MEMORANDUM OF UNDERSTANDING BETWEEN THE NEW YORK CITY DEPARTMENT OF BUILDINGS AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

This Memorandum shall govern the relationship between the New York City Department of Buildings (the "Department") and the Port Authority of New York and New Jersey (the "Port Authority"), both parties entering into this agreement with the intention to establish procedures to be followed by the Port Authority for any building construction project ("Project"), to be undertaken by the Port Authority or any of its tenants at buildings owned or operated by the Port Authority and located in the City of New York (the "City), to assure conformance of Projects at such buildings with the standards set forth in the New York City Building Code (the "Code").

While the facilities of the Port Authority, an agency of the States of New York and New Jersey, are not technically subject to the requirements of local building codes, the long-standing policy of the Port Authority has been to assure that its facilities meet and, where appropriate, exceed Code requirements.

The purpose of this Memorandum is not only to restate that long-standing policy as part of an understanding with the City but to provide specific commitments to the Department, as the agency of the City responsible for assuring compliance with the Code, regarding procedures to be undertaken by the Port Authority for any Project at its facilities in the City to assure that the buildings owned or operated by the Port Authority within the City are in conformance with the Building Standards contained in the Code.

Accordingly, the Department and the Port Authority hereby agree as follows:

1. Port Authority Review. To assure conformance with the building standards set forth in the Code at the time of the design and construction of any Project, the Port Authority shall, in the case of each Project, thoroughly review and examine all plans in connection with such Project for conformance with the building standards set forth in the Code. Plans prepared for Projects to be undertaken by Port Authority tenants shall be prepared and sealed by a New York State licensed professional engineer or architect retained or employed by tenant; plans prepared for Projects to be undertaken by the Port Authority shall be prepared by a New York State licensed professional engineer or architect employed or retained by the Port Authority. The Port Authority's examination of plans shall be conducted by New York State licensed architects and engineers retained or employed by the Port Authority. The Port Authority engineer or architect approving the plans for any Project from the standpoint of Code conformance shall be a New York State licensed architect or engineer who shall not have assisted in the actual preparation of such plans.

2. Project File. The Port Authority shall maintain a file (the "Project File") for each Project which file shall at all times contain the most recently

prepared drawings, plans and any other documents required in connection with the review of the Project from the standpoint of Code conformance. In the case of any Project being effectuated by a tenant of the Port Authority (a "Tenant Project") such file shall also include the Tenant Alteration Application prepared by the Tenant. In the case of any project administered by a line department of the Port Authority, such file shall include any construction application prepared in connection with such Project. The Line Departments of the Port Authority are currently its World Trade, Aviation, Interstate Transportation, Port, and Regional Development Departments.

3. Project Certification. For each Tenant Project, the Port Authority shall require the Tenant to obtain the certification of a New York State licensed architect or engineer that such Project was constructed in accordance with the approved plans and specifications for such Project. For any Project effectuated by the Port Authority, the Chief Engineer or his successor in duties shall certify that the Project was constructed in accordance with the approved plans and specifications for the Project. Certifications for each Project shall be maintained in the Project File.

4. Copies of Project File. The Department may at any time request the Port Authority to provide it with a copy of any Project File and the Port Authority shall promptly provide a copy of the Project File to it.

5. Variances. The Port Authority shall promptly advise the Department of any Project approved by the Chief Engineer of the Port Authority which involves, in the judgment of the Chief Engineer of the Port Authority or his successor in duties, a variance from the clear requirements of the Code. In the event that the Department disagrees with the manner in which questions of Code conformance have been or are proposed to be dealt with in connection with such Project, it may so advise the Authority. The Port Authority shall seek expeditiously to resolve the matter. Any matter of Code conformance in connection with such Project which the Department believes involves an unacceptable variance from the requirements of the Code shall be subject to the further review of the Port Authority Board of Commissioners. The Commissioners shall be advised of the Department's views on the matter.

6. Inspections and Surveys. The Port Authority shall continue to conduct or cause to be conducted all building inspections, during both construction and post-construction periods, required under the Code. In addition, the Port Authority will continue to perform structural integrity inspections on a cyclical basis for all of its structures located in the City.

7. Port Authority Responsibility. As indicated above, the purpose of this Agreement is to set forth certain basic understandings between the Department and the Port Authority. It is understood, however, that the Port Authority with its tenants shall continue to bear the responsibility for life safety in buildings at its facilities and nothing in this Agreement is intended to impose any obligations of inspection or review on the Department. The Department shall refer back to the Chief Engineer of the Port Authority any requests for

information or interpretation which it may receive from tenants of the Port Authority with respect to any Project.

8. No Personal Liability. No Commissioner, officer, agent or employee of the Port Authority or the Department 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 thereof.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed, sealed and attested.

ATTEST:

Secretary

DATE: 11/3/93

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: Stanley Brezenoff
Executive Director

ATTEST:

FRANK M. SCHWARTZ
Notary Public, State of New York
No. 41-4632586
Qualified in Queens County
Commission Expires January 31, 19 95

DATE: 10/28/93

THE NEW YORK CITY DEPARTMENT BUILDINGS

By: Stewart D. O'Brien
Acting Commissioner