third party, the Port Authority and the City, subject to applicable law, equally sharing all expenses, will use their best efforts to reach agreement to obtain the consent of such third party to permit the continuation of the use and maintenance thereof by the Port Authority for access and egress to LaGuardia Airport.

19.4 The Port Authority shall acquire, at its sole cost and expense, any and all portions of the Bowery Bay Parcel not presently owned by the City, and upon such acquisition shall promptly convey same to the City, and upon such acquisition and conveyance such portions of the Bowery Bay Parcel shall be deemed part of the Demised Premises, subject to **Section 2.1.2** hereof. Regardless of ownership, use of the Bowery Bay Parcel by the Port Authority and the City shall be subject to all of the terms and conditions of this Agreement.

Section 20. The Aqueduct Parcel

20.1 The Aqueduct Parcel.

20.1.1 *The NYRA License Agreement.* The Port Authority and the New York Racing Association, Inc. ("NYRA") have entered into a license agreement (the "NYRA License Agreement") dated as of December 11, 1992, a copy of which has been provided to the City,

permitting NYRA to use the Aqueduct Parcel in accordance with the terms and conditions of the NYRA License Agreement. The City has been advised by the Port Authority that a Termination Notice dated April 8, 2004 was sent to NYRA and that the NYRA License Agreement will terminate on May 1, 2005 (the "NYRA Surrender Date"), at which time the Port Authority shall cause NYRA to surrender and vacate the Aqueduct Parcel. The Port Authority shall not amend, modify or renew the NYRA License Agreement, or extend the NYRA Surrender Date without the City's prior written consent.

20.1.2 The Port Authority shall use the Aqueduct Parcel solely as permitted pursuant to Section 20.2 hereof. In the event the Port Authority has not commenced using the Aqueduct Parcel for Municipal Air Terminal Purposes prior to, and is not continuing to use the entire Aqueduct Parcel for Municipal Air Terminal Purposes as of (a) the fifth (5th) anniversary of the NYRA Surrender Date and (b) as of each succeeding five (5) year anniversary of the NYRA Surrender Date, then on the fifth (5th) anniversary of the NYRA Surrender Date (and on each succeeding five (5) year anniversary thereafter) the City may, but shall not be obligated to terminate this Agreement as it relates to the Aqueduct Parcel by giving written notice (the "Aqueduct Termination Notice") to the Port Authority indicating that the City desires to terminate this Agreement with respect to the Aqueduct Parcel on the date (the "Aqueduct Termination Date") specified in such Aqueduct Termination Notice. The Aqueduct Termination Date shall be one hundred and twenty (120) days after the date upon which the Aqueduct Termination Notice is delivered to the Port Authority in accordance with Section 27 hereof. Upon delivery of such notice, the City and the Port Authority shall each promptly order their own separate appraisal of the Aqueduct Parcel to determine the fair market value of the Port Authority's interest in the Aqueduct Parcel as encumbered by this Agreement. In the event the City and the Port Authority are unable to reach agreement as to such fair market value within thirty (30) days following the delivery of the Aqueduct Termination Notice to the Port Authority, such value shall be determined by an independent Member of Appraisal Institute (MAI) appraiser selected by the City, and approved by the Port Authority, which approval shall not be unreasonably withheld, delayed or conditioned, who shall have at least ten (10) years experience appraising leasehold interests of property similar to the Aqueduct Parcel. In determining the fair market value of the Port Authority's interest in the Aqueduct Parcel (as encumbered by this Agreement), the independent MAI Appraiser shall choose either the appraised value indicated in the appraisal previously ordered by the City or the appraised value indicated in the appraisal previously ordered by the Port Authority, in each case, pursuant to this Section, which determination by the MAI appraiser shall be made within thirty (30) days of his/her appointment and approval and shall be binding on the parties. The Port Authority shall quit and surrender, and cause all licensees to quit and surrender, the Aqueduct Parcel on or before the Aqueduct Termination Date, and, effective as of the Aqueduct Termination Date (i) this Agreement shall terminate as it relates to the Aqueduct Parcel and the Aqueduct Easement shall be extinguished and, thereafter, the Aqueduct Parcel shall no longer be part of the Demised Premises, (ii) neither the City nor the Port Authority (provided, as to the Port Authority, that it shall have surrendered and delivered vacant possession of the Aqueduct Parcel in accordance with the provisions of this Subsection 20.1.2) shall thereafter have any further obligation or liability to the other with respect to the Aqueduct Parcel or the Aqueduct Easement, except for obligations and liabilities which under this Agreement expressly survive the expiration or sooner termination of this Agreement and (iii) the parties shall execute a surrender agreement in recordable form when the Aqueduct Parcel is released from the Demised Premises. The City shall pay to the Port Authority

the fair market value of the Port Authority's interest in the Aqueduct Parcel (as encumbered by this Agreement) on the later to occur of (x) the Aqueduct Termination Date and (y) the date upon which the fair market value of such interest is determined pursuant to this **Subsection 20.1.2**. For purposes of this **Section 20.1.2**, the Port Authority will be deemed to have commenced use of the Aqueduct Parcel for a use permitted under **Section 20.2** only when construction work required in connection with a project (including site preparation work) has actually begun and continues with reasonable diligence on the Aqueduct Parcel, and not because design or other planning work has begun for a project at the Aqueduct Parcel.

20.1.3 The parties hereby acknowledge that there shall be no adjustment to the Base Rent due and payable from and after the Aqueduct Termination Date as a consequence of the termination of this Agreement with respect to the Aqueduct Parcel.

20.1.4 *Notification on Commencement of Use.* The Port Authority shall notify the City with respect to commencing use of the Aqueduct Parcel or any portion thereof for the purposes set forth in **Section 20.2** hereof.

20.1.5 *No City Reimbursement.* No costs incurred by the Port Authority pursuant to obligations to be performed by the Port Authority under this **Section 20** shall be reimbursed by the City.

20.2 Limitation on Use of the Aqueduct Parcel. Except as may otherwise be consented to in writing by the City, which consent may be granted or withheld in the City's sole discretion, the Port Authority shall not use or permit the use of the Aqueduct Parcel for any purpose other than long-term and employee parking lot facilities supporting the John F. Kennedy International Airport, nor shall it construct or locate or permit to be constructed or located any Improvements on the Aqueduct Parcel other than those incidental to such parking lot use.

20.3 Termination of Agreement With Respect to a Portion of the John F. Kennedy International Airport. Notwithstanding anything to the contrary contained in this Agreement, at the request of the City, the Port Authority agrees that it will enter into good faith negotiations with the City and third parties chosen by the City regarding the release from the terms of this Agreement of a portion of the Aqueduct Parcel or other portion of the John F. Kennedy International Airport, which portion shall not exceed ten (10) acres, for use by such third parties; provided that the City shall have identified such third party and the City and the Port Authority shall have agreed on the approximate boundaries of such parcel within six (6) months after the Execution Date. In the event the parties reach agreement regarding the release of such portion of the Aqueduct Parcel or other portion of the John F. Kennedy International Airport, and upon receipt of such authorizations as the City determines in its sole discretion are required to permit the lease or fee conveyance of such portion, (i) this Agreement shall terminate as it relates to such portion of the Aqueduct Parcel or other portion of John F. Kennedy International Airport and, thereafter, such portion shall no longer be part of the Demised Premises, (ii) neither the City nor the Port Authority (provided, as to the Port Authority, that it shall have surrendered and delivered vacant possession of such portion of the Aqueduct Parcel in accordance with the provisions of this **Subsection 20.3**) shall thereafter have any further obligation or liability to the other with respect to such parcel, except for obligations and liabilities which under this Agreement expressly survive the expiration or sooner termination of this Agreement, and (iii) the

parties shall execute a surrender agreement in recordable form when such portion is released from the Demised Premises. The parties hereby acknowledge that there shall be no adjustment to the Base Rent as a consequence of the termination of this Agreement with respect to a portion of the Aqueduct Parcel pursuant to this **Subsection 20.3**. In the event that a parcel of land is released from the Demised Premises pursuant to this **Section 20.3** and such parcel of land is not located on the Aqueduct Parcel, then notwithstanding any right to terminate this Agreement as it relates to the Aqueduct Parcel under **Section 20.1.2** the Port Authority shall have the right to retain a portion of the Aqueduct Parcel contiguous to the bridge connecting the Aqueduct Parcel to the remainder of the John F. Kennedy International Airport, which shall be equal in size to the size of the parcel released hereunder and which retained portion of the Aqueduct Parcel shall remain part of the Demised Premises.

Section 21. Horizontal Surfaces, Conical Surfaces, Primary Surfaces, Approach Surfaces, Transitional Surfaces and Runway Protection Zones; Avigational Easement Areas; JFK Northern Off-Airport Parcels; Off-Airport Properties-Height and Use Restrictions

21.1 During the term for which the Demised Premises are leased, the City shall not erect or authorize the erection of any obstructions or hazards to air navigation to the extent prohibited by law or by rule or regulation of the FAA, (x) upon or above City streets or other property belonging to the City which will project into the Horizontal Surfaces, Conical Surfaces, Primary Surfaces, Approach Surfaces or Transitional Surfaces or (y) within the boundaries of the Runway Protection Zones, as such may exist from time to time. If it becomes necessary or desirable to remove in whole or in part any such obstructions or hazards existing as of the Execution Date upon City-owned property and projecting into the Horizontal Surfaces, Conical Surfaces, Primary Surfaces, Approach Surfaces, Transitional Surfaces or Runway Protection Zones of such runways as they exist as of the Execution Date or as they may exist in the future, such removal shall be done only with the consent of the City and at the cost of the Port Authority.

21.2 Avigational Easement Areas.

21.2.1 The Port Authority shall have the right at all times throughout the Term to enter upon the LaGuardia Avigational Easement Areas, the JFK International Avigational Easement Areas and the Public Place Easement Area for the purpose of installing, replacing, repairing and maintaining such lighting, beacons, and similar aids to avigation and facilities incidental thereto, as may be determined by the Port Authority to be necessary or desirable for the safe and proper operation of the Demised Premises for Airport Purposes and shall have the right to cross over City streets in the vicinity thereof. For purposes of this Agreement, such avigational equipment shall be deemed Equipment. The rights and restrictions contained in this **Section 21.2.1** shall be subject and subordinate in all respects to the use by the City or the State of the portions of the JFK Avigational Easement Areas identified as the "Nassau Expressway Right of Way" on Sheet JFK-2 and more particularly described in **Exhibit B-4** attached hereto and made a part hereof for street or highway purposes.

21.2.2 The City shall not develop or use the JFK Avigational Easement Areas nor exercise any right with respect thereto so as to interfere with, impair or obstruct the safe and

efficient operation and development of the John F. Kennedy International Airport or the normal flight operations of aircraft, shall not erect or install any structure, building, tower, pole, wire or other object or installation or portion thereof, the construction, maintenance or operation of which would constitute a hazard to aviation without the prior approval of the Port Authority and shall not place fill in or upon the JFK Avigational Easements or place any structures thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, *provided*, that no such approvals shall be unreasonably withheld, conditioned or delayed. The City may, without the express written consent of the Port Authority provide, operate, maintain and permit the operation and maintenance of:

- (a) recreational facilities suitable for use for picnicking, boating, baseball, softball, court games, tennis and playground activities;
- (b) facilities for the parking of motor vehicles of persons using the aforesaid recreational facilities; and
- (c) such restaurant and/or "snack bar" facilities as are usually provided for the accommodation and convenience of persons using such recreational facilities as are above described.

The City shall take all reasonably practicable precautions to prevent its agents, employees, licensees, contractors and invitees from intruding upon, interfering with or damaging any property upon the said premises installed, operated and maintained by or on behalf of the Port Authority or the Federal Aeronautics Administration.

21.2.3 The City shall use the LaGuardia Avigational Easement Areas for park purposes and for no other purpose whatsoever and shall not develop or use the LaGuardia Avigational Easement Areas so as to interfere with, impair or obstruct the safe and efficient operation and development of LaGuardia Airport or the safe and unrestricted passage of aircraft in and over the same. The City shall not erect, install or maintain any structure, building, tower, pole, wire or other object within the LaGuardia Avigational Easement Areas the construction, maintenance or operation of which would constitute a hazard to aviation in the reasonable opinion of the Port Authority nor place fill in or upon the LaGuardia Avigational Easement Areas or place any structures or buildings thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, which approval shall not be unreasonably withheld, conditioned or delayed. The City shall take all reasonably practical steps to prevent its agents, employees, licensees, contractors, and invitees from intruding upon, interfering with or damaging equipment installed, operated or managed by or on behalf of the Port Authority or the FAA on the LaGuardia Avigational Easement Areas.

21.3 JFK Northern Off-Airport Parcels.

21.3.1 The City has advised the Port Authority that the JFK Northern Off-Airport Parcels may require the use of on-airport roadways including Eastern Road for ingress and egress and has requested the Port Authority to grant to the City and each subsequent owner or occupant thereof the right to use such roadways located on John F. Kennedy International Airport for access and egress thereto and therefrom. The Port Authority hereby grants to the

City and each subsequent owner or occupant of any portion of the JFK Northern Off-Airport Parcels such right of access and egress; provided that any instrument executed by the City conveying or leasing all or any portion of the JFK Northern Off-Airport Parcels shall expressly impose on-airport roadway use pro-rata payment covenants that shall be effective until the earlier to occur of (i) the expiration or earlier termination of this Agreement and (ii) the date upon which the City or subsequent owner or occupant, as the case may be, ceases use of the roadway; and provided further that any owner or occupant of any portion of said JFK Northern Off-Airport Parcels pays to the Port Authority its pro rata share, based on the overall use of on-airport roadways by Subtenants of the Port Authority, of the costs of maintaining the on-airport roadways (provided that such charges are comparable to charges paid by other users of the on-airport roadways who are Subtenants and payable in the same manner as for any other Subtenant permitted to use Eastern Road). Upon request, the Port Authority will deliver instruments confirming the same to any owner or occupant of said Parcels.

21.3.2 At all times during the Term, use, development and occupation of the JFK Northern Off-Airport Parcels shall be in conformance with the requirements of the FAA as specified in Title 14 CFR, PART 77.25 relating to FAA Regulations regarding "Objects Affecting Navigational Air Space – Obstruction Standards" which have the functions and standards specified in Runway Protection Zone guidelines in FAA Advisory Circular "Airport Design AC 150/15300-13, Paragraph 212, and the rights of the State of New York to construct the Nassau Expressway. Any instrument executed by the City conveying or leasing all or any portion of the City's interest in the JFK Northern Off-Airport Properties shall expressly impose such restrictions on the use, development, and occupation of the JFK Northern Off-Airport Parcels for, with respect to the FAA Regulations, so long as the John F. Kennedy International Airport is used for Air Terminal purposes and, with respect to the Nassau Expressway, until such time as the right to develop the Nassau Expressway is surrendered by the State of New York or otherwise extinguished unless the prior written consent of the Port Authority is obtained, which consent shall not be unreasonably withheld, conditioned or delayed.

21.3.3 The Port Authority shall have the right for the duration of this Agreement to use and maintain utilities and aids to aviation existing as of the Effective Date on the JFK Northern Off-Airport Parcels identified as Parcels 4, 5 and 6 in Exhibit B-5 on Sheet JFK-2 of Exhibit A attached hereto and, subject to the approval of the City, the Port Authority may relocate and replace such installations. Such installations and any replacement installations shall be deemed Equipment.

21.4 Off-Airport Properties; Height and Use Restrictions.

21.4.1 The City agrees that at no time during the Term shall the Height and Use Restricted Properties be used or occupied at any time (i) for school house or similar educational purposes or (ii) for residential purposes which include but shall not be limited to private homes, apartment houses, hospitals, nursing homes or similar facilities, hotels or motels unless the use or occupancy of such hotel or motel shall have received the express prior written consent of the Port Authority, which consent shall not be unreasonably withheld, delayed or conditioned.

21.4.2 The City agrees that at no time during the Term shall structures of any nature be erected, vehicles parked, other items placed, or growth of natural objects be permitted

by the City upon the Height and Use Restricted Properties which would in the opinion of the FAA or in the reasonable opinion of the Port Authority constitute an obstruction to aviation nor shall any activity be permitted on the Height and Use Restricted Properties which in the opinion of the FAA or in the reasonable opinion of the Port Authority interferes with or constitutes a hazard to the Municipal Air Terminals or in any way interferes with aviation or communications serving the Municipal Air Terminals. In no event, moreover, shall any structure or structures be erected or growth of natural objects be permitted upon the Height and Use Restricted Properties which shall project above a horizontal plane (i) at elevation 316 measured in feet above mean sea level at Sandy Hook, New Jersey as to the Height and Use Restricted Property described in **Exhibit B-6** as Property 1, (ii) at elevation 212 measured in feet above mean sea level at Sandy Hook, New Jersey as to the Height and Use Restricted Property described in **Exhibit B-6** as Property 2 or (iii) at elevation 162 measured in feet above mean sea level at Sandy Hook, New Jersey as to the Height and Use Restricted Property described in **Exhibit B-6** as Property 3.

Section 22. Inspection

22.1 Free Access. The City through its designated officials and employees in the performance of their official duties shall at all reasonable times have the right of free access to all portions of the Demised Premises.

22.2 Federally Restricted Areas. Notwithstanding the foregoing, however, or any other provision of this Agreement, entry by City officials or employees, or any other Person, into any Federally restricted areas of the Demised Premises, including without limitation the FAA Control Tower, Federal inspection areas, aeronautical operations areas, etc., will be subject to all applicable Federal rules and regulations.

Section 23. Condemnation

23.1 Condemnation of a Municipal Air Terminal.

23.1.1 If the whole or substantially all of a Municipal Air Terminal shall be taken (excluding a taking of the fee interest in the Demised Premises, or any leasehold interest superior to that of the Port Authority's, if after such taking, the Port Authority's rights and obligations under this Agreement are not affected) for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement among the City, the Port Authority and those authorized to exercise such right, (i) this Agreement and the Term shall terminate and expire on the date of such taking with respect to the Municipal Air Terminal so taken, (ii) the Base Rent shall be apportioned between the Municipal Air Terminal so taken and the Municipal Air Terminal not taken based on the Annual Gross Revenue attributable thereto with respect to the Year immediately preceding such taking, (iii) all Rent allocated to the Municipal Air Terminal so taken shall not be due and payable under this Agreement from and after the date of such taking and (iv) as of the date of such taking, this Agreement and any and all obligations and liabilities of the Port Authority hereunder shall terminate and expire with respect to the Municipal Air Terminal so taken. Notwithstanding the foregoing, this Agreement and all of the Port Authority's obligations and liabilities hereunder

shall continue in full force and effect with respect to the Municipal Air Terminal not taken until the Expiration Date or sooner termination of this Agreement.

23.1.2 The term "substantially all of a Municipal Air Terminal" shall mean such portion of a Municipal Air Terminal as when so taken would leave remaining a balance of such Municipal Air Terminal which, due either to the area so taken or the location of the part so taken in relation to the part not so taken, would not under economic conditions and after performance by the Port Authority of all covenants, agreements, terms and provisions contained herein or by law required to be observed or performed by the Port Authority, permit the Restoration of the Improvements so as to enable the Port Authority to operate, maintain and develop such Municipal Air Terminal in accordance with Section 28 of this Agreement.

23.1.3 If the whole or substantially all of a Municipal Air Terminal, shall be taken or condemned as provided in Subsection 23.1.1 above, then the award, awards or damages in respect thereof shall be apportioned as follows:

(a) there shall first be paid to the City out of the award an amount which is equal to (i) the remaining rent that, but for the condemnation, would have been paid to the City, from the date of taking until the Expiration Date, discounted to present value as of the date of taking, plus (ii) the value of the Land, as vacant and unimproved, in fee simple absolute (as unencumbered by this Agreement), as of the Expiration Date;

(b) there shall next be paid to the Port Authority an amount equal to the greater of (i) the value of the Port Authority's leasehold interest in such Municipal Air Terminal and (ii) the amount required to allow the Port Authority to recover (A) the unamortized portion of its investment in the Improvements at such Municipal Air Terminal, (B) any remaining deferred charges for Equipment acquired by the Port Authority for use at or in connection with its operation of such Municipal Air Terminal (the Port Authority being entitled to any such remaining deferred charges for Equipment used for more than one facility only to the extent such deferred charges are attributable to such Municipal Air Terminal) and (C) any amounts which the Port Authority is required to pay to any of its Subtenants at such Municipal Air Terminal as a result of such taking or condemnation; and

(c) the balance, if any, of such compensation or award shall be paid to the City.

23.1.4 Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by the appropriate party of such awards.

23.2 Date of Taking. For purposes of this Section 23, the "date of taking" shall be deemed to be the date on which title to a Municipal Air Terminal or the aforesaid portion thereof shall have vested in any lawful power or authority pursuant to the provisions of the applicable federal or New York State law.

23.3 Partial Taking. If less than substantially all of a Municipal Air Terminal shall be so taken, this Agreement and the Term shall continue as to the portion of the Municipal Air Terminal not so taken together with the Municipal Air Terminal not affected by such taking;

provided that the Minimum Annual Rent shall be reduced by the percentage that the value of the area of the Demised Premises so taken bears to the Demised Premises. The Port Authority, whether or not the award or awards, if any, shall be sufficient for the purpose shall (subject to Unavoidable Delays) proceed diligently to Restore any remaining part of the Improvements not so taken so that each remaining Improvement shall be a complete, operable, self-contained architectural unit in good condition and repair. In the event of any taking pursuant to this Subsection 23.3, the entire award for or attributable to the Land taken, considered as unimproved and unencumbered by this Agreement, shall be first paid to the City to compensate it for the value of the Land taken, and the balance of the award, if any, shall be paid, in trust, to the Port Authority (provided that if any Superior Lease or Superior Mortgage requires payment in trust to the City, such balance shall be paid as provided therein) for application to the cost of Restoration of the part of the Improvements not so taken, and the remainder of the award, if any, shall go to the City.

23.4 Temporary Taking. If the temporary use of the whole or any part of the Demised Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between the Port Authority and those authorized to exercise such right, (w) the Port Authority shall give prompt notice thereof to the City, (x) the Term shall not be reduced or affected in any way and (y) the Port Authority shall continue to pay in full the Rent payable by the Port Authority hereunder without reduction or abatement, and (z) the Port Authority shall be entitled to receive for itself any award or payments for such use; provided, however, that:

(a) If the taking is for a period not extending beyond the Term, then (x) the award or payment shall first be paid to the Port Authority, in trust, in any amount sufficient to pay all Rent due and payable during the entire period of such taking; except that, if such taking results in changes or alterations in any of the Improvements which would necessitate an expenditure to Restore such Improvements to their former condition, then, an additional portion of such award or payment considered by the City, in its reasonable opinion, as appropriate to cover the expenses of such Restoration shall be paid to the Port Authority to be held by the Port Authority, in trust, and applied and paid over toward the Restoration of the Improvements to their former condition, and (y) any portion of the award or payment which shall not be required pursuant to clause (x) above to be applied to the Restoration of the Improvements or to the payment of Rent through the end of the Term (or, if the taking is for a period terminating prior to the end of the Term, until the end of such period) shall be paid to the City; and

(b) If the taking is for a period extending beyond the Term, such award or payment shall be apportioned between the City and the Port Authority as of the Expiration Date; provided, however, that the amount of any award or payment paid to the Port Authority for the Restoration of the Improvements and not previously applied for such purpose shall be paid by the Port Authority to the City on the Expiration Date.

23.5 In the event of a negotiated sale of all or a portion of the Demised Premises in lieu of condemnation, the proceeds shall be distributed as provided in cases of condemnation.

23.6 The City shall be entitled to file a claim including, without limitation, any claim for the value of the Improvements. The Port Authority shall be entitled to file a separate claim only as provided in Section 23.7 below and hereby waives any right to file a separate claim for the Land or any interest therein or the Improvements.

23.7 Notwithstanding anything to the contrary contained in this Section 23, in the event of any permanent or temporary taking of all or any part of the Demised Premises, the Port Authority and its Subtenants shall have the exclusive right to assert claims for any Equipment, trade fixtures and personal property so taken which were the property of the Port Authority or Subtenants (but not including any Fixtures) and for relocation expenses of the Port Authority and Subtenants, and all awards and damages in respect thereof shall belong to the Port Authority and Subtenants, and the City hereby waives any and all claims to any part thereof; provided, however, that if there shall be no separate award or allocation for such Equipment, trade fixtures or personal property, then such claims of the Port Authority and Subtenants, or awards and damages, shall be subject and subordinate to the City's claims under this Section 23.

Section 24. Covenant of Quiet Enjoyment

Subject to the exceptions, reservations, terms and conditions of this Agreement, the Port Authority, on paying the Base Rent and Additional Rent promptly when due and on performing all of the other terms, covenants and conditions set forth in this Agreement promptly as required, shall and may peaceably and quietly have, hold and enjoy the Demised Premises for the Term unless the Term shall cease, close or expire sooner.

Section 25. Events of Default; Rights and Remedies

25.1 Each of the following events shall be an "Event of Default" hereunder:

(a) if for any reason whatsoever (including, without limitation, any invalidity, unenforceability, illegality or legal inability to pay) (i) the Port Authority shall fail to pay any item of Base Rent or Additional Rent, or any part thereof, when the same shall become due and payable (or would have become due and payable but for any invalidity, unenforceability, illegality or legal inability to pay), nor may Unavoidable Delay be claimed as a reason for such failure, and such failure shall continue for thirty (30) days following notice from the City to the Port Authority that such item is unpaid, or (ii) the City is required to forfeit or repay all or any portion of the Lump Sum Payment or (iii) the City is required to forfeit or repay any portion of the Additional Lump Sum Payment or previously paid Rent for any Year or Years;

(b) if the Port Authority shall fail to provide to the City or the Airport Board, as the case may be, any item of information with respect to the operation or financials of the Municipal Air Terminals or the Performance Standards, and such failure shall continue for ninety (90) days after notice from the City or the Airport Board to the Port Authority specifying such failure (unless such failure requires acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be done or removed, as the case may be, within such ninety (90) day period, in which case no Event of Default shall be deemed to exist as long as the Port Authority

(i) shall have commenced curing the same within such ninety (90) day period, (ii) shall have given notice to the City of such Unavoidable Delay both (A) within thirty (30) days of the Port Authority becoming aware that any condition or event is likely to result in Unavoidable Delay and (B) once per month following the delivery of such initial notice until the Unavoidable Delay no longer exists, in each case, indicating the steps taken by the Port Authority to address or extinguish such Unavoidable Delay and (iii) shall continue, subject to Unavoidable Delays, to diligently and continuously prosecute the same to completion);

(c) if the Port Authority shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements contained in this Agreement and such failure shall continue for a period of ninety (90) days after notice thereof by the City to the Port Authority specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be performed, done or removed, as the case may be, within such ninety (90) day period, in which case no Event of Default shall be deemed to exist as long as the Port Authority shall have commenced curing the same within such ninety (90) day period and shall, subject to Unavoidable Delays, diligently and continuously prosecute the same to completion);

(d) a breach of any representation by the Port Authority contained in this Agreement, including, without limitation, the representations contained in **Subsection 6.1**;

(e) if this Agreement or the Port Authority's leasehold interest or the Demised Premises or any portion of any of same shall be assigned, subleased, transferred, mortgaged or encumbered without compliance with the provisions of this Agreement applicable thereto and such transaction shall not be made to comply or voided ab initio within thirty (30) days after notice thereof from the City to the Port Authority; and

(f) if a levy under execution or attachment shall be made against the Demised Premises and such execution or attachment shall not be vacated or removed by court order, or otherwise or bonded within a period of ninety (90) days from the date on which the Port Authority shall have received notice of same.

25.2 Upon the occurrence of an Event of Default, the City shall have all the rights and remedies for which provision is now made by law and all additional remedies which may hereafter be provided by law, including, without limitation, to the extent set forth in §6638 of McKinney's Unconsolidated Laws, as the same may, from time to time, be amended, supplemented or replaced or otherwise available to the City, including, without limitation, the right on the part of the City to institute actions or proceedings of any form or nature in law, equity or otherwise in connection with this Agreement for money damages, money damages for torts arising out of the operation of the Municipal Air Terminals, for Base Rent and Additional Rent and the Lump Sum Payment or the Additional Lump Sum Payment, for specific performance or injunction, for reformation thereof, for accounting, for declaratory judgment and for judgments, orders, or decrees restraining or enjoining the Port Authority from committing or continuing to commit breaches of this Agreement including, without limitation, (a) actions for a

declaratory judgment declaring that an Event of Default has occurred and declaring, in the case and only in the case of an Event of Default under **paragraph 25.1(a)** or **25.1(b)** above, that this Agreement is terminated in accordance with the terms and conditions of this Agreement, and (b) actions for specific performance and/or an injunction requiring the Port Authority to abide by covenants in this Agreement, including, without limitation, its covenant to quit and surrender the Demised Premises upon any termination of this Agreement in accordance with the terms and conditions of this Agreement. The provisions of this **Section 25.2** shall survive the expiration or sooner termination of this Agreement.

25.3 (a) If an Event of Default described in **subparagraphs (a)** or **(b)** of **Subsection 25.1** above shall occur, then, in addition to the exercise of any remedies of the kind described in **Subsection 25.2** above (i) the City, at its election, by notice to the Port Authority, shall have the right to terminate this Agreement as of the date specified in the notice, which date shall not be less than one hundred twenty (120) days following the effective date of such notice, and if on such specified date the Port Authority shall have failed to cure the default which is the basis for the Event of Default, then the Term and all rights of the Port Authority under this Agreement shall expire and terminate as if such specified date were the date herein definitely fixed for the expiration of the Term, and the Port Authority immediately shall quit and surrender the Demised Premises in accordance with **Section 33** of this Agreement and (ii) at any time after the date specified in the notice described in **clause (i)** above, the City may dispossess the Port Authority by summary proceedings or otherwise. In the event this Agreement is terminated pursuant to this **subparagraph (a)** of this **Subsection 25.3**, then, except for the provisions of this Agreement which, by their terms, survive expiration or sooner termination of this Agreement, the entirety of this Agreement shall immediately terminate and be of no further force or effect, and the Port Authority shall have no further rights hereunder

(b) Notwithstanding the provisions of **Subsection 25.3(a)**, in the event that (i) an Event of Default under **clause (i)** of **Subsection 25.1(a)** has occurred by reason of the Port Authority's obligation to pay all or any portion of Base Rent or Additional Rent having been determined to be invalid or unenforceable or unlawful, or (ii) an Event of Default under **clause (iii)** of **Subsection 25.1(a)** has occurred, the City shall not have the right to terminate this Agreement solely by reason thereof so long as the Port Authority lawfully and validly, as applicable, (x) pays to the City within sixty (60) days from the date of repayment or forfeiture an amount equal to so much of the Additional Lump Sum Payment or previously paid Rent as has been repaid or forfeited, plus interest at the Interest Rate from the date of such repayment or forfeiture, as applicable, and (y) within sixty (60) days of such Event of Default, pays and thereafter continues to timely pay amounts equal to all Base Rent and Additional Rent as would have been paid under the terms of, and reasonably close (with appropriate present-value adjustments) to the times set forth in, this Agreement had the same not been held to be invalid, unenforceable or unlawful.

(c) Notwithstanding the provisions of **Subsection 25.3(a)**, in the event of the occurrence of an Event of Default of the kind described in **clause (ii)** of **Subsection 25.1(a)**, the Port Authority shall use best efforts to lawfully and validly pay to the City an amount equal to the Lump Sum Payment or portion thereof that was repaid or forfeited, together with interest at the Interest Rate from the date of repayment or forfeiture, and so long as the Port Authority continues such best efforts and complies with all of the terms of this Agreement, and

there is no other Event of Default hereunder, the City shall not have the right to terminate this Agreement solely by reason of such Event of Default described in clause (ii) of **Subsection 25.1(a)**, provided however, that if such payment is not lawfully and validly made within two years from the date of such Event of Default, the City may thereafter terminate this Agreement by reason thereof and may also, at its option, reinstate the Arbitration in accordance with the terms of the Stipulation of Settlement, the form of which is set forth in **Appendix D**, pursuant to which the City's recovery is limited to Five Hundred Million Dollars (\$500,000,000). The City shall in good faith cooperate with such efforts. The provisions of this **Subsection 25.3(c)** shall survive the expiration or sooner termination of this Agreement.

(d) If this Agreement shall be terminated by reason of an Event of Default under (x) **clause (i) of Subsection 25.1(a)** by reason of the Port Authority's obligation to pay all or any portion of Base Rent or Additional Rent having been determined to be invalid or unenforceable or unlawful or (y) **clause (iii) of Subsection 25.1(a)**, then, notwithstanding such termination, the parties agree that (xx) for a period of nine (9) months following the date of termination, they will use good faith efforts to negotiate the terms of a substitute lease agreement covering the Demised Premises and (yy) during the period of such negotiation, the Port Authority may continue to occupy the Demised Premises; provided that, at all times during such occupancy of the Demised Premises, the Port Authority (A) continues to operate and maintain the Municipal Air Terminals in a manner consistent with the provisions of **Section 28** of this Agreement, (B) continues to maintain all insurance policies required under **Section 14** at limits, and otherwise in accordance with the requirements of **Section 14** and (C) otherwise complies with the terms of this Agreement as if this Agreement were still in full force and effect. The provisions of this **Subsection 25.3(d)** shall survive the expiration or sooner termination of this Agreement.

25.4 In addition to any other rights the City may have in connection with an Event of Default under this Section, if the Port Authority fails to pay to the City any Base Rent or Additional Rent due under the terms of this Agreement, the City shall have the right to bring a summary proceeding for non-payment of rent pursuant to RPAPL § 711(2). The parties agree that service of a rent demand pursuant to RPAPL §711(2) and the notice of petition and petition shall be proper service on the Port Authority pursuant to RPAPL § 735 if personally delivered to any employee of the Port Authority located at the Office of the Manager of Kennedy Airport, which is currently located at General Manager's Office, JFK International Airport, Building 14, 2nd Floor, Jamaica, NY 11430, John F. Kennedy International Airport, and by mailing same both by registered or certified mail, and by first class mail to the Port Authority at 225 Park Avenue South, New York, NY 10003, Attn: Executive Director, within one day after delivery. If the location of the Office of the Manager changes, the Port Authority shall immediately notify the City of such new location. The provisions of this **Section 25.4** shall survive the expiration or sooner termination of this Agreement.

25.5 All obligations and liabilities of the Port Authority under this Agreement shall survive any expiration or earlier termination of this Agreement until the Port Authority surrenders possession of the entire Demised Premises to the City, after which time only those obligations and liabilities of the Port Authority that, by the terms of this Agreement, expressly survive the expiration or sooner termination of this Agreement shall survive and remain enforceable against the Port Authority.

25.6 The Port Authority hereby waives and releases all rights now or hereafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this Section 25. The Port Authority shall execute, acknowledge and deliver any instruments which the City may request, whether before or after the occurrence of an Event of Default, evidencing such waiver or release.

25.7 No receipt of moneys by the City from the Port Authority after the termination of this Agreement, or after the giving of any notice of the termination of this Agreement (unless such receipt cures the Event of Default which was the basis for the notice), shall reinstate, continue or extend the Term or affect any notice theretofore given to the Port Authority or operate as a waiver of the right of the City to enforce the payment of Rent or the Lump Sum Payment or the Additional Lump Sum Payment payable by the Port Authority hereunder or thereafter falling due, or operate as a waiver of the right of the City to recover possession of the Demised Premises by proper remedy, it being agreed that after the termination of this Agreement, or after the service of notice to terminate this Agreement or the commencement of any suit or summary proceedings, or after a final order or judgment for the possession of the Demised Premises, the City may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and operation of the Demised Premises or, at the election of the City, on account of the Port Authority's liability hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

25.8 Except as otherwise expressly provided herein, the Port Authority, for and on behalf of itself and all persons claiming through or under the Port Authority, expressly waives any and all right of redemption provided by any law or statute now in force or hereafter enacted or otherwise, or re-entry or repossession or to restore the operation of this Agreement in case the Port Authority shall be dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or repossession by landlord or in case of any expiration or termination of this Agreement, and the City and the Port Authority waive and shall waive trial by jury in any action; proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Agreement, the relationship of the City and the Port Authority, the Port Authority's use or occupancy of the Demised Premises, or any claim of injury or damage. The terms "enter," "re-enter," "entry," or "re-entry" as used in this Agreement are not restricted to their technical legal meaning. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

25.9 No failure by the City or the Port Authority to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Agreement and no breach thereof, shall be waived, altered or modified except by a written instrument expressly agreeing to such waiver, alteration or modification executed by the City and the Port Authority. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement still continue in full force and effect with respect to any other then existing or subsequent breach thereof.

25.10 Each right and remedy of the City provided for in this Agreement shall be cumulative and shall be in addition to every other right or remedy provided for in this Agreement and the exercise or beginning of the exercise by the City of any one or more of the rights or remedies provided for in this Agreement shall not preclude the simultaneous or later exercise by the City of any or all other rights or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise.

25.11 The Port Authority shall pay to the City all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by the City in any action or proceeding to which the City may be made a party by reason of any act or omission of the Port Authority. The Port Authority also shall pay to the City all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements incurred by the City in enforcing any of the covenants and provisions of this Agreement and incurred in any action brought by the City against the Port Authority on account of the provisions hereof, and all such costs, expenses, and reasonable attorneys' fees and disbursements may be included in, and form a part of, any judgment entered in any proceeding brought by the City against the Port Authority, on or under this Agreement. All of the sums paid or obligations incurred by the City as aforesaid, with interest at the Interest Rate accruing from the date such amount was so paid or incurred, shall be paid by the Port Authority to the City within fifteen (15) days after demand by the City. The provisions of this Section 25.11 shall survive the expiration or sooner termination of this Agreement.

25.12 Suit or suits for the recovery of damages, or for a sum equal to any installment or installments of Rent payable hereunder or other sums payable by the Port Authority to the City pursuant to this Agreement, may be brought by the City from time to time at the City's election, and nothing herein contained shall be deemed to require the City to await the date where this Agreement or the Term would have expired had there been no Event of Default by the Port Authority.

Section 26. The City's Right to Perform Obligation of the Port Authority

26.1 If, after notice thereof and after applicable grace periods, if any, provided under this Agreement for the Port Authority to perform or commence to perform any covenant or take any action to be performed or taken by the Port Authority pursuant to **Subsection 14.17** or **Subsection 32.2** of this Agreement, the City, without waiving or releasing the Port Authority from any obligation of the Port Authority contained in this Agreement, may (but shall be under no obligation to) perform such, covenant or take such action on the Port Authority's behalf.

26.2 All sums paid by the City and all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by the City in connection with its performance of any obligation or the taking of any action pursuant to **Subsection 26.1** above, together with interest thereon at the Late Rate from the respective dates of the City's making of each such payment or incurring of each such sum, cost, expense, charge, payment or deposit until the date of repayment to the City, shall be paid by the Port Authority to the City as Additional Rent within thirty (30) days after the City shall have submitted to the Port Authority a statement, in reasonable detail, substantiating the amount demanded by the City. Any performance by the City pursuant to **Subsection 26.1** above, or any payment made pursuant

thereto, shall not be nor be deemed to be a waiver or release (i) by the City of a claim of breach of this Agreement on the part of the Port Authority or (ii) a claim for an Event of Default with respect thereto or (iii) of the right on the part of the City to, as applicable, terminate this Agreement, institute summary proceedings or take such other action as may be permissible hereunder or otherwise provided at law or in equity if an Event of Default the Port Authority shall have occurred. The provisions of this Section 26 shall survive the expiration or earlier termination of this Agreement.

Section 27. Notice

27.1 Notices, requests, demands, consents and approvals required to be given to or by either party hereunder, including without limitation statements, audit reports and reports of rental payments ("Notices"), shall be in writing and shall be personally delivered during business hours or delivered by a nationally recognized overnight courier service or sent by registered or certified mail, postage prepaid and return receipt requested, to the duly designated officer of such party. Until further notice, the duly designated officers are as follows:

To the Port Authority

Executive Director
The Port Authority of New York and New Jersey
225 Park Avenue South
New York NY 10003

To the City

The City of New York
c/o New York City Economic Development Corporation
110 William Street
New York, New York 10038
Attention: Director of the Aviation Department

With a copy to:

The City of New York
c/o The New York City Economic Development Corporation
110 William Street
New York, New York 10038
Attention: Chief Financial Officer

Notwithstanding the foregoing, the Port Authority shall also send copies of all Annual Statements, estimates and other information and documents required by Section 4.4 to the City at the following address:

New York City Office of Management and Budget
75 Park Place
New York, New York 10007
Attention: Budget Director

27.2 Each Notice shall be deemed given and effective upon receipt, or, in the event of a refusal by the addressee, on the first tender of such Notice to the addressee at the designated address.

27.3 All Notices shall be forwarded to the above addresses until notice in writing of change of address is forwarded by either party to the other by Notice given in the manner provided herein.

Section 28. Operation and Development of the Municipal Air Terminals

28.1 Covenants of the Port Authority. The Port Authority shall use, operate and maintain, rehabilitate, expand, improve, and develop the Municipal Air Terminals as "first-class" airports and in accordance with the Performance Standards. In that connection:

(a) The Port Authority shall provide all necessary facilities for the accommodation of aircraft and for the safe and efficient loading, unloading, transfer, and interchange of passengers and cargo and for the safe and efficient use and convenience of operators and passengers;

(b) The Port Authority shall take all commercially reasonable steps as may be necessary to maintain the continuous, uninterrupted and safe operation of the Municipal Air Terminals at levels necessary to meet the air travel and cargo demands of the City of New York and surrounding metropolitan area, including any growth in such demands;

(c) The Port Authority shall continue to make all Air Terminal facilities and services available for public use on fair and reasonable terms without unjust discrimination;

(d) The Port Authority shall keep each of the Municipal Air Terminals open for operations in accordance with all relevant FAA approvals and requirements;

(e) The Port Authority shall take all commercially reasonable steps as may be necessary to ensure that the operation of the Municipal Air Terminals will not be interrupted if the Port Authority becomes insolvent or seeks the protection of or becomes subject to any state or federal bankruptcy, reorganization, insolvency, liquidation, or dissolution proceeding or any petition or similar request seeking the dissolution or reorganization of the Port Authority or the appointment of a receiver, trustee, custodian, or liquidator for the Port Authority or a substantial part of the Port Authority or its property, assets, or business;

(f) The Port Authority will maintain, improve, and modernize the facilities of the Municipal Air Terminals through capital investment and will submit to the Airport Board all plans for carrying out such maintenance, improvement and modernization so as to maintain, at all times, each of the Municipal Air Terminals as a "first-class" airport and in accordance with the Performance Standards;

(g) The Port Authority shall take such steps as are necessary to and shall attain, on an ongoing basis, the Performance Standards at each of the Municipal Air Terminals;

(h) The Port Authority shall maintain safety and security at the Municipal Air Terminals at the highest possible levels;

(i) Except as expressly provided in Section 18 of this Agreement, the Port Authority shall, and shall cause all Subtenants and all other users of the Demised Premises to, comply with all existing and future laws, ordinances, rules and regulations of the United States, the State of New York, the City of New York or any agency, instrumentality, department, commission, court, tribunal or board thereof having jurisdiction over, or affecting the Demised Premises, at any time during the Term;

(j) The Port Authority shall, and shall cause the Demised Premises and all Subtenants and other users of the Demised Premises to, comply with all Environmental Laws;

(k) The Port Authority has complied with, and shall continue to comply in all respects, with the New York State Department of Environmental Conservation Order on Consent, In the Matter of Alleged Violations of Article 12 of the New York State Navigation Law, Article 17 of the New York State Environmental Law, and Title 6, Parts 611, 613, 702 and 703 of the New York Codes, Rules and Regulations, John F. Kennedy International Airport Environmental Compliance Order, DEC File No. R2-3519-91-02, effective February 22, 1994;

(l) If at any time any Hazardous Materials are found at, on, under or migrating to or from the Demised Premises, the Port Authority shall, or shall cause responsible Subtenants and other users of the Demised Premises to, (A) promptly commence and diligently prosecute to completion all investigation, sampling, monitoring, containment, cleanup, removal, restoration, remedial work, or other response action of any kind to the extent required by and in compliance with Environmental Laws, and (B) provide periodic notices or reports to the City in such form and substance as the City may reasonably require, specifying the nature and condition of such Hazardous Materials, and such action the Port Authority, any Subtenant or any other Person the Port Authority has knowledge of, has taken, is taking or proposes to take with respect thereto;

(m) The Port Authority shall promptly provide notice to the City if the Port Authority becomes aware of any claim, action, judgment, obligation, suit, notice, notice of violation, investigation, proceeding, order or lien relating to (A) a violation or alleged violation of, or matter arising under, any Environmental Laws with respect to the Demised Premises, or (B) Hazardous Materials at, on, under or migrating to or from the Demised Premises; and

(n) The Port Authority shall cause all inspections of and maintenance to the Light Rail System to be performed in accordance with all guidelines and procedures of the New York City Department of Transportation, which shall include,

without limitation, obtaining all permits required to be obtained in the event that any such inspection or maintenance restricts the flow of traffic on any vehicular artery.

28.2 Continuous Operation of Municipal Air Terminals. The Port Authority acknowledges that the continuous, uninterrupted, safe, convenient, and efficient operation of each of the Municipal Air Terminals is important to the health, safety and welfare of the public.

28.3 Authority and Discretion of the Port Authority. Subject to the terms of this Agreement, the Port Authority shall have full power and discretion to proceed with the operation, maintenance, financing, rehabilitation, expansion, improvement and development of the Municipal Air Terminals, and to enter into such contracts, agreements, Subleases or other arrangements with respect thereto as it may deem necessary and desirable, and all matters connected therewith, including but not limited to, all details of financing, construction, leasing, charges, rates, tolls, contracts, and operation shall be within the sole discretion of the Port Authority. Subject to the terms of this Agreement, the decisions of the Port Authority in connection with any and all matters concerning the Municipal Air Terminals shall be controlling, provided that all such things shall be done by the Port Authority in its own name and on its own credit.

28.4 Delegation of Obligations by the Port Authority. The Port Authority shall not delegate all or any portion of its (i) obligations or (ii) authority or discretion, under this Agreement, except, in either case, as such obligations, authority and discretion are customarily delegated to contractors, Subtenants and other third parties pursuant to contracts, subleases and other agreements entered into in the ordinary course of the business of maintaining and operating the Air Terminals.

28.5 No Obligations on the Part of the City. Except as expressly provided herein, the City shall not be required to furnish any services, utilities or facilities whatsoever to the Demised Premises, nor shall the City have any duty or obligation or to make any alteration, change, improvement, replacement, Restoration or Repair to, nor to demolish, any Improvements or to maintain or manage the Demised Premises; nor shall the reservation, if any, of the right to the City hereunder create any obligation on the part of the City to the Port Authority or any third party.

Section 29. Entire Agreement

This Agreement, together with the Exhibits, Schedules and Appendices annexed hereto, amends and restates and supersedes the Old Agreement in its entirety, effective as of the Effective Date, and constitutes the entire agreement between the Port Authority and the City on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the City. Except for certain obligations that may survive as provided in Section 3.1, from and after the Effective Date, the Old Agreement shall have no further force or effect.

Section 30. No Third Party Beneficiary, No Personal Liability

30.1 Except as expressly provided herein, nothing herein contained shall be deemed or construed to be an undertaking or covenant for the benefit of any third party.

30.2 No Commissioner, director, elected official, officer, agent, representative or employee of the Port Authority or the City or EDC shall be charged personally by either party hereto with any liability or held personally liable under any of the terms or provisions of this Agreement or because of its execution or because of any breach or attempted or alleged breach hereof.

30.3 Without limiting the generality of **Subsection 30.2** above, the City and EDC shall not in any event whatsoever be liable for any injury or damage to the Port Authority or to any other Person happening on, in or about the Demised Premises and its appurtenances, nor for any injury or damage to the Demised Premises or to any property belonging to the Port Authority or to any other Person which may be caused by any fire or breakage, or by the use, misuse or abuse of the Improvements, or the streets or sidewalk area within the Demised Premises or which way arise from any other cause whatsoever.

30.4 The City and EDC shall not be liable to the Port Authority or to any other Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of the Port Authority or of any other Person or to the Demised Premises caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas or subsurface area or from any part of the Demised Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditaments by anybody, or caused by any public or quasi-public work.

30.5 In no event shall the City or EDC be liable to the Port Authority or to any other Person for any injury or damage to any property of the Port Authority or of any other Person or to the Demised Premises, arising out of any sinking, shifting, movement, subsidence, failure in load-bearing capacity of, or other matter or difficulty related to, the soil, or other surface or subsurface materials, on the Demised Premises, it being agreed that the Port Authority shall assume and bear all risk of loss with respect thereto.

30.6 The provisions of this **Section 30** shall survive the expiration or sooner termination of this Agreement.

Section 31. Indemnification by the Port Authority

31.1 *General Indemnity.* The Port Authority hereby undertakes and agrees to indemnify and save the City and EDC harmless from any claims, causes of action or judgments, by reason of bodily injuries sustained by any person or persons, including death, and for any claims for damages to property arising out of or occurring at the Demised Premises.

31.2 *Environmental Indemnity.* In addition to the provisions of **Subsection 31.1** and for the avoidance of doubt, the Port Authority shall indemnify and save the City and the EDC harmless from and against any and all Environmental Liabilities, which may be imposed upon or incurred by or asserted against the City or the EDC by any Person, at any time from and after the commencement date of the Old Agreement arising from any action (including, without

limitation, acts of terrorism) or inaction by, or status of, any Person relating to, arising out of or occurring at the Demised Premises.

31.3 The provisions of this Section 31 shall survive the expiration or earlier termination of this Agreement (including, without limitation, resulting from a taking of all or any portion of the Demised Premises) with respect to events occurring prior to such expiration or termination, whether claims with respect thereto are made before or after such expiration or termination.

Section 32. Liens and Impositions

32.1 Under Section 1045-(j)(5) of the New York State Public Authorities Law, unpaid water and sewer charges are a lien upon the Demised Premises and a charge against the owner of the Demised Premises. The Port Authority shall not create or permit to be created any such lien, or any other lien, encumbrance or charge upon the Demised Premises or any part thereof, the income therefrom or any assets of, or funds appropriated to, the City, and the Port Authority shall not suffer any other matter or thing whereby the estate, right and interest of the City in the Demised Premises or any part thereof might be impaired.

32.2 If any mechanic's, laborer's or materialman's lien or any lien exists as a result of a failure to pay any water or wastewater rents and surcharges when due and owing, at any time, shall be filed in violation of the obligations of the Port Authority pursuant to **Subsection 32.1** above against the Demised Premises or any part thereof or, if any public improvement lien created or permitted to be created by the Port Authority shall be filed against any assets of, or funds appropriated to, the City, the Port Authority, within forty-five (45) days after receipt of notice of the filing thereof shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If the Port Authority shall fail to cause such lien to be discharged of record within the period aforesaid, and if such lien shall continue for an additional ten (10) days after notice by the City to the Port Authority, then, in addition to any other right or remedy, the City may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event, the City shall be entitled, if the City so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by the City, including all reasonable costs and expenses incurred by the City in connection therewith including, without limitation, reasonable attorneys' fees and disbursements, together with interest thereon at the Late Rate from the respective dates of the City's making of the payment or incurring of the costs and expenses, shall constitute Additional Rent and shall be paid by the Port Authority to the City within five (5) days after demand. Notwithstanding the foregoing provisions of this **Subsection 32.2**, the Port Authority shall not be required to discharge any such lien, and shall not take any of the actions described in this paragraph, if the Port Authority is in good faith contesting the same which, in the case of water and sewer charges, shall include the filing of a complaint administratively according to DEP and Water Board administrative procedures. The provisions of this Section 32.2 shall survive the expiration or earlier termination of this Agreement.

Section 33. Surrender at End of Term

33.1 Demised Premises. Upon the expiration or sooner termination of the Term the Port Authority covenants and agrees that it shall, in compliance with Section 5 and all other relevant provisions of this Agreement, surrender and deliver to the City the Demised Premises together with all Improvements thereon, as well as all Equipment, including, without limitation, the Port Authority Water System Property, the intent being that when the Demised Premises are returned to the City, (i) all Equipment shall become the property of the City and (ii) the Demised Premises shall be in good condition as operating Air Terminals maintained to the standards provided herein, all of which shall be free and clear of any and all lettings, occupancies, liens, debts or encumbrances of whatsoever kind, nature and description (except with respect to such leased Equipment), except to the extent otherwise agreed by the City in writing.

33.2 Records, Permits and other Agreements. On the last day of the Term or upon any earlier termination of the Agreement, or upon a re-entry by the City upon the Demised Premises pursuant to this Agreement, the Port Authority shall make available to the City (i) to the extent within the possession or control of the Port Authority, executed counterparts of all Subleases concessions, license agreements and any service and maintenance contracts then affecting the Demised Premises or, if not originals, "best copies" of such documents, (ii) true and complete maintenance records for the Demised Premises, (iii) all original licenses and permits then pertaining to the Demised Premises, and (iv) all warranties and guarantees then in effect which the Port Authority has received in connection with any work or services performed or Fixtures or Equipment installed in or on the Demised Premises, together with a duly executed assignment thereof to the City, all financial reports, books and records required to be maintained by the Port Authority pursuant to the terms of this Agreement and any and all other documents of every kind and nature whatsoever relating to the Demised Premises.

33.3 The provisions of this Section 33 shall survive the expiration or sooner termination of this Agreement.

Section 34. Assignment of Rents; No Subordination of City's Interest

34.1.1 Neither the City's interest in the Demised Premises nor the City's interest in this Agreement, as this Agreement may be modified, amended or supplemented, shall be subject or subordinate to any mortgage, liens or encumbrances now or hereafter affecting the Port Authority's interest in this Agreement, including, without limitation, any existing or future Sublease or Subtenant leasehold mortgage.

34.1.2 The City shall have the right at any time to assign all or any portion of its right, title and interest in and to the receipt of Rent to be paid by the Port Authority hereunder and to direct that the Rent, or designated portions thereof, be paid to a public authority or to such other entity or entities, including a trustee whose duties include the receipt of such payments, as the City may, by at least thirty (30) days prior written notice to the Port Authority, designate (each such assignee, a "Permitted Assignee"). Upon receipt of written direction from the City, the Port Authority shall pay the portion of Rent specified in such direction to the Permitted Assignee named therein. Any Permitted Assignee may bring an action against the Port Authority to recover sums due to it, and a Permitted Assignee shall have all of the lawfully assignable

remedies the City has hereunder for the failure of the Port Authority to pay Rent, provided that the City shall not assign its right to terminate this Agreement, and the Port Authority hereby consents to the jurisdiction of the courts of the State of New York and the Federal District Court of the Southern District of New York for any action by a Permitted Assignee to recover sums due hereunder.

Section 35. Intentionally Deleted

Section 36. Miscellaneous

36.1 Consents. Except as expressly provided herein to the contrary, wherever this Agreement provides for consent or approval to be given by either party, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

36.2 Intentionally Deleted.

36.3 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to 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 to be invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Notwithstanding the foregoing, if any provision that gives the City the right to terminate this Agreement for failure to pay Rent or any other payment is held to be invalid or unenforceable by the determination of any court or administrative agency having jurisdiction, then this entire Agreement shall automatically terminate and be of no further force or effect, except for those provisions that expressly survive the expiration or earlier termination of this Agreement; provided that this Agreement shall not terminate, if the adverse determination was by an administrative agency, unless and until such time as such determination is upheld on appeal to a court having jurisdiction, or the applicable time for bringing such appeal has expired, whichever is sooner.

36.4 Change in Name of Municipal Air Terminals. Neither party shall, at any time during the Term, change the name of either of the Municipal Air Terminals or otherwise refer to the Municipal Air Terminals by any name other than "John F. Kennedy International Airport" and "LaGuardia Airport," respectively, without the prior written consent of the other party, which consent may be granted or withheld in such party's sole and absolute discretion.

36.5 Most Favored Nation. In the event that the Port Authority shall after the date hereof enter into any agreement, amendment, supplement, settlement or extension that (i) relates, directly or indirectly, to the Newark Airport Lease or the premises covered thereby, including, without limitation, any agreement entered into pursuant to Section 47 of the Newark Airport Lease (as amended by the Eighteenth Supplemental Agreement to the Newark Airport Lease dated as of January 1, 2002), but expressly excluding the Newark MFN Amendment (as hereinafter defined) and (ii) provides, directly or indirectly, for increased or enhanced financial consideration to the City of Newark, then the Port Authority shall offer comparable increased or enhanced financial consideration to the City and shall agree to amend or supplement this Agreement accordingly. The "Newark MFN Amendment" is hereby defined as the first

amendment, after execution and delivery of this Agreement, of the Newark Airport Lease, to the extent said amendment incorporates provisions that are comparable to the corresponding provisions of this Agreement and is required pursuant to a certain agreement entered into between the Port Authority and the City of Newark as of October 31, 2002. The Port Authority shall, within thirty (30) days of its execution, provide the City with a copy of any agreement, amendment, supplement, settlement or extension described in this Section and of any other amendment, supplement, settlement or extension of the Newark Airport Lease, irrespective of whether it provides for increased financial consideration.

36.6 Allocation of Passenger Facility Charges. The Passenger Facility Charges received by the Port Authority to date from the three major airports operated by the Port Authority, as well as any increased Passenger Facility Charges authorized and imposed in the future, shall be invested in the Municipal Air Terminals in an amount equal to the proportion which the Passenger Facility Charges originating at the Municipal Air Terminals bear to all such Passenger Facility Charges collected by the Port Authority, although it is understood that such proportion may be reached over a period of years and not necessarily in each year. The Port Authority agrees that such proportion will be reached within five years. The Port Authority will submit to the City an initial list of projects eligible for Passenger Facility Charge funding approval by the Federal government on or about January 1, 2005. The City will submit to the Port Authority any projects it wishes the Port Authority to consider for submission to the Federal Government for Passenger Facility Charge funding approval.

36.7 Uninvested Charges. At the expiration or earlier termination of this Agreement, all Passenger Facility Charges which have been collected by the Port Authority or any of its Affiliates from or with respect to the Municipal Air Terminals but not invested in the Municipal Air Terminals shall be paid to the operator of the Municipal Air Terminals in accordance with Federal law and regulations. The provisions of this Section 36.7 shall survive the expiration or earlier termination of this Agreement.

36.8 Modifications. This Agreement may not be changed, modified, or terminated orally, but only by a written instrument expressly agreeing to change, modify or terminate it and executed by the party against whom enforcement of any such change, modification, or termination is sought.

36.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

36.10 Binding Effect. The agreements, terms, covenants and conditions herein shall be binding upon, and shall inure to the benefit of, the City and the Port Authority and their respective successors and permitted assigns.

36.11 Section Headings. The section headings of this Agreement are for reference purposes only and shall not be deemed descriptive of such sections.

36.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

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EFFECTIVE

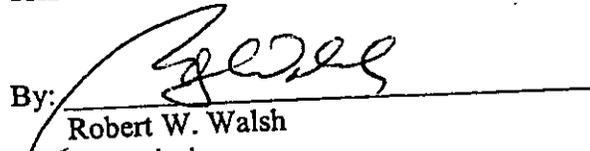
IN WITNESS WHEREOF, the City has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Commissioner of the Department of Small Business Services; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, as of the day and year first written above.

Attest:

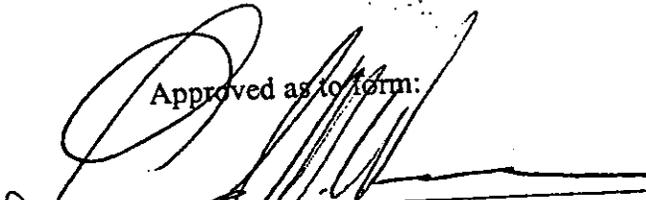

City Clerk

Michael McSweeney
1st Deputy & Acting City Clerk

THE CITY OF NEW YORK

By: 
Robert W. Walsh
Commissioner
Department of Small Business Services

Approved as to form:


Acting Corporation Counsel

Attest:

Secretary

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

EFFECTIVE

IN WITNESS WHEREOF, the City has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Commissioner of the Department of Small Business Services; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, as of the day and year first written above.

Attest:

THE CITY OF NEW YORK

City Clerk

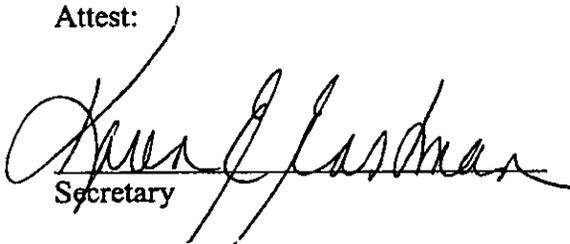
By: _____
Robert W. Walsh
Commissioner
Department of Small Business Services

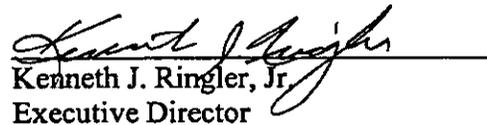
Approved as to form:

Acting Corporation Counsel

Attest:

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY


Secretary


Kenneth J. Ringler, Jr.
Executive Director

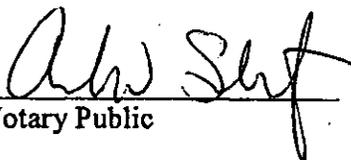
Approved as to form:


Darrell Buchbinder
General Counsel

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

On the 23 day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Robert W. Walsh, Commissioner of the Department of Small Business Services of THE CITY OF NEW YORK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual who subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

ANDREW SCHWARTZ
Notary Public, State of New York
No. 24-4943703
Qualified in Kings County
Commission Expires Oct. 31, 2006


Notary Public

STATE OF NEW YORK)

: ss. :

COUNTY OF NEW YORK)

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

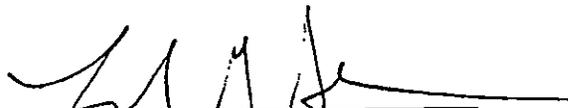


Notary Public

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

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

On the 24th day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared KENNETH J. RINGLER, JR., Executive Director of the PORT AUTHORITY OF NEW YORK AND NEW JERSEY, 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 to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

TIMOTHY G. STICKELMAN
Notary Public, State of New York
No. 02ST6086913
Qualified in Suffolk County
Commission Expires on February 3, 2007

EXHIBIT A

The original of the Surveys of the Demised Premises prepared by Vollmer Associates LLP on November 23, 2004, certified to the Port Authority and The City of New York and consisting of seven (7) pages designated as Map Number VA# 2004-018-02 and Map Number VA# 2004-018-03 is being delivered to the Office of the Register of The City of New York for recording simultaneously with this Agreement.

EXHIBIT B

(see attached)

**EXHIBIT B
DEMISED PREMISES
JOHN F. KENNEDY INTERNATIONAL AIRPORT**

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at an angle point of the U.S. Pierhead and Bulkhead line, the coordinates of said point being South 60°18'26" East 63757.37 and running thence; along the U.S. Pierhead and Bulkhead line, (1) South 74°14'56" West a distance of 2726.47' feet to the easterly side of the land of the Long Island Railroad;

Running thence, in a northerly direction along the land of the Long Island Railroad the following courses and distances:

- (2) North 40°18'26" West a distance of 1173.23' feet to a point; thence
- (3) South 38°51'40" West a distance of 35.64' feet to a point; thence
- (4) North 40°18'26" West a distance of 2370.27' feet to a point of curvature; thence
- (5) along an arc curving to the left, having a radius of 5769.58' feet a distance of 906.28' feet and a central angle of 9°00'00" to a point; thence
- (6) North 49°18'26" West a distance of 644.54' feet to a point; thence
- (7) North 40°41'34" East a distance of 20.00' feet to a point; thence
- (8) North 49°18'26" West a distance of 43.00' feet to a point; thence
- (9) North 03°17'17" West a distance of 48.64' feet to a point; thence
- (10) North 49°18'26" West a distance of 110.00' feet to a point; thence
- (11) South 50°15'01" West a distance of 35.49' feet to a point; thence
- (12) North 49°18'26" West a distance of 467.36' feet to a point; thence
- (13) South 40°41'34" West a distance of 20.00' feet to a point; thence
- (14) North 49°18'26" West a distance of 508.28' feet to a point; thence
- (15) North 40°41'34" East a distance of 10.00' feet to a point; thence
- (16) North 49°18'26" West a distance of 620.10' feet to a point; thence
- (17) North 19°52'53" West a distance of 40.71' feet to a point; thence
- (18) North 49°18'26" West a distance of 116.60' feet to a point on the southerly line of Southern Parkway, also known as the Belt Parkway; thence
- (19) North 76°26'23" East a distance of 15.00' feet; thence
- (20) along a bridge that crosses over the Southern Parkway, North 49°18'31" West a distance of 707.83' feet to a point to the northerly side of North Conduit Avenue; thence
- (21) along the northerly side of North Conduit Avenue, South 80°38'48" West a distance of 62.17' feet to the easterly side of the Long Island Railroad; thence the following courses and distances along the easterly side of the land of the Long Island Railroad,
- (22) North 12°11'48" West a distance of 0.83' feet; thence
- (23) North 49°16'48" West a distance of 33.17' feet; thence
- (24) North 12°11'48" West a distance of 8.29' feet; thence
- (25) North 49°16'48" West a distance of 1248.25' feet; thence
- (26) North 45°49'23" West a distance of 165.84' feet; thence
- (27) North 44°15'09" West a distance of 62.04' feet; to a point thence
- (28) North 44°15'09" West a distance of 17.86' feet to the land now or formerly of the New York Racing Association; thence
- through the land of the New York Racing Association (29) North 45°44'51" East a distance of 24.11' feet; thence
- (30) North 28°15'57" East a distance of 115.64' feet; thence
- (31) North 72°38'36" East a distance of 386.70' feet to a point of curvature, thence
- (32) along an arc curving to the right having a radius of 95.00' a distance of 107.33' feet and a central angle of 64°43'50"; thence
- (33) South 42°37'34" East a distance of 54.55' feet; thence
- (34) South 44°42'27" East a distance of 131.39' feet to a point of curvature; thence
- (35) along an arc curving to the left having a radius of 505.00' a distance of 51.31' feet and a central angle of 5°49'17"; thence

(36) South 50°31'44" East a distance of 46.47' feet; thence
(37) along an arc curving to the left having a radius of 115.00' a distance of 32.08' feet and a central angle of 15°59'03"; thence
(38) South 66°30'47" East a distance of 153.69' feet to a point of curvature; thence
(39) along an arc curving to the left having a radius of 615.00' a distance of 354.73' feet and a central angle of 33°02'52"; thence
(40) North 80°26'21" East a distance of 280.00' feet to a point of curvature; thence
(41) along an arc curving to the right having a radius of 129.00' a distance of 148.52' feet and a central angle of 66°00'33"; thence
(42) along an arc curving to the right having a radius of 335.00' a distance of 141.07' feet and a central angle of 24°07'41"; thence
(43) South 09°25'24" East a distance of 228.54' feet; thence
(44) South 10°02'30" East a distance of 180.75' feet to a point of curvature; thence
(45) along an arc curving to the left having a radius of 130.00' a distance of 100.00' feet and a central angle of 44°04'25"; thence
(46) along an arc curving to the left having a radius of 154.00' a distance of 60.36' and a central angle of 22°27'30"; thence
(47) South 19°44'18" East a distance of 86.81' feet to the northerly line of North Conduit Avenue; thence
along the northerly line of North Conduit Avenue in a westerly direction (48) along an arc curving to the right having a radius of 1375.30' a distance of 379.80' feet and a central angle of 15°49'22"; thence
(49) South 81°31'49" West a distance of 151.31' feet; thence
(50) South 79°25'12" West a distance of 149.59' feet; thence
(51) South 80°38'48" West a distance of 0.82' feet; thence
(52) South 49°18'31" East a distance of 703.35' feet along a bridge that crosses over the Southern Parkway to the southerly line of the Southern Parkway, which is also the northerly line of John F. Kennedy International Airport; thence
(53) North 76°26'23" East a distance of 334.19' feet to a point of curvature; thence
(54) along an arc curving to the right having a radius of 1958.00' a distance of 243.51' feet and a central angle of 7°07'32"; thence
(55) North 83°33'53" East a distance of 406.86' feet to a point of curvature; thence
(56) along an arc curving to the left having a radius of 2530.00' a distance of 980.02' feet and a central angle of 22°11'38"; thence
(57) North 61°22'14" East a distance of 543.78' feet; thence
(58) North 69°37'14" East a distance of 100.33' feet; thence
(59) North 69°26'50" East a distance of 1420.99' feet to a point of curvature; thence
(60) along an arc curving to the right having a radius of 4970.00' a distance of 541.25' feet and a central angle of 6°14'23"; thence
(61) North 75°41'13" East a distance of 155.61' feet to a point of curvature; thence
(62) along an arc curving to the left having a radius of 530.00' a distance of 220.74' feet and a central angle of 23°51'47"; thence
(63) North 51°49'27" East a distance of 473.01' feet to a point of curvature; thence
(64) along an arc curving to the left having a radius of 1520.00' a distance of 325.19' feet and a central angle of 12°15'28"; thence
(65) South 15°44'22" East a distance of 623.68' feet; thence
(66) North 74°15'38" East a distance of 1380.00' feet; thence
(67) North 15°44'22" West a distance of 1619.13' feet; thence
(68) North 52°18'11" East a distance of 535.40' feet; thence
(69) North 79°46'53" East a distance of 410.00' feet a point on a non tangent curve; thence
(70) along an arc curving to the right having a radius of 2324.00' a distance of 138.14' feet and a central angle of 3°24'23"; thence
(71) North 88°35'38" East a distance of 96.00' feet to a point on a non tangent curve; thence
(72) along an arc curving to the left having a radius of 593.00' a distance of 276.49' feet and a central angle of 26°42'51" to a point on a non tangent curve; thence

- (73) along an arc curving to the right having a radius of 1528.00' a distance of 122.57' feet and a central angle of 4°35'46"; thence
- (74) along an arc curving to the right having a radius of 728.00' a distance of 559.11' and a central angle of 44°00'13"; thence
- (75) South 36°17'01" West a distance of 153.60' feet; thence
- (76) South 53°42'58" East a distance of 168.00' feet; thence
- (77) North 36°17'01" East a distance of 682.30' feet to a point of curvature; thence
- (78) along an arc curving to the right having a radius of 243.59' a distance of 111.67' feet and a central angle of 26°16'00"; thence
- (79) North 60°24'18" East a distance of 267.10' feet to a point of curvature; thence
- (80) along an arc curving to the left having a radius of 673.35' a distance of 566.35' feet and a central angle of 48°11'29"; thence
- (81) North 12°12'52" East a distance of 654.62' feet to a point of curvature; thence
- (82) along an arc curving to the right having a radius of 1918.64' a distance of 143.36' feet and a central angle of 4°16'52"; thence
- (83) along an arc curving to the right having a radius of 394.38' a distance of 357.98' feet and a central angle of 52°00'31"; thence
- (84) along an arc curving to the right having a radius of 15224.42' a distance of 783.66' feet and a central angle of 2°56'57"; thence
- (85) along an arc curving to the right having a radius of 1130.14' a distance of 196.96' feet and a central angle of 9°59'07"; thence
- (86) North 81°26'18" East a distance of 462.33' feet to a point of curvature; thence
- (87) along an arc curving to the left having a radius of 1050.00' a distance of 243.96' feet and a central angle of 13°18'44"; thence
- (88) North 66°07'45" East a distance of 838.03' feet to a non tangent curve; thence
- (89) along an arc curving to the right having a radius of 785.00' a distance of 85.84' feet and a central angle of 6°15'55"; thence
- (90) along an arc curving to the right having a radius of 2124.25' a distance of 549.65' feet and a central angle of 14°49'31"; thence
- (91) along an arc curving to the right having a radius of 6404.00' a distance of 2025.33' feet and a central angle of 18°07'13"; thence
- (92) along an arc curving to the right having a radius of 46486.00' a distance of 441.80' feet and a central angle of 0°32'40"; thence
- (93) South 75°37'41" East a distance of 202.52' feet to a non tangent curve; thence
- (94) along an arc curving to the left having a radius of 46450.77' a distance of 82.84' feet and a central angle of 0°06'08" to a point of reverse curvature; thence
- (95) along an arc curving to the right having a radius of 12860.50' a distance of 1512.64' feet and a central angle of 6°44'20"; thence
- (96) North 5°47'21" East a distance of 23.88' feet to a point; thence
- (97) South 82°12'20" East a distance of 482.52' feet to a point of curvature; thence
- (98) along an arc curving to the left having a radius of 2631.00' a distance of 569.30' feet and a central angle of 12°23'52"; thence
- (99) South 00°36'07" East a distance of 202.16' feet to a point on a non tangent curve; thence
- (100) along an arc curving to the left having a radius of 1225.65' a distance of 294.73' feet and a central angle of 13°46'40"; thence
- (101) along an arc curving to the left having a radius of 3369.00' a distance of 1620.86' feet and a central angle of 27°33'56"; thence
- (102) North 84°22'06" East a distance of 773.64' feet to a point of curvature; thence
- (103) along an arc curving to the right having a radius of 4564.98' a distance of 665.86' feet and a central angle of 81°38'40"; thence
- (104) North 31°39'01" East a distance of 315.42'; thence
- (105) South 82°24'03" East a distance of 2351.46'; thence
- (106) South 10°10'50" West a distance of 217.68' feet to a point on a non tangent curve; thence
- (107) along an arc curving to the right having a radius of 27481.50' a distance of 184.04' feet and a central angle of 00°23'01" to a point of curvature; thence

- (108) along an arc curving to the right having a radius of 4806.26' a distance of 1641.80' feet and a central angle of 19°34'19" to a point; thence
 (109) South 61°29'50" East a distance of 400.00' feet to a point of curvature; thence
 (110) along an arc curving to the right having a radius of 2740.00' a distance of 330.00' feet and a central angle of 6°54'02"; thence
 (111) South 54°35'48" East a distance of 224.00' feet to a point of curvature; thence
 (112) along an arc curving to the left having a radius of 960.00' a distance of 523.97' feet and a central angle of 31°16'19" to the westerly line of Brookville Boulevard; thence
 (113) South 9°35'56" West a distance of 4.13' feet to a point; thence
 (114) South 25°09'35" West a distance of 902.88' feet to a point; thence
 (115) South 18°36'15" East a distance of 747.65' feet to the U.S. Pierhead and Bulkhead line; thence
 (116) South 34°16'50" West a distance of 4552.86' feet to a point; thence
 (117) South 01°39'00" West a distance of 927.26' feet to a point; thence
 (118) South 34°16'50" West a distance of 1328.27' feet to a point; thence
 (119) South 33°31'36" East a distance of 540.01' feet to a point; thence
 (120) South 34°16'50" West a distance of 1191.74' feet to a point; thence
 (121) South 01°39'00" West a distance of 2166.56' feet to a point; thence
 (122) North 88°21'00" West a distance of 100.00' feet to a point; thence
 (123) North 01°39'00" East a distance of 2010.38' feet to a point; thence
 (124) South 34°16'50" West a distance of 201.26' feet to a point; thence
 (125) North 88°21'00" West a distance of 1067.27' feet to a point; thence
 (126) North 43°21'00" West a distance of 724.02' feet to a point; thence
 (127) North 87°43'49" West a distance of 1014.56' feet to a point; thence
 (128) South 01°39'00" West a distance of 2784.30' feet to a point; thence
 (129) North 88°21'58" West a distance of 1037.50' feet to a point; thence
 (130) North 01°39'00" East a distance of 721.00' feet to a point; thence
 (131) North 46°21'00" East a distance of 337.64' feet to a point; thence
 (132) North 01°39'00" East a distance of 1831.95' feet to a point; thence
 (133) North 87°43'49" West a distance of 3165.43' feet to a point; thence
 (134) South 31°39'00" West a distance of 1908.81' feet to a point; thence
 (135) North 58°21'00" West a distance of 100.00' feet to a point; thence
 (136) North 31°39'00" East a distance of 1852.51' feet to a point; thence
 (137) North 87°43'49" West a distance of 7655.58' feet to the point and place of beginning.

Containing 172,521,401.09 square feet or 3960.55 acres.

The coordinates and bearings hereinabove mentioned refer to the 10th Avenue Meridian as established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" East of true north.

Together with the Aqueduct Parcel, as described in Exhibit B-1.

Together with the portions of the Light Rail System more particularly described as follows:

JFK AIR TRAIN RIGHT OF WAY PREMISES INCLUDED IN THE AMENDED AND RESTATED AGREEMENT OF LEASE OF THE MUNICIPAL AIR TERMINALS BETWEEN THE CITY OF NEW YORK, AS LANDLORD, AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, AS TENANT, DATED AS OF NOVEMBER 24, 2004

- A. Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those pieces or parcels of property in the Fourth Ward of the Borough Queens, City of New York, County of Queens, State of New York, which are shown and described as Aerial Parcels or

Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR – 402 through CR – 415 of a series of maps entitled, "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR- (402 THROUGH 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK", prepared by Vollmer Associates LLP, dated February 28, 2002, bearing Project Number 2001-003-03 and filed contemporaneously in the Office of the Register of Deeds, Queens County on September 17, 2002 with the Grant of Permanent Easement between The People of the State of New York, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York and the Port Authority of New York and New Jersey made August 19, 2002 and recorded at Reel 6582, Page 0118 *et seq.*, City Register Serial Number 128069.

Subject, however, to the provisions of the aforesaid Grant of Permanent Easement made August 19, 2002.

- B. All that certain plot, piece or parcel of land situate, lying and being in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 94th Avenue formerly Johnson Avenue (50 feet wide) with the easterly side of Van Wyck Expressway (Service Road); said corner having a New York State Coordinate System (NAD 83-96) value of N 58916.0472 meters E 315799.1275 meters (N193293.7316 feet E1036084.3037 feet);

1. Running thence North 69 degrees 25 minutes 33.1 seconds East along the southerly side of 94th Avenue, 63.627 meters (208.75 feet) to a point on the division line between property now or formerly of David Oil Corp. and property now or formerly of Carole A. Murray and Thomas D. Murray;
2. Running thence along said division line South 20 degrees 34 minutes 26.9 seconds East, at right angles to the southerly side of 94th Avenue, 25.292 meters (82.98 feet) to a point;
3. Running thence South 66 degrees 54 minutes 37.1 seconds West along the division line between property now or formerly of David Oil Corp. and the following properties: property now or formerly of Edgardo E. Contreras; property now or formerly of David Byrd, Patricia Portis, and Gary Michael Byrd; property now or formerly of Cheryl Winter Naipaul and Gagnatti Naipaul; property now or formerly of Joseph F. Nowinski and Jennie Nowinski; property now or formerly of Stanley P. Francosky, et al; and property now or formerly of Mohamed Shafi and Ramdai Shafi, said line forming an interior angle of 92 degrees 30 minutes 56 seconds with the last mentioned course, 39.127 meters (128.37 feet) to a point in a line distant 34.013 meters (111.59 feet) northerly from the northerly side of 95th Avenue, drawn at right angles thereto, from a point thereon and distant 13.283 meters (43.58 feet) easterly from said easterly side of Van Wyck Expressway (Service Road);
4. Running thence South 20 degrees 34 minutes 26.9 seconds East along the division line between property now or formerly of David Oil Corp. and property now or formerly of Mohamed Shafi and Ramdai Shafi, at right angles to the northerly side of 95th Avenue, formerly Chichester Avenue, 34.013 meters (111.59 feet) to the northerly side of 95th Avenue;

5. Running thence South 69 degrees 25 minutes 33.1 seconds West along the northerly side of 95th Avenue, 13.283 meters (43.58 feet) to the corner formed by the intersection of the said northerly side of 95th Avenue and the easterly side of Van Wyck Expressway (Service Road);
6. Running thence North 31 degrees 01 minutes 19.1 seconds West along the easterly side of Van Wyck Expressway (Service Road), 62.054 meters (203.59 feet) to the point and place of beginning.

Containing 2176.289 square meters (23425.28 square feet) or 0.218 Hectare (0.538 acre).

Also known as Tax Block 9990, Tax Lot 5, Borough of Queens, City of New York.

Being the premises shown on an ALTA/ACSM Land Title Surveys of Lot 5, Block 9990, Queens, New York, prepared by Vollmer Associates, dated February 15, 2000 and signed by Kenneth J. Stigner, L.S.

Together with the appurtenances and all the estate and rights in and to said premises.

Being the same premises conveyed to the Port Authority by David Oil Corp. by Indenture made November 3, 2000 recorded with the Office of the Register of Deeds, Queens County, November 29, 2000 at Reel 5732, Page 0424 *et seq.*, City Register Serial Number 113076

All bearings refer to The New York Coordinate System of 1983-96, Long Island Zone 3104.

**DEMISED PREMISES
LA GUARDIA AIRPORT**

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at a point on the northerly line of the Grand Central Parkway, the coordinates of said point being South 28503.87 East 31015.83 and running thence;

- (1) North 11°16'29" East a distance of 458.89' to a point; thence
- (2) North 88°44'45" East a distance of 460.98' to a point; thence
- (3) North 11°16'29" East a distance of 1100.00' to a point; thence
- (4) North 18°29'24" East a distance of 20.77' to a point; thence
- (5) South 86°41'51" East a distance of 220.00' to a point; thence
- (6) North 18°27'15" East a distance of 258.99' to a point; thence
- (7) North 86°41'13" West a distance of 220.00' to a point; thence
- (8) North 18°27'15" East a distance of 360.20' to a point; thence
- (9) North 03°05'15" East a distance of 800.00' to a point; thence
- (10) North 50°30'13" West a distance of 298.21' to a point; thence
- (11) North 86°54'45" West a distance of 750.00' to a point; thence
- (12) South 38°44'34" West a distance of 283.06' to a point; thence
- (13) North 86°54'45" West a distance of 5408.51' to a point; thence
- (14) South 51°18'36" West a distance of 4540.72' to a point; thence
- (15) South 13°51'22" West a distance of 1080.58' to a point; thence
- (16) North 76°08'37" West a distance of 470.04' to a point; thence
- (17) South 13°51'22" West a distance of 870.00' to the northerly line of 19th Avenue; thence

along the northerly line of 19th Avenue (18) South $76^{\circ}08'37''$ East a distance of 1075.04' to a point of curvature; thence
 (19) along an arc curving to the left, having a radius of 681.03' a distance of 322.10' and a central angle of $27^{\circ}05'56''$; thence
 (20) North $76^{\circ}45'26''$ East a distance of 942.63' to the easterly line of 81st Street; thence
 along the easterly line of 81st Street (21) South $36^{\circ}54'45''$ East a distance of 1476.44' to a point of curvature; thence
 (22) along an arc curving to the left, having a radius of 50.00' a distance of 51.23' and a central angle of $58^{\circ}42'26''$ to a point of reverse curvature; thence
 (23) along an arc curving to the right, having a radius of 165.00' a distance of 154.85' and a central angle of $53^{\circ}46'14''$ to a point; thence
 (24) South $41^{\circ}50'57''$ East a distance of 505.03' to a point on a non tangent curve on the northerly line of the Grand Central Parkway; thence
 along the northerly line of the Grand Central Parkway (25) along an arc curving to the left, having a radius of 6257.00' a distance of 484.45' and a central angle of $4^{\circ}26'10''$ to a point on a non tangent curve; thence
 (26) along an arc curving to the left, having a radius of 1369.23' a distance of 80.80' and a central angle of $3^{\circ}22'52''$ to a point; thence
 (27) North $41^{\circ}05'55''$ East a distance of 292.89' to a point of curvature; thence
 (28) along an arc curving to the left, having a radius of 6350.00' a distance of 808.80' and a central angle of $7^{\circ}17'52''$ to a point of curvature; thence
 (29) along an arc curving to the left, having a radius of 2179.45' a distance of 482.18' and a central angle of $12^{\circ}40'34''$ to a point of reverse curvature; thence
 (30) along an arc curving to the right, having a radius of 2705.00' a distance of 1154.97' and a central angle of $24^{\circ}27'50''$ to a point; thence
 (31) North $17^{\circ}48'51''$ East a distance of 100.64' to a point on a non tangent curve; thence
 (32) along an arc curving to the right, having a radius of 2743.00' a distance of 733.52' and a central angle of $15^{\circ}19'18''$ to a point; thence
 (33) North $65^{\circ}09'17''$ East a distance of 414.40' to a point; thence
 (34) North $73^{\circ}19'26''$ East a distance of 194.16' to a point; thence
 (35) North $72^{\circ}17'26''$ East a distance of 655.31' to a point of curvature; thence
 (36) along an arc curving to the right, having a radius of 2362.00' a distance of 813.92' and a central angle of $19^{\circ}44'38''$ to a point of curvature; thence
 (37) along an arc curving to the right, having a radius of 9711.30' a distance of 1147.99' and a central angle of $6^{\circ}46'23''$ to a point of curvature; thence
 (38) along an arc curving to the right, having a radius of 9711.30' a distance of 342.94' and a central angle of $2^{\circ}01'24''$ to a point; thence
 (39) South $68^{\circ}45'22''$ East a distance of 685.00' to the point and place of beginning.

Containing 33,290,055.46 square feet or 764.23 acres.

The coordinates and bearings hereinabove mentioned refer to the 10th Avenue Meridian as established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being $28^{\circ}59'13.5''$ East of true north.

**EXHIBIT-B1
AQUEDUCT PARCEL**

FEE PARCEL

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Commencing at a point on the northerly side of North Conduit Avenue, said point being the following courses and distances from the corner formed by the intersection of the northerly side of North Conduit Avenue and the westerly side of 114th Street (60 feet wide), South 59°31'52" West 298.32 feet, South 64°52'32" West 337.76 feet to a point of curvature; thence southwesterly along the northerly side of North Conduit Avenue as it curves having a radius of 1375.30 feet a distance of 19.97 feet to the true point or place of beginning; running thence southwesterly along an arc curving to the right having a radius of 1375.30 feet a distance of 379.80 feet a central angle of 15°49'23" to a point of tangency; thence the following courses and distances along the northerly side of North Conduit Avenue: South 81°31'49" West 151.31 feet; thence South 79°25'12" West 149.59 feet; thence South 80°38'48" West a distance of 0.82' feet to the easterly side of a bridge; thence South 49°18'31" East a distance of 703.35' feet along a bridge that crosses over the Southern Parkway to the southerly line of the Southern Parkway; thence South 76°26'23" West along the southerly line of the Southern Parkway a distance of 46.88' feet to the westerly side of the bridge; thence North 49°18'31" East a distance of 707.83' feet along a bridge that crosses over the Southern Parkway to the northerly side of North Conduit Avenue; thence along the northerly side of North Conduit Avenue, South 80°38'48" West a distance of 62.17' feet to the easterly side of the long island rail road; thence the following courses and distances along the easterly side of the land of the long island rail road: North 12°11'48" West 0.83 feet to a point; thence North 49°16'48" West 33.17 feet to a point; thence North 12°11'48" West 8.29 feet to a point; thence North 49°16'48" West 1248.25 feet to a point; thence North 45°49'23" West 165.84 feet to a point; thence North 44°15'09" West 62.04 feet to a point; thence North 44°15'09" West 17.86 feet to a point; thence the following courses and distances: North 45°44'51" East 24.11 feet to a point; thence North 28°15'57" East 115.64 feet to a point; thence North 72°38'36" East 386.70 feet to a point of curvature; thence along an arc curving to the right, having a radius of 95.00 feet a distance of 107.33 feet and a central angle of 64°43'50" to a point of tangency; thence South 42°37'34" East 54.55 feet South 44°42'27" East 131.39 feet to a point of curvature; thence along an arc curving to the left having a radius of 505.00 feet a distance of 51.31 feet and a central angle of 05°49'17" to a point of tangency; thence South 50°31'44" East 46.47 feet to a point of curvature; thence along an arc curving to the left having a radius of 115.00 feet a distance of 37.08 feet and a central angle of 15°59'03" to the point of tangency; thence South 66°30'47" East 153.69 feet to a point of curvature; thence along an arc curving to the left having a radius of 615.00 feet a distance of 354.73 feet and a central angle of 33°02'52" to a point of tangency; thence North 80°26'21" East 280.00' feet to a point of curvature; thence along an arc curving to the right having a radius of 129.00 feet a distance of 148.52 feet and a central angle of 66°00'33" to a point of compound curvature; thence

running along an arc curving to the right having a radius of 335.00 feet a distance of 141.07 feet and a central angle of 24°07'41" to a point of tangency; thence South 09°25'24" East 228.54 feet; thence South 10°02'30" East 180.75 feet to a point of curvature; thence along an arc curving to the left having a radius of 130.00 feet a distance of 100.00 feet and a central angle of 44°04'25" to a point of compound curvature; thence along an arc curving to the left having a radius of 154.00 feet a distance of 60.36 feet and a central angle of 22°27'30" to a non tangent point; thence South 19°44'18" East 86.81 feet to the point or place of beginning.

Containing 1,131,352.78 square feet or 25.97 acres.

EASEMENT TO PORT AUTHORITY

All that certain plot, piece or parcel of land lying and being in the Borough of Queens, City and State of New York bounded and described as follows:

Commencing at a point on the northerly side of North Conduit Avenue, said point being the following courses and distances from the corner formed by the intersection of the northerly side of North Conduit Avenue and the westerly side of 114th street (60 feet wide), South 59°31'52" West 298.32 feet, South 64°52'32" West 337.76 feet to a point of curvature; thence southwesterly along the northerly side of North Conduit Avenue as it curves having a radius of 1375.30 feet a distance of 19.97 feet to the true point or place of beginning;

running thence southwesterly along an arc curving to the right having a radius of 1375.30 feet a distance of 156.31 feet and a central angle of 6°30'43" to a point; thence the following courses and distances:

North 01°28'49" West a distance of 153.78 feet to a point; thence North 08°59'31" West a distance of 269.03 feet to a point; thence North 09°25'24" West a distance of 228.45 feet to a point of curvature; thence northwesterly along, an arc curving to the left having a radius of 310.00 feet a distance of 130.55 feet and a central angle of 24°07'41" to a point of compound curvature; thence northwesterly along an arc curving to the left having a radius of 104.00 feet a distance of 119.82 feet a central angle of 66°00'33" to a point of tangency; thence South 80°26'21" West a distance of 280.00 feet to a point of curvature; thence northwesterly along an arc curving to the right having a radius of 640.00 feet a distance of 369.15 feet and a central angle of 33°02'52" to a point of tangency; thence North 66°30'47" West a distance of 153.69 feet to a point of curvature; thence northwesterly along an arc curving to the right having a radius of 140.00 feet a distance of 39.06 feet and a central angle of 15°59'03" to a point of tangency; thence North 50°31'44" West a distance of 46.47 feet to a point of curvature; thence northwesterly along an arc curving to the right having a radius of 530.00 feet a distance of 53.85 feet and a central angle of 5°49'17" to a point of tangency; thence North 44°42'27" West a distance of 131.85 feet to a point; thence North 42°37'34" West a distance of 55.00 feet to a point of curvature; thence northwesterly along an arc curving to the left having a radius of 70.00 feet a distance of 57.62 feet and a central angle of 47°09'51" to a point; thence South 00°12'35" West a distance of 20.27 feet to a point; thence South 72°44'21" West a distance of 174.62 feet to a point; thence North 17°21'24" West a distance of 22.30 feet to a point; thence South 72°38'36" West a distance of 216.88 feet to a point; thence South 28°15'57" West a distance of 85.50 feet to a point; thence South 45°44'51" West a distance of 50.64 feet to a point; thence North 44°15'09" West a distance of 17.86 feet to a point; thence

North 45°44'51" East a distance of 24.11 feet to a point; thence
North 28°15'57" East a distance of 115.64 feet to a point; thence
North 72°38'36" East a distance of 386.70 feet to a point of curvature; thence
southeasterly along an arc curving to the right having a radius of 95.00 feet a distance of 107.33
feet and a central angle of 64°43'50" to a point of tangency; thence
South 42°37'34" East a distance of 54.55 feet to a point; thence
South 44°42'27" East a distance of 131.39 feet to a point of curvature; thence
southeasterly along an arc curving to the left having a radius of 505.00 feet a distance of 51.31
feet and a central angle of 5°49'17" to a point of tangency; thence
South 50°31'44" East a distance of 46.47 feet to a point of curvature; thence
southeasterly along an arc curving to the left having a radius of 115.00 feet a distance of 32.08
feet and a central angle of 15°59'03" to a point of tangency; thence
South 66°30'47" East a distance of 153.69 feet to a point of curvature; thence
southeasterly along an arc curving to the left having a radius of 615.00 feet a distance of 354.73
feet and a central angle of 33°02'52" to a point of tangency; thence
North 80°26'21" East a distance of 280.00 feet to a point of curvature; thence
southeasterly along an arc curving to the right having a radius of 129.00 feet a distance of 148.62
feet and a central angle of 66°00'33" to a point of compound curvature; thence
southeasterly along an arc curving to the right having a radius of 335.00 feet a distance of 141.07
feet and a central angle of 24°07'41" to a point of tangency; thence
South 09°25'24" East a distance of 228.54 feet to a point; thence
South 10°02'30" East a distance of 180.75 feet to a point of curvature; thence
southeasterly along an arc curving to the left having a radius of 130.00 feet a distance of 100.00
feet a central angle of 44°04'25" to a point of compound curvature; thence
southeasterly along an arc curving to the left having a radius of 154.00 feet a distance of 60.36
feet and a central angle of 22°27'30" to a non tangent point; thence
South 19°44'18" East a distance of 86.81 feet to the point or place of beginning.

Containing 85,005.33 square feet or 1.95 acres more or less.

EASEMENT TO NEW YORK RACING ASSOCIATION

All that certain plot, piece or parcel of land lying and being in the Borough of Queens, City and State of New York bounded and described as follows:

Commencing at a point on the northerly side of North Conduit Avenue, said point being the following courses and distances from the corner formed by the intersection of the northerly side of North Conduit Avenue and the westerly side of 114th Street (60 feet wide), South 59°31'52" West 298.32 feet, South 64°52'32" West 337.76 feet to a point of curvature; thence southwesterly along the northerly side of North Conduit Avenue as it curves having a radius of 1375.30 feet a distance of 176.28 feet to the true point or place of beginning; running thence southwesterly along an arc curving to the right having a radius of 1375.30 feet a distance of 223.49 feet and a central angle of 9°18'39" to a point of tangency; thence the following courses and distances along the northerly side of North Conduit Avenue:
South 81°31'49" West a distance of 151.31 feet; thence
South 79°25'12" West a distance of 149.59 feet; thence
South 80°38'48" West a distance of 112.62 feet to the easterly side of the Long Island Railroad; thence
the following courses and distances along the easterly side of the land of the Long Island Railroad:
North 12°11'48" West a distance of 0.83 feet to a point; thence
North 49°16'48" West a distance of 33.17 feet to a point; thence
North 12°11'48" West a distance of 8.29 feet to a point; thence
North 49°16'48" West a distance of 1248.25 feet to a point; thence

North 45°49'23" West a distance of 165.84 feet to a point; thence
North 44°15'09" West a distance of 62.04 feet to a point; thence
the following courses and distances:
North 45°44'51" East a distance of 50.64 feet to a point; thence
South 48°53'09" East a distance of 810.07 feet to a point; thence
South 48°14'53" East a distance of 322.84 feet to a point of curvature; thence
along an arc curving to the left having a radius of 94.00 feet a distance of 74.77 feet and a central
angle of 45°34'28" to a point of reverse curvature; thence
along an arc curving to the right having a radius of 120.00 feet a distance of 82.10 feet and a
central angle of 39°12'01" to a point of tangency; thence
South 54°37'16" East a distance of 260.00 feet to a point of curvature; thence
along an arc curving to the left having a radius of 94.00 feet a distance of 70.03 feet and a central
angle of 42°40'59" to a point of tangency; thence
North 82°41'45" East a distance of 58.00 feet to a point; thence
North 80°29'41" East a distance of 291.24 feet to a point of curvature; thence
along an arc curving to the left having a radius of 120.00 feet a distance of 171.69 feet and a
central angle of 81°58'32" to a non tangent point; thence
South 1°28'46" East a distance of 138.09 feet to the point or place of beginning.

Containing 142,726.26 square feet or 3.28 acres more or less.

AQUEDUCT BRIDGE

Commencing at a point on the easterly right of way line of the Long Island Railroad where it
intersects the southerly line of the Southern Parkway, said line also being the northerly line of
John F. Kennedy International Airport, running along the last mentioned line North 76°26'23" East
a distance of 15.00 feet to the westerly line of a bridge and the true point and place of beginning;
running thence
North 49°18'31" West a distance of 707.83' feet along the westerly line of a bridge that crosses
over the Southern Parkway to the northerly side of North Conduit Avenue; thence
North 80°38'48" West a distance of 50.47 feet along the northerly side of North Conduit Avenue
to the easterly side of the bridge; thence
South 49°18'31" East a distance of 703.35' feet along the easterly side of the bridge that crosses
over the Southern Parkway to the southerly line of the Southern Parkway; thence
South 76°26'23" West along the southerly line of the Southern Parkway a distance of 46.88' feet
to the westerly side of the bridge and the true point or place of beginning.

Having a lower limiting plane at the bottom of the lowest element of the highway bridge and
appurtenances, together with: columns, piers, walls, trusses, footings and abutments, if any,
necessary for the support of such bridge and no upper limiting plane.

**EXHIBIT B-2
BOWERY BAY PARCEL**

All that certain plot, piece or parcel of land situate lying and being in the borough and county of Queens, in the City and State of New York, more particularly bounded and described as follows:

Beginning at a point which is the intersection of the easterly line of 45th Street and the northerly line of 19th Avenue the coordinates of which are South 29878.17 East 21002.59 running thence in an easterly direction along the northerly line of 19th Avenue South 76°08'37" East a distance of 1075.04' to a point of curvature; thence along an arc having a radius of 681.03' feet curving to the left a distance of 322.11' feet a total angle of 27°05'57" to a point; continuing thence along the northerly line of 19th Avenue North 76°45'26" East a distance of 942.64' to the lands of La Guardia Airport and also the easterly line of 81st Street; thence in a northerly direction through the lands of La Guardia Airport, North 36°54'45" West a distance of 153.82' thence continuing still through the lands of La Guardia Airport in an easterly direction North 53°05'15" East a distance of 1520.00'; thence in a northerly direction still through the lands of La Guardia Airport North, 36°54'45" West a distance of 2166.75' to the Rikers Island Channel; thence South 51°18'36" West a distance of 1509.89'; thence South 13°51'22" West a distance of 1080.58'; North 76°08'35" West a distance of 470.04'; thence South 13°51'22" West a distance of 870.01' to the point and place of beginning.

Containing 5,557,063.55 square feet or 127.57 acres.

The coordinates and bearings hereinabove mentioned refer to the 10th Avenue Meridian as established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" east of true north.

**EXHIBIT B-3
EXISTING HORIZONTAL SURFACE, CONICAL
SURFACE, PRIMARY SURFACE, APPROACH SURFACE
AND TRANSITIONAL SURFACE**

JOHN F. KENNEDY AIRPORT

RUNWAY PROTECTION ZONE AT RUNWAY 13 RIGHT / 31 LEFT

Beginning at a point on the centerline extended of runway 13 right / 31 left distant 200 feet West of the end of said runway, the coordinates of which are South 59877.98 East 62708.22; running thence

1. South 1°39'00" West a distance 500.00 feet to a point; thence
2. South 83°07'09" West a distance 2527.97 feet to a point; thence
3. North 1°39'00" East a distance of 1750.00 feet to a point; thence
4. South 79°49'09" East a distance of 2527.97 feet to a point; thence
5. South 1°39'00" West a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 31 LEFT / 13 RIGHT

Beginning at a point on the centerline extended of runway 13 right / 31 left distant 200 feet East of the end of said runway, the coordinates of which are South 60310.04 East 77707.13; running thence

1. North 1°39'00" East a distance of 500.00 feet to a point; thence
2. North 83°07'09" East a distance of 2527.97 feet to a point; thence
3. South 1°39'00" West a distance of 1750.00 feet to a point; thence
4. North 79°49'09" West a distance of 2527.97 feet to a point; thence
5. North 1°39'00" East a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 4 LEFT / 22 RIGHT

Beginning at a point on the centerline extended of runway 4 left / 22 right distant 200 feet South of the end of said runway, the coordinates of which are South 64277.61 East 75151.88; running thence

1. South 88°21'00" East a distance of 500.00 feet to a point; thence
2. South 06°52'51" East a distance of 2527.97 feet to a point; thence
3. North 88°21'00" West a distance 1750.00 feet to a point; thence
4. North 10°10'51" East a distance of 2527.97 feet to a point; thence
5. South 88°21'00" East a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 22 RIGHT / 4 LEFT

Beginning at a point on the centerline extended of runway 22 right / 4 left distant 200 feet North of the end of said runway, the coordinates of which are South 52521.30 East 75490.53; running thence

1. North 88°21'00" West a distance 500.00 feet to a point; thence
2. North 6°52'51" West a distance 2527.97 feet to a point; thence
3. South 88°21'00" East a distance of 1750.00 feet to a point; thence
4. South 10°10'51" West a distance 2527.97 feet to a point; thence
5. North 88°21'00" West a distance 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 4 RIGHT / 22 LEFT

Beginning at a point on the centerline extended of runway 4 right / 22 left distant 200 feet South of the end of said runway, the coordinates of which are South 61124.30 East 78246.21; running thence

1. South 88°21'00" East a distance of 500.00 feet to a point; thence
2. South 6°52'51" East a distance of 2527.97 feet to a point; thence
3. North 88°21'00" West a distance 1750.00 feet to a point; thence
4. North 10°10'51" East a distance of 2527.97 feet to a point; thence
5. South 88°21'00" East a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 22 LEFT / 4 RIGHT

Beginning at a point on the centerline extended of runway 22 left / 4 right distant 200 feet North of the end of said runway, the coordinates of which are South 52327.86 East 78499.60; running thence

1. North 88°21'00" West a distance 500.00 feet to a point; thence
2. North 6°52'51" West a distance 2527.97 feet to a point; thence
3. South 88°21'00" East a distance of 1750.00 feet to a point; thence
4. South 10°10'51" West a distance 2527.97 feet to a point; thence
5. North 88°21'00" West a distance 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 13 LEFT / 31 RIGHT

Beginning at a point on the centerline extended of runway 13 left / 31 right distant 200 feet West of the end of said runway, the coordinates of which are South 53310.29 East 67495.51; running thence

1. South 1°39'00" West a distance 500.00 feet to a point; thence
2. South 83°07'09" West a distance 2527.97 feet to a point; thence
3. North 1°39'00" East a distance of 1750.00 feet to a point; thence
4. South 79°49'09" East a distance of 2527.97 feet to a point; thence
5. South 1°39'00" West a distance 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 31 RIGHT / 13 LEFT

Beginning at a point on the centerline extended of runway 31 right / 13 left distant 200 feet East of the end of said runway, the coordinates of which are South 53609.74 East 77890.87; running thence

1. North 1°39'00" East a distance of 500.00 feet to a point; thence
2. North 83°07'09" East a distance of 2527.97 feet to a point; thence
3. South 1°39'00" West a distance 1750.00 feet to a point; thence
4. North 79°49'09" West a distance 2527.97 feet to a point; thence
5. North 1°39'00" East a distance of 500.00 feet to the point or place of beginning.

MIDDLE MARKER PARCEL

Beginning at a point in the prolongation southwardly of the center line of proposed runway 'V' of New York International Airport, distant South 1°39' West 3475.00 feet thereon from the southerly end of said runway, the coordinates of said point being South 64,396.89, East 78,149.69 an running thence (1) South 88°21' east, 50.00 feet to a point, the coordinates of said point being South 64,398.33, East 78,199.67; thence (2) South 1°39' west, parallel with said center line of runway prolonged, distant 50.00 feet southeastwardly therefrom, measured at right angles thereto, 100.00 feet to a point, the coordinates of said point being South 64,498.29, East 78,196.79; thence (3) North 88°21' west, 100.00 feet to a point, the coordinates of said point being South 64,495.41, East 78,096.83; thence (4) North 1°39' east, parallel with said center line

of runway prolonged, distant 50.00 feet northwestwardly therefrom, measured at right angles thereto, 100.00 feet to a point, the coordinates of said point being South 64,395.45, East 78,099.71; thence (5) South 88°21' east, 50.00 feet to the point and place of beginning, the area whereof is 0.23 acres more or less.

La Guardia AIRPORT

RUNWAY PROTECTION ZONE AT RUNWAY 31/13

Beginning at a point on the centerline extended of Runway 31/13 distant 200 feet east of the end of said runway, the coordinates of which are South 25944.04 East 31450.26; running thence

1. North 03-05'14" East a distance of 500.00 feet to a point; thence
2. North 84-33'24" East a distance of 2527.97 feet to a point; thence
3. South 03-05'14" West a distance of 1750.00 feet to a point; thence
4. North 78-22'55" West a distance of 2527.97 feet to a point; thence
5. North 03-05'14" East a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 13/31

Beginning at a point on the centerline extended of Runway 13/31 distant 200 feet west of the end of said runway, the coordinates of which are South 25545.42 East 24059.68; running thence

1. South 03-05'14" West a distance of 500.00 feet to a point; thence
2. South 84-33'24" West a distance of 2527.97 feet to a point; thence
3. North 03-05'14" East a distance of 1750.00 feet to a point; thence
4. South 78-22'55" East a distance of 2527.97 feet to a point; thence
5. South 03-05'14" West a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 4/22

Beginning at a point on the centerline extended of Runway 4/22 distant 200 feet south of the end of said runway, the coordinates of which are South 30491.60 East 25225.58; running thence

1. South 86-54'45" East a distance of 500.00 feet to a point; thence
2. South 05-26'35" East a distance of 2527.97 feet to a point; thence
3. North 86-54'45" West a distance of 1750.00 feet to a point; thence
4. North 11-37'06" East a distance of 2527.97 feet to a point; thence
5. South 86-54'45" East a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 22/4

Beginning at a point on the centerline extended of Runway 22/4 distant 200 feet north of the end of said runway, the coordinates of which are South 23300.77 East 25613.46; running thence

1. North 86-54'45" West a distance of 500.00 feet to a point; thence
2. North 05-26'35" West a distance of 2527.97 feet to a point; thence
3. South 86-54'45" East a distance of 1750.00 feet to a point; thence
4. South 11-37'06" West a distance of 2527.97 feet to a point; thence
5. North 86-54'45" West a distance of 500.00 feet to the point or place of beginning.

**EXHIBIT B-4
AVIGATIONAL EASEMENT AREAS**

**LA GUARDIA AIRPORT - LA GUARDIA AVIGATIONAL EASEMENTAREAS
PARCEL A1**

Beginning at a point which is the intersection of the easterly line of 78th Street (60.00 feet wide) with the southerly line of 25th Avenue (70.00 feet wide) and running thence (1) eastwardly, along said southerly line of 25th Avenue, 200.00 feet to the westerly line of 79th Street (60.00 feet wide); thence (2) southwardly, along said westerly line of 79th Street, at right angles to the preceding course, 192.82 feet to a point distant 100.00 feet southeastwardly from the center line prolonged of runway 4-22 of La Guardia Airport, measured at right angles thereto; thence (3) southwardly, parallel with said center line of runway, distant 100.00 feet southeastwardly therefrom, measured at right angles thereto and along a line which makes an interior angle of $139^{\circ}59'20''$ with the preceding course, 155.54 feet to the westerly line of lands acquired by the Port of New York Authority in a condemnation proceeding vesting title on June 6, 1956 and a point in the center line of the block; thence (4) northwardly, along said westerly line of lands condemned as aforesaid, along said center line of block and along a line which makes an interior angle of $40^{\circ}00'40''$ with the preceding course 170.59 feet to the southerly line of lands conveyed by Arde Bulova to the Port of New York Authority by deed dated May 18, 1956 and recorded on May 21, 1956 in the register's office of Queens county in liber 6876 of deeds at page 531 therein; thence (5) westwardly, along said southerly line of lands conveyed by Arde Bulova as aforesaid and along a line which makes an interior angle of $282^{\circ}44'40''$ with the preceding course, 51.28 feet; thence (6) westwardly, continuing along said southerly line of lands conveyed by Arde Bulova and along a line which makes an interior angle of $183^{\circ}19'20''$ with the preceding course 52.02 feet to said easterly line of 78th Street; thence (7) northwardly along said easterly line of 78th Street and along a line which makes an interior angle of $73^{\circ}56'00''$ with the preceding course, at right angle to said southerly line of 25th Avenue, 167.08 feet to the point and place of beginning.

Being the premises known as lot 1 and part of lot 14 in block 1055, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A2

Beginning at a point which is the intersection of the easterly line of 79th Street (60.00 feet wide) with the southerly line of 25th Avenue (70.00 feet wide) and running thence (1) eastwardly along said southerly line of 25th Avenue, at right angles to said easterly line of 79th Street, 101.86 feet to a point distant 100.00 feet southeastwardly from the center line prolonged of runway 4-22 of La Guardia Airport, measured at right angles thereto; thence (2) southwestwardly, parallel with said center line of runway, distant 100.00 feet southeastwardly therefrom, measured at right angles thereto along the easterly line of lands acquired by the Port of New York Authority in a condemnation proceeding vesting title on June 6, 1956 and along a line which makes an interior angle of $49^{\circ}59'20''$ with the preceding course, 158.43 feet to said easterly line of 79th Street; thence (3) northwardly, along said easterly line of 79th Street and along a line which makes an interior angle of $40^{\circ}00'40''$ with the preceding course, 121.34 feet to the point and place of beginning.

Being the premises known as part of lot 1 and part of lot 11, in block 1056, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A3

Beginning at a point which is the intersection of the northerly line of 25th Avenue (70.00 feet wide) with the easterly line of 79th Street (60.00 feet wide) and running thence (1) northwardly, along said easterly line of 79th Street, at right angles to said northerly line of 25th Avenue, 450.00 feet to the northerly line of lands conveyed by Arde Bulova to the Port of New York Authority by deed dated July 2, 1956 and recorded on July 9, 1956 in the register's office of Queens county in liber 6891 of deeds at page 645 therein; thence (2) eastwardly, at right angles to the preceding course and along said northerly line of lands conveyed by Arde Bulova as aforesaid, 53.75 feet to the easterly line of lands conveyed by Arde Bulova as aforesaid; thence (3) southwardly, along said easterly line of lands conveyed by Arde Bulova as aforesaid and along a line which makes an interior angle of $112^{\circ}46'03''$ with the preceding course, 108.45 feet to the northerly line of lands conveyed by Clara Maurer to the Port of New York Authority by deed dated June 12, 1956 and recorded on June 12, 1956 in the register's office of Queens county in liber 6883 of deeds at page 632 therein; thence (4) eastwardly, along said northerly line of lands conveyed by Clara Maurer as aforesaid and along a line which makes an interior angle of $247^{\circ}13'57''$ with the preceding course, 104.28 feet to the westerly line of 80th Street (60.00 feet wide); thence (5) southwardly, along said westerly line of 80th Street, at right angles to the preceding course, 350.00 feet to the corner formed by the intersection of said westerly line of 80th Street with said northerly line of 25th Avenue; thence (6) westwardly, along said northerly line of 25th Avenue, at right angles to the preceding course, 200.00 feet to the point and place of beginning.

Being the premises known as lots 18, 20, 22, 24 and part of 32, in block 1043, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A4

Beginning at a point in the easterly line of 80th Street (60.00 feet wide) distant 125.00 feet northwardly thereon from the corner formed by the intersection of said easterly line of 80th Street with the northerly line of 25th Avenue (70.00 feet wide) said point lying in the southerly line of lands conveyed by John & Christine Harvan to the Port of New York Authority by deed dated June 14, 1956 and recorded in the register's office of Queens county on June 15, 1956 in liber 6884 of deeds at page 528 therein and running thence (1) northwardly, along said easterly line of 80th Street, 375.00 feet to the northerly flue of lands conveyed by Wilhelmina Kobryn to the Port of New York Authority by deed dated July 10, 1956 and recorded in the register's office of Queens county on July 12, 1956 in liber 6892 of deeds at page 627 therein; thence (2) eastwardly, along said northerly line of lands conveyed by Wilhelmina Kobryn as aforesaid, 100.00 feet to the westerly line of lands acquired by the Port of New York Authority in condemnation proceeding in which title vested on June 6, 1956; thence (3) northwardly, along said westerly line of lands acquired as aforesaid, 100.00 feet to the southerly line of 24th Avenue (70.00 feet wide); thence (4) eastwardly, along said southerly line of 24th Avenue, 100.00 feet to the corner formed, by the intersection of said southerly line of 24th Avenue with the westerly line of 81st Street (60.00 feet wide); thence (5) southwardly, along said westerly line of 81st Street, 325.00 feet to the southerly line of lands conveyed by Ellen Shelby to the Port of New York Authority by deed dated June 27, 1956 and recorded in the register's office of Queens county on June 28, 1956 in liber 6888 of deeds at page 231 therein; thence (6) westwardly, along said southerly line of lands conveyed by Ellen Shelby aforesaid, 100.00 feet to the center line of the block and a point in the easterly line of lands conveyed by Joseph Somma to the Port of New York Authority by deed dated February 8, 1956 and recorded in the register's office on February 9, 1956 in liber 6849 of deeds at page 454 therein; thence (7) southwardly, along said center line of block and along said easterly line of lands conveyed by Joseph Somma as aforesaid, along the easterly line of lands conveyed by George & Rose Simad by deed dated July 23, 1956 and recorded on July 30, 1956 in the register's office of Queens county by torrens certificate numbered 189, along the easterly line of lands acquired by the Port of New York Authority in condemnation proceedings in which title vested on June 6, 1956, along the easterly line of lands

conveyed by John & Christine Harvan as aforesaid, 150.00 feet to said southerly line of lands conveyed by John & Christine Harvan; thence (8) westwardly, along said southerly line of lands conveyed by John & Christine Harvan as aforesaid, 100.00 feet to the point and place of beginning.

Being the premises known as lots 6, 9, 11, 14, 16, 20, 43,45, 46, 48, 49, 50, 51, 52, 53, 54, 56, 57 and 59 in block 1044, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A5

Beginning at a point which is the intersection of the southerly line of 24th Avenue (70.00 feet wide) with the easterly line of 81st Street (60.00 feet wide) and running thence (1) eastwardly, along said southerly line of 24th Avenue, 125.00 feet to the easterly line of lands acquired by the Port of New York Authority in a condemnation proceeding in which title vested on June 6, 1956; thence (2) southwardly along said easterly line of lands acquired as aforesaid, 100.00 feet to a southerly line of lands acquired as aforesaid; thence (3) westwardly, along said southerly line of lands acquired as aforesaid, 25.00 feet to the center line of the block and another easterly line of lands acquired by condemnation as aforesaid; thence (4) southwardly, along said lands acquired by condemnation and along the easterly line of lands conveyed by Andrew Haurylak by deed dated September 28, 1956 and recorded in the register's office of Queens county on September 28, 1956 in liber 6916 at page 83 therein, 75.00 feet to the southerly line of lands conveyed by Andrew Haurylak aforesaid; thence (5) westwardly, along said southerly line of lands conveyed by Andrew Haurylak, 100.00 feet to said easterly line of 81st Street; thence (6) northwardly, along said easterly line of 81st Street, 175.00 feet to the point and place of beginning.

Being the premises known as lots 1, 2, 3, 4, 57, 58 and 59, in block 1045, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A6

Beginning at a point which is the intersection of the westerly line of 82nd Street (60.00 feet wide) with the northerly line of Astoria Boulevard (130.00 feet wide) and running thence (1) westwardly, along said northerly line of Astoria Boulevard, 99.31 feet to the westerly line of lands conveyed by Stephen, Electra, George and Eftalia Milonas to the Port of New York Authority by deed dated February 1, 1957 and recorded in the register's office of Queens county on February 5, 1957 in liber 6950 of deeds at page 112 therein; thence (2) northwardly, along said westerly line of lands conveyed as aforesaid and along the westerly line of lands acquired by the Port of New York Authority by condemnation in a proceeding vesting title on June 6, 1956, 58.01 feet to the northerly line of lands acquired by condemnation as aforesaid; thence (3) eastwardly, along said northerly line of lands acquired by condemnation as aforesaid, 25.00 feet to the westerly line of lands conveyed by Caroline Dupree to the Port of New York Authority by deed dated August 29, 1956 and recorded in the register's office of Queens county on August 31, 1956 in liber 6907. at page 458 therein; thence (4) northwardly, along said westerly line of lands conveyed by Caroline Dupree as aforesaid, 75.00 feet to the northerly line of lands so conveyed by Caroline Dupree; thence (5) eastwardly, along said northerly line of lands conveyed by Caroline Dupree as aforesaid, 47.04 feet to said westerly line of 82nd Street; thence (6) southwardly along said westerly line of 82nd Street, 179.70 feet to the point and place of beginning.

Being the premises known as lots 30, 33, and 40, in block 1034, section 7 of the tax map of the City for the Borough of Queens.

Excepting so much as was taken for the widenings of Astoria Blvd. & 82nd St.

PARCEL A7

Beginning at a point which is the intersection of the easterly line of 81st Street with the southerly line of Grand Central Parkway as now in use and running thence eastwardly along an arc curving to the left having a radius of 294.00 feet a distance of 45.89 feet and a central angle of 8°56'36" to a point of compound curvatures; thence along arc curving to the left having a radius of 356.00 feet a distance of 77.82 feet and a central angle of 12°31'28" to the westerly line of 82nd Street thence southwardly, along said westerly line of 82nd Street south 44°02'43" east a distance of 146.11 feet to a point; thence westwardly, south 53°05'15" west a distance of 40.78' to a point; thence northwardly north 36°54'45" west a distance of 45.98' to a point; thence westwardly south 53°37'33" west a distance of 100.00' to the easterly line of 81st Street; thence northwardly along the easterly line of 81st Street north 36°54'45" west a distance of 112.59 feet to the point and place of beginning.

Being the premises known as lot 1 in block 1034, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A8

Beginning at a point which is the intersection of the easterly line of 82nd Street with the northerly line of Astoria Boulevard and running thence (1) northwardly, along said easterly line of 82nd Street, north 44 degrees 02 minutes 43.5 seconds west a distance of 415.70 feet to the southerly line of Ditmars Boulevard; thence (2) eastwardly along said southerly line of Ditmars Boulevard, north 45 degrees 29 minutes 41 seconds east, a distance of 239.97 feet to the westerly line of 83rd Street; thence (3) southwardly, along said westerly line of 83rd Street, south 36 degrees 54 minutes 45 seconds east a distance of 311.95 feet to a point; thence (4) westwardly, south 53 degrees 05 minutes 15 seconds west a distance of 107.29 feet to a point; thence (5) south 45 degrees 49 minutes 18 seconds east a distance of 173.89 feet to said northerly line of Astoria Boulevard, thence (6) westwardly along said northerly line of Astoria Boulevard south 73 degrees 34 minutes seven seconds west a distance of 113.04 feet to the point and place of beginning.

Being the premises known as lots 24, 26, 27, 28, 29, 32, 43, 46, 49, 50, 51, 53, 55 and 59 in block 1077, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A9

Beginning at a point which is the intersection of the easterly line of 83rd Street with the southerly line of Ditmars Boulevard running along said southerly line of Ditmars Boulevard north 45 degrees 29 minutes 41 seconds east a distance of 464.07 feet to the westerly line of 85th Street; thence along the westerly side of 85th Street south 36 degrees 54 minutes 45 seconds east 214.89 feet to a point; thence south 53 degrees 05 minutes 15 seconds west a distance of 360.00 feet to a point; thence south 36 degrees 54 minutes 45 seconds east a distance of 41.38 feet to a point; thence south 53 degrees 05 minutes 15 seconds west a distance of 100.00 feet to a point on the easterly side of 83rd Street; thence northerly along the easterly side of 83rd Street, north 36 degrees 54 minutes 45 seconds west a distance of 194.95 feet to the point and place of beginning.

Being the premises known as lots 60 and 62, in block 1078, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A10

All those lots, pieces or parcels of land, with the buildings and improvements, if any, thereon, situate, lying and belong in the borough and county of Queens, City and State of New York, known and designated on a certain map entitled "Map of Property Belonging to Valentine Klein, situate in the 2nd ward of the Borough of Queens, New York City surveyed September 1919, by Walter I. Browne, C.E. & C.S.", and filed or intended to be filed in the office of the clerk of the county of Queens as and by the lots #25 and 26, which said lots according to said map are bounded and described as follows:

Beginning at a point on the westerly side of 82nd Street (formerly 25th Street) distant northerly 299.35 feet from the corner formed by the intersection of the westerly side of 82nd Street and the northeasterly side of Astoria Boulevard (formerly Astoria Avenue); running thence westerly and at right angles to said 82nd Street, 100 feet; thence northerly and parallel with said 82nd Street, 45.98 feet to lands now or formerly of the estate of Garrett Kowenhoven, deceased; thence easterly along said lands 100 feet to the westerly side of 82nd Street, thence southerly along the westerly side of 82nd Street a distance of 45.98 feet to the point or place of beginning.

Being the premises also known and designated as and by the lot #25, block 1034 of section 7 as shown on the tax map of the county of Queens.

PARCEL A11

All that certain plot, piece or parcel of lands with the buildings and improvements thereon erected, situate, known on a certain map entitled, "map of property belonging to Valentine Klein", situate in the 2nd ward, borough of Queens, New York City, surveyed September 1919 by Walter I. Browne, C.E. & C.S., and filed in the Queens county office 11/11/1919, as and by lots nos. 34 and 35, which said lots with reference to said map are more particularly bounded and described as follows:

Beginning at the corner formed by the intersection of the northeasterly side of Astoria Boulevard with the easterly side of 81st street; thence running northerly along said easterly side of 81st street, 30.00 feet to a point; thence easterly, at right angles 50 feet to a point; thence southerly and parallel with said 81st street a distance of 48.67 feet to a point on the northerly line of Astoria Boulevard; thence westerly along said northerly side of Astoria Boulevard a distance of 53.37 feet to the point or place of beginning.

JOHN F. KENNEDY INTERNATIONAL AIRPORT JFK AVIGATIONAL EASEMENT AREAS

PARCEL 8A

All that certain plot, piece or parcel of land, with the buildings and improvements thereon, situate in the borough and county of Queens, City and State of New York, bounded and described as follows: Beginning at a point distant 55.63 feet northwesterly from the corner of a park formed by the intersection of International Airport Center Boulevard (formerly Rockaway Boulevard) with the Nassau Expressway as mapped by the City of New York, borough of Queens topographical bureau on map no. 4954, the coordinates of said point being South 50816.36 East 74747.66; running thence

North 06°07'43" West a distance of 1580.00 feet to a point; thence
North 69°23'24" East a distance of 132.00 feet to a point; thence
South 33°17'26" East a distance of 10.00 feet to a point; thence
North 69°23'24" East a distance of 260.00 feet to a point; thence
North 20°33'29" West a distance of 6.00 feet to a point; thence

North 78°00'59" East a distance of 518.00 feet to a point; thence
South 03°26'28" East a distance of 22.00 feet to a point; thence
North 87°25'48" East a distance of 220.00 feet to a point; thence
South 02°34'12" East a distance of 78.00 feet to a point; thence
North 87°25'48" East a distance of 130.00 feet to a point; thence
South 02°34'12" East a distance of 120.00 feet to a point; thence
North 73°02'49" East a distance of 660.00 feet to a point; thence
South 02°57'27" East a distance of 1368.87 feet to a point on a non tangent curve; thence
along an arc curving to the left having a radius of 5934.00 feet a distance of 143.35 feet and a
central angle of 1°23'03" to a non tangent point; thence
South 10°10'51" West a distance of 635.24 feet to a point on the northerly side of International
Airport Center Boulevard; thence
along International Airport Center Boulevard North 82°24'03" West a distance of 1528.34 feet to
the point or place of beginning.

Containing 3,236,272.42 square feet or 74.29 acres more or less.

PARCEL 8B

All that certain plot, piece or parcel of land, with the buildings and improvements thereon, situate
in the borough and county of Queens, City and State of New York, bounded and described as
follows: Beginning at a point which is the intersection of the extension of the centerline of 215th
Street (60 foot width) as shown on the "map of Jamaica Gardens south, 4th ward, borough of
Queens, New York city" surveyed Feb. 1, 1924 by Evans Bros., and filed as map #4507 in the
register's office, Queens county, with the extension of the center line of 149th Avenue (80 foot
width) as shown on said map of Jamaica Gardens south, the coordinates of said point being
South 49370.15 East 77527.85; and running thence (1) southwardly, along said center line of
215th Street and the extension thereof South 02°55'44" East a distance of 1045.80 to a point on a
non tangent curve; thence
along an arc curving to the right having a radius of 5880.00 feet a distance of 192.62 feet and a
central angle of 1°52'37" to a point; thence
South 06°52'51" East a distance of 796.00 feet to a point on the northerly side of International
Airport Center Boulevard (formerly Rockaway Boulevard); thence
easterly along the northerly side of International Airport Center Boulevard South 82°24'03" East a
distance of 1603.02 feet to a point; thence
North 02°55'44" West a distance of 1370.00 feet to a point; thence
North 87°04'16" East a distance of 265.00 feet to a point; thence
North 02°55'44" West a distance of 424.19 feet to a point on a curve on the westerly side of
Brookville Boulevard; thence
northerly on the westerly side of Brookville Boulevard along an arc curving to the left having a
radius of 300.00 feet a distance of 92.24 feet and a central angle of 17°37'02" to a point of
tangency; thence
North 55°57'07" West a distance of 134.20 feet to a point of curvature; thence
along an arc curving to the right having a radius of 565.39 feet a distance of 276.95 feet and a
central angle of 281°03'57" to a point of tangency; thence
North 27°53'10" West a distance of 270.47 feet to a point; thence
South 64°13'58" West a distance of 589.70 feet to a point; thence
South 87°04'16" West a distance of 1083.44 feet to the point or place of beginning.

Containing 3,683,144.82 square feet or 84.55 acres more or less.

Parcels 8A and 8B Subject to and subordinate to the rights to use the following parcels for street
or highway purposes, more particularly described as follows:

PARCEL 8A

Nassau Expressway Right of Way

All that certain plot, piece or parcel of land, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

Beginning at a point distant 55.63 feet northwesterly from the corner of a park formed by the intersection of International Airport Center Boulevard (formerly Rockaway Boulevard) with the Nassau Expressway as mapped by the City of New York, borough of Queens topographical bureau on map no. 4954, the coordinates of said point being South 50816.36 East 74747.66; Running thence, North 06°07'43" West a distance of 506.92 feet to a point on a non tangent curve; thence along an arc curving to the right having a radius of 4847.00 feet a distance of 1876.62 feet and a central angle of 22°11'00" to a point; thence South 02°57'27" East a distance of 194.09 feet to a point on a non tangent curve; thence along an arc curving to the left having a radius of 4653.00 feet a distance of 1447.40 feet and a central angle of 17°49'22" to a non tangent point; thence South 22°48'25" East a distance of 241.53 feet to a point; thence South 79°08'27" West a distance of 384.98 feet to a point; thence North 03°04'25" West a distance of 189.19 feet to a point; thence North 82°24'03" West a distance of 55.63 feet to the point and place of beginning.

Containing 458,799.72 square feet or 10.53 acres more or less.

PARCEL 8B

Nassau Expressway Right of Way

All that certain plot, piece or parcel of land, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

Beginning at a point on the easterly line of Parcel 8B distant northerly 964.59 feet from the intersection of International Airport Center Boulevard (formerly Rockaway Boulevard) and said easterly line of Parcel 8B, the coordinates of said point being South 50481.21 East 79406.91; Running thence, North 02°55'44" West a distance of 223.85' to a point on a non tangent curve; thence along an arc curving to the left having a radius of 6847.00 feet a distance of 1902.29 feet and a central angle of 15°55'06" to a point; thence South 02°55'44" East a distance of 196.14 feet to a point on a non tangent curve; thence along an arc curving to the right having a radius of 6653.00 feet a distance of 1538.97 feet and a central angle of 13°15'13" to a point of compound curvature; thence along an arc curving to the right having a radius of 3500.00 feet a distance of 373.06 feet and a central angle of 6°06'26" to the point or place and place of beginning.

Containing 370,706.17 square feet or 8.51 acres more or less.

PARCEL 8C

All that certain plot, piece or parcel of land, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

Beginning at a point on the easterly line of Parcel 8B distant northerly 404.64 feet from the intersection of International Airport Center Boulevard (formerly Rockaway Boulevard) and said easterly line of Parcel 8B, the coordinates of said point being South 51040.46 East 79434.94;

Running thence;
North 30°18'16" East a distance of 158.55' feet to a point; thence
North 83°05'40" West a distance of 87.60' feet to the easterly line of Parcel 8B; thence
South 02°42'14" East a distance of 147.58' feet to the point and place of beginning.

Containing 6,373.49 square feet or 0.15 acres more or less.

PARCEL 9
JOHN F. KENNEDY INTERNATIONAL AIRPORT
PUBLIC PLACE EASEMENT AREA

The right to install or permit the installation by the federal aviation agency of aids to aviation in and upon the following described strip of property:

All that certain plot, piece or parcel of land situate and being, in the borough and county of Queens, City and State of New York, more particularly bounded and described as follows: b055 place of a parcel of land 400 feet wide and approximately 2300 feet long being 200 feet on each side of a center line drawn between points a and b, more particularly described as follows:

Point A: Being the point of intersection of the easterly line of Brookville Boulevard with the westerly line of Public Place as shown on map 4445 approved by the board of estimate August 25, 1966. The coordinates of said point having the values of South 50073.247 and East 80011.861.

Point B: Being a point in the westerly line of Huxley Street distant 310.00 feet northerly thereon from the intersection of said westerly line of Huxley Street with the northerly line of Hook Creek Basin as shown on map 4445 approved by the board of estimate August 25, 1966. The coordinates of said point having the values of South 48672.492 and East 81881.320.

The coordinates and bearings hereinabove mentioned in the description in this item refer to the rectangular system of coordinates established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" East of true north.

**EXHIBIT B-5
JFK NORTHERN OFF - AIRPORT PARCELS**

PARCEL 1

Beginning at a point on the southerly line of Southern Parkway distant 989.58 feet westerly from the corner formed by the intersection of the southerly side of Southern Parkway with the westerly side of 153rd Place; thence westerly along the southerly side of Southern Parkway as the same bends, the following two distances 1352.41 feet and 1174.71 feet to a point where the southerly side of Southern Parkway intersects the easterly side of Van Wyck Expressway; thence southerly along the easterly side of Van Wyck Expressway; on a curve to the left having a radius of 1212.00 feet; a central angle $18^{\circ}55'40.5''$, a distance of 400.39 feet to a point; thence continuing southerly along the easterly side of Van Wyck Expressway on a curve to the left having a radius of 4512.00 feet; a central angle $7^{\circ}17'15.4''$, a distance of 573.89 feet to a point; thence still southerly along easterly side of Van Wyck Expressway on a curve to the left, having a radius of 2012.00 feet; a central angle of $3^{\circ}15'11.6''$ a distance of 114.24 feet; thence westerly on a straight line along the South side of Van Wyck Expressway a distance of 238.12 feet to a point; thence southerly on a curve to the right, having a radius of 2324.00 feet; a central angle of $3^{\circ}24'22.8''$, a distance of 138.17 feet to a point; thence easterly 96.00 feet to a point, thence southeasterly on a curve to the left having a radius of 593.00 feet a central angle of $26^{\circ}42'51.2''$, a distance of 276.49 feet to a point; thence southerly on a curve to the right, having a radius of 1528.00 feet; a central angle $4^{\circ}35'45.8''$, a distance of 122.57 feet to a point; thence continuing on a curve to the right, having a radius of 728.00 feet; a central angle $44^{\circ}00'13.2''$, a distance of 559.11 feet to a point; thence southwestery on a straight line 153.60 feet to a point; thence southeasterly at right angles or nearly so to the last mentioned course 168.00 feet to a point; thence northeasterly at right angles or nearly so to last mentioned course 682.30 feet to a point; thence northeasterly on a curve to the right having a radius of 243.59 feet; a central angle $26^{\circ}16'01''$, a distance of 111.67 feet to a point; thence northeasterly on a straight line 267.10 feet to a point; thence in a general northerly direction on a curve to the left, having a radius of 673.35 feet; a central angle $48^{\circ}11'29.2''$ a distance of 566.35 feet to a point; thence northerly on a straight line 654.62 feet to a point; thence continuing northeasterly one curve to the right having a radius of 1918.64 feet, a central angle $4^{\circ}16'52.1''$, a distance of 143.36 feet; thence continuing easterly on a curve to the right having a radius of 394.38 feet; a central angle $52^{\circ}00'31.1''$, a distance of 357.98 feet to a point; thence still continuing easterly on a curve to the right having a radius of 15224.42 feet; a central angle $2^{\circ}56'57.2''$ a distance of 783.66 feet to a point; thence still continuing easterly on a curve to the right, having a radius of 1130.14 feet; a central angle $9^{\circ}59'08.0''$ a distance of 196.96 feet to a point; thence continuing easterly on a straight line 462.33 feet to a point; thence easterly on a curve to the left, having a radius of 1050.00 feet; a central angle $13^{\circ}18'44.2''$ a distance of 243.96 feet to a point; thence northerly on a straight line a distance of 861.44 feet to the point or place of beginning.

PARCEL 2

Beginning at a point on the southerly side of Southern Parkway where it intersects the westerly side of 124th street; thence westerly along the southerly side of Southern Parkway 121.44 feet to an angle point therein; thence westerly still along the southerly side of Southern Parkway on a curve to the right, having a radius of 1237.83 feet, a central angle of $32^{\circ}23'11.5''$, a distance of 699.69 feet to a point; thence in a straight line still along the southerly side of Southern Parkway 3396.56 feet to a point; thence still westerly along the southerly side of Southern Parkway, 106.84 feet to a point; thence southeasterly 101.46 feet to the southerly side of the premises herein described; thence easterly on a straight line 396.08 feet; thence easterly on a curve to the right, having a radius of 1958.00 feet, a central angle of $7^{\circ}07'33.0''$ a distance of 243.51 feet; thence easterly on a straight line 406.86 feet; thence still easterly on a curve to the left, having a radius of 2530.00 feet a central angle of $22^{\circ}11'38.7''$ a distance of 980.02 feet; thence easterly on a straight line 543.78 feet to an angle point; thence still easterly on a straight line 100.33 feet to an

angle point; thence still easterly on a straight line 1420.99 feet to a point; thence still easterly on a curve to the left, having a radius of 970.00 feet, a central angle of 6°14'22.9" a distance of 541.25 feet to a point; thence easterly on a straight line 155.61 feet to a point; thence easterly on a curve to the left, having a radius of 530.00 feet, a central angle of 23°51'46", a distance of 220.74 feet to a point; thence easterly on a straight line 473.01 feet to a point; thence still easterly on a curve to the left having a radius of 1520.00 feet, a central angle of 12°15'28.4" a distance of 325.19 feet to the westerly side of 130th street 56.32 feet to its intersection with the southerly side of 152nd Avenue; thence westerly along the southerly side of 152nd Avenue 1560 feet to the westerly side of 124th street; thence northerly at right angles to the last mentioned course 316.34 feet to the point beginning.

PARCEL 3

Beginning at a point on the southerly side of Southern Parkway where it intersects the easterly side of 134th street; thence easterly along the southerly side of Southern Parkway in a straight line 139.18 feet to a point; thence in a straight line along the southerly side of Southern Parkway, said line deflecting 27°56'39.1" to the right 48.56 feet to a point of curvature; thence on a curve to the right having a radius of 612.00 feet a central angle of 18°18'58.9" a distance of 195.65 feet to a point; thence continuing on a curve to the right having a radius of 2512.00 feet, a central angle of 9°16'50.0" a distance of 406.88 feet to a point; thence westerly in a straight line, said line deflecting 161°08'25" to the right 171.09 feet to a point; thence in a straight line, said line deflecting 27°14'15.4" to the left 535.40 feet to a point on the easterly side of 134th street; thence northerly along the easterly side of 134th street 523.29 feet to the point or place of beginning.

PARCEL 4

Beginning at a point on the southerly side of South Conduit Avenue, where it intersect the southerly side of Rockaway Boulevard, said point having the coordinates of South 49120.15 East 68583.50; running thence southwesterly along the southerly side of South Conduit Avenue South 55°48'11" West a distance of 1831.53 feet to a point; thence South 55°26'19" West a distance of 80.00 feet to a point; thence South 55°24'50" West a distance of 724.33 feet to a point; thence South 22°45'03" East a distance of 861.44 feet to a point; thence North 66°07'45" East a distance of 838.03' feet to a non tangent curve; thence along an arc curving to the right having a radius of 785.00' a distance of 85.84' feet and a central angle of 6°15'55"; thence along an arc curving to the right having a radius of 2124.25' a distance of 549.65' feet and a central angle of 14°49'31"; thence along an arc curving to the right having a radius of 6404.00' a distance of 2025.33' feet and a central angle of 18°07'13"; thence along an arc curving to the right having a radius of 46486.00' a distance of 441.80' feet and a central angle of 0°32'40"; thence South 75°37'41" East a distance of 202.52' feet to a non tangent curve; thence along an arc curving to the left having a radius of 46450.77' a distance of 82.84' feet and a central angle of 0°06'08" to a point of reverse curvature; thence along an arc curving to the right having a radius of 12860.50' a distance of 1512.64' feet and a central angle of 6°44'21"; thence North 5°47'21" East a distance of 23.88' feet to a point; thence South 82°12'20" East a distance of 482.52' feet to a point of curvature; thence along an arc curving to the left having a radius of 2631.00' a distance of 1180.43' feet and a central angle of 25°42'23"; thence North 72°05'04" East a distance of 117.65' feet to a point on the southerly side of Rockaway Boulevard; thence

along the southerly side of Rockaway Boulevard North 82°24'03" West a distance of 301.59 feet to a point; thence
North 84°12'39" West a distance of 2130.06 feet to a point; thence
along an arc curving to the right having a radius of 2001.29 feet a distance of 837.77 feet and a central angle of 23°59'05" to a point; thence
North 60°13'33" West a distance of 759.14 feet to a point; thence
South 27°00'00" West a distance of 209.39 feet to a point; thence
North 63°00'00" West a distance of 100.00 feet to a point; thence
North 27°00'00" East a distance of 214.24 feet to a point; thence
North 60°13'33" West a distance of 208.80 feet to a point; thence
North 63°13'08" West a distance of 1518.34 feet to the point and place of beginning.

PARCEL 5

Beginning at a point on the southerly side of International Airport Center Boulevard (formerly Rockaway Boulevard), said point having the coordinates of South 50844.33 East 74075.83; running thence
South 72°05'04" West a distance of 117.65 feet to a point of curvature; thence
along an arc curving to the right having a radius of 2631.00 feet a distance of 611.76 feet and a central angle of 13°19'20" to a non tangent point; thence
South 00°36'07" East a distance of 202.16 feet to a point of curvature; thence
along an arc curving to the left having a radius of 1225.65 feet a distance of 294.73 feet and a central angle of 13°46'40" to a point of compound curvature; thence
along an arc curving to the left having a radius of 3369.00 feet a distance of 1620.86 feet and a central angle of 27°33'56" to a point; thence
North 84°22'06" East a distance of 773.64 feet to a point of curvature; thence
along an arc curving to the right having a radius of 4564.98 feet a distance of 665.86 feet and a central angle of 8°38'40" to a point; thence
North 31°39'01" East a distance of 315.42 feet to a point on the southerly side of International Airport Center Boulevard; thence
westerly along International Airport Center Boulevard North 82°24'03" West a distance of 2763.26 feet to the point and place of beginning.

Containing 1,653,953.14 square feet or 37.97 acres more or less.

PARCEL 6

Beginning at a point on the southerly side of International Airport Center Boulevard (formerly Rockaway Boulevard), said point having the coordinates of South 51519.77 East 79145.82; running thence
South 10°10'51" West a distance of 217.68 feet to a point on a non tangent curve; thence
along an arc curving to the right having a radius of 27481.50 feet a distance of 184.04 feet and a central angle of 00°23'01" to a point of compound curvature; thence
along an arc curving to the right having a radius of 4806.26 feet a distance of 1641.80 feet and a central angle of 19°34'19" to a point of tangency; thence
South 61°29'50" East a distance of 400.00 feet to a point of curvature; thence
along an arc curving to the right having a radius of 2740.00 feet a distance of 330.00 feet and a central angle of 6°54'02" to a point of tangency; thence
South 54°35'48" East a distance of 224.00 feet to a point of curvature; thence
along an arc curving to the left having a radius of 960.00 feet a distance of 523.97 feet and a central angle of 31°16'19" to the westerly side of Brookville Boulevard; thence
northerly along the westerly side of Brookville Boulevard North 9°35'56" West a distance of 160.66 feet to an angle point; thence
North 10°01'59" West a distance of 320.58 feet to the southerly side of International Airport Center Boulevard; thence

westerly along International Airport Center Boulevard North $66^{\circ}25'00''$ West a distance of 1802.18 feet to a point of curvature; thence along an arc curving to the left having a radius of 1893.00 feet a distance of 528.10 feet and a central angle of $15^{\circ}59'03''$ to a point of tangency; thence North $82^{\circ}24'03''$ West a distance of 757.10 feet to the point and place of beginning.

Containing 1,012,484.46 square feet or 23.24 acres more or less.

**EXHIBIT B-6
DESCRIPTION OF HEIGHT AND USE RESTRICTED PROPERTIES**

PROPERTY 1 (LGA – Blk 3576 p/o Lot 1)

All that certain piece or parcel of land and premises, situate, lying and being in the Borough and county of Bronx, in the City and State of New York, between Havemeyer and Zerega Avenues and between Randall and Seward Avenues, more particularly bounded and described as follows:

All that certain piece or parcel of land and premises, situate, lying and being in the Borough and county of Bronx, in the City and State of New York, between Havemeyer and Zerega Avenues and between Randall and Seward Avenues, more particularly bounded and described as follows:

Commencing at a point which is the intersection of the easterly line of Havemeyer Avenue (80 feet in width) with the northerly line of Randall Avenue 80 feet in width) and running thence northwardly, along said easterly line of Havemeyer Avenue, 500.00 feet to true point and place of beginning;

Running thence North 10°02'55" West a distance of 200.00' along the said easterly line of Havemeyer Avenue to the the southerly line of Seward Avenue (80 feet in width); thence along said southerly line of said Seward Avenue, North 79°57'14" East a distance of 780.08 feet to the westerly line of Zerega Avenue (80 feet in width); thence along said westerly line of Zerega Avenue South 10°02'55" East 200.00 feet to a point ; thence through Block 3576, Lot 1 along the northerly boundary line now or formerly of The Home Depot, South 79°57'14" West a distance of 780.08' feet to the point and place of beginning.

Containing 156,016 square feet or 3.58 acres more or less.

PROPERTY 2 (JFK)

All that certain plot, piece or parcel of land, situate, lying and being in the fifth ward of the borough and county of Queens, City and State of New York, bounded and described as follows:

Beginning at the northeasterly corner of Barbadoes Basin, as same is determined by the United States Pierhead and Bulkhead lines, running thence along the northerly line of Barbadoes basin, as so determined, North 57 degrees, 21 minutes West 1039.70 feet, thence continuing along same, North 46 degrees 27 minutes West 416 feet to the bulkhead of Brant Channel or Jamaica Bay, thence along said last mentioned bulkhead the following courses and distances, (1) North 8 degrees, 47 minutes East 21 feet, (2) North 35 degrees, 30 minutes East 880 feet, (3) North 77 degrees 7 minutes East 44.50 feet; (4) South 50 degrees 54 minutes East 808.70 feet, (5) South 21 degrees 6 minutes East 255.90 feet, (6) South 3 degrees, 6 minutes West 228.60 feet, (7) South 70 degrees 14 minutes West 168 feet to the corner of a basin, running thence southwesterly through a point on the northeasterly side of Amstel Boulevard (60 feet wide) which point is distant 30.08 feet southeasterly from the corner formed by the intersection of the southeasterly side of Crugers Road with the northeasterly side of Amstel Boulevard, to a point in the centre line of said Amstel Boulevard, thence southeasterly along said centre line of said Amstel Boulevard to a point where same is intersected by a line drawn northerly at right angles to the southerly side of Amstel Boulevard (80 feet wide) from a point thereon distant 161.86 feet westerly from the westerly side of Beach 75th street; thence southerly at right angles to the southerly side of Amstel Boulevard (80 feet wide) 40 feet more or less to a point thereon distant 161.86 feet westerly from the westerly side of Beach 75th street and running thence southerly 158.85 feet to the point or place of beginning.

Together with all right, title and interest of the City of New York of, in and to the land lying in the bed of streets in front of and adjoining the above described premises to the center lines thereof.

Together with all of the right, title and interest of the City of New York of, in and to the lands under the waters of Brant Channel and Jamaica Bay, in front of and adjacent to the above described premises, so far as said right, title and interest may extend.

Together with the overhead, surface and sub-surface easements necessary for the operation, maintenance, repair and reconstruction of the power and telephone lines, ducts and other utilities required for the proper operation of the facilities lying within the above described parcel and all accessories thereto.

PROPERTY 3 (JFK)

3A

All that certain plot, piece or parcel of land, situate, lying and being. In the 5th ward of the borough and county of Queens, City and State of New York shown and designated on the tax map of the borough of Queens in the 5th ward, as lot block 459, as said tax map was on October 22, 1951, and being more particularly bounded described as follows:

Beginning at the corner formed by the intersection of the northerly side of DeCosta Avenue, 50 feet wide, with the easterly side of Beach 63rd street, 60 feet wide; thence northerly along the easterly side of Beach 63rd street, 500 feet to the high water line of Jamaica Bay, as said high water line was fixed, determined upon and established by agreement recorded in the city register's office of Queens county in liber 2171 of conveyances page 381, and by agreement recorded in said office in liber 2238 of conveyances page 10; said high water line being distant 100 feet southerly from U.S. Pierhead and Bulkhead line; thence easterly along said high waterline of Jamaica Bay above referenced to and at right angles to the last described course, 33.99 feet to an angle point; thence northeasterly still along said high water line of Jamaica Bay above referred to, said line being parallel with U.S. Pierhead & Bulkhead line and being distant 100 feet southeasterly therefrom, a distance of 2108.33 feet; thence southeasterly at right angles to the last described course, 437.61 feet; thence southwesterly at right angles to the last described course, 100 feet; thence southwesterly in a straight line in continuation of the last described course, and along U.S. Pierhead and Bulkhead line, 350 feet; thence southwesterly along a line which on its northwest side forms an interior angle of 207 degrees 00 minutes 04.7 seconds with the last described course, and along the U.S. Pierhead & Bulkhead line, 440.52 feet; thence southwesterly along a line which on its northwesterly side forms an interior angle of 152 degrees 59 minutes 55.3 seconds with the last described course, and along the U.S. Pierhead & Bulkhead line, 927.50 feet; thence southwesterly along a line which on its northwesterly side forms an interior angle of 209 degrees 03 minutes 16.6 seconds with the last described course, and along the U.S. Pierhead & Bulkhead line, 218.57 feet to the northerly side of DeCosta Avenue, 50 feet wide; thence westerly along the northerly side of DeCosta Avenue, 50 feet wide, 603.95 feet to the point or place of beginning.

3B

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at a point which is the intersection of the easterly line of Beach 65th Street (60 feet in width) with the northerly line of Bayfield Avenue (60 feet in width); Running thence, northwardly, along said easterly line of Beach 65th Street, 95.00 feet to a point; thence eastwardly 260.00 feet to a point; thence northwardly, 145.00 feet to a point; thence eastwardly, 200.00 feet to the westerly side of Beach 63rd Street (60 feet in width); thence southwardly along said westerly line of said of Beach 63rd Street, 240.00 feet to the northerly line of Bayfield Avenue; thence westwardly along the northerly line of Bayfield Avenue 460.00 feet to the point and place of beginning.

Containing 72,700 square feet or 1.67 acres.

Being the premises known as Lot 1, in Block 16017, Section 61 Of the Tax Map of the City for the Borough of Queens.

Subject to any state of facts which an accurate survey may show.

**EXHIBIT B-7
LA GUARDIA ACCESS BRIDGES AND ROADWAYS**

GRAND CENTRAL PARKWAY SERVICE ROAD CONNECTION

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at a point on a curve of the northerly line of the Grand Central Parkway, the coordinates of said point being South 27786.72 East 28150.13 and running thence;
in an easterly direction along an arc curving to the right on the northerly line of the Grand Central Parkway, which is also the southerly boundary line of La Guardia Airport, the radius of which is 2362.00' feet a distance of 21.76' feet and having a total angle of 0°31'40" to a non tangent point of curvature; thence
in a southerly direction along an arc curving to the right, the radius of which is 60.00' feet a distance of 83.41' feet and having a total angle of 79°39'08" to a point on a compound curve; thence
along an arc curving to the right, the radius of which is 100.00' feet a distance of 30.33' feet and having a total angle of 17°22'44" to a point; thence
South 79°46'38" West a distance of 12.47' feet to a point; thence
North 10°13'22" West a distance of 18.27' feet to a point, thence
North 79°46'38" East a distance of 6.81' to a point of curvature; thence
along an arc curving to the left, the radius of which is 65.00' feet a distance of 44.15' feet and having a total angle of 38°54'53" to a point on a compound curve; thence
along an arc curving to the left, the radius of which is 40.00' feet a distance of 42.67' feet and having a total angle of 61°07'05" to the point and place of beginning.

the coordinates and bearings hereinabove mentioned in the description refer to the rectangular system of coordinates established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" East of true north.

FLYOVER BRIDGE

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at a point on the northerly line of the Grand Central Parkway, the coordinates of said point being South 27861.05 East 27912.88 and running thence;
in an easterly direction along the northerly line of the Grand Central Parkway, which is also the southerly boundary line of La Guardia Airport and crossing the bridge of an exit ramp that services the airport, North 72°17'26" East a distance of 62.82' feet to a non tangent curve on the easterly line of the bridge; thence
along the bridge in a southwesterly direction along an arc curving to the right the radius of which is 520.00' feet a distance of 197.52' feet and having a total angle of 21°45'49" to a point on a compound curve; thence
westerly still along the line of said bridge, along an arc curving to the right the radius of which is 595.00' feet a distance of 305.19' feet and having a total angle of 29°23'17" to a point; thence
South 64°58'47" West a distance of 558.58' feet to a point of curvature; thence
along an arc curving to the left the radius of which is 1485.00' feet a distance of 21.72' feet and having a total angle of 0°50'17" to a point; thence
North 25°08'42" West a distance of 30.95' feet to a point; thence
in an easterly direction along the ramp that services the airport, North 64°58'47" East a distance of 503.47' feet to a point; thence
North 64°51'18" East a distance of 76.01' feet to a point of curvature; thence

along an arc curving to the left the radius of which is 486.42' feet a distance of 239.07' feet and having a total angle of 28°09'38" to compound curve; thence along an arc curving to the left the radius of which is 500.15' feet a distance of 196.72' feet and having a total angle of 22°32'10" to the point and place of beginning.

Having a lower limiting plane at the bottom of the lowest element of the highway bridge and appurtenances, together with: columns, piers, walls, trusses, footings and abutments, if any, necessary for the support of such bridge and no upper limiting plane.

The coordinates and bearings hereinabove mentioned in the description refer to the rectangular system of coordinates established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" East of true north.

102ND STREET BRIDGE

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at a point on a curve of the northerly line of the Grand Central Parkway, the coordinates of said point being South 27819.96 East 28932.98 and running thence; in an easterly direction along an arc curving to the right on the northerly line of the Grand Central Parkway, which is also the southerly boundary line of La Guardia Airport, the radius of which is 2362.00' feet a distance of 19.27' feet and having a total angle of 0°28'03" to a compound curve; thence

along an arc curving to the right the radius of which is 9711.30' feet a distance of 41.83' feet and having a total angle of 0°14'48" to a point on the easterly line of a bridge of unknown title at 102nd Street; thence

southerly along the easterly line of said bridge, South 12°05'59" West a distance of 334.99' feet to a point of curvature; thence

along an arc curving to the left the radius of which is 197.00' feet a distance of 185.56' feet and having a total angle of 53°58'03" to a point; thence

North 77°54'06" West a distance of 190.36' feet to a non tangent point of curvature; thence

along an arc curving to the left the radius of which is 253.00' feet a distance of 174.29' feet and having a total angle of 39°28'16" to a point; thence

North 12°05'59" East a distance of 335.32' feet to the point and place of beginning.

Having a lower limiting plane at the bottom of the lowest element of the highway bridge and appurtenances, together with: columns, piers, walls, trusses, footings and abutments, if any, necessary for the support of such bridge and no upper limiting plane.

The coordinates and bearings hereinabove mentioned in the description refer to the rectangular system of coordinates established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" east of true north.

EXHIBIT B-8

DITMARS BOULEVARD UTILITY EASEMENT AREA

All that certain plot, piece or parcel of land, lying beneath the bed of Ditmars Blvd. situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

Beginning at a point which is the intersection of the easterly line of Ditmars Boulevard with the northerly side of the Grand Central Parkway and also being the boundary line of LaGuardia Airport, the coordinates of said point having the coordinates of South 31551.94 East 24690.65; Running thence, westerly along an arc curving to the right having a radius of 6257.00 feet a distance of 100.50 feet and a central angle of $0^{\circ}55'13''$ along the northerly line of the Grand Central Parkway to a non tangent point on the westerly side of Ditmars Boulevard; then northerly along the westerly line of Ditmars Boulevard, North $41^{\circ}50'57''$ West a distance of 466.83 to a point of curvature; thence along an arc curving to the left having a radius of 135.00 feet a distance of 105.53 feet and a central angle of $44^{\circ}47'15.9''$ to a non tangent point on the easterly side of 81st Street; thence North $36^{\circ}54'45''$ West a distance of 9.36 feet to a point; thence North $19^{\circ}12'43''$ West a distance of 131.57 feet to a point on a non tangent curve on the easterly side of Ditmars Boulevard; thence southerly along an arc curving to the left having a radius of 50.00 feet a distance of 51.23 feet and a central angle of $58^{\circ}42'26''$ to a point of reverse curvature; thence along an arc curving to the right having a radius of 165.00 feet a distance of 154.85 feet and a central angle of $53^{\circ}46'14''$ to a point; thence South $41^{\circ}50'57''$ East a distance of 505.03' to the point and place of beginning.

Containing 65,526.11 square feet or 1.50 acres more or less.

Attest:

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY

Secretary

Kenneth J. Ringle, Jr.
Executive Director

Approved as to form:

Darrell Buchbinder,
General Counsel

THE CITY OF NEW YORK

By:

City Clerk

By:

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

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

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

Notary Public

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

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

Notary Public

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

On the ___ day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared KENNETH J. RINGLER, JR., Executive Director of the PORT AUTHORITY OF NEW YORK AND NEW JERSEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT A

**COPY OF GRANT OF PERMANENT EASEMENT
DATED AS OF AUGUST 19, 2002
FROM THE PEOPLE OF THE STATE OF NEW YORK**



STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION
HUNTERS POINT PLAZA
47-40 21ST STREET
LONG ISLAND CITY, N.Y. 11101

DOUGLAS A. CURREY, P.E.
REGIONAL DIRECTOR

SUBI CHAKRABORTI, P.E.
DEPUTY REGIONAL DIRECTOR

JOSEPH H. BOARDMAN
COMMISSIONER

September 18, 2002

Harry Barr, Esq.
The Port Authority of NY and NJ
Law Department, 14th floor
225 Park Avenue South
New York, NY 10003

Re: PIN
Proceeding 6105 02/7
AirTrain Easement
JFK-LRS Airport Access Program
Queens County

Dear Mr. Barr:

As mentioned to your secretary in a message to be conveyed to you, we have filed the maps and the Grant of Permanent Easement on the above project in the Queens County Registrar's office on September 17, 2002 and I will be hand delivering these maps and the Grant of Easement to your office next week.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gulrukh Irani".

Gulrukh Irani
Real Estate Specialist Trainee 2

CITY REGISTER RECORDING AND ENDORSEMENT PAGE
COUNTY OF Queens
THIS PAGE FORMS PART OF THE INSTRUMENT

TOTAL NUMBER OF PAGES IN DOCUMENT INCLUDING THIS PAGE ▶

Block ▼ 14260 Lots - ONLY IF ENTIRE LOT ▼ 1 Partial Lots ▼ PID

Premises ▼

NAME ▼ Harry K. Barr, Esq.

Title/Agent Company Name ▼ NYS DOT
Title Company Number ▼

ADDRESS ▼ Port Authority of NY & N.J. Law Dept.
CITY ▼ STATE ▼ ZIP ▼
225 Park Ave. S 14th Fl, NY, NY-10003

NAME & ADDRESS
PARTY 1 ▶ N.Y. S. Department of Transportation
ADDITIONAL PARTY 1 ▶ 47-40 21st Street, D.I.C. NY - 11101
PARTY 2 ▶ Port Authority of NY & N.J.
ADDITIONAL PARTY 2 ▶ 225 Park Ave S 14th Fl, Law Dept, N.Y. - NY-10003
CHECK THIS BOX IF THERE ARE MORE THAN 2 OF EITHER PARTY

CITY REGISTER'S USE ONLY - DO NOT WRITE BELOW THIS LINE

Examined by (s): 7
Mtg Tax Serial No. _____
Mtg Amount \$ _____
Taxable Amount \$ _____
Exemption (✓) YES NO
Type: [COVER] [SS] [OTHER] _____
Dwelling Type: [1 or 2] [3] [4 or 5] [over 5]
TAX RECEIVED ON ABOVE MORTGAGE ▼
County (basic) \$ _____
City (Addtl) \$ _____
Spec Addtl \$ _____
TASF \$ _____
MTA \$ _____
NYCTA \$ _____
TOTAL TAX \$ _____
Apportionment Mortgage (✓) YES NO

City Register Serial Number 128069 Assignment
Indexed By (s): ON Verified By (s): _____
Block(s) and Lot(s) verified by (✓) _____
Address Tax Map
Extra Block(s) _____ Lot(s) _____
Recording Fee B \$ NO CHARGE
Affidavit Fee (C) \$ _____
RPTT Fee (R) \$ NO CHARGE
HPD-A HPD-C
New York State Real Estate Transfer Tax ▼
\$ 0
Serial Number ▶ 004445
New York City Real Property Transfer Tax Serial Number ▶ 022466

OTHER (GIVE) _____
LOTL SHE _____
41 21 2003

CRGFMSBLPQ 0M20



RECORDED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK

John J. Lawrence

Proceeding 6105
AirTrain Easement
JFK-LRS Airport Access Program
Queens County

GRANT OF PERMANENT EASEMENT

Made the 19th day of August, 2002, between

THE PEOPLE OF THE STATE OF NEW YORK, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York, with offices at 1220 Washington Avenue, Albany, New York 12232, Grantors, and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic acting pursuant to authority conferred by the legislatures of the States of New York and New Jersey, with offices at 225 Park Avenue South, New York, New York 10003, Grantee,

WHEREAS, Grantee has constructed a Light Rail System designed to carry passengers, also referred to as AirTrain Facilities ("LRS") within Kennedy International Airport ("JFK") with connections to the Jamaica Long Island Railroad/New York City Transit Authority Sutphin Boulevard Station ("Jamaica Station") and to the Howard Beach Subway Station; and

WHEREAS, the connection to the Jamaica Station requires the use of property lying between the boundary of JFK and the Jamaica Station including, but not limited to, the Van Wyck Expressway ("VWE"), for the LRS Project; and

WHEREAS, lands within the VWE are owned all or in part by the Grantors as part of the State Highway System under

jurisdiction of the New York State Department of Transportation ("NYSDOT"); and

WHEREAS, the parties hereto have entered into a Memorandum of Understanding which provides, among other things, that the Grantee will construct the LRS and as part of its project will make certain other improvements in the VWE for the benefit of the Grantors, and the Grantors will convey a grant of permanent easement rights in the VWE to the Grantee upon the terms and conditions hereinafter expressed; and

NOW THEREFORE the Grantors, in consideration of the sum of ONE AND NO/100 DOLLAR (\$1.00), and other valuable consideration, do hereby remise, release and quitclaim unto the Grantee, its successors and assigns forever,

Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those PIECES OR PARCELS OF PROPERTY, situate in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, State of New York, which are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR-402 through CR-415 of a series of maps entitled "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 through 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK" prepared by Vollmer Associates,

LLP, dated February 28, 2002, bearing Project Number 2001-003-03, and filed in the Office of the Register of Deeds, Queens County contemporaneously with the recording of this Grant of Permanent Easement.

1. With respect to each parcel designated as "Aerial Parcel" or "Aerial Easement", a permanent aerial easement for an elevated reinforced concrete platform supporting the LRS referred to herein as the "AirTrain Guideway," and for the LRS constructed thereon, including but not limited to appurtenant track, wires, switches, signals, drainage and other utility installations required for the operation of the LRS. Each aerial easement parcel is located within an elevated plane situate generally over the median area of the VWE separating the northbound and southbound lanes or the eastbound and westbound lanes, as the case may be, of the VWE and the first vehicular lane of the VWE located northerly or easterly of the median and the two vehicular travel lanes of the VWE located southerly or westerly of the median.

2. With respect to each parcel designated as "Column Parcel" or "Column Easement", a permanent surface easement for support of the AirTrain Guideway, including but not limited to appurtenant track, wire, switches, signals, drainage and utility installations.

3. With respect to each parcel designated as "Subsurface

Parcel" or "Subsurface Easement", a permanent subsurface easement for the construction of footings necessary for support of the columns supporting the AirTrain Guideway, the right to construct, install, and operate cables, wires, switches, signals, and other equipment appurtenant to electric and data transmission and the right to construct, install, operate and maintain drainage and utility facilities, including the right to connect to the existing highway drainage system.

RESERVING TO THE GRANTORS the legal right of access at grade level for the purpose of inspection, maintenance or repair of all State and/or New York City owned facilities, appurtenances or equipment or emergency repair or shoring of the LRS, if in the opinion of the Grantors, State facilities are endangered; and

IT IS FURTHER AGREED that inspection, maintenance, and/or repair of the LRS facility constructed by the Grantee within the State Highway System requiring access from the at-grade level will require a Permit from NYSDOT, but that inspection, maintenance, and/or repair work conducted from the elevated LRS/AirTrain Guideway will not require a Permit issued by NYSDOT unless lane closures of the highway below are involved. The Permit for such work, which shall not be unreasonably withheld or delayed, shall be issued without charge and without requirements for bonds and shall otherwise contain standard terms and conditions.

PROVIDED HOWEVER, that the Grantee, its successors and assigns shall make no change in the clearance over the VWE or in the alignment or location of such LRS facilities, or additional facilities constructed, which will interfere with the VWE and its appurtenances or other facilities of the State of New York, its successors or assigns.

FURTHER PROVIDED, that if the easement rights created herein are no longer used for construction, reconstruction, operation and maintenance of an LRS operated for Air Terminal purposes, the easements shall automatically terminate and jurisdiction over the affected premises shall return to the NYSDOT.

This Grant of Permanent Easement contains certain language defining the scope, purpose and terms of the easements granted herein. The maps referred to in this Grant and which are intended to be filed contemporaneously with the recording of this Grant also contain certain language defining the scope, purpose and terms of such easements. The language contained in this Grant is intended to control the definition of these easements, and any inconsistency between the language describing the scope, purpose and terms of said easements contained on the maps and in this Grant, shall be controlled by the language of this Grant.

TO HAVE AND TO HOLD the permanent easement rights herein granted unto the Grantee, its successors and assigns forever, except as provided above.

EXHIBIT C-1

(see attached)

QUITCLAIM DEED FROM CITY TO PORT AUTHORITY

THIS INDENTURE made as of November ____, 2004 between the CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (the "City"), and 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 Congress with its office at 225 Park Avenue South, Borough of Manhattan, City, County and State of New York (the "Port Authority").

WITNESSETH THAT:

WHEREAS, the City and Port Authority intend to enter into an Amended and Restated Agreement of Lease of the Municipal Air Terminals dated as of November ____, 2004 (the "Agreement"); and

WHEREAS, the City desires to dispose to the Port Authority any property interests it owns within (i) that portion of the Light Rail System that the Port Authority has acquired from the People of the State of New York acting by and through the Commissioner of Transportation ("State") by Grant of Permanent Easement made August 19, 2002, a copy of which is attached hereto and made a part hereof as Exhibit A and (ii) the property identified on the tax map of the City of New York as Lot 5, Block 9990, Borough of Queens; the Port Authority desires to convey to the City all property interests it has acquired within such portion of the Light Rail System ("LRS") and in Lot 5, Block 9990, Borough of Queens; and the City desires to accept such property interests and incorporate such property interests conveyed by the Port Authority to the City into the Demised Premises, as such term is defined in the Agreement, by leasing such property interests to the Port Authority under the Agreement; and

WHEREAS, City Planning Commission Resolution # C990117 PQQ/C 990118 PPQ adopted May 3, 1999 and City Council Resolution # 864 adopted June 7, 1999 have authorized such dispositions and acquisitions by the City and the Port Authority's Board of Commissioners has authorized such acquisitions and disposition by the Port Authority by Resolution adopted September 24, 1998.

NOW, THEREFORE, the City and the Port Authority do hereby agree as follows:

The City does hereby remise, release and quitclaim unto the Port Authority, its successors and assigns forever, all right, title and interest of the City, if any, in and to the Property which is described as follows:

- A. Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those pieces or parcels of property in the Fourth Ward of the Borough Queens, City of New York, County of Queens, State of New York, which

are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR – 402 through CR – 415 of a series of maps entitled, "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 THROUGH 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK", prepared by Vollmer Associates LLP, dated February 28, 2002, bearing Project Number 2001-003-03 and filed contemporaneously in the Office of the Register of Deeds, Queens County on September 17, 2002 with the Grant of Permanent Easement between The People of the State of New York, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York and the Port Authority of New York and New Jersey made August 19, 2002 and recorded at Reel 6582, Page 0118 *et seq.*, City Register Serial Number 128069.

Subject, however, to the provisions of the aforesaid Grant of Permanent Easement made August 19, 2002.

- B. All that certain plot, piece or parcel of land situate, lying and being in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 94th Avenue formerly Johnson Avenue (50 feet wide) with the easterly side of Van Wyck Expressway (Service Road); said corner having a New York State Coordinate System (NAD 83-96) value of N 58916.0472 meters E 315799.1275 meters (N193293.7316 feet E1036084.3037 feet);

1. Running thence North 69 degrees 25 minutes 33.1 seconds East along the southerly side of 94th Avenue, 63.627 meters (208.75 feet) to a point on the division line between property now or formerly of David Oil Corp. and property now or formerly of Carole A. Murray and Thomas D. Murray;
2. Running thence along said division line South 20 degrees 34 minutes 26.9 seconds East, at right angles to the southerly side of 94th Avenue, 25.292 meters (82.98 feet) to a point;
3. Running thence South 66 degrees 54 minutes 37.1 seconds West along the division line between property now or formerly of David Oil Corp. and the following properties: property now or formerly of Edgardo E. Contreras; property now or formerly of David Byrd, Patricia Portis, and Gary Michael Byrd; property now or formerly of Cheryl Winter Naipaul and Gagnatti Naipaul; property now or formerly of Joseph F. Nowinski and Jennie Nowinski; property now or formerly of Stanley P. Francosky, et al; and property now or formerly of Mohamed Shafi and Ramdai Shafi, said line forming an interior angle of 92 degrees 30 minutes 56 seconds with the last mentioned course, 39.127 meters (128.37 feet) to a point in a line distant 34.013 meters (111.59 feet) northerly from the northerly side of 95th Avenue, drawn at right angles thereto, from a point thereon and distant 13.283 meters (43.58 feet) easterly from said easterly side of Van Wyck

Expressway (Service Road);

4. Running thence South 20 degrees 34 minutes 26.9 seconds East along the division line between property now or formerly of David Oil Corp. and property now or formerly of Mohamed Shafi and Ramdai Shafi, at right angles to the northerly side of 95th Avenue, formerly Chichester Avenue, 34.013 meters (111.59 feet) to the northerly side of 95th Avenue;
5. Running thence South 69 degrees 25 minutes 33.1 seconds West along the northerly side of 95th Avenue, 13.283 meters (43.58 feet) to the corner formed by the intersection of the said northerly side of 95th Avenue and the easterly side of Van Wyck Expressway (Service Road);
6. Running thence North 31 degrees 01 minutes 19.1 seconds West along the easterly side of Van Wyck Expressway (Service Road), 62.054 meters (203.59 feet) to the point and place of beginning.

Containing 2176.289 square meters (23425.28 square feet) or 0.218 Hectare (0.538 acre).

Also known as **Tax Block 9990, Tax Lot 5**, Borough of Queens, City of New York.

Being the premises shown on an ALTA/ACSM Land Title Surveys of Lot 5, Block 9990, Queens, New York, prepared by Vollmer Associates, dated February 15, 2000 and signed by Kenneth J. Stigner, L.S., a copy of which is attached hereto as Exhibit B.

Being the same premises conveyed to the Port Authority by David Oil Corp. by Indenture made November 3, 2000 recorded with the Office of the Register of Deeds, Queens County, November 29, 2000 at Reel 5732, Page 0424 *et seq.*, City Register Serial Number 113076

All bearings refer to The New York Coordinate System of 1983-96, Long Island Zone 3104.

Together with the appurtenances and all the estate and rights of the City in and to said premises.

To Have And To Hold the premises herein granted unto the Port Authority, the successors and assigns of the Port Authority forever.

The City, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The Port Authority hereby accepts the conveyance from the City.

No Commissioner, director, elected official, officer, agent, representative or employee of the Port Authority or the City shall be charged personally by either party hereto with any liability or held personally liable under any of the terms or provisions of this Indenture or because of its execution or because of any breach or attempted or alleged breach hereof.

This Indenture may be executed in one or more counterparts each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

IN WITNESS WHEREOF, the City has caused its corporate seal to be hereunto affixed and duly attested and this Indenture to be signed by its Deputy Mayor for Economic Development and Rebuilding and by the City Clerk of the City; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, of the day and year first written above.

[NO FURTHER TEXT ON THIS PAGE]

**JOHN F. KENNEDY INTERNATIONAL AIRPORT - AIRPORT ACCESS PROJECT -
PROPERTY ACQUISITION**

On May 9, 1996, the Board authorized a project (the "Project") for the implementation of an automated Light Rail System ("LRS") between Jamaica and John F. Kennedy International Airport ("JFK"), a link between Howard Beach and JFK, and an LRS circulating within the Central Terminal Area at a total estimated project cost of \$1.268 billion, excluding interest on bonded debt. JFK suffers from a lack of public transportation options for access to the facility. In addition, the existing roadway system is unable to adequately address the need for on-airport circulation. The Project will provide connections to regional transportation hubs at the Long Island Railroad station in Jamaica as well as the New York City Transit station in Howard Beach. The LRS will also provide stations on-airport, at the rental car facilities at Federal Circle, the Employee Long-Term Parking Lot, and at the unit terminals for intra-airport transportation of airport customers and employees.

In requesting Project Authorization at the Board's May 9, 1996 meeting, staff noted that at the appropriate time, the Board would be asked to make the necessary findings and authorize acquisition of property interests by negotiation or condemnation. In view of the Project schedule, staff recommends authorization of property acquisition by negotiation at this time. If negotiations with private landowners do not lead to reasonable settlements, staff would conduct a public hearing as required by the New York State Eminent Domain Procedure Act before initiating eminent domain proceedings to acquire the property. Subsequent to such a hearing, the Board would be requested to make the necessary findings and determinations to enable acquisition by condemnation. The JFK LRS Right-Of-Way ("ROW") will occupy lands now owned by, among others, the City of New York, the State of New York, the Long Island Railroad, Rock-Arizona Associates (an Amoco gas station), Web Food Products, Inc. (a parking lot) and Andrew Borone, Dominick Borone and Joseph Borone (an auto service station and parking lot). Staff plans to acquire these lands, and possibly others adjacent to the ROW should the need become apparent.

The Board at its meeting on May 9, 1996 also authorized the Executive Director to apply to the Federal Aviation Administration ("FAA") for additional Passenger Facility Charge ("PFC") collection authority of \$823 million and additional PFC use authority of \$1.248 billion. An application was submitted to the FAA for the use of PFC funds on July 21, 1997. A Record of Decision for the use of these funds in the amount of \$1.148 billion was received on February 9, 1998. An application for the \$100 million in PFCs which expired on October 1, 1997, due to the FAA's failure to act by the application's expiration date, will be resubmitted to the FAA. In addition to the \$14 million previously approved by the FAA for planning costs for the JFK LRS, an amendment to recover an additional \$36 million in planning and preliminary engineering costs will be submitted at the same time. An addendum will also be submitted to the PFC application to permit the Port Authority to reallocate certain Port Authority Capital funds (up to \$300 million) to project elements the FAA deems ineligible for PFC funding and to allocate PFCs to other eligible items. The total amount of PFC funds expected to be approved for the project is \$1.298 billion. Together with \$300 million in Port Authority Capital funds, the total available funds for this project is \$1.598 billion, including interest on bonded debt.

Environmental impacts have been and will be assessed and will be taken into consideration in the implementation of the Project and mitigation measures incorporated in the

Project. A Draft Environmental Impact Statement ("EIS"), Written Reevaluation/Technical Report and Final EIS ("FEIS"), were prepared by the FAA along with the New York State Department of Transportation ("NYSDOT") acting as Joint Lead Agency. The FAA prepared Records of Decision approving an amended Airport Layout Plan including the ROW for the LRS and use of PFCs for the Project in compliance with the National Environmental Policy Act. NYSDOT issued a Record of Decision containing Findings in connection with its authorization of property conveyances for the Project in compliance with the New York State Environmental Quality Review Act ("SEQRA"). It is anticipated that the City of New York will also issue Findings in connection with its authorization of City actions in support of the Project which will comply with the City's Environmental Quality Review Regulations which implement SEQRA. Also, it is a condition of FAA Project approval, as noted in NYSDOT's Record of Decision, that the mitigation measures presented in Section 7.0 of the FEIS are the responsibility of the Port Authority. The Port Authority will incorporate the mitigation measures as requirements of the design, construction, and operation contracts or other contracts issued for the Project.

The City of New York (the "City") has advised that it must comply with the provisions of Section 197(c) of the City Charter involving the Uniform Land Use Review Procedure ("ULURP") before it can execute conveyances needed for the Project. The ULURP, entailing Hearings before Community Boards, the Borough Board, the City Planning Commission and possibly the City Council, is expected to take six to nine months to complete. While the Port Authority's ULURP Application is deemed technically complete, pending direction from the City, the Application has not yet been certified as complete so that the ULURP process may begin.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Haley, Kalikow, Lewis, O'Neill, Philibosian, Schweitzer and Song voting in favor; Commissioner Mack abstaining; none against:

RESOLVED, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to acquire on behalf of the Port Authority property interests by negotiation for and in connection with the Air Terminal Access Facilities known as the John F. Kennedy International Airport ("JFK") Airport Access Light Rail System ("LRS") Project including a link between Jamaica and JFK, a link between Howard Beach and JFK and an LRS circulating the Central Terminal Area (the "Project"), such property interests being generally located along and adjacent to the alignment shown on the amended JFK Airport Layout Plan approved, or to be approved, by the Federal Aviation Administration ("FAA") including but not limited to fee title to three privately owned parcels of land known as Block 9990, Lot 5, Block 9989, Lot 11, and Block 9989, Lot 17, on the Tax Map of the City of New York, Borough of Queens, and to incur all related costs and expenses, and execute all documents and agreements, including without limitation, agreements and conveyances, involving transfers of property interests to or from the Port Authority, necessary or incidental to such acquisition or the Project; and to conduct a public hearing under New York State's Eminent Domain Procedure Act, at their discretion; and it is further

RESOLVED, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to execute an agreement or agreements supplemental to the Agreement with respect to the Municipal Air Terminals between the City of New York (the "City") and the Port Authority and associated instruments whereby, among other matters, the City would: (a) transfer and release to the Port Authority the City's right, title and interest in the property interests the Port Authority requires for the Project; (b) accept a conveyance of the permanent property interests acquired for the Project; and (c) simultaneously lease such property interests to the Port Authority as part of the Airport Demised Premises; and it is further

RESOLVED, that the form of all documents necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

EXHIBIT B

**COPY OF SURVEY OF LOT 5, BLOCK 9990,
BOROUGH OF QUEENS, NEW YORK
PREPARED BY VOLLMER ASSOCIATES**

EXHIBIT C-2

(see attached)

QUITCLAIM DEED FROM PORT AUTHORITY TO CITY

THIS INDENTURE made as of November ____, 2004 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 Congress with its office at 225 Park Avenue South, Borough of Manhattan, City, County and State of New York (the "Port Authority") and the CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (the "City").

WITNESSETH THAT:

WHEREAS, the City and Port Authority intend to enter into an Amended and Restated Agreement of Lease of the Municipal Air Terminals dated as of November ____, 2004 (the "Agreement"); and

WHEREAS, the City has disposed to the Port Authority any property interests it owns within (i) that portion of the Light Rail System that the Port Authority has acquired from the People of the State of New York acting by and through the Commissioner of Transportation ("State") by Grant of Permanent Easement made August 19, 2002, a copy of which is attached hereto and made a part hereof as Exhibit A, and (ii) the property identified on the Tax Map of the City of New York as Lot 5, Block 9990, Borough of Queens by Indenture of even date herewith;

WHEREAS, the Port Authority now desires to convey to the City all property interests it owns within such portion of the Light Rail System ("LRS") and in Lot 5, Block 9990, Borough of Queens, and the City desires to accept such property interests and incorporate such property interests conveyed by the Port Authority to the City into the Demised Premises, as such term is defined in the Agreement, by leasing such property interests to the Port Authority under the Agreement; and

WHEREAS, City Planning Commission Resolution # C990117 PQQ/C 990118 PPQ adopted May 3, 1999 and City Council Resolution # 864 adopted June 7, 1999 have authorized such dispositions and acquisitions by the City and the Port Authority's Board of Commissioners has authorized such acquisitions and disposition by the Port Authority by Resolution adopted September 24, 1998.

NOW, THEREFORE, the Port Authority and the City do hereby agree as follows:

The Port Authority does hereby remise, release and quitclaim unto the City, its successors and assigns forever, all right, title and interest of the Port Authority in and to the Property which is described as follows:

- A. Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those pieces or parcels of property in the Fourth Ward of the Borough Queens, City of New York, County of Queens, State of New York, which are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR – 402 through CR – 415 of a series of maps entitled, “THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 THROUGH 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK”, prepared by Vollmer Associates LLP, dated February 28, 2002, bearing Project Number 2001-003-03 and filed contemporaneously in the Office of the Register of Deeds, Queens County on September 17, 2002 with the Grant of Permanent Easement between The People of the State of New York, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York and the Port Authority of New York and New Jersey made August 19, 2002 and recorded at Reel 6582, Page 0118 *et seq.*, City Register Serial Number 128069.

Subject, however, to the provisions of the aforesaid Grant of Permanent Easement made August 19, 2002.

- B. All that certain plot, piece or parcel of land situate, lying and being in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 94th Avenue formerly Johnson Avenue (50 feet wide) with the easterly side of Van Wyck Expressway (Service Road); said corner having a New York State Coordinate System (NAD 83-96) value of N 58916.0472 meters E 315799.1275 meters (N193293.7316 feet E1036084.3037 feet);

1. Running thence North 69 degrees 25 minutes 33.1 seconds East along the southerly side of 94th Avenue, 63.627 meters (208.75 feet) to a point on the division line between property now or formerly of David Oil Corp. and property now or formerly of Carole A. Murray and Thomas D. Murray;
2. Running thence along said division line South 20 degrees 34 minutes 26.9 seconds East, at right angles to the southerly side of 94th Avenue, 25.292 meters (82.98 feet) to a point;
3. Running thence South 66 degrees 54 minutes 37.1 seconds West along the division line between property now or formerly of David Oil Corp. and the following properties: property now or formerly of Edgardo E. Contreras; property now or formerly of David Byrd, Patricia Portis, and Gary Michael Byrd; property now or formerly of Cheryl Winter Naipaul and Gagnatti Naipaul; property now or formerly of Joseph F. Nowinski and Jennie Nowinski; property now or formerly of Stanley P. Francosky, et al; and property

now or formerly of Mohamed Shafi and Ramdai Shafi, said line forming an interior angle of 92 degrees 30 minutes 56 seconds with the last mentioned course, 39.127 meters (128.37 feet) to a point in a line distant 34.013 meters (111.59 feet) northerly from the northerly side of 95th Avenue, drawn at right angles thereto, from a point thereon and distant 13.283 meters (43.58 feet) easterly from said easterly side of Van Wyck Expressway (Service Road);

4. Running thence South 20 degrees 34 minutes 26.9 seconds East along the division line between property now or formerly of David Oil Corp. and property now or formerly of Mohamed Shafi and Ramdai Shafi, at right angles to the northerly side of 95th Avenue, formerly Chichester Avenue, 34.013 meters (111.59 feet) to the northerly side of 95th Avenue;
5. Running thence South 69 degrees 25 minutes 33.1 seconds West along the northerly side of 95th Avenue, 13.283 meters (43.58 feet) to the corner formed by the intersection of the said northerly side of 95th Avenue and the easterly side of Van Wyck Expressway (Service Road);
6. Running thence North 31 degrees 01 minutes 19.1 seconds West along the easterly side of Van Wyck Expressway (Service Road), 62.054 meters (203.59 feet) to the point and place of beginning.

Containing 2176.289 square meters (23425.28 square feet) or 0.218 Hectare (0.538 acre).

Also known as **Tax Block 9990, Tax Lot 5, Borough of Queens, City of New York.**

Being the premises shown on an ALTA/ACSM Land Title Surveys of Lot 5, Block 9990, Queens, New York, prepared by Vollmer Associates, dated February 15, 2000 and signed by Kenneth J. Stigner, L.S., a copy of which is attached hereto as Exhibit B.

Being the same premises conveyed to the Port Authority by David Oil Corp. by Indenture made November 3, 2000 recorded with the Office of the Register of Deeds, Queens County, November 29, 2000 at Reel 5732, Page 0424 *et seq.*, City Register Serial Number 113076

All bearings refer to The New York Coordinate System of 1983-96, Long Island Zone 3104.

Together with the appurtenances and all the estate and rights of the Port Authority in and to said premises.

Together with all right, title and interest, if any, of the Port Authority in and to any streets and roads abutting the above described premises to the center line thereof.

To Have And To Hold the premises herein granted unto the City, the successors and assigns of the City forever.

The Port Authority, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The City hereby accepts the conveyance from the Port Authority.

No Commissioner, director, elected official, officer, agent, representative or employee of the Port Authority or the City shall be charged personally by either party hereto with any liability or held personally liable under any of the terms or provisions of this Indenture or because of its execution or because of any breach or attempted or alleged breach hereof.

This Indenture may be executed in one or more counterparts each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

IN WITNESS WHEREOF, the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, of the day and year first written above and the City has caused its corporate seal to be hereunto affixed and duly attested and this Indenture to be signed by its Deputy Mayor for Economic Development and Rebuilding and by the City Clerk of the City.

[NO FURTHER TEXT ON THIS PAGE]

Attest:

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY

Secretary

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

Darrell Buchbinder,
General Counsel

THE CITY OF NEW YORK

By:

City Clerk

By:

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

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

On the ___ day of November 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared KENNETH J. RINGLER, JR., Executive Director of the PORT AUTHORITY OF NEW YORK AND NEW JERSEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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

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

Notary Public

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

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

Notary Public

EXHIBIT A

**COPY OF GRANT OF PERMANENT EASEMENT
DATED AS OF AUGUST 19, 2002
FROM THE PEOPLE OF THE STATE OF NEW YORK**



STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION
HUNTERS POINT PLAZA
47-40 21ST STREET
LONG ISLAND CITY, N.Y. 11101

DOUGLAS A. CURREY, P.E.
REGIONAL DIRECTOR

JOSEPH H. BOARDMAN
COMMISSIONER

SUBI CHAKRABORTI, P.E.
DEPUTY REGIONAL DIRECTOR

September 18, 2002

Harry Barr, Esq.
The Port Authority of NY and NJ
Law Department, 14th floor
225 Park Avenue South
New York, NY 10003

Re: PIN
Proceeding 6105 02/7
AirTrain Easement
JFK-LRS Airport Access Program
Queens County

Dear Mr. Barr:

As mentioned to your secretary in a message to be conveyed to you, we have filed the maps and the *Grant of Permanent Easement* on the above project in the Queens County Registrar's office on September 17, 2002 and I will be hand delivering these maps and the *Grant of Easement* to your office next week.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Gulrukh Irani".

Gulrukh Irani
Real Estate Specialist Trainee 2

CITY REGISTER RECORDING AND ENDORSEMENT PAGE

COUNTY OF Queens

THIS PAGE FORMS PART OF THE INSTRUMENT

TOTAL NUMBER OF PAGES IN DOCUMENT INCLUDING THIS PAGE ▶

Block 14260 Lots - ONLY IF ENTIRE LOT 1 Partial Lots ▼ PID

Premises ▼

NAME Harry K. Barr, Esq.
ADDRESS Port Authority of NY & N.J. Law Dept.
CITY NY STATE NY ZIP 10003
225 Park Ave. S 14th Fl

Title/Agent Company Name NYSDOT

Title Company Number ▼

NAME & ADDRESS
PARTY 1 N.Y. S. Department of Transportation
ADDITIONAL PARTY 1 47-40 21st Street, D.C. NY - 11101
PARTY 2 Port Authority of NY & N.J.
ADDITIONAL PARTY 2 225 Park Ave S 14th Fl, Law Dept, N.Y. NY-10003

CHECK THIS BOX IF THERE ARE MORE THAN 2 OF EITHER PARTY

CITY REGISTER'S USE ONLY - DO NOT WRITE BELOW THIS LINE

Examined by (s): 1
Mtg Tax Serial No.
Mtg Amount \$
Taxable Amount \$
Exemption (✓) YES NO
Type: [328E] [255] [OTHER]
Dwelling Type: [1+2] [3] [4+5] [OVER 5]
TAX RECEIVED ON ABOVE MORTGAGE ▼
County (basic) \$
City (Add'l) \$
Spec Add'l \$
TASF \$
MTA \$
NYCTA \$
TOTAL TAX \$
Apportionment Mortgage (✓) YES NO

City Register Serial Number 128063 Assignment
Indexed By (s): DN Verified By (s):
Block(s) and Lot(s) verified by ✓
Address Tax Map
Extra Block(s) Lot(s)
Recording Fee B \$ NO CHARGE
Affidavit Fee (C) \$
RPTT Fee (R) \$ NO CHARGE
HPD-A HPDC
New York State Real Estate Transfer Tax ▼
\$ 0
Serial Number 004445
New York City Real Property Transfer Tax Serial Number 022466

OTHER LOANS:
LMTL
41 2



RECORDED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK

Handwritten signature

Proceeding 6105
AirTrain Easement
JFK-LRS Airport Access Program
Queens County

GRANT OF PERMANENT EASEMENT

Made the 19th day of August, 2002, between

THE PEOPLE OF THE STATE OF NEW YORK, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York, with offices at 1220 Washington Avenue, Albany, New York 12232, Grantors, and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic acting pursuant to authority conferred by the legislatures of the States of New York and New Jersey, with offices at 225 Park Avenue South, New York, New York 10003, Grantee,

WHEREAS, Grantee has constructed a Light Rail System designed to carry passengers, also referred to as AirTrain Facilities ("LRS") within Kennedy International Airport ("JFK") with connections to the Jamaica Long Island Railroad/New York City Transit Authority Sutphin Boulevard Station ("Jamaica Station") and to the Howard Beach Subway Station; and

WHEREAS, the connection to the Jamaica Station requires the use of property lying between the boundary of JFK and the Jamaica Station including, but not limited to, the Van Wyck Expressway ("VWE"), for the LRS Project; and

WHEREAS, lands within the VWE are owned all or in part by the Grantors as part of the State Highway System under

jurisdiction of the New York State Department of Transportation ("NYSDOT"); and

WHEREAS, the parties hereto have entered into a Memorandum of Understanding which provides, among other things, that the Grantee will construct the LRS and as part of its project will make certain other improvements in the VWE for the benefit of the Grantors, and the Grantors will convey a grant of permanent easement rights in the VWE to the Grantee upon the terms and conditions hereinafter expressed; and

NOW THEREFORE the Grantors, in consideration of the sum of ONE AND NO/100 DOLLAR (\$1.00), and other valuable consideration, do hereby remise, release and quitclaim unto the Grantee, its successors and assigns forever,

Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those **PIECES OR PARCELS OF PROPERTY** situate in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, State of New York, which are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR-402 through CR-415 of a series of maps entitled "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 through 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK" prepared by Vollmer Associates,

LLP, dated February 28, 2002, bearing Project Number 2001-003-03, and filed in the Office of the Register of Deeds, Queens County contemporaneously with the recording of this Grant of Permanent Easement.

1. With respect to each parcel designated as "Aerial Parcel" or "Aerial Easement", a permanent aerial easement for an elevated reinforced concrete platform supporting the LRS referred to herein as the "AirTrain Guideway," and for the LRS constructed thereon, including but not limited to appurtenant track, wires, switches, signals, drainage and other utility installations required for the operation of the LRS. Each aerial easement parcel is located within an elevated plane situate generally over the median area of the VWE separating the northbound and southbound lanes or the eastbound and westbound lanes, as the case may be, of the VWE and the first vehicular lane of the VWE located northerly or easterly of the median and the two vehicular travel lanes of the VWE located southerly or westerly of the median.

2. With respect to each parcel designated as "Column Parcel" or "Column Easement", a permanent surface easement for support of the AirTrain Guideway, including but not limited to appurtenant track, wire, switches, signals, drainage and utility installations.

3. With respect to each parcel designated as "Subsurface

Parcel" or "Subsurface Easement", a permanent subsurface easement for the construction of footings necessary for support of the columns supporting the AirTrain Guideway, the right to construct, install, and operate cables, wires, switches, signals, and other equipment appurtenant to electric and data transmission and the right to construct, install, operate and maintain drainage and utility facilities, including the right to connect to the existing highway drainage system.

RESERVING TO THE GRANTORS the legal right of access at grade level for the purpose of inspection, maintenance or repair of all State and/or New York City owned facilities, appurtenances or equipment or emergency repair or shoring of the LRS, if in the opinion of the Grantors, State facilities are endangered; and

IT IS FURTHER AGREED that inspection, maintenance, and/or repair of the LRS facility constructed by the Grantee within the State Highway System requiring access from the at-grade level will require a Permit from NYSDOT, but that inspection, maintenance, and/or repair work conducted from the elevated LRS/ AirTrain Guideway will not require a Permit issued by NYSDOT unless lane closures of the highway below are involved. The Permit for such work, which shall not be unreasonably withheld or delayed, shall be issued without charge and without requirements for bonds and shall otherwise contain standard terms and conditions.

PROVIDED HOWEVER, that the Grantee, its successors and assigns shall make no change in the clearance over the VWE or in the alignment or location of such LRS facilities, or additional facilities constructed, which will interfere with the VWE and its appurtenances or other facilities of the State of New York, its successors or assigns.

FURTHER PROVIDED, that if the easement rights created herein are no longer used for construction, reconstruction, operation and maintenance of an LRS operated for Air Terminal purposes, the easements shall automatically terminate and jurisdiction over the affected premises shall return to the NYSDOT.

This Grant of Permanent Easement contains certain language defining the scope, purpose and terms of the easements granted herein. The maps referred to in this Grant and which are intended to be filed contemporaneously with the recording of this Grant also contain certain language defining the scope, purpose and terms of such easements. The language contained in this Grant is intended to control the definition of these easements, and any inconsistency between the language describing the scope, purpose and terms of said easements contained on the maps and in this Grant, shall be controlled by the language of this Grant.

TO HAVE AND TO HOLD the permanent easement rights herein granted unto the Grantee, its successors and assigns forever, except as provided above.

IN WITNESS WHEREOF, the Grantors have caused this instrument to be signed by their duly authorized representative and the seal of the New York State Department of Transportation to be hereunto affixed.



THE PEOPLE OF THE STATE OF NEW YORK

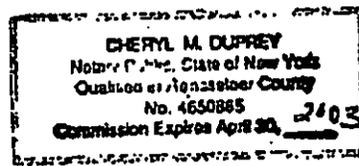
BY: JOSEPH H. BOARDMAN
Commissioner of Transportation

BY: Richard J. Morris
RICHARD J. MORRIS
Director, Real Estate Division
Department of Transportation

State of New York)
) ss.:
County of Albany)

On the 19th day of August in the year 2002
before me, the undersigned, personally appeared Richard J. Morris, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Cheryl M. Duprey
Notary Public, State of New York



Approved as to form and manner of execution.
ELIOT SPITZER
ATTORNEY GENERAL

By: Gary von Bieberstein
Gary von Bieberstein
Principal Attorney

**JOHN F. KENNEDY INTERNATIONAL AIRPORT - AIRPORT ACCESS PROJECT -
PROPERTY ACQUISITION**

On May 9, 1996, the Board authorized a project (the "Project") for the implementation of an automated Light Rail System ("LRS") between Jamaica and John F. Kennedy International Airport ("JFK"), a link between Howard Beach and JFK, and an LRS circulating within the Central Terminal Area at a total estimated project cost of \$1.268 billion, excluding interest on bonded debt. JFK suffers from a lack of public transportation options for access to the facility. In addition, the existing roadway system is unable to adequately address the need for on-airport circulation. The Project will provide connections to regional transportation hubs at the Long Island Railroad station in Jamaica as well as the New York City Transit station in Howard Beach. The LRS will also provide stations on-airport, at the rental car facilities at Federal Circle, the Employee Long-Term Parking Lot, and at the unit terminals for intra-airport transportation of airport customers and employees.

In requesting Project Authorization at the Board's May 9, 1996 meeting, staff noted that at the appropriate time, the Board would be asked to make the necessary findings and authorize acquisition of property interests by negotiation or condemnation. In view of the Project schedule, staff recommends authorization of property acquisition by negotiation at this time. If negotiations with private landowners do not lead to reasonable settlements, staff would conduct a public hearing as required by the New York State Eminent Domain Procedure Act before initiating eminent domain proceedings to acquire the property. Subsequent to such a hearing, the Board would be requested to make the necessary findings and determinations to enable acquisition by condemnation. The JFK LRS Right-Of-Way ("ROW") will occupy lands now owned by, among others, the City of New York, the State of New York, the Long Island Railroad, Rock-Arizona Associates (an Amoco gas station), Web Food Products, Inc. (a parking lot) and Andrew Borone, Dominick Borone and Joseph Borone (an auto service station and parking lot). Staff plans to acquire these lands, and possibly others adjacent to the ROW should the need become apparent.

The Board at its meeting on May 9, 1996 also authorized the Executive Director to apply to the Federal Aviation Administration ("FAA") for additional Passenger Facility Charge ("PFC") collection authority of \$823 million and additional PFC use authority of \$1.248 billion. An application was submitted to the FAA for the use of PFC funds on July 21, 1997. A Record of Decision for the use of these funds in the amount of \$1.148 billion was received on February 9, 1998. An application for the \$100 million in PFCs which expired on October 1, 1997, due to the FAA's failure to act by the application's expiration date, will be resubmitted to the FAA. In addition to the \$14 million previously approved by the FAA for planning costs for the JFK LRS, an amendment to recover an additional \$36 million in planning and preliminary engineering costs will be submitted at the same time. An addendum will also be submitted to the PFC application to permit the Port Authority to reallocate certain Port Authority Capital funds (up to \$300 million) to project elements the FAA deems ineligible for PFC funding and to allocate PFCs to other eligible items. The total amount of PFC funds expected to be approved for the project is \$1.298 billion. Together with \$300 million in Port Authority Capital funds, the total available funds for this project is \$1.598 billion, including interest on bonded debt.

Environmental impacts have been and will be assessed and will be taken into consideration in the implementation of the Project and mitigation measures incorporated in the

Project. A Draft Environmental Impact Statement ("EIS"), Written Reevaluation/Technical Report and Final EIS ("FEIS"), were prepared by the FAA along with the New York State Department of Transportation ("NYSDOT") acting as Joint Lead Agency. The FAA prepared Records of Decision approving an amended Airport Layout Plan including the ROW for the LRS and use of PFCs for the Project in compliance with the National Environmental Policy Act. NYSDOT issued a Record of Decision containing Findings in connection with its authorization of property conveyances for the Project in compliance with the New York State Environmental Quality Review Act ("SEQRA"). It is anticipated that the City of New York will also issue Findings in connection with its authorization of City actions in support of the Project which will comply with the City's Environmental Quality Review Regulations which implement SEQRA. Also, it is a condition of FAA Project approval, as noted in NYSDOT's Record of Decision, that the mitigation measures presented in Section 7.0 of the FEIS are the responsibility of the Port Authority. The Port Authority will incorporate the mitigation measures as requirements of the design, construction, and operation contracts or other contracts issued for the Project.

The City of New York (the "City") has advised that it must comply with the provisions of Section 197(c) of the City Charter involving the Uniform Land Use Review Procedure ("ULURP") before it can execute conveyances needed for the Project. The ULURP, entailing Hearings before Community Boards, the Borough Board, the City Planning Commission and possibly the City Council, is expected to take six to nine months to complete. While the Port Authority's ULURP Application is deemed technically complete, pending direction from the City, the Application has not yet been certified as complete so that the ULURP process may begin.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Haley, Kalikow, Lewis, O'Neill, Philipbosian, Schweitzer and Song voting in favor; Commissioner Mack abstaining; none against:

RESOLVED, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to acquire on behalf of the Port Authority property interests by negotiation for and in connection with the Air Terminal Access Facilities known as the John F. Kennedy International Airport ("JFK") Airport Access Light Rail System ("LRS") Project including a link between Jamaica and JFK, a link between Howard Beach and JFK and an LRS circulating the Central Terminal Area (the "Project"), such property interests being generally located along and adjacent to the alignment shown on the amended JFK Airport Layout Plan approved, or to be approved, by the Federal Aviation Administration ("FAA") including but not limited to fee title to three privately owned parcels of land known as Block 9990, Lot 5, Block 9989, Lot 11, and Block 9989, Lot 17, on the Tax Map of the City of New York, Borough of Queens, and to incur all related costs and expenses, and execute all documents and agreements, including without limitation, agreements and conveyances, involving transfers of property interests to or from the Port Authority, necessary or incidental to such acquisition or the Project; and to conduct a public hearing under New York State's Eminent Domain Procedure Act, at their discretion; and it is further

RESOLVED, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to execute an agreement or agreements supplemental to the Agreement with respect to the Municipal Air Terminals between the City of New York (the "City") and the Port Authority and associated instruments whereby, among other matters, the City would: (a) transfer and release to the Port Authority the City's right, title and interest in the property interests the Port Authority requires for the Project; (b) accept a conveyance of the permanent property interests acquired for the Project; and (c) simultaneously lease such property interests to the Port Authority as part of the Airport Demised Premises; and it is further

RESOLVED, that the form of all documents necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

EXHIBIT B

**COPY OF SURVEY OF LOT 5, BLOCK 9990,
BOROUGH OF QUEENS, NEW YORK
PREPARED BY VOLLMER ASSOCIATES**

EXHIBIT D-1

(see attached)

**NEW YORK MUNICIPAL AIR TERMINALS
ANNUAL STATEMENT
JANUARY 1, 20__ TO DECEMBER 31, 20__**

Table of Contents

	Pages
Exhibit A - Rent Computation Schedule	1
Exhibit B - Annual Gross Revenue	2
Exhibit C - LaGuardia Airport Annual Gross Revenue	3-4
Exhibit D - John F. Kennedy International Airport Annual Gross Revenue	5-6
Exhibit E - Items Excluded From Annual Gross Revenue	7

NEW YORK MUNICIPAL AIR TERMINALS
RENT COMPUTATION SCHEDULE
20__

EXHIBIT A

LINE NO.

FOR THE YEAR

20__

1 Annual Gross Revenue (From Exhibit B, Line 3)

2 8% of Line 1

3 Minimum Annual Rent Amount

5 Base Rent

6 Additional Lump Sum Payment (Line 3 Minus Line 4)

\$ _____ -

NEW YORK MUNICIPAL AIR TERMINALS
ANNUAL GROSS REVENUE
20__

EXHIBIT B

<u>LINE NO.</u>		FOR THE YEAR 20__
1	LaGuardia Airport (From Exhibit C, Page 4)	
2	John F. Kennedy International Airport (From Exhibit D, Page 6)	_____
3	Annual Gross Revenue (To Exhibit A, Line 1)	\$ _____ -

NEW YORK MUNICIPAL AIR TERMINALS
LAGUARDIA AIRPORT
ANNUAL GROSS REVENUE

EXHIBIT C

<u>SOURCE</u>	<u>DESCRIPTION</u>	20__	<u>ANNUAL GROSS REVENUE</u>
503	Miscellaneous Revenue		
515	Special Project Bonds		
517	Telecommunications		
559	Unclassified Tenants		
601	General Consumer Services		
602	Food & Beverage Consumer Services		
603	Machine Services		
605	Display Advertising		
641	General Consumer Services - Fixed		
642	Food & Beverage Sales - Fixed		
643	Machine Sales - Fixed		
644	Air Conditioning Services - Fixed		
646	Oil Companies - Fixed Rentals		
648	Ground Handling - Fixed		
654	Public Vehicular Parking		
700	Scheduled Airlines - Flight Fees		
701	Scheduled Airlines - Terminals		
703	Itinerant Aircraft		
706	Scheduled Commuter Airlines		
707	Scheduled Airlines - Hangars & Cargo Facility		
709	Scheduled Airlines - Heating & Refrigeration		
710	Scheduled Airlines - Other		

NEW YORK MUNICIPAL AIR TERMINALS
LAGUARDIA AIRPORT
ANNUAL GROSS REVENUE
20__

EXHIBIT C

<u>SOURCE</u>	<u>DESCRIPTION</u>	<u>ANNUAL GROSS REVENUE (CONT'D)</u>
711	Aircraft Parking & Storage	
725	Scheduled Airlines - Percent Fees	
726	FAR - Boarding Gate Security Program	
727	Tenant Parking	
728	Scheduled Airlines - Miscellaneous Fees	
731	Oil Companies	
751	Ground Handling Agencies	
752	Cargo Handling & Service Agencies	
761	Aircraft Service Agencies	
771	U.S. Government	
800	Recovered Expense	
851	Sale of Water - Hot & Cold	
852	Sale of Electricity	
879	Asbestos Settlement	
	Total Annual Gross Revenue (To Exhibit B, Line 1)	<u>\$0</u>

NEW YORK MUNICIPAL AIR TERMINALS
JOHN F. KENNEDY INTERNATIONAL AIRPORT
ANNUAL GROSS REVENUE

EXHIBIT D

20__

ANNUAL GROSS
REVENUE

<u>SOURCE</u>	<u>DESCRIPTION</u>	
503	Miscellaneous Revenue	
515	Special Project Bonds	
517	Telecommunications	
559	Unclassified Tenants	
601	General Consumer Services	
602	Food & Beverage Consumer Services	
603	Machine Services	
605	Display Advertising	
641	General Consumer Services - Fixed	
642	Food & Beverage Sales - Fixed	
643	Machine Sales - Fixed	
644	Air Conditioning Services - Fixed	
645	Display Advertising - Fixed	
646	Oil Companies - Fixed Rentals	
647	Hotel - Fixed Rentals	
648	Ground Handling - Fixed	
649	Cargo Handling - Fixed	
650	International Hotel	
654	Public Vehicular Parking	
700	Scheduled Airlines - Flight Fees	
701	Scheduled Airlines - Terminals	
703	Itinerant Aircraft	
705	Scheduled Helicopter Operations	
706	Scheduled Commuter Airlines	
707	Scheduled Airlines - Hangars & Cargo Facility	
709	Scheduled Airlines - Heating & Refrigeration	

NEW YORK MUNICIPAL AIR TERMINALS
 JOHN F. KENNEDY INTERNATIONAL AIRPORT
 ANNUAL GROSS REVENUE
 20__

EXHIBIT D

<u>SOURCE</u>	<u>DESCRIPTION</u>	<u>ANNUAL GROSS REVENUE (CONT'D)</u>
710	Scheduled Airlines - Other	
711	Aircraft Parking & Storage	
712	Fuel Fees	
713	Environmental Fees	
716	PAF Penalty Fees	
725	Scheduled Airlines - Percent Fees	
726	FAR - Boarding Gate Security Program	
727	Tenant Parking	
728	Scheduled Airlines - Miscellaneous Fees	
746	Air Train Fare Box Revenue	
751	Ground Handling Agencies	
752	Cargo Handling & Service Agencies	
761	Aircraft Service Agencies	
771	U.S. Government	
777	Trade Service Firms	
800	Recovered Expense	
851	Sale of Water - Hot & Cold	
852	Sale of Electricity	
859	Leased Fuel Trucks	
879	Asbestos Settlement	
	Total Annual Gross Revenue (To Exhibit B, Line 2)	<u>\$0</u>

**NEW YORK MUNICIPAL AIR TERMINALS
ITEMS EXCLUDED FROM ANNUAL GROSS REVENUE
20__**

EXHIBIT E

<u>DESCRIPTION</u>	FOR THE YEAR 20__
Passenger Facility Charges-LaGuardia and John F. Kennedy International Airport	
Federal Grants	
Transportation Security Administration-Boarding Gate Security	
FAA K-9 Program	
Principal Payments on Special Project Bonds	_____
Total Excluded From Annual Gross Revenue	<u>\$ _____</u>

Reason for Exclusion:

Pursuant to Section 4.1, Annual Gross Revenues shall exclude any and all amounts attributable to repayment of principal on Special Project Bonds, federal grants or monies received as a result of any federal statute, regulation or policy or program, such as passenger facility charges and amounts used for airport security, where such statute or regulation, policy or program restricts the use of such monies to purposes benefiting the Municipal Air Terminals.

EXHIBIT D-2

(see attached)

NEW YORK MUNICIPAL AIR TERMINALS
LAGUARDIA AIRPORT
ESTIMATED ANNUAL GROSS REVENUE

20__

ESTIMATED
ANNUAL GROSS
REVENUE

<u>SOURCE</u>	<u>DESCRIPTION</u>	
503	Miscellaneous Revenue	
515	Special Project Bonds	
517	Telecommunications	
559	Unclassified Tenants	
601	General Consumer Services	
602	Food & Beverage Consumer Services	
603	Machine Services	
605	Display Advertising	
641	General Consumer Services - Fixed	
642	Food & Beverage Sales - Fixed	
643	Machine Sales - Fixed	
644	Air Conditioning Services - Fixed	
646	Oil Companies - Fixed Rentals	
648	Ground Handling - Fixed	
654	Public Vehicular Parking	
700	Scheduled Airlines - Flight Fees	
701	Scheduled Airlines - Terminals	
703	Itinerant Aircraft	
706	Scheduled Commuter Airlines	
707	Scheduled Airlines - Hangars & Cargo Facility	
709	Scheduled Airlines - Heating & Refrigeration	
710	Scheduled Airlines - Other	

NEW YORK MUNICIPAL AIR TERMINALS
LAGUARDIA AIRPORT
ESTIMATED ANNUAL GROSS REVENUE
20__

<u>SOURCE</u>	<u>DESCRIPTION</u>	<u>ESTIMATED ANNUAL GROSS REVENUE (CONT'D)</u>
711	Aircraft Parking & Storage	
725	Scheduled Airlines - Percent Fees	
726	FAR - Boarding Gate Security Program	
727	Tenant Parking	
728	Scheduled Airlines - Miscellaneous Fees	
731	Oil Companies	
751	Ground Handling Agencies	
752	Cargo Handling & Service Agencies	
761	Aircraft Service Agencies	
771	U.S. Government	
800	Recovered Expense	
851	Sale of Water - Hot & Cold	
852	Sale of Electricity	
879	Asbestos Settlement	
	Total Estimated Annual Gross Revenue	<u>\$0</u>

**NEW YORK MUNICIPAL AIR TERMINALS
JOHN F. KENNEDY INTERNATIONAL AIRPORT
ESTIMATED ANNUAL GROSS REVENUE**

20__

**ESTIMATED
ANNUAL GROSS
REVENUE**

<u>SOURCE</u>	<u>DESCRIPTION</u>	
503	Miscellaneous Revenue	
515	Special Project Bonds	
517	Telecommunications	
559	Unclassified Tenants	
601	General Consumer Services	
602	Food & Beverage Consumer Services	
603	Machine Services	
605	Display Advertising	
641	General Consumer Services - Fixed	
642	Food & Beverage Sales - Fixed	
643	Machine Sales - Fixed	
644	Air Conditioning Services - Fixed	
645	Display Advertising - Fixed	
646	Oil Companies - Fixed Rentals	
647	Hotel - Fixed Rentals	
648	Ground Handling - Fixed	
649	Cargo Handling - Fixed	
650	International Hotel	
654	Public Vehicular Parking	
700	Scheduled Airlines - Flight Fees	
701	Scheduled Airlines - Terminals	
703	Itinerant Aircraft	
705	Scheduled Helicopter Operations	
706	Scheduled Commuter Airlines	
707	Scheduled Airlines - Hangars & Cargo Facility	
709	Scheduled Airlines - Heating & Refrigeration	

NEW YORK MUNICIPAL AIR TERMINALS
 JOHN F. KENNEDY INTERNATIONAL AIRPORT
 ESTIMATED ANNUAL GROSS REVENUE
 20__

<u>SOURCE</u>	<u>DESCRIPTION</u>	<u>ESTIMATED ANNUAL GROSS REVENUE (CONT'D)</u>
710	Scheduled Airlines - Other	
711	Aircraft Parking & Storage	
712	Fuel Fees	
713	Environmental Fees	
716	PAF Penalty Fees	
725	Scheduled Airlines - Percent Fees	
726	FAR - Boarding Gate Security Program	
727	Tenant Parking	
728	Scheduled Airlines - Miscellaneous Fees	
746	Air Train Fare Box Revenue	
751	Ground Handling Agencies	
752	Cargo Handling & Service Agencies	
761	Aircraft Service Agencies	
771	U.S. Government	
777	Trade Service Firms	
800	Recovered Expense	
851	Sale of Water - Hot & Cold	
852	Sale of Electricity	
859	Leased Fuel Trucks	
879	Asbestos Settlement	
	Total Estimated Annual Gross Revenue	\$0

EXHIBIT D-3

(see attached)

SCHEDULE A

Intentionally Omitted

SCHEDULE B

Intentionally Omitted

SCHEDULE C

The Matter of the Arbitration Between The City of New York and The Port Authority of New York and New Jersey commenced with a Demand for Arbitration dated December 14, 1995, before the American Institute of Certified Public Accountants.

SCHEDULE D

Intentionally Omitted

SCHEDULE E
Schedule of Newark Airport Lease and all Amendments

1. Agreement with respect to the Newark Marine and Air Terminals by and between the City of Newark and the Port Authority made the 22nd day of October, 1947.
2. First Supplemental Agreement made as of the 11th day of March, 1948.
3. Second Supplemental Agreement made as of the 27th day of July, 1949.
4. Third Supplemental Agreement made the 30th day of August, 1949.
5. Fourth Supplemental Agreement made as of the 21st day of September, 1949.
6. Fifth Supplemental Agreement made as of the 27th day of May, 1953.
7. Sixth Supplemental Agreement made as of the 8th day of September, 1955.
8. Seventh Supplemental Agreement made as of the 5th day of October, 1956.
9. Eighth Supplemental Agreement made the 21st day of April, 1958.
10. Ninth Supplemental Agreement made as of the 14th day of December, 1966.
11. Tenth Supplemental Agreement made as of the 30th day of June, 1970.
12. Eleventh Supplemental Agreement made as of the 5th day of February, 1975.
13. Twelfth Supplemental Agreement made as of the 1st day of April, 1974.
14. Thirteenth Supplemental Agreement made as of the 16th day of May, 1975.
15. Fourteenth Supplemental Agreement made as of the 14th day of June, 1984.

SCHEDULE E
Schedule of Newark Airport Lease and all Amendments
(Continued)

16. Fifteenth Supplemental Agreement made as of the 1st day of January, 1984.
17. Sixteenth Supplemental Agreement made as of the 17th day of April, 1996.
18. Seventeenth Supplemental Agreement made as of the 26th day of March, 1998.
19. Eighteenth Supplemental Agreement made the 2nd day of October, 2000.
20. Eighteenth Supplemental Agreement made as of the 1st day of January, 2002.
21. Nineteenth Supplemental Agreement made as of the 1st day of January, 2002.

APPENDIX A

(see attached)

EXHIBIT A
Performance Standards

**(AIRPORT BOARD AGREEMENT)
EXHIBIT A**

AIRPORT PERFORMANCE AND SERVICE STANDARDS

John F. Kennedy International ("JFK") and LaGuardia Airports (together the "New York Airports") serve as both gateways to and economic engines for New York City, the Port Authority of New York and New Jersey and the City of New York recognize that, in accordance with the Lease Agreement, the Port Authority and the City intend that the New York Airports shall be operated and developed as first class facilities that meet the air travel and cargo demands of the City of New York and the surrounding metropolitan region.

To that end, the existence of vigorous measures of quality coupled with effective implementation policies are fundamental both to furthering the reasonable interests of all users of the New York Airports and to ensuring that the airports deliver the types of service at levels of quality that are in the public benefit.

On a quarterly basis the Port Authority will deliver to the City and the Airport Board both Landside and Airside Performance Indicators as set forth below. These Performance Indicators have been selected specifically to measure the New York Airports' (1) Market Share, (2) Passenger Service, (3) Cargo Service, (4) Operations, (5) Capital Spending, (6) Quality of Service, and (7) Community Relations. These Indicator measurements will be provided to the City and Airport Board both graphically and textually. Recognizing that there is a lag in the receipt of certain data requested, the Port Authority will report the most current data available and it is acknowledged that the timeframe covered for each measure may vary.

The Indicator Measurements to be provided by the Port Authority are as follows:

1. Market Share:

a) Passenger Volume

The Port Authority will provide, on a quarterly basis, rolling 12-month passenger volume for the New York Airports. The volume will be broken out by airport and by month. The Port Authority will provide comparable passenger volume data for the previous 12 months, including the annual percentage increase or decrease, and for the New York Airports' peer airports: Chicago O'Hare (ORD), Miami (MIA), Newark Liberty (EWR), and Boston Logan (BOS), depending on availability.

b) Passenger Rankings

The Port Authority will provide, on a quarterly basis, the ranking of JFK's international traffic relative to Newark Liberty (EWR), Chicago O'Hare (ORD), Miami (MIA), Philadelphia (PHL), Boston Logan (BOS), Atlanta Hartsfield-Jackson (ATL), and Washington Dulles (IAD) for the immediately preceding four quarters.

The Port Authority will provide, on a quarterly basis, the New York Airports' domestic traffic, relative to Newark Liberty (EWR), Philadelphia (PHL), Boston Logan (BOS), Washington National (DCA) and Washington Dulles (IAD) for the immediately preceding four quarters. Domestic traffic will be broken out by both LaGuardia and JFK.

c) Cargo Rankings

The Port Authority will provide, on a quarterly basis, the ranking of the New York Airports' total gross cargo tonnage throughput and total cargo value relative to Newark Liberty (EWR), Atlanta Hartsfield-Jackson (ATL), Philadelphia (PHL), Boston Logan (BOS) and Washington Dulles (IAD). The Port Authority will provide comparable rankings, including annual percentage increases or decreases for the preceding four quarters.

2. Passenger Service:

a) JFK Non-Stop Destinations

The Port Authority will provide, on a quarterly basis, a complete index of cities served non-stop from JFK. The data will be broken out into the following geographic categories: United States, Canada, Mexico, Central America, Caribbean, South America, Europe/Africa/Middle East, and Asia/Pacific.

The Port Authority will provide, on a quarterly basis, the total number of non-stop flights and total number of seats available on non-stop flights from JFK to cities in the following eight geographic regions: United States, Canada, Mexico, Central America, Caribbean, South America, Europe/Africa/Middle East, and Asia/Pacific. The Port Authority will provide comparable data for the previous 12 months, including annual percentage increase or decrease in the total number of non-stop flights and seats.

b) LaGuardia Non-Stop Destinations

The Port Authority will provide, on a quarterly basis, a complete index of non-stop destinations being served from LaGuardia Airport. The data will be broken out into the following geographic categories: Northeast, South, Midwest, West, and International.

The Port Authority will provide, on a quarterly basis, the total number of non-stop flights and of seats available on non-stop flights from LaGuardia to cities in the following geographic regions: Northeast, South, Midwest, West, and International. The Port Authority will provide comparable data for the previous 12 months, including annual percentage increase or decrease in the total number of non-stop flights and seats.

c) Number of Scheduled Air Carriers

The Port Authority will provide, on a quarterly basis, a complete index of scheduled air carriers (excluding affiliates), by quarter, serving JFK and LaGuardia Airports. This index shall include a brief description of geographic area(s) served for each carrier.

The Port Authority will provide a complete index of total new entrants, and geographic area(s) served, as compared to the same data for the immediately preceding fiscal year.

3. Cargo Service:

a) Total Gross Cargo Tonnage Throughput

The Port Authority will provide, on a quarterly basis, the total gross cargo tonnage throughput at the New York Airports. The Port Authority will provide comparable data, showing percentage increase or decrease, for the preceding year.

b) Total Gross Cargo Value

The Port Authority will provide, on a quarterly basis, the total gross value of international air cargo throughput for the New York Customs District. The Port Authority will provide comparable data, showing percentage increase or decrease, for the preceding year. N.B. The data is supplied by the U.S. Bureau of Customs and Border Protection and is not broken down by airport, but rather by region, or U.S. Custom District. The New York Custom District includes Newark Liberty International Airport.

c) Origins of New York Airports' Cargo Trade

The Port Authority will provide, on a quarterly basis, a matrix outlining by volume, value and share the cargo arriving at the New York Airports from the following IATA-categorized regions: Asia, North America, Europe, Africa, Middle East, South America, Central America, Southwest Pacific.

d) Destinations of New York Airports' Cargo Trade

The Port Authority will provide, on a quarterly basis, a matrix outlining by volume, value and share the international air cargo exported from the New York Customs District to the following IATA-categorized regions: Asia, North America, Europe, Africa, Middle East, South America, Central America, Southwest Pacific.

e) Commodities by Category

The Port Authority will provide, on a quarterly basis, an index of the top five commodity categories, by volume, value and share, imported and exported via air from the New York Customs District.

f) Cargo Trade by Carrier

The Port Authority will provide, on a quarterly basis, an index outlining total volume and share of cargo traffic into the New York Airports by air carrier.

g) Air Cargo Trends

The Port Authority will provide, on an annual basis, a report outlining key trends in the air cargo industry and the Port Authority's planned response to these trends and recommendations on how the City can assist.

h) Cargo Access

The City will provide a status on the 10 Point Cargo Access Plan (**Attachment A**) and the planned response to administrative and capital funding issues.

4. Operations:

a) Operations with Delay by Cause

The Port Authority will provide, on a quarterly basis, data showing all operations, including delays, at the New York Airports, by airport. The cause of delays will be separated into four categories and reported by percentage. The four categories include: Weather, Volume, Construction, and Other.

b) Incursions

The Port Authority will provide, on a quarterly basis, information indicating the number of runway incursions that have occurred at the New York Airports, by airport, during the immediately preceding quarter. The runway incursion will be separated into the following categories: (1) unauthorized pedestrian, (2) vehicle, or (3) aircraft entering or failing to clear the runway safety area, interfering with an aircraft takeoff or landing.

c) Landing Fees

The Port Authority will provide, on an annual basis, a schedule of its landing fees at the New York Airports, by airport. The Port Authority will indicate percentage increases and decreases of landing fees compared to the preceding fiscal year.

5. Capital Spending:

a) The Port Authority will provide, within ninety (90) days after the approval of the Port Authority's annual budget by the Port Authority Board of Commissioners, a true, accurate and complete copy of its then current five (5) year capital plan with respect to the Municipal Air Terminals. For capital improvements the cost of which is in excess of \$50 million, the Port Authority will provide true and accurate complete plans for such projects.

b) The Port Authority will provide, on a quarterly basis, a detailed summary of its current year capital spending at the New York Airports, by airport. This summary will include a breakdown of spending by project.

c) The Port Authority will provide, on a quarterly basis, a summary and brief description of financing inducement resolutions adopted by the Port Authority for capital projects at the New York Airports during the previous quarter.

6. Quality of Service:

Passenger Service Monitor Program

In the first quarter of the first year of the lease, the Port Authority shall present a proposed Passenger Service Monitor Program to the Airport Board for its consultation as to its scope, structure and methodology. The Passenger Service Monitor Program shall include surveys taken regularly, and in no event less than once per year, of a sample of passengers at the New York Airports for their opinions on the range of services provided by the Port Authority, its contractors and vendors. These surveys will be conducted by an independent third party and their scope must, at minimum, measure satisfaction levels for the following categories:

1. General Cleanliness of Public Areas
2. Signage/Wayfinding
3. Helpfulness and Courtesy of Airport Information Staff
4. Personal Safety in Terminal Buildings and on AirTrain system
5. Cost and Convenience of Airport Parking
6. Ground Transportation Availability
7. AirTrain Service

The Port Authority will provide the Airport Board with the results of its Passenger Service Monitor Program on no less than an annual basis. The presentation to the Airport Board will include all results indicating overall passenger satisfaction upon departure from and arrival at all terminals at JFK and LaGuardia Airports and within stations and trains of the AirTrain system. The Port Authority will also provide comparable survey results for the previous two years. The results will be broken out for each of the terminals at the two airports and for the AirTrain; these terminals are:

JFK:

- Terminal 1 (T1)
- Terminal 2 (T2)
- Terminal 3 (T3)
- Terminal 4 (T4)
- Terminal 6 (T6)
- Terminal 7 (T7)
- Terminal 8 (T8)
- Terminal 9 (T9)

LaGuardia:

- Delta Shuttle (DS)
- US Airways Terminal (USA)
- Delta Main (DM)
- Central Terminal Building (CTB)

In those attributes where passenger satisfaction levels have decreased from levels recorded the prior year, the Port Authority shall provide the Airport Board with a specific plan and timeline for remedy of the problem.

The Airport Board, with the majority approval and, at its own expense, may request an expanded scope, more frequent surveys and additional measurements. The Port Authority will retain all proprietary rights associated with the Passenger Service Monitor Program, however all results will be shared openly with both the City of New York and the Airport Board.

7. Community Outreach

a) Aviation Development Council

The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Aviation Development Council. This summary report will include a listing of all grants disbursed, and reports produced during the preceding fiscal year.

b) Queens Council on Airport Opportunity

The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Queens Council on Airport Opportunity, including local hiring numbers at the New York Airports, during the preceding fiscal year.

c) Queens Air Services Development Office

The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Queens Air Services Development Office. This report will include a summary of local procurement of goods and services at the New York Airports during the preceding fiscal year.

ATTACHMENT A
JFK Cargo Access Issues

JFK CARGO ACCESS ISSUES

Context

International Cargo

The New York and New Jersey airports, which constitute the New York Customs District, were responsible for 23 percent of all commodities imported and 17 percent of all exports in the U.S. in 2003, for a total of 2.9 billion pounds of the U.S. internationally traded commodities. In total, these airports handle more than 2.6 million tons of cargo per year, generate 85,000 jobs and are responsible for \$10.9 billion in economic activity, including \$3.7 billion in annual wages. Pivotal to this level of activity are the more than 1,000 cargo companies, including airlines, cargo handlers, brokers, truckers and freight forwarders that call the New York and New Jersey airports home.

While these statistics indicate that the New York Customs district is the largest in the U.S., NY/NJ market share has been decreasing steadily over the years, even with the continuous investment made in air cargo facilities by the air cargo industry. Airis Corporation, a multi-tenant cargo facility developer, Continental Airlines, United Airlines and Korean Airlines have all made very recent investments in first class cargo handling facilities at JFK. Although New York is the largest consumer market in the country, these first class facilities need transshipment capability for the airport and the cargo community to maintain or grow its market share. This transshipment capability requires an efficient distribution network, which would permit goods arriving in the New York and New Jersey airports to reach not only the local consumer market, but also neighboring markets without international access.

Total Cargo

The three airports in the region, (LaGuardia, J. F. Kennedy International, and Newark Liberty International) handled 2.6 million short tons in 2003. The role of integrators such as Fed Ex and UPS has increased to 32.7 percent from 12 percent in 1987. These vertically integrated carriers rely heavily on surface fleets for door-to-door distribution, much of which is on a just-in-time basis. These fleets take the shape of vans and small trucks, all the way to tractor-trailer trucks. The traditional industry relies on matching multimodal alternatives to reach their ultimate markets and makes extensive use of larger trailer trucks.

Air cargo activity at NY/NJ airports is estimated to directly generate nearly 85,000 jobs, \$3.7 billion in wages and \$10.9 billion in economic activity. The economic health of the immediate area as well as the availability of products in the retail and manufacturing sectors, locally and regionally, depend on the free movement of goods.

Access

Both international and domestic air cargo require some type of transfer between different modes of transportation to reach their ultimate market. An efficient distribution network

requires multimodal alternatives and access. Air transportation does not exist in a vacuum; efficient and adequate roadway access is necessary for competitive air cargo service, which depends almost exclusively on truck transfers to move to and from airports.

Access to Kennedy International Airport is severely constrained by the failure to construct some of the highways originally approved to serve the airport, and by chronic traffic congestion affecting airport and non-airport-related traffic during peak travel hours. While this paper focuses on cargo access issues, the inadequacy of highway connections to JFK impedes access by passengers and employees alike. It also adversely affects other local commercial centers and residential neighborhoods in surrounding areas of Queens, Brooklyn, and Nassau County.

Compounding the problem for truckers trying to move to and from JFK and nearby businesses, many of the roadways serving or abutting the airport are parkways, or residential streets that do not permit commercial vehicular through traffic. Even on the interstate highway segments serving JFK, regulations unique to the city's arterial network limit permissible truck sizes.

Air cargo generated over 13,000 daily one-way trips on the roadways surrounding Kennedy Airport according to a 2002 traffic engineering survey. Of these trips, 10 percent were made by vehicles with more than 3 axles, 26 percent by single unit trucks and 25 percent by small trucks and vans.

For traffic and economic activity to continue to grow, access to the airport requires a systemic approach to improve the reliability of truck service by reducing congestion and addressing bottlenecks in the roadway network. Airport users, tenants, and nearby communities alike are poorly served by the combination of growing airport and non-airport traffic, on an inadequate highway network with trucking regulations that complicate efficient shipping and routing of cargo.

Travel demand forecasts point toward a worsening of congestion in the future, with significant congestion spreading to more hours of the day and affecting larger segments of the highways serving JFK. Even with continuing gains in transit ridership citywide and expansion of transit alternatives for airport passengers and employees, underlying growth trends are expected to translate into somewhat higher traffic volumes on NYC roadways.

With that in mind, transportation and economic development agencies have identified chronic roadway "bottleneck" locations, unrealized improvements, and regulatory impediments that, if addressed, could improve commercial vehicle access to the airport and ease traffic congestion on residential streets. Many causes contribute to the agencies' inability to date to effect these changes, ranging from historical opposition by some elected officials, concern over perceived community impacts, and a sense of complacency that JFK's cargo business could stay competitive despite substandard road access. Growing concern over the threat to the air-cargo employment centered on JFK provides an opening to build the necessary local support for implementing a balanced package of truck-access improvements.

ACTION PLAN

Near-Term Actions

1. **Problem description:** Current State law incorporates a City-requested restriction barring use of tractor-trailer combinations exceeding 53' from servicing locations in the five boroughs, or traversing the City except via a route using I-95, the Throgs Neck Bridge, and the Clearview Expressway to the LIE to access Nassau/Suffolk counties. Longer combinations are typical in the trucking industry and in wide use, notably for air-cargo operations. Use of these vehicles exposes operators to potential summonses.
 - a. **Project:** Amend current regulation in order to allow 53-foot trailer trucks to access Kennedy Airport via the Van Wyck Expressway, pending anticipated reconsideration of this anomalous restriction on a broader basis as part of the new NYCDOT truck-route study and related regional goods-movement assessments.
 - i. Benefits:
 1. Facilitate access to the region's largest cargo gateway
 2. Reduce congestion by decreasing the use of smaller trucks operating the route
 3. Formalize the rule so that airport access by standard size trucks does not depend on informal no-ticketing stance taken by NYPD.
 - ii. Next steps: Work with FHWA Albany office, NYCDOT and NYSDOT officials to clarify or reform standing regulation and to allow the operation of 53-foot trailer trucks on the Van Wyck Expressway. City support is needed to effectuate this change.
2. **Problem description:** Short lead distance (half mile from actual merge) for sign advising northbound Van Wyck automobile traffic to keep right to access Grand Central Parkway contributes to roadway congestion derived from driver confusion.
 - a. **Project:** Reposition signage on the northbound Van Wyck indicating automobile traffic should keep right to access the Grand Central Parkway, giving longer lead distance.
 - i. Benefits:
 1. Allow automobiles an earlier opportunity to merge right, minimizing last-minute lane changes and weaving.
 2. Reduce potential for accidents.
 3. Reduce emissions caused by traffic congestion.
 - ii. Next step: NYCDOT and NYSDOT approval for new sign placement may be needed. Signage will be installed.
3. **Problem description:** Inappropriate use of the service road by traffic that moves on-off the Van Wyck to jump ahead of congestion.

- a. **Project:** Better manage on-off traffic flows on the VWE, thus preventing excessive lane weaving and decreasing congestion.

- i. Benefits:

- 1. Decrease traffic on the service roads.
 - 2. Improve traffic flow by decreasing unnecessary weaving.
 - 3. Reduce emissions caused by traffic congestion.

- ii. Next step: Completion of AirTrain-related construction and overpass bridge improvements on VWE provides opportunity to consider measures for segment between Jamaica & JFK. More broadly, NYSDOT and NYCDOT would like to discuss its plans for the Van Wyck, including truck over-height detection, use of ITS technology and other measures with potential benefits.

4. Problem description: Commercial truck and van traffic is permitted only in a limited number of parkways. This adds to traffic pressure on the VWE and Atlantic Avenue, the only through-truck-route on the street network in Brooklyn. It also forces more circuitous routing of many trucks traveling between Southern Queens/southern Brooklyn locations and points west and south of NYC accessible via the Verrazano Narrows Bridge. Permitting smaller vehicles on the Belt and the Cross Island parkways would create a supplemental – and for some cargo more direct – truck access to JFK and other commercial areas in southern Queens and Brooklyn.

- a. **Project:** Provide access to the Belt Parkway and the Cross Island Parkway for commercial vans.

- i. Benefits:

- 1. Decrease commercial truck/van traffic mix on the VWE, and improve larger truck flow in that road.
 - 2. Improve airport access to Lower Manhattan, Verrazano-Narrows Bridge and New Jersey traffic.

- ii. Next step: Opposition from communities bordering the Belt Parkway has impeded efforts to implement this change. Recent agreement to allow small-truck access on a short segment of the Grand Central Parkway, with local community support, could provide an analogous trial of the benefits and impacts of changing Belt Parkway access. Allowing vans on the Belt is among the strategies modeled in NYMTC's Regional Freight Plan project, and is under discussion in the ongoing NYMTC South Brooklyn Transportation Investment Study, where the community concern can be juxtaposed directly with the borough-wide impacts of inadequate truck access. This issue also will be prominent on the new NYCDOT truck-route study.

5. Problem description: Atlantic Avenue is a major thoroughfare for commercial truck traffic bound for Kennedy Airport and parking rules are not enforced, with double parking and parking during no-parking periods delaying through traffic.

a. **Project:** Enforce peak period parking rules on Atlantic Avenue.

i. Benefits:

1. Improve traffic flow on Atlantic Avenue and
2. Provide alternate to Long Island Expressway and decrease commercial traffic spill over to Brooklyn residential streets.

ii. Next step: Bring the issue to City DOT and NYPD attention.

6. Problem description: Traffic exiting the southbound Van Wyck to join the westbound Belt Parkway must cross three lanes of traffic on North Conduit. The weaving required causes back ups on the Van Wyck and high accident rates in the area. NYCDOT has implemented a signal timing change as a near-term measure to mitigate this problem.

a. **Project:** Complete the flyover connecting the Van Wyck southbound with the westbound Belt Parkway, approximately a \$ 30 M project.

i. Benefits:

1. Reduce congestion on the southbound VWE and improve traffic flow
2. Decrease occasions for accidents
3. Reduce emissions caused by roadway congestion
4. Improve overall traffic flow.

ii. Next step: Discuss Van Wyck improvement program with NYSDOT and determine if there are any interim measures to improve flow. The improvements planned for the Van Wyck are included in the NYSDOT design, but actual construction is planned for 2008, given the current structural work being conducted by the DOT.

7. Problem Description: Several planned highway projects intended to ensure efficient vehicular access to JFK never were realized, resulting in the airport's over dependence on the Van Wyck Expressway as the primary connection to the interstate highway network, and the only truck-accessible highway to trucks traveling between the airport and points north, west and south. Growth in both regional and airport traffic severely burdens the VWE and connecting highways; forecasts point to worsening conditions during peak weekday and weekend travel hours in the years ahead. Air-cargo industry representatives indicate that the resultant delays and unreliability in transporting cargo to and from the airport its surrounding concentration of cargo facilities is undercutting their ability to retain JFK's share of cargo traffic.

Project: Initiate a highway corridor study focusing on the Van Wyck Expressway and Clearview Expressway. Project future traffic demand based on forecasts for airport and area wide growth. Establish level-of-service criteria consistent with airport needs and analyze alternatives for improved airport access based on these criteria, including

operational improvements, demand management, capacity management strategies, and expanded roadway capacity.

i. Benefits:

1. Ensure efficient, reliable airport access to help retain concentration of air-cargo employment at and around JFK by maintaining competitive level of accessibility for long-distance cargo moves;
2. Improve mobility for all users of WVE corridor.
3. Improve mobility and air quality for communities bordering VWE by easing forecast congestion on Expressway
4. VWE and Clearview provide most direct access to interstate highway connections with the mainland US; adequate access to that network crucially supports JFK's gateway role and complements supplemental truck access improvements possible via Brooklyn and the Nassau Expressway

- ii. Next Step: Review VWE corridor issues, including Clearview Expressway capabilities, with concerned City and State agencies, to lay groundwork for a comprehensive corridor study comparable to the recent Staten Island Expressway and Bronx Arterial Needs Study.

APPENDIX B

(see attached)

AGREEMENT BETWEEN THE CITY OF NEW YORK AND THE PORT
AUTHORITY OF NEW YORK AND NEW JERSEY

EXHIBIT A

August 4, 2004 Resolution of Board of Commissioners of the Port Authority

AGREEMENTS WITH THE CITY OF NEW YORK REGARDING JOHN F. KENNEDY INTERNATIONAL AND LAGUARDIA AIRPORTS AND THE WORLD TRADE CENTER SITE

It was recommended that the Board authorize the Executive Director to enter into agreements with the City of New York (the City) pertaining to: (1) amendment and extension of the lease agreement between the City and the Port Authority (City Lease) covering John F. Kennedy International Airport (JFK) and LaGuardia Airport (LGA), together with such related and ancillary agreements with the City or others as may be deemed necessary or appropriate; (2) amendment of the agreement between the City and the Port Authority (PILOT Agreement) concerning payments in lieu of taxes (PILOT) for the World Trade Center (WTC) site (WTC Site); and (3) modification of the agreement between the City and the Port Authority relating to the City's street system and the transfer of title to land adjacent to and within the WTC Site (the WTC Redevelopment Agreement, previously known as the Street Closing Agreement).

The term of the City Lease under which the Port Authority operates JFK and LGA expires December 31, 2015. At its meeting of November 20, 2003, the Board authorized the Executive Director to enter into a Memorandum of Understanding (MOU) with the City with respect to agreements relating to changes in and extension of the City Lease and in the PILOT Agreement, so that: (1) effective January 1, 2002, the provisions of the existing City Lease would be amended and supplemented to, *inter alia*, extend the term to December 31, 2050, and increase the rental payable to the City; (2) the annual PILOT amounts for the WTC Site paid by the Port Authority to the City would be increased, effective January 1, 2004, and the property covered would be expanded; and (3) all pending arbitration and litigation between the City and the Port Authority involving the City Lease and the PILOT Agreement would be terminated with prejudice and without further payment.

Amended and Restated City Lease

As a result of continuing discussions between staff and City representatives, the City Lease is to be amended and restated, effective January 1, 2002, for a term expiring December 31, 2050, on the principal terms outlined below:

Rent – The rent would be as follows:

- **Initial Lump-Sum Payment** – Upon execution of the amended City Lease, the Port Authority would make a lump-sum payment of \$500 million to the City. The rent for 2002, 2003 and the portion of 2004 preceding the signing of the amended City Lease based on the rent formula described below, would be paid, with interest, in one lump sum.
- **Minimum Annual Rent** – Commencing as of January 1, 2002, the Port Authority would pay a minimum annual rent (MAR) of \$93.5 million, the amount of which would be reset from time to time. After execution of the amended City Lease, MAR would be payable in equal monthly installments, in advance.

- Rent Formula and Reset Provisions – Annual rent would be the greater of the MAR, as reset from time to time, or eight percent of gross revenues at JFK and LGA, with the excess over the MAR to be payable the following March. Beginning in 2007, the MAR would be reset every five years to equal ten percent of the average gross revenues at JFK and LGA for the previous five years, but in no event would the MAR be less than the previous year's MAR. Gross revenues would not include federal grants or monies received as a result of any federal statute, regulation or policy, such as Passenger Facility Charges and amounts used for airport security.

Other Terms –

- The amended City Lease would include provisions for default and termination in the event the Port Authority failed to make any payments due under the lease or to provide the City with full information with respect to airport operations, finances and performance standards. The amended City Lease would also include provisions that the parties believe are appropriate in order to resolve outstanding operational issues.
- The ongoing arbitration under the existing lease would be terminated. If, however, the City is required to repay the lump-sum payment(s), the City would have the right to reinstate the arbitration, and to treat that event as a nonpayment of rent and seek termination of the amended City Lease (although the Port Authority may cure the default by offering to settle the arbitration for the amount that the City was required to repay).
- The City also would have the right to terminate the amended City Lease if the Port Authority's obligation to pay rent is held to be invalid or unenforceable, but only if the Port Authority is in fact actually not paying rent or equivalent consideration to the City. In the event that the lease is terminated, the parties are to use all commercially reasonable efforts to negotiate a substitute lease with respect to JFK and LGA.
- The City would have the right to assign the rent under the amended City Lease to a third party, and the assignee would have the right to sue the Port Authority directly in the event of nonpayment of rent, but would not have the right to terminate the amended City Lease.
- The amended City Lease would contain new or revised provisions related to certain portions of the demised premises (and previously surrendered parcels), indemnification provisions, insurance coverage details, and other issues.

IDA Financing – The New York City Industrial Development Agency and other City agencies would be precluded from financing any projects at JFK or LGA during the term of the amended City Lease, except for projects already authorized.

Airport Board – In connection with airport governance, an Airport Board, composed of an equal number of Port Authority and City (appointed by the Mayor) representatives, is to review operations and performance at JFK and LGA on a quarterly basis. Funding for the Airport Board and for a designated City agency providing airport liaison functions is to be provided from the rent payments. In addition, the Port Authority and the City would establish financial and performance standards (which could be supplemented from time to time by the Airport Board) to be used in the review of airport operations. The Airport Board would retain independent consultants for this purpose, and the Port Authority and the City would each provide up to

\$250,000 annually for these consultants (with the City's share to be deducted from the rent payable under the amended City Lease).

Queens Capital Projects – In the years 2004-2008, the Port Authority would provide a total of \$100 million to fund projects in the Borough of Queens identified by the City and which qualify as being eligible for Port Authority capital expenditures.

Direct Rail Access – The Port Authority would continue to include in its updated Capital Plan a \$30 million project to study the feasibility, with respect to engineering, operational and financial considerations, of extending the Port Authority Trans-Hudson rail system from its terminus at Newark Penn Station to Newark Liberty International Airport (EWR PATH Extension). If, based on this study, the Port Authority determines that the EWR PATH Extension is feasible, it would include funding for this project in its Capital Plan. (Based on preliminary estimates, the EWR PATH Extension would cost at least \$500 million.) In consultation with the City, the Port Authority also would study the feasibility, with respect to engineering, operational and financial considerations, of establishing a direct rail service connection between JFK and Downtown Manhattan (JFK-Downtown Rail Line), and include in its updated 2004-2008 Capital Plan a \$60 million project for this study. If, based on this study, the Port Authority determines that the JFK-Downtown Rail Line is feasible, the Port Authority would include funding for this project in its Capital Plan in an amount equal to the preliminary \$500 million cost estimate for the EWR PATH Extension, or the amount of funding actually provided for that project, whichever is less. Construction of the JFK-Downtown Rail Line would not commence until full funding has been arranged.

A number of "side letters or agreements" would be entered into in connection with the amended City Lease, covering the Airport Board (with the performance standards as an attachment), the Queens capital projects, direct rail access, and the prohibition on City agency financing, all substantially as described above.

The amended City Lease is expected to be executed by the City and the Port Authority sometime in October 2004 and, accordingly, the effective term of the MOU would have to be extended through October 31, 2004, beyond its current expiration date of September 30, 2004.

New PILOT Agreement

Pursuant to the 1962 bi-state legislation that authorized the Port Authority to establish, develop and operate The World Trade Center and the Port Authority Trans-Hudson rail system (the WTC Legislation), both the Port Authority and Port Authority Trans-Hudson Corporation (PATH) entered into agreements relating to PILOT amounts with respect to the portions of the WTC Site each occupied. The PATH PILOT Agreement and the Port Authority PILOT Agreement (as modified) collectively provide for a minimum annual payment to the City equal to \$1,708,624.03, and for an additional payment with respect to portions of the WTC leased for hotel and retail purposes and for "office use by private persons engaged in carrying on, within the World Trade Center, a profession or trade or business for profit." For the City's property tax year 2001-2002, this additional payment, based on the calculations in the PILOT Agreements and the fully-leased status of the WTC amounted to approximately \$28 million after all applicable credits and adjustments. However, as a result of the destruction of the WTC in

September 2001, beginning in the City's property tax year 2002-2003, there are no rentable areas within the WTC buildings, structures, or improvements that are occupied by private tenants, as defined, and the only PILOT amount currently being paid under these Agreements and the WTC Legislation is the minimum payment specified above.

To accommodate the legitimate interests of the City and the Port Authority regarding the redevelopment of the WTC Site, and to provide for PILOT amounts during the period of and following the reconstruction of the WTC PATH Terminal and the other buildings, structures, and improvements comprising the WTC Site, the City and the Port Authority would enter into a new agreement (the New PILOT Agreement). Replacing the existing agreements, the New PILOT Agreement would provide for payments to replace those currently being made by PATH and the Port Authority and for annual payments with respect to all additional properties to which the Port Authority acquires title and which become part of the WTC Site. This specifically includes the City's consent to the inclusion of properties located south of Liberty Street (the Southern Site) within the WTC Site should the Port Authority acquire title to these properties, identified as the land and building at 130 Liberty Street owned by Deutsche Bank Trust Company Americas, land owned by the Hellenic Orthodox Church, and land owned by 140 Liberty Street Associates.

The terms of the New PILOT Agreement would provide that, commencing January 1, 2004, the Port Authority would pay to the City an annual PILOT for the WTC Site equal to twelve percent of all rent payments or payments in lieu of rent received by the Port Authority from the lessees (the Net Lessees) under the lease agreements entered into by the Port Authority, dated as of July 16, 2001 (Net Leases), pertaining to certain components of the WTC, including the 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, but excluding: (1) 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; (2) pass-through reimbursements, such as business improvement district payments paid by the Net Lessees to the Port Authority; (3) payments for 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 (4) inspection, permit plan review and other application fees paid by the Net Lessees to the Port Authority.

In addition to the minimum annual PILOT amount, the Port Authority would pay the City on account of the WTC Site an annual payment equal to the excess over the minimum annual PILOT payment of an amount obtained by multiplying \$55,000,000 (Base Amount) by an "Escalator," which represents the percentage change over the base year (July 2002-June 2003) in the tax rate for Manhattan commercial office properties and the assessed valuation of a benchmark group of Class A office buildings to be mutually agreed upon by the Port Authority and the City, and multiplying that product by the ratio of the amount of commercial space built at the WTC Site to the total amount of commercial space planned under the WTC Site Master Plan (11.4 million gross square feet). This calculation includes PILOT amounts for the site of the 7 WTC building. The payments to be made would be net of all credits against PILOT payments that the Port Authority has become entitled to as a result of previous agreements with the City.

Upon the inclusion of any of the Southern Site properties in the WTC Site, the Port Authority would pay the City a PILOT amount equal to the full amount of real estate taxes that would have been assessed on the land comprising such site if the land were not owned by the Port Authority. In addition to this land payment, during the 15-year period following the commencement of construction on any such site, the Port Authority would pay to the City in connection with each site as to which there is office, retail, or hotel space available for use for the purposes intended, and which (1) are occupied, whether by private parties or by government agencies, including the federal government and the Port Authority, (2) are under lease to any such party, or (3) have been constructed and which, by installation of tenant improvements, may be made ready for occupancy (Actual Additional World Trade Center Properties Space Available), an amount equal to the product obtained by multiplying Nine Dollars by the number of square feet of Actual Additional World Trade Center Properties Space Available for use for the purposes intended, such amount to be adjusted each year by application to such amount of the Escalator established for the original WTC Site for such year.

Under the New PILOT Agreement, the Port Authority would not make any payments on account of land devoted to public park purposes or established as a public open space. The City would be permitted to securitize the payments due from the Port Authority under the agreement, and the Port Authority would not be permitted any right of setoff or counterclaim against such payments. As long as the Port Authority retains title to the WTC Site, the City would cancel or otherwise satisfy and discharge of record all taxes, assessments and interest against the properties currently constituting part of the WTC Site, including the 7 WTC building, properties occupied by PATH, and all improvements to be constructed on the site, and would mark said properties as exempt on its tax records.

The execution of the New PILOT Agreement would not affect the obligations of the Net Lessees under the Net Leases to pay to the Port Authority a portion of the PILOT amounts that the Port Authority is required to pay to the City. Such payments would continue to be made to the Port Authority based on the terms of the Port Authority's PILOT Agreement.

Upon execution of the New PILOT Agreement, all pending arbitration proceedings and litigation concerning the PILOT Agreements would be discontinued with prejudice, without costs to either party.

Modification of Street Closing Agreement

In order to accommodate the construction and development of the WTC, the Port Authority and the City entered into the Street Closing Agreement relating to changes in the City's street system and to the transfer of title land adjacent to and within the WTC Site. At that time, the Port Authority was given title to sub-surface areas (land below a plane 1.35 feet below curb grade) within the WTC's slurry wall, which include portions of Vesey, West and Liberty Streets. At grade, the WTC property line was fixed as the northerly face of buildings abutting Vesey Street, the easterly face of buildings abutting Church Street, the southerly face of buildings abutting Liberty Street and the westerly face of buildings abutting West Street. The Street Closing Agreement required the Port Authority to convey to the City title to all of the land

outside of this property line, which originally was acquired by the Port Authority via condemnation, including the sidewalks and the former street beds. In return, the City was to convey to the Port Authority title to: (1) the portion of Greenwich Street between Barclay Street and Vesey Street within the site of the 7 WTC building, (2) the portion of Greenwich Street between Vesey Street and Liberty Street within the WTC Site, and (3) the portions of Fulton, Dey and Cortlandt Streets between Greenwich and Church Streets within the WTC site. As of this date, the City retains legal title to these former streets, although they have been de-mapped.

The implementation of the WTC Site Master Plan adopted following the destruction of the WTC requires modification to accommodate the redevelopment process for the WTC Site and resolve all property issues related to the present or former streets at the WTC Site. Pursuant to the terms of the WTC Redevelopment Agreement, the City would own the at-grade areas of all streets and sidewalks within the WTC Site and such below-grade areas immediately below the surface of such streets and sidewalks as shall lie above a designated lower-limiting plane. The Port Authority would own all other areas within the WTC Site, including all areas lying below the designated limiting plane. The City would be responsible for maintenance of the City-owned areas of the streets and the sidewalks within the WTC Site. The parties would retain for themselves, and grant to each other, all necessary and appropriate easements for infrastructure, utility and other services. The streets and sidewalks within the WTC Site would be designed and constructed by the Port Authority in accordance with City standards, subject to a mutually agreed-upon security plan that would supersede any existing Memoranda of Understanding between the City and the Port Authority addressing security issues, and the City would operate, manage and maintain the sidewalks and the streets, including traffic patterns and flows, subject to the security plan. Except for streets and sidewalks, the Port Authority would have overall management responsibility for the WTC Site. The City and the Port Authority would mutually agree on all issues relating to curb usage, and the City would consult with the Port Authority on any decisions that would permanently and materially affect vehicular and pedestrian traffic in and through the WTC Site. The Port Authority would develop Design Guidelines consistent with the General Project Plan (GPP) approved by the Lower Manhattan Development Corporation (LMDC). The Design Guidelines would be adopted by LMDC and the Board of Commissioners, with input from involved and interested parties, including the City and the Net Lessees. It is contemplated that the Port Authority would agree with LMDC that the adoption, implementation and modification of all such Design Guidelines would be subject to the agreement of LMDC or any successor. The Port Authority and the City would consult with each other regarding all other major aspects of the WTC redevelopment plan, including phasing, infrastructure development and material funding issues.

Expanding upon a policy adopted by the Board on April 15, 1993, the Port Authority would agree to comply with all applicable Building Code requirements of the City (the Building Code) for all construction work to be performed at the WTC Site, with the exception of certain portions of the permanent WTC PATH Terminal which will comply with the National Fire Protection Association codes. Any proposed variances from the Building Code would require the prior consent of the City Department of Buildings (DOB). Neither the Port Authority nor its lessees and sublessees would be required to obtain any building permits or certificates of occupancy from the City in connection with any construction at the WTC Site. The DOB would

have the right to inspect the WTC Site at any time to determine compliance with the Building Code.

The final terms of the WTC Redevelopment Agreement would be subject to review by the Board's WTC Site Planning Sub-committee.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Gargano, Genova, Pocino, Sartor, Silverman, Sinagra and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an "Amended and Restated Agreement of Lease of the Municipal Air Terminals" with the City of New York (the City), covering John F. Kennedy International (JFK) and LaGuardia (LGA) Airports, together with such related and ancillary agreements with the City or others as may be deemed necessary or appropriate, and to extend the Memorandum of Understanding between the Port Authority and the City, dated January 16, 2004 (with respect to JFK and LGA and World Trade Center (WTC) payments in lieu of taxes (PILOT) through October 31, 2004, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with the City to resolve all property issues related to the present or former streets at the WTC Site and relating to PILOT amounts during the period of and following the reconstruction of the Port Authority Trans-Hudson system permanent World Trade Center Terminal (known as the WTC Transportation Hub) and the other buildings, structures, and improvements comprising the WTC Site, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the form of the foregoing agreements shall be subject to the approval of General Counsel or his authorized representative.

AGREEMENT BETWEEN THE CITY OF NEW YORK AND THE PORT
AUTHORITY OF NEW YORK AND NEW JERSEY

EXHIBIT B

FORM OF PROJECT LETTER REQUEST

Dear _____:

As provided for in Section B of this Agreement between The City of New York (the "City") and The Port Authority of New York and New Jersey (the "Port Authority") made as of _____, 2004 (the "Agreement"), the City, at the request of the Mayor of the City, hereby asks that the Port Authority concur in the addition of the project described below as an eligible Project under the Agreement:

[DESCRIPTION OF PROJECT - SHOULD INCLUDE AMOUNT ESTIMATED TO BE PROVIDED FOR THE PROJECT, THE IDENTITY OF THE ENTITY RECEIVING FUNDS FOR THE PROJECT, AND INFORMATION NECESSARY FOR THE PORT AUTHORITY TO DETERMINE WHETHER IT QUALIFIES FOR PORT AUTHORITY CAPITAL EXPENDITURES]

The City understands and agrees that all the provisions of the Agreement shall apply to the inclusion of the above-described project as an eligible Project under the Agreement and all references in the Agreement to "Project" or "Projects" shall be deemed to include the above-described project.

Sincerely,

[Deputy Mayor]
The City of New York

CONCURRED:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Date:

By: _____
Executive Director

APPENDIX D

AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

----- x

In the Matter of the Arbitration Between

THE CITY OF NEW YORK,

STIPULATION

-and-

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY.

----- x

Whereas The City of New York ("City") and The Port Authority of New York and New Jersey ("Port") are executing simultaneously herewith an Amended and Restated Agreement of Lease of the Municipal Air Terminals of even date herewith (the "Amended Lease"),

IT IS HEREBY STIPULATED AND AGREED, by and between the parties, represented by the undersigned attorneys, that the above-captioned arbitration, commenced with a Demand for Arbitration dated December 14, 1995 (the "airport arbitration"), is hereby discontinued with prejudice and without costs, subject to the following terms and conditions:

1. In the event that:

(a) the City is required, at any time hereafter, to repay or forfeit the Lump Sum Payment (as said term is defined in the Amended Lease) or any portion thereof; and further

(b) the Port shall not have lawfully and validly paid to the City, within two years from the date of such repayment or forfeiture, an amount equal to so much of the Lump Sum Payment as had been repaid or forfeited, plus interest accruing at the Interest Rate (as said term is defined in the Amended Lease) from the date such amount was repaid or forfeited,

then at the City's option, the City may reinstate the airport arbitration, in which event, the parties' respective positions, claims and defenses in the airport arbitration shall be fully restored to the *status quo ante* as of immediately prior to the execution of this stipulation. Further, the Port acknowledges and agrees that in the event the airport arbitration is so reinstated, the passage of time between the execution of this stipulation and such reinstatement shall not be the basis of any barring defense, including without limitation, based on statute of limitations, *laches* or *estoppel*. In any such reinstated airport arbitration, the total liquidated amount, inclusive of interest, that the City will be entitled to recover from the Port, irrespective of the amount that may be awarded therein to the City, shall be limited to Five Hundred Million Dollars (\$500,000,000); and neither party shall recover costs from the other.

2. The rights and remedies set forth in paragraph 1 above shall be in addition to, and not in substitution of, the City's rights and remedies pursuant to the Amended Lease, including without limitation, the right to terminate the Amended Lease and to exercise all other rights and

remedies provided in Section 25 thereof (entitled "Events of Default: Rights and Remedies").

3. The terms and conditions of this stipulation shall survive the expiration or sooner termination of the Amended Lease.

Dated: New York, New York
November 24, 2004

MICHAEL A. CARDOZO
Corporation Counsel of the
City of New York
100 Church Street
New York, NY 10007

By: _____
Nancy F. Brodie
Assistant Corporation Counsel

MILTON H. PACHTER
General Attorney for the Port Authority
of New York and New Jersey
225 Park Avenue South
New York, NY 10003

By: _____
Walter M. Frank
Chief, Commercial Litigation

THIS AIRPORT BOARD AGREEMENT (this "Agreement") is made as of the 24th day of November 2004, by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City of New York (the "City") and 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 Congress with its offices at 225 Park Avenue South, Borough of Manhattan, City of New York (the "Port Authority").

RECITALS

WHEREAS, the City, as landlord, and the Port Authority, as tenant, entered into that certain Amended and Restated Agreement of Lease of the New York Airports (the "Lease Agreement"), of even date herewith, whereby among other things, the City leased John F. Kennedy International Airport ("JFK") and LaGuardia Airport ("LaGuardia") to the Port Authority (JFK and LaGuardia are sometimes referred to herein collectively as the "New York Airports"); and

WHEREAS, in accordance with Section 15 of the Lease Agreement, the City and the Port Authority desire to establish a board (the "Airport Board") for the purposes of enhancing cooperation between the City and the Port Authority with respect to the management of JFK and LaGuardia and improving oversight of performance, operations and finances at the New York Airports.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Lease Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors as follows:

1. **Definitions.** All terms used herein not otherwise defined herein shall have the meanings given to them in the Lease Agreement.

2. **Airport Board Governance.**

a. Effective as of the date hereof, the Airport Board is hereby established and shall continue in existence until the expiration or sooner termination of the Lease Agreement, at which time this Agreement shall also terminate, and the parties shall have no further rights or obligations hereunder except those that may have accrued prior to such termination.

b. The Airport Board shall, at all times, be comprised of eight (8) members (each, a "Board Member"), half of which Members shall be appointed by the Port Authority (each, a "Port Authority Member") and half of which Members shall be appointed by the City (each, a "City Member").

c. The Port Authority Members shall be (i) the Port Authority's Chief Operating Officer, (ii) the Port Authority's Director of Aviation and (iii) the General Manager of each New York Airport and, in each case, their respective successors in duties, as applicable.

d. The City Members shall be appointed by the Mayor of The City of New York (the "Mayor"). Each of the City Members may be removed, either with or without cause, at any time, by the Mayor. Simultaneously with the removal of a City Member, the Mayor shall appoint a successor Member.

e. Within three (3) months following the execution of this Agreement, the Board Members shall convene and establish procedures to be followed by the Airport Board for the purpose of carrying out the intent of this Agreement, which shall include, without limitation, procedures concerning (i) the scheduling of meetings by the Airport Board on a quarterly basis and the all other meetings that the Board Members are required to attend pursuant to the terms of this Agreement, (ii) the procedures to be followed at each meeting of the Airport Board, (iii) the retaining of consultants, (iv) the preparation of recommendations to be issued by the Airport Board in accordance with this Agreement and (v) the establishment of accounting procedures with respect to the funds received by the Airport Board pursuant to Section 3 of this Agreement.

f. Meetings of the Airport Board shall be held at either of the New York Airports or at such other locations as the Board Members may determine.

3. **Consultants.** The Airport Board may retain consultants to review and report on the operations and performance of the New York Airports, and the Port Authority and the City shall each fund an equal amount of up to \$250,000 each annually for the payment of the fees and expenses of such consultants. The contracts with such consultants shall be entered into by the City or EDC on behalf of the Airport Board and in accordance with its authorization. Within thirty (30) days of its receipt from the City or EDC of an invoice for services rendered, the Port Authority shall remit to the City or EDC as the case may be the Port Authority's one-half (1/2) share of the invoiced amount, in accordance with the direction referred to in the Lease Agreement. As provided in the Lease Agreement, the City's one-half (1/2) share of the invoiced amount may, at the City's direction, be deducted from Base Rent thereunder and paid by the Port Authority on the City's behalf or EDC in accordance with the direction referred to in the Lease Agreement.

4. **Responsibilities of Airport Board.**

a. Establishment of Performance Standards. The City and the Port Authority have established certain financial, operational, and performance standards set forth in Exhibit A attached hereto (such standards, as the same may be updated or revised in writing, from time to time, by the Port Authority and the City pursuant to the terms of the Lease Agreement, are hereinafter referred to collectively as the "Performance Standards"), which Performance Standards may be used by the Airport Board, with the assistance of its independent consultants, in connection with the Airport Board's review of the performance of the New York Airports.

b. Review of Performance of New York Airports. Within thirty (30) days prior to each quarterly meeting of the Airport Board, the Port Authority will produce and deliver

to the Airport Board a report (each, a "Performance Standard Report") detailing the performance at each of the New York Airports in relation to the Performance Standards during the immediately preceding calendar quarter. The report and subsequent review by the Airport Board shall include the following areas for examination:

- (i) Financial performance;
- (ii) Passenger Service (landside); and
- (iii) Operational Service (airside).

In the event that a Performance Standard Report indicates a decline in performance in any of the above areas when compared to the immediately preceding Performance Standard Report, the Airport Board may prepare and submit to the Port Authority or the City recommendations on ways to improve such performance.

c. Review of City Service Agreements. At each quarterly meeting of the Airport Board, any City Member or Port Authority Member may make recommendations relating to the services provided by the City to the New York Airports. The Airport Board shall consider each of such recommendations and make recommendations to the City and the Port Authority as to whether and to what extent agreements should be entered into between the City (or one or more of its agencies) and the Port Authority in connection with the provision of such services.

d. Review of Capital Plan of the New York Airports. Within ninety (90) days after the commencement of each fiscal year of the Port Authority, the Port Authority shall deliver to the Airport Board a true, accurate and complete copy of its then current five (5) year capital plan with respect to the New York Airports (each, a "Five Year Plan"). The Airport Board shall have the right to review each Five Year Plan (for information purposes only), and request additional documents, drawings and materials concerning capital improvements. The Port Authority shall not unreasonably withhold additional materials requested by the Airport Board in connection with its review of a Five Year Plan.

e. Traffic and Transportation Management. The Airport Board will meet quarterly with the Port Authority Police Chief and the NYC Taxi and Limousine Commissioner, or their designees, to review taxi and hired car operations at the New York Airports. The Airport Board is empowered to make recommendations pertaining to improved and more efficient traffic management at the New York Airports.

f. Liaison with Subtenants at the New York Airports. The Airport Board may meet periodically with representatives of the Subtenants and other interested parties at JFK and LaGuardia to review concerns and shall relay such concerns to the City and the Port Authority.

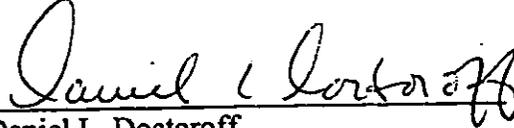
5. Miscellaneous. This Agreement: (i) may not be modified except by a writing signed by both of the parties hereto; (ii) may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same

document; (iii) shall be construed in accordance with and governed by the internal laws of the State of New York, without regard to principles of conflicts of law; (iv) shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns but shall not be enforceable by any person, firm, corporation or other entity that is not a signatory to this Agreement; and (v) shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to each of the other parties hereto.

[No further Text on this Page.]

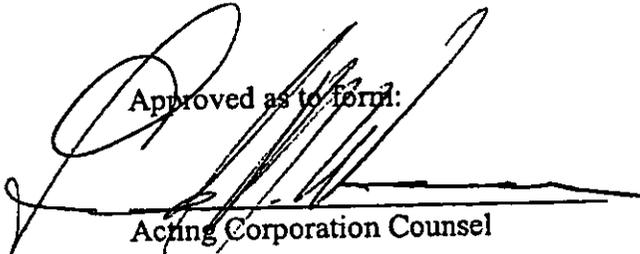
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by the duly authorized officers thereof as of the date first written above.

THE CITY OF NEW YORK



Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:



Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by the duly authorized officers thereof as of the date first written above.

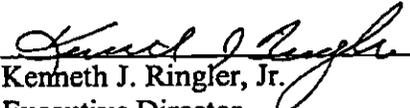
THE CITY OF NEW YORK

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY



Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:


② _____
Darrell Buchbinder
General Counsel

**(AIRPORT BOARD AGREEMENT)
EXHIBIT A**

AIRPORT PERFORMANCE AND SERVICE STANDARDS

John F. Kennedy International ("JFK") and LaGuardia Airports (together the "New York Airports") serve as both gateways to and economic engines for New York City, the Port Authority of New York and New Jersey and the City of New York recognize that, in accordance with the Lease Agreement, the Port Authority and the City intend that the New York Airports shall be operated and developed as first class facilities that meet the air travel and cargo demands of the City of New York and the surrounding metropolitan region.

To that end, the existence of vigorous measures of quality coupled with effective implementation policies are fundamental both to furthering the reasonable interests of all users of the New York Airports and to ensuring that the airports deliver the types of service at levels of quality that are in the public benefit.

On a quarterly basis the Port Authority will deliver to the City and the Airport Board both Landside and Airside Performance Indicators as set forth below. These Performance Indicators have been selected specifically to measure the New York Airports' (1) Market Share, (2) Passenger Service, (3) Cargo Service, (4) Operations, (5) Capital Spending, (6) Quality of Service, and (7) Community Relations. These Indicator measurements will be provided to the City and Airport Board both graphically and textually. Recognizing that there is a lag in the receipt of certain data requested, the Port Authority will report the most current data available and it is acknowledged that the timeframe covered for each measure may vary.

The Indicator Measurements to be provided by the Port Authority are as follows:

1. Market Share:

a) Passenger Volume

The Port Authority will provide, on a quarterly basis, rolling 12-month passenger volume for the New York Airports. The volume will be broken out by airport and by month. The Port Authority will provide comparable passenger volume data for the previous 12 months, including the annual percentage increase or decrease, and for the New York Airports' peer airports: Chicago O'Hare (ORD), Miami (MIA), Newark Liberty (EWR), and Boston Logan (BOS), depending on availability.

b) Passenger Rankings

The Port Authority will provide, on a quarterly basis, the ranking of JFK's international traffic relative to Newark Liberty (EWR), Chicago O'Hare (ORD), Miami (MIA), Philadelphia (PHL), Boston Logan (BOS), Atlanta Hartsfield-Jackson (ATL), and Washington Dulles (IAD) for the immediately preceding four quarters.

The Port Authority will provide, on a quarterly basis, the New York Airports' domestic traffic, relative to Newark Liberty (EWR), Philadelphia (PHL), Boston Logan (BOS), Washington National (DCA) and Washington Dulles (IAD) for the immediately preceding four quarters. Domestic traffic will be broken out by both LaGuardia and JFK.

c) Cargo Rankings

The Port Authority will provide, on a quarterly basis, the ranking of the New York Airports' total gross cargo tonnage throughput and total cargo value relative to Newark Liberty (EWR), Atlanta Hartsfield-Jackson (ATL), Philadelphia (PHL), Boston Logan (BOS) and Washington Dulles (IAD). The Port Authority will provide comparable rankings, including annual percentage increases or decreases for the preceding four quarters.

2. Passenger Service:

a) JFK Non-Stop Destinations

The Port Authority will provide, on a quarterly basis, a complete index of cities served non-stop from JFK. The data will be broken out into the following geographic categories: United States, Canada, Mexico, Central America, Caribbean, South America, Europe/Africa/Middle East, and Asia/Pacific.

The Port Authority will provide, on a quarterly basis, the total number of non-stop flights and total number of seats available on non-stop flights from JFK to cities in the following eight geographic regions: United States, Canada, Mexico, Central America, Caribbean, South America, Europe/Africa/Middle East, and Asia/Pacific. The Port Authority will provide comparable data for the previous 12 months, including annual percentage increase or decrease in the total number of non-stop flights and seats.

b) LaGuardia Non-Stop Destinations

The Port Authority will provide, on a quarterly basis, a complete index of non-stop destinations being served from LaGuardia Airport. The data will be broken out into the following geographic categories: Northeast, South, Midwest, West, and International.

The Port Authority will provide, on a quarterly basis, the total number of non-stop flights and of seats available on non-stop flights from LaGuardia to cities in the following geographic regions: Northeast, South, Midwest, West, and International. The Port Authority will provide comparable data for the previous 12 months, including annual percentage increase or decrease in the total number of non-stop flights and seats.

c) Number of Scheduled Air Carriers

The Port Authority will provide, on a quarterly basis, a complete index of scheduled air carriers (excluding affiliates), by quarter, serving JFK and LaGuardia Airports. This index shall include a brief description of geographic area(s) served for each carrier.

The Port Authority will provide a complete index of total new entrants, and geographic area(s) served, as compared to the same data for the immediately preceding fiscal year.

3. Cargo Service:

a) Total Gross Cargo Tonnage Throughput

The Port Authority will provide, on a quarterly basis, the total gross cargo tonnage throughput at the New York Airports. The Port Authority will provide comparable data, showing percentage increase or decrease, for the preceding year.

b) Total Gross Cargo Value

The Port Authority will provide, on a quarterly basis, the total gross value of international air cargo throughput for the New York Customs District. The Port Authority will provide comparable data, showing percentage increase or decrease, for the preceding year. N.B. The data is supplied by the U.S. Bureau of Customs and Border Protection and is not broken down by airport, but rather by region, or U.S. Custom District. The New York Custom District includes Newark Liberty International Airport.

c) Origins of New York Airports' Cargo Trade

The Port Authority will provide, on a quarterly basis, a matrix outlining by volume, value and share the cargo arriving at the New York Airports from the following IATA-categorized regions: Asia, North America, Europe, Africa, Middle East, South America, Central America, Southwest Pacific.

d) Destinations of New York Airports' Cargo Trade

The Port Authority will provide, on a quarterly basis, a matrix outlining by volume, value and share the international air cargo exported from the New York Customs District to the following IATA-categorized regions: Asia, North America, Europe, Africa, Middle East, South America, Central America, Southwest Pacific.

e) Commodities by Category

The Port Authority will provide, on a quarterly basis, an index of the top five commodity categories, by volume, value and share, imported and exported via air from the New York Customs District.

f) Cargo Trade by Carrier

The Port Authority will provide, on a quarterly basis, an index outlining total volume and share of cargo traffic into the New York Airports by air carrier.

g) Air Cargo Trends

The Port Authority will provide, on an annual basis, a report outlining key trends in the air cargo industry and the Port Authority's planned response to these trends and recommendations on how the City can assist.

h) Cargo Access

The City will provide a status on the 10 Point Cargo Access Plan (Attachment A) and the planned response to administrative and capital funding issues.

4. Operations:

a) Operations with Delay by Cause

The Port Authority will provide, on a quarterly basis, data showing all operations, including delays, at the New York Airports, by airport. The cause of delays will be separated into four categories and reported by percentage. The four categories include: Weather, Volume, Construction, and Other.

b) Incursions

The Port Authority will provide, on a quarterly basis, information indicating the number of runway incursions that have occurred at the New York Airports, by airport, during the immediately preceding quarter. The runway incursion will be separated into the following categories: (1) unauthorized pedestrian, (2) vehicle, or (3) aircraft entering or failing to clear the runway safety area, interfering with an aircraft takeoff or landing.

c) Landing Fees

The Port Authority will provide, on an annual basis, a schedule of its landing fees at the New York Airports, by airport. The Port Authority will indicate percentage increases and decreases of landing fees compared to the preceding fiscal year.

5. Capital Spending:

a) The Port Authority will provide, within ninety (90) days after the approval of the Port Authority's annual budget by the Port Authority Board of Commissioners, a true, accurate and complete copy of its then current five (5) year capital plan with respect to the Municipal Air Terminals. For capital improvements the cost of which is in excess of \$50 million, the Port Authority will provide true and accurate complete plans for such projects.

b) The Port Authority will provide, on a quarterly basis, a detailed summary of its current year capital spending at the New York Airports, by airport. This summary will include a breakdown of spending by project.

c) The Port Authority will provide, on a quarterly basis, a summary and brief description of financing inducement resolutions adopted by the Port Authority for capital projects at the New York Airports during the previous quarter.

6. Quality of Service:

Passenger Service Monitor Program

In the first quarter of the first year of the lease, the Port Authority shall present a proposed Passenger Service Monitor Program to the Airport Board for its consultation as to its scope, structure and methodology. The Passenger Service Monitor Program shall include surveys taken regularly, and in no event less than once per year, of a sample of passengers at the New York Airports for their opinions on the range of services provided by the Port Authority, its contractors and vendors. These surveys will be conducted by an independent third party and their scope must, at minimum, measure satisfaction levels for the following categories:

1. General Cleanliness of Public Areas
2. Signage/Wayfinding
3. Helpfulness and Courtesy of Airport Information Staff
4. Personal Safety in Terminal Buildings and on AirTrain system
5. Cost and Convenience of Airport Parking
6. Ground Transportation Availability
7. AirTrain Service

The Port Authority will provide the Airport Board with the results of its Passenger Service Monitor Program on no less than an annual basis. The presentation to the Airport Board will include all results indicating overall passenger satisfaction upon departure from and arrival at all terminals at JFK and LaGuardia Airports and within stations and trains of the AirTrain system. The Port Authority will also provide comparable survey results for the previous two years. The results will be broken out for each of the terminals at the two airports and for the AirTrain; these terminals are:

JFK:

- Terminal 1 (T1)
- Terminal 2 (T2)
- Terminal 3 (T3)
- Terminal 4 (T4)
- Terminal 6 (T6)
- Terminal 7 (T7)
- Terminal 8 (T8)
- Terminal 9 (T9)

LaGuardia:

- Delta Shuttle (DS)
- US Airways Terminal (USA)
- Delta Main (DM)
- Central Terminal Building (CTB)

In those attributes where passenger satisfaction levels have decreased from levels recorded the prior year, the Port Authority shall provide the Airport Board with a specific plan and timeline for remedy of the problem.

The Airport Board, with the majority approval and, at its own expense, may request an expanded scope, more frequent surveys and additional measurements. The Port Authority will retain all proprietary rights associated with the Passenger Service Monitor Program, however all results will be shared openly with both the City of New York and the Airport Board.

7. Community Outreach

a) Aviation Development Council

The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Aviation Development Council. This summary report will include a listing of all grants disbursed, and reports produced during the preceding fiscal year.

b) Queens Council on Airport Opportunity

The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Queens Council on Airport Opportunity, including local hiring numbers at the New York Airports, during the preceding fiscal year.

c) Queens Air Services Development Office

The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Queens Air Services Development Office. This report will include a summary of local procurement of goods and services at the New York Airports during the preceding fiscal year.

Execution Draft

AGREEMENT BETWEEN THE CITY OF NEW YORK AND THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

THIS AGREEMENT, made as of the 24th day of November, 2004 between THE CITY OF NEW YORK, a municipal corporation of the State of New York having its principal office at City Hall, New York, New York 10007, hereinafter referred to as the "City," and 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, having its principal office at 225 Park Avenue South, New York, New York 10003, hereinafter referred to as the "Port Authority";

WITNESSETH:

WHEREAS, the City and the Port Authority have entered into an Amended and Restated Agreement of Lease of the Municipal Air Terminals (the "Lease Agreement"), of even date herewith, whereby, among other things, the City has leased to the Port Authority John F. Kennedy International Airport and LaGuardia Airport (collectively, the "Municipal Air Terminals"); and

WHEREAS, the operation of the Municipal Air Terminals has a wide-ranging impact on the Borough of Queens in the City of New York ("Queens"); and

WHEREAS, the Board of Commissioners of the Port Authority, at its meeting of August 4, 2004, adopted a Resolution (attached hereto as Exhibit A), authorizing a program of capital expenditures in an aggregate amount not to exceed \$100 million for capital projects in Queens, to be designated by the Mayor of the City ("Mayor"); and

WHEREAS, the Board of Commissioners of the Port Authority also authorized the Executive Director of the Port Authority to enter into an agreement to effectuate the provision of funding for such projects, consistent with existing legislation and agreements with the holders of the Port Authority's obligations; and

WHEREAS, the total amount of funding to be provided by the Port Authority to the City under the terms of this Agreement shall be \$100 million (the "Funding Amount"), with no more than \$20 million to be provided in any single year during the five-year period commencing January 1, 2005, and ending December 31, 2009.

NOW, THEREFORE, the Port Authority and the City hereby agree as follows:

SECTION A - PROJECTS

Each eligible project, as designated pursuant to Section B of this Agreement, shall be a "Project" under this Agreement; such projects are hereinafter collectively referred to in this Agreement as the "Projects."

SECTION B - IDENTIFICATION OF PROJECTS

The City may at any time and from time to time identify projects in the portion of the Port District located in the borough of Queens (which comprises the entire Borough of Queens) for funding under this Agreement pursuant to the authorization of the Board of Commissioners of the Port Authority. Such identification shall be made by the Mayor or his designee in the form of the Project Letter Request attached hereto as Exhibit B. No project for which a request is made by the City shall become a Project under this Agreement unless and until such request has been concurred with in writing by the Port Authority, as provided for in the Project Letter Request. In this regard, the City understands that the Projects to be eligible for funding under this Agreement must qualify as being eligible for Port Authority capital expenditures, which determination shall be made at the sole reasonable discretion of the Port Authority. The Port Authority agrees that it will concur with any proposed Project that is eligible for Port Authority capital expenditures, as determined in accordance with established Port Authority rules, policies and procedures.

Until further notice, each Project Letter Request shall be addressed to the Executive Director of the Port Authority at 225 Park Avenue South, 15th Floor, New York, New York 10003. The Port Authority shall respond to each Project Letter Request within 30 days of its receipt by the Port Authority. If the projects described in such request are not deemed eligible for funding under this Agreement, the Port Authority shall state the reasons therefore in its response, and the City may submit a substitute Project Letter Request for an alternative project.

SECTION C - MANAGEMENT OF PROJECTS

Once the Port Authority has deemed a Project to be eligible, management of the Project shall be the responsibility of the City or, in the Mayor's discretion, the New York City Economic Development Corporation ("EDC"). The City (or EDC, as the case may be) shall designate a Project Manager for each Project and inform the Port Authority of the name and address of such Project Manager.

SECTION D - PAYMENTS BY THE PORT AUTHORITY

The Port Authority's sole responsibility for Projects under this Agreement shall be to provide the Funding Amount to the City, with no more than \$20 million to be provided for work incurred in any single year during the five-year period, which will commence on January 1, 2005 and end on December 31, 2009. There shall be no reimbursement for any internal costs that may be incurred by the City and/or EDC in connection with any of the Projects.

The provision of funds by the Port Authority to the City in connection with the Projects shall take place as follows: Upon receipt of an invoice certified by the City that it represents the City's payment of costs incurred in connection with a Project, and after verifying the accuracy and appropriateness of the invoice, the Port Authority will reimburse the City for the amount of such invoice within 30 days of the Port Authority's receipt thereof; provided that, except as otherwise provided below, the Port Authority's payments to the City under this Agreement shall not exceed \$20 million in any single year during the five-year period in which the Port Authority is to provide funds to the City. The Port Authority's consent to reimburse the City or EDC after reviewing an invoice shall not be unreasonably withheld. When submitting each request for reimbursement to the Port Authority, the City shall designate whether it wishes the Port Authority to issue its reimbursement payment to the City or EDC. Notwithstanding anything to the contrary herein, if the amount of reimbursement sought by the City from the Port Authority exceeds \$20 million in any single year, then the excess amount shall be paid by the Port Authority in the next succeeding year in which the amount for which the City seeks reimbursement, including the excess amount from any previous year(s), does not exceed \$20 million; provided that, the total amount paid to the City and/or EDC by the Port Authority pursuant to this Agreement shall not exceed the Funding Amount. In the event that the amount of reimbursement sought by the City from the Port Authority is less than \$20 million in any single year, the amount remaining will be added to the amount eligible for reimbursement in the next succeeding year. Notwithstanding anything contrary contained herein, in the event that any portion of the Funding Amount has not been paid to the City and/or EDC prior to January 1, 2010, such unpaid portion of the Funding Amount will be paid to the City as reimbursement for the City's payment of costs incurred in connection with Projects in 2010 and/or succeeding calendar years, until the entire balance of the Funding Amount has been paid to the City and/or EDC in accordance with the terms of this Agreement. The City covenants that the City, EDC and all Project Managers designated by the City will employ their best efforts to ensure that work undertaken in connection with the Projects, and the submission of invoices to the Port Authority for reimbursement, is effectuated expeditiously.

If the Port Authority questions or disputes a charge or charges on an invoice for which payment was made by it, and it is determined through the dispute resolution procedures provided for in this Agreement that the City is required to reimburse the Port Authority for the disputed charge(s), the Port Authority will deduct such amount from its future reimbursement to the City, or the City will reimburse the Port Authority within 30 days of the City's receipt of notification of the resolution of the dispute.

SECTION E - REPORTING REQUIREMENTS

The City shall provide the Port Authority with quarterly reports with regard to the progress of the Projects. The form of such quarterly reports shall contain such information as the Port Authority may reasonably request.

SECTION F - NO PORT AUTHORITY LIABILITY

The Port Authority shall have no responsibility of any kind for any agreement, contract or project utilizing funds provided under this Agreement. Without limiting the generality of the foregoing, the Port Authority shall have no responsibility for the design, effectuation, maintenance, ongoing operation or any other aspect (including all environmental matters) of the Projects or any contract entered into in connection with the Projects. Between the Port Authority and the City, the City hereby assumes the following risks, whether or not they arise from acts or omissions of the City: all risks of loss or damage to property or injury to or death of persons, and risks of other damages, to whomsoever occurring, arising out of or in any way connected with or related to any of the Projects, including, without limitation, the design, effectuation, maintenance, operation or any other aspect (including all environmental matters) of the Projects. The Port Authority shall have no responsibility for providing any monies for the Projects except as provided in this Agreement.

SECTION G - INDEMNIFICATION OF THE PORT AUTHORITY

The City hereby agrees to indemnify and save harmless the Port Authority, its successors, Commissioners, officers, agents, and employees, and each of them, from and against claims, suits, and demands arising out of or in any way connected with or related to any of the Projects, (except any claims, assets and or demands resulting from any action or inaction on the part of the Port Authority other than the approval and/or funding by the Port Authority of Projects hereunder) including the costs of legal defense arising therefrom, for any loss or damage to property or injury to or death of persons, whether said claims, suits or demands are just or unjust, fraudulent or not, and irrespective of whether such risks are beyond the control of the City; provided there shall be no indemnification with respect to suits, claims or demands resulting from actions or inactions of the Port Authority unrelated to its approval of Projects as eligible for Port Authority capital expenditures and its provision of funding for Projects pursuant to the terms of this Agreement.

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

SECTION H - GENERAL

1. By execution, delivery and performance of this Agreement, each party represents to the other that it has been duly authorized by all requisite action on the part of the Port Authority and the City, respectively. This Agreement constitutes the legal, valid and binding obligation of the parties hereto.

2. The Port Authority may, upon reasonable notice, during regular business hours, examine all records of the City relating to the Projects or any agreements entered into in connection with the Projects.

3. It is expressly understood and agreed that any review by the Port Authority of any plans, specifications, drawings, or other similar documents relating to the work performed or to be performed in connection with the effectuation of the Projects or any agreement entered into in connection with or relating in any way to the Projects shall be limited solely to the purpose of ensuring that the Projects do not unreasonably interfere with the Port Authority's operations, and is for the benefit of the Port Authority and not the City.

4. All disagreements under this Agreement shall be submitted to the Executive Director of the Port Authority and the Deputy Mayor for Economic Development and Rebuilding of the City or his successor in function as designated by the Mayor (the "Deputy Mayor") for their review and decision, which decision shall be binding upon the parties. In the event that the Executive Director of the Port Authority and the Deputy Mayor of the City shall disagree, then either party may seek all legal or equitable remedies to the extent permitted by applicable law.

5. Notices and communications under this Agreement shall be in writing and sent via certified mail, return receipt requested, and shall be directed as follows, or to such other address as the party receiving such notice shall have previously specified by notice to the party sending such notice:

If to the Port Authority:

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

If to the City:

Director
Aviation Department
New York City Economic Development Corporation
110 William Street
New York, New York 10038

6. This Agreement shall not be construed to create any rights on behalf of any party other than the Port Authority and the City. Neither this Agreement nor any rights or duties hereunder may be assigned or delegated by either party hereto without the written consent of the other party, and any such purported assignment or delegation shall be null and void and of no force or effect.

7. (a) No Commissioner, director, officer, agent or employee of the Port Authority shall be held personally liable under any provision of this Agreement or because of its execution or attempted execution or because of any breach or alleged breach hereof.

(b) No official, agent or employee of the City shall be held personally liable under any provision of this Agreement or because of its execution or attempted execution or because of any breach or alleged breach hereof.

8. If any provisions of this Agreement shall be such as to destroy its mutuality or to render it invalid or illegal, then, if it shall not appear to have been so material that without it this Agreement would not have been made by the parties, it shall not be deemed to form a part hereof but the balance of this Agreement shall remain in full force and effect.

9. The entire agreement between the parties is contained herein and no change or modification, termination or discharge of this Agreement shall be effective unless in writing and signed by the party to be charged therewith.

10. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, without reference to choice of law principles.

11. This Agreement may be executed in one or more counterparts, each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

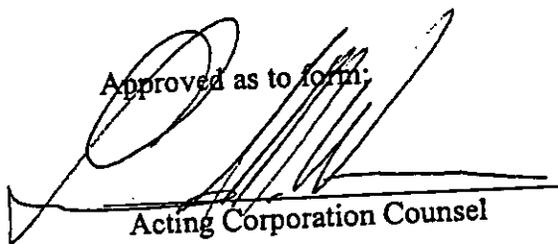
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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed, sealed and attested.

THE CITY OF NEW YORK

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

Approved as to form:


Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed, sealed and attested.

THE CITY OF NEW YORK

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

Approved as to form:

Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: *Kenneth J. Ringler, Jr.*
Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

SM Darrell Buchbinder
Darrell Buchbinder
General Counsel

AGREEMENT BETWEEN THE CITY OF NEW YORK AND THE PORT
AUTHORITY OF NEW YORK AND NEW JERSEY

EXHIBIT A

August 4, 2004 Resolution of Board of Commissioners of the Port Authority

AGREEMENTS WITH THE CITY OF NEW YORK REGARDING JOHN F. KENNEDY INTERNATIONAL AND LAGUARDIA AIRPORTS AND THE WORLD TRADE CENTER SITE

It was recommended that the Board authorize the Executive Director to enter into agreements with the City of New York (the City) pertaining to: (1) amendment and extension of the lease agreement between the City and the Port Authority (City Lease) covering John F. Kennedy International Airport (JFK) and LaGuardia Airport (LGA), together with such related and ancillary agreements with the City or others as may be deemed necessary or appropriate; (2) amendment of the agreement between the City and the Port Authority (PILOT Agreement) concerning payments in lieu of taxes (PILOT) for the World Trade Center (WTC) site (WTC Site); and (3) modification of the agreement between the City and the Port Authority relating to the City's street system and the transfer of title to land adjacent to and within the WTC Site (the WTC Redevelopment Agreement, previously known as the Street Closing Agreement).

The term of the City Lease under which the Port Authority operates JFK and LGA expires December 31, 2015. At its meeting of November 20, 2003, the Board authorized the Executive Director to enter into a Memorandum of Understanding (MOU) with the City with respect to agreements relating to changes in and extension of the City Lease and in the PILOT Agreement, so that: (1) effective January 1, 2002, the provisions of the existing City Lease would be amended and supplemented to, *inter alia*, extend the term to December 31, 2050, and increase the rental payable to the City; (2) the annual PILOT amounts for the WTC Site paid by the Port Authority to the City would be increased, effective January 1, 2004, and the property covered would be expanded; and (3) all pending arbitration and litigation between the City and the Port Authority involving the City Lease and the PILOT Agreement would be terminated with prejudice and without further payment.

Amended and Restated City Lease

As a result of continuing discussions between staff and City representatives, the City Lease is to be amended and restated, effective January 1, 2002, for a term expiring December 31, 2050, on the principal terms outlined below:

Rent - The rent would be as follows:

- Initial Lump-Sum Payment - Upon execution of the amended City Lease, the Port Authority would make a lump-sum payment of \$500 million to the City. The rent for 2002, 2003 and the portion of 2004 preceding the signing of the amended City Lease based on the rent formula described below, would be paid, with interest, in one lump sum.
- Minimum Annual Rent - Commencing as of January 1, 2002, the Port Authority would pay a minimum annual rent (MAR) of \$93.5 million, the amount of which would be reset from time to time. After execution of the amended City Lease, MAR would be payable in equal monthly installments, in advance.

- Rent Formula and Reset Provisions – Annual rent would be the greater of the MAR, as reset from time to time, or eight percent of gross revenues at JFK and LGA, with the excess over the MAR to be payable the following March. Beginning in 2007, the MAR would be reset every five years to equal ten percent of the average gross revenues at JFK and LGA for the previous five years, but in no event would the MAR be less than the previous year's MAR. Gross revenues would not include federal grants or monies received as a result of any federal statute, regulation or policy, such as Passenger Facility Charges and amounts used for airport security.

Other Terms –

- The amended City Lease would include provisions for default and termination in the event the Port Authority failed to make any payments due under the lease or to provide the City with full information with respect to airport operations, finances and performance standards. The amended City Lease would also include provisions that the parties believe are appropriate in order to resolve outstanding operational issues.
- The ongoing arbitration under the existing lease would be terminated. If, however, the City is required to repay the lump-sum payment(s), the City would have the right to reinstate the arbitration, and to treat that event as a nonpayment of rent and seek termination of the amended City Lease (although the Port Authority may cure the default by offering to settle the arbitration for the amount that the City was required to repay).
- The City also would have the right to terminate the amended City Lease if the Port Authority's obligation to pay rent is held to be invalid or unenforceable, but only if the Port Authority is in fact actually not paying rent or equivalent consideration to the City. In the event that the lease is terminated, the parties are to use all commercially reasonable efforts to negotiate a substitute lease with respect to JFK and LGA.
- The City would have the right to assign the rent under the amended City Lease to a third party, and the assignee would have the right to sue the Port Authority directly in the event of nonpayment of rent, but would not have the right to terminate the amended City Lease.
- The amended City Lease would contain new or revised provisions related to certain portions of the demised premises (and previously surrendered parcels), indemnification provisions, insurance coverage details, and other issues.

IDA Financing – The New York City Industrial Development Agency and other City agencies would be precluded from financing any projects at JFK or LGA during the term of the amended City Lease, except for projects already authorized.

Airport Board – In connection with airport governance, an Airport Board, composed of an equal number of Port Authority and City (appointed by the Mayor) representatives, is to review operations and performance at JFK and LGA on a quarterly basis. Funding for the Airport Board and for a designated City agency providing airport liaison functions is to be provided from the rent payments. In addition, the Port Authority and the City would establish financial and performance standards (which could be supplemented from time to time by the Airport Board) to be used in the review of airport operations. The Airport Board would retain independent consultants for this purpose, and the Port Authority and the City would each provide up to

\$250,000 annually for these consultants (with the City's share to be deducted from the rent payable under the amended City Lease).

Queens Capital Projects – In the years 2004-2008, the Port Authority would provide a total of \$100 million to fund projects in the Borough of Queens identified by the City and which qualify as being eligible for Port Authority capital expenditures.

Direct Rail Access – The Port Authority would continue to include in its updated Capital Plan a \$30 million project to study the feasibility, with respect to engineering, operational and financial considerations, of extending the Port Authority Trans-Hudson rail system from its terminus at Newark Penn Station to Newark Liberty International Airport (EWR PATH Extension). If, based on this study, the Port Authority determines that the EWR PATH Extension is feasible, it would include funding for this project in its Capital Plan. (Based on preliminary estimates, the EWR PATH Extension would cost at least \$500 million.) In consultation with the City, the Port Authority also would study the feasibility, with respect to engineering, operational and financial considerations, of establishing a direct rail service connection between JFK and Downtown Manhattan (JFK-Downtown Rail Line), and include in its updated 2004-2008 Capital Plan a \$60 million project for this study. If, based on this study, the Port Authority determines that the JFK-Downtown Rail Line is feasible, the Port Authority would include funding for this project in its Capital Plan in an amount equal to the preliminary \$500 million cost estimate for the EWR PATH Extension, or the amount of funding actually provided for that project, whichever is less. Construction of the JFK-Downtown Rail Line would not commence until full funding has been arranged.

A number of "side letters or agreements" would be entered into in connection with the amended City Lease, covering the Airport Board (with the performance standards as an attachment), the Queens capital projects, direct rail access, and the prohibition on City agency financing, all substantially as described above.

The amended City Lease is expected to be executed by the City and the Port Authority sometime in October 2004 and, accordingly, the effective term of the MOU would have to be extended through October 31, 2004, beyond its current expiration date of September 30, 2004.

New PILOT Agreement

Pursuant to the 1962 bi-state legislation that authorized the Port Authority to establish, develop and operate The World Trade Center and the Port Authority Trans-Hudson rail system (the WTC Legislation), both the Port Authority and Port Authority Trans-Hudson Corporation (PATH) entered into agreements relating to PILOT amounts with respect to the portions of the WTC Site each occupied. The PATH PILOT Agreement and the Port Authority PILOT Agreement (as modified) collectively provide for a minimum annual payment to the City equal to \$1,708,624.03, and for an additional payment with respect to portions of the WTC leased for hotel and retail purposes and for "office use by private persons engaged in carrying on, within the World Trade Center, a profession or trade or business for profit." For the City's property tax year 2001-2002, this additional payment, based on the calculations in the PILOT Agreements and the fully-leased status of the WTC amounted to approximately \$28 million after all applicable credits and adjustments. However, as a result of the destruction of the WTC in

September 2001, beginning in the City's property tax year 2002-2003, there are no rentable areas within the WTC buildings, structures, or improvements that are occupied by private tenants, as defined, and the only PILOT amount currently being paid under these Agreements and the WTC Legislation is the minimum payment specified above.

To accommodate the legitimate interests of the City and the Port Authority regarding the redevelopment of the WTC Site, and to provide for PILOT amounts during the period of and following the reconstruction of the WTC PATH Terminal and the other buildings, structures, and improvements comprising the WTC Site, the City and the Port Authority would enter into a new agreement (the New PILOT Agreement). Replacing the existing agreements, the New PILOT Agreement would provide for payments to replace those currently being made by PATH and the Port Authority and for annual payments with respect to all additional properties to which the Port Authority acquires title and which become part of the WTC Site. This specifically includes the City's consent to the inclusion of properties located south of Liberty Street (the Southern Site) within the WTC Site should the Port Authority acquire title to these properties, identified as the land and building at 130 Liberty Street owned by Deutsche Bank Trust Company Americas, land owned by the Hellenic Orthodox Church, and land owned by 140 Liberty Street Associates.

The terms of the New PILOT Agreement would provide that, commencing January 1, 2004, the Port Authority would pay to the City an annual PILOT for the WTC Site equal to twelve percent of all rent payments or payments in lieu of rent received by the Port Authority from the lessees (the Net Lessees) under the lease agreements entered into by the Port Authority, dated as of July 16, 2001 (Net Leases), pertaining to certain components of the WTC, including the 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, but excluding: (1) 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; (2) pass-through reimbursements, such as business improvement district payments paid by the Net Lessees to the Port Authority; (3) payments for 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 (4) inspection, permit plan review and other application fees paid by the Net Lessees to the Port Authority.

In addition to the minimum annual PILOT amount, the Port Authority would pay the City on account of the WTC Site an annual payment equal to the excess over the minimum annual PILOT payment of an amount obtained by multiplying \$55,000,000 (Base Amount) by an "Escalator," which represents the percentage change over the base year (July 2002-June 2003) in the tax rate for Manhattan commercial office properties and the assessed valuation of a benchmark group of Class A office buildings to be mutually agreed upon by the Port Authority and the City, and multiplying that product by the ratio of the amount of commercial space built at the WTC Site to the total amount of commercial space planned under the WTC Site Master Plan (11.4 million gross square feet). This calculation includes PILOT amounts for the site of the 7 WTC building. The payments to be made would be net of all credits against PILOT payments that the Port Authority has become entitled to as a result of previous agreements with the City.

Upon the inclusion of any of the Southern Site properties in the WTC Site, the Port Authority would pay the City a PILOT amount equal to the full amount of real estate taxes that would have been assessed on the land comprising such site if the land were not owned by the Port Authority. In addition to this land payment, during the 15-year period following the commencement of construction on any such site, the Port Authority would pay to the City in connection with each site as to which there is office, retail, or hotel space available for use for the purposes intended, and which (1) are occupied, whether by private parties or by government agencies, including the federal government and the Port Authority, (2) are under lease to any such party, or (3) have been constructed and which, by installation of tenant improvements, may be made ready for occupancy (Actual Additional World Trade Center Properties Space Available), an amount equal to the product obtained by multiplying Nine Dollars by the number of square feet of Actual Additional World Trade Center Properties Space Available for use for the purposes intended, such amount to be adjusted each year by application to such amount of the Escalator established for the original WTC Site for such year.

Under the New PILOT Agreement, the Port Authority would not make any payments on account of land devoted to public park purposes or established as a public open space. The City would be permitted to securitize the payments due from the Port Authority under the agreement, and the Port Authority would not be permitted any right of setoff or counterclaim against such payments. As long as the Port Authority retains title to the WTC Site, the City would cancel or otherwise satisfy and discharge of record all taxes, assessments and interest against the properties currently constituting part of the WTC Site, including the 7 WTC building, properties occupied by PATH, and all improvements to be constructed on the site, and would mark said properties as exempt on its tax records.

The execution of the New PILOT Agreement would not affect the obligations of the Net Lessees under the Net Leases to pay to the Port Authority a portion of the PILOT amounts that the Port Authority is required to pay to the City. Such payments would continue to be made to the Port Authority based on the terms of the Port Authority's PILOT Agreement.

Upon execution of the New PILOT Agreement, all pending arbitration proceedings and litigation concerning the PILOT Agreements would be discontinued with prejudice, without costs to either party.

Modification of Street Closing Agreement

In order to accommodate the construction and development of the WTC, the Port Authority and the City entered into the Street Closing Agreement relating to changes in the City's street system and to the transfer of title land adjacent to and within the WTC Site. At that time, the Port Authority was given title to sub-surface areas (land below a plane 1.35 feet below curb grade) within the WTC's slurry wall, which include portions of Vesey, West and Liberty Streets. At grade, the WTC property line was fixed as the northerly face of buildings abutting Vesey Street, the easterly face of buildings abutting Church Street, the southerly face of buildings abutting Liberty Street and the westerly face of buildings abutting West Street. The Street Closing Agreement required the Port Authority to convey to the City title to all of the land

outside of this property line, which originally was acquired by the Port Authority via condemnation, including the sidewalks and the former street beds. In return, the City was to convey to the Port Authority title to: (1) the portion of Greenwich Street between Barclay Street and Vesey Street within the site of the 7 WTC building, (2) the portion of Greenwich Street between Vesey Street and Liberty Street within the WTC Site, and (3) the portions of Fulton, Dey and Cortlandt Streets between Greenwich and Church Streets within the WTC site. As of this date, the City retains legal title to these former streets, although they have been de-mapped.

The implementation of the WTC Site Master Plan adopted following the destruction of the WTC requires modification to accommodate the redevelopment process for the WTC Site and resolve all property issues related to the present or former streets at the WTC Site. Pursuant to the terms of the WTC Redevelopment Agreement, the City would own the at-grade areas of all streets and sidewalks within the WTC Site and such below-grade areas immediately below the surface of such streets and sidewalks as shall lie above a designated lower-limiting plane. The Port Authority would own all other areas within the WTC Site, including all areas lying below the designated limiting plane. The City would be responsible for maintenance of the City-owned areas of the streets and the sidewalks within the WTC Site. The parties would retain for themselves, and grant to each other, all necessary and appropriate easements for infrastructure, utility and other services. The streets and sidewalks within the WTC Site would be designed and constructed by the Port Authority in accordance with City standards, subject to a mutually agreed-upon security plan that would supersede any existing Memoranda of Understanding between the City and the Port Authority addressing security issues, and the City would operate, manage and maintain the sidewalks and the streets, including traffic patterns and flows, subject to the security plan. Except for streets and sidewalks, the Port Authority would have overall management responsibility for the WTC Site. The City and the Port Authority would mutually agree on all issues relating to curb usage, and the City would consult with the Port Authority on any decisions that would permanently and materially affect vehicular and pedestrian traffic in and through the WTC Site. The Port Authority would develop Design Guidelines consistent with the General Project Plan (GPP) approved by the Lower Manhattan Development Corporation (LMDC). The Design Guidelines would be adopted by LMDC and the Board of Commissioners, with input from involved and interested parties, including the City and the Net Lessees. It is contemplated that the Port Authority would agree with LMDC that the adoption, implementation and modification of all such Design Guidelines would be subject to the agreement of LMDC or any successor. The Port Authority and the City would consult with each other regarding all other major aspects of the WTC redevelopment plan, including phasing, infrastructure development and material funding issues.

Expanding upon a policy adopted by the Board on April 15, 1993, the Port Authority would agree to comply with all applicable Building Code requirements of the City (the Building Code) for all construction work to be performed at the WTC Site, with the exception of certain portions of the permanent WTC PATH Terminal which will comply with the National Fire Protection Association codes. Any proposed variances from the Building Code would require the prior consent of the City Department of Buildings (DOB). Neither the Port Authority nor its lessees and sublessees would be required to obtain any building permits or certificates of occupancy from the City in connection with any construction at the WTC Site. The DOB would

(Board - 8/4/04)

have the right to inspect the WTC Site at any time to determine compliance with the Building Code.

The final terms of the WTC Redevelopment Agreement would be subject to review by the Board's WTC Site Planning Sub-committee.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Gargano, Genova, Pocino, Sartor, Silverman, Sinagra and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an "Amended and Restated Agreement of Lease of the Municipal Air Terminals" with the City of New York (the City), covering John F. Kennedy International (JFK) and LaGuardia (LGA) Airports, together with such related and ancillary agreements with the City or others as may be deemed necessary or appropriate, and to extend the Memorandum of Understanding between the Port Authority and the City, dated January 16, 2004 (with respect to JFK and LGA and World Trade Center (WTC) payments in lieu of taxes (PILOT) through October 31, 2004, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with the City to resolve all property issues related to the present or former streets at the WTC Site and relating to PILOT amounts during the period of and following the reconstruction of the Port Authority Trans-Hudson system permanent World Trade Center Terminal (known as the WTC Transportation Hub) and the other buildings, structures, and improvements comprising the WTC Site, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the form of the foregoing agreements shall be subject to the approval of General Counsel or his authorized representative.

AGREEMENT BETWEEN THE CITY OF NEW YORK AND THE PORT
AUTHORITY OF NEW YORK AND NEW JERSEY

EXHIBIT B

FORM OF PROJECT LETTER REQUEST

Dear _____:

As provided for in Section B of this Agreement between The City of New York (the "City") and The Port Authority of New York and New Jersey (the "Port Authority") made as of _____, 2004 (the "Agreement"), the City, at the request of the Mayor of the City, hereby asks that the Port Authority concur in the addition of the project described below as an eligible Project under the Agreement:

[DESCRIPTION OF PROJECT - SHOULD INCLUDE AMOUNT ESTIMATED TO BE PROVIDED FOR THE PROJECT, THE IDENTITY OF THE ENTITY RECEIVING FUNDS FOR THE PROJECT, AND INFORMATION NECESSARY FOR THE PORT AUTHORITY TO DETERMINE WHETHER IT QUALIFIES FOR PORT AUTHORITY CAPITAL EXPENDITURES]

The City understands and agrees that all the provisions of the Agreement shall apply to the inclusion of the above-described project as an eligible Project under the Agreement and all references in the Agreement to "Project" or "Projects" shall be deemed to include the above-described project.

Sincerely,

[Deputy Mayor]
The City of New York

CONCURRED:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Date:

By: _____
Executive Director

DIRECT RAIL AGREEMENT

THIS DIRECT RAIL AGREEMENT (this "Agreement") is made as of the 24th day of November 2004, by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City of New York (the "City") and 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 Congress with its offices at 225 Park Avenue South, Borough of Manhattan, City of New York (the "Port Authority").

RECITALS

WHEREAS, the City, as landlord, and the Port Authority, as tenant, entered into that certain Amended and Restated Agreement of Lease of the Municipal Air Terminals (the "Lease Agreement") of even date herewith whereby among other things, the City has leased John F. Kennedy International Airport and LaGuardia Airport to the Port Authority;

WHEREAS, the City and the Port Authority recognize the importance of direct rail access ("One-Seat Ride Access") to the region's largest airports in order to ensure the future economic vitality of Lower Manhattan, have agreed to a procedural framework for the study and funding of such links; and

WHEREAS, the City and the Port Authority are committed to such studies and wish to set forth certain procedures to ensure the Port Authority will provide funding for One-Seat Ride access from Lower Manhattan to John F. Kennedy International Airport and Newark Liberty International Airport.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors as follows:

1. **Definitions.** All terms used herein not otherwise defined herein shall have the meanings given to them in the Lease Agreement.

2. **One-Seat Ride Access to Newark Liberty International Airport.** The Port Authority will continue to include in its 2004-2008 capital plan a \$30 million project to study the engineering, operational, and financial feasibility of extending the PATH rail from Newark Penn Station to Newark Liberty International Airport. If, based on this

study, the Port Authority determines that this extension is feasible from an engineering, operational and financial standpoint, then the Port Authority will include funding for this project in its future capital plans. Based on preliminary estimates, this project is expected to cost at least \$500 million. Construction of this project will not commence until full funding has been arranged.

3. **One-Seat Ride Access to John F. Kennedy International Airport.** The Port Authority will continue to include in its 2004-2008 capital plan a \$60 million project to study, the engineering, operational, and financial feasibility of providing One-Seat Ride Access to Lower Manhattan from John F. Kennedy International Airport. If, based on this study, the Port Authority determines that this connection is feasible from an engineering, operational, and financial standpoint, then the Port Authority will include funding for this project in its future capital plans in an amount equal to the preliminary estimate of \$500 million for the Newark Liberty International Airport extension, or the funding actually provided for the Newark Liberty International Airport extension, whichever is greater. Construction of this project will not commence until full funding has been arranged.

4. **Survival.** The provisions of this Agreement shall survive the expiration or sooner termination of the Lease Agreement.

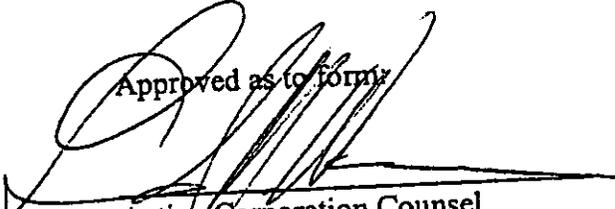
5. **Miscellaneous.** This Agreement: (i) may not be modified except in a writing signed by both of the parties hereto; (ii) may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document; (iii) shall be construed in accordance with and governed by the internal laws of the State of New York, without regard to principles of conflicts of law; (iv) shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns but shall not be enforceable by any person, firm, corporation or other entity that is not a signatory to this letter agreement; and (v) shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to each of the other parties hereto.

[No further Text on this Page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by the duly authorized officers thereof as of the date first written above.

THE CITY OF NEW YORK


Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding


Approved as to form:
Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by the duly authorized officers thereof as of the date first written above.

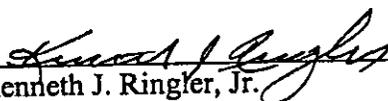
THE CITY OF NEW YORK

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY



Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:


② Darrell Buchbinder
General Counsel

AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

----- x

In the Matter of the Arbitration Between

THE CITY OF NEW YORK,

STIPULATION

-and-

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY.

----- x

Whereas The City of New York ("City") and The Port Authority of New York and New Jersey ("Port") are executing simultaneously herewith an Amended and Restated Agreement of Lease of the Municipal Air Terminals of even date herewith (the "Amended Lease"),

IT IS HEREBY STIPULATED AND AGREED, by and between the parties, represented by the undersigned attorneys, that the above-captioned arbitration, commenced with a Demand for Arbitration dated December 14, 1995 (the "airport arbitration"), is hereby discontinued with prejudice and without costs, subject to the following terms and conditions:

1. In the event that:

(a) the City is required, at any time hereafter, to repay or forfeit the Lump Sum Payment (as said term is defined in the Amended Lease) or any portion thereof; and
further

(b) the Port shall not have lawfully and validly paid to the City, within two years from the date of such repayment or forfeiture, an amount equal to so much of the Lump Sum Payment as had been repaid or forfeited, plus interest accruing at the Interest Rate (as said term is defined in the Amended Lease) from the date such amount was repaid or forfeited,

then at the City's option, the City may reinstate the airport arbitration, in which event, the parties' respective positions, claims and defenses in the airport arbitration shall be fully restored to the *status quo ante* as of immediately prior to the execution of this stipulation. Further, the Port acknowledges and agrees that in the event the airport arbitration is so reinstated, the passage of time between the execution of this stipulation and such reinstatement shall not be the basis of any barring defense, including without limitation, based on statute of limitations, *laches* or *estoppel*. In any such reinstated airport arbitration, the total liquidated amount, inclusive of interest, that the City will be entitled to recover from the Port, irrespective of the amount that may be awarded therein to the City, shall be limited to Five Hundred Million Dollars (\$500,000,000); and neither party shall recover costs from the other.

2. The rights and remedies set forth in paragraph 1 above shall be in addition to, and not in substitution of, the City's rights and remedies pursuant to the Amended Lease, including without limitation, the right to terminate the Amended Lease and to exercise all other rights and

remedies provided in Section 25 thereof (entitled "Events of Default: Rights and Remedies").

3. The terms and conditions of this stipulation shall survive the expiration or sooner termination of the Amended Lease.

Dated: New York, New York
November 24, 2004

MICHAEL A. CARDOZO
Corporation Counsel of the
City of New York
100 Church Street
New York, NY 10007

By: Nancy F. Brodie
Nancy F. Brodie
Assistant Corporation Counsel

MILTON H. PACHTER
General Attorney for the Port Authority
of New York and New Jersey
225 Park Avenue South
New York, NY 10003

By: Walter M. Frank
Walter M. Frank
Chief, Commercial Litigation

AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

In the Matter of the Arbitration Between

THE CITY OF NEW YORK,

-and-

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY.

STIPULATION

MICHAEL A. CARDOZO
Corporation Counsel of the City of New York
Attorney for The City of New York
100 Church Street, Room 3-127
New York, N.Y. 10007

Of Counsel: Nancy F. Brodie
Tel: (212) 788-8861

November 24, 2004

The Port Authority of New York
and New Jersey
225 Park Avenue South
New York, New York 10003

Re: Financing with respect to the New York Airports

Ladies and Gentlemen:

Reference is hereby made to that certain Amended and Restated Agreement of Lease (the "Lease") being entered into simultaneously herewith by and between The City of New York (the "City") and The Port Authority of New York and New Jersey (the "Port Authority") covering LaGuardia Airport and John F. Kennedy International Airport (collectively, the "Airports").

In consideration for the Port Authority's entering into the Lease, the New York City Industrial Development Agency (the "IDA") hereby agrees that, following the execution and delivery of the Lease by both parties thereto, it will not finance any projects at the Airports, except for projects as to which inducement resolutions have been adopted prior to January 16, 2004 (as listed on Schedule A hereto) and except for refunding of any outstanding IDA bond issues for projects at the Airports (as listed on Schedule B hereto); provided that modifications to a project and/or bond amount from that set forth in an inducement resolution listed on Schedule A hereto shall not be deemed to violate the agreement of IDA contained herein so long as the modified project and/or bond amount are not materially larger than described in the inducement resolution listed on Schedule A.

The agreement of the IDA contained in this letter shall terminate and be of no further force or effect upon the expiration or sooner termination of the Lease.

Very truly yours,

New York City Industrial Development Agency

By: 
Andrew M. Alper, Chairman

Attachments

Schedule A: Airports - Induced IDA Bond Issues*

Company Name	Bond Amount Induced (in millions)	Project Location
American Airlines, Inc.	\$1,300.0	Terminal 8 and 9 at JFK
JetBlue Airways Corporation	\$50.0	Building 81 and current site of Building 179 at JFK
JFK International Air CargoCenter, LLC	\$67.0	Hangars 3, 4, and 5 at JFK

*Induced prior to January 16, 2004

Schedule B: Airports - Outstanding IDA Bond Issues

Company Name	Bond Amount Issued (in millions)	Closing Date
American Airlines, Inc.	\$83.93	09/18/90
Japan Airlines International Co. Ltd.	\$115.5	06/13/91
Terminal One Group Association, L.P.	\$434.290	07/13/94
American Airlines	\$83.085	08/09/94
Korean Airlines Co., Ltd.	\$102.0	02/12/97
Northwest Airlines	\$32.795	06/30/97
United Airlines, Inc.	\$34.235	07/13/97
Air Express International Corporation	\$19.0	07/16/97
British Airways, plc	\$115.0	12/08/98
Airis JFK I, LLC	\$160.26	08/16/01
American Airlines	\$500.0	07/31/02
British Airways, plc	\$85.0	07/02/02
Continental Airlines	\$23.535	11/05/03

QUITCLAIM DEED FROM CITY TO PORT AUTHORITY

THIS INDENTURE made as of November 24, 2004 between the CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (the "City"), and 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 Congress with its office at 225 Park Avenue South, Borough of Manhattan, City, County and State of New York (the "Port Authority").

WITNESSETH THAT:

WHEREAS, the City and Port Authority intend to enter into an Amended and Restated Agreement of Lease of the Municipal Air Terminals dated as of November 24, 2004 (the "Agreement"); and

WHEREAS, the City desires to dispose to the Port Authority any property interests it owns within (i) that portion of the Light Rail System that the Port Authority has acquired from the People of the State of New York acting by and through the Commissioner of Transportation ("State") by Grant of Permanent Easement made August 19, 2002, a copy of which is attached hereto and made a part hereof as Exhibit A and (ii) the property identified on the tax map of the City of New York as Lot 5, Block 9990, Borough of Queens; the Port Authority desires to convey to the City all property interests it has acquired within such portion of the Light Rail System ("LRS") and in Lot 5, Block 9990, Borough of Queens; and the City desires to accept such property interests and incorporate such property interests conveyed by the Port Authority to the City into the Demised Premises, as such term is defined in the Agreement, by leasing such property interests to the Port Authority under the Agreement; and

WHEREAS, City Planning Commission Resolution # C990117 PQQ/C 990118 PPQ adopted May 3, 1999 and City Council Resolution # 864 adopted June 7, 1999 have authorized such dispositions and acquisitions by the City and the Port Authority's Board of Commissioners has authorized such acquisitions and disposition by the Port Authority by Resolution adopted September 24, 1998.

NOW, THEREFORE, the City and the Port Authority do hereby agree as follows:

The City does hereby remise, release and quitclaim unto the Port Authority, its successors and assigns forever, all right, title and interest of the City, if any, in and to the Property which is described as follows:

- A. Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those pieces or parcels of property in the Fourth Ward of the Borough Queens, City of New York, County of Queens, State of New York, which

are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR – 402 through CR – 415 of a series of maps entitled, "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 THROUGH 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK", prepared by Vollmer Associates LLP, dated February 28, 2002, bearing Project Number 2001-003-03 and filed contemporaneously in the Office of the Register of Deeds, Queens County on September 17, 2002 with the Grant of Permanent Easement between The People of the State of New York, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York and the Port Authority of New York and New Jersey made August 19, 2002 and recorded at Reel 6582, Page 0118 *et seq.*, City Register Serial Number 128069.

Subject, however, to the provisions of the aforesaid Grant of Permanent Easement made August 19, 2002.

- B. All that certain plot, piece or parcel of land situate, lying and being in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 94th Avenue formerly Johnson Avenue (50 feet wide) with the easterly side of Van Wyck Expressway (Service Road); said corner having a New York State Coordinate System (NAD 83-96) value of N 58916.0472 meters E 315799.1275 meters (N193293.7316 feet E1036084.3037 feet);

1. Running thence North 69 degrees 25 minutes 33.1 seconds East along the southerly side of 94th Avenue, 63.627 meters (208.75 feet) to a point on the division line between property now or formerly of David Oil Corp. and property now or formerly of Carole A. Murray and Thomas D. Murray;
2. Running thence along said division line South 20 degrees 34 minutes 26.9 seconds East, at right angles to the southerly side of 94th Avenue, 25.292 meters (82.98 feet) to a point;
3. Running thence South 66 degrees 54 minutes 37.1 seconds West along the division line between property now or formerly of David Oil Corp. and the following properties: property now or formerly of Edgardo E. Contreras; property now or formerly of David Byrd, Patricia Portis, and Gary Michael Byrd; property now or formerly of Cheryl Winter Naipaul and Gagnatti Naipaul; property now or formerly of Joseph F. Nowinski and Jennie Nowinski; property now or formerly of Stanley P. Francosky, et al; and property now or formerly of Mohamed Shafi and Ramdai Shafi, said line forming an interior angle of 92 degrees 30 minutes 56 seconds with the last mentioned course, 39.127 meters (128.37 feet) to a point in a line distant 34.013 meters (111.59 feet) northerly from the northerly side of 95th Avenue, drawn at right angles thereto, from a point thereon and distant 13.283 meters (43.58 feet) easterly from said easterly side of Van Wyck

Expressway (Service Road);

4. Running thence South 20 degrees 34 minutes 26.9 seconds East along the division line between property now or formerly of David Oil Corp. and property now or formerly of Mohamed Shafi and Ramdai Shafi, at right angles to the northerly side of 95th Avenue, formerly Chichester Avenue, 34.013 meters (111.59 feet) to the northerly side of 95th Avenue;
5. Running thence South 69 degrees 25 minutes 33.1 seconds West along the northerly side of 95th Avenue, 13.283 meters (43.58 feet) to the corner formed by the intersection of the said northerly side of 95th Avenue and the easterly side of Van Wyck Expressway (Service Road);
6. Running thence North 31 degrees 01 minutes 19.1 seconds West along the easterly side of Van Wyck Expressway (Service Road), 62.054 meters (203.59 feet) to the point and place of beginning.

Containing 2176.289 square meters (23425.28 square feet) or 0.218 Hectare (0.538 acre).

Also known as Tax Block 9990, Tax Lot 5, Borough of Queens, City of New York.

Being the premises shown on an ALTA/ACSM Land Title Surveys of Lot 5, Block 9990, Queens, New York, prepared by Vollmer Associates, dated February 15, 2000 and signed by Kenneth J. Stigner, L.S., a copy of which is attached hereto as Exhibit B.

Being the same premises conveyed to the Port Authority by David Oil Corp. by Indenture made November 3, 2000 recorded with the Office of the Register of Deeds, Queens County, November 29, 2000 at Reel 5732, Page 0424 *et seq.*, City Register Serial Number 113076

All bearings refer to The New York Coordinate System of 1983-96, Long Island Zone 3104.

Together with the appurtenances and all the estate and rights of the City in and to said premises.

To Have And To Hold the premises herein granted unto the Port Authority, the successors and assigns of the Port Authority forever.

The City, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The Port Authority hereby accepts the conveyance from the City.

No Commissioner, director, elected official, officer, agent, representative or employee of the Port Authority or the City shall be charged personally by either party hereto with any liability or held personally liable under any of the terms or provisions of this Indenture or because of its execution or because of any breach or attempted or alleged breach hereof.

This Indenture may be executed in one or more counterparts each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

IN WITNESS WHEREOF, the City has caused its corporate seal to be hereunto affixed and duly attested and this Indenture to be signed by its Deputy Mayor for Economic Development and Rebuilding and by the City Clerk of the City; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, of the day and year first written above.

[NO FURTHER TEXT ON THIS PAGE]

Attest:


Secretary

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY


Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:


Darrell Buchbinder HKB
General Counsel

THE CITY OF NEW YORK

By:

City Clerk

By:

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

Attest:

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY

Secretary

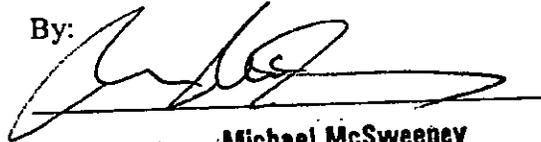
Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

Darrell Buchbinder,
General Counsel

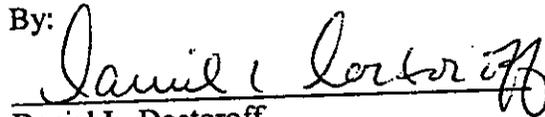
THE CITY OF NEW YORK

By:



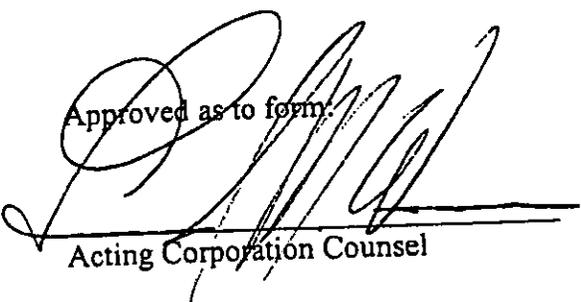
Michael McSweeney
City Clerk 1st Deputy & Acting City Clerk

By:



Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:



Acting Corporation Counsel

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

On the 24th day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared KENNETH J. RINGLER, JR., Executive Director of the PORT AUTHORITY OF NEW YORK AND NEW JERSEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

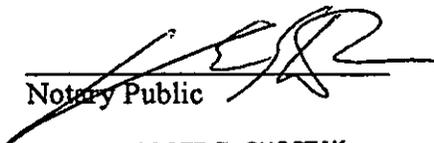


Notary Public

TIMOTHY G. STICKELMAN
Notary Public, State of New York
No. 02ST6086913
Qualified in Suffolk County
Commission Expires on February 3, 20 07

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

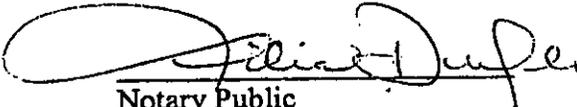
On the 23rd day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Daniel L. Doctoroff, Deputy Mayor for Economic Development and Rebuilding of THE CITY OF NEW YORK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


Notary Public

SCOTT E. SHOSTAK
Notary Public, State of New York
No. 02SH4834702
Qualified in New York County
Commission Expires 09/30/2005

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

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


Notary Public

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

**JOHN F. KENNEDY INTERNATIONAL AIRPORT - AIRPORT ACCESS PROJECT -
PROPERTY ACQUISITION**

On May 9, 1996, the Board authorized a project (the "Project") for the implementation of an automated Light Rail System ("LRS") between Jamaica and John F. Kennedy International Airport ("JFK"), a link between Howard Beach and JFK, and an LRS circulating within the Central Terminal Area at a total estimated project cost of \$1.268 billion, excluding interest on bonded debt. JFK suffers from a lack of public transportation options for access to the facility. In addition, the existing roadway system is unable to adequately address the need for on-airport circulation. The Project will provide connections to regional transportation hubs at the Long Island Railroad station in Jamaica as well as the New York City Transit station in Howard Beach. The LRS will also provide stations on-airport, at the rental car facilities at Federal Circle, the Employee Long-Term Parking Lot, and at the unit terminals for intra-airport transportation of airport customers and employees.

In requesting Project Authorization at the Board's May 9, 1996 meeting, staff noted that at the appropriate time, the Board would be asked to make the necessary findings and authorize acquisition of property interests by negotiation or condemnation. In view of the Project schedule, staff recommends authorization of property acquisition by negotiation at this time. If negotiations with private landowners do not lead to reasonable settlements, staff would conduct a public hearing as required by the New York State Eminent Domain Procedure Act before initiating eminent domain proceedings to acquire the property. Subsequent to such a hearing, the Board would be requested to make the necessary findings and determinations to enable acquisition by condemnation. The JFK LRS Right-Of-Way ("ROW") will occupy lands now owned by, among others, the City of New York, the State of New York, the Long Island Railroad, Rock-Arizona Associates (an Amoco gas station), Web Food Products, Inc. (a parking lot) and Andrew Borone, Dominick Borone and Joseph Borone (an auto service station and parking lot). Staff plans to acquire these lands, and possibly others adjacent to the ROW should the need become apparent.

The Board at its meeting on May 9, 1996 also authorized the Executive Director to apply to the Federal Aviation Administration ("FAA") for additional Passenger Facility Charge ("PFC") collection authority of \$823 million and additional PFC use authority of \$1.248 billion. An application was submitted to the FAA for the use of PFC funds on July 21, 1997. A Record of Decision for the use of these funds in the amount of \$1.148 billion was received on February 9, 1998. An application for the \$100 million in PFCs which expired on October 1, 1997, due to the FAA's failure to act by the application's expiration date, will be resubmitted to the FAA. In addition to the \$14 million previously approved by the FAA for planning costs for the JFK LRS, an amendment to recover an additional \$36 million in planning and preliminary engineering costs will be submitted at the same time. An addendum will also be submitted to the PFC application to permit the Port Authority to reallocate certain Port Authority Capital funds (up to \$300 million) to project elements the FAA deems ineligible for PFC funding and to allocate PFCs to other eligible items. The total amount of PFC funds expected to be approved for the project is \$1.298 billion. Together with \$300 million in Port Authority Capital funds, the total available funds for this project is \$1.598 billion, including interest on bonded debt.

Environmental impacts have been and will be assessed and will be taken into consideration in the implementation of the Project and mitigation measures incorporated in the

Project. A Draft Environmental Impact Statement ("EIS"), Written Reevaluation/Technical Report and Final EIS ("FEIS"), were prepared by the FAA along with the New York State Department of Transportation ("NYSDOT") acting as Joint Lead Agency. The FAA prepared Records of Decision approving an amended Airport Layout Plan including the ROW for the LRS and use of PFCs for the Project in compliance with the National Environmental Policy Act. NYSDOT issued a Record of Decision containing Findings in connection with its authorization of property conveyances for the Project in compliance with the New York State Environmental Quality Review Act ("SEQRA"). It is anticipated that the City of New York will also issue Findings in connection with its authorization of City actions in support of the Project which will comply with the City's Environmental Quality Review Regulations which implement SEQRA. Also, it is a condition of FAA Project approval, as noted in NYSDOT's Record of Decision, that the mitigation measures presented in Section 7.0 of the FEIS are the responsibility of the Port Authority. The Port Authority will incorporate the mitigation measures as requirements of the design, construction, and operation contracts or other contracts issued for the Project.

The City of New York (the "City") has advised that it must comply with the provisions of Section 197(c) of the City Charter involving the Uniform Land Use Review Procedure ("ULURP") before it can execute conveyances needed for the Project. The ULURP, entailing Hearings before Community Boards, the Borough Board, the City Planning Commission and possibly the City Council, is expected to take six to nine months to complete. While the Port Authority's ULURP Application is deemed technically complete, pending direction from the City, the Application has not yet been certified as complete so that the ULURP process may begin.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Haley, Kalikow, Lewis, O'Neill, Philibosian, Schweitzer and Song voting in favor; Commissioner Mack abstaining; none against:

RESOLVED, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to acquire on behalf of the Port Authority property interests by negotiation for and in connection with the Air Terminal Access Facilities known as the John F. Kennedy International Airport ("JFK") Airport Access Light Rail System ("LRS") Project including a link between Jamaica and JFK, a link between Howard Beach and JFK and an LRS circulating the Central Terminal Area (the "Project"), such property interests being generally located along and adjacent to the alignment shown on the amended JFK Airport Layout Plan approved, or to be approved, by the Federal Aviation Administration ("FAA") including but not limited to fee title to three privately owned parcels of land known as Block 9990, Lot 5, Block 9989, Lot 11, and Block 9989, Lot 17, on the Tax Map of the City of New York, Borough of Queens, and to incur all related costs and expenses, and execute all documents and agreements, including without limitation, agreements and conveyances, involving transfers of property interests to or from the Port Authority, necessary or incidental to such acquisition or the Project; and to conduct a public hearing under New York State's Eminent Domain Procedure Act, at their discretion; and it is further

(Board - 9/24/98)

RESOLVED, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to execute an agreement or agreements supplemental to the Agreement with respect to the Municipal Air Terminals between the City of New York (the "City") and the Port Authority and associated instruments whereby, among other matters, the City would: (a) transfer and release to the Port Authority the City's right, title and interest in the property interests the Port Authority requires for the Project; (b) accept a conveyance of the permanent property interests acquired for the Project; and (c) simultaneously lease such property interests to the Port Authority as part of the Airport Demised Premises; and it is further

RESOLVED, that the form of all documents necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

EXHIBIT B

**COPY OF SURVEY OF LOT 5, BLOCK 9990,
BOROUGH OF QUEENS, NEW YORK
PREPARED BY VOLLMER ASSOCIATES**

QUITCLAIM DEED FROM PORT AUTHORITY TO CITY

THIS INDENTURE made as of November 24, 2004 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 Congress with its office at 225 Park Avenue South, Borough of Manhattan, City, County and State of New York (the "Port Authority") and the CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (the "City").

WITNESSETH THAT:

WHEREAS, the City and Port Authority intend to enter into an Amended and Restated Agreement of Lease of the Municipal Air Terminals dated as of November 24, 2004 (the "Agreement"); and

WHEREAS, the City has disposed to the Port Authority any property interests it owns within (i) that portion of the Light Rail System that the Port Authority has acquired from the People of the State of New York acting by and through the Commissioner of Transportation ("State") by Grant of Permanent Easement made August 19, 2002, a copy of which is attached hereto and made a part hereof as Exhibit A, and (ii) the property identified on the Tax Map of the City of New York as Lot 5, Block 9990, Borough of Queens by Indenture of even date herewith;

WHEREAS, the Port Authority now desires to convey to the City all property interests it owns within such portion of the Light Rail System ("LRS") and in Lot 5, Block 9990, Borough of Queens, and the City desires to accept such property interests and incorporate such property interests conveyed by the Port Authority to the City into the Demised Premises, as such term is defined in the Agreement, by leasing such property interests to the Port Authority under the Agreement; and

WHEREAS, City Planning Commission Resolution # C990117 PQQ/C 990118 PPQ adopted May 3, 1999 and City Council Resolution # 864 adopted June 7, 1999 have authorized such dispositions and acquisitions by the City and the Port Authority's Board of Commissioners has authorized such acquisitions and disposition by the Port Authority by Resolution adopted September 24, 1998.

NOW, THEREFORE, the Port Authority and the City do hereby agree as follows:

The Port Authority does hereby remise, release and quitclaim unto the City, its successors and assigns forever, all right, title and interest of the Port Authority in and to the Property which is described as follows:

A. Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those pieces or parcels of property in the Fourth Ward of the Borough Queens, City of New York, County of Queens, State of New York, which are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR – 402 through CR – 415 of a series of maps entitled, "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 THROUGH 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK", prepared by Vollmer Associates LLP, dated February 28, 2002, bearing Project Number 2001-003-03 and filed contemporaneously in the Office of the Register of Deeds, Queens County on September 17, 2002 with the Grant of Permanent Easement between The People of the State of New York, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York and the Port Authority of New York and New Jersey made August 19, 2002 and recorded at Reel 6582, Page 0118 *et seq.*, City Register Serial Number 128069.

Subject, however, to the provisions of the aforesaid Grant of Permanent Easement made August 19, 2002.

B. All that certain plot, piece or parcel of land situate, lying and being in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 94th Avenue formerly Johnson Avenue (50 feet wide) with the easterly side of Van Wyck Expressway (Service Road); said corner having a New York State Coordinate System (NAD 83-96) value of N 58916.0472 meters E 315799.1275 meters (N193293.7316 feet E1036084.3037 feet);

1. Running thence North 69 degrees 25 minutes 33.1 seconds East along the southerly side of 94th Avenue, 63.627 meters (208.75 feet) to a point on the division line between property now or formerly of David Oil Corp. and property now or formerly of Carole A. Murray and Thomas D. Murray;
2. Running thence along said division line South 20 degrees 34 minutes 26.9 seconds East, at right angles to the southerly side of 94th Avenue, 25.292 meters (82.98 feet) to a point;
3. Running thence South 66 degrees 54 minutes 37.1 seconds West along the division line between property now or formerly of David Oil Corp. and the following properties: property now or formerly of Edgardo E. Contreras; property now or formerly of David Byrd, Patricia Portis, and Gary Michael Byrd; property now or formerly of Cheryl Winter Naipaul and Gagnatti Naipaul; property now or formerly of Joseph F. Nowinski and Jennie Nowinski; property now or formerly of Stanley P. Francosky, et al; and property

now or formerly of Mohamed Shafi and Ramdai Shafi, said line forming an interior angle of 92 degrees 30 minutes 56 seconds with the last mentioned course, 39.127 meters (128.37 feet) to a point in a line distant 34.013 meters (111.59 feet) northerly from the northerly side of 95th Avenue, drawn at right angles thereto, from a point thereon and distant 13.283 meters (43.58 feet) easterly from said easterly side of Van Wyck Expressway (Service Road);

4. Running thence South 20 degrees 34 minutes 26.9 seconds East along the division line between property now or formerly of David Oil Corp. and property now or formerly of Mohamed Shafi and Ramdai Shafi, at right angles to the northerly side of 95th Avenue, formerly Chichester Avenue, 34.013 meters (111.59 feet) to the northerly side of 95th Avenue;
5. Running thence South 69 degrees 25 minutes 33.1 seconds West along the northerly side of 95th Avenue, 13.283 meters (43.58 feet) to the corner formed by the intersection of the said northerly side of 95th Avenue and the easterly side of Van Wyck Expressway (Service Road);
6. Running thence North 31 degrees 01 minutes 19.1 seconds West along the easterly side of Van Wyck Expressway (Service Road), 62.054 meters (203.59 feet) to the point and place of beginning.

Containing 2176.289 square meters (23425.28 square feet) or 0.218 Hectare (0.538 acre).

Also known as **Tax Block 9990, Tax Lot 5**, Borough of Queens, City of New York.

Being the premises shown on an ALTA/ACSM Land Title Surveys of Lot 5, Block 9990, Queens, New York, prepared by Vollmer Associates, dated February 15, 2000 and signed by Kenneth J. Stigner, L.S., a copy of which is attached hereto as Exhibit B.

Being the same premises conveyed to the Port Authority by David Oil Corp. by Indenture made November 3, 2000 recorded with the Office of the Register of Deeds, Queens County, November 29, 2000 at Reel 5732, Page 0424 *et seq.*, City Register Serial Number 113076

All bearings refer to The New York Coordinate System of 1983-96, Long Island Zone 3104.

Together with the appurtenances and all the estate and rights of the Port Authority in and to said premises.

Together with all right, title and interest, if any, of the Port Authority in and to any streets and roads abutting the above described premises to the center line thereof.

To Have And To Hold the premises herein granted unto the City, the successors and assigns of the City forever.

The Port Authority, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The City hereby accepts the conveyance from the Port Authority.

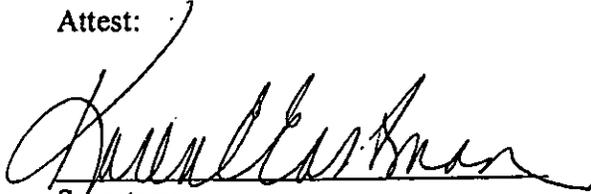
No Commissioner, director, elected official, officer, agent, representative or employee of the Port Authority or the City shall be charged personally by either party hereto with any liability or held personally liable under any of the terms or provisions of this Indenture or because of its execution or because of any breach or attempted or alleged breach hereof.

This Indenture may be executed in one or more counterparts each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

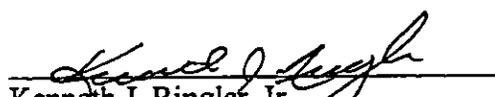
IN WITNESS WHEREOF, the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, of the day and year first written above and the City has caused its corporate seal to be hereunto affixed and duly attested and this Indenture to be signed by its Deputy Mayor for Economic Development and Rebuilding and by the City Clerk of the City.

[NO FURTHER TEXT ON THIS PAGE]

Attest:


Secretary

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY


Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:


Darrell Buchbinder
General Counsel HKB

THE CITY OF NEW YORK

By:

City Clerk

By:

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

Attest:

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY

Secretary

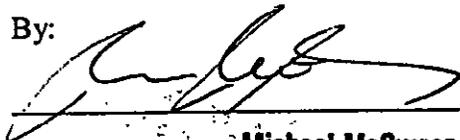
Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

Darrell Buchbinder,
General Counsel

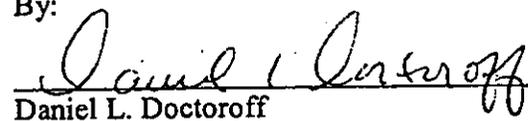
THE CITY OF NEW YORK

By:



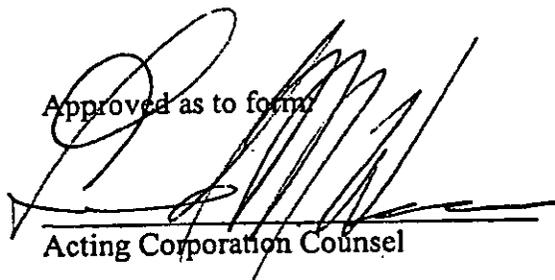
City Clerk Michael McSweeney
1st Deputy & Acting City Clerk

By:



Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

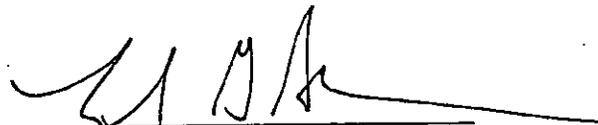
Approved as to form:



Acting Corporation Counsel

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

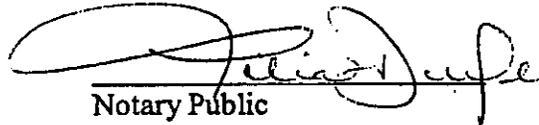
On the 24th day of November 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared KENNETH J. RINGLER, JR., Executive Director of the PORT AUTHORITY OF NEW YORK AND NEW JERSEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



Notary Public

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

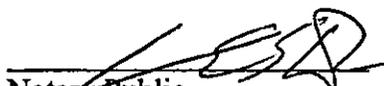
On the 24 day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael McSweeney, City Clerk of THE CITY OF NEW YORK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed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


Notary Public

LILIA DWYER
Commissioner of Deeds
City of New York No. 3-7093
Certificate Filed in New York County
Commission Expires Feb. 01, 2005

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

On the 23rd day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Daniel L. Doctoroff, Deputy Mayor for Economic Development and Rebuilding of THE CITY OF NEW YORK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


Notary Public

SCOTT E. SHOSTAK
Notary Public, State of New York
No. 02SH4834702
Qualified in New York County
Commission Expires 09/30/2008

EXHIBIT A

**COPY OF GRANT OF PERMANENT EASEMENT
DATED AS OF AUGUST 19, 2002
FROM THE PEOPLE OF THE STATE OF NEW YORK**